

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

**January 29, 2015**



*Serving individuals with mental illness  
and developmental disabilities*

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, January 29, 2015. The Business Committee will convene at 8:30 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:15 a.m.

## AGENDA

### I. Organizational Items

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

### II. Program Presentation - From The Heart Campaign

### III. Approve Minutes - December 11, 2014

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

- A. DSHS
  - 1. PETC Complaint
- B. DADS
  - 1. Local Authority Audit
- C. Local Authority Workgroup
- D. HR Consortia
- E. 1115 Intensive Evaluation & Diversion
- F. Tenant Based Rental Assistance
- G. Legislative Visit Updates

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

- A. DSHS On-Site Review
- B. Cost Accounting Methodology (CAM)
- C. FY 2014 HCS, ICF & Texas Home Living Cost Reports
- D. CFO Consortium

### VI. Program Committee

#### Action Items

- A. Approve New Regional Planning & Network Advisory Committee Member.....Page 9
- B. Approve Adult Substance Abuse Treatment, Youth Substance Abuse Treatment & Co-occurring Psychiatric & Substance Use Disorder Grant Submission for FY 2016.....Page 10

#### Information Items

- C. Community Resources Report.....Pages 11-13
- D. Consumer Services Reports for November & December 2014.....Pages 14-16
- E. Program Updates.....Pages 17-19
- F. Year-to-Date FY 2015 Goals & Objectives Progress Report.....Pages 20-23
- G. 1<sup>st</sup> Quarter FY 2015 Corporate Compliance & Quality Management Report.....Pages 24-26
- H. 2<sup>nd</sup> Quarter FY 2015 Corporate Compliance Training.....Pages 27-28
- I. Medicaid 1115 Transformation Waiver Project Status Report.....Pages 29-35

**VII. Executive Committee**

Information Items

- A. Personnel Reports for November & December 2014 ..... *Pages 36-40*
- B. Texas Council Risk Management Fund Claim Summaries for November & December 2014 ..... *Pages 41-43*
- C. Texas Council Quarterly Board Meeting Update ..... *Pages 44-93*

**VIII. Business Committee**

Action Items

- A. Approve November 2014 Financial Statements ..... *Pages 94-106*
- B. Approve December 2014 Financial Statements ..... *Pages 107-119*
- C. Approve FY 2014 Independent Financial Audit ..... *Page 120*
- D. Approve Revision to Board Policy E.3 - Handling of Tri-County Mail & Receipt of Checks through the Mail ..... *Pages 121-122*
- E. Approve Revision to Board Policy E.4 - Allowable Expenditures ..... *Pages 123-124*
- F. Approve Creation of a Tri-County Foundation ..... *Page 125*
- G. Approve Conditional Offer for 2000 Panther Lane, Liberty, Texas ..... *Pages 126-128*

Information Items

- H. Montgomery Building Update ..... *Page 129*
- I. 1<sup>st</sup> Quarter FY 2015 Investment Report ..... *Pages 130-134*
- J. Board of Trustees Unit Financial Statements for November & December 2014 ..... *Pages 135-137*
- K. Cleveland Supported Housing, Inc. Monthly Update ..... *Pages 138-143*

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

Posted By:

Stephanie Eveland  
Executive Assistant

# Tri-County Services

P.O. Box 3067  
Conroe, TX 77305

## BOARD OF TRUSTEES MEETING

December 11, 2014

### Board Members Present:

Brad Browder  
Sharon Walker  
Cecil McKnight  
Jacob Paschal  
Janet Qureshi

### Board Members Absent:

Tracy Sorensen  
Patti Atkins  
Morris Johnson

### Tri-County Staff Present:

Evan Roberson, Executive Director  
Millie McDuffey, Chief Financial Officer  
Kenneth Barfield, Director of Management Information Services  
Tanya Bryant, Director of Quality Management and Support  
Kathy Foster, Director of IDD Provider Services  
Catherine Prestigiovanni, Behavioral Health Director  
Breanna Robertson, Director of Crisis Services  
Kelly Shropshire, Director of IDD Authority Services  
Stephanie Eveland, Executive Assistant  
Tabatha Abbott, Cost Accountant  
Melis Papila, Public Information Coordinator  
Mary Lou Flynn-DuPart, Legal Counsel  
Danielle Newlon, Team Lead

### Guests:

Christmas Card Award Recipients and Family Members

**Call to Order:** Chairman, Brad Browder, called the meeting to order at 10:02 a.m. at 1506 FM 2854, Conroe, Texas.

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

**Quorum:** There being five (5) members present, a quorum was established.



**Resolution #12-14-01**

**Motion Made By:** Cecil McKnight

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

**Resolved:**

That the Board excuse the absences of Tracy Sorensen, Patti Atkins and Morris Johnson.

Program Presentation – Huntsville Life Skills Christmas Carolers

Awards were presented to the Consumer Christmas Card Contest winners.

**Resolution #12-14-02**

**Motion Made By:** Cecil McKnight

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

**Resolved:**

That the Board approve the minutes of the October 23, 2014 meeting of the Board of Trustees.

**Executive Director's Report:**

The Executive Director's report is on file.

**Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

**PROGRAM COMMITTEE:**

**Resolution #12-14-03**

**Motion Made By:** Sharon Walker

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

**Resolved:**

That the Board accept the United Way of Piney Woods award and approve the funding agreement.

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Report for October 2014 was reviewed for information purposes only.

The Program Updates were reviewed for information purposes only.

**EXECUTIVE COMMITTEE:**

The Personnel Report for October 2014 was reviewed for information purposes only.

The Texas Council Risk Management Fund Claim Summary for October 2014 was reviewed for information purposes only.

The Texas Council quarterly meeting verbal update was presented by Sharon Walker.

**BUSINESS COMMITTEE:**

**Resolution #12-14-04**

**Motion Made By:** Cecil McKnight

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

**Resolved:**

That the Board approve the October 2014 Financial Statements.

**Resolution #12-14-05**

**Motion Made By:** Cecil McKnight

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

**Resolved:**

That the Board approve the purchase of Cisco Nexus Solution and upgraded system call managers from DataVox at a price of \$247,875 with \$127,875 of the cost funded with cash reserves transferred from the Vehicle and Equipment Replacement account.

**Resolution #12-14-06**

**Motion Made By:** Cecil McKnight

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

**Resolved:**

That the Board reappoint Barbara Duren, Len George and Leonard Peck to serve on the Independence Communities, Inc. Board of Directors for an additional two year term expiring in January 2017.

**Resolution #12-14-07**

**Motion Made By:** Cecil McKnight

**Seconded By:** Janet Qureshi, with affirmative votes by Brad Browder and Jacob Paschal with one abstention by Sharon Walker that it be...

**Resolved:**

That the Board reappoint William Bonito and Sharon Walker to serve on the Montgomery Supported Housing, Inc. of Directors for an additional two year term expiring in January 2017.

**Resolution #12-14-08**

**Motion Made By:** Cecil McKnight

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

**Resolved:**

That the Board reappoint Barbara Duren, Margie Powell and David Walker to serve on the Cleveland Supported Housing, Inc. Board of Directors for an additional two year term expiring in January 2017.

No action was taken on Business Committee Agenda Item VIII-F, Discuss and Consider the Creation of a Tri-County Foundation. This item will go to the Board for discussion and approval at the Board meeting on January, 29<sup>th</sup>, 2015.

The Board of Trustees' Unit Financial Statement for October 2014 was reviewed for information purposes only.

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

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

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

**The regular meeting of the Board of Trustees adjourned at 11:33 a.m.**

**Adjournment:**

[Redacted Signature]

Brad Browder  
Chairman

Date

**Attest:**

[Redacted Signature]

Tracy Sorensen  
Secretary

Date



# Executive Director's Report

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*January 29, 2015*

## **Announcements**

- The next regularly scheduled Board meeting is Thursday, February 26, 2015.
- We have now filed our documents with all three (3) County Clerks to officially change our name from Tri-County Mental Health Mental Retardation Services doing business as Tri-County Services to Tri-County Behavioral Healthcare. We have renewed activities on redoing the Center logo and we will begin using the new name publicly between now and the next meeting. The next steps include notifying DSHS, DADS, CMS, the IRS and all of our contractors of this change.
- The cake today is in honor of Mr. Brad Browder who celebrated a birthday on Wednesday, January 7<sup>th</sup>.

## **Department of State Health Services (DSHS)**

- On Tuesday, January 20<sup>th</sup>, we received a surprise visit at the Psychiatric Emergency Treatment Center (PETC) from a DSHS survey team. The team arrived to investigate a **Formal Grievance related to care at the PETC.** The client in question felt that he had been discriminated against, was unhappy with his discharge plan and was unhappy about the medications he was prescribed. Breanna Robertson had spoken with him in response to his complaint and after doing so, we understood that he would not file a formal grievance. After staying most of the day on Tuesday and looking at a series of charts and other documents, the DSHS survey team acknowledged that we handled the complaint appropriately and even complimented us on our documentation and clinical processes. All complaints were unsubstantiated. As is common when DSHS makes a site visit, we expect some form of recommendations to improve our processes when the final paperwork on the investigation is received.

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

- This week, DADS has been on site for our annual **Local Authority Audit.** The audit exit will be sometime this morning. As I mentioned last month, DADS, perhaps as a response



to some unflattering Sunset comments, has raised the standards for these audits and there have been a lot more findings across the state. Because of the new standards, DADS has indicated that this year's audit will be 'hold harmless' and for technical assistance only. However, it should be noted that there will be sanctions if the same findings occur next year. In addition, included in this year's audit for the first time is the Pre-Admission Screening and Resident Review (PASRR) process.

Kelly Shropshire reports that so far the audit team has indicated that our PASRR process was the best they have seen, but did have two small items they want to correct. For waiver Service Coordination, it appears that there will be a few small findings related to monitoring of treatment, outcomes which are not specific enough and other small technical errors. However, unlike previous years, findings have not been shared at the end of each day and we won't know if there will be additional items until today's audit exit. I will provide a more complete update to the Board at the February Board meeting.

### **Texas Council Local Authority Workgroup**

- I am very pleased to announce that Kelly Shropshire has been selected to join the Texas Council Local Authority Workgroup (LAW) which is led by the Associate Director of Intellectual and Developmental Disabilities of the Texas Council, Erin Lawler, and includes a small group of Texas Community Center IDD Directors. The LAW will help shape IDD policy stances by the Council much like the Healthcare Opportunities Workgroup (HOW) has been doing for mental health over the last several years. I'm very excited that Kelly was selected to join this important workgroup.

### **Human Resource Consortia**

- I am also very pleased to announce that Amy Foerster has been selected to serve as President of the Texas Council's Human Resources Consortia. In this role, Amy will help coordinate and set Human Resources Consortia agendas and will serve on Texas Council workgroups when Human Resource expertise is needed. Congratulations Amy.

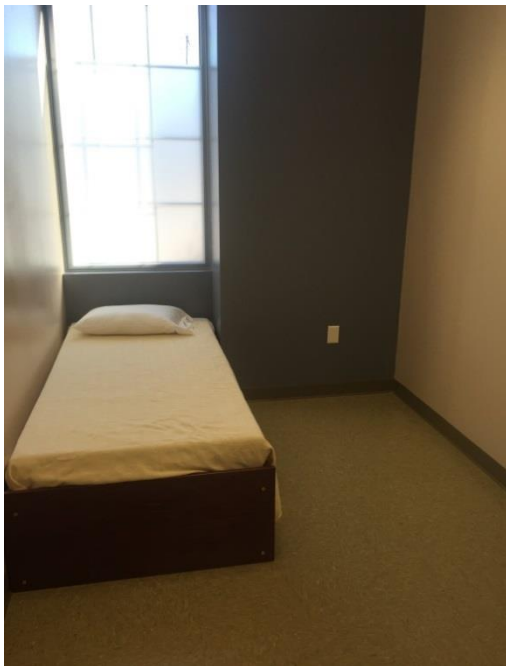
### **Medicaid 1115 Transformation Waiver**

- I am pleased to announce that the 1115 Transformation Waiver Intensive Evaluation and Diversion Program admitted their first client on Tuesday, January 20<sup>th</sup> after construction was completed at the PETC. The main component of this program is what DSHS calls an Extended Observation Unit (EOU). The EOU is intended to "provide emergency stabilization to individuals in behavioral health crisis in a secure and protected, clinically staffed and psychiatrically supervised environment with immediate access to urgent or emergent medical evaluation and treatment."

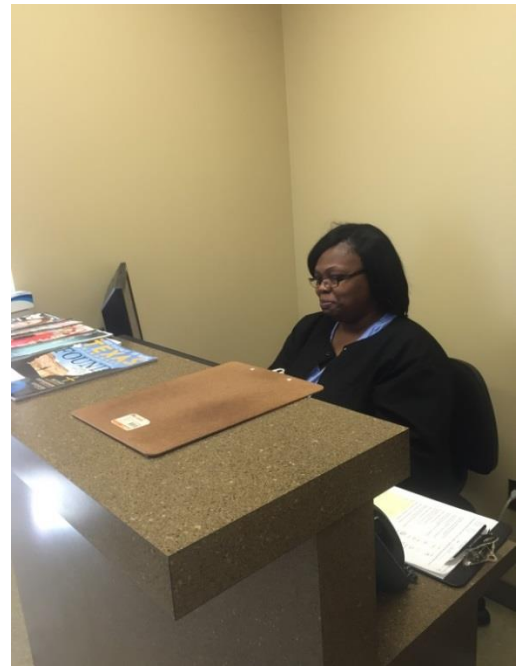
## PETC Remodel Pictures



**Shower and Sink Required by Texas Administrative Code**



**Treatment Room With Non Breakable Windows**



**QMHP Work Station**

I sincerely appreciate the work of Breanna Robertson, Kenneth Barfield and their staff for their efforts to get this program up and running. It has been an interesting process and we are all excited to be diverting clients from emergency rooms and jails to an environment where appropriate treatment can be provided at a much lower cost.

### **Tenant Based Rental Assistance**

- As the Board is aware, Tri-County has been a provider of Texas Department of Housing and Community Affairs (TDHCA) HOME Tenant Based Rental Assistance (TBRA) vouchers for our clients with mental illness since 2000.

Last year, TDHCA, after receiving cuts from the Department of Housing and Urban Development, was forced to change the methodology for TBRA awards to a first-come, first-serve system called the Reservation System. As the Board will remember, staff completed the application to use these funds and anticipated that we would be able to continue serving our clients using the new system. However, because of Federal funding cuts, less money has been available through the Reservation System and we have been unable to secure any voucher money using the new system. Our last TBRA rental assistance was received in June of 2014.

I spoke with TDHCA staff last week and found out that there would not be significant new funds in the Reservation System until at least June 2015 and maybe as late as September 2015. In addition, I was told that even these funds would only last a short period of time because the program is so underfunded.

Without the prospect of new funding for the program, I made the decision to shut down the program effective February 28<sup>th</sup>. Although many clients are on the waiting list, no client is currently receiving a housing voucher. One staff person, who was partially funded by program administrative dollars, has been notified that her position will be deleted. She will be eligible for other positions at the agency if she chooses.

### **Legislative Visits**

- On Friday, January 23<sup>rd</sup>, Mrs. Walker and I visited the Capitol and visited with the Chiefs of Staff for Representative Bell and Representative Metcalf. Our visit fell on one of the last Fridays before the session gets going in earnest and many of our representatives and all three (3) of our senators were back in the district. However, we did visit all the other legislative offices and left information about the Center along with my contact information.

Senate Committees were named and Senator Charles Schwertner (Walker County) was placed on Health and Human Services again this year. Of course, Senator Schwertner has also served as a part of the Sunset Committee and, as such, will play a pivotal role in

the process to redesign the Health and Human Services Commission. House Committee assignments have not yet been made, but Representative John Otto (Liberty and Walker Counties) is expected by most to be named as the Chair of the House Appropriations Committee which will generate the next biennial budget.

In addition to monitoring Sunset, which has the potential to change everything about the function of Centers in the state, the Texas Council will also be discussing 'equitable access to essential mental health treatment', better known as equity funding by Community Centers. As you are aware, Tri-County, due largely to the formula for allocating General Revenue when the Center was formed and rapid population growth, has remained near the bottom (37<sup>th</sup> on the last list I saw) in per capita funding. In short, we are a resource poor Center when it comes to providing services to our clients. It should be noted that the Texas Council formula intends to weigh both population growth (per capita) and poverty in their ranking of Centers. Tri-County is so low on the list, that we are sure to benefit regardless of the formula. I have attached a draft Issue Brief regarding equity from the Council.

Please be aware that I will likely be calling on you this legislative session to help me visit with our senators and representatives about issues facing the Center.



## **Issue Brief: Equitable Access to Essential Mental Health Treatment**

The Texas Council of Community Centers promotes achieving equitable access to state funded mental health treatment in communities across Texas with new funds allocated to Local Mental Health Authorities (LMHAs). This document describes factors that have substantially limited progress toward this goal, even with the significant investment in mental health made by the 83<sup>rd</sup> Legislature, and provides recommendations to address disparities in access to essential mental health treatment.

### **1. Why is there such a wide disparity in state funding for access to essential mental health treatment for people with serious and persistent mental illness?**

In FY2015, state funding to local service areas for essential mental health treatment for people with serious and persistent mental illness ranges from a per capita low of \$11.69 to a high of \$29.16. The disparity in access to treatment is a result of several factors, including:

1. Funding decisions made by the state as the community-based system developed over many years and state operated mental health services were transitioned to locally controlled Community Centers;
2. Fiscal impact of incentive programs that provided funds to local service areas based on the number of people moving out of state hospitals to community and the subsequent state decision to move the incentive funds into base allocations; and
3. Significant population growth in certain geographic areas without commensurate funding to address increased demand on the public mental health system.

Despite the fact that Texas remains the second fastest growing state in the nation, new funds for essential mental health treatment have never been indexed to geographic population growth.

### **2. Why is the allocation formula for distributing new funds for purpose of achieving equitable access to mental health treatment based solely on population distribution (per capita)?**

Initially, the funding formula for achieving equitable access to state funded mental health treatment included poverty and population density factors. Additional factors, such as uninsured rates, concentration of homeless populations, acuity levels of people accessing care, needs of Veterans, availability of other resources, and geographic proximity to state hospitals are all factors that impact demand on the public mental health system and impact communities across Texas in different ways.

The current formula for distributing new funds for purpose of achieving equitable access to state funded mental health treatment, based solely on geographic population distribution (per capita), was adopted in early 2000 as a measure of access to essential mental health treatment for people, on the premise that it's not feasible to isolate common statewide factors and control for their unique interactions at the local level.



In contrast to use of per capita funding allocations for achieving equitable access to essential mental health treatment across Texas, targeted funding strategies are useful for addressing specific needs in a community, such as providing services for homeless populations with high prevalence of serious mental illness and co-occurring substance use disorders, establishing programs for Veterans with mental health needs or facilitating access to stable, affordable housing.

### **3. Why has there been so little success in reducing disparities in access to state funded mental health treatment?**

Released May 2014, the Sunset Advisory Commission Staff Report on Department of State Health Services (DSHS) is critical of the continued lack of success in achieving equitable funding across the state as measured by available per capita general revenue funding for mental health treatment.

In substantiating its criticism of DSHS, the Staff Report notes only slight improvement to the longstanding equity problem despite significant new funding provided by the 83<sup>rd</sup> Legislature and highlights riders to the state budget bill in 2003 and 2005 directing DSHS to implement six-year plans to reduce per capita inequity in mental health funding through targeted reductions to certain Local Mental Health Authorities.

Although not detailed in the Sunset Advisory Commission Staff Report, addressing funding disparities by redistributing funding from one under-funded service area to another under-funded service area has never been broadly embraced [by state legislators, county judges, county commissioners, or other locally elected officials] as a viable strategy to address unmet mental health needs that exist throughout Texas.

The investment in mental health by the 83<sup>rd</sup> Legislature was welcomed as a major accomplishment to continue moving the public mental health system forward. However, the focus on waiting lists as the primary measure of unmet mental health needs left many local service areas without commensurate new state funds to increase capacity and decrease disparities in access to essential mental health treatment, including local service areas funded below the statewide average in per capita funding.

### **4. Why would a Local Mental Health Authority not have a waiting list, yet still experience significant unmet need?**

Every day Local Mental Health Authorities across Texas strive to work in partnership with the state to ensure the availability of essential mental health treatment for people with serious and persistent mental illness. The LMHAs rely heavily on local resources to address unmet needs, far exceeding state expectations for local match. This reliance can create undue pressure on local systems—pressure that is difficult to sustain over time.

Decisions about whether or not to institute a waiting list when state funded capacity is reached are not easy decisions to make at the local level, leaving communities to debate an issue for which there is no ideal outcome – either more people are served with less than adequate resources or fewer people are served with more comprehensive services (thereby necessitating a waiting list).

