Tri-County Behavioral Healthcare Board of Trustees Meeting

January 26, 2017

Tri-County Behavioral Healthcare
Healthy Minds. Meaningful Lives.

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Thursday, January 26, 2017. The Business Committee will convene at 8:30 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:05 a.m.

AGENDA

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

II. **Approve Minutes - December 8, 2016**

III. **Program Presentation - From the Heart Campaign**

IV. **Executive Director's Report - Evan Roberson**
   A. HCBS-AMH
   B. Local Authority Audit
   C. ICF Sale Update
   D. NISH Contract Update
   E. Legislative Updates
   F. Building Updates

V. **Chief Financial Officer's Report - Millie McDuffey**
   A. Mid-year Budget Revision
   B. Cost Accounting Methodology (CAM) Report
   C. Worker's Compensation Audit Update
   D. Audits for Component Units
   E. Inventory of Furniture
   F. CFO Meeting

VI. **Program Committee**

Information Items

A. Community Resources Report ..... *Pages 9-11*
B. Consumer Services Reports for November & December 2016 ..... *Pages 12-14*
C. Program Updates ..... *Pages 15-18*
D. FY 2017 Goals & Objectives Progress Report ..... *Pages 19-22*
E. 1st Quarter FY 2017 Corporate Compliance & Quality Management Report ..... *Pages 23-24*
F. 2nd Quarter FY 2017 Corporate Compliance Training ..... *Pages 25-26*
G. Medicaid 1115 Transformation Waiver Project Status Report ..... *Pages 27-29*

VII. **Executive Committee**

Action Items

A. Approve Revisions to General Administration Board Policies ..... *Pages 30-39*

Information Items

B. Personnel Reports for November & December 2016 ..... *Pages 40-44*
C. Texas Council Risk Management Fund Claims Summary as of November & December 2016 ..... *Pages 45-47*
D. Texas Council Quarterly Board Meeting Update ..... *Pages 48-118*

P.O. Box 3067 | Conroe, TX 77305
Tel. 936.521.6100 | Fax 936.760.2898 | Crisis Line 800.659.6994 | www.tcbhc.org

VIII. Business Committee

Action Items

A. Approve November 2016 Financial Statements ..... *Pages 119-132*
B. Approve December 2016 Financial Statements ..... *Pages 133-146*
C. Approve FY 2016 Independent Financial Audit ..... *Page 147*

Information Items

D. 1st Quarter FY 2017 Investment Report ..... *Pages 148-152*
E. Board of Trustees Unit Financial Statements for November & December 2016 ..... *Pages 153-155*
F. Building Consolidation Update ..... *Pages 156-164*

IX. Executive Session in Compliance with Texas Government Code Section 551.071, Consultation with Attorney

Posted By:

Ava Green
Administrative Assistant

Tri-County Behavioral Healthcare

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES MEETING

December 8, 2016

Board Members Present:
Sharon Walker
Richard Duren
Cecil McKnight
Gail Page
Jacob Paschal
Morris Johnson

Board Members Absent:
Patti Atkins
Tracy Sorenson
Janet Qureshi

Tri-County Staff Present:
Evan Roberson, Executive Director
Millie McDuffey, Chief Financial Officer
Amy Foerster, Director of Human Resources
Kathy Foster, Director of IDD Provider Services
Catherine Prestigiovanni, Director of Strategic Development
Breanna Robertson, Director of Crisis Services
Kenneth Barfield, Director of Management Information Systems
Stephanie Eveland, Executive Assistant
Tabatha Abbott, Cost Accountant
Ava Green, Administrative Assistant
Mary Lou Flynn-DuPart, Legal Counsel

Guests:
Mike Duncum, WhiteStone Realty
Danielle, Tri-County Consumer, Christmas Card Contest Winner
Huntsville Life Skills Christmas Carolers

Call to Order: Board Secretary, Sharon Walker, called the meeting to order at 10:09 a.m. at 550 Country Club Drive, Conroe, TX 77302 – River Plantation Country Club.

Public Comment: There were no public comments. Board Member, Richard Duren, presented information on a book entitled "Screen Addiction".

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

Cont.

Resolution #12-16-01

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

Resolved:

That the Board excuse the absences of Patti Atkins, Tracy Sorensen and Janet Qureshi.

Program Presentation – Huntsville Life Skills Christmas Carolers

Awards were presented to the Consumer Christmas Card Contest winners

Resolution #12-16-02

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

Resolved:

That the Board approve the minutes of the October 27, 2016 meeting of the Board of Trustees.

Executive Director's Report:

The Executive Director's report is on file.

Chief Financial Officer's Report:

The Chief Financial Officer's report is on file.

PROGRAM COMMITTEE:

The Community Resources Report was reviewed for information purposes only.

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

The Program Updates were reviewed for information purposes only.

EXECUTIVE COMMITTEE:

Resolution #12-16-03

Motion Made By: Gail Page

Seconded By: Morris Johnson, with affirmative votes by Sharon Walker, Richard Duren, Cecil McKnight and Jacob Paschal that it be...

Resolved: That the Board approve revisions to General Administration Board Policies.

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

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

The Texas Council Quarterly Board Meeting Update provided by Sharon Walker for information purposes only.

Board Member, Sharon Walker, suspended the agenda to move to Business Committee Information Item IX-I, Building Consolidation Update. Mike Duncum, from WhiteStone Realty, presented the report.

BUSINESS COMMITTEE:

Resolution #12-16-04

Motion Made By: Morris Johnson

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

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

Resolution #12-16-05

Motion Made By: Richard Duren

Seconded By: Gail Page, with affirmative votes by Morris Johnson, Sharon Walker, Cecil McKnight and Jacob Paschal that it be...

Resolved: That the Board approve the NISH Contract Termination.

Resolution #12-16-06

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

Resolved:

That the Board approve the sale of ICF/IID licenses to D&S Community Services, the sale of physical property to Scioto, and authorize the Executive Director all documents on behalf of Tri-County Behavioral Healthcare, with consultation from Jackson Walker.

Resolution #12-16-07

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

Resolved:

That the Board ratify FY 2017 Lifetime Homecare Services Contract for IDD Crisis Respite Services.

Resolution #12-16-08

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

Resolved:

That the Board reappoint ICI Board of Directors of Mr. Peck, Mrs. Duren and Mr. George to serve on the Independence Communities, Inc. Board of Directors for an additional two year term expiring in January 2019.

Resolution #12-16-09

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

Resolved:

That the Board reappoint MSHI Board of Director Ms. Sharon Walker to serve on the Montgomery Supported Housing, Inc. Board of Directors for an additional two year term expiring in January 2019.

Resolution #12-16-10

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

Resolved:

That the Board reappoint CSHI Board of Directors Mrs. Duren and Mrs. Powell to serve on the Cleveland Supported Housing, Inc. Board of Directors for an additional two year term expiring in January 2019.

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

CSHI Quarterly updated was reviewed for information purposes only.

There was no need for Executive Session.

The regular meeting of the Board of Trustees adjourned at 11:39 a.m.

Adjournment:

[redacted]

Sharon Walker
Secretary

Date 1/-26-17

Attest:

[redacted]

Date

Board Trustee

Tri-County Behavioral Healthcare

Healthy Minds. Meaningful Lives.

Executive Director's Report

January 26, 2017

Announcements

- The next Regular Board meeting will be held on February 23, 2017. We will have this meeting at the administration building in Conroe.

- We will plan for the Grand Opening Ceremony at 233 Sgt. Ed Holcomb for late February or early March. Prior to the Grand Opening, we will schedule a date for Board members to take a private tour of the facility. We will also be glad to take any of you that are interested in a tour of the unfinished building after the meeting today. Either way, I want you to have the opportunity to see the facility before the Grand Opening if you would like. We will be in touch with additional details about the private tour and the Grand Opening Ceremony.

- I would like to officially recognize Ava Green who will be assisting me until I find a permanent Executive Assistant. Ava served as Don Teeler's Administrative Assistant for many years and has also served as the assistant for the Behavioral Health Director that I have been covering. She is a talented staff and is available as a resource to you until I replace Stephanie.

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

- Home and Community Based Services-Adult Mental Health (HCBS-AMH) is a state-wide program that provides home and community-based services to adults with serious mental illness. The HCBS-AMH program provides an array of services, appropriate to each individual's needs, to enable him or her to live and experience successful tenure in their chosen community. Services are designed to support long term recovery from mental illness. The program is a 1915(i) Medicaid Waiver designed to meet the needs of persons with serious mental illness who frequent state hospitals and other community services.

  To qualify for HCBS-AMH, individuals must qualify for Medicaid and meet the following initial criteria:

  1. Diagnosis of serious mental illness (SMI); and
  2. Extended tenure (three (3) or more cumulative years) in an inpatient psychiatric hospital during the five (5) years prior to enrollment; or

3. Two or more psychiatric crises and four or more discharges from correctional facilities during the previous three (3) years; or
4. Two or more psychiatric crises and fifteen (15) or more total ED visits in the three (3) years prior to enrollment; and,
5. In addition to meeting initial eligibility criteria, HCBS-AMH eligibility is determined using demographic, clinical, functional and financial criteria.

There are three (3) components to the program: Texas Resilience and Recovery (TRR) Services (including Rehabilitative Services, doctor services, etc); Recovery Manger (Case Management and treatment planning); and, HCBS-AMH Ancillary Service Provider. HCBS-AMH Ancillary services include Host Home/Companion Care, Assisted living, Employment Services, Home-delivered meals, non-medical transportation

At one point, after looking at the chronic nature of populations to be admitted into the program and the absence of housing support, every center in the state declined to participate in the service. Currently, 2-3 Centers are providing HCBS-AMH services in their communities.

As a result, the state sought providers of the HCBS-AMH Ancillary services from community providers. Centers would then be required to provide the remaining services to these individuals under the HHSC Performance Contract Notebook. In December, a community provider, Cinco Ranch Behavioral Health, was certified by the state to serve the Tri-County, Harris County, Texana and Spindletop service areas. I spoke with HCBS-AMH staff and they want to train Tri-County staff in person on the enrollment process. Thus far, we have been unable to arrange a training date.

Local Authority Audit

- We have the Local Intellectual and Developmental Disability Authority (LIDDA) Audit going on this week at the Loop. In the audit, HHSC audits the Local Intellectual and Developmental Disability Authority (LIDDA) oversight activities associated with our performance contract. These LIDDA responsibilities include: Service Coordination for IDD consumers, Continuity of Care for IDD consumers, Waiver enrollment (including Community First Choice), the Planning Network Advisory Committee, local planning, risk data and quality management activities.

  While we have historically done well on this audit, HHSC (formerly DADS staff) has been progressively raising their standards, largely in response to legislative pressure, and Centers have not done quite as well as they have in the past.

  The auditors will exit today sometime, perhaps while we are in the meeting. We will have more detailed results to share with you at the next meeting.

ICF/IID Sale Update

I have been working with Jackson Walker, our consultant David Southern, staff from D&S Community Solutions, staff from Scioto, and staff from ResCare on the sale of our ICF licenses and homes. ResCare contacted me about the sale of the home and is suggesting that they have a significant accounts receivable owed to them by Tri-County for persons who did not have Medicaid coverage. While we were aware that they were not getting every dollar available to them because of coverage issues, this was the first contact with us about the AR. Jackson Walker staff has reviewed the contract and have confirmed our understanding that they have the responsibility for the Medicaid coverage and getting paid. Jackson Walker has developed correspondence that will go back to ResCare soon.

Consequently, the progress on the actual sale of the licenses/homes has been delayed. D&S and Scioto have agreed to wait until the contract expires at the end of August if necessary to make the purchases. We will keep the Board updated as more is known.

NISH Contract Update

In December the Board approved termination of the National Industries for the Severely Handicapped (NISH) contract which employs staff and consumers to clean and mow the Army bases in Huntsville and Conroe.

Southern Federal, the contracting agency for this federal program that had indicated that we would be able to get out of the NISH contract within 30 days of our notice, changed their mind and will require us to provide services during the entire 120 day contract termination period. The contract termination date will now be April 15, 2017.

Legislative Updates

Sharon Walker and I had good visits with our four representative's offices on Friday the 20th. Everyone is gearing up for the session, but the Representatives and Senators were either at the inauguration or were back in the district.

Senate Bill 1 and House Bill 1 (State Budget bill for FY 2018-2019) were filed in the Texas Senate and House. These base budget bills represent the starting point for budget deliberation in each chamber.

The press release from Senate Finance Committee Chairwoman Jane Nelson notes that SB 1:

- Add $44.1 million for Graduate Medical Education;
- Add $260 million for CPS;
- Provides $1 billion to improve the State Hospital System and address other state facility needs;
- Includes 63 million to eliminate waitlist for community mental health services; and
- Maintains the veterans' services and Texas Veterans + Family Alliance.

The press release from Texas House Speaker Joe Straus notes that HB 1:

- Provides $268 million to address CPS; and,
- Increases funding for behavioral health by $162 million to eliminate waitlists and implement recommendations of the House Select Committee on Mental Health, including early identification, jail diversion and local collaborations to expand capacity of mental health treatment facilities.

The Texas Council is still evaluating the budget bills and more will be learned in the next few weeks about the funding. The budget bills are apparently over 1000 pages long and many of the typical funding strategies have changed with the transitioned to HHSC.

Building Updates

Staff and I are working on a series of plans to transition from 8 buildings to one. As you know, several teams are working to coordinate everything from clinical work flow to wall hangings. We have a schedule for our down week and will keep things moving while we are not seeing clients.

We have had persons looking at all of the buildings in Conroe, but do not currently have any bids on the building(s). Of course, we are hopeful to sell buildings quickly as this will allow us to stop spending money on repairs and utilities. Part of the feedback from Mike has been that the potential buyers want a firm move date prior to starting the purchase process and we hope to provide that very quickly.

Huntsville construction continues and we are hopeful that we will be finished with the refresh of the facility in the next few weeks.

CHIEF FINANCIAL OFFICER'S REPORT
January 26, 2017

Mid-Year Budget Revision - We have started work on our first budget revision for FY 2017. This revision is mainly to make adjustments for any changes in trends that we have seen in the first five months of the fiscal year, as well as any new contracts or program changes that have been received since the beginning of the year. Other items affecting the revision are the Board approved furniture purchases, the sale of the vacated Liberty Life Skills building, and all the restructured staffing and services that are being implemented in the new Conroe facility. We anticipate the revision will be ready for review by the March board meeting.

Cost Accounting Methodology (CAM) – The preliminary CAM process for the FY 2016 reporting period has been completed. We are only required to provide CAM reports for DSHS services. The due date for the preliminary report is January 27, 2017 and the final report is due on February 28, 2017. Over the next month, we will be running comparisons to the prior year's CAM reports to identify any changes in trends or tweaks that need to be adjusted before the final CAM report is submitted.

Worker's Compensation Audit – We received the final results of the FY 2016 Worker's Compensation auditor visit in October. The findings showed we have an additional payment of $2,278 outstanding. More information has been requested about the adjustments the auditor made resulting in the additional payment. If we have to pay this amount, it will not cause much of a variance due to the amount of $25,211,433 paid toward payroll and contractors in FY 2016.

Audits for Component Units (Housing Boards) – Staff are working with Carlos Taboada on the annual audits for the three HUD housing component units. These are normally presented to the housing Boards at the March board meeting. Most of the work is done with the accounting staff at McDougal Property Management and usually goes very smoothly.

Inventory of Furniture Purchased for new Building – We have started the massive task of inventorying all of the new furniture purchased for the Conroe facility. Not all of the furniture is placed in the final location, but we have started the areas that are in place, such as the workstations. Once everyone has moved out of their respective buildings, we will evaluate the condition of the remaining furniture. Our plan is to move furniture in good condition to other locations that are in need and what is left will be placed in a surplus sale in order to get the buildings cleared out as quickly as possible.