Communities that substantially avoided waiting lists by local decision prior to the 83<sup>rd</sup> Legislature did not receive new waitlist funding and, as a result, did not experience commensurate relief on local systems that are pressured by unmet mental health needs (i.e., jails, prisons, hospitals and other local health care systems). In some local service areas, avoiding or minimizing a waiting list requires authorizing a person into mental health services but increasing the time between intake and appointment with a treating practitioner. If disparities in access to treatment are addressed and adequate funds are available, a person seeking services will be able to access essential mental health treatment at the time a need emerges. Additionally, many Local Mental Health Authorities with waiting lists were providing access to essential mental health treatment well above state funded capacity and experiencing pressures on local systems.

### **Recommendations for the 84<sup>th</sup> Legislature**

The final Sunset Advisory Commission recommendation directs DSHS to review current methods for allocating regional mental health funding, including all related costs and other factors associated with providing mental health services in a given region, and determine whether allocations match prevalence of mental illness in associated regional populations. The outcome of this review may inform the 84<sup>th</sup> Legislature as they are called on to make decisions regarding appropriations for the next biennium.

As DSHS completes this review, we urge budget writers to address disparities in funding and improve access to mental health treatment for persons with serious and persistent mental illness by investing [DOLLAR\_INSERT] to bring all local service areas to the current statewide average in per capita funding (\$14.10) and to ensure each local service area receives a minimum allocation of [DOLLAR\_INSERT] each year of the biennium over the FY2015 allocation.

Based on current Legislative Budget Board (LBB) cost projections<sup>1</sup>, these new funds would increase access to essential mental health treatment for more than [NUMBER\_INSERT] Texans with serious and persistent mental illness.

In priority order, Texas Council recommendations to improve the well-being of communities across Texas by increasing access to essential mental health treatment, inpatient psychiatric care and alternatives to hospitalization follow:

1. Invest [DOLLAR\_INSERT] to increase access to essential mental health services for adults and children by bringing the 19 Local Mental Health Authorities (includes NorthSTAR service area) that are below the current per capita average funding level to the statewide per capita average of \$14.10.
2. Invest [DOLLAR\_INSERT] to ensure all Local Mental Health Authorities receive a minimum allocation of \$200,000 each year of the biennium over the FY2015 allocation to increase access to mental health services for adults and children.
3. Invest \$X (PENDING RELEASE OF PANEL REPORT) to Support HB 3793 Advisory Panel recommendations to add 720 beds in the 2016-17 biennium with remaining beds added over subsequent 6 years for a total of 1,500 beds to the state hospital system and index community-based services capacity to population growth.

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<sup>1</sup> LBB cost projection of \$4,440 per person served, per FY2014-15 SB 1, 83<sup>rd</sup> Legislature, Regular Session, 2013.

4. Invest [\$INSERT] to support DSHS Legislative Appropriations Request (LAR) exceptional item to increase community-based alternatives to inpatient care in select areas.

**NOTE:** Consider Priority Order of Recommendations for discussion at January quarterly meeting.

DRAFT

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

### **January 29, 2015**

**DSHS On-Site Fiscal Monitoring Review** –The Department of State Health Services (DSHS) was on site for a fiscal review from January 12<sup>th</sup> through January 16<sup>th</sup>. Overall, the visit was good. The preliminary report only showed two minor items. One expense was coded to a DSHS cost center with a note for the expense to be reversed but the entry was not reversed. The second item was a mileage report that was submitted that did not have odometer readings as support for the reimbursement. This was corrected during the visit and supporting documentation was provided. I have attached their preliminary report.

**Cost Accounting Methodology (CAM)** – We have been working on the CAM report for fiscal year 2014. We are in the final review stages of this process and will be submitting the report by Monday. As was the requirements last year, we are only required to do the CAM for DSHS. This is the preliminary submission. So if needed, we are able to make changes prior to the final submission due on February 28, 2015. After the report is complete, we will be doing some comparison of the cost data to see if we have any significant changes from the prior year's cost reports and why these changes have occurred.

**FY 2014 HCS, ICF and Texas Home Living Cost Reports** – We have started the work on these cost reports. We have some concerns about the ICF cost report since Empowerment Options sold before the end of the fiscal year and who will be working on their side of that cost report. We are making the call to Edu-Care to make sure that we have this coordinated well in advance of the due date. All of these reports are due on April 15<sup>th</sup>.

**CFO Consortium** - The CFO meeting is scheduled for the second week in February. These are the agenda items scheduled at this time:

- Sunset Review and Legislative Updates
- Revenue Maximization Committee Update
- Population Outcomes – Looking to the future
- Community First Choice and Managed Care
- Small Group Discussions – Top 3 Operational Concerns
- Updates on HHSC & CMS 1115 Waiver Activity
- DADS Update
- DSHS Update
- Public Funds Investment Training

# TRI-County MHMR Services

## OBSERVATION CONFERENCE AGENDA

JANUARY 16, 2015

### I. SUMMARY OF VISIT AND POSITIVE FEEDBACK FROM REVIEW TEAM:

Thank you to the staff of TRI-County MHMR Services for all the help received in reviewing the fiscal records. Special thanks go to Sheryl, Millie, Darius, Tabitha and Eydie for their help providing financial information.

### II. SITE VISIT ISSUES

1. In Attachment A is a list of preliminary observations which may or may not be carried to the draft report as findings.
2. The testing and analysis has not been completed.
3. The draft report will be completed after management's review of the completed working papers, testing and observations made. Management will make the final decision on whether an observation is carried to the report as a finding in the DSHS Draft Report.
4. Once the draft report is complete, we will have a conference call to discuss the findings taken to the report.
5. You will have 14 calendar days from the receipt of the draft report to return management responses to the findings with a corrective action plan. The corrective action plan will require an implementation date and the person responsible for implementing the plan.
6. After receipt of above (#5), a final report will be issued incorporating the management responses verbatim as they were received by DSHS fiscal monitoring staff.

### III. PROVIDER CONCERNS/QUESTIONS/OTHER ISSUES:

Discuss any other concerns, questions or issues in regards to the fiscal monitoring review. These may also be communicated in writing via e-mail to the lead monitor, **[susan.mcadams@dshs.state.tx.us](mailto:susan.mcadams@dshs.state.tx.us)** or by phone at 1-855-216-4506 ext. **3544** or by regular mail at

Mailing Address:  
Department of State Health Services  
Contract Oversight & Support  
Attn: Susan McAdams  
P.O. Box 149347, MC 1326  
Austin, TX 78714-9347



PRELIMINARY OBSERVATIONS  
Tri-County MHMR  
JANUARY 16, 2015

Attachment A

1. One registration fee for a peer training event held in Austin, TX in July, 2014 was inadvertently charged to a DSHS cost center instead of to the Earl Hogg grant. There was a note on the expense to reverse the entry for \$745.20 but it was not reversed.

Uniform Grants Management Standards (UGMS) C. Basic Guidelines 3. Allocable costs states in part,

“a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.”

Observations Corrected On-Site

- A mileage report for an employee in the YPS program did have either bing maps or odometer readings as support for mileage. Support was provided while the monitors were on-site.

<p><b>Agenda Item:</b> Appoint New Regional Planning and Network Advisory Committee Member</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>The Bylaws of the East Texas Behavioral Healthcare Network Regional Planning and Network Advisory Committee requires that the Regional Planning Network Advisory Committee "...members are appointed by the Board/Governing body of each respective Member Center, so shall members be appointed as a result of a vacancy." We currently have one (1) RPNAC opening.</p> <p>Staff is recommending the appointment of the volunteer listed below to the Regional Planning Network Advisory Committee.</p> <p><u>Richard Duren, Community Member</u></p> <ul style="list-style-type: none"> <li>• Parent</li> </ul>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Appoint New Regional Planning and Network Advisory Committee Member</b></p>	

<p><b>Agenda Item:</b> Approve Adult Substance Abuse Treatment, Youth Substance Abuse Treatment and Co-occurring Psychiatric and Substance Use Disorder Grant Submission for FY 2016</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>Tri-County has been a substance abuse treatment provider with the Department of State Health Services (DSHS) since 2010. We have three (3) programs: Adult Outpatient Treatment (TRA), Youth Outpatient Treatment (TRY) and Co-Occurring Psychiatric and Substance Use Disorder (TCO).</p> <p>The Adult Treatment and Youth Treatment programs are also funded by the Montgomery County United Way (MCUW).</p> <p>As the Board is aware, all three (3) of these programs have been, even with the MCUW funding, underperforming financially since we started providing the service. After receiving a reduced allocation from DSHS, the Management Team agreed to review these programs throughout the year and decide whether we should continue with the service near the end of the year.</p> <p>However, DSHS has released the funding applications for the next five (5) years. As a result, the Management Team met to discuss whether we should pursue an application for the program. After analyzing the program budgets and discussing the value of the program for our clients, the Management Team recommends that we move forward with applying for these three (3) programs again for a funding cycle that will begin in FY 2016.</p>	
<p><b>Supporting Documentation:</b></p> <p>Grant Summary Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve Adult Substance Abuse Treatment, Youth Substance Abuse Treatment and Co-occurring Psychiatric and Substance Use Disorder Grant Submission for FY 2016</b></p>	

<b>Agenda Item:</b> Community Resources Report  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 29, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Community Resources Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Community Resources Report

## December 12, 2014 – January 29, 2015

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### Volunteer Hours:

Location	December
Conroe	174.4
Cleveland	5
Liberty	6.5
Huntsville	10
<b>Total</b>	<b>195.9</b>

### COMMUNITY ACTIVITIES:

12/16/14	Montgomery County Community Resource Coordination Group	Conroe
12/18/14	Up2You Youth Presentation	Huntsville
12/18/14	Huntsville Veterans Affairs Advisory Board Meeting	Huntsville
1/4/15	Roots of Change Coalition Meeting	Conroe
1/5/15	Montgomery County Homeless Coalition Board Meeting	Conroe
1/6/15	Montgomery County United Way Health & Wellness Impact Council Meeting	The Woodlands
1/7/15	Montgomery County Juvenile Justice Alternative Education Program – Prevention Services for Children in Criminal Justice System	Conroe
1/8/15	Walker County Community Resource Coordination Group	Huntsville
1/8/15	Cleveland Chamber of Commerce Luncheon	Cleveland
1/8/15	Huntsville Chamber of Commerce Breakfast	Huntsville
1/8/15	Youth Mental Health First Aid Training – Sire Therapeutic Horse Stables	Conroe
1/10/15	Liberty Chamber of Commerce Event – “Natural Health Mixer”	Liberty
1/11/15	Elks Lodge District 4 Meeting	Liberty
1/13/15	Montgomery County Community Assistance Recovery Efforts & Services Meeting	The Woodlands
1/13/15	Military Veteran Peer Network Coordinators Meeting	Galveston
1/14/15	Montgomery County United Way Steering Committee Meeting	The Woodlands
1/14/15	Liberty County Community Resource Coordination Group	Cleveland
1/14/15	Huntsville Child Fatality Review Team Meeting	Huntsville
1/15/15	Huntsville Chamber of Commerce Breakfast	Huntsville
1/15/15	Liberty County Child Fatality Review Team Meeting	Liberty
1/15/15	Up2You Youth Coalition Meeting	Huntsville
1/15/15	Veterans Expo Planning Meeting	Conroe
1/17/15	Liberty Chamber of Commerce Event – “17 <sup>th</sup> Annual Dr. Martin Luther King Jr. Celebration”	Liberty
1/19/15	Veterans Council Introduction Meeting with Anadarko	The Woodlands



1/20/15	Montgomery County Community Resource Coordination Group	Conroe
1/21/15	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
1/22/15	Montgomery County United Way E-Compact Training for Substance Abuse Grant Reporting	The Woodlands
1/22/15	Huntsville Veterans Affairs Board Meeting	Huntsville

**UPCOMING ACTIVITIES:**

2/2/15	Montgomery County Homeless Coalition Board Meeting	Conroe
2/5/15	Cleveland Chamber of Commerce Luncheon	Cleveland
2/5/15	Walker County Community Resource Coordination Group	Huntsville
2/5/15	Veterans Expo Planning Meeting	Conroe
2/11/15	Roots of Change Coalition Meeting	Conroe
2/11/15	Veterans Breakfast at Storage 105	Montgomery
2/12/15	Huntsville Chamber of Commerce Breakfast	Huntsville
2/17/15	Montgomery County Community Resource Coordination Group	Conroe
2/19/15	Up2You Youth Coalition Meeting	Huntsville
2/26/15	Liberty/Dayton Chamber of Commerce Banquet	Dayton

<p><b>Agenda Item:</b> Consumer Services Reports for November and December 2014</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>Consumer Services Reports for November and December 2014</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

**Consumer Services Report  
November 2014**

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
<b>Crisis Services, MH Adults/Children</b>					
Persons Screened, Intakes, Other Crisis Services	421	45	32	40	<b>538</b>
Crisis and Transitional Services (LOC 0, LOC 5)	47	3	3	2	<b>55</b>
Psychiatric Emergency Treatment Center (PETC) Served	36	3	3	4	<b>46</b>
Psychiatric Emergency Treatment Center (PETC) Bed Days	235	32	11	28	<b>306</b>
Contract Hospital Admissions	5	2	1	0	<b>8</b>
Diversion Admits	10	1	2	1	<b>14</b>
Total State Hospital Admissions	2	1	1	0	<b>4</b>
<b>Routine Services, MH Adults/Children</b>					
Adult Service Packages (LOC 1m,1s,2,3,4)	998	123	87	121	<b>1329</b>
Adult Medication Services	686	67	59	88	<b>900</b>
Child Service Packages (LOC 1-4 and YC)	401	35	13	52	<b>501</b>
Child Medication Services	139	12	8	16	<b>175</b>
TCOOMMI (Adult Only)	93	15	8	7	<b>123</b>
Adult Jail Diversions	7	0	0	0	<b>7</b>
<b>Persons Served by Program, IDD</b>					
Number of New Enrollments for IDD Services	13	1	1	1	<b>16</b>
Service Coordination	492	33	51	59	<b>635</b>
<b>Persons Enrolled in Programs, IDD</b>					
Center Waiver Services (HCS, Supervised Living, TxHmL)	47	5	22	29	<b>103</b>
Contractor Provided ICF-MR	18	12	11	6	<b>47</b>
<b>Substance Abuse Services</b>					
Children and Youth Prevention Services	43	0	0	0	<b>43</b>
Youth Substance Abuse Treatment Services/COPSD	17	0	0	0	<b>17</b>
Adult Substance Abuse Treatment Services/COPSD	36	0	0	0	<b>36</b>
<b>Waiting/Interest Lists as of Month End</b>					
Home and Community Based Services Interest List	1448	124	132	129	<b>1833</b>
<b>November Served by County</b>					
Adult Mental Health Services	1258	143	111	176	<b>1688</b>
Child Mental Health Services	417	34	11	57	<b>519</b>
Intellectual and Developmental Disabilities Services	529	45	58	63	<b>695</b>
<b>Total Served by County</b>	<b>2204</b>	<b>222</b>	<b>180</b>	<b>296</b>	<b>2902</b>
<b>October Served by County</b>					
Adult Mental Health Services	1415	157	139	207	<b>1918</b>
Child Mental Health Services	413	32	15	54	<b>514</b>
Intellectual and Developmental Disabilities Services	556	44	56	69	<b>725</b>
<b>Total Served by County</b>	<b>2384</b>	<b>233</b>	<b>210</b>	<b>330</b>	<b>3157</b>
<b>September Served by County</b>					
Adult Mental Health Services	1359	157	126	192	<b>1834</b>
Child Mental Health Services	386	32	12	48	<b>478</b>
Intellectual and Developmental Disabilities Services	561	52	63	73	<b>749</b>
<b>Total Served by County</b>	<b>2306</b>	<b>241</b>	<b>201</b>	<b>313</b>	<b>3061</b>

**Consumer Services Report  
December 2014**

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
<b>Crisis Services, MH Adults/Children</b>					
Persons Screened, Intakes, Other Crisis Services	406	53	28	56	<b>543</b>
Crisis and Transitional Services (LOC 0, LOC 5)	46	4	10	1	<b>61</b>
Psychiatric Emergency Treatment Center (PETC) Served	59	4	3	5	<b>71</b>
Psychiatric Emergency Treatment Center (PETC) Bed Days	269	29	18	16	<b>332</b>
Contract Hospital Admissions	10	1	1	1	<b>13</b>
Diversion Admits	13	2	1	1	<b>17</b>
Total State Hospital Admissions	4	1	0	0	<b>5</b>
<b>Routine Services, MH Adults/Children</b>					
Adult Service Packages (LOC 1m,1s,2,3,4)	1037	132	109	88	<b>1366</b>
Adult Medication Services	777	79	78	94	<b>1028</b>
Child Service Packages (LOC 1-4 and YC)	418	36	13	59	<b>526</b>
Child Medication Services	171	11	4	22	<b>208</b>
TCOOMMI (Adult Only)	95	18	8	8	<b>129</b>
Adult Jail Diversions	7	0	0	0	<b>7</b>
<b>Persons Served by Program, IDD</b>					
Number of New Enrollments for IDD Services	15	0	0	2	<b>17</b>
Service Coordination	501	34	49	62	<b>646</b>
<b>Persons Enrolled in Programs, IDD</b>					
Center Waiver Services (HCS, Supervised Living, TxHmL)	47	5	22	28	<b>102</b>
Contractor Provided ICF-MR	17	12	11	6	<b>46</b>
<b>Substance Abuse Services</b>					
Children and Youth Prevention Services	45	0	0	0	<b>45</b>
Youth Substance Abuse Treatment Services/COPSD	22	0	0	0	<b>22</b>
Adult Substance Abuse Treatment Services/COPSD	30	0	0	0	<b>30</b>
<b>Waiting/Interest Lists as of Month End</b>					
Home and Community Based Services Interest List	1447	124	132	129	<b>1832</b>
<b>December Served by County</b>					
Adult Mental Health Services	1305	169	125	183	<b>1782</b>
Child Mental Health Services	431	32	13	57	<b>533</b>
Intellectual and Developmental Disabilities Services	525	45	56	67	<b>693</b>
<b>Total Served by County</b>	<b>2261</b>	<b>246</b>	<b>194</b>	<b>307</b>	<b>3008</b>
<b>November Served by County</b>					
Adult Mental Health Services	1258	143	111	176	<b>1688</b>
Child Mental Health Services	417	34	11	57	<b>519</b>
Intellectual and Developmental Disabilities Services	529	45	58	63	<b>695</b>
<b>Total Served by County</b>	<b>2204</b>	<b>222</b>	<b>180</b>	<b>296</b>	<b>2902</b>
<b>October Served by County</b>					
Adult Mental Health Services	1415	157	139	207	<b>1918</b>
Child Mental Health Services	413	32	15	54	<b>514</b>
Intellectual and Developmental Disabilities Services	556	44	56	69	<b>725</b>
<b>Total Served by County</b>	<b>2384</b>	<b>233</b>	<b>210</b>	<b>330</b>	<b>3157</b>

<b>Agenda Item:</b> Program Updates  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 29, 2015
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Program Updates	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **Program Updates**

## **December 12, 2014 – January 29, 2015**

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### **MH Crisis Services**

1. The holidays were made festive at the Crisis Stabilization Unit (CSU) at the Psychiatric Emergency Treatment Center (PETC). Each day leading up to Christmas, the patients enjoyed participating in themed activities to begin establishing positive memories around the holidays. On Christmas day, Santa delivered gifts to each of the ten (10) patients receiving care.
2. Typically around the holidays, the CSU experiences attrition and a decline in new admissions. However, since December, admissions have been steady with an average daily census of 11.02.
3. The PETC construction was completed for the 1115 Waiver Intensive Evaluation and Diversion Program. The program opened its doors on Monday, January 19<sup>th</sup>.

### **MH Adult Services**

1. The rural clinics have increased their routine walk-in evaluation capacity.
2. Services were provided to 2,609 adults in December. This is a new high for Tri-County.
3. Average hours for the Assertive Community Treatment (ACT) Program were the second highest in the state for December.
4. The 1115 Integrated Primary Healthcare Program has started in Huntsville with plans to begin in Liberty by spring.

### **MH Child Services**

1. Services were provided to 531 children and youths in December.
2. We continue to exceed all contractual service and outcome targets in the Child Mental Health Program.

### **Criminal Justice Services**

1. The Outpatient Competency Restoration Program had two (2) admissions in December.
2. TCOOMMI revenue remains stable and on target for the first quarter of FY 2015.
3. The number served in the TCOOMMI program remains above the contracted amount at 118.
4. The Jail Services Liaison completed 33 triages in the jail during December.

### **Substance Abuse Services**

1. The Youth Prevention Program is now fully staffed and working on expanding services to schools and agencies in our outlying areas.
2. The Youth Substance Abuse Treatment Program continues to grow. We are running two (2) groups concurrently due to the increase in youth served. We served 22 youths during the month of December.
3. Most of the youths we are serving have Medicaid or Child Health Insurance Programs. We are the only Youth Substance Abuse Treatment Provider in our catchment area that will accept those insurances.