CFO Consortium - The CFO meeting is scheduled on February 16th and 17th. The official agenda has not been released yet, but we normally have the following items on the schedule for this time of year:

- Revenue Maximization Committee Update
- Updates on HHSC & CMS 1115 Waiver Activity
- Legislative Update
- Review of any new programs that may affect all Community Centers
- Public Funds Investment Training

Agenda Item: Community Resources Report **Committee:** Program	**Board Meeting Date:** January 26, 2017
Background Information: None	
Supporting Documentation: Community Resources Report	
Recommended Action: **For Information Only**	

Community Resources Report
December 9, 2016 – January 26, 2017

Volunteer Hours:

Location	November	December
Conroe	242	205
Cleveland	0	0
Liberty	0	10
Huntsville	0	18
Total	**242**	**233**

COMMUNITY ACTIVITIES:

12/13/16	American Legion Meeting	Conroe
12/13/16	Montgomery County Community Resource Coordination Group	Conroe
12/14/16	The Woodlands Taste of the Town Team Meeting	The Woodlands
12/14/16	Conroe Noon Lions Club Luncheon	Conroe
12/14/16	Outreach, Screening, Assessment and Referral Meeting	League City
12/15/16	Montgomery County Homeless Coalition Meeting	Conroe
12/15/16	Veterans Treatment Court	Conroe
12/15/16	Orientation Meeting for Veteran Peer Court Mentors	Conroe
12/16/16	VA Clinic One Year Anniversary Event	Conroe
12/28/16	Veterans Treatment Court	Conroe
1/4/17	Veteran Coordination Meeting for Upcoming Events	Liberty
1/5/17	Conroe ISD – Project Mentor Training	Conroe
1/5/17	Veteran Services Presentation to the Lake Conroe Area Republican Women	Montgomery
1/5/17	Cleveland Chamber of Commerce Luncheon	Cleveland
1/5/17	Walker County Community Resource Coordination Group	Huntsville
1/7/17	Conroe ISD Employee Health Fair	Conroe
1/9/17	The Woodlands Chamber of Commerce Captains meetings	The Woodlands
1/10/17	The Woodlands Chamber of Commerce TOTT Team meeting	The Woodlands
1/10/17	Bringing Everyone Into The Zone Veteran Group	Conroe
1/10/17	American Legion Meeting	Conroe
1/10/17	Montgomery County Community Resource Coordination Group	Conroe
1/11/17	Conroe Noon Lions Club Luncheon	Conroe
1/11/17	Veterans Treatment Court	Conroe
1/12/17	Huntsville Chamber of Commerce Breakfast	Huntsville
1/12/17	Lake Conroe Area Newcomers Club "Foundation" Presentation	Montgomery
1/13/17	Montgomery Middle School "Bookmark" Presentation	Montgomery
1/16/17	Montgomery County Women's Center "Suicide Prevention" Presentation	Conroe
1/17/17	Conroe ISD Employee Fair	Conroe
1/17/17	Veterans Taskforce Meeting	Conroe

1/18/17	Conroe Noon Lions Club Luncheon	Conroe
1/18/17	Veterans of Foreign Wars Meeting	Conroe
1/18/17	Montgomery County United Way Behavioral Assessment Follow-up Meeting	The Woodlands
1/18/17	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
1/18/17	Quarterly Multidisciplinary Behavioral Heath Team Meeting – Huntsville Memorial Hospital	Huntsville
1/19/17	Montgomery County Homeless Coalition Meeting	Conroe
1/23/17	Military Veteran Peer Network Basic Training	Conroe
1/24/17	Montgomery County Business Women's Luncheon	Conroe
1/25/17	Conroe Noon Lions Club Luncheon	Conroe
1/25/17	Ferguson Unit Meeting with the Chaplain	Huntsville
1/26/17	Montgomery County Homeless Coalition Board Meeting	Conroe
1/26/17	Wounded Warrior Banquet	Huntsville

UPCOMING ACTIVITIES:

2/1/17	East Montgomery County Chamber of Commerce Luncheon	Montgomery
2/1/17	Conroe Noon Lions Club Luncheon	Conroe
2/2/17	Cleveland Chamber of Commerce Luncheon	Cleveland
2/6/17	Montgomery County Homeless Coalition Board Meeting	Conroe
2/7/17	Montgomery County United Way Health & Wellness Impact Council Meeting	The Woodlands
2/8/17	Conroe Noon Lions Club Luncheon	Conroe
2/9/17	Huntsville Chamber of Commerce Breakfast	Huntsville
2/9/17	The Woodlands Taste of the Town Chamber Dinner Event	The Woodlands
2/14/17	Montgomery County Community Resource Coordination Group	Conroe
2/15/17	Conroe Noon Lions Club Luncheon	Conroe
2/16/17	Montgomery County Homeless Coalition Meeting	Conroe
2/17/17	East Montgomery County Chamber of Commerce Casino Night Fundraiser Event	Montgomery
2/20/17	Youth Mental Health First Aid – Conroe ISD School Counselors	Conroe
2/21/17	Montgomery County Community Resource Coordination Group	Conroe
2/22/17	Conroe Noon Lions Club Luncheon	Conroe

Agenda Item: Consumer Services Reports for November and December 2016 **Committee:** Program	**Board Meeting Date:** January 26, 2017
Background Information: None	
Supporting Documentation: Consumer Services Reports for November and December 2016	
Recommended Action: **For Information Only**	

Consumer Services Report
November 2016

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	514	25	29	55	**623**
Crisis and Transitional Services (LOC 0, LOC 5)	47	2	0	0	**49**
Psychiatric Emergency Treatment Center (PETC) Served	54	3	1	6	**64**
Psychiatric Emergency Treatment Center (PETC) Bed Days	267	15	4	19	**305**
Contract Hospital Admissions	9	1	0	0	**10**
Diversion Admits	17	1	1	2	**21**
Total State Hospital Admissions	2	0	0	0	**2**
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	1085	109	77	78	**1349**
Adult Medication Services	828	68	58	86	**1040**
Child Service Packages (LOC 1-4 and YC)	441	52	24	63	**580**
Child Medication Services	220	15	7	32	**274**
TCOOMMI (Adult Only)	102	19	16	11	**148**
Adult Jail Diversions	4	0	0	0	**4**
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	3	1	0	0	**4**
Service Coordination	653	41	56	64	**814**
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	39	5	19	23	**86**
Contractor Provided ICF-IID	18	11	11	6	**46**
Substance Abuse Services					
Children and Youth Prevention Services	103	47	0	33	**183**
Youth Substance Abuse Treatment Services/COPSD	0	0	0	0	**0**
Adult Substance Abuse Treatment Services/COPSD	34	0	0	0	**34**
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1347	122	132	141	**1742**
November Served by County					
Adult Mental Health Services	1472	133	107	184	**1896**
Child Mental Health Services	522	53	29	70	**674**
Intellectual and Developmental Disabilities Services	675	45	54	67	**841**
Total Served by County	**2669**	**231**	**190**	**321**	**3411**
October Served by County					
Adult Mental Health Services	1429	157	111	182	**1879**
Child Mental Health Services	514	53	29	60	**656**
Intellectual and Developmental Disabilities Services	677	46	54	70	**847**
Total Served by County	**2620**	**256**	**194**	**312**	**3382**
September Served by County					
Adult Mental Health Services	1423	170	129	184	**1906**
Child Mental Health Services	484	45	23	65	**617**
Intellectual and Developmental Disabilities Services	680	47	60	71	**858**
Total Served by County	**2587**	**262**	**212**	**320**	**3381**

Consumer Services Report
December 2016

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	400	36	22	44	**502**
Crisis and Transitional Services (LOC 0, LOC 5)	56	0	0	0	**56**
Psychiatric Emergency Treatment Center (PETC) Served	63	4	1	7	**75**
Psychiatric Emergency Treatment Center (PETC) Bed Days	259	17	6	24	**306**
Contract Hospital Admissions	7	0	0	0	**7**
Diversion Admits	12	1	1	1	**15**
Total State Hospital Admissions	2	0	0	0	**2**
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	1091	111	104	72	**1378**
Adult Medication Services	864	61	49	111	**1085**
Child Service Packages (LOC 1-4 and YC)	442	47	24	60	**573**
Child Medication Services	232	19	10	28	**289**
TCOOMMI (Adult Only)	104	19	16	10	**149**
Adult Jail Diversions	3	0	0	0	**3**
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	1	0	0	0	**1**
Service Coordination	633	39	51	63	**786**
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	39	5	19	23	**86**
Contractor Provided ICF-IID	18	12	12	6	**48**
Substance Abuse Services					
Children and Youth Prevention Services	55	47	0	12	**114**
Youth Substance Abuse Treatment Services/COPSD	0	0	0	0	**0**
Adult Substance Abuse Treatment Services/COPSD	26	0	0	0	**26**
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1362	122	131	141	**1756**
December Served by County					
Adult Mental Health Services	1452	136	96	187	**1871**
Child Mental Health Services	515	49	28	63	**655**
Intellectual and Developmental Disabilities Services	655	50	53	77	**835**
Total Served by County	**2622**	**235**	**177**	**327**	**3361**
November Served by County					
Adult Mental Health Services	1472	133	107	184	**1896**
Child Mental Health Services	522	53	29	70	**674**
Intellectual and Developmental Disabilities Services	675	45	54	67	**841**
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Agenda Item: Program Updates **Committee:** Program	**Board Meeting Date:** January 26, 2017
Background Information: None	
Supporting Documentation: Program Updates	
Recommended Action: **For Information Only**	

Program Updates
December 9, 2016 – January 26, 2017

Crisis Services

1. All full-time Registered Nursing positions at the Crisis Stabilization Unit (CSU) have been filled.
2. Clients programming in the CSU over the holidays experienced five days of special activities leading up to Christmas. Building gingerbread houses, decorating sugar cookies, hot cocoa drinks, holiday movies and Santa were part of the festivities. Clients were very appreciative. One client reported that this was the first time he had received a Christmas gift as an adult.
3. Every year, Conroe Police Department (CPD) and other local area agencies within Montgomery County participate in an annual volunteer project. This year they showed interest in selecting Tri-County as a recipient. Representatives from CPD are exploring doing a sensory garden on the property of the new building. This would benefit children and individuals with intellectual and developmental disabilities.

MH Adult Services

1. The Routine Assessment Team has moved walk-in clinic times to 10 am - 12 noon in preparation of the new building move. So far, we have not experienced any changes to the number of individuals presenting for treatment and continue to strive to offer as many same day evaluations as possible.
2. The Routine Assessment Team is fully staffed and is looking forward to being able to offer additional intake appointments each day.
3. Adult Mental Health Outpatient met Service Provision Measurements for the first quarter of the year. Medicaid enrollment in services needs to increase as well as units of service provided to those with a pay source.
4. LVN students from Lone Star College will attend clinical rotation through the outpatient clinic and PETC beginning in February.
5. We continue to work to get four teams organized to improve client satisfaction with Tri-County services. Each team is comprised of a prescriber, case managers and rehab specialists. All of the client care is provided by their team members which allow for the client to see the same staff consistently.
6. The nursing team is almost fully staffed in the adult medication clinic. The newest addition is an LVN that answers the nurse line so that clients can discuss medication issues with a live person as opposed to leaving a message on an answering machine. This has been well received by the clients.

MH Child Services

1. Our new plan to support Children and Youth field staff by having experienced, successful staff share their expertise and strategies and providing them more status updates appears to be successful.

2. Recruitment and training of new staff continues to be a major focus so that caseload sizes are manageable and outcomes are more successful.

Criminal Justice Services

1. TCOOMMI adult caseloads are at Contracted numbers and revenue is consistently on target projections.
2. Jail Liaison assessed 28 individuals and coordinated the treatment of 49 others in Montgomery County Jail in December.
3. The Jail Diversion program admitted 1 individual in December to make 4 for FY 17.
4. OCR admitted 2 individuals in December to make 9 served and 4 admitted in FY 17.

Substance Abuse Services

1. Adult Substance Abuse has moved to a 10 am -12 noon walk-in clinic Tuesday-Thursday. Since implementing the walk-in clinic in May 2016, we have seen the no show rate for intake appointments drop from 68% to 35%. We are monitoring the show rates for group and individual treatment and making adjustments to case load sizes to ensure that individuals are seen regularly.
2. Although we have been understaffed in this program for a while, this team is finally fully staffed and trained again.
3. After being understaffed in the first quarter, the Substance Abuse Prevention program is currently working to get back on track and will be able to provide the contracted number of groups, presentations, and alternative activities required for this fiscal year.

IDD Services

1. IDD Provider volunteer Janelle Sparling, who has been volunteering with the Center for 5 years, has given notice that she will no longer be working 3 days a week as she has been. She will continue to be on our HCS Advisory Committee that meets quarterly and will volunteer as her travel schedule allows. Janelle has been an asset to the IDD Provider team filing records and maintaining spreadsheets for the team so they would know when things were done and when they are due. As the Board will remember, IDD services are still largely recorded on paper which makes this a big job.
2. Provider staff served 12 PASRR individuals in the area of Specialized Services within the month of December with plans at minimum to double that number in January.
3. Local Authority audit is scheduled for January 23rd through 26th.
4. Six (6) individuals have received IDD Crisis Respite in FY 2017.

Support Services

1. **Quality Management:**
    a. Staff completed and submitted the Substance Abuse Self-Audit to DSHS as required by December 16, 2016.

b. Staff completed and submitted the Comprehensive Mental Health Self-Audit to DSHS as required by December 30, 2016.
c. Staff prepared for and assisted with the Quarterly Cenpatico On-site review which took place on December 16, 2016. The review went well and this was the first time they requested to review the information in electronic format.
d. Staff completed an internal Program Survey of the PATH program.
e. The Administrator of Quality Management attended training in San Antonio on January 23, 2017 to become a certified Super User of the CANS/ANSA Assessment.

2. **Training:**
   a. The Department continues to seek a candidate for the Clinical Trainer position.
   b. The Administrator of Quality Management attended the week long SAMA training to become a certified SAMA trainer during the week of January 9th and will serve as a back-up trainer to the Training Coordinator.
3. **Veteran Affairs:**
   a. The Mentor Appreciation Holiday Luncheon was held on December 21, 2016. Seven mentors who provided countless hours of mentorship to veterans in our community over the past year were in attendance.
   b. On January 5th, The Veteran's Services Liaison provided a Veterans Services presentation to the Lake Conroe Area Republican Women.
   c. On January 17th The Veteran's Services Liaison held the Quarterly Taskforce Meeting at the City of Conroe Chamber of Commerce.

Community Activities

1. Tri-County, along with numerous local agencies and individuals helped to provide Christmas to 353 families this year; with a total of 1272 individuals assisted.
2. Conroe ISD Health Fair was held on January 7th at The Woodlands College Park High School; with over 500 staff accessing information on Tri-County Behavioral Healthcare services.
3. Staff was trained in Conroe ISD's "Project Mentor" program on January 5th. Project Mentor pairs volunteers from the community with students ranging from 5th to 12th grade. The goal is to develop a supportive and meaningful friendship to improve the student's life skills, social skills, communication skills, self-confidence and their ability to set and achieve personal goals through the development of a trusted adult community member serving as a positive role model.

Agenda Item: FY 2017 Goals and Objectives Progress Report **Committee:** Program	**Board Meeting Date** January 26, 2017

Background Information:

The Board of Trustees and Management Team met on August 5, 2016 for the annual strategic planning meeting to develop the goals for FY 2017. 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.

The Board also requested that quarterly progress reports be presented as a "year-to-date summary."

This report shows progress through the 1st Quarter of FY 2017.

Supporting Documentation:

FY 2017 Goals and Objectives Progress Report

Recommended Action:

For Information Only

Year-to-Date Progress Report

September 1, 2016 – November 30, 2016

Goal #1 – Professional Facilities

Objective #1

Tri-County will successfully move into the 233 Sgt. Ed Holcomb Blvd. S. facility in Conroe by March 31, 2017.

- Much progress has been made on the building in Conroe. It is anticipated that staff will move in during the week of March 20th.

Objective #2

Staff will develop a timeline for facility improvements in Huntsville and Cleveland by March 31, 2017.

- Huntsville:
  - The first phase of the project is to remove and replace the damage caused by roof leaks and ensure the roof leaks are repaired. This phase of the project is to be completed by January 1, 2017.
  - The second phase of the project, to be completed by March 31, 2017, is the remodeling the parts of the building that had been damaged and a general refreshing of the mental health areas. The remodel includes new flooring, paint, ceiling tiles and parking lot repairs.
- Cleveland:
  - We are still discussing options for adding space to the Cleveland facility on Truman.

Goal #2 – Community Connectedness

Objective #1

Tri-County's Consumer Foundation will hold at least one (1) fundraising event by May 31, 2017

- The Consumer Foundation does not yet have their 501c3 designation, but staff are discussing fundraising options.

Objective #2

Tri-County will launch the 'I Choose Life' website with the youth and caregiver commitments that can be made online by March 31, 2017.

- No progress in the first quarter.

Objective #3

Tri-County will begin a Suicide Postvention group in Conroe by May 31, 2017.

- In the first quarter, Staff considered doing something other than a Postvention group.

Objective #4

Staff will meet with County Judges and Commissioners quarterly to discuss Tri-County's services and seek feedback about service gaps.

- No progress in the first quarter.

Goal #3 – Clinical Excellence

Objective #1

Tri-County will implement Co-Occurring Psychiatric Substance Use Disorder rehabilitation programming by April 15, 2017.

- Staff identified a possible evidence based practice to incorporate into current rehabilitative programming. In an effort to enhance services provided to the COPSD population, Qualified Mental Health Professionals (QMHP) may utilize Screening, Brief Intervention, and Referral to Treatment (SBIRT) strategies.
- Permission was granted to utilize materials formulated by Dr. James Bray, Baylor College of Medicine.

Objective #2

A Zero Suicide Clinical Team will be developed and four (4) recommendations from this team will be implemented by the Center by May 31, 2017.

- An evidenced based assessment tool called, The Columbia Suicide Severity Rating Scale Screen will be incorporated into all risk assessments. Training will be disseminated to all applicable staff in preparation for this revision.
- Tri-County participated as Team Outreach on 11/5 for the Greater Houston Area Out of the Darkness Community Walk to raise awareness about suicide.

Goal #4 – Staff Development

Objective #1

Tri-County will develop a list of evidence-based training courses to be offered to Adult, Child and Intellectual Disability staff by March 31, 2017.

- Staff are working with the National Center on Trauma-Informed Care and Alternatives to Restraint and Seclusion (NCTIC) to schedule Trauma Informed Care training for select agency staff to gain train the trainer certification.

Goal #5 – Administrative Competence

Objective #1

A workgroup will meet to determine if IDD Services can be converted to electronic processes in Anasazi. This analysis will be completed by May 31, 2017.

- Team met to review documents that we could start adding to Anasazi to get the process started, including the Waiting List and Referrals documents. To assist in tracking timelines an Assessment will be created to capture all the dates and timelines for completion of documents, eliminating the multiple spreadsheets currently being utilized.

Objective #2

The Management Team will develop succession plans for their area which will be approved by the Executive Director by May 31, 2017.

- Discussions are underway with the Executive Director Currently.

Goal #6 – Fiscal Responsibility

Objective #1

Tri-County fiscal and clinical staff will interview other center staff and will create a plan for revenue diversification opportunities by May 31, 2017.

- There was not progress on this objective in the first quarter.

Objective #2

Tri-County will have 90 days in operation by August 31, 2017 without the inclusion of general revenue fund allocations.

- Once buildings sell, we should be able to replenish reserves.

Agenda Item: 1st Quarter FY 2017 Corporate Compliance and Quality Management Report **Committee:** Program	**Board Meeting Date** January 26, 2017

Background Information:

The Health and Human Service Commission's Performance Contract Notebook has a requirement that the Quality Management Department provide "routine" reports to the Board of Trustees about "Quality Management Program activities."

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.

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 1st Quarter of FY 2017 are included in this Board packet.

Supporting Documentation:

1st Quarter FY 2017 Corporate Compliance and Quality Management Report

Recommended Action:

For Information Only

Corporate Compliance and Quality Management Report
1st Quarter, FY 2017

Corporate Compliance Activities

A. Key Statistics:

1. There was one (1) Corporate Compliance investigation for the 1th quarter of FY 2017 which is completed. The case was reported by a MH program manager due to a client complaint. The case involved concerns related to the staff inflating or rounding up service times in order to meet minimum hour requirements.

B. Committee Activities:

1. The Corporate Compliance Committee met on November 16, 2016. The committee reviewed the following:
    a. A summary of the 4th quarter investigations;
    b. Finalized the Corporate Compliance Action Plan;
    c. Legal updates on compliance issues.

Quality Management Initiatives

A. Key Statistics:

1. Staff reviewed and submitted seven (7) MCO record requests, totaling twenty-eight (28) charts.

B. Reviews/Audits:

1. Staff reviewed and submitted two (2) charts for Molina dating back to January 2015.
2. Staff reviewed and submitted twenty-three (23) charts to United Behavioral Healthcare dating back to January 2015.
3. Staff reviewed and submitted one (1) chart for Amerigroup dating back to January 2015.
4. Staff reviewed and submitted three (3) charts to private insurance plans for services they paid.

C. Internal Programs Reviewed by Quality Management:

1. Staff began working on the PATH program review, Substance Abuse Self-Audit, and Mental Health Self-Audit.

D. Other Quality Management Activities:

1. Staff conducted satisfaction surveys for individuals receiving doctor services via telemedicine. The majority of comments were positive, however, some individuals voiced concern related to changes in prescriber.

Agenda Item: 2nd Quarter FY 2017 Corporate Compliance Training **Committee:** Program	**Board Meeting Date** January 26, 2017

Background Information:

As part of the Center's Corporate Compliance Program, training is developed each quarter for distribution to staff by their supervisors.

This training is included in the packet for ongoing education of the Tri-County Board of Trustees on Corporate Compliance issues.

Supporting Documentation:

2nd Quarter FY 2017 Corporate Compliance Training

Recommended Action:

For Information Only

Compliance Reporting
Confidential and It's The Right Thing To Do
2nd Quarter, FY 2017

Compliance is the regulation of all company activities to ensure that they are in line (in "compliance") with all internal and external policies, laws and standards. The compliance department works to identify risk areas and implement controls to protect the organization from those risks.

Concerns you should report to your Compliance Officer:

- Billing for more time than was actually spent with the client
  - Rounding times to next billable unit
  - Starting your time before your service actually starts
  - Ending times after the service has already stopped
- Billing for services never rendered
- Copy and pasting the same documentation/note over and over, or using the same note for different clients
- Billing while transporting the client to various locations
- Billing while accompanying the client to other medical appointments
- Billing for treatment plans and assessments that are not supported by billing
- Billing for a service on one client while completing documentation or reviewing information on another
- Billing while a client has stepped out to use the phone or use the restroom
- Sending emails that are not relevant to the client you are working with while providing a service
- Any other concerns you may have related to compliance

Who is your compliance team?

Amy Foerster – Chief Compliance Officer
Heather Hensley
Michelle Foster

How to report compliance concerns to the Compliance Department

- Phone: 936-521-6152 or toll free at 1-866-243-9252
  - You may dial *69 to block your number if you prefer to remain anonymous
  - Messages can be left confidentially. Please leave a detailed message with helpful information.
- Email: corporatecompliance@tcbhc.org; or
- By appointment, your Corporate Compliance team is located at the Administration building located at 1506 FM 2854

Helpful information the Compliance Department will need:

- First and last name of the staff in violation of agency compliance rules (please do not use initials)
- Program in which the staff works
- Specific compliance violation(s) if possible (ie… billing for services never rendered)
- Date range for the violation(s)
- Any other helpful information you can provide

_____ _____

Staff Signature Date

Agenda Item: Medicaid 1115 Transformation Waiver Project Status Report **Committee:** Program	**Board Meeting Date** January 26, 2016

Background Information:

Texas Health and Human Services (HHS) reviewed and approved, as achieved, all Demonstration Year 5 (DY 5) 1115 program metrics submitted in October 2016. Incentive payments for achievement totaling $3,635,404.67 will be paid on January 29, 2017.

In DY6, October 1, 2016 through September 30, 2017, Tri-County will continue to report on five (5) projects, but the requirements for reporting have been changed to count 1) milestones showing Quantifiable Patient Impact (QPI), 2) Medicaid/Low Income/Uninsured, 3) progress on Core Components, and 4) Sustainability. HHSC is still developing a template for DY6 reporting of sustainability. Numeric goals for service and funding remain the same as DY5.

In the first quarter of DY6, with a goal of 500, the Intensive Evaluation and Diversion (IED) program has thus far serviced 328 persons in crisis of which there were 100 admissions to the Extended Observation Unit (EOU). The Category 3 performance outcome measure, Patient Health Questionnaire (PHQ-9), is a depression study which needs to show a 12.5% decrease from its baseline score to be reported in October 2017.

The IDD ACT program has served 19 unique individuals since October of 2016. The Aberrant Behavior Checklist (ABC) is the Category 3 tool which will be continued, however, the successful results of a center-wide PHQ-9 will determine payment in DY6.

Both Expanded Psychiatry Delivery (EPD) programs will report volume numbers showing increased access to care with a visit count and are expected to achieve their targets for April reporting. The PHQ-Somatic, Anxiety, and Depression (SADS) survey is the Category 3 tool for the EPD programs and requires a 12.5% decrease from baseline established in DY4.

Integrated Primary and Behavioral Health Care is on course to achieve its DY6 goal of serving 225 unique persons. Category 3 continues to be the HTN-*Controlling High Blood Pressure* study with a goal of 20% Improvement Over Self (IOS) over its DY 4 baseline. There are currently 109 patients in the study.

Supporting Documentation:

Medicaid 1115 Transformation Waiver Project Status Report

Recommended Action:

For Information Only

Tri-County Behavioral Healthcare
Medicaid 1115 Transformation Waiver Projects
DY 6 - 10/1/2016 - 09/30/2017
Status Update: 10/1/2016 -01/13/2017 - Round 1

Source: Internal Reporting / HHSC Reports

On Target to Meet DY6 Outcomes
Not Started / To be completed in DY 6
Pending HHSC Approval

Project	County	DY 5 Targets	As of 1/13/17	Progress Towards Goals	Status	Barriers / Comments
1.1.1 Intensive Evaluation & Diversion	Montgomery Walker	1.DY 6 - 500 Persons seen in crisis	328	Of the328 persons seen in crisis, 100 were diverted to the EOU as of 1/13/17.		On track to report in April.
Required Milestones		2. MLIU 3: Core Components 4. Sustainability	1. 66% 2. TBD	3. 1 Stakeholder meeting held 4. HHS requirements still in process		DY6 Estimated Incentive Bundle Amount: $2,189,622 Each milestone is worth $547,405.50
Category 3 Performance Outcomes		PHQ-9 - Dep Survey Baseline: 10.43		Will need to show 12.5% improvement in Oct 2017.		Will report in October. DY6 Incentive Payment: $280,558.50
1.1.2 IDD ACT	Montgomery Walker	1. 50 Individuals 2. MLIU 3: Core Components 4. Sustainability	19	Will report for payment in 10/2016		DY 6 Incentive per milestone: $87,337.75
Required Milestones			1. 38% 2. TBD	3. 0 Stakeholder meeting held 4. HHS requirements still in process		DY 6 Estimated Incentive Bundle Amount: $349,351
Category 3 Performance Outcomes		1. ABC-30Pre / 30 Posttests 2. PHQ-9		1. Must be completed and reported 2. 100% payment w/ achievement		DY 6 Incentive Payment: $280,558.50
1.1.3 Expanded Psychiatry Delivery	Montgomery Walker	1. a. 175 Unique clients b. 375 Visits c. 750 Appts	a. 175 b. 350 c. 530	1. On course to report achievement in April		DY 6 Incentive per milestone: $172,489.50
Required Milestones		2. MLIU 3: Core Components 4. Sustainability	2.. TBD	3. Update accomplishments/ Challenges/ Lessons Learned 4. HHS requirements still in process		DY 6 Estimated Incentive Bundle Amount: $689,958

Tri-County Behavioral Healthcare

Medicaid Transformation Waiver Projects

DY 6 - 10/1/2016 - 09/30/2017

Status Update: 10/1/2016 -01/13/2017 - Round 1

Source: Internal Reporting / HHSC Reports

On Target to Meet DY6 Outcomes

Not Started / To be completed in DY 6

Pending HHSC Approval

Project	County	DY 5 Target	As of 1/13/17	Update	Status	Barriers / Comments
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	Baseline: 36.8 Goal: ↓12.5%	Will report a ≥ 12.5% decrease in behavioral health symptoms due to treatment		DY 6 Incentive Payment: $280,558.50
1.2.1 Integrated Primary & Behavioral Healthcare	Montgomery Walker	1. 225 persons 2. MLIU 3: Core Components 4. Sustainability	1.186			
Required Milestones/Metrics			2. Yes	3. Ongoing data is collected showing strengths & weaknesses for continuous quality improvement (CQI). 4. HHS requirements still in process		DY 5 Estimated Incentive Bundle Amount: $1,254,782
Category 3 Performance Outcomes		Report controlled BPs in last 6 months of DY5	Baseline: 55.56%	List of clients being treated for HTN is complete for October DY5 report.		Improve BP scheduling DY 5 Incentive Payment: $ 280,558.50
1.1.1 Expanded Psychiatry Delivery	Liberty	1. 75 Unique clients 2. 125 Visits 3. 250 Appts Avail	1. 202 2. 996 3. 1208	Achievement to be reported in October 2016		Thursday, med clinic day, has 14-16 persons scheduled, but averaging <8 persons, so has capacity.
Required Milestones/Metrics		1. Use of ED by persons with MI 2. Evidence of improved access	1. 10% ↓ 2. Volume #'s above	1. Percentage metrics will be reported until October.		DY 5 Estimated Incentive Bundle Amount: $307,940
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	47.2 = Baseline	Will report 10% ↓ over baseline in Oct 2016 reporting period		DY 5 Incentive Payment: $77,000.00

Agenda Item: Approve Revisions to General Administration Board Policies **Committee:** Executive	**Board Meeting Date** January 26, 2017

Background Information:

As staff continues to update Board Policy statements, four (4) General Administration Policy changes are recommended for approval by the Board. In addition to formatting changes, the following modifications are recommended:

Deletion-C.15-Board of Trustees Policy on Board Functions, Duties and Structure-After review by Jackson Walker, it was determined that this Policy overlapped Policy C.3 Administrative Structure and C.9 Appointment of the Executive Director and was no longer needed.

C.16-HIV/Aids Workplace Confidentiality-A section was removed from the policy on the Current Medical Research and Opinion as this section appears to be commonly understood at this time and not 'current'.

C.24-Solicitation/Distribution of Literature-This Policy was significantly enhanced to clear up policy on employees selling items at work and/or distributing information about non-work activities.

C.27-Contracts Management-This Policy was updated to include current HHSC contract language.

Supporting Documentation:

Revised Board Policies (Markup Versions)

Recommended Action:

Approve Deletion of General Administration Board Policy C.15 and Changes to C.16, C.24 and C.27.

TRICOUNTY MENTAL HEALTH MENTAL RETARDATION SERVICES

STATEMENT OF POLICY

_____
Richard Herpin, Chairman

_____
Date

~~Subject: Board of Trustees' Policy on Board Functions, Duties and Structure~~

~~Original Effective Date: November 30, 1989~~
~~Revision Date:~~

~~It is the purpose of this policy to describe the functions, duties, roles and responsibilities of the Board of Trustees in order that it may efficiently and effectively carry out its work.~~

~~The legal basis for the Board's structure rests in its By-Laws which establish Tri-County Mental Health Mental Retardation Services. This document constitutes this agency as a local health agency, its purpose for being, and how it is to be formed and maintained. Herein, the Board further defines how it will function.~~

~~Duties of the Board As A Whole~~

~~"The Board of Trustees is responsible for the administration of a Community Center" (V.A.C.S. 5547-203 Section 3.05). This Board shall carry out that responsibility through exercising the following authority:~~

1. ~~Establishing policies for Tri-County~~
2. ~~Planning the delivery of services and the financing thereof~~
3. ~~Approving an annual operating plan including goals, objectives, budget, staffing patterns and compensation plans~~
4. ~~Evaluating and monitoring the achievement of planned activities~~
5. ~~Employing an Executive Director to implement the above on its behalf~~

~~Policy~~

~~Policy is defined as a "guide to future action." It shall therefore, clearly state the intent of the Board for the conduct of Tri-County business, activities, and programs. The source of the Board's written policy shall be the Board Policy Manual and the minutes of the Board and its committees.~~

~~The Board delegates to its Executive Director the authority to implement its policies through administrative and program procedures and the application of policy in decision making. Moreover, wherein policy is inapplicable in a particular situation, mute, or in need of redefinition or interpretation, the Board expects its Executive Director to so inform it of this problem and possible alternatives. The primary responsibility for initiating policy action will rest with the Executive Director. The primary responsibility for review and action on policy matters shall rest with the Board.~~

~~The Board shall annually review the policy manual. The following procedures will be followed by the Board in carrying out its responsibility for policy development.~~

1. ~~All potential issues, problems, concerns (whatever the source) likely to require policy determination will be referred to the Executive Director.~~
2. ~~The Executive Director will make an initial determination of whether applicable policy now exists; whether current policy is ambiguous; whether current policy is incomplete or absent.~~
3. ~~Should it be determined either by the Director or Board that policy guidance is necessary, then the Executive Director will take the initiative to develop policy alternatives as well as a recommended policy.~~
4. ~~In recommending policy options, the Executive Director will consult with the appropriate Board Committee, contractors, other groups and individuals who will be affected by the proposed policy.~~
5. ~~The Executive Director will submit his proposed recommendations; where those differ from the Committee he will include the Committee's recommendations as one of the policy options. Concurrences and exceptions submitted by other groups will be identified.~~

~~Annual Operating Plan~~

~~In accordance with the Rules of the Commissioner governing Grant-In-Aid, the Board will also prepare an annual plan for the Texas Department of Aging and Disability Services and the Texas Department of State Health Services to use as the basis for the Performance Contracts. Following the mutual agreement between the Board and the Departments, the parties will execute a Performance Contract outlining the planned performance to be achieved with the funds made available by the Departments.~~

~~The annual operating budget or plan shall constitute the document according to which TriCounty is administered. This document shall include:~~

1. ~~A statement of revenues to be received according to the chart of revenue accounts.~~
2. ~~A Center-wide expenditure plan according to the chart of expenditure accounts.~~
3. ~~An annual staffing pattern of approved positions both full and part-time and a salary and fringe benefit compensation plan.~~
4. ~~Center-wide goals and objectives.~~
5. ~~Program revenue and expenditure plans.~~

~~The Board shall approve a final operating budget prior to the commencing of the fiscal year in September and re-budgeting during the fiscal year as need dictates.~~

~~Evaluation and Monitoring~~

~~The Board of Trustees shall perform its function of evaluation monitoring through a variety of activities performed on a monthly and periodic basis. At each regularly scheduled meeting, the Board shall review and approve the following reports:~~

1. ~~Monthly program reports and quarterly workload measure reports~~
2. ~~Monthly financial statements~~

3. Monthly disbursements reports
4. Monthly business committee report
5. Monthly personnel report

Employment of the Executive Director

The Board shall carry out many of its responsibilities to administer Tri-County through the employment of its Executive Director. The Director of Tri-County shall serve as the Chief Executive Officer of Tri-County employing all personnel of Tri-County with the advice and consent of the Board. Employment of the Executive Director shall be the responsibility of the full Board. The Executive Committee will screen and interview applicants for the position and make recommendations of a finalist(s) to the Board at an official meeting.

The Board shall at the beginning of each fiscal year establish in writing the objectives the Board expects its Director to achieve during the ensuing year. It shall be the responsibility of the standing committees to formulate the major objectives in their area of concern. These committees are Business and Finance, Program and Governmental Relations. The Executive Committee will establish objectives in the area of personnel and objectives for the director in personal skills and abilities. Objectives must be major, clearly stated, measurable, attainable and include timetables. They must be mutually agreed upon by the Board and the Director. Both the Director and the Board (Chairman) will signify mutual agreement by signing a written list of these objectives. Copies will go to the Director and all Board members.

An annual evaluation of the Executive Director shall be conducted by the Board. The evaluation will take place during the first quarter of the fiscal year with the results reported to the full Board in an executive session at the November meeting. The evaluation will cover the performance of the Executive Director during the prior fiscal year. The evaluation will assess the achievement of the objectives established at the first of the year and the performance of duties and responsibilities as identified in published Board policies. A three-person committee, consisting of a member from each county, will coordinate the evaluation. The Chairman will be appointed by the Board president. An evaluation using an instrument approved by the Board will be conducted in the executive session of the October Board meeting with the Executive Director present to answer questions. The committee will then compile the results and report them to the Board and the Executive Director at the November meeting in executive session.

Duties of the Membership

Members of the Board of Trustees serve voluntarily. They are appointed for two year terms by the sponsoring agencies, namely, the three counties of the service area. There is no limit to the number of successive terms that each member can serve. Membership does not cease until 1) a replacement is appointed, 2) resignation or retirement, or 3) failure of the member to meet the participation requirements.