### **IDD Services**

1. Community First Choice Services will be implemented in March. The Local Authority is preparing for this new program.
2. The IDD ACT program is working closely with the PETC to assist those individuals who present with complex issues that may have an IDD diagnosis.

### **Support Services**

1. **Utilization Management:** Daily work continues with Managed Care Organizations (MCOs) and Center staff in order to ensure that authorizations for care provided to individuals served are both appropriate and timely. This process continues to evolve as time progresses. Staff is working diligently to ensure that continuity of services is maintained while working to meet the changing requests of the various MCOs.
2. **Veteran Affairs:** A Veteran peer group was recently established. Meetings will be held at the Golden Corral in Conroe on the first Wednesday of each month. There is a discounted rate for service members, Veterans, and their families who pre-register with the Military Veteran Peer Network and attend. The group is designed to be a place where Veterans can come and network with each other and express concerns, ask questions, and find out about local Veteran events and resources.
3. **Housing:** The Montgomery Supported Housing, Inc. Board continues to seek new Board members following the recent relocation of the previous Board Chair. Nominations are welcome at this time.

### **Community Activities**

1. The Greater Cleveland Chamber of Commerce held its first luncheon of the year on Thursday, January 8<sup>th</sup> at the Cleveland Civic Center. Liberty County Attorney, Wesley Hinch; Financial Advisor, Dusty Gatlin; and, Judy Reed with Rose of Texas Hospice presented guests with information on different aspects of estate planning.

<p><b>Agenda Item:</b> FY 2015 Goals and Objectives Progress Report</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>The Board of Trustees and Management Team met on July 19, 2014 for the annual strategic planning retreat to develop the goals for FY 2015. Goals were discussed and a consensus was reached. Subsequently, the Management Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center’s contracts with the Department of State Health Services and the Department of Aging and Disability Services.</p> <p>The Board also requested that quarterly progress reports be presented as a “year-to-date summary.”</p> <p>This report shows progress through the 1<sup>st</sup> Quarter of FY 2015.</p>	
<p><b>Supporting Documentation:</b></p> <p>FY 2015 Goals and Objectives Progress Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	



# Year-to-Date Progress Report

*September 1, 2014 – November 30, 2014*

## Goal #1 – Community Awareness

### Objective #1

**Develop new name/logo branding materials and market them to our stakeholders by February 28, 2015.**

- The name, Tri-County Behavioral Healthcare, was approved by all three (3) Commissioners' Courts and staff are working on filing documents to make this final.
- Logo work has begun again in earnest.

### Objective #2

**Develop or renew four (4) collaborative relationships/partnerships by May 31, 2015.**

- A series of training and outreach events have been held with the Montgomery County Hospital District EMTs.

### Objective #3

**Develop four (4) educational/outreach/marketing events by May 31, 2015.**

- Multiple Mental Health First Aid trainings were held in the first quarter and additional trainings have been scheduled for the second quarter.

## Goal #2 – Funding

### Objective #1

**Develop sponsors/underwriters for educational/outreach/marketing events in our community.**

- There has been no activity on this objective in the first quarter.

### Objective #2

**Develop a Board Policy about establishing a trust fund to benefit Tri-County consumers by December 31, 2014.**

- Prepared for discussion on the December Board agenda.

### Objective #3

**Develop a trust fund to benefit Tri-County consumers by August 31, 2015.**

- Prepared for discussion on the December Board agenda.

## Goal #3 – Staff Development

### Objective #1

**Schedule four (4) leadership development courses for managers in FY 2015.**

- One (1) leadership development course was held in the first quarter and another course was scheduled for the second quarter.

### Objective #2

**Implement quarterly supervisor training in FY 2015.**

- The first quarter supervisor training in November focused on new Human Resources procedures.

### Objective #3

**Hold at least four (4) Texas Council Risk Management Fund training events in FY 2015.**

- September 23, 2014
  - Communicating Effectively
  - Situational Leadership
- November 5, 2014
  - Dealing Effectively with Supervisors
  - Are You Thriving or Surviving
- November 6, 2014
  - Dealing with Difficult People
  - Dealing Effectively with Supervisors
- February 10 & 11 – TBD
- April 21 & 22 TBD – TBD

## Goal #4 – Facilities

### Objective #1

**Develop a facility consolidation plan with the assistance of consultants that can be presented to DSHS/DADS/commissioners/stakeholders by February 28, 2015.**

- Progress continued on consolidation plans for Liberty and Montgomery County in the first quarter.

### Objective #2

**Provide quarterly progress updates to the Board regarding building consolidation.**

- A quarterly update on building consolidation was provided to the Board in October.

### Objective #3

**Attain approval from DSHS/DADS/commissioners for the facility consolidation plan by May 31, 2015.**

- There has been no activity on this objective in the first quarter.

## **Goal #5 – Technology**

### **Objective #1**

**Develop a technology plan for the consolidated facility including cost projections.**

- A plan was being developed in the first quarter for presentation to the Board in December.

### **Objective #2**

**Develop a new staffing plan for Information Technology and hire at least one (1) of these staff by February 28, 2015.**

- A staffing plan was developed and a Network Administrator position was posted.
- The staffing plan was reviewed and a meeting was held with Human Resources to try to identify other advertising sources as well as to conduct an additional market salary survey.

<p><b>Agenda Item:</b> 1<sup>st</sup> Quarter FY 2015 Corporate Compliance and Quality Management Report</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <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 Program 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 these activities.</p> <p>Since the Corporate Compliance Program and Quality Management Program activities are similar in nature, the decision was made to incorporate the Quality Management Program activities into the Quarterly Corporate Compliance Report to the Board and to format this item similar to the program updates. The Corporate Compliance and Quality Management Report for the 1<sup>st</sup> quarter of FY 2015 are included in this Board packet.</p>	
<p><b>Supporting Documentation:</b></p> <p>1<sup>st</sup> Quarter FY 2015 Corporate Compliance and Quality Management Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

# Corporate Compliance and Quality Management Report

## 1<sup>st</sup> Quarter, FY 2015

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### **Corporate Compliance Activities**

#### **A. Key Statistics:**

1. There were two (2) Corporate Compliance reviews in the 1st quarter of FY 2015.
  - a. The first case was found by quality management staff during an internal program review and involved copy and paste documentation along with several other concerns. This case was confirmed with a payback in the amount of \$6,145.18. This case resulted in staff termination.
  - b. The second case was found by management staff and involved inflated time in the duration of treatment. This case was unconfirmed resulting in \$107.72 payback.
2. Quality assurance of staff documentation continues to be a focus across the Center and compliance training continues to be provided to new employees and quarterly to all current staff. Following some similar issues arising in several cases over the past quarter, the Corporate Compliance Officer has been providing face to face trainings to all mental health direct care staff to ensure that any confusion is identified and immediately corrected. Additional face to face trainings are being offered to other agency staff and may be requested by supervisors at any time.

#### **B. Committee Activities:**

1. The Corporate Compliance Committee met on October 15, 2014. The committee reviewed the following:
  - a. A summary of the 4<sup>th</sup> quarter investigations;
  - b. Audits that were requested by different funding sources;
  - c. Findings of Daily Quality Assurance Reviews; and
  - d. Legal Updates on compliance issues.

### **Quality Management Initiatives**

#### **A. Key Statistics:**

1. Staff responded to one (1) DSHS initiative.
2. Staff reviewed and submitted four (4) MCO record requests.
3. Staff submitted the Corrective Action Plan (CAP) as follow up to the DSHS. Comprehensive Onsite Review which took place in March of 2014.

**B. Reviews/Audits:**

1. Staff reviewed and submitted records for a desk review by DSHS of the Temporary Assistance for Needy Families (TANF) funding.
2. Staff reviewed and submitted one (1) chart for one service for Medicaid, two (2) charts going back one year for Molina, and one (1) chart going back 2 years for Cigna.
3. Staff worked with managers to revise agency procedures and processes surrounding training records identified during the DSHS Comprehensive Onsite Review and submitted the CAP back to DSHS. The CAP is currently pending approval by DSHS.

<p><b>Agenda Item:</b> 2<sup>nd</sup> Quarter FY 2015 Corporate Compliance Training</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>As part of the Center’s Corporate Compliance Program, training is developed each quarter for distribution to staff by their supervisors.</p> <p>This training is included in the packet for ongoing education of the Tri-County Board of Trustees on Corporate Compliance issues.</p>	
<p><b>Supporting Documentation:</b></p> <p>2<sup>nd</sup> Quarter FY 2015 Corporate Compliance Training</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

# Understanding Your Role in the Tri-County Corporate Compliance Program 2<sup>nd</sup> Quarter FY 2015

## **INTRODUCTION:**

The Corporate Compliance Program for Tri-County Services ensures that the Center and its employees comply with all local, State, and Federal laws and regulations and serves to continuously guide employees through a series of monitoring activities that help the Center make adjustments to the Program as needed. All employees share in the responsibility for Corporate Compliance at Tri-County Services. Understanding your role in the Tri-County Compliance Program benefits not only the Center but all employees, contractors, stakeholders, and community members that, whether directly or indirectly, are positively impacted by the services provided by Tri-County.

## **What is my role in the Corporate Compliance Program as an employee/contractor of Tri-County Services?**

As an employee/contractor of Tri-County Services, you are responsible for:

- Participating in the Corporate Compliance Program and all required trainings. This applies to ALL employees as well as contractors who do not present evidence of participation in their own Compliance Program. This includes staff who provide direct clinical care, administrative support or other.
- Reporting any suspicion or knowledge of any violations of Corporate Compliance within the Center to the Corporate Compliance officer. This applies to ALL employees and contractors whether you are providing direct care, administrative support or other.
- Reviewing, understanding, and complying with the Business Code of Conduct.
- Understanding the codes that you are using to bill for services if you are providing direct client care and ensuring that you are using accurate codes.
- Understanding your job duties, how to do them in a qualitative manner, and the implications they may have in relation to various compliance laws.
- Immediately correcting any errors or mistakes and asking for assistance if unsure how to correct errors or mistakes.
- Maintaining any license or certification needed to do your job and reporting any lapse or suspension with said license to your supervisor and the Human Resource Department immediately.
- Asking questions when you are unsure whether something applies to you or if you are unsure about the correct way to do any aspect of your job.

## **Final Considerations:**

In conclusion, we ALL play a role in ensuring that the Corporate Compliance Program is successful at Tri-County Services. Whether you are an employee or a contractor, and whether you provide direct care, administrative support, maintenance services, or other duties. Understanding your role in the Compliance Program, asking questions when you are unclear, and ensuring that you are following the tips listed above are key to the success of the Compliance Program at Tri-County Services.



<b>Agenda Item:</b> Medicaid 1115 Transformation Waiver Project Status Report  <b>Committee:</b> Program	<b>Board Meeting Date</b>  January 29, 2015
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**Background Information:**

Tri-County submitted its final Demonstration Year 3 (DY 3) report to the Texas Health and Human Services Commission (HHSC) in November 2014.

Tri-County reported on five (5) Region 17 projects and one (1) Region 2 project, and achievement results were posted on December 5<sup>th</sup>. The Integrated Primary and Behavioral Health Care, IDD ACT, and both Expanded Psychiatry programs were either approved or provisionally approved for payment in January. The Intensive Evaluation and Diversion (IED) program was approved for carry forward in DY 4. Category 3 performance measures were also fully or provisionally approved for payment in January, 2015.

The first quarter of the DY 4 measurement year covering October thru December 2014 shows positive progress towards goals. The Intensive Evaluation and Diversion program, housing the Extended Observation Unit, started in January 2015 and will report on status for payment in April 2015 along with the other 1115 programs. The program is almost fully staffed and training has begun.

The IDD ACT program, with a goal of 50, has already admitted 30 unique individuals. With a goal of 50%, already 73% are considered as being diverted from crisis.

The Expanded Psychiatry Delivery covering Montgomery and Walker Counties is on schedule to exceed all of its required service goals. The Category 3 survey, PHQ-SADS, is expected to show a 5% decrease in behavioral health symptoms.

The Liberty County Expanded Psychiatry program has medical staff available eight (8) hours a week, but has already exceeded its service targets for DY 4. The Category 3 survey, PHQ-SADS, is expected to show a 5% decrease in behavioral health symptoms.

Integrated Primary and Behavioral Health Care is also on course to exceed the number of patients required to be served and is close to its target of making 500 appointments available. Hypertension (HTN) continues to be monitored with a goal of showing a 10% decrease among those in the study in DY 4.

**Supporting Documentation:**

Medicaid 1115 Transformation Project Status Report

**Recommended Action:**

**For Information Only**




## Tri-County Services









### Medicaid 1115 Transformation Waiver Projects

DY 4 - 10/1/2014 - 09/30/2015

Status Update: 10/1/2014 - 12/31/2014 - 1st Qtr / Round 1

Source: Internal Reporting / HHSC Reports

-  On Target to Meet DY4 Outcomes
-  Starting DY 4
-  Pending HHSC Approval

Project	County	DY 4 Targets	As of 1/16/14	Progress Towards Goals	Status	Barriers / Comments
1.1.1 Intensive Evaluation & Diversion	Montgomery Walker	DY 3 - 25 Persons presenting in crisis DY 4 - 300	0 / 0	Program has not started. Most staff have been hired.		25 individuals who were to be seen in DY 3 will be added to the 300 to be seen in DY 4.
Required Milestones/Metrics		1: 4 Stakeholder mtgs. 2. 50% Costs avoided	0%	Program has not started due to pending construction of the Extended Observation Unit at the PETC.		DY 4 Estimated Incentive Bundle Amount: \$2,137,234
Category 3 Performance Outcomes		PHQ-9 -Depression Survey Establish baseline	TBD	PHQ-9 - To be administered to all admitted to this program once open.		To be completed in DY 4. \$129,117
1.1.2 IDD ACT	Montgomery Walker	50 Unique Individuals	60%	On target to achieve goal		
Required Milestones/Metrics		1. 4 Stakeholder mtgs. 2. 50% Costs avoided	0%	1. Will report for full payment in 10/15 2. Will report for full payment in 10/15		DY 4 Estimated Incentive Bundle Amount: \$337,880
Category 3 Performance Outcomes		Aberrant Behavior Checklist (ABC) 20 Pre/20 Posttests	TBD	On target to achieve goal		DY 4 Incentive Payment: \$129,117
1.1.3 Expanded Psychiatry Delivery	Montgomery Walker	1. 100 Unique clients 2. 250 Visits 3. 500 Appts	1. 105 2. 230 3. 262	On target to report 100% achievement in April reporting period.		Increase services in Walker County and underserved rural areas.
Required Milestones/Metrics		1. Gaps in accessibility Evidence of improved access	2.	On target to report 100% achievement in April reporting period.		DY 4 Estimated Incentive Bundle Amount: \$666,283




Tri-County Services








Source: Internal Reporting / HHSC Reports

## Medicaid Transformation Waiver Projects

DY 3 - 10/1/2014 - 9/30/2015

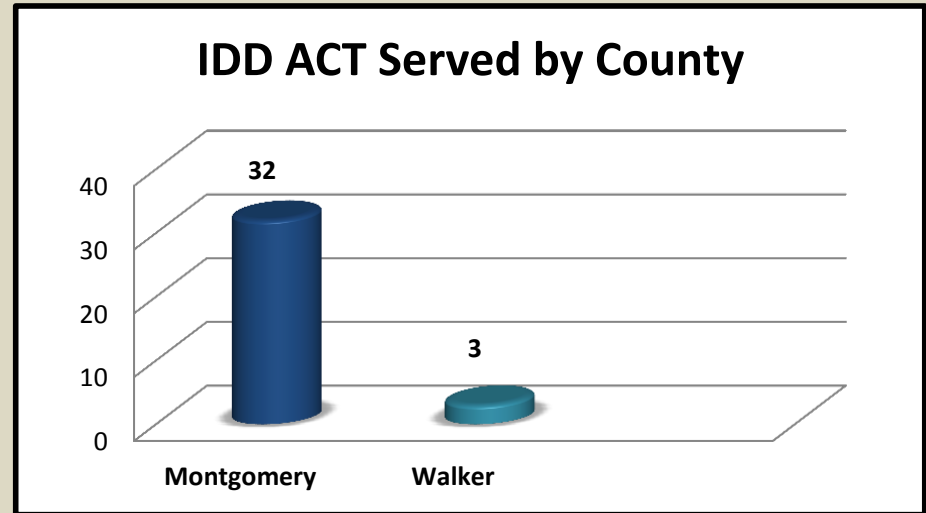
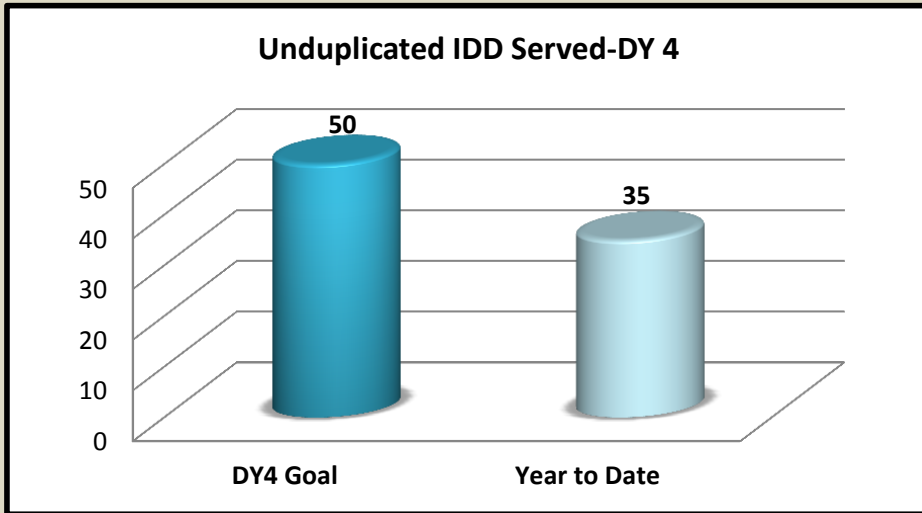
Status Update: 10/1/2014 - 12/31/2014 - 1st Qtr / Round 1

-  On Target to Meet DY4 Outcomes
-  Carry Forward to DY 4
-  Pending HHSC Approval