Orientation

Administration of a mental health/mental retardation center is a complex business involving the delivery of a wide variety of services and treatment interventions aimed at the specific needs of clients and their families. Moreover, the financing of services and the accountability for funds received is intricate and unconventional in many respects. Therefore, during the first year of service the member

~~is expected to participate regularly in scheduled Board activities and take the necessary time for orientation scheduled by the Chairperson and the Executive Director.~~

~~Liaison~~

~~The Board of Trustees is involved in many cooperative relationships with other groups, organizations, corporations or agencies. From time to time, the Chair will appoint a member to serve as the liaison between this Board and the other group. It is the duty of that member to serve as the spokesman for the Board and to keep the Board informed of the outside organization's activities. Some of these organizations include: The Texas Council of Community Mental Health and Mental Retardation Centers, The Association of Retarded Citizens, the Mental Health Association, the Board of Trustees of the Texas Department of Aging and Disability Services, the Texas Department of State Health Services, and the advisory committees appointed by this Center Board.~~

~~Reporting to the Sponsoring Agency~~

~~Each Board member shall report at least annually to the Commissioner's Court which appointed him/her. Through this activity, the Court shall be kept informed of the current status of TriCounty and the progress being made.~~

~~Remuneration~~

~~As volunteers to a charitable organization established on a non-profit basis, members shall receive no remunerations for the valuable services which they provide. In addition, members shall not be compensated in any indirect fashion, in any manner that could be construed as a conflict of interest or an abuse of the position which they hold on this Board. They will in every way comply with the Board's Code of Conduct for members of the Board and staff of this Center. This provision does not preclude the reimbursement for actual expenses incurred by members when traveling or serving in some other capacity as an official member performing the duties outlined herein.~~

~~Definition~~

~~Policy Formulation: In developing policy that will serve to explain intent and guide in decision making, policy formulation is an activity consisting of consensus building around a specific alternative to be followed in addressing a specific issue. The stated policy written out in this manual and the minutes of the Board's activities should clearly and concisely express that consensus.~~

~~Policy Review: An ongoing activity aimed at assuring that stated policy continues to provide guidance in currant circumstances.~~

~~Maintaining and Controlling: A corrective function through which the Board evaluates to what extent established corrective action when deemed necessary.~~

TRICOUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

Patti Atkins, Chair

January 26, 2017
Date

Original Effective Date: March 29, 1990

Revision Date: January 26, 2017

Subject: HIV/Aids Workplace Confidentiality

It is the intent of the Tri-County Behavioral Healthcare ~~MHMR Services~~ Board of Trustees to establish employee workplace and confidentiality guidelines and to make available educational materials for employees concerning the human immunodeficiency virus (HIV) and its related conditions, including acquired immunodeficiency syndrome (AIDS).

~~Current medical research and scientific opinion indicates that there is no risk of HIV/AIDS transmission in the normal work setting. Routine daily encounters with co-workers or individuals served by Tri-County MHMR Services pose no risk of transmitting the fragile blood-borne HIV/AIDS virus.~~

It is the policy of the Tri-County ~~MHMR Services~~ Board of Trustees that employees with HIV/AIDS will be treated no differently than employees with other life-threatening illnesses. Such employees will be provided with reasonable accommodations as long as they are medically able to perform their assigned duties and do not pose a danger to their own health and safety or the health and safety of others.

It is also the policy and intent of the Tri-County ~~MHMR Services~~ Board of Trustees that there be no discrimination in any employment practices, or other items, privileges, and conditions of employment with this agency regarding employees with HIV/AIDS conditions. Employees with HIV/AIDS conditions will be treated the same as any other employees with medical disabilities or handicaps. Such employees are entitled to the same benefits and are subject to the same regulations and restrictions.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

_____
Patti Atkins, Chair

January 26, 2017
Date

Original Effective Date: November 16, 1983

Revision Dates: April 30, 2007, January 26, 2017

Subject: Solicitation/Distribution of Literature

It is the policy of the Board of Trustees of Tri-County Behavioral Healthcare ("Tri-County or "Center") ~~Mental Health Mental Retardation Services~~ to eliminate any interference with the delivery of services or work of the employees which is caused by soliciting and/or distribution of literature on Tri-County premises.

I. Distribution of advertising material, commercial or charitable solicitations, merchandise catalogs, handbills, or materials of a political or potentially adversarial nature on the premises is prohibited.

   a. An exception is made for Center-approved charitable endeavors. The Center may also choose to recognize charitable drives as a community-backed effort.

   b. An exception is also made for an employee's child/grandchild's school fundraisers.
      i. Materials must be officially sanctioned by a school
      ii. Solicitation may only be done by the employee.
      iii. Solicitation shall not interfere with work duties.
      iv. Staff is not allowed to sell any item to a client/consumer of Tri-County.

II. A bulletin board will be made available in a break room or other non-client area for posting of personal advertisements or achievements (e.g. a play they are in).

III. Non-employees may not trespass, solicit or distribute any kind of written or printed materials on Center premises at any time.

IV. Staff is prohibited from engaging in the following action in any building, on any Center property, during work time or while representing the Center:

A. Selling any product or service, soliciting contributions, or lobbying for political candidates or causes.

B. Distributing any kind of written or printed materials (e.g. handbills, pamphlets, advertising materials, etc.) during work time and/or on Center premises.

V. Staff Members are prohibited at any time from engaging in solicitation or distribution of any kind of written or printed materials in patient-care areas.

A. Such areas include patient rooms, all places where patients receive treatment, all corridors adjoining any of the above, and any other place designated for exclusive use of clients.

VI. Staff is prohibited from using Center bulletin boards, mail systems, photocopiers, telephone lists or the like for such purposes as stated above.

VII. Any exception to the above Policy requires prior approval of the Executive Director.

TRI-COUNTY BEHAVIORAL HEALTHCARE

STATEMENT OF POLICY

_____
Patti Atkins, Chair

January 26, 2017
Date

Original Effective Date: March 27, 1997

Revision Date: August 27, 1998, January 26, 2017

Subject: Contracts Management

Additional Action: ~~Delete Policies C.20 and E.18~~

I. It is the policy of the Board of Trustees that Tri-County Behavioral Healthcare ("Tri-County or "Center") ~~Mental Health Mental Retardation Services~~, as the Local Mental Health Authority (LMHA) and Local Intellectual and Developmental Disability Authority (LIDDA) ~~Mental Retardation Authority~~, consider public input, ultimate cost-benefit, and consumer care issues to ensure consumer choice and the best use of public money in assembling a network of service providers and in determining whether to become a provider of a service or to subcontract that service to another organization.

II. Contracts, between Tri-County ~~MHMR Services~~ and a subcontractor providing specific community-based services, must be consistent with the Local Authority's performance contract with the Health and Human Services Commission (HHSC). ~~Texas Department of Aging and Disability Services and the Texas Department of State Health Services (DADS / DSHS).~~

III. Tri-County ~~MHMR Services~~, ~~as the as the Local Mental Health and~~ ~~Local Mental Health and Mental Retardation Authority~~, ~~may utilize any enforcement actions with its subcontractors as are available to the State Authority, as defined in the DADS and DSHS HHSC performance contracts.In accordance with the Texas Administrative Code, Chapter 401, Subchapter D, specific operational procedures shall be developed to support the management of contracts for community based services.~~ Will maintain a contracts management system that ensures each

community services contractor performs in accordance with the provisions of the HHSC contract.

IV. Tri-County will monitor each community services contractor's compliance with the contract and evaluate the contractor's provision of services, including:

A. Competency of the contractor to provide care;
B. Consumers' access to services;
C. Safety of the environment in which services are provided;
D. Continuity of care;
E. Compliance with the performance expectations
F. Satisfaction of consumers and family members with services provided; and,
G. Utilization of resources.

V. Tri-County will enforce each community services contract and will develop policies and procedures regarding contract enforcement that address the use of at least the following enforcement actions:
A. training;
B. technical assistance for contractors;
C. a plan of correction; and,
D. sanctions.

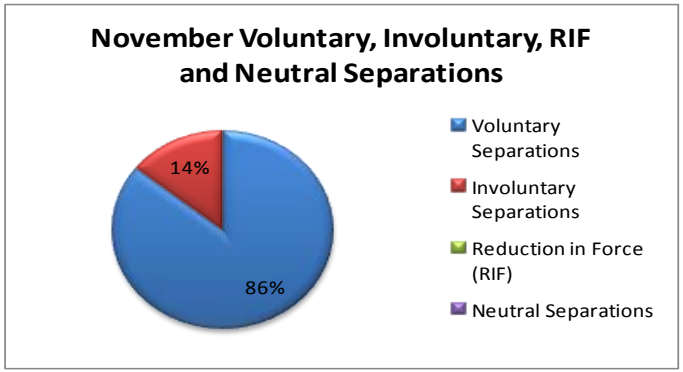
Agenda Item: Personnel Reports for November and December 2016 **Committee:** Executive	**Board Meeting Date:** January 26, 2017
Background Information: None	
Supporting Documentation: Personnel Reports for November and December 2016	
Recommended Action: **For Information Only**	

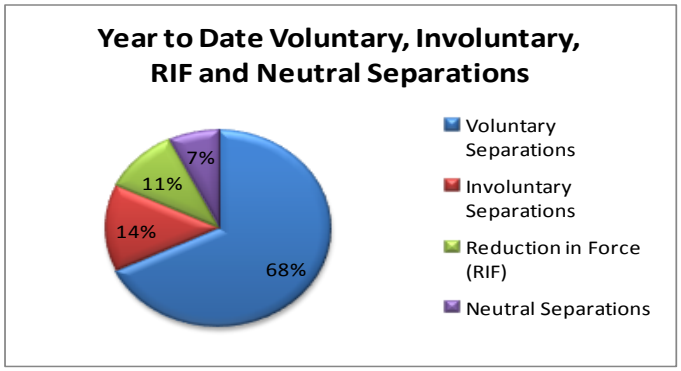
Personnel Report November 2016

Total Applications received in November = 394
Total New Hires for the month of November = 10
Total New Hires Year to Date = 31

November Turnover	FY17	FY16
Number of Active Employees	331	332
Number of Monthly Separations	7	6
Number of Separations YTD	28	19
Year to Date Turnover Rate	8%	6%
November Turnover	2%	2%

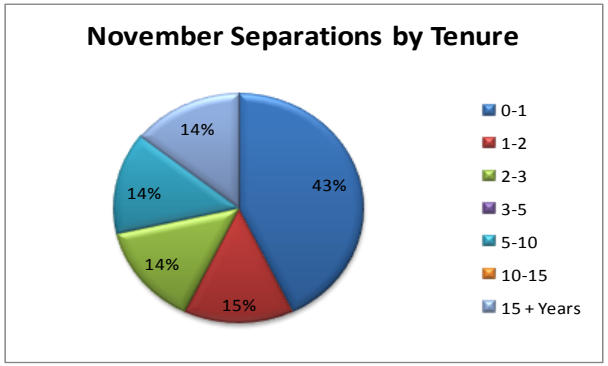
Separations by Reason	November Separations	Year to Date
Retired	0	2
Involuntarily Terminated	0	3
Neutral Termination	0	2
Dissatisfied	0	0
Lack of Support from Administration	0	0
Micro-managing supervisor	0	0
Lack of growth opportunities/recognition	0	0
Difficulty learning new job	0	0
Co-workers	0	0
Work Related Stress/Environment	0	0
RIF	0	3
Deceased	0	0
Pay	0	0
Health	0	0
Family	1	2
Relocation	0	1
School	0	0
Personal	0	1
Unknown	1	3
New Job	5	11
Total Separations	7	28

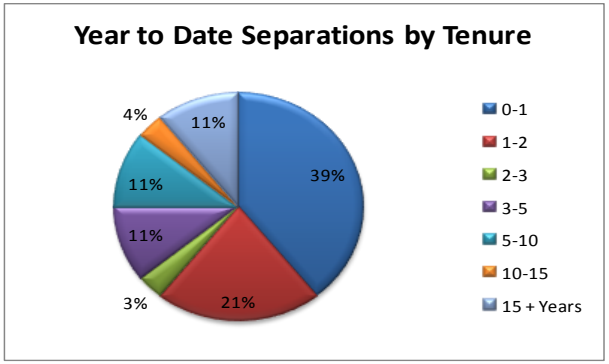




Management Team	# of Employees	Monthly Separations	Year to Date Separations	% November	% YTD
Evan Roberson	15	0	1	0%	7%
Millie McDuffey	27	2	7	7%	26%
Amy Foerster	20	0	0	0%	0%
Tanya Bryant	8	0	0	0%	0%
Behavioral Health Director	126	3	12	2%	10%
Breanna Robertson	56	1	2	2%	4%
Kelly Shropshire	32	0	1	0%	3%
Kathy Foster	39	1	4	3%	10%
Kenneth Barfield	8	0	1	0%	13%
Total	**331**	**7**	**28**		

Separation by EEO Category	# of Employees	Monthly Separations	Year to Date	% November	% Year to Date
Supervisors & Managers	22	1	3	5%	14%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	38	0	1	0%	3%
Professionals (QMHP)	87	3	11	3%	13%
Professionals (QIDP)	27	0	1	0%	4%
Licensed Staff (LCDC, LPC…)	21	0	0	0%	0%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	27	0	0	0%	0%
Program Support(Financial Counselors, QA, Training, Med. Records)	33	2	8	6%	24%
Nurse Technicians/Aides	20	0	0	0%	0%
Service/Maintenance	20	0	1	0%	5%
Direct Care (HCS, Respite, Life Skills)	25	1	3	4%	12%
Total	**331**	**7**	**28**		



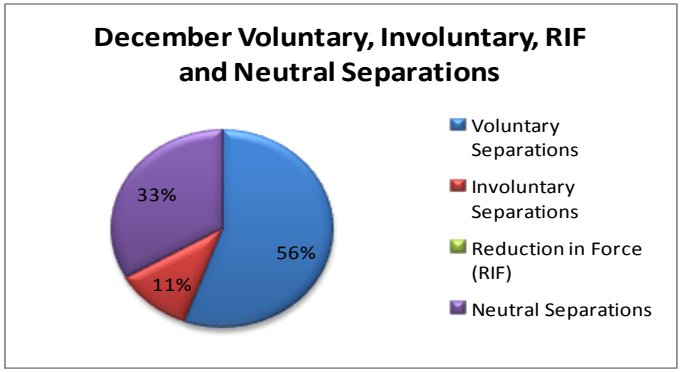


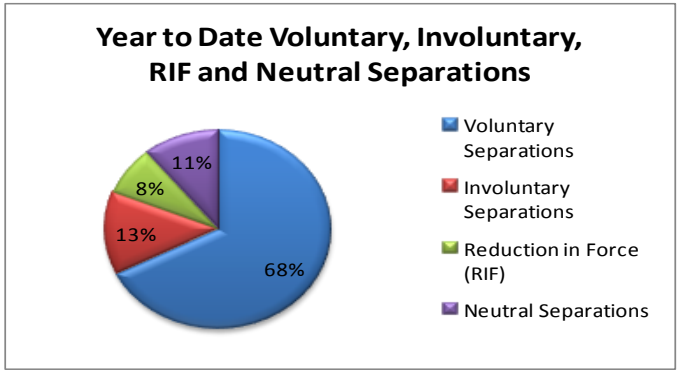
Personnel Report December 2016

Total Applications received in December = 189
Total New Hires for the month of December = 12
Total New Hires Year to Date = 42

December Turnover	FY17	FY16
Number of Active Employees	334	330
Number of Monthly Separations	9	9
Number of Separations YTD	37	28
Year to Date Turnover Rate	11%	8%
December Turnover	3%	3%

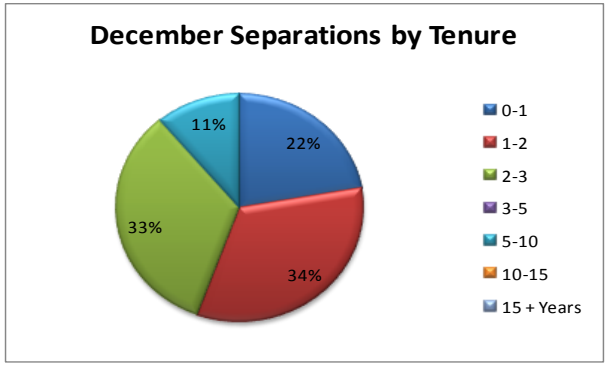
Separations by Reason	December Separations	Year to Date
Retired	0	2
Involuntarily Terminated	1	4
Neutral Termination	3	5
Dissatisfied	0	0
Lack of Support from Administration	0	0
Micro-managing supervisor	0	0
Lack of growth opportunities/recognition	0	0
Difficulty learning new job	0	0
Co-workers	0	0
Work Related Stress/Environment	0	0
RIF	0	3
Deceased	0	0
Pay	0	0
Health	0	0
Family	0	2
Relocation	0	1
School	0	0
Personal	0	1
Unknown	0	3
New Job	5	16
Total Separations	9	37

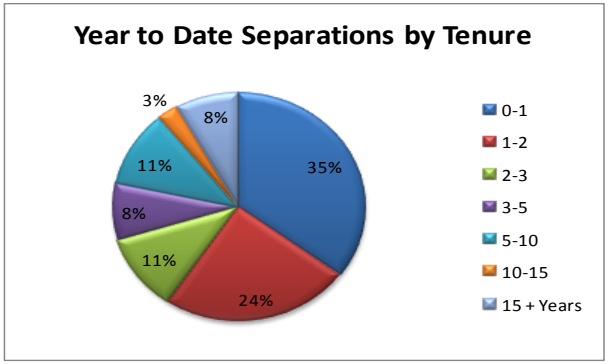




Management Team	# of Employees	Monthly Separations	Year to Date Separations	% December	% YTD
Evan Roberson	17	0	1	0%	6%
Millie McDuffey	29	1	8	3%	28%
Amy Foerster	19	1	1	5%	5%
Tanya Bryant	7	0	0	0%	0%
Behavioral Health Director	126	4	16	3%	13%
Breanna Robertson	56	2	4	4%	7%
Kelly Shropshire	32	1	2	3%	6%
Kathy Foster	39	0	4	0%	10%
Kenneth Barfield	9	0	1	0%	11%
Total	**334**	**9**	**37**		