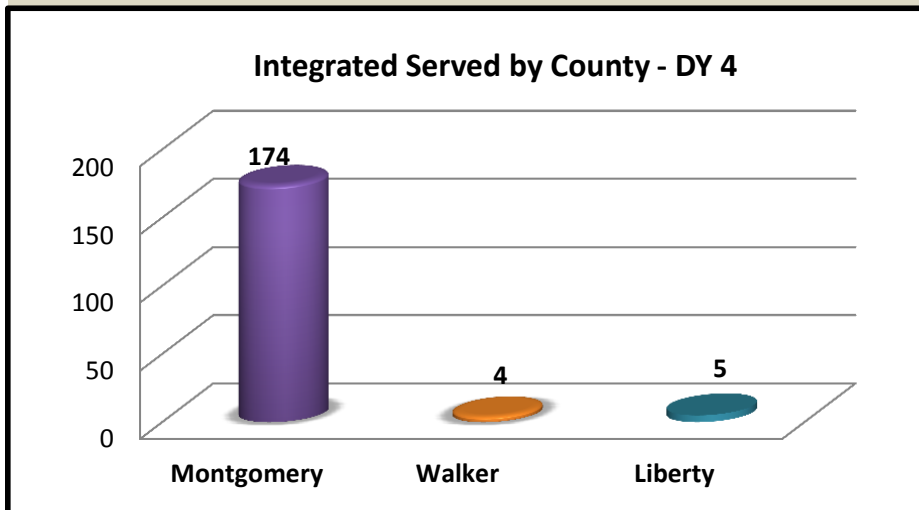
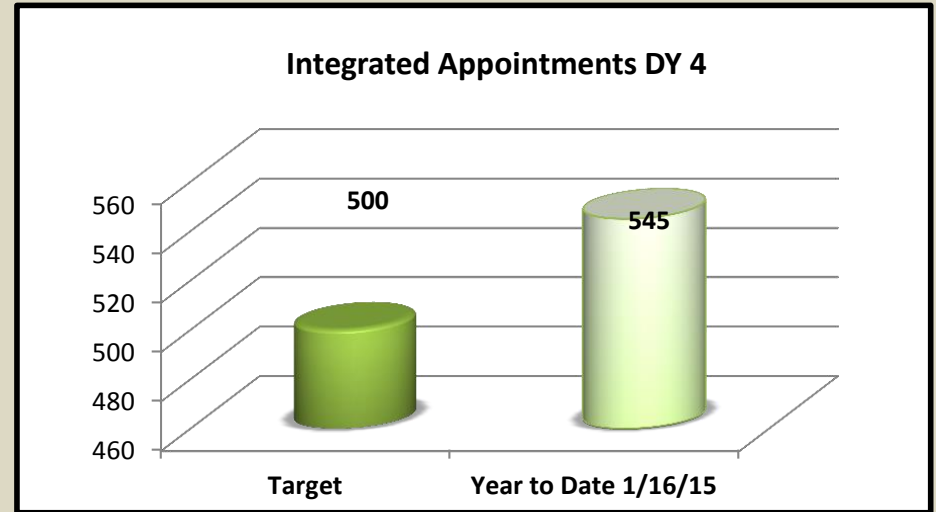
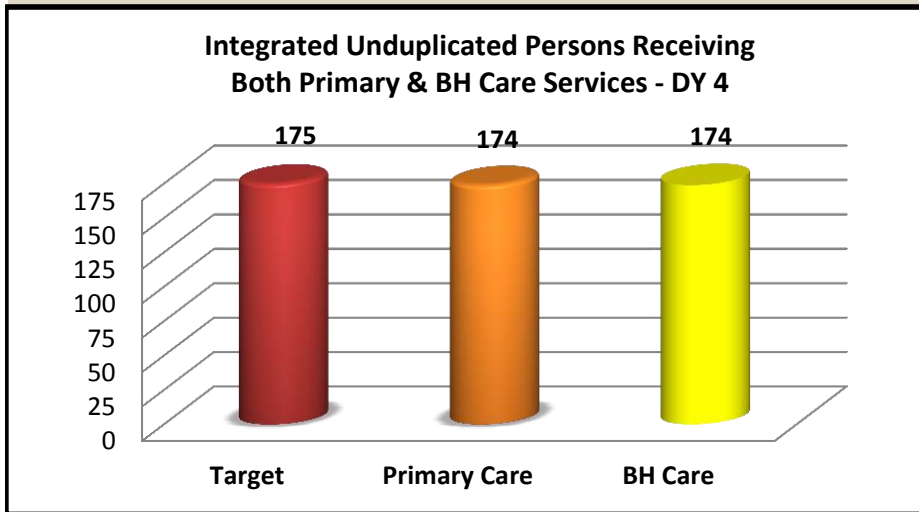
Project	County	DY 4 Target	As of 12/31/14	Update	Status	Barriers / Comments
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	Baseline = 36.8	Waiting for HHSC approval for shorter measurement period. Sample was > required.		DY 4 Incentive Payment: \$129,117
1.2.1 Integrated Primary & Behavioral Healthcare	Montgomery Walker	1. 500 Appointments 2. 175 persons with both physical & BH care	1. 545 2. 174	On target to report 100% achievement in April reporting period.		Expand services in Walker County Improve data entry in EHR
Required Milestones/Metrics		1. Expand appts. 2. CQI activities 3. % receiving both primary & BH care	1. 93% 2. Fidelity Tool &EHR 3. 90%	On target to report 100% achievement in April reporting period. Need to complete Fidelity Monitoring Tool for continuous quality improvement (CQI)		DY 4 Estimated Incentive Bundle Amount: \$1,254,782
Category 3 Performance Outcomes		HTN : BP ≥ 140/90 with 1 lower BP	TBD			DY 4 Incentive Payment: \$129,117
1.1.1 Expanded Psychiatry Delivery	Liberty	1. 25 Unique clients 2. 70 Visits 3. 125 Appts	1. 52 2. 116 3. 135	<b>Exceeded all targets for DY 4 in first quarter</b>		Will expand hours to include occasional weeknight/Sat morning
Required Milestones/Metrics		1. Gaps in accessibility 2. Evidence of improved access	TBD	On target to report 100% achievement in April reporting period.		DY 4 Estimated Incentive Bundle Amount: \$1286,750
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	47.2 = Baseline	Waiting for HHSC approval for shorter measurement period.		DY 4 Incentive Payment: \$31,860

# 1115 Data Measurement Report

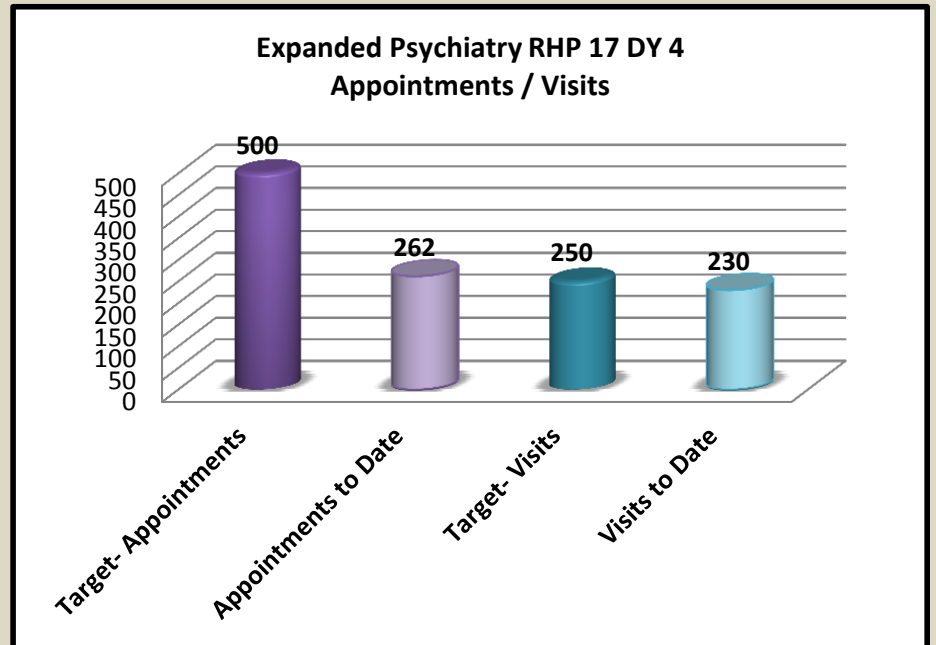
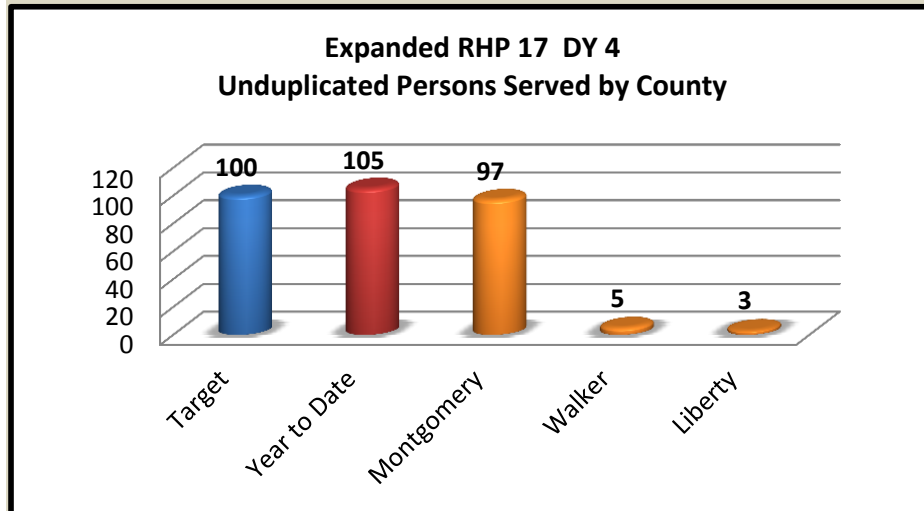
HHSC Program ID	1115 Program Name	Internal Name
081844501.1.2	Intellectual and Developmental Disability Assertive Community Treatment Program	IDD ACT



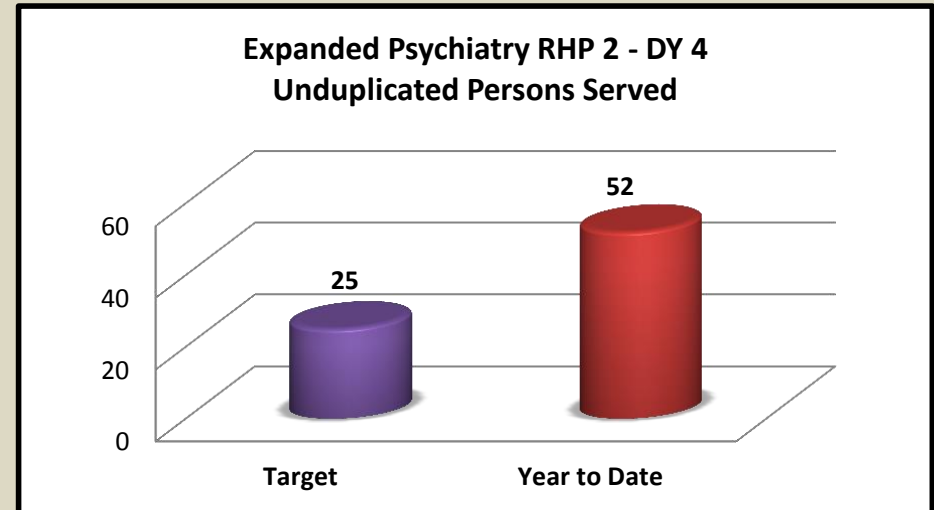
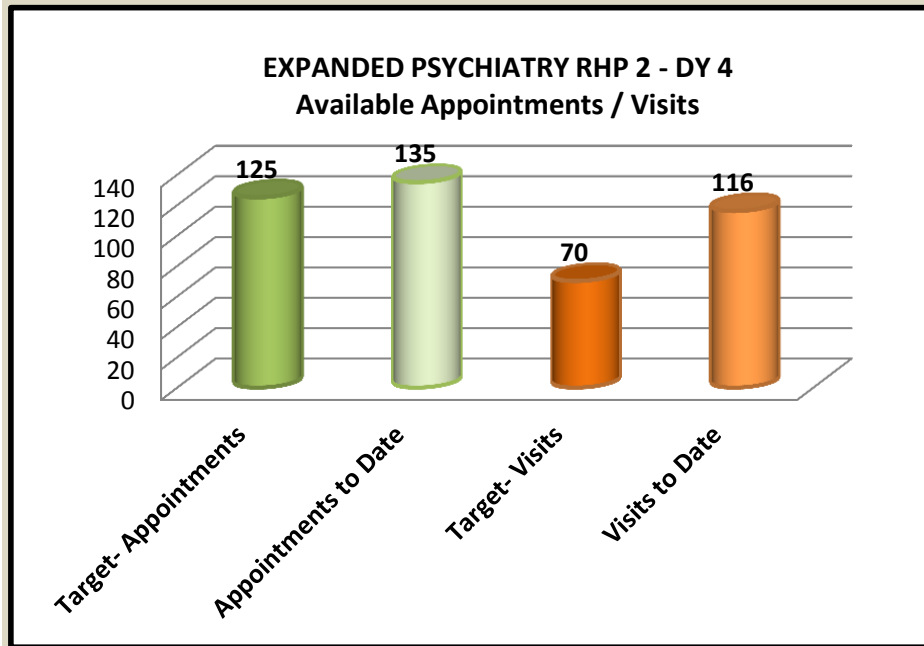
HHSC Program ID	1115 Program Name	Internal Name
081844501.2.1	Integrated Primary and Behavioral Health Care Services	Integrated Healthcare



HHSC Program ID	1115 Program Name	Internal Name
081844501.1.3	Expanded Psychiatry Delivery	Expanded RHP 17



HHSC Program ID	1115 Program Name	Internal Name
081844501.1.1	Expanded Psychiatry Delivery	Expanded RHP 2



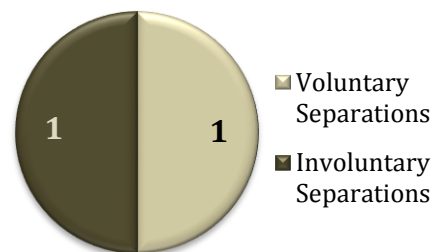
<p><b>Agenda Item:</b> Personnel Reports for November and December 2014</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>Personnel Reports for November and December 2014</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	



# Personnel Report November 2014

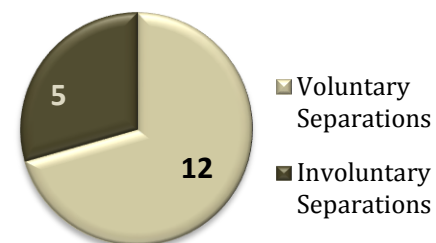
November 2014	FY15	FY14
Number of Active Employees	329	283
November Separations	2	6
Number of Separations YTD	17	17
Year to Date Turnover Rate	5%	6%
November Turnover	1%	2%

**November 2014  
Voluntary Vs. Involuntary**



**Total: 2**

**Year to Date  
Voluntary Vs. Involuntary**



**Total: 17**

Separations by Reason	November Separations	Year to Date
Retired	0	1
Involuntarily Terminated	1	5
Dissatisfied	0	1
RIF	0	0
Deceased	0	0
Illness	0	1
Relocation	0	1
School	0	0
Personal	0	1
Unknown	0	1
New Job	1	6
Temporary	0	0
<b>Total Separations</b>	<b>2</b>	<b>17</b>

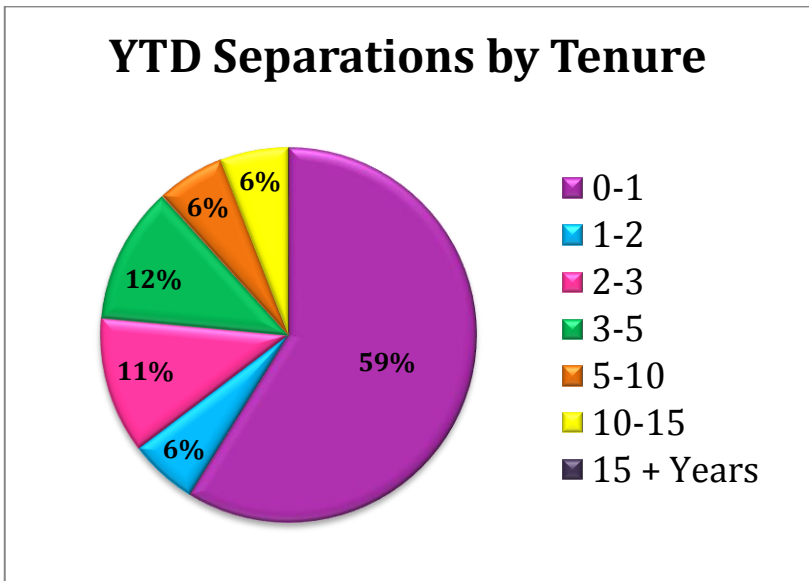
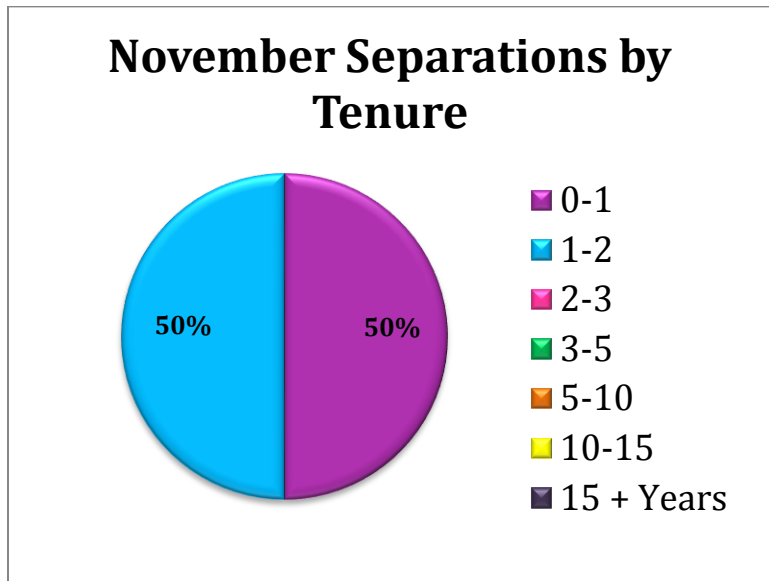
**Total Applications received in November=155**

**Total New Hires for the month of November=10**

**Total New Hires Year to date =33**

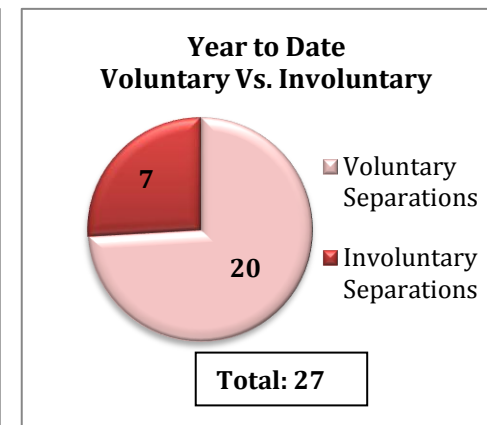
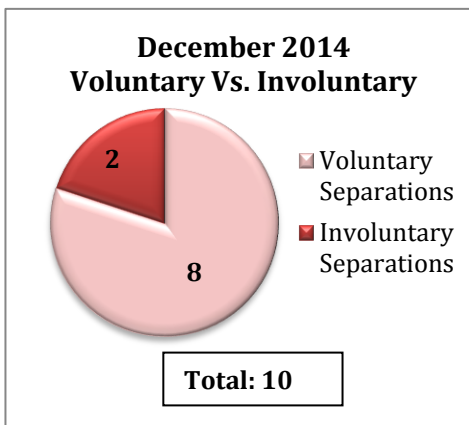
Separation by EEO Category	Monthly	Year to Date
Supervisors & Managers	0	1
Medical (MD,DO, LVN, RN, APN)	0	1
Professionals (QMHP)	2	8
Professionals (QIDP)	0	0
Licensed Staff (LCDC, LPC...)	0	0
Business Services (Accounting)	0	0
Central Administration (HR, IT, Executive Director)	0	1
Program Support(Financial Counselors, QA, Training, Med. Records)	0	2
Nurse Technicians/Aides	0	2
Service/Maintenance	0	1
Direct Care (HCS, Respite, Life Skills)	0	1
<b>Total Separations</b>	<b>2</b>	<b>17</b>

Management Team	# of Employees	Monthly Separations	Year to Date Separations	% November	% YTD
Evan Roberson	14	0	1	0%	7%
Millie McDuffey	43	0	1	0%	2%
Amy Foerster	8	0	0	0%	0%
Tanya Bryant	8	0	0	0%	0%
Catherine Prestigiovanni	135	2	10	1%	7%
Breanna Robertson	47	0	4	0%	8%
Kelly Shropshire	29	0	0	0%	0%
Kathy Luker-Foster	36	0	1	0%	3%
Kenneth Barfield	9	0	0	0%	0%
<b>Total</b>	<b>329</b>	<b>2</b>	<b>17</b>		



# Personnel Report December 2014

December 2014	FY15	FY14
Number of Active Employees	324	281
Number of December Separations	10	5
Number of Separations YTD	27	22
Year to Date Turnover Rate	8%	8%
December Turnover	3%	2%

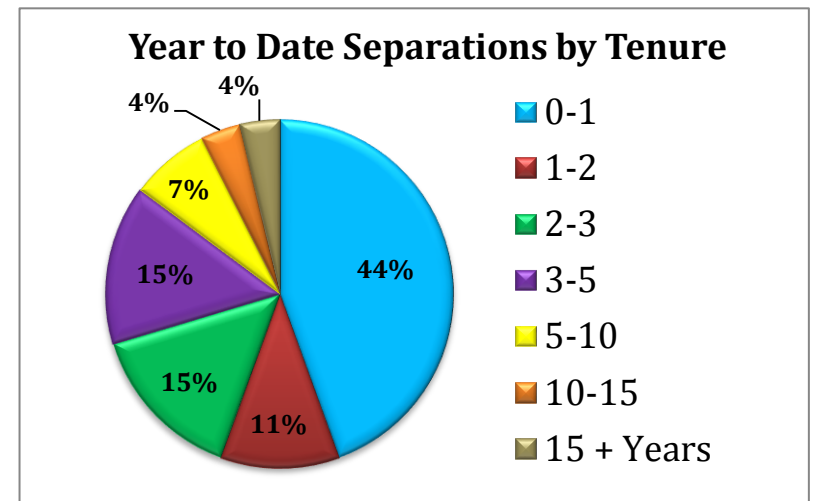
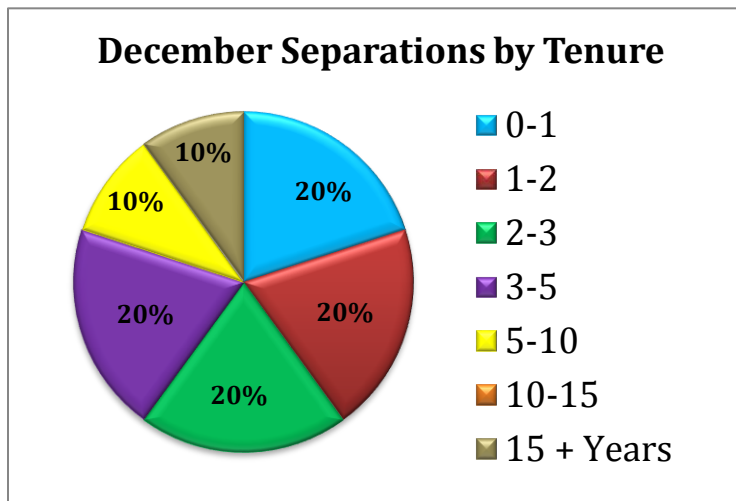


Separations by Reason	December Separations	Year to Date
Retired	1	2
Involuntarily Terminated	2	7
Dissatisfied	4	5
RIF	0	0
Deceased	0	0
Illness	2	3
Relocation	0	1
School	1	1
Personal	0	1
Unknown	0	1
New Job	0	6
Temp	0	0
<b>Total Separations</b>	<b>10</b>	<b>27</b>

<b>Total Applications received in December=190</b>
<b>Total New Hires for the month of December=2</b>
<b>Total New Hires Year to date =35</b>

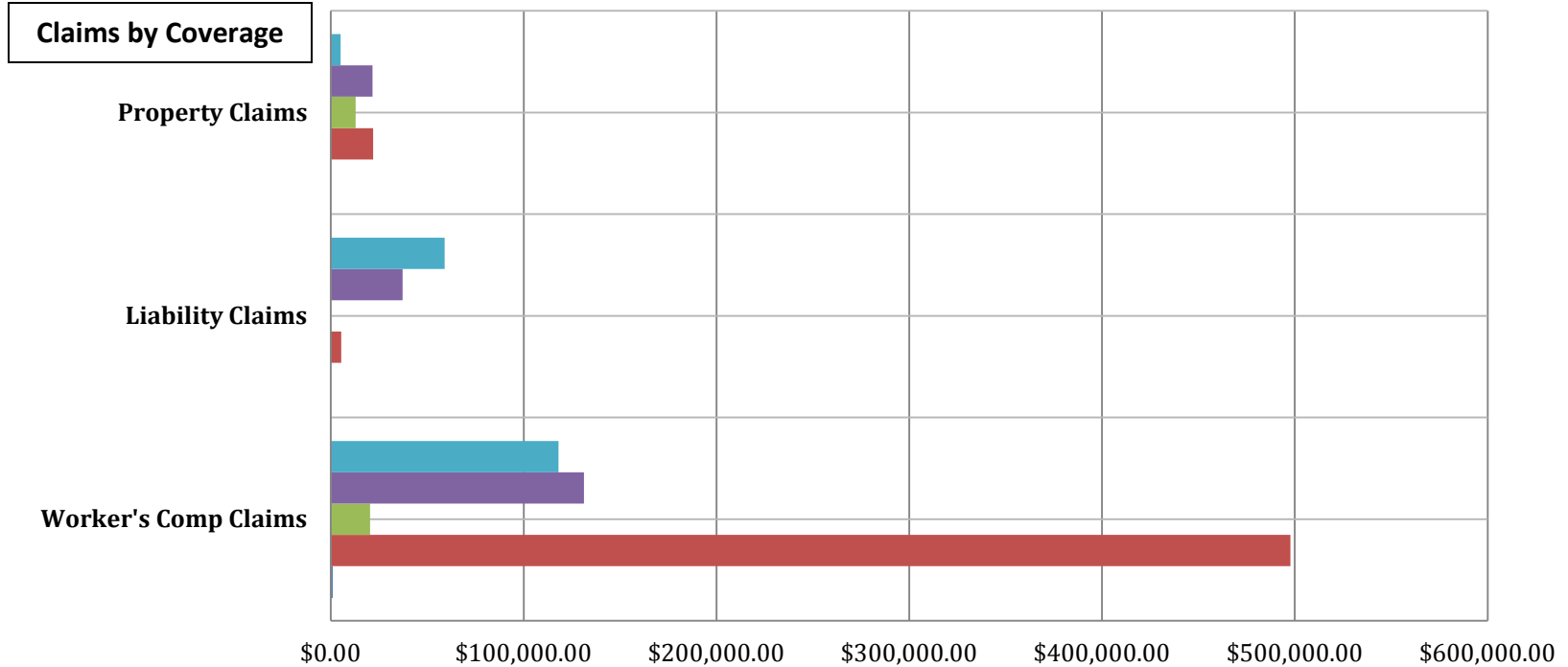
Separation by EEO Category	December Separations	Year to Date
Supervisors & Managers	1	2
Medical (MD,DO, LVN, RN, APN)	0	1
Professionals (QMHP)	2	10
Professionals (QIDP)	3	3
Licensed Staff (LCDC, LPC...)	0	0
Business Services (Accounting)	0	0
Central Administration (HR, IT, Executive Director)	0	1
Program Support(Financial Counselors, QA, Training, Med. Records)	0	2
Nurse Technicians/Aides	0	2
Service/Maintenance	0	1
Direct Care (HCS, Respite, Life Skills)	4	5
<b>Total Separations</b>	<b>10</b>	<b>27</b>

Management Team	# of Employees	December Separations	Year to Date Separations	% Monthly	% Year to Date
Evan Roberson	14	0	1	0%	7%
Millie McDuffey	44	0	1	0%	2%
Amy Foerster	8	0	0	0%	0%
Tanya Bryant	8	0	0	0%	0%
Catherine Prestigiovanni	133	3	13	2%	10%
Breanna Robertson	50	0	4	0%	8%
Kelly Shropshire	26	3	3	12%	12%
Kathy Luker-Foster	32	4	5	13%	16%
Kenneth Barfield	9	0	0	0%	0%
<b>Total</b>	<b>324</b>	<b>10</b>	<b>27</b>		



<p><b>Agenda Item:</b> Texas Council Risk Management Fund Claim Summaries for November and December 2014</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>Texas Council Risk Management Fund Claim Summaries for November and December 2014</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

## TCRMF Claims Summary November 2014

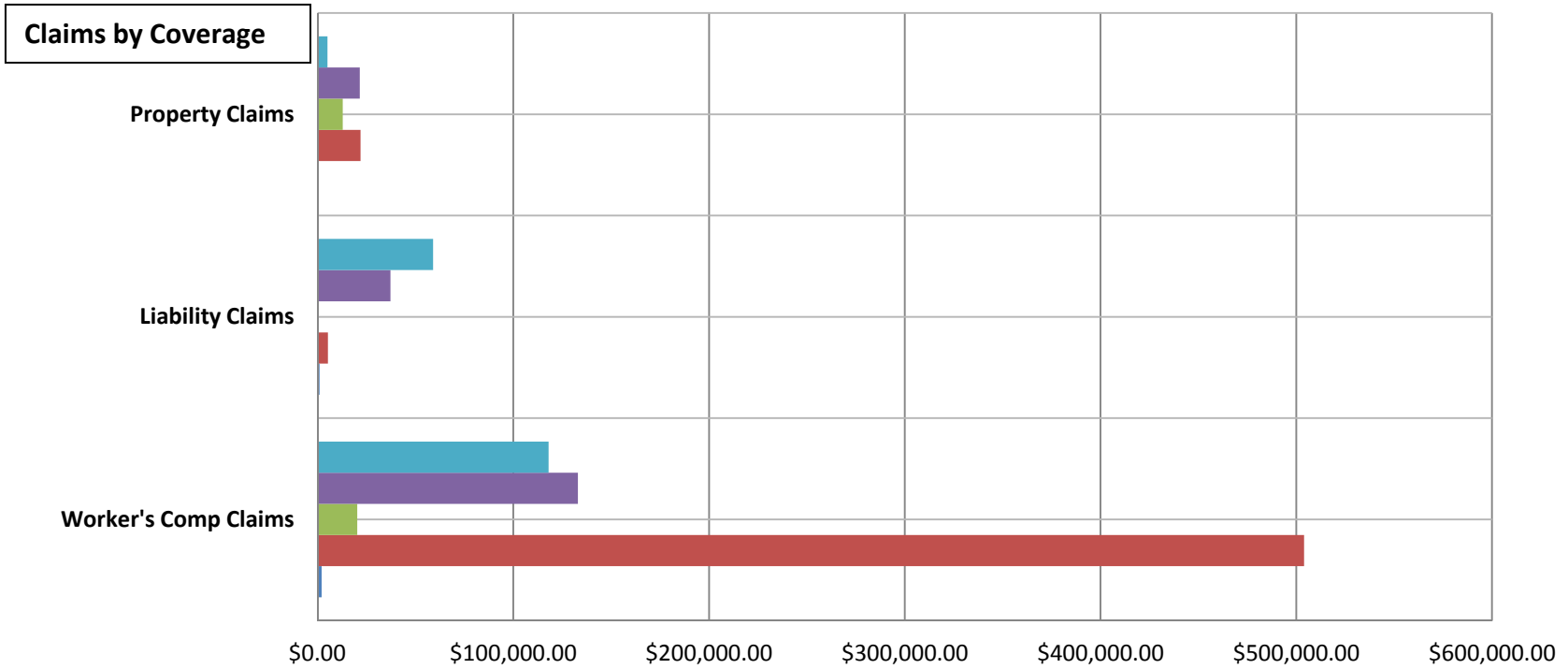


	Worker's Comp Claims	Liability Claims	Property Claims
2011	\$117,981.00	\$59,008.00	\$5,057.00
2012	\$131,271.00	\$37,206.00	\$21,595.00
2013	\$20,263.00	\$0.00	\$12,869.00
2014	\$497,694.00	\$5,295.00	\$21,931.00
2015	\$966.00	\$0.00	\$0.00

**Gross Total Reported**

**Total Open  
Worker's Comp  
Claims: 12**

## TCRMF Claims Summary December 2014



	Worker's Comp Claims	Liability Claims	Property Claims
2011	\$117,981.00	\$59,008.00	\$5,057.00
2012	\$133,017.00	\$37,206.00	\$21,595.00
2013	\$20,263.00	\$0.00	\$12,869.00
2014	\$504,036.00	\$5,295.00	\$21,931.00
2015	\$2,068.00	\$992.00	\$488.00

**Gross Total Reported**

**Total Open  
Worker's Comp  
Claims: 11**

<p><b>Agenda Item:</b> Texas Council Quarterly Board Meeting Update</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <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 Sharon Walker.</p>	
<p><b>Supporting Documentation:</b></p> <p>Texas Council Staff Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	





**Texas Council**  
of Community Centers

**Texas Council Report  
Quarterly Meeting  
January 2015**

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# Chief Executive Officer Report

## Engagement Highlights

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

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

## MH Performance Targets 2014

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

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

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

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

## **Negotiating Team Composition**

### **Texas Council**

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

### **DSHS**

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

### **Negotiations**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **TIMELINE**

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

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

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

1. Service Needs

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

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

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

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

#### **NEXT STEPS**

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

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

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

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



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

MCAW will meet monthly throughout 2015.

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

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

## **State Budget Update**

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

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

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

Other budget projections and key factors include:

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

Additional information on the BRE report can be found at:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Modify requirements of the transition plan as follows:

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

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

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

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

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

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

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

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

**Recommendation 4.2**

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

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

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

#### **Recommendation 4.6**

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

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

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

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

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

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

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

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

##### **Recommendation 6.1**

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

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

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

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

#### **Recommendation 9.1**

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

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

#### **Local Plans**

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

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

**Timeframes for Service Delivery**

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

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

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

**Add the following provisions to Recommendation 13.1**

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

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

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

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

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

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

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

#### **NEXT STEPS**

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

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

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

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

To Review this legislation see the following:

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

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



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

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

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

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

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

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

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

For more on House rule changes see:

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

### **What's Ahead?**

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

## Key Dates

### ***Session Begins***

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

84th Legislature convenes at noon

*[Government Code, Sec. 301.001]*

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

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

### ***Session Ends***

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

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

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

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

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

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

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

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

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

## Interim Committee Reports (Select)

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

Download the complete report:

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

## FINDINGS (Select)

### Mental Health

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

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

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

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

### Veterans

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

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

### **House Human Services Committee**

Download the complete report:

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

### **Recommendations (Select)**

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

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

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

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

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

Additional Interim Committee Reports are available as follows:

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

## **Federal Update**

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Hill Day 2015**

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

# Health Care Policy Update

## Healthcare Opportunities Workgroup (HOW)

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

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

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

## System Design for Persons with Intellectual and Developmental Disabilities

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

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

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

## Technology

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

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

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

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

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

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

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

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

### **Coding Compliance Project**

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

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

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

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

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

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

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

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

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

## **Meadows Mental Health Policy Institute**

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



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

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

See final report on page 41 at this link:

[http://www.ihcqe.org/images/reports/2014-](http://www.ihcqe.org/images/reports/2014-02_2014_Appendices_Policy_Recommendations_Texas_Legislature_FINAL_121914.pdf)

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

## **Transition Medicine**

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

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

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

The Texas Council met with the Chief Medical Officer for Seton Hospital system in August 2014 to discuss the Houston project and determine if there may be opportunities for a similar project in the Central Texas area. A second meeting with Seton, Dell Children's Hospital, Texas Children's Hospital, Baylor College of Medicine and the Texas Council occurred in November

2014. In January 2015, HHSC and Texas Council staff will conduct an on-site visit to better understand the program and its impact on individuals with special healthcare needs in Houston.

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

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

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

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

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

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

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

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

## Mental Health Update

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

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

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

### New Learning Opportunities Page

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

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

### 10 Year Plan: State Hospitals

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

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

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

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

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

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

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

The guide is divided into four main parts:

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

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

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

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

## **Veteran's Advisory Committee**

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

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

## **Disaster Behavioral Health**

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

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

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

## **Peer Opportunities**

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

Areas to be reviewed include:

- Current peer involvement
- Training needs

- Future utilization of peers within programs

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

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

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

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

The CAP is currently working on these issues:

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

The next meeting is January 23, 2015.

### **Via Hope Advisory Committee**

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

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

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

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

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

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

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

### **Mental Health First Aid**

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

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

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

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

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

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



### **MHFA Leadership**

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

- Technical Assistance
- Identifying Best Practices
- Agency Implementation Issues

### **MHFA Steering Committee Membership**

Andrea Richardson – Co -chair	Bluebonnet Trails
Ron Trusler – Co-chair	Central Plains Center
Suzette Sova Shaikh	Harris County MHMRA
Catherine Carlton	MHMR Tarrant County
Susan Holt	Spindletop Center
Rene Hurtado	Emergence Health Network

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

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

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

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

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

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

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

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

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

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

**MHFA Summary**

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

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

# Intellectual and Developmental Disabilities Update

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

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

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

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

## SB 7 Implementation Activities:

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

To view archived hearings:

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

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

To view HHSC and DADS committee presentations:

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

To view House Committee on Human Services Interim Report 2014:

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

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

Committee information is located at:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To view the Steward Interim Settlement Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

### **PASRR Rate Issues**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

## **Employment Services Initiatives**

### Employment First Task Force (EFTF)

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

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

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

### Data Collection and Reporting

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

### Money Follows the Person Employment Pilot

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

### DADS Guide to Employment for People with Disabilities

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

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

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

## **Medicaid Home and Community-based Settings Requirements**

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

### **Purpose and Scope**

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

### **Timeline for Compliance**

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

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

### **Application to Day Programs**

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

### **Qualities of HCBS Settings**

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

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

### **Additional Requirements**

The rule includes additional, more specific requirements, including:

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

### **Exceptions to Additional Requirements**

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

### **Outreach**

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

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

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

Themes of interest to Community Centers:

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

### **Baseline Request Summary**

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

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

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

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

The Texas Council provided testimony, emphasizing:

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

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

## DARS Legislative Appropriations Request and Budget Hearing

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

<p><b>Agenda Item:</b> Approve November 2014 Financial Statements</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>November 2014 Financial Statements</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve November 2014 Financial Statements</b></p>	

### November 2014 Financial Summary

Revenues for November 2014 were \$2,231,992 and operating expenses were \$2,175,213 resulting in a gain in operations of \$56,779. Capital Expenditures and Extraordinary Expenses for November were \$768 resulting in a gain of \$56,011. Total revenues were 98.59% of the monthly budgeted revenues and total expenses were 96.52% of the monthly budgeted expenses.

Year to date revenues are \$6,767,908 and operating expenses are \$6,518,679 leaving excess operating revenues of \$249,229. YTD Capital Expenditures and Extraordinary Expenses are \$31,044 resulting in a gain YTD of 218,185. Total revenues are 99.36% of the YTD budgeted revenues and total expenses are 96.41% 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
ICF Program – Title XIX	592,995	611,050	97.04%	18,055
Rehab – Title XIX	491,852	521,733	94.27%	29,881

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

Rehab – Title XIX – This revenue line is under budget due to November being a holiday month. November historically tends to be lower than other months for revenue generation.

#### **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
Employee Recruitment	31,500	7,500	4.20%	24,000

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

**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
As of November 30, 2014**

	<b>TOTALS COMBINED FUNDS November 2014</b>	<b>TOTALS COMBINED FUNDS October 2014</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,437	4,237	1,200
Cash on Deposit-General Fund	7,800,706	5,467,077	2,333,629
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	2,229,342	1,658,855	570,487
Inventory	9,144	9,276	(132)
<b>TOTAL CURRENT ASSETS</b>	<b>10,044,629</b>	<b>7,139,444</b>	<b>2,905,184</b>
<b>FIXED ASSETS</b>	<b>5,487,590</b>	<b>5,487,590</b>	<b>-</b>
<b>OTHER ASSETS</b>	<b>50,937</b>	<b>63,306</b>	<b>(12,369)</b>
<b>TOTAL ASSETS</b>	<b>15,583,156</b>	<b>12,690,341</b>	<b>2,892,815</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCE:</b>			
<b>CURRENT LIABILITIES</b>	902,208	804,198	98,010
<b>NOTES PAYABLE</b>	536,765	536,765	-
<b>DEFERRED REVENUE</b>	407,596	(2,209,030)	2,616,627
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	847,445	866,886	(19,441)
Bond Series 2004	-	-	-
<b>EXCESS(DEFICIENCY) OF REVENUE: OVER EXPENSES FOR</b>			
General Fund	658,875	486,862	172,013
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(847,445)	(866,886)	19,441
Reserved for Debt Retirement	963,631	963,631	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	5,487,590	5,487,590	-
Reserved for Vehicles & Equipment Replacement	387,871	387,871	-
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
Reserved for Board Policy Requirements	-	-	-
Reserved for Equipment Reserve	-	-	-
Reserved for Inventory Reserve	-	-	-
Reserved for Operations and Programs	-	-	-
<b>ASSIGNED</b>			
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	-
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	1,939,391	1,939,391	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>15,583,156</b>	<b>12,690,341</b>	<b>2,892,815</b>

**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
As of November 30, 2014**

	<b>TOTALS</b>		
	<b>General Operating Funds</b>	<b>Memorandum Only</b>	
		<b>November 2014</b>	<b>Prelim August 2014</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,437	5,437	4,350
Cash on Deposit-General Fund	7,800,706	7,800,706	7,510,718
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	2,229,342	2,229,342	1,466,788
Inventory	9,144	9,144	8,787
<b>TOTAL CURRENT ASSETS</b>	<b>10,044,629</b>	<b>10,044,629</b>	<b>8,990,644</b>
<b>FIXED ASSETS</b>	<b>5,487,590</b>	<b>5,487,590</b>	<b>5,730,985</b>
<b>OTHER ASSETS</b>	<b>50,937</b>	<b>50,937</b>	<b>52,735</b>
	<b>15,583,156</b>	<b>15,583,156</b>	<b>14,774,363</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	902,208	902,208	753,374
<b>NOTES PAYABLE</b>	536,765	536,765	473,777
<b>DEFERRED REVENUE</b>	407,596	407,596	(286,894)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	847,445	847,445	905,707
Bond Series 2004	-	-	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	658,875	658,875	468,510
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt service-Restricted	(847,445)	(847,445)	(905,708)
Reserved for Debt Retirement	963,631	963,631	963,631
<b>COMMITTED</b>			
Net Assets-Property and Equipment-Committed	5,487,590	5,487,590	5,730,985
Reserved for Vehicles & Equipment Replacement	387,871	387,871	387,871
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	2,426,254
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
Reserved for Board Policy Requirements-Committed	-	-	-
Reserved for Equipment Reserve-Committed	-	-	-
Reserved for Inventory Reserve-Committed	-	-	-
Reserved for Operations and Programs -Committed	-	-	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	18,498	18,498	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	(473,777)
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	1,939,391	1,939,391	1,939,391
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>15,583,156</b>	<b>15,583,156</b>	<b>14,774,363</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**For the Month Ended November 2014**  
**and Year To Date as of November 2014**