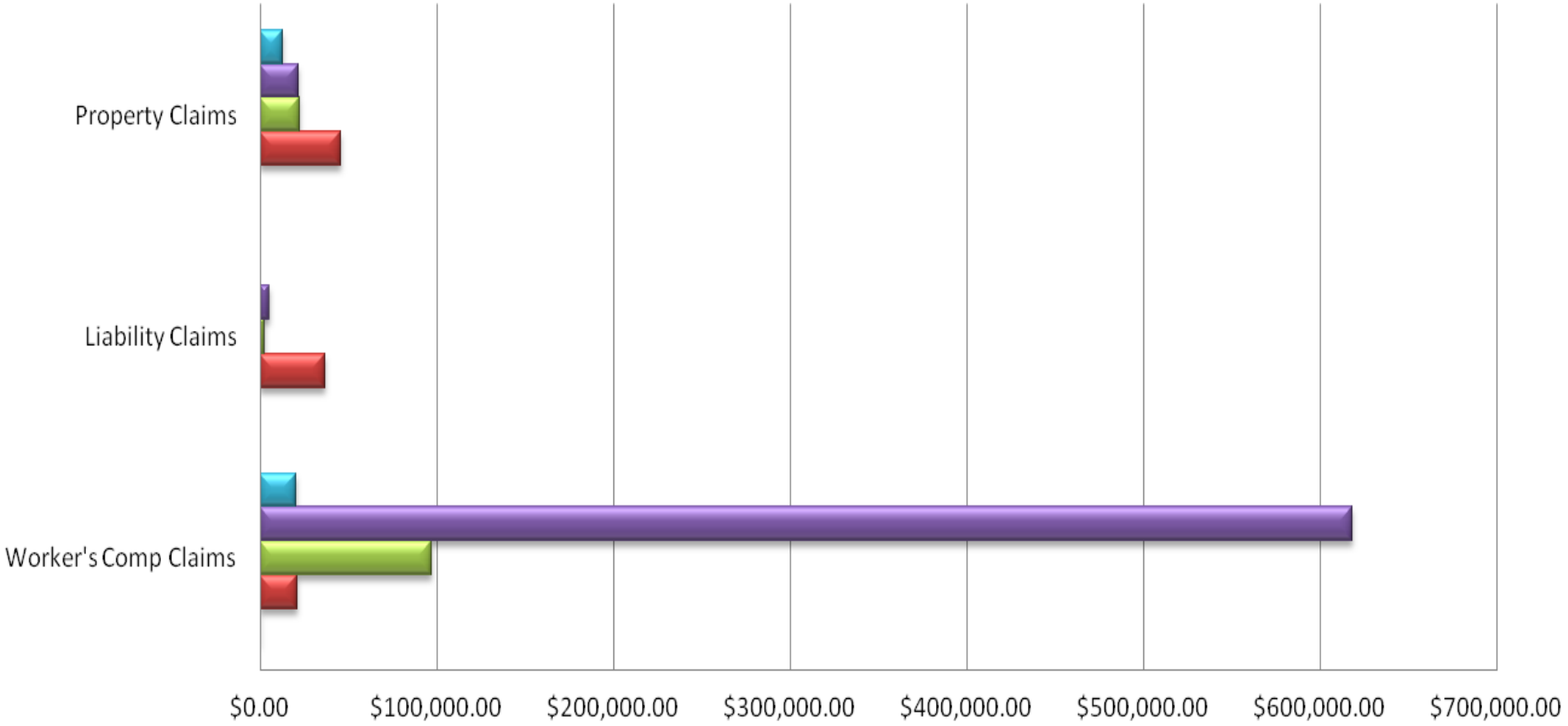
Separation by EEO Category	# of Employees	Monthly Separations	Year to Date	% December	% Year to Date
Supervisors & Managers	22	0	3	0%	14%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	37	2	3	5%	8%
Professionals (QMHP)	88	4	15	5%	17%
Professionals (QIDP)	27	1	2	4%	7%
Licensed Staff (LCDC, LPC…)	21	0	0	0%	0%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	29		0	0%	0%
Program Support(Financial Counselors, QA, Training, Med. Records)	35	1	9	3%	26%
Nurse Technicians/Aides	20	0	0	0%	0%
Service/Maintenance	19	1	2	5%	11%
Direct Care (HCS, Respite, Life Skills)	25	0	3	0%	12%
Total	**334**	**9**	**37**		





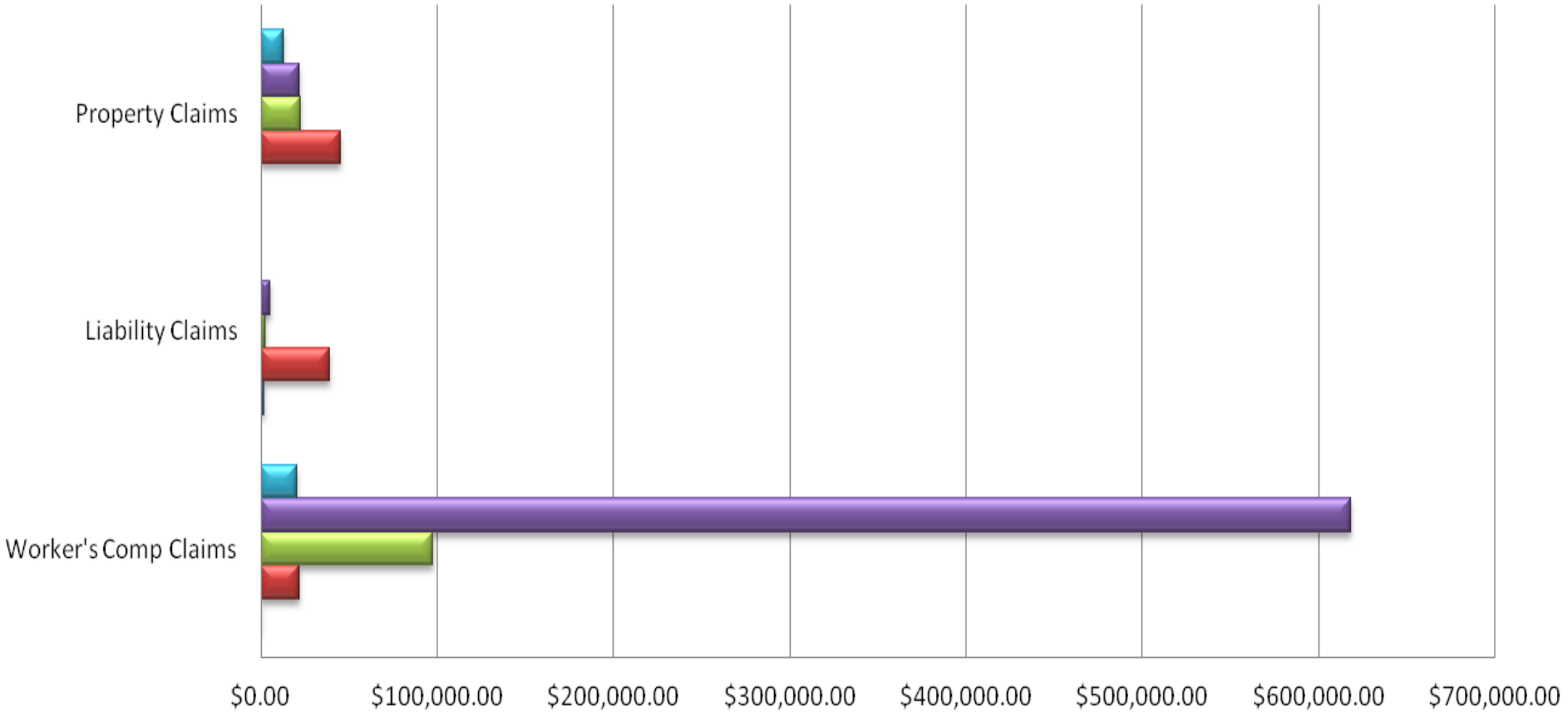
Agenda Item: Texas Council Risk Management Fund Claims Summary as of November and December 2016 **Committee:** Executive	**Board Meeting Date:** January 26, 2017
Background Information: None	
Supporting Documentation: Texas Council Risk Management Fund Claims Summary as of November and December 2016	
Recommended Action: **For Information Only**	

TCRMF Claims Summary November 2016



	Worker's Comp Claims	Liability Claims	Property Claims
2013	$20,263.00	$0.00	$12,869.00
2014	$618,699.00	$5,295.00	$21,931.00
2015	$97,371.00	$2,556.00	$22,505.00
2016	$21,282.00	$36,630.00	$45,614.00
2017	$28.00	$0.00	$0.00

TCRMF Claims Summary December 2016



	Worker's Comp Claims	Liability Claims	Property Claims
2013	$20,263.00	$0.00	$12,869.00
2014	$618,699.00	$5,295.00	$21,931.00
2015	$97,371.00	$2,556.00	$22,505.00
2016	$21,784.00	$39,287.00	$45,614.00
2017	$224.00	$1,994.00	$0.00

Agenda Item: Texas Council Quarterly Board Meeting Update **Committee:** Executive	**Board Meeting Date:** January 26, 2017
Background Information: The Texas Council has requested that Center representatives give updates to Trustees regarding their quarterly Board meeting. A verbal update will be given by Sharon Walker.	
Supporting Documentation: Texas Council Staff Report	
Recommended Action: **For Information Only**	

Texas Council
of Community Centers

Texas Council Report
Quarterly Meeting
January 2017

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Chief Executive Officer Report

Engagement Highlights

Since the October 29, 2016 board meeting, the Texas Council engaged in a number of key initiatives and priorities, including:

- Negotiations and meetings with state officials and legislative offices relating to: 1115 Transformation Waiver; Managed Care; Certified Community Behavioral Health Clinics (CCBHC) SAMHSA Grant; HCBS MH – Adult Program; YES Waiver; Rider 58 Third Party Review of Performance Measures; Local Authority IDD Performance Contract Targets and Access functions; Local Authority IDD Service Coordination; PASRR and related Local Authority responsibilities; Local IDD Authority Crisis Intervention Funds; HCBS Settings Rule; SB7 (Community First Choice - IDD Future Service System); SB 133 Mental Health First Aid and SB 1507 MH Access to Care; HHSC Reorganization; Interim Charges including MH Select Committee; DEA/Telemedicine; Early Childhood Intervention (ECI); 85th Session LAR.
- Meetings with advocacy organizations and other associations, including Meadows Mental Health Policy Institute (MMHPI); Texas Hospital Association; Teaching Hospitals of Texas; Children's Hospital Association of Texas; Association of Substance Addictions Providers (ASAP); Conference of Urban Counties (CUC) and Texas Association of Counties (TAC); Texas Healthy Minds Coalition; Private Providers Association of Texas (PPAT); Providers Association for Community Services of Texas (PACSTX); Texas Developmental Disabilities Council (DD Council); and The Arc of Texas.

Drug Enforcement Agency (DEA) & Telemedicine

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

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

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

In addition to the effort to address this issue at the state level, efforts by other stakeholders have been underway at the Federal level to direct the DEA to issue interim rules that would

favorably address the problem created by DEA regulatory action in Texas related to the Ryan Haight Act. Texas Council legal counsel has engaged in discussions with various parties involved in this process and submitted information regarding Community Centers.

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

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

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

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

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

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

HB 910 (Open Carry)

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

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

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

As you are aware, Senate Bill (SB) 1507 by Garcia, establishes a **Forensic Director position** within DSHS to coordinate programs, provide oversight and improve statewide forensic mental health services. The bill also includes provisions from the DSHS Sunset developed by the Texas Council and Texas Conference of Urban Counties related to **regional allocation of inpatient mental health beds**.

In conjunction with DSHS and HHSC, the former HB 3793 (83rd R) advisory panel members (now called the Joint Committee on Access and Forensic Services [JCAFS]) will develop a new bed day allocation methodology based on identification and evaluation of factors that impact the use of state-funded beds including acuity, prevalence of serious mental illness and the availability of resources in each region. In addition, the JCAFS must develop a comprehensive plan for forensic mental health services that takes in to consideration the following areas:

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

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

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

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

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

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

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

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

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

On January 6, 2017, HHSC released broadcast message #0753 regarding the Hospital Bed Allocation Report (HBAR) and implementation of the Local Utilization Review Protocol. The HBAR report replaces the previous monthly State Hospital Allocation Methodology (SHAM) reports and provides an expanded data set that includes both state funded and state operated hospital beds. Additionally, this new HBAR report will serve as a basis for local utilization review protocol discussions.

The HBAR report incorporates the updated allocation methodology and provides more detailed data regarding bed day utilization, length of stay, and hospital readmission rates. Stay tuned for more information about a webinar in February to review the new HBAR.

85th Texas Legislature

The 85th Texas Legislature began Tuesday, January 10, 2017. The pre-filing period (timeframe legislation can be filed before session starts) began November 17, 2016. As of Friday, January 13, 2017, 1,518 bills were filed. The Texas Council is currently tracking 376. Legislation can be filed until the 60 day filing deadline on March 10, 2017.

Please stay tuned for the Texas Council bill tracker released to the field every Friday until the end of the 85th session. These regular communications provide highlighted summaries of legislation impacting our system of care, live links to text of each bill and the complete bill tracker organized categorically.

The 85th Texas Legislature has 22 new members (not including 4 recently re-elected who served in previous legislatures) of the Texas House of Representatives (150 total) and 3 new members of the Texas Senate (31 total).

Membership Statistics for the 85th Legislature

Description	House Members	Senate Members	Total
Gender *			
Male	121	23	144
Female	29	8	37
Total	150	31	181
Party affiliation *			
Democrat	55	11	66
Republican	95	20	115
Total	150	31	181
Incumbency **			
Incumbents	124	28	152
Freshmen	22	3	25
Total	146	31	177
Age *			
Under 30	0	0	0
30 - 39	26	0	26
40 - 49	48	6	54
50 - 59	35	11	46
60 - 69	30	9	39
70 and over	10	5	15

* Gender, party affiliation, and age calculations are based on the membership as of the first day of session: 01/10/2017.

** Incumbent totals include members who served the previous session. Freshmen totals include members whose first terms began the first day of session: 01/10/2017. House members who were elected to the Senate are considered freshmen in the Senate.

Not included as incumbent or freshman:
Rep. Hugh D. Shine (first served in 69th session)
Rep. Lance Gooden (first served in 82nd session)
Rep. Philip Cortez (first served in 83rd session)
Rep. Mary Ann Perez (first served in 83rd session)

State Budget Update

State Agencies were directed by the Governor, LT. Gov, and Speaker in July, 2016 to reduce their budgets for the FY2018-19 biennium by 4%. Fortunately, mental health, SUD, Child Protective Services, Foster Care and other programs were held harmless from these mandated reductions.

Legislative Appropriation Request (LAR)

Before each legislative session state agencies are required to submit Legislative Appropriation Requests for the upcoming fiscal biennium. These documents tell the legislature how much each agency is requesting for base appropriations and new funds (Exceptional Items) for the next biennium.

HHSC FY2018-19 Exceptional Items (Select)

FY 2018-19 IDD Services (Select EIs)	All Funds
Maintain Waiver Programs	$70.2M
Maintain ECI Caseload Growth and Program Cost Growth	$44.8M
Sustain Enhanced Community Coordination and Transition Support Teams	$13M
Promoting Independence Waiver Slots	$114.5M
Reduce Community Program Interest Lists	$803.4M

FY2018-19 Mental Health (Select EIs)	All Funds
Maintain Mental Health Community Services at FY17 Levels	$4.7M
Maintain Psychiatric Bed Capacity	$120.9M
Reduce Community Mental Health Waitlist	$8.1M
Facilities Repair and Renovation (approx. $90M for St. Hosp)	$188.6M
Expand Psychiatric Bed Capacity (Max Security $41.1M & Contracted Community Beds $59.5M)	$100.6M

Enhance Community Services (Community Treatment, SUD, RTC Beds, Outpatient Competency Restoration)	$44.4M
Hospital Infrastructure (Placeholder)	$2M

Spending Cap & Biennial Revenue Estimate

In December, the Legislative Budget Board, established 8% as the growth rate in state's biennial budget. This sets the cap on how much legislators can spend during the 85th Legislative Session. The 8% growth rate is 4 percentage points lower than the threshold set two years ago, which means the budget will be tight this session. However, the spending cap is not likely to be an issue because many predict the state will not have the funds necessary to reach the cap.

On January 9, 2017, the Comptroller released his revenue estimate for the 2017 Legislative Session, which confirms sluggish economic activity the last two years in Texas. Lawmakers will have $104.87 billion in State General Revenue for use in crafting the FY2018-19 state budget, which represents a 2.7 percent reduction from two years ago.

The revenue estimate last session indicated the 84th Legislature would have $113 billion in State General Revenue. With federal funds included, lawmakers would have $221 billion in All Funds and $11.1 billion in the State Rainy Day Fund. In the end, the 84th legislature passed a $209.4 billion budget for the FY2016-17 biennium.

The most recent revenue estimate predicts the 85th Legislature will have $104.87 billion in State General Revenue. With federal funds, the total All Funds budget is $224.8 billion and $11.9 billion in the Rainy Day Fund for the FY2018-19 biennium. Budget experts with the Center for Public Policy Priorities (CPPP) indicate it would take about $109 billion in State General Revenue to cover the cost of current programs and services provided by the State of Texas. While there is considerable attention on issues of importance to our system of care, we anticipate the need to focus efforts on protecting the gains made the last few sessions, while pressing for additional funds for outpatient treatment capacity, crisis alternatives to inpatient care and inpatient treatment capacity.

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

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

The key next step in the budget process will be release of the base budget for FY2018-19 by the House and Senate. We will continue to keep you informed as this process unfolds.

House Select Committee on Mental Health

The Select Committee on Mental Health of the Texas House of Representatives released its interim report on Thursday, January, 5, 2017 as announced by Speaker Joe Straus in a press release available at the link below.
http://texascouncil.acemlna.com/lt.php?s=73ea1322ff4be34e0c75ebff7788bf11&i=61A117A3A324

In November 2015, Speaker Joe Straus formed the Committee to review the mental health system for adults and children and make recommendations on how to improve it. The report includes numerous references and examples of the important role and initiatives of LMHAs across the state.

Select Recommendations & Considerations

- Early intervention and prevention measures for school-aged children in order to prevent more severe mental health issues
- Strengthening and expanding jail diversion programs
- Using education incentives to address mental health workforce shortages
- Encouraging approaches to health care that integrate both physical and mental care
- Expanding access to inpatient care, considering both state hospitals and community hospitals
- Expanding peer support services

The report is available on the Texas House of Representative's website at the link below.
http://texascouncil.acemlna.com/lt.php?s=73ea1322ff4be34e0c75ebff7788bf11&i=61A117A3A325

Continue Engaging Local and State Elected Officials

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

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

Hot Topics

1. Criminal Justice / Mental Health Interface
2. Provider Rates
3. 1115 T Waiver Sustainability
4. Veterans Mental Health
5. Availability of Substance Use Disorder Services
6. Workforce Shortages
7. Challenges of Limited Resources and/or Gaps In Local Services
8. HCS expansion (address waiting lists)

9. Increase community-based direct service provider wages
10. IDD in Managed Care (network adequacy, case management role)
11. IDD Crisis Services (local initiatives, new funding)

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

Federal Update

On December 7, 2016, Congress passed the 21st Century Cures Act, which boosts funding for medical research, development of experimental treatments and reforms mental health policy.