<b>INCOME:</b>	<b>MONTH OF</b>	<b>YTD</b>
	<b>November 2014</b>	<b>November 2014</b>
	<u>                    </u>	<u>                    </u>
Local Revenue Sources	112,337	330,884
Earned Income	958,823	2,983,498
General Revenue-Contract	1,160,831	3,453,527
<b>TOTAL INCOME</b>	<b><u>2,231,992</u></b>	<b><u>6,767,908</u></b>
<b>EXPENSES:</b>		
Salaries	1,209,188	3,552,843
Employee Benefits	239,977	694,888
Medication Expense	32,300	106,088
Travel-Board/Staff	34,522	111,829
Building Rent/Maintenance	13,847	43,645
Consultants/Contracts	438,953	1,353,616
Other Operating Expenses	206,426	655,769
<b>TOTAL EXPENSES</b>	<b><u>2,175,213</u></b>	<b><u>6,518,679</u></b>
<b>Excess(Deficiency) of Revenues over</b>		
<b>Expenses before Capital Expenditures</b>	<u>56,779</u>	<u>249,229</u>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	768	31,044
Capital Outlay-Debt Service Bonds	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b><u>768</u></b>	<b><u>31,044</u></b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,175,980</b>	<b>6,549,724</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<u>56,011</u>	<u>218,185</u>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of November 2014**

	YTD November 2014	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	330,884	323,268	7,616
Earned Income	2,983,498	3,031,877	(48,379)
General Revenue-Contract	3,453,527	3,456,159	(2,632)
<b>TOTAL INCOME</b>	<b>6,767,908</b>	<b>6,811,304</b>	<b>(43,396)</b>
<b>EXPENSES:</b>			
Salaries	3,552,843	3,647,994	(95,151)
Employee Benefits	694,888	710,233	(15,345)
Medication Expense	106,088	133,922	(27,834)
Travel-Board/Staff	111,829	115,553	(3,724)
Building Rent/Maintenance	43,645	54,129	(10,484)
Consultants/Contracts	1,353,616	1,381,538	(27,922)
Other Operating Expenses	655,769	713,243	(57,474)
<b>TOTAL EXPENSES</b>	<b>6,518,679</b>	<b>6,756,612</b>	<b>(237,933)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>249,229</b>	<b>54,692</b>	<b>194,537</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	31,044	37,033	(5,989)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>31,044</b>	<b>37,033</b>	<b>(5,989)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>6,549,724</b>	<b>6,793,645</b>	<b>(243,921)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>218,185</b>	<b>17,659</b>	<b>200,526</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended November 2014**

<b>INCOME:</b>	<b>MONTH OF November 2014</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	112,337	98,638	13,699
Earned Income	958,823	1,019,884	(61,061)
General Revenue-Contract	1,160,831	1,145,278	15,553
<b>TOTAL INCOME</b>	<b>2,231,992</b>	<b>2,263,800</b>	<b>(31,808)</b>
<b>EXPENSES:</b>			
Salaries	1,209,188	1,225,621	(16,433)
Employee Benefits	239,977	249,490	(9,513)
Medication Expense	32,300	44,640	(12,340)
Travel-Board/Staff	34,522	38,516	(3,994)
Building Rent/Maintenance	13,847	17,543	(3,696)
Consultants/Contracts	438,953	460,131	(21,178)
Other Operating Expenses	206,426	219,948	(13,522)
<b>TOTAL EXPENSES</b>	<b>2,175,213</b>	<b>2,255,889</b>	<b>(80,676)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>56,779</b>	<b>7,911</b>	<b>48,868</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	768	(1,562)	2,330
Capital Outlay-Debt Service Bonds	-		-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>768</b>	<b>(1,562)</b>	<b>2,330</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,175,980</b>	<b>2,254,327</b>	<b>(78,347)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>56,011</b>	<b>9,473</b>	<b>46,539</b>



**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With November 2013 Comparative Data**  
**Year to Date as of November 2014**

<b>INCOME:</b>	<b>YTD November 2014</b>	<b>YTD November 2013</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	330,884	367,770	(36,886)
Earned Income	2,983,498	2,248,110	735,388
General Revenue-Contract	3,453,527	3,284,790	168,737
<b>TOTAL INCOME</b>	<b>6,767,908</b>	<b>5,900,670</b>	<b>867,238</b>
<b>EXPENSES:</b>			
Salaries	3,552,843	3,094,256	458,587
Employee Benefits	694,888	572,237	122,651
Medication Expense	106,088	84,802	21,286
Travel-Board/Staff	111,829	105,044	6,785
Building Rent/Maintenance	43,645	62,963	(19,318)
Consultants/Contracts	1,353,616	1,358,015	(4,399)
Other Operating Expenses	655,769	566,915	88,854
<b>TOTAL EXPENSES</b>	<b>6,518,679</b>	<b>5,844,232</b>	<b>674,447</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>249,229</b>	<b>56,438</b>	<b>192,791</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	31,044	40,839	(9,795)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>31,044</b>	<b>40,839</b>	<b>(9,795)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>6,549,724</b>	<b>5,885,071</b>	<b>664,653</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>218,185</b>	<b>15,599</b>	<b>202,586</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With November 2013 Comparative Data**  
**For the Month Ended November 2014**

<b>INCOME:</b>	<b>MONTH OF November 2014</b>	<b>MONTH OF November 2013</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	112,337	111,856	481
Earned Income	958,823	738,098	220,725
General Revenue-Contract	1,160,831	1,139,580	21,251
<b>TOTAL INCOME</b>	<b>2,231,992</b>	<b>1,989,534</b>	<b>242,458</b>
<b>EXPENSES:</b>			
Salaries	1,209,188	1,048,868	160,320
Employee Benefits	239,977	196,643	43,334
Medication Expense	32,300	21,322	10,978
Travel-Board/Staff	34,522	31,279	3,243
Building Rent/Maintenance	13,847	22,578	(8,731)
Consultants/Contracts	438,953	441,627	(2,674)
Other Operating Expenses	206,426	206,390	36
<b>TOTAL EXPENSES</b>	<b>2,175,213</b>	<b>1,968,707</b>	<b>206,506</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>56,779</b>	<b>20,827</b>	<b>35,952</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	768	37,206	(36,438)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>768</b>	<b>37,206</b>	<b>(36,438)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,175,980</b>	<b>2,005,913</b>	<b>170,067</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>56,011</b>	<b>(16,379)</b>	<b>72,391</b>

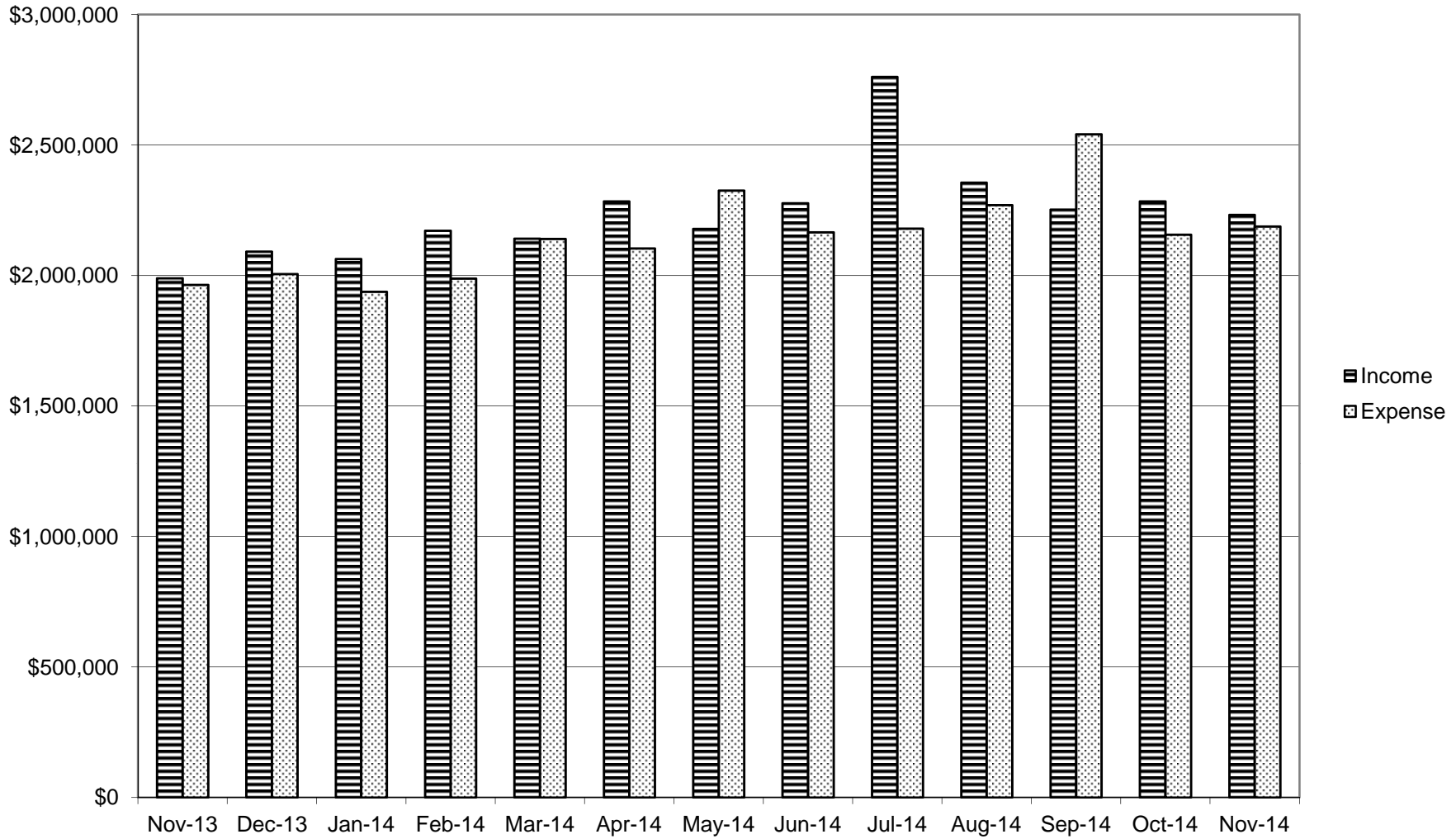
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With October 2014 Comparative Data**  
**For the Month Ended November 2014**

<b>INCOME:</b>	<b>MONTH OF November 2014</b>	<b>MONTH OF October 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	112,337	121,901	(9,564)
Earned Income	958,823	1,022,200	(63,377)
General Revenue-Contract	1,160,831	1,139,577	21,254
<b>TOTAL INCOME</b>	<b>2,231,992</b>	<b>2,283,679</b>	<b>(51,687)</b>
<b>EXPENSES:</b>			
Salaries	1,209,188	1,187,680	21,507
Employee Benefits	239,977	229,672	10,304
Medication Expense	32,300	48,828	(16,529)
Travel-Board/Staff	34,522	40,565	(6,042)
Building Rent/Maintenance	13,847	11,750	2,096
Consultants/Contracts	438,953	437,058	1,895
Other Operating Expenses	206,426	231,799	(25,372)
<b>TOTAL EXPENSES</b>	<b>2,175,213</b>	<b>2,187,353</b>	<b>(12,140)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>56,779</b>	<b>96,326</b>	<b>(39,547)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	768	3,685	(2,917)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>768</b>	<b>3,685</b>	<b>(2,917)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,175,980</b>	<b>2,191,038</b>	<b>(15,058)</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>56,011</b>	<b>92,641</b>	<b>(36,629)</b>

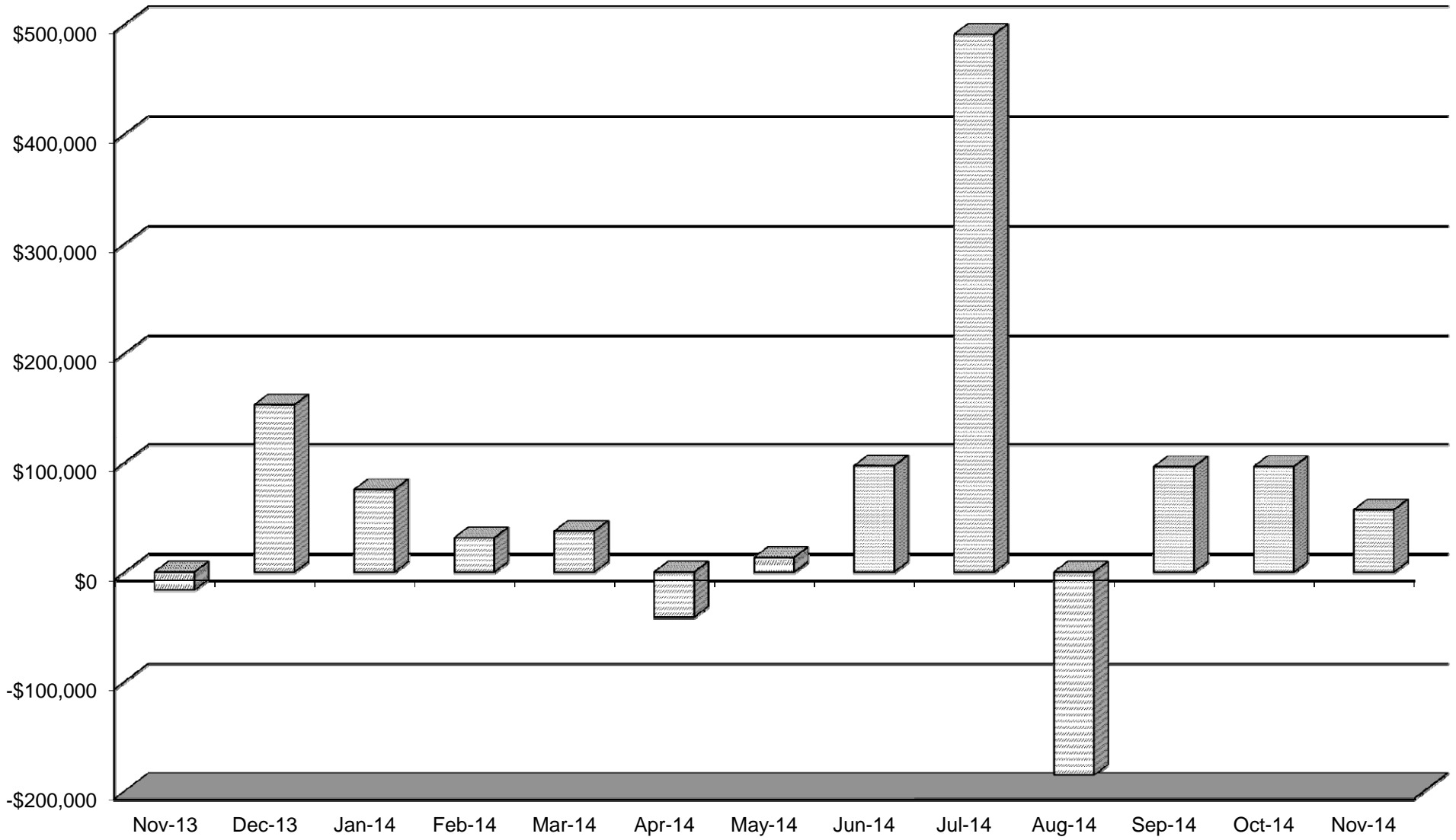
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of November 2014**

	YTD Mental Health November 2014	YTD IDD November 2014	YTD Other Services November 2014	YTD Agency Total November 2014	YTD Approved Budget November 2014	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	250,113	60,080	20,692	330,884	323,268	7,616
Earned Income	808,790	1,433,494	741,213	2,983,498	3,031,877	(48,379)
General Revenue-Contract	3,029,038	424,489		3,453,527	3,456,159	(2,632)
<b>TOTAL INCOME</b>	<b>4,087,941</b>	<b>1,918,063</b>	<b>761,905</b>	<b>6,767,909</b>	<b>6,811,304</b>	<b>(43,395)</b>
<b>EXPENSES:</b>						
Salaries	2,354,946	660,565	537,333	3,552,843	3,647,994	(95,151)
Employee Benefits	454,187	139,900	100,801	694,888	710,233	(15,345)
Medication Expense	97,449		8,639	106,088	133,922	(27,834)
Travel-Board/Staff	69,067	28,420	14,342	111,829	115,553	(3,724)
Building Rent/Maintenance	26,929	12,374	4,342	43,645	54,129	(10,484)
Consultants/Contracts	448,313	854,693	50,611	1,353,616	1,381,538	(27,922)
Other Operating Expenses	444,948	140,377	70,445	655,769	713,243	(57,474)
<b>TOTAL EXPENSES</b>	<b>3,895,839</b>	<b>1,836,329</b>	<b>786,513</b>	<b>6,518,678</b>	<b>6,756,612</b>	<b>(237,934)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>192,102</b>	<b>81,734</b>	<b>(24,608)</b>	<b>249,231</b>	<b>54,692</b>	<b>194,539</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	15,751	7,073	8,220	31,044	37,033	(5,989)
Capital Outlay-Debt Service Bonds				-		-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>15,751</b>	<b>7,073</b>	<b>8,220</b>	<b>31,044</b>	<b>37,033</b>	<b>(5,989)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>3,911,590</b>	<b>1,843,402</b>	<b>794,733</b>	<b>6,549,722</b>	<b>6,793,645</b>	<b>(243,923)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>176,351</b>	<b>74,661</b>	<b>(32,828)</b>	<b>218,184</b>	<b>17,659</b>	<b>200,528</b>

### TRI-COUNTY SERVICES Income and Expense



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



<b>Agenda Item:</b> Approve December 2014 Financial Statements	<b>Board Meeting Date</b> January 29, 2015
<b>Committee:</b> Business	
<b>Background Information:</b> None	
<b>Supporting Documentation:</b> December 2014 Financial Statements	
<b>Recommended Action:</b> <b>Approve December 2014 Financial Statements</b>	

## December 2014 Financial Summary

Revenues for December 2014 were \$2,288,714 and operating expenses were \$2,282,521 resulting in a gain in operations of \$6,193. Capital Expenditures and Extraordinary Expenses for December were \$5,044 resulting in a gain of \$1,149. Total revenues were 97.29% of the monthly budgeted revenues and total expenses were 97.27% of the monthly budgeted expenses.

Year to date revenues are \$9,056,623 and operating expenses are \$8,801,200 leaving excess operating revenues of \$255,422. YTD Capital Expenditures and Extraordinary Expenses are \$36,088 resulting in a gain YTD of 219,334. Total revenues are 98.98% of the YTD budgeted revenues and total expenses are 96.63% 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
ICF Program – Title XIX	790,975	811,500	97.47%	20,525
Rehab – Title XIX	644,097	699,083	92.13%	54,986

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

Rehab – Title XIX – This revenue line is under budget again due to the holiday season. This has been the historical trend that we have seen over the years. We also have a few vacant positions in this program which will also have an offset with a reduction in the payroll expenses for these vacant positions.

### **EXPENSES**

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	\$ Variance
Employee Recruitment	31,560	10,000	3.16%	21,560

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



**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
For the Month Ended December 31, 2014**

	<b>TOTALS COMBINED FUNDS December 2014</b>	<b>TOTALS COMBINED FUNDS November 2014</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	6,437	5,437	1,000
Cash on Deposit-General Fund	10,799,204	7,800,706	2,998,498
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,694,205	2,229,342	(535,136)
Inventory	8,713	9,144	(431)
<b>TOTAL CURRENT ASSETS</b>	<b>12,508,559</b>	<b>10,044,629</b>	<b>2,463,931</b>
<b>FIXED ASSETS</b>	<b>5,487,590</b>	<b>5,487,590</b>	<b>-</b>
<b>OTHER ASSETS</b>	<b>36,628</b>	<b>50,937</b>	<b>(14,309)</b>
<b>TOTAL ASSETS</b>	<b>18,032,779</b>	<b>15,583,156</b>	<b>2,449,622</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	892,661	902,208	(9,547)
<b>NOTES PAYABLE</b>	536,765	536,765	-
<b>DEFERRED REVENUE</b>	2,908,274	407,596	2,500,678
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	827,918	847,445	(19,527)
Bond Series 2004	-	-	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	611,201	658,875	(47,674)
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(827,918)	(847,445)	19,527
Reserved for Debt Retirement	963,631	963,631	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	5,487,590	5,487,590	-
Reserved for Vehicles & Equipment Replacement	387,871	387,871	-
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	-
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
Reserved for Board Policy Requirements	-	-	-
Reserved for Equipment Reserve	-	-	-
Reserved for Inventory Reserve	-	-	-
Reserved for Operations and Programs	-	-	-
<b>ASSIGNED</b>			
Reserved for Workers' 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	-
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	1,939,391	1,939,391	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>18,032,779</b>	<b>15,583,156</b>	<b>2,449,622</b>

**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
For the Month Ended December 31, 2014**

	<b>TOTALS</b>		
	<b>General Operating Funds</b>	<b>Memorandum Only</b>	
		<b>December 2014</b>	<b>Prelim August 2014</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	6,437	6,437	4,350
Cash on Deposit-General Fund	10,799,204	10,799,204	7,510,718
Cash on Deposit-Debt Fund	-	-	-
Accounts Receivable	1,694,205	1,694,205	1,466,788
Inventory	8,713	8,713	8,787
<b>TOTAL CURRENT ASSETS</b>	<b>12,508,559</b>	<b>12,508,559</b>	<b>8,990,644</b>
<b>FIXED ASSETS</b>	<b>5,487,590</b>	<b>5,487,590</b>	<b>5,730,985</b>
<b>OTHER ASSETS</b>	<b>36,628</b>	<b>36,628</b>	<b>52,735</b>
	<b>18,032,779</b>	<b>18,032,778</b>	<b>14,774,363</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCE:</b>			
<b>CURRENT LIABILITIES</b>	892,661	892,661	753,374
<b>NOTES PAYABLE</b>	536,765	536,765	473,777
<b>DEFERRED REVENUE</b>	2,908,274	2,908,274	(286,894)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	827,918	827,918	905,707
Bond Series 2004	-	-	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	611,201	611,201	468,510
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt service-Restricted	(827,918)	(827,918)	(905,708)
Reserved for Debt Retirement	963,631	963,631	963,631
<b>COMMITTED</b>			
Net Assets-Property and Equipment-Committed	5,487,590	5,487,590	5,730,985
Reserved for Vehicles & Equipment Replacement	387,871	387,871	387,871
Reserved for Facility Improvement & Acquisitions	2,426,254	2,426,254	2,426,254
Reserved for Board Initiatives	1,500,000	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833	516,833
Reserved for Board Policy Requirements-Committed	-	-	-
Reserved for Equipment Reserve-Committed	-	-	-
Reserved for Inventory Reserve-Committed	-	-	-
Reserved for Operations and Programs -Committed	-	-	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	24,664	24,664	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
Reserved for Accrued Paid Time Off	(536,765)	(536,765)	(473,777)
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	1,939,391	1,939,391	1,939,391
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>18,032,779</b>	<b>18,032,779</b>	<b>14,774,363</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**For the Month Ended December 2014**  
**and Year To Date as of December 2014**

<b>INCOME:</b>	<b>MONTH OF December 2014</b>	<b>YTD December 2014</b>
Local Revenue Sources	104,207	435,091
Earned Income	983,034	3,966,532
General Revenue-Contract	1,201,473	4,655,000
<b>TOTAL INCOME</b>	<b>2,288,714</b>	<b>9,056,623</b>
<b>EXPENSES:</b>		
Salaries	1,206,512	4,759,355
Employee Benefits	240,700	935,588
Medication Expense	39,297	145,385
Travel-Board/Staff	29,696	141,526
Building Rent/Maintenance	22,938	66,583
Consultants/Contracts	495,995	1,849,611
Other Operating Expenses	247,383	903,152
<b>TOTAL EXPENSES</b>	<b>2,282,521</b>	<b>8,801,200</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>6,193</b>	<b>255,422</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	5,044	36,088
Capital Outlay-Debt Service Bonds	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>5,044</b>	<b>36,088</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,287,565</b>	<b>8,837,289</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>1,149</b>	<b>219,334</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of December 2014**

	YTD December 2014	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	435,091	429,355	5,736
Earned Income	3,966,532	4,046,340	(79,808)
General Revenue-Contract	4,655,000	4,673,937	(18,937)
<b>TOTAL INCOME</b>	<b>9,056,623</b>	<b>9,149,632</b>	<b>(93,009)</b>
<b>EXPENSES:</b>			
Salaries	4,759,355	4,873,958	(114,603)
Employee Benefits	935,588	942,289	(6,701)
Medication Expense	145,385	178,562	(33,177)
Travel-Board/Staff	141,526	154,069	(12,543)
Building Rent/Maintenance	66,583	77,172	(10,589)
Consultants/Contracts	1,849,611	1,897,669	(48,058)
Other Operating Expenses	903,152	967,290	(64,138)
<b>TOTAL EXPENSES</b>	<b>8,801,200</b>	<b>9,091,009</b>	<b>(289,809)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>255,422</b>	<b>58,623</b>	<b>196,799</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	36,088	54,471	(18,383)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>36,088</b>	<b>54,471</b>	<b>(18,383)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>8,837,289</b>	<b>9,145,480</b>	<b>(308,191)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>219,334</b>	<b>4,152</b>	<b>215,182</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended December 2014**

<b>INCOME:</b>	<b>MONTH OF December 2014</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	104,207	120,187	(15,980)
Earned Income	983,034	1,014,463	(31,429)
General Revenue-Contract	1,201,473	1,217,778	(16,305)
<b>TOTAL INCOME</b>	<b>2,288,714</b>	<b>2,352,428</b>	<b>(63,714)</b>
<b>EXPENSES:</b>			
Salaries	1,206,512	1,225,964	(19,452)
Employee Benefits	240,700	232,056	8,644
Medication Expense	39,297	44,640	(5,343)
Travel-Board/Staff	29,696	38,516	(8,820)
Building Rent/Maintenance	22,938	23,043	(105)
Consultants/Contracts	495,995	516,131	(20,136)
Other Operating Expenses	247,383	254,047	(6,664)
<b>TOTAL EXPENSES</b>	<b>2,282,521</b>	<b>2,334,397</b>	<b>(51,876)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>6,193</b>	<b>18,031</b>	<b>(11,838)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	5,044	17,438	(12,394)
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>5,044</b>	<b>17,438</b>	<b>(12,394)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,287,565</b>	<b>2,351,835</b>	<b>(64,270)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>1,149</b>	<b>593</b>	<b>556</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With December 2013 Comparative Data**  
**Year to Date as of December 2014**

<b>INCOME:</b>	<b>YTD December 2014</b>	<b>YTD December 2013</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	435,091	504,734	(69,643)
Earned Income	3,966,532	2,969,223	997,309
General Revenue-Contract	4,655,000	4,517,860	137,140
<b>TOTAL INCOME</b>	<b>9,056,623</b>	<b>7,991,817</b>	<b>1,064,806</b>
<b>EXPENSES:</b>			
Salaries	4,759,355	4,064,491	694,864
Employee Benefits	935,588	761,868	173,720
Medication Expense	145,385	123,099	22,286
Travel-Board/Staff	141,526	131,128	10,398
Building Rent/Maintenance	66,583	83,833	(17,250)
Consultants/Contracts	1,849,611	1,832,275	17,336
Other Operating Expenses	903,152	800,332	102,820
<b>TOTAL EXPENSES</b>	<b>8,801,200</b>	<b>7,797,026</b>	<b>1,004,174</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>255,422</b>	<b>194,791</b>	<b>60,631</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	36,088	26,037	10,051
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>36,088</b>	<b>26,037</b>	<b>10,051</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>8,837,289</b>	<b>7,823,063</b>	<b>1,014,226</b>
<b>Excess (Deficiency) of Revenues and Expenses:</b>	<b>219,334</b>	<b>168,754</b>	<b>50,580</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With December 2013 Comparative Data**  
**For the Month Ended December 2014**

<b>INCOME:</b>	<b>MONTH OF December 2014</b>	<b>MONTH OF December 2013</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	104,207	136,964	(32,757)
Earned Income	983,034	721,112	261,922
General Revenue-Contract	1,201,473	1,233,070	(31,597)
<b>TOTAL INCOME</b>	<b>2,288,714</b>	<b>2,091,146</b>	<b>197,568</b>
<b>EXPENSES:</b>			
Salaries	1,206,512	970,235	236,277
Employee Benefits	240,700	189,631	51,069
Medication Expense	39,297	38,297	1,000
Travel-Board/Staff	29,696	26,084	3,612
Building Rent/Maintenance	22,938	20,870	2,068
Consultants/Contracts	495,995	474,261	21,734
Other Operating Expenses	247,383	233,417	13,966
<b>TOTAL EXPENSES</b>	<b>2,282,521</b>	<b>1,952,795</b>	<b>329,726</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>6,193</b>	<b>138,351</b>	<b>(132,158)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	5,044	(14,802)	19,846
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>5,044</b>	<b>(14,802)</b>	<b>19,846</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,287,565</b>	<b>1,937,993</b>	<b>349,572</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>1,149</b>	<b>153,153</b>	<b>(152,004)</b>

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

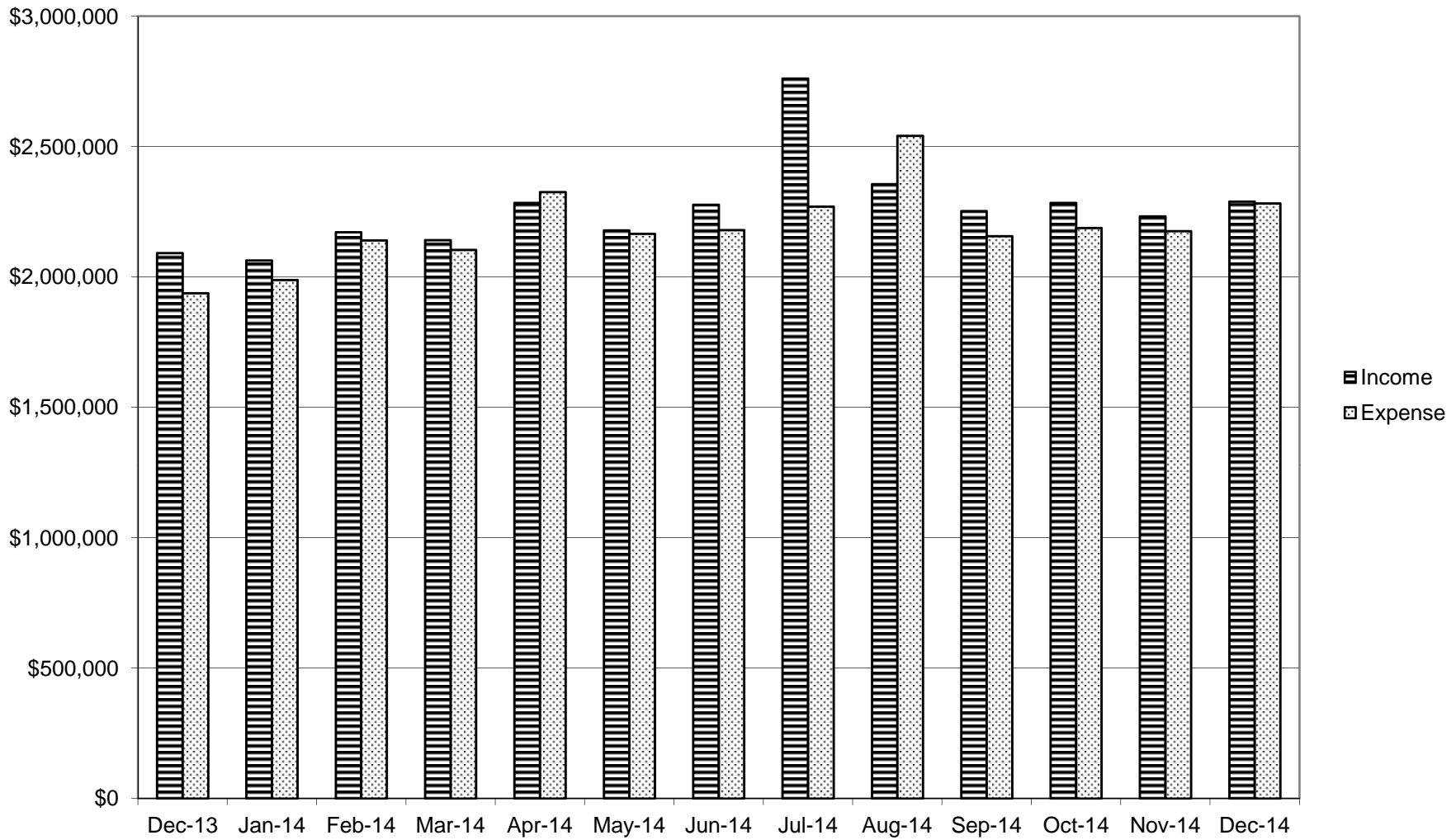
<b>INCOME:</b>	<b>MONTH OF December 2014</b>	<b>MONTH OF November 2014</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	104,207	112,337	(8,130)
Earned Income	983,034	958,823	24,211
General Revenue-Contract	1,201,473	1,160,831	40,642
<b>TOTAL INCOME</b>	<b>2,288,714</b>	<b>2,231,992</b>	<b>56,723</b>
<b>EXPENSES:</b>			
Salaries	1,206,512	1,209,188	(2,676)
Employee Benefits	240,700	239,977	723
Medication Expense	39,297	32,300	6,997
Travel-Board/Staff	29,696	34,522	(4,826)
Building Rent/Maintenance	22,938	13,847	9,092
Consultants/Contracts	495,995	438,953	57,042
Other Operating Expenses	247,383	206,426	40,957
<b>TOTAL EXPENSES</b>	<b>2,282,521</b>	<b>2,175,213</b>	<b>107,309</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>6,193</b>	<b>56,779</b>	<b>(50,586)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	5,044	768	4,277
Capital Outlay-Debt Service Bonds	-	-	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>5,044</b>	<b>768</b>	<b>4,277</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,287,565</b>	<b>2,175,980</b>	<b>111,585</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>1,149</b>	<b>56,011</b>	<b>(54,862)</b>



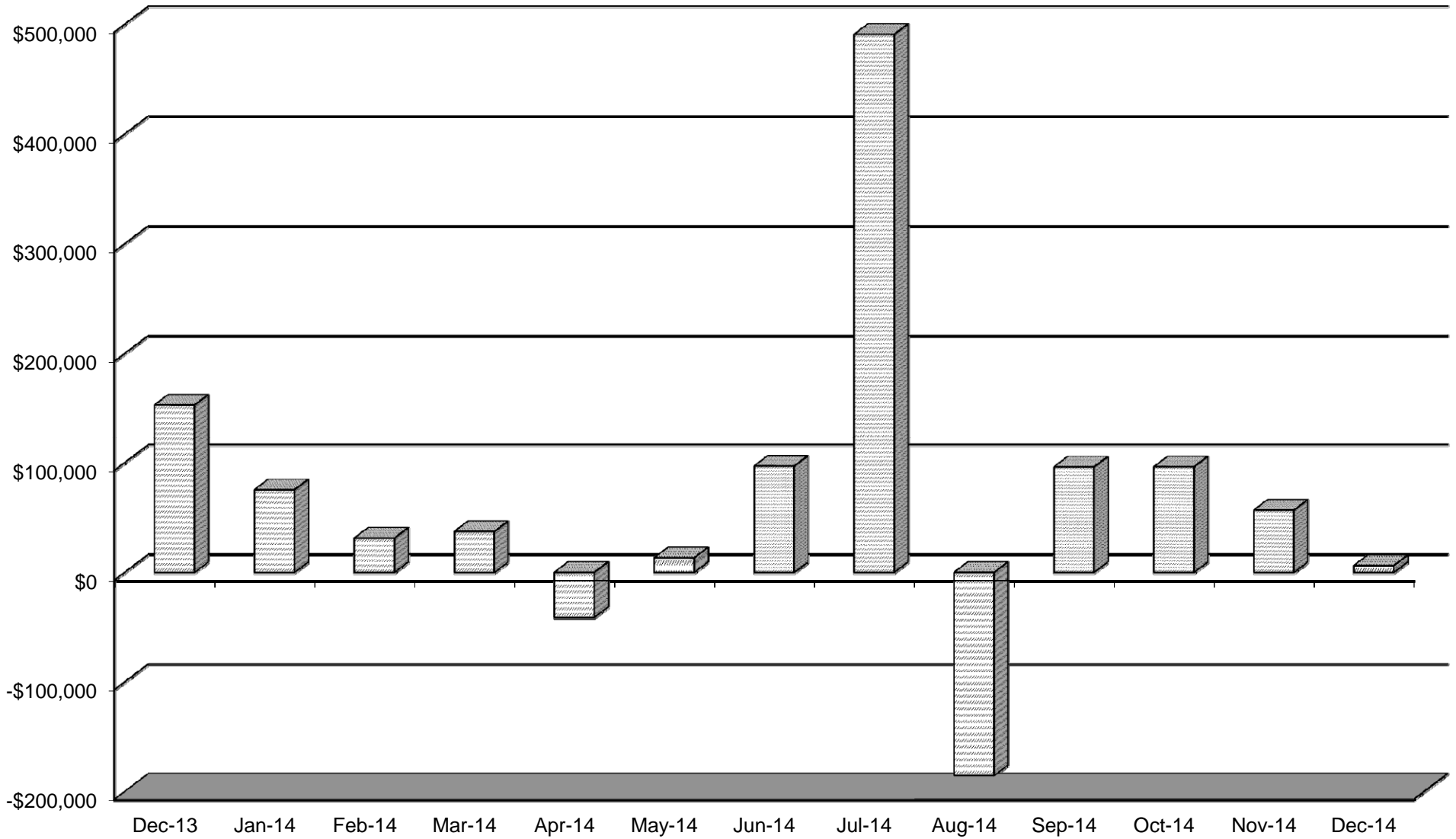
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of December 2014**

	YTD Mental Health <u>December 2014</u>	YTD IDD <u>December 2014</u>	YTD Other Services <u>December 2014</u>	YTD Agency Total <u>December 2014</u>	YTD Approved Budget <u>December 2014</u>	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	337,978	77,749	19,364	435,091	429,355	5,736
Earned Income	1,056,581	1,911,765	998,185	3,966,532	4,046,340	(79,808)
General Revenue-Contract	4,083,782	571,218		4,655,000	4,673,937	(18,937)
<b>TOTAL INCOME</b>	<b>5,478,341</b>	<b>2,560,732</b>	<b>1,017,549</b>	<b>9,056,623</b>	<b>9,149,632</b>	<b>(93,009)</b>
<b>EXPENSES:</b>						
Salaries	3,146,888	884,933	727,535	4,759,355	4,873,958	(114,603)
Employee Benefits	610,773	188,118	136,697	935,588	942,289	(6,701)
Medication Expense	132,742		12,643	145,385	178,562	(33,177)
Travel-Board/Staff	87,717	36,502	17,308	141,526	154,069	(12,543)
Building Rent/Maintenance	40,715	18,781	7,088	66,583	77,172	(10,589)
Consultants/Contracts	695,836	1,101,220	52,556	1,849,611	1,897,669	(48,058)
Other Operating Expenses	604,611	191,359	107,183	903,152	967,290	(64,138)
<b>TOTAL EXPENSES</b>	<b>5,319,282</b>	<b>2,420,913</b>	<b>1,061,010</b>	<b>8,801,200</b>	<b>9,091,009</b>	<b>(289,809)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>159,059</b>	<b>139,819</b>	<b>(43,461)</b>	<b>255,423</b>	<b>58,623</b>	<b>196,800</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	15,751	10,669	9,668	36,088	54,471	(18,383)
Capital Outlay-Debt Service Bonds				-		-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>15,751</b>	<b>10,669</b>	<b>9,668</b>	<b>36,088</b>	<b>54,471</b>	<b>(18,383)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>5,335,033</b>	<b>2,431,582</b>	<b>1,070,678</b>	<b>8,837,288</b>	<b>9,145,480</b>	<b>(308,192)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>143,308</b>	<b>129,150</b>	<b>(53,129)</b>	<b>219,334</b>	<b>4,152</b>	<b>215,183</b>

### TRI-COUNTY SERVICES Income and Expense



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



<p><b>Agenda Item:</b> Approve FY 2014 Independent Financial Audit</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>Scott, Singleton, Fincher &amp; Company PC audited Tri-County's Financial Statements for the fiscal year ending August 31, 2014. There were no material findings related to the financial statements.</p>	
<p><b>Supporting Documentation:</b></p> <p>Copy of Preliminary Audited Financial Statements – Mailed to Board Members</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve FY 2014 Independent Financial Audit</b></p>	

<b>Agenda Item:</b> Approve Revision to Board Policy E.3 – Handling of Tri-County Mail and Receipt of Checks through the Mail	<b>Board Meeting Date</b>
<b>Committee:</b> Business	January 29, 2015
<b>Background Information:</b>	
In an attempt to update our center policies, we will be bringing them to the Board for approval over the next few months to ensure that they are in compliance with contracts, regulations, etc.	
<b>Supporting Documentation:</b>	
Board Policy E.3 – Handling of Tri-County Mail and Receipt of Checks through the Mail	
<b>Recommended Action:</b>	
<b>Approve Recommended Revision to Board Policy E.3 – Handling of Tri-County Mail and Receipt of Checks through the Mail</b>	

## TRI-COUNTY BEHAVIORAL HEALTHCARE

### STATEMENT OF POLICY

\_\_\_\_\_  
Brad Browder, Chairman

\_\_\_\_\_  
January 29, 2015

Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATES: January 29, 2015

SUBJECT: Handling of Tri-County Mail and Receipt of Checks through the Mail

It is the policy of the Board of Trustees to ensure that all applicable Generally Accepted Accounting Principles are followed. Procedures will be established in regards to all incoming mail and checks to Tri-County.

| These procedures are to be utilized by all offices of Tri-County ~~MHMR Services~~ which receive mail. Availability of staff may have some bearing on the separation of duties involved.

| Procedures are developed by the ~~Director of Fiscal Services~~ Chief Financial Officer and approved by the Executive Director. Although not directly involved with the initial gathering and distribution of incoming mail, it is the responsibility of the Business Office staff to monitor compliance standards.