The bill provides for $4.8 billion in new funding for the National Institutes of Health; of that, $1.8 billion is reserved for the "cancer moonshot" launched by Vice President Biden to accelerate research in that field. Another $1.6 billion is earmarked for brain diseases including Alzheimer's. Also included are $500 million in new funding for the Food and Drug Administration and $1 billion in grants to help states deal with opioid abuse.

Although final approval has not been granted, Texas may gain access to approximately $27 million to address the Opioid crisis and other SUD services. Stay tuned for additional detail from HHSC.

As you know, the 115th Congress is in full swing and many changes are underway in Washington, D.C. as a new administration transitions to power. Dr. Tom Price, a Republican member of Congress from Georgia has been nominated to be the next Secretary of Health and Human Services. Additionally, Ms. Seema Verma, a healthcare consultant who worked in Indiana with then Governor Pence, has been nominated to serve as Administrator for the Centers for Medicare and Medicaid Services (CMS).

If confirmed by the Senate, both Dr. Price and Ms. Verma will be part of making significant changes to the Affordable Care Act, Medicaid and Medicare policy. It will likely be months before we have clarity about policy options for repealing and replacing the ACA and potential impacts these significant changes will have on Texas.

We will continue to monitor activities in Washington, D.C. closely and keep you informed as information becomes available.

Public Information – Special Interest Group

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

Mission

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

Vision

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

The group meets 6 times a year, mostly via webinar, and plans to have two in-person meetings – during the annual Texas Council Conference in June and in fall 2017.

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

- Catherine Carlton, MHMR Tarrant
- Kinnie Reina, Burke
- Rene Hurtado, Emergence Health Network
- Danny Resendez, Behavioral Health Center of Nueces County
- Maria Rios, Texas Council

The group will hold its first meeting of the year in January. System-wide strategic communication, sharing best-practices and resources is an ongoing focus for PI-SIG in 2017.

Health Care Policy Update

Healthcare Transformation and Quality Improvement Program: 1115 Waiver

The original term of the Texas 1115 Transformation Waiver ended on September 30, 2106. CMS granted an initial 15-month extension, through December 31, 2017, to give the State and federal government time to work through a longer term agreement. The extension maintained existing Delivery System Reform Incentive Payment (DSRIP) and Uncompensated Care (UC) pool funding levels for 15 months, at $3.875 billion all funds per program, but required the State to commission an independent evaluation of uncompensated hospital costs and Medicaid payments. Following the national elections, HHSC notified stakeholders of its plan to request additional 21-month extension from the new administration. The request will provide time for the new administration and the 115th Congress to make changes to the nation's health care system, and the Medicaid program specifically, during 2017. Extending the waiver's current terms and funding levels through September 30, 2019 will also allow the 86th Texas Legislature to respond to any federal changes, and provide HHSC additional time to develop a new 1115 Waiver proposal.

Uncompensated Care Study

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

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

Based on current payment systems and funding mechanisms, HMA projected Texas hospitals will accrue approximately $9.6 billion in UC costs in 2017. HMA reduced the projection to $8.24 billion after considering the financial impact of an ACA Medicaid expansion and supplemental payments that hospitals would likely receive under Graduate Medical Education (GME) and Disproportionate Share Hospital (DSH) programs. HMA presented alternate proposals on how the Medicaid shortfall and remaining UC costs could be calculated, resulting in final 2017 UC projections in the range of $5.5-$1.17 billion (best and worst cases).

Before the change in federal administration, analysts believed negotiations between the State and CMS regarding future UC and DSRIP pool funding would focus on:

- **Data Source** – HMA's use of the HHSC DSH/UC tool instead of the CMS S-10 report;
- **Unreimbursed Costs** – whether approximately $1 billion in hospital "bad debt" should characterized as "charity care" and excluded from UC calculations; and whether UC for physicians, ambulance and dental providers should be added to the UC total.
- **DSRIP** – whether funds hospitals receive through DSRIP should offset UC costs, since the purpose of DSRIP is to enhance access, quality and cost-effectiveness and not to offset the UC burden.

- **Medicaid Shortfall** – whether the Medicaid shortfall calculations should include payments for dual eligible clients and payments to out-of-state hospitals.

A new administration and subsequent changes in CMS leadership create uncertainty regarding the impact of the UC Study on the 1115 Waiver negotiations the Texas Council will continue to provide updates as negotiations between Texas and CMS progress.

DSRIP Sustainability and Metrics

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

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

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

Finally, the Texas Council continues active engagement with UT researchers, who are conducting an evaluation of 10 Community Center Physical-Behavioral Health Integration Projects. This review is a component of the 1115 Waiver evaluation funded in part by MMHPI (Meadows). Released in June 2015, the first report was a qualitative review of the projects: http://www.txcouncil-intranet.com/wp-content/uploads/2012/07/TX-1115-MH-PC-integration-baseline-report_05_22_2015.pdf.

In preparation for the second quantitative report, Texas Council and participating Centers met with UT researchers and reached an agreement on data elements to be included in the evaluation of the effectiveness of Centers' integrated projects in improving physical health outcomes. UT piloted its data collection tool and collected data from the Centers. UT coordinated with State agencies to obtain hospital and emergency room discharge data to supplement the Centers' data for the report. On January 17, 2017, participating Centers will meet with UT, HHSC, and MMHPI to provide feedback on an initial draft of the report. The final report will be completed later in 2017.

Healthcare Opportunities Workgroup (HOW)

During fall 2017, the HOW focused on two main areas: Operational Excellence and DSRIP Sustainability.

Operational Excellence

The environment in which Centers operate continues to grow in complexity and many historical business operations are not keeping up with current challenges. The HOW returned to the Readiness Guide published in 2011 to review recommendations. The workgroup created a survey for Centers to identify both areas of progress and areas needing improvement in relation to the Readiness Guide recommendations.

Thirty-five (35) Centers participated in the survey. The survey results will be analyzed at the January HOW meeting and highlighted at the January Executive Directors' Consortium. From the survey results, the HOW will determine next steps for supporting Centers and identify Centers that may serve as best practice models for some areas of the survey.

Survey Highlights (Select)

- 40% of Centers have adopted centralized practice guidelines for working with people with trauma histories.
- 94% of Centers think the level of integrated care (primary care, mental health, substance use disorder services) has improved since 2011, with 73% reporting providing primary care in the Center's clinics and 86% having integrated care projects under DSRIP
- The majority of Centers do not measure average wait time in the waiting room, practitioner cancellations of appointments, clinical staff response to phone messages within 30 minutes.
- 69% of Centers rate their ability to negotiate with managed care organizations as poor or moderate.

- Responses are mixed on whether Centers use a specified financial metrics for third-party payment.
- 86% of Centers measure customer satisfaction.

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

Other Topics of Interest
In November, the HOW had a discussion of the potential impact of the HCBS settings rule on IDD day habilitation programs in Texas. Erin Lawler led the discussion. There are many unanswered questions at this time. At the January meeting, the HOW will have a discussion on the changing landscape for Intellectual and Developmental Disabilities services, for both Local Authority functions and provider services. The HOW will review the HHSC IDD Pilot RFP that was released on January 3, 2017. In addition, the HOW will discuss changes occurring across the country in IDD services.

As an educational session, Ms. Rowan presented on Managed Care Rate Setting in the Texas Medicaid program. This provided an opportunity for HOW members to have an in-depth discussion on how rates are set in the state, and the financial experience of MCOs in Texas managed care. In SFY 2015, the Texas Managed Care program included 88% of all Medicaid beneficiaries; was valued at $17 billion in revenue; and managed care organizations retained $701,988,000 in profit (4%).

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

IDD: The Role of Targeted Case Management in a Managed Care Environment
The Local Authority Workgroup, in partnership with the HOW, developed two policy documents that clearly describe Local IDD Authority functions related to targeted case management, including contract requirements, data on types of services, financing models and vignettes on consumer experiences. The Executive Director Consortium adopted the documents, now published in the Documents Library of the Texas Council Intranet site:

- LIDDA TCM One Pager: http://www.txcouncil-intranet.com/wp-content/uploads/2017/01/LIDDA-TCM-one-pager.pdf

- LIDDA TCM Issue Brief: http://www.txcouncil-intranet.com/wp-content/uploads/2017/01/LIDDA-TCM-Issue-Brief-2016-06-29.pdf

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

Certified Community Behavioral Health Clinics: SAMHSA Grant

In December 2016, the Substance Abuse and Mental Health Administration (SAMHSA) awarded Certified Community Behavioral Health Clinic (CCBHC) demonstration grants to eight states: Minnesota, Missouri, New York, New Jersey, Nevada, Oregon, Oklahoma, and Pennsylvania. Notably, almost all recipient states participated in Medicaid expansion (6 of 8).

Although Texas was not selected for an award, HHSC and the seven Community Centers that participated in the planning grant gained valuable insight into this innovative care model. HHSC leadership has expressed an interest in moving forward with CCBHC certification processes and prospective payment structures, and the Texas Council will continue to promote CCBHC concepts and initiatives.

Information concerning the CCBHC demonstration, including certification guidance and cost reporting instructions, is available on the Texas Council intranet site at http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/ccbhc/

Performance & Outcome Measurement in a Modern Healthcare System

Endorsed Measure Strategy Relaunch
New Behavioral Health Clinic Quality Measures
From January 2014 through May 2016, the Texas Council and the Community Centers implemented the Endorsed Measurement Strategy approach to clinical quality measures that reflected a more balanced method of measurement. Centers gained new skills, learned valuable lessons, and faced new challenges through the process of reporting quality outcomes.

Although Texas was not selected by SAMHSA as a demonstration state, HHSC is moving forward with a Texas CCBHC pilot. HHSC will require pilot CCBHCs to report the Behavioral Health Clinic (BHC) quality measures. Therefore, HHSC is continuing to make system changes that include timely access to necessary data. Access, which will not be limited to the pilot CCBHCs.

These BHC quality measures have been disseminated to all behavioral health providers, not just CCBHCs, to encourage national reporting. The Texas Council and Center leadership have

identified these measures as an opportunity to align our system with known measures and take advantage of SAMHSA and HHSC resources. To that end, the current Endorsed Measures will be replaced with the Behavioral Health Clinic Quality Measures (BHCQMs). Due to the existing Behavioral Health Consortium (BHC), the name of the measures was changed, while the actual measures remain the same.

The Texas Council and the Data Evaluation Workgroup (DEW) hosted the BHCQMs: Introduction and Overview webinar on January 5, 2017. The presentation is available on the Texas Council intranet site [Maria insert link]. To further support the initiative, a monthly webinar will be held to discuss measure-specific details, covering one to two measures per month. BHCQM resources are located on the Texas Council intranet site at http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/ccbhc/

- BHC Quality Measures
    - SAMHSA Quality Measures Webinars 1 through 8
    - BHC Quality Measures Vol 1 and Vol 2 (technical specifications)
    - BHC Quality Measures Reporting Templates

Behavioral Health Services Provider Contracts Review

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

a. Identification of performance measures and other requirements not necessary by a state or federal requirement that could be eliminated from contracts;
b. A review of the metrics and methodology associated with the withholding of allocations made under DSHS Rider 58, Mental Health Outcomes and Accountability;
c. Consideration of performance measures and contracting strategies similar to those used for managed care organizations;
d. Consideration of best practices in performance measurement and contracting, including incentive payments and financial sanctions that are aligned with the models used by the Health and Human Services Commission for purchasing health care services; and
e. A proposal for a publicly available web-based dashboard to compare performance of behavioral health services providers contracted with DSHS.

As part of the HMA review, Texas Council staff and ED representatives met with HMA and provided input, including comparing LMHA contract requirements and 10% withhold measures with MCO contract requirements. The HMA's final report to HHSC/DSHS was due October 31, 2016, and HHSC plans to release a report on performance measures to the Texas Legislature in early 2017.

Managed Care Workgroup and Steering Committee

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

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

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

The MCSC also published the *Quick Reference Guide for Managed Care*. The Guide uses a question and answer format to address Medicaid and CHIP managed care topics. The MCSC also released "Managing and Negotiating MCO Contracts" in November 2016, to help Community Centers build better relationships with MCOs

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

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

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

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

STAR Kids Program

HHSC launched the STAR Kids Program on November 1, 2016, the first Medicaid managed care program specifically tailored for children with disabilities. As of January 2017, approximately 163,000 children are enrolled in the program.

STAR Kids is mandatory for recipients through age 20 with Supplemental Security Income (SSI) Medicaid, and those enrolled in the following waivers:

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

STAR Kids does not include:

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

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

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

The HHSC STAR Kids website includes additional information, including:

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

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

Upcoming Managed Care Procurements

HHSC recently released its schedule for re-procuring MCO contracts. HHSC anticipates that MCOs will begin serving members under new contracts by the following operational start dates:

- September 2018 – CHIP Rural Service Area (RSA) and Hidalgo Service Area
- January 2019 – all STAR+PLUS Service Areas

- March 2019 – all Medicaid and CHIP Dental Service Areas
- March 2020 – all STAR and CHIP Service Areas.

Texas law requires HHSC to post draft MCO procurement for public comment before releasing final procurements. The Texas Council will review these drafts and submit comments as necessary to support Community Center interests.

Medicaid Managed Care Rules

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

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

  Creates flexibility to cover short-term stays in institutions for mental disease (IMD). The final rules loosen federal restrictions on Medicaid reimbursement for institutional-based mental health and substance abuse services. The rules will allow states to make a premium payments for an adult age 21-65 with a short-term stay (15 or

fewer days) in an IMD during a month. While this change is widely viewed as a positive step toward improving access to critical mental health services, the 15 day requirement will create a new restriction for Texas. Under terms of the current Texas 1115 waiver with CMS, Medicaid MCOs can already provide IMD services to adults "in lieu of" inpatient acute care services without the 15 day restriction. The attached document provides additional information on the federal rule's impact on the IMD exclusion.

The CMS is implementing the final rules in phases over the next three years, starting July 1, 2017.

The Texas Council is actively monitoring HHSC's efforts to come into compliance with the new regulations, and has made a number of recommendations to benefit Community Center providers and members. This feedback was incorporated into March 2017 MCO contract changes, including shorter travel distances for many mental health services and expedited credentialing for new categories of mental health providers. The Texas Council will continue to participate in the regulatory process and report on Texas efforts to carry out the new CMS requirements.

Telemedicine and Telehealth Survey

In July 2016, the Texas Council released survey results regarding Community Center use of telemedicine and telehealth services. All 39 Community Centers responded to the survey, and results are available on the Texas Council intranet site: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Telemedicine_Telehealth_Survey_Summary_July2016_Final.pdf

HHSC cited the Texas Council survey results in the December 2016 biennial report for the Texas Legislature: https://hhs.texas.gov/sites/hhs/files//Telemedicine-Telehealth-and-Home-Telemonitoring-Services-in-Texas-Medicaid.pdf. This information may also be useful for local conversations with state lawmakers, agencies and other stakeholders.

Survey Highlights

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

Inpatient Psychiatric Care Survey and Issue Brief

In October 2016, the Texas Council surveyed Community Centers on inpatient access, capacity, and funding issues. The Texas Council used responses to develop an issue brief in December 2016, titled *"The Growing Crisis in Inpatient Psychiatric Care: Forensic Crowd-out and Other Access Barriers."* The brief addresses the urgent need for funding to increase access to inpatient psychiatric care, and system challenges created by high forensic demand, population growth, provider workforce shortages, aging State Hospital facilities and other factors.

Highlights:

- **$608** -- average cost per private psychiatric bed day (31 Centers)
- **71,930** – total private psychiatric beds purchased in FY 2016 (31 Centers)
- **$11.4 Million** – collective funds spent on private psychiatric beds from non-allocated funds (10 Centers)
- **Access Challenges** – most commonly caused by forensic crowd-out
- **Funds for Purchasing Private Psychiatric Beds** – top priority to address access system challenges.
- **84%** -- of Centers say inpatient capacity needs are not met through locally-purchased care.

The Texas Council encourages Board Members and Community Center leadership to share this information with State Legislators and other interested stakeholders. A copy of the brief is available in the Texas Council website at: http://txcouncil.com/wp-content/uploads/2016/12/Inpatient-Psychiatric-Care-Issue-Brief-121616.pdf

Meadows Mental Health Policy Institute

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

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

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

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

Danette Castle, Lee Johnson and Jolene Rasmussen are active members in the MMHPI Collaborative Council Legislative and Performance Measures task force workgroups. The Performance Measures workgroup recently release their final report related to performance measure recommendations for the State. The report is available on the Texas Council intranet site at: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/FINAL-MMHPI-Collaborative-Council-Policy-Performance-Measurement-Taskfo....pdf

Additionally, Texas Council has engaged in Mental Health America of Greater Houston's Integrated Health Care Initiative, which is also partially funded by MMHPI. The initiative is focused on developing recommendations to promote the integration of physical health and behavioral health in Texas.

The final report and recommendations were released October 19, 2016 and are available on the Texas Council intranet site at: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/FINAL_IHC-Recommendations-Report-2016.pdf

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

Mental Health and Substance Use Disorders Update

MCOT and COPSD Reporting

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

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

As of September 1, 2016 Centers could begin reporting COPSD services; however, due to the delayed release date of the broadcast, Centers had until December 2016 to implement the necessary changes within their systems and begin reporting. HHSC has not officially made any statements that Centers will not be held responsible for reporting of COPSD services. The following is the DSHS definition of COPSD services.

COPSD Services
Co-Occurring Psychiatric Substance Use Disorder (COPSD)

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

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

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

The Texas Council, a workgroup of Executive Directors and Information Management Consortium leadership continue working with DSHS to develop a standardized process that is feasible for Centers to implement when documenting and reporting MCOT related services. Additional considerations include the use and evaluation of the data once reported to DSHS.

Local Mental Health Authority Responsibilities Rule (Informal Comment)

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

The Texas Council Rule Committee which includes outside stakeholders reviewed and provided comment during a meeting on August 3, 2016 at the Texas Council Office. The group decided the rule was incomplete and not ready for comment. HHSC/DSHS worked with the Texas Council Rule Committee to develop a meaningful rule. The committee completed their work on Dec 30, 2017. HHSC is now updating the rule with the committee's feedback and will provide the committee another opportunity for review. The rule is expected to go to the Texas Register by February with additional opportunity for feedback before adoption in March 2017

Current members of the Rule Committee are:

- Anna H Gray (Prosumers)
- Donna Moore (Burke Center)
- Gregory Hickey (Concho Valley)
- Janet Fletcher (HHSC)
- Janet Paleo (Texas Council)
- Jolene Rasmussen (Texas Council)
- Kathryn Lewis (Disability Rights Texas)
- Lizet Alaniz (HHSC)
- Melanie D. King (Camino Real)
- Sammy Sablan (Concho Valley)
- Veronica Sanchez (Camino Real)
- Vicky Hall (HHSC)

Veterans

Military Veteran Peer Network

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

Disaster Behavioral Health

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

Upcoming meeting schedule is not yet available. The Texas Council will resume it participation once meetings are reestablished.

Peer Opportunities

Texas Council Peer/Family Partner Steering Group

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

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

- Angela M. Romero (Peer Specialist) - Emergence
- Dion White (Chief Executive Officer) - Center for Life Resources
- Ginger Andrews (Family Partner) - Tri County Center
- Gonzalez, Gabrielle (Peer Specialist) - The Harris Center (our Youth representative)
- Joyce Roy (Peer Specialist) - Central Counties Center
- Lakisha V. Washington (Peer Specialist) – MHMR Tarrant
- Melissa Knott (Family Partner) - Permian Basin
- Sandy Glick (Family Partner) - Texoma Community Center
- Shea Meadows (Family Partner) - The Harris Center
- Tammie Johnson (Family Partner) – Spindletop Center
- Tony Cruz (Advisor) - Center for Life Resources
- Tope, Kimberly (Peer Specialist) - The Harris Center
- Wayne Mullan (Peer Specialist) - Center for Life Resources
- Wendy Latham (Advisor) - HHSC

This group meets by conference call monthly.

Quarterly Peer/Family Partner meetings disseminate information and discuss statewide issues pertinent to Peers in the Community Center system of care. The next meetings are scheduled for March 28, June 27 and September 26, 2017 from 11:00 a.m. – 12:00 p.m. (CST).

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

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

Peer Group Call

The Family Partners have a long-standing group call once a month to talk with HHSC about challenges and innovations at their job sites. HHSC will work with Texas Council Staff to start similar calls with Peer Specialists working at Community Centers. This will be a monthly hour long call so Texas Council Staff can address growing challenges and share innovative ideas being implemented at the Community Centers. The next three dates for call are: January 26, February 23 and March 30, 2017 from 3:00 – 4:00 p.m. (CST).

Issues identified by peers on the call include the need for:

- Supervisors to understand what peers are supposed to do
- Referrals from all of the agencies
- Need for sensitivity training around peers

This call is open to all peers, paid and unpaid, who are working with a Community Center to give them support, hear exciting things that are happening and concerns people have. This is also giving a connection to peers around the state. Additionally, the group has requested an online google group to be able to connect when questions arise. Texas Council has set this up online group and will invite peer advisors to also be on the group to help with expertise. The group can also be used for ongoing training as well as addressing issues.

Peer Report

Texas Council is working on an updated Peer report focused on the turnover for Peer Specialists and recommendations for retaining peers. The objective is to give Community Centers a snapshot of how peer support specialists are using their lived experience throughout the state, which trainings are found to be helpful and the challenges and outcomes of utilizing people with lived experience in professional settings. The report will identify areas of concern and possible solutions.

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

Via Hope has also created three online classes available to everyone and for which peers can receive credit:

- **Introduction to Recovery and Recovery Oriented Practice**
  In this course, participants will become oriented to the core elements of Recovery Oriented Practice including person-centered care, choice, and self-determination.
  *CE credits: 1.5
- **Introduction to Peer Support**
  Building off of the core elements of Recovery Oriented Practice, this course explores the definition and role of peer supporters and peer specialist integration in the workforce.
  *CE credits: 1
- **Partnering: The Person-Centered Approach**
  Via Hope's newest course explores how recovery happens in the context of collaborative relationships. It specifically examines the relationships between and among providers, people in recovery, and others including family, friends, and community members.
  *CE credits: 4

A registration form for the online classes will be available by the end of January 2017. More information on the online training trainings available here: https://viahopeonlinelearning.org/training

The planning committee will begin the work on the Peer Specialist/Family Partner Post Conference for next year at the Moody Gardens. Optum and United Healthcare will be asked to continue co-sponsoring the lunch for the event.

Advisory Committees

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

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

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

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

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

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

October meeting materials are posted in the October 2016 Board Books section of Texas Council intranet site: http://www.txcouncil-intranet.com/index.php/board-of-directors/board-minutes/. Additionally, HHSC noted that future meeting agendas will include a link to presentation materials prior to the meeting.

Texas Mental Health Resource (Via Hope) Advisory Committee

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

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

Texans for Recovery and Resiliency

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

In 2016, Texans for Recovery and Resiliency began to develop a centralized directory of trainings and curriculums used by peers and family support. This group will help in identify the different types of educational resources, trainings and curriculums that peer specialists and family supporters can access to develop their skills and better promote mental health, trauma and substance use recovery and resiliency. This directory will be posted online and serve as the foundation for the strategic plan and subsequent activities. This will inform a cross-training strategic plan and the development of a Cross-Training of Trainers and ongoing learning community that will support trainers as they brining the cross-training to their respective communities. The grant was renewed for 2017.

Mental Health First Aid

SB 133 Mental Health First Aid Initiative

SB 133 (84th Session) amended HB 3793 (83rd Session) to provide LMHAs with more flexibility in bringing this training to public schools. SB 133 adds new provisions, including:

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

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

The Mental Health First Aid Report to the Legislature for 2016 was released in December 2016 The report highlights a 9% increase in the number of school personnel trained as well as the efforts of the Texas Council to assist with outreach and special training at our annual conference.

The report is available at https://hhs.texas.gov/sites/hhs/files//Report-on-the-Mental-Health-First-Aid-Program-for-Fiscal-Year-2016.pdf.

MHFA Leadership

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

- Technical Assistance
- Identifying Best Practices
- Agency Implementation Issues

MHFA Steering Committee Membership

Andrea Richardson – Co-chair	Bluebonnet Trails
Ron Trusler – Co-chair	Central Plains Center
Catherine Carlton	MHMR Tarrant
Susan Holt	Spindletop Center
Rene Hurtado	Emergence Health Network
Laura Gold	Austin Travis County Integral Care
Lisa Boone Reddick	MHMR Tarrant
Megan Hutto	Bluebonnet Trails
Jodi Schultz	Brazos Valley -NAMI Brazos Valley
Kim Williamson	Hill Country MH&IDD
Donn Edgington	Hill Country MH&IDD
Victor Ramirez	Emergence Health Network

Steering Committee Members meet monthly along with HHSC.

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

MHFA Summary

2017

Staff & Contractors to Train FY17	Educators to Train FY17	Staff & Contractors Trained FY17	Educator Trainings FY17	Non Educator Trainings FY17
145	**8700**	**1,101**	**941**	**2**

2016*

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

2015

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

2014

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

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

Crisis Services

Rider 80 Update

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

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

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

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

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

Extended Observation Units (EOUs) Update

The Department of State Health Services (DSHS) is proposing amendment to Information Item V, Crisis Services Standards. The reasons for the changes to the Extended Observation Unit (EOU) section are to ensure that all applicable Texas statutes and rules are reflected and referenced in DSHS's Crisis Services Standards, to provide the most up to date information, and to provide more clarification.

What is Different?

- Structure - The format of the EOU section is different to allow for easier reading and more clarity. Programmatic standards are towards the beginning of the section whereas

physical plant and general facility requirements have been moved to the end of the section.

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

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

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

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

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

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

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

Home and Community-Based Services

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

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

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

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

Eligibility criteria for expansion populations:

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

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

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

- Emergence Health Network
- Gulf Coast Center
- Harris Center for MH & IDD
- Helen Farabee Centers
- Metrocare Services
- MHMR Tarrant
- Texoma Community Center
- Tropical Texas Behavioral Health

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

Behavioral Health Integration Report

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

Members of the committee include:

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

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

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

In August 2016, the committee discussed self-assessment tools for HHSC to adopt for measuring baseline integration at managed care organizations and the committee held a

deeper discussion on health home pilots. There was also a presentation by HHSC on Certified Community Behavioral Health Clinics (CCBHC). From this discussion, a memo to the HHSC Executive Commissioner will be drafted and adopted at the final meeting of the BHIAC in November 2016. The goal of the memo is to provide HHSC with additional detail on how to implement recommendations in the BHIAC Phase II Report.

The Committee held its final meeting Wednesday, December 30, 2016, and will present final recommendations to the HHSC Executive Commissioner.

First Episode Psychosis

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

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

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

Seven Centers are currently participating in the pilot:

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

Training and implementation are underway in all sites.

Children's Mental Health

Youth Empowerment Services (YES) Waiver

The Health and Human Services Commission (HHSC) developed the Youth Empowerment Services (YES) Waiver, which provides comprehensive home and community-based mental

health services for youth between the ages of 3 and 18, up to the 19th birthday, who have a serious emotional disturbance.

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

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

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

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

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

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

FY16 recipients of YES Waiver services stayed in the waiver an average of 7 months. The YES Waiver number served is based on the traditional formula, from Information Item C, using persons in the Full Level of Care each month. Many Centers would have to retain the majority of the clients they have in the YES Waiver at the beginning of the fiscal year for the entire fiscal year in order to meet both the Maximum and Average Targets.

HHSC recognizes challenges exist in meeting the average monthly minimum in some areas of the state. For FY2017, HHSC does not intend to impose financial sanctions for this measure. HHSC is seeking CMS approval of a request to increase waiver capacity. The maximum

enrollment articulated in the Local Mental Health Authority Performance Agreement will be adjusted accordingly if approval from CMS is granted.

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

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

Foster Care

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

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

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

Children's Policy Council

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

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

- Michelle Jenkins, Chair, San Antonio
- Leah Rummel, Chair, San Antonio
- Karen T Yeaman, Immediate Past Chair, Denton
- Denise Sonleitner, Past Chair, Austin
- Emily Rogers, Secretary, Austin

- John Roppolo, San Marcos
- Silvia Vargas, El Paso
- Brian Spann, Allen
- Laura Warren, Austin
- Elizabeth Tucker, EveryChild, Inc., Austin
- Mary Klentzman, Joni and Friends, Plano
- David Evans, Austin Travis County Integral Care, Austin
- Greg Mazick, National Nursing and Rehab SA Pediatrics, Inc, San Antonio
- Josette Saxton, Texans Care for Children, Austin

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

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

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

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

The following members are on the C-SIG:
- Carl Leake - Betty Hardwick
- Felicia Jeffrey - Bluebonnet Trails
- James Smith - Burke
- Melissa Tijerina - CHCS
- Linda Ramos-Perez - Coastal Plains
- Betty Adams - Harris Center
- Susan Thompson – Helen Farabee
- Bradley Chamberlain – LifePath
- Rochelle Schutte – Metrocare
- Wayne Vaughn – Pecan Valley
- Todd Luzadder – Permian Basin
- Tracy Koller – MHMR Tarrant
- Marla Antu - StarCare

- Stacy Sandorskey – Texas Panhandle Centers
- Melissa Zemencsik – Tri County
- Clarissa Womack – West Texas Centers

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

On January 11, 2017, the group met and discussed current DFPS activities, legislative session updates, Certified Community Behavioral Health Clinics and opportunity to provide feedback to HHSC on YES Waiver.

Most importantly, the group discussed the newly announced Texas Council Children's Mental Health Director, Leela Rice, who begins February 1, 2016.

Substance Use Disorders

Chapter 448

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

Intellectual and Developmental Disabilities

HHSC FY2018-2019 Legislative Appropriations Request

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

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

Items of particular interest to Local IDD Authorities:

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

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

IDD Legislative Advocacy: Focus Area Briefs

Two focus area briefs related to IDD services were adopted by the Texas Council Board of Directors on October 29, 2016:

- IDD Services One-Pager
- ECI Policy Brief

Both documents are available for your use on the Legislative Documents page of the Texas Council website: http://txcouncil.com/legislative-documents/

General Revenue (GR) Targets

As you are aware, the Local IDD Authority system as a whole continues to exceed statewide General Revenue service targets. Despite this outstanding collective performance, some individual Local IDD Authorities struggle to meet targets and would be at risk of recoupment if DADS/HHSC applied sanctions or penalties.

Subsequent to multiple discussions with the Texas Council, DADS/HHSC leadership acknowledges serious considerations to work through with the Texas Council (Local IDD Authorities) before moving forward with related sanctions or penalties. Among the serious considerations brought forward by Texas Council and currently under review by HHSC is the substantial number of functions that do not count toward performance targets.

Despite an inadvertent statement to the contrary on the November 17, 2016 Local IDD Authority COMNet, Local IDD Authorities remain in an unofficial "hold harmless" period with regard to targets. HHSC is requiring Corrective Action Plans from Local IDD Authorities who do not meet targets, but will not impose financial penalties. HHSC remains committed to providing Texas Council and Local IDD Authorities with sufficient prospective notice before moving out of the current hold harmless environment.

Most recently, HHSC leadership expressed willingness to consider a recommendation to align targets to funding. Texas Council, in collaboration with the Local Authority Workgroup (LAW), will present a recommendation. Please note the recommendation will include *only* proposed adjustments to targets and will not recommend any changes to funding levels.

Crisis Respite and Behavioral Intervention Funding for People with IDD

Background

The 84th Texas Legislature allocated approximately $18.6 million to support individuals with IDD and high behavioral and psychiatric needs. Approximately $18 million will be distributed to Local IDD Authorities over the course of the 2016-17 biennium to provide supports beyond the

array of services typically provided in community programs: $6 million in FY16 and $12 million in FY17.

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

Recent Updates
Contract amendments related to crisis funding were released on Thursday, May 26, 2016: Attachment Y: Crisis Respite and Attachment Z: Crisis Intervention Specialist. FY17 allocations for each Local IDD Authority are found in DADS/HHSC Performance Contract Attachment C: Allocation Schedule (FY 2017 Summary – Amendment Packet #2) in the columns labeled "IDD Crisis Intervention Specialists" and "IDD Crisis Respite Services."

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

Crisis Respite Plan Review
FY17 crisis respite plans were due to HHSC on October 7, 2016.

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

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

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

The IDD Consortium continues to discuss crisis services and opportunities for collaboration at each quarterly meeting. The January 2017 meeting will include a discussion of crisis reporting requirements.

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

Local IDD Authority Targeted Case Management

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

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

- Describes the statutorily authorized role Local IDD Authority case managers play in the lives of Texans with IDD;
- Highlights key differences between Local IDD Authority case management and Managed Care Organization (MCO) service coordination, including focus of services, nature of the relationship, and qualifications and experience of case managers/service coordinators;
- emphasizes importance of Local IDD Authority monitoring role in protecting a high-risk population; and
- Recommends improvements to Local IDD Authority monitoring through enhanced collaboration between Local IDD Authorities and HHSC, DFPS, and MCOs.

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

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

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

HCS and TxHmL Enrollments

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

In accordance with the rider, the report identifies:

- Number of individuals enrolled in each type of slot and for each purpose identified in the rider
- Planned enrollment for the remainder of the 2016-17 biennium
- Any systems delays or barriers with enrollment, as identified by the agency
- Plan to address those issues to achieve targets by the end of fiscal year 2017

Individuals Enrolled in Each Slot Type and Purpose[1]

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

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

		For persons with IDD diverted from nursing facility admission	118	300	600

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

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

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

DADS identified complex medical and behavioral needs of individuals involved as contributing to the high decline rate. DADS plans to address issues, in part, by offering additional technical assistance to Local IDD Authorities when individuals decline an offer to identify barriers and work through issues to reach a solution representative of the individuals' choice. Additionally, in June 2016 DADS expanded the PASRR slot offer criteria to include individuals of all ages, expanding the target population to include children. This change may positively affect the utilization of nursing facility diversion slots.

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

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

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

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

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

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

Timeline	IDD Redesign Requirements and Related Activities	Status as of 01.07.17
October 1, 2013	SB 7 deadline to appoint IDD System Redesign Advisory Committee members	Recent meeting held October, 27, 2016. Upcoming meetings: January 26, 2017, April 27, 2017, July 27, 2017, and October 26, 2017.
Fall, 2013*	HHSC and DADS prepares Community First Choice (CFC) Medicaid state plan amendment for submission to CMS (CFC option implements SB 7 basic attendant and habilitation services provided through STAR + PLUS)	HHSC submitted proposed State Plan Amendment to CMS October 10, 2014. CMS approved the CFC state plan amendment, effective June 1, 2015.
Fall, 2013*	Informal consideration of pilot(s) to test managed care strategies based on capitation to be implemented "not later than September 1, 2017" per HB 3523	Request for Proposal (RFP) released January 3, 2017. The RFP is available at: http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=130162
September 1, 2014*	First possible date STAR + PLUS managed care can expand statewide	STAR+PLUS expansion occurred September 1, 2014.
September 1, 2014*	Estimated start date for CFC basic attendant and habilitation services through STAR + PLUS	June 1, 2015 implementation.
September 1, 2014*	First possible date to begin providing IDD acute care services through STAR + PLUS	Acute care services for people with IDD (in ICF, HCS, TxHmL, DBMD, CLASS) were rolled in to managed care September 1, 2014.
September 1, 2014	Nursing Facility carve-in to STAR + PLUS	Implemented March 1, 2015.
September 30, 2014	SB 7 deadline for annual IDD System Redesign report to legislature	2014 report published online January 2015 at: http://www.hhsc.state.tx.us/reports/2015/sdiidd.pdf. 2015 report published online April 2016 at: http://www.hhsc.state.tx.us/news/presentations/2016/040116-sb7.pdf 2016 report published online November 2016 at: https://hhs.texas.gov/sites/hhs/files//system-redesign-for-indiv-with-idd.pdf
December 1, 2014	SB 7 deadline for report to legislature on role of Local Authority as service provider	Published online: http://www.dads.state.tx.us/news_info/publications/legislative/roleofliddas2015/roleofliddas 2015.pdf
September 1, 2015	IDD Comprehensive Assessment Evaluation	RFP seeking vendor for automated assessment released July 18, 2016.

SB 7 Implementation Activities:

- **IDD System Redesign Advisory Committee.** The committee held a meeting October 27, 2016 and will continue to meet quarterly throughout 2017. Community Centers are represented by John Delaney, Executive Director, Lakes Regional MHMR Center, and Susan Garnett, CEO, MHMR Tarrant.

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

- **Pilot to test managed care strategies.** One January 3, 2017, HHSC released the IDD Managed Care Pilot RFP (RFP 529-16-0108B). The substance of the RFP is under review by Texas Council staff. Of note, the RFP includes the following items as part of the procurement schedule:
  - RFP Release Date: January 3, 2017
  - Proposals Due: February 16, 2017
  - Award Announcement: April 10, 2017
  - Anticipated Contract Effective Date: May 5, 2017

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

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

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

  On July 18, 2016 HHSC, on behalf of DADS, released a Request for Proposal (RFP) to solicit vendors to assist the state in implementing an IDD assessment pilot. Specifically, qualified vendors are sought to develop, implement, and conduct automated IDD assessments using the interRAI assessment. Pilot activities will begin during the 2016-2017 (current) biennium. DADS/HHSC will also work with a vendor to analyze the results of the IDD assessment pilot and this analysis will inform future assessment decisions. The posting for the IDD Assessment RFP can be viewed at:
  http://esbd.cpa.state.tx.us/bid_show.cfm?bidid=125968

Community First Choice

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

Recent Highlights

- HHSC is currently reviewing stakeholder feedback on the CFC functional assessments, including the H6516 used by Local IDD Authorities to assess STAR+PLUS members with IDD accessing CFC through managed care and the 8510, used by Local IDD Authorities to access HCS and TxHmL waiver recipients accessing CFC through the waiver. HHSC proposes revising existing assessments to create a single, uniform CFC functional assessment for use across populations.
- Effective November 1, 2016, Local IDD Authorities are responsible for conducting eligibility determinations (DID, ID/RC) for STAR Kids members accessing CFC on the basis of an ICF-IID Level of Care; Local IDD Authorities are not be responsible for the CFC functional assessment or ongoing CFC-related service coordination/case management for this population. STAR Kids MCOs must assess all members' (est. 180,000) functional needs within first 6 months of implementation: this could result in an increase in CFC referrals from Nov. 2016 – May 2016. HHSC released STAR Kids CFC Enrollment Procedures through LA Broadcast Message 1147 on September 26, 2016. ; DADS released reassessment procedures for MCO-managed CFC: LA Broadcast Message 1114 (June 5, 2015).
- Three new, web-based trainings are available on HHSC website: CFC in Medicaid Managed Care, Community First Choice in the HCS and TxHmL Programs Web-based Training, Community First Choice PAS/HAB Assessment for HCS and TxHmL Service Coordinators.
- DADS/HHSC solicited stakeholder feedback on the CFC PAS/HAB Assessments used to assess individuals with IDD accessing CFC through Medicaid Managed Care and the HCS and TxHmL waivers. With assistance from the CFC Workgroup, Texas Council submitted feedback on the assessments on July 28, 2016.
- Two significant policy changes to CFC as delivered through HCS and TxHmL were announced through DADS Information Letters, with implementation in spring/summer 2016:
    - (1) A functional assessment (streamlined version of assessment used in managed care) is now required for all individuals receiving CFC PAS/HAB in HCS or TxHmL to determine how many hours of CFC PAS/HAB the individual needs. This change affects all individuals receiving CFC PAS/HAB through HCS or TxHmL with an initial or renewal IPC with an effective date of March 20, 2016 or later.
    - (2) Provider qualifications will disallow someone who lives in the same residence as the individual from being the paid provider of CFC PAS/HAB services. This change applies to all individuals receiving CFC/PAS HAB through HCS or TxHmL, effective June 1, 2016.

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

Looking Ahead

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

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

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

PASRR and Related Local IDD Authority Responsibilities

Beginning May 23, 2013 Local IDD 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 IDD Authorities on behalf of the state (per Performance Contract Attachment G).

The additional Local IDD 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 IDD Authority network now serves as the statewide system actively supporting civil rights related to nursing facility diversion and community alternatives for this population. To view the Steward Interim Settlement Agreement: http://www.ada.gov/olmstead/documents/steward-settlement.pdf

LA Requirements Related to PASSR Quality Service Reviews

Recent Updates

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

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

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

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

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

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

DADS/HHSC Expectation for PASRR Compliance[2]:

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

Background

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

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

Quality Service Reviews (QSR)

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

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

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

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

Local IDD Authority Specialized Services for PASRR Residents

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

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

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

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

DADS/HHSC has funds dedicated to reimburse Local IDD Authorities for specialized services, excluding service coordination that is funded by targeted case management. A LIDDA requests reimbursement by submitting a completed Form 1048 (Summary Sheet for Services to Individuals with IDD in a Nursing Facility). The rates for each specialized service as well as a determination of intellectual disability (DID) assessment and non-HCS or TxHmL service coordination face-to-face contact are embedded in the form and appear when the service is

entered. DADS/HHSC reimburses a LIDDA after reviewing encounter data to verify the services were provided.

Please note the Local IDD Authority is responsible for ensuring the provision of specialized services by providing services directly or by contracting, but only the Local IDD Authority may request reimbursement.

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

Use of Nursing Facility Alternatives

As previously reported, the 84th Legislature appropriated funds for community waiver program services to serve as nursing facility alternatives. According to DADS/HHSC FY2016-2017 HCS enrollment data as of November 2016, following is status of the use of nursing facility alternatives:

- Individuals moving from nursing facilities (Slot Type 89):
    - 1246 authorizations released (Total 700 allocated for FY2016-17))
    - 251 enrolled
    - 168 pre-enrolled/pending

- Individuals diverted from nursing facility admission (Slot Type 90):
    - 276 authorizations released (Total 400 allocated for FY2016-17)
    - 167 enrolled
    - 74 pre-enrolled/pending

PASRR Rate Issues

Although PASRR-related rates continue to be a concern for Local Authorities, funding for Intensive Service Coordination in the FY2016-17 budget may alleviate some of the pressure on PASRR-related service coordination. Texas Council and a workgroup composed of Local Authority representatives (Executive Directors, IDD leadership and CFOs) continue to monitor these concerns.

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

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

1. Eight Transition Support Teams support all 254 counties, including all 39 Local IDD Authorities and all community waiver providers within a designated region. These teams provide, in general:

- Educational activities focused on increasing expertise of Local Authorities and providers in supporting individuals in the targeted groups

- Technical assistance upon request from Local Authorities and program providers on specific conditions, with examples of best practices and evidence-based services for individuals with significant challenges

- Case and peer review support to service planning teams to provide effective care for an individual

2. Enhanced community coordination (in part):
    - Enhances current Local Authority responsibilities for service planning and continuity (pre- and post-relocation), crisis and critical care help to access behavioral and/or medical supports, ensure uniquely designed supports through person-centered process, and increase responsibility to ensure services are delivered as planned and intervene as needed to adapt care to meet individual needs

    - Once a person relocates to community, Local Authority monitors for up to one year

    - For persons in institutions, strengthen information about community options and participation in the planning process

    - Designated funds to enhance natural supports and promote successful community integration, including one-time emergency assistance, special needs not funded by other sources and resources for diversion from institutions

Transition Support Teams: 8 Regions & LIDDA Hubs

The eight Local IDD Authorities selected as "hubs" for the Transition Support Teams and the regions they serve are:

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

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

Medicaid Home and Community-based Settings Requirements

Recent Updates

- Texas Council and Local IDD Authority representatives participated in a series of stakeholder workgroups to discuss strategies to bring Texas day habilitation sites into compliance with HCBS rules. Texas Council feedback emphasized the need for a gradual, measured approach to transition and encouraged HHSC to examine Ohio's initial approved Statewide Transition Plan, which extends transition of adult day activities sites to 2024. HHSC leadership is currently considering feedback in order to present several approaches to the Executive Commissioner.
- Texas remains in the assessment phase of its transition into compliance with the Medicaid Home and Community-based Settings (HCBS) requirements. HHSC plans to submit an update to the HCBS statewide transition plan (STP) to the Centers for Medicare & Medicaid Services (CMS). The updates include responses to CMS feedback received in summer 2016. These updates are mainly to clarify and strengthen components of the STP and to help the state obtain federal approval of the STP. The updated STP will be posted to the HHSC website on October 17, 2016. The comment period is open from October 17, 2016, through October 21, 2016, at 5:00 p.m. Because of a short submission deadline, comments provided will be considered in future updates to the STP. HHSC will update the STP in the spring of 2017 and will include more substantive changes. The 2017 STP updates will be posted for the full 30 days to allow for public comment and inclusion of comments in the update.
- HHSC submitted an earlier revised STP in February 2016; Texas Council provided significant comment on this draft (see below for detail). CMS provided feedback on Texas' plan on June 7, 2016. The feedback included requests for reorganization of certain content, a broader scope to include state laws and rules beyond Medicaid rules (e.g. housing rules), and more detail on the State's plans to bring areas identified as out of compliance into compliance.
- DADS/HHSC/HHSC released self-assessment surveys to Medicaid HCBS providers and participant surveys (surveys to be completed by individuals who are recipients of HCBS services).
- On April 13, 2016, CMS announced its approval of Tennessee's Statewide Transition (STP) Plan; Tennessee is the first state in the country to receive approval of its STP. While Tennessee's approved plan may provide some valuable information for Texas, HHSC officials note that the size of the provider base in Tennessee is a small fraction of Texas' provider base, creating a very different service delivery landscape.
    - Tennessee's STP as approved is available online at: https://tn.gov/assets/entities/tenncare/attachments/TNProposedAmendedStatewideTransitionPlanCV.pdf
- While Tennessee remains the only state with a "final" approved STP, several other states have received "initial" approval from CMS, including Delaware, Idaho, Iowa, Kentucky, Ohio, and Pennsylvania. To track state progress and read other states' STPs, visit: https://www.medicaid.gov/medicaid/hcbs/transition-plan/index.html

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

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

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

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

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

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

IDD Specific Analysis of Statewide Transition Plan

The plan addresses many HCBS programs, including the HCS and TxHmL waivers. First, the plan sets forth the processes and timelines for public input (including stakeholder and advisory committee meetings, provider presentations, etc.) The state began holding meetings in July 2014, and will continue to hold meetings throughout the transition period (until March 2019). The second part of the plan includes the state's assessment processes and timelines. This includes the plan for completing provider and client surveys, data reviews, and monitoring. It also includes the results of the state's compliance review of administrative rules, policy manuals, and contracts. The final section of the plan addresses remediation strategies. This includes the planned approach for addressing issues discovered through survey, data, and other reviews. Most notably, this part of the plan identifies, by HCBS program, the changes that are needed in rule, policy, and contracts in order to comply with the federal rules. We will have opportunities to comment on specific proposed changes to rule and policy in the coming months.

IDD SPECIFIC ANALYSIS

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

Re: HCS

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

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

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

Day habilitation sites only:

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

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

- Individuals may own/rent or legally occupy unit under a legally enforceable agreement;

- Individuals have responsibilities and protections against eviction;

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

- "Texas HCBS settings facilitate individual choice regarding services and supports;"
- Many aspects of "modifications to individual privacy" ("mods" hereinafter) including: mods are supported by specific assessed need and justified in PDP, mods document less intrusive methods of meeting the need that have been tried and did not work, mods include regular collection and review of data to measure ongoing need, mods establish time limits for periodic review to determine if mod is still necessary

Re: TxHmL

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

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

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

Day habilitation sites only:

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

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

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

Texas Council Comments on Statewide Transition Plan

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

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

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

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

Funding

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

- Reductions in total funding (General Revenue and federal funds); and
- Rate cuts for Medicaid acute care therapy services (physical therapy, occupational therapy, and speech therapy).

Texas Council staff and representatives of the ECI Consortium are actively engaged on both issues.

Rate Cuts

On November 28, 2016, HHSC announced its intention to adjust Medicaid fee-for-service reimbursement rates for certain Physical, Occupational and Speech Therapy services provided on or after December 15, 2016. Leadership of the Early Childhood Intervention (ECI) program at HHSC confirmed the rate adjustments apply to PT, OT and Speech Therapy provided as ECI services.

As a reminder, Medicaid MCOs are not bound to the rates set by HHSC. If your managed care rates are based on the Medicaid fee schedule, however, they will automatically drop when the

Medicaid fee schedule changes. The Texas Council encourages Centers to reach out to contracted MCOs now to negotiate favorable and reasonable rates.

Rate adjustments went into effect December 15, 2016, however, the rate adjustments are likely to be revisited during the 85th Legislative Session. Speaker of the House Joe Strauss indicated his intention to reverse the cuts in a supplemental budget.

Texas Council will keep you apprised of developments as the 85th Legislative Session progresses. Additionally, Texas Council offers the following considerations:

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

CPT Code Changes

Effective January 1, 2017, CMS replaced existing CPT codes for PT and OT evaluations and re-evaluations with new, tiered sets of codes.

Each of the existing PT and OT evaluation codes (97001 & 97003) will be replaced with three new codes—representing low, moderate or high complexity:

- (a) codes 97161, 97162, and 97163 for PT
- (b) codes 97165, 97166, and 97167 for OT

The new PT and OT re-evaluation codes, 97164 & 97168, replaced the existing codes (97002 & 97004).

In response to questions from the field, Texas Council sent an inquiry to HHSC Early Childhood Intervention (ECI) division about their communications to ECI providers regarding these changes. The ECI division confirmed TMHP will soon send out a notification to ECI providers about upcoming changes.

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

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

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

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

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

Although the rate has been available since May 2016, this initiative was not fully implemented until December 30, 2016. See HHSC Information Letters 16-38 and 16-39 for additional details.

High Medical Needs Support in HCS

Recent developments. The addition of High Medical Needs Support, High Medical Needs Support Registered Nursing, and High Medical Needs Licensed Vocational Nursing as new services to the HCS waiver program is delayed. Stakeholders provided feedback in multiple venues, including at the Medical Care Advisory Committee, encouraging HHSC to revise relevant rules to expand eligibility to include, not only those individuals who receive 181 or more minutes per week of face-to-face nursing, but also those who receive a commensurate number of minutes of *delegated* nursing tasks. This feedback, and the cost associated with expanding eligibility in this way, is currently under review by the agency.

Background. High Medical Needs Support, High Medical Needs Support Registered Nursing, and High Medical Needs Licensed Vocational Nursing will likely be added as new services to the HCS Waiver Program in 2017. These services will provide additional support for eligible individuals who have medical needs that exceed the service specification for existing HCS services and require additional support in order to remain in a community setting. Additionally, the same rule amendments will include DADS current practice of increasing a Level of Need (LON) 1, 5, or 8 to the next LON due to an individual's high medical needs if the individual meets certain criteria, including requiring 181 minutes or more per week of face-to-face nursing services.

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

Administrative Penalties for HCS and TxHmL Providers (Proposed)

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

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

Waiver Survey and Certification Quality Assurance Surveys

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

Texas Achieving a Better Life Experience (ABLE) Act

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

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

Senate Bill 1664 established the Texas ABLE Program Advisory Committee to review rules and procedures related to the program, to provide guidance, suggest changes and make recommendations for the administration of the program, and to provide assistance as needed to the Texas Prepaid Higher Education Tuition Board and Comptroller during creation of the program.

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

Recent Updates

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

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

At this time, the State is considering three different approaches to securing a plan manager:

1. Request the state of Ohio (the only state with a fully operational ABLE program) to act as Texas plan manager;
2. Participate in a consortium of states with a single plan manager, or
3. Use an RFP process to find a vendor (such as a financial institution) within Texas to act as plan manager.

Department of Labor Overtime Rules

Recent Updates

Changes to Department of Labor overtime rules scheduled to go into effect December 1, 2016 have been temporarily blocked.

On Tuesday, November 22, 2016, a federal judge in Sherman, Texas granted a temporary injunction, barring the rules from going into effect. The judge's action was in response to a lawsuit filed by Texas and Nevada on behalf of 21 states, claiming the overtime rules amounted to federal overreach and posed an undue burden on employers.

As you are aware, the federal overtime rules would increase the salary threshold under which employees qualify for overtime pay to $47,476 a year, extending overtime eligibility to an estimated 4 million American workers.

The ultimate fate of the rules is uncertain at this time. Additionally, the effect of the temporary injunction on the time-limited non enforcement policy for certain IDD providers, described below, is unknown. Texas Council will continue to update you as events related to the rules unfold.

For additional coverage of the temporary injunction,
see: https://www.texastribune.org/2016/11/22/texas-judge-blocks-overtime-ruled-challenged-paxto/

Time-Limited Non-Enforcement Policy for Certain IDD Providers

*Note: The Department of Labor announced the policy described below before the temporary injunction went into effect. Information on the policy is included for your information, with the caveat that the policy may be subject to change (should the overtime rules eventually go forward as proposed) or may be rendered meaningless (should the overtime rules eventually be repealed or otherwise not go into effect).

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

Background

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

Time-Limited Non-Enforcement Policy for Certain IDD Providers

DOL is implementing a time-limited non-enforcement policy for Medicaid-funded services for individuals with IDD in residential homes and facilities with 15 or fewer beds. The non-

enforcement period will last from rule implementation to March 17, 2019. During this period, the DOL will not enforce the updated salary threshold of $913 per week ($47,476 annual) for this subset of employers.

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

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

Non-Enforcement Policy: Offers Limited Protection for Employers
Providers for whom the non-enforcement policy applies have the same legal obligation to comply with the new salary threshold as all other employers.

Additionally, the non-enforcement policy:

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

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

Special Education Enrollment

The United States Department of Education hosted listening sessions in Texas during the week of December 12, 2016 to gather information on the State's provision of special education services. As reported in the Houston Chronicle, an alleged 8.5% cap on special education enrollment may have prevented thousands of students with disabilities from receiving needed