<p><b>Agenda Item:</b> Approve Revision to Board Policy E.4 – Allowable Expenditures</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>In an attempt to update our center policies, we will be bringing them to the Board for approval over the next few months to ensure that they are in compliance with contracts, regulations, etc.</p>	
<p><b>Supporting Documentation:</b></p> <p>Board Policy E.4 – Allowable Expenditures</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve Recommended Revision to Board Policy E.4 – Allowable Expenditures</b></p>	

# TRI-COUNTY BEHAVIORAL HEALTHCARE

## STATEMENT OF POLICY

\_\_\_\_\_  
Brad Browder, Chairman

\_\_\_\_\_  
January 29, 2015  
Date

ORIGINAL EFFECTIVE DATE: September 29, 1988

REVISION DATES: January 29, 2015

SUBJECT: Allowable Expenditures

It is the policy of the Board of Trustees that local funds may be expended for certain items and/or services which are not addressed in any other section of the Policy and Procedure Manual. These expenditures are as follows:

- I. Food and/or refreshments served at meetings of the Board of Trustees, Advisory Board, Board Planning Meetings, staff training activities and training conferences sponsored by Tri-County [MHMR Services](#).
- II. Facilities, rental equipment and incidental expenses for the aforementioned functions.
- III. Consultants for training at the aforementioned functions.
- IV. Public relations and courtesies. Such expenses will be allowable for the Management Staff or Board Members only. ~~unless the~~ Executive Director ~~may~~ gives specific instruction or authorization to other staff when deemed necessary for Tri-County business.
  - A. Such expenditures will be reasonable and the business purpose documented (such as Board of Trustee training).
  - B. The Executive Director must approve those expenditures for payment and the Business and Finance Committee of the Board will review them on a regular basis.



<p><b>Agenda Item:</b> Approve Creation of Tri-County Foundation</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>One of our FY 2015 Board-approved objectives is to, "Develop a trust fund to benefit Tri-County consumers by August 31, 2015." At the December 2014 Board meeting, staff visited with the Board about the creation of a non-profit charitable corporation/foundation to benefit Tri-County's consumers.</p> <p>The Tri-County Board of Trustees would oversee the foundation and approve all Board membership. The foundation's Board members could consist of either Tri-County Board Trustees only or a mixture of Board Trustees and community members. It may appear more independent to potential donors if there were community members serving on this Board.</p> <p>The foundation would function much like the housing boards in that it would be a component unit for audit purposes but would exist as a separate organization with the Internal Revenue Service. A Certificate of Formation would be required, along with bylaws and a series of investment policies which guide the organization. The foundation would ultimately contract with another organization to manage funds.</p> <p>Staff have been approached by two families with means that might be willing to donate to a foundation to benefit our consumers. In addition, staff feel that we will be more likely to receive funds if the relationship with a foundation is already in place. The cost of forming a foundation would be relatively small and ongoing costs are projected to be low.</p> <p>In response to a question from the December Board meeting regarding DSHS or DADS and their control of the foundation, Jackson Walker attorney, Michael Kaufman, has indicated, "To the extent that your agency is subject to control, direction or influence by any other state or similar agency, then there could be some danger of that entity getting access to the corporation's funds through compelling your agency to elect a board that will do what is desired."</p> <p>A name for the foundation would need to be selected by the Board if approved.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Authorize Executive Director to Work with Legal Counsel from Jackson Walker to Develop a Tri-County Consumer Foundation</b></p>	

**Agenda Item:** Approve Conditional Offer for 2000 Panther Lane, Liberty, Texas

**Board Meeting Date**

January 29, 2015

**Committee:** Business

**Background Information:**

Staff has been working on a plan to consolidate our service facilities in Liberty, Texas. Our current Intellectual and Developmental Disabilities day habilitation site at 2221 Hwy 90 in Liberty is undersized and the restroom facilities are not large enough for persons in oversized wheelchairs. The property is essentially land-locked and there is limited space to expand the facility to meet program needs.

The current medication clinic at 612 Hwy 90 has narrow hallways, small restrooms and inadequate parking to be considered for a possible habilitation location.

2000 Panther Lane in Liberty is a former bowling alley that has most recently served as a Senior Citizen Center. It has adequate open space for the day habilitation program and has an office area that can serve our mental health clinic needs. Based on previous requests, we believe there will be additional demand for habilitation services once space is available.

Our building consultant has evaluated the building on 2000 Panther Lane and will provide a report on the findings from the MEP assessments done on the building. Staff has reviewed these reports and it appears that the building will meet our program needs after some remodeling is completed. Staff is requesting that the Board consider making a conditional offer to the owner of the property.

Once a conditional offer has been accepted, staff will need to submit a request approval to DSHS and DADS as well as advise all three of the County Judges.

At this time, staff would propose that the Board consider financing the facility and the remodel.

**Supporting Documentation:**

Conditional Offer

Documents Available for Review at the Board Meeting:

- Appraisal
- Building Assessments
- Remodeled Building Floor Plan

**Recommended Action:**

**Approve the Purchase of 2000 Panther Lane, Liberty, Texas Pending Approval by DSHS, DADS and County Judges and Securing Appropriate Financing, and Authorize the Executive Director to Execute Necessary Documents Related to the Purchase on Behalf of the Center with Review from Jackson Walker**

January 5, 2015

Mr. Frank M. Jordan  
Mr. Bill Sjolander  
317 Industrial Circle  
Liberty, Texas 77575

Re: Acquisition of the land and building located at 2000 Panther Drive, Liberty, Texas.

Dear Msrs. Jordan and Sjolander

This letter outlines the terms and conditions upon which TRI-COUNTY SERVICES, or their assigns (“Buyer”) is willing to purchase the above referenced property from FRANK M. JORDAN and BILL SJOLANDER (“Seller”).

Purchase Price: \$750,000

Terms and Conditions: Cash to Seller

Feasibility Study Period: 60 days - Seller will provide full access to the property during the feasibility period. Seller also understands Buyer is a quasi-governmental agency and must obtain approval from several State and County entities to consummate a transaction. The feasibility period will be extended to allow Buyer to procure these approvals.

Closing: Closing will occur no later than 30 days after expiration of Feasibility Period

Property Condition:

“As is” as of January 5, 2015

Closing Costs:

“Buyer” and “Sellers” agree to pay their own closing cost. Seller shall pay the cost of the (standard) title insurance guaranteeing full ownership as well as the cost to provide an updated TLTA survey. The parties shall each pay one-half of the title company escrow fees, if any. Each party shall bear its own attorney’s fees.

If you are willing to sell the property upon the above terms, please execute this letter where indicated below and return it to my office. After receipt of a countersigned letter, Buyer will provide Seller a Real Estate Purchase and Sale Contract (“Contract”) reflecting the final approved sale terms and conditions. Upon execution of that Contract, the Buyer will be extended the right to inspect the property and conduct a due diligence inquiry.

This letter is not intended to and does not create any legal obligations to purchase and sell the property, but is intended only to summarize the general range of terms upon which the Buyer is currently willing to purchase the property. Legal obligations to purchase and sell the property will exist only upon the mutual negotiations, execution and delivery of the Contract. The parties acknowledge that the Contract will contain additional terms and conditions and may contain terms and conditions differing from those contained in this letter.

Sincerely,

<p><b>Agenda Item:</b> Montgomery Building Update</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>As the Board is aware, staff has been considering a consolidated service location for Montgomery, Texas. Staff has been working with Identity Architects to create an initial design for the facility, determine program adjacencies and create a site plan. This site plan is ready for review.</p> <p>In addition, our building consultant, Mike Duncum, has been working on potential site locations for this building in Montgomery County.</p> <p>Mike will be at the Board meeting to review the results of these efforts and to discuss next steps.</p>	
<p><b>Supporting Documentation:</b></p> <p>Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

**Agenda Item:** 1<sup>st</sup> Quarter FY 2015 Quarterly Investment Report

**Board Meeting Date**

January 29, 2015

**Committee:** Business

**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, 2014

### 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 Federated Investors, Inc. ("Federated"). 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, advise 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 final maturity of 397 days for fixed rate securities and 24 months for variable rate notes;

Fully collateralized repurchase agreements and reverse repurchase agreements with defined termination dates may not exceed 90 days unless the repurchase agreements have a provision that enables TexPool to liquidate the position at par with no more than seven days notice to the counterparty. The maximum maturity on repurchase agreements may not exceed 181 days. These agreements may be placed only with primary government securities dealers or a financial institution doing business in the State of Texas.

No-load money market mutual funds are registered and 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 90 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 calculated using the reset date for variable rate notes and 90 days calculated using the final maturity date for variable rate notes.

The maximum maturity for any individual security in the portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes.

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	\$645,550.89	(\$489,825.54)	(\$10.19)
Accrual of Interest Income	2,876,998.51	5,623,019.76	9,980,758.22
Interest and Management Fees Payable	(336,374.25)	(276,838.11)	(288,992.13)
Payable for Investments Purchased	(871,210,233.87)	0.00	0.00
Accrued Expense & Taxes	(1,315.92)	69.46	0.00
Repurchase Agreements	1,199,086,000.00	1,414,924,190.00	1,256,869,000.00
Mutual Fund Investments	300,000,000.00	550,000,493.20	250,003,589.40
Government Securities	10,678,980,337.30	9,730,613,382.51	9,121,453,643.39
U.S. Treasury Bills	144,999,420.00	0.00	249,992,500.00
U.S. Treasury Notes	855,779,150.00	854,234,450.00	1,253,093,900.00
<b>TOTAL</b>	<b>\$12,310,819,532.66</b>	<b>\$12,554,628,941.28</b>	<b>\$12,141,104,388.69</b>

### Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(\$16,105,371.77)	(\$10.19)
Accrual of Interest Income	13,978,835.35	9,980,758.22
Interest and Management Fees Payable	(399,105.00)	(288,992.13)
Payable for Investments Purchased	0.00	0.00
Repurchase Agreements	1,520,738,000.00	1,256,871,000.00
Mutual Fund Investments	0.00	250,003,589.40
Government Securities	9,590,590,893.771	9,120,846,830.32
U.S. Treasury Bills	0.00	249,989,583.30
U.S. Treasury Notes	1,504,643,243.79	1,253,113,135.50
<b>TOTAL</b>	<b>\$12,613,446,496.14</b>	<b>\$12,140,515,894.42</b>

### Portfolio by Maturity as of November 30, 2014

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
23.9%	64.0%	10.8%	1.3%

### Portfolio by Type of Investments as of November 30, 2014

Agencies	Repurchase Agreements	Treasuries	Money Market Funds
75.2%	10.4%	12.4%	2.0%



**SUMMARY INFORMATION**

On a simple daily basis, the monthly average yield was 0.03% for September, 0.03% for October and 0.03% 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, 2014 was 47 days.

The net asset value as of November 30, 2014 was 1.00006.

The total amount of interest distributed to participants during the period was \$288,977.20.

This quarter TexPool interest rates did not exceed the 90 Day T-Bill rates during the entire reporting period.

TexPool has a current money market fund rating of AAAM by Standard and Poor's.

During the reporting period, the total number of participants has increased to 2,320.

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:

[Redacted Signature]

Millie McDuffey  
Chief Financial Officer / Investment Officer

[Redacted Date]

Date

[Redacted Signature]

Evan Roberson  
Executive Director / Investment Officer

[Redacted Date]

Date

**TRI-COUNTY SERVICES  
 QUARTERLY INTEREST EARNED REPORT  
 FISCAL YEAR 2015  
 As Of November 2014**

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD	\$ 423.87				\$ 423.87
Citizens 1st Bank CD	\$ 277.28				\$ 277.28
First Liberty National Bank	\$ 1.82				\$ 1.82
First Liberty National Bank CD	\$ 409.58				\$ 409.58
JP Morgan Chase (HBS)	\$ 492.44				\$ 492.44
Prosperity Bank	\$ 12.62				\$ 12.62
TexPool Participants	\$ 48.59				\$ 48.59
Tradition Bank	\$ 3,693.11				\$ 3,693.11
<b>Total Earned</b>	<b>\$ 5,359.31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,359.31</b>

<p><b>Agenda Item:</b> Board of Trustees' Unit Financial Statements for November and December 2014</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>Board of Trustees' Unit Financial Statements for November and December 2014</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

**Unit Financial Statement**  
FY 2015

	November 14 Actuals	November 14 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
<b>Revenues</b>								
80103998 Allocated Revenue	\$ 2,640.00	\$ 2,640.00	\$ -	\$ 7,920.00	\$ 7,920.00	\$ -	100.00%	\$ 31,680.00
<b>Total Revenue</b>	<b>\$ 2,640.00</b>	<b>\$ 2,640.00</b>	<b>\$ -</b>	<b>\$ 7,920.00</b>	<b>\$ 7,920.00</b>	<b>\$ -</b>	<b>100.00%</b>	<b>\$ 31,680.00</b>
<b>Expenses</b>								
80105275 Food Items	\$ -	\$ 166.00	\$ (166.00)	\$ 524.13	\$ 498.00	\$ 26.13	105.25%	\$ 2,000.00
80105320 Insurance-Worker Compensation	\$ 1.74	\$ 19.00	\$ (17.26)	\$ 20.88	\$ 59.00	\$ (38.12)	35.39%	\$ 230.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 4,500.00	\$ 4,500.00	\$ -	100.00%	\$ 18,000.00
80155605 Postage-Express Mail	\$ -	\$ 4.00	\$ (4.00)	\$ -	\$ 14.00	\$ (14.00)	0.00%	\$ 50.00
80105715 Supplies-Office	\$ -	\$ 4.00	\$ (4.00)	\$ 12.00	\$ 14.00	\$ (2.00)	0.00%	\$ 50.00
80105750 Training	\$ -	\$ 300.00	\$ (300.00)	\$ -	\$ 900.00	\$ (900.00)	0.00%	\$ 3,600.00
80105755 Travel - Local	\$ -	\$ 62.00	\$ (62.00)	\$ 208.00	\$ 186.00	\$ 22.00	111.83%	\$ 750.00
80105757 Travel - Non-local Mileage/Air	\$ 154.96	\$ 166.00	\$ (11.04)	\$ 154.96	\$ 498.00	\$ (343.04)	31.12%	\$ 2,000.00
80105758 Travel - Non-local Hotel	\$ 124.20	\$ 316.00	\$ (191.80)	\$ 124.20	\$ 948.00	\$ (823.80)	13.10%	\$ 3,800.00
80105759 Travel - Meals	\$ 52.56	\$ 100.00	\$ (47.44)	\$ 52.56	\$ 300.00	\$ (247.44)	17.52%	\$ 1,200.00
<b>Total Expenses</b>	<b>\$ 1,833.46</b>	<b>\$ 2,637.00</b>	<b>\$ (803.54)</b>	<b>\$ 5,596.73</b>	<b>\$ 7,917.00</b>	<b>\$ (2,320.27)</b>	<b>70.69%</b>	<b>\$ 31,680.00</b>
<b>Total Revenue minus Expenses</b>	<b>\$ 806.54</b>	<b>\$ 3.00</b>	<b>\$ 803.54</b>	<b>\$ 2,323.27</b>	<b>\$ 3.00</b>	<b>\$ 2,320.27</b>	<b>29.31%</b>	<b>\$ -</b>

**Unit Financial Statement**  
FY 2015

	December 14 Actuals	December 14 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
<b>Revenues</b>								
80103998 Allocated Revenue	\$ 2,640.00	\$ 2,640.00	\$ -	\$ 10,560.00	\$ 10,560.00	\$ -	100.00%	\$ 31,680.00
<b>Total Revenue</b>	<b>\$ 2,640.00</b>	<b>\$ 2,640.00</b>	<b>\$ -</b>	<b>\$ 10,560.00</b>	<b>\$ 10,560.00</b>	<b>\$ -</b>	<b>100.00%</b>	<b>\$ 31,680.00</b>
<b>Expenses</b>								
80105275 Food Items	\$ 164.94	\$ 166.00	\$ (1.06)	\$ 689.07	\$ 664.00	\$ 25.07	103.78%	\$ 2,000.00
80105320 Insurance-Worker Compensation	\$ 6.09	\$ 19.00	\$ (12.91)	\$ 26.97	\$ 78.00	\$ (51.03)	34.58%	\$ 230.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	100.00%	\$ 18,000.00
80155605 Postage-Express Mail	\$ -	\$ 4.00	\$ (4.00)	\$ -	\$ 18.00	\$ (18.00)	0.00%	\$ 50.00
80105715 Supplies-Office	\$ -	\$ 4.00	\$ (4.00)	\$ 12.00	\$ 18.00	\$ (6.00)	0.00%	\$ 50.00
80105750 Training	\$ -	\$ 300.00	\$ (300.00)	\$ -	\$ 1,200.00	\$ (1,200.00)	0.00%	\$ 3,600.00
80105755 Travel - Local	\$ 78.52	\$ 62.00	\$ 16.52	\$ 286.52	\$ 248.00	\$ 38.52	115.53%	\$ 750.00
80105757 Travel - Non-local Mileage/Air	\$ -	\$ 166.00	\$ (166.00)	\$ 154.96	\$ 664.00	\$ (509.04)	23.34%	\$ 2,000.00
80105758 Travel - Non-local Hotel	\$ -	\$ 316.00	\$ (316.00)	\$ 124.20	\$ 1,264.00	\$ (1,139.80)	9.83%	\$ 3,800.00
80105759 Travel - Meals	\$ -	\$ 100.00	\$ (100.00)	\$ 52.56	\$ 400.00	\$ (347.44)	13.14%	\$ 1,200.00
<b>Total Expenses</b>	<b>\$ 1,749.55</b>	<b>\$ 2,637.00</b>	<b>\$ (887.45)</b>	<b>\$ 7,346.28</b>	<b>\$ 10,554.00</b>	<b>\$ (3,207.72)</b>	<b>69.61%</b>	<b>\$ 31,680.00</b>
<b>Total Revenue minus Expenses</b>	<b>\$ 890.45</b>	<b>\$ 3.00</b>	<b>\$ 887.45</b>	<b>\$ 3,213.72</b>	<b>\$ 6.00</b>	<b>\$ 3,207.72</b>	<b>30.39%</b>	<b>\$ -</b>

<p><b>Agenda Item:</b> Cleveland Supported Housing Inc. Update</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>January 29, 2015</p>
<p><b>Background Information:</b></p> <p>The Cleveland Supported Housing, Inc. Board (CSHI) met on January 16, 2015 to review project updates, the current timeline for construction, and to review requisitions 2 and 3.</p> <p>At this meeting, CSHI approved the exterior paint and gutter/downspout colors. They also discussed the interior color selections and management company selection which is planned to be determined the next meeting scheduled in February.</p> <p>Tri-County staff held meetings in Cleveland, Liberty, and Huntsville to present information to staff on general eligibility and how individuals may be added to the interest list if they so desire. This will be given to the management company a few months prior to opening.</p> <p>As you may recall, following our October CSHI Board meeting and the construction startup, we learned from Entergy that there was a potential issue with the current site plan as it related to a utility easement. Since the last update this issue has been resolved and the orientation of building B's roof was turned and Entergy approved this with no further issues to date.</p> <p>On December 29<sup>th</sup> the project team met with HUD on-site to review the progress and discuss the allocations for the 4<sup>th</sup> requisition. The next meeting with HUD will be held on-site January 30, 2015.</p>	
<p><b>Supporting Documentation:</b></p> <p>Site Plan</p> <p>Recent Project Pictures</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	



Independence Oaks, Cleveland  
Photos Taken January 16, 2015

Driveway



Managers Unit





Independence Oaks, Cleveland  
Photos Taken January 16, 2015

Building B



Building C



Independence Oaks, Cleveland  
Photos Taken January 16, 2015

Building E



Community Room



# Independence Oaks, Cleveland Photos Taken January 16, 2015

## Stone Delivery





# UPCOMING MEETINGS

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

- Longevity Recognition Presentations
- Approve Minutes from January 22, 2015 Board Meeting
- Community Resources Report
- Consumer Services Report for January 2015
- Program Updates
- Program Presentation
- Personnel Report for January 2015
- Texas Council Risk Management Fund Claim Summary for January 2015
- Approve January 2015 Financial Statements
- 401(a) Retirement Plan Account Review
- Board of Trustees Unit Financial Statement for January 2015
- Montgomery Supported Housing, Inc. Update
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues

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

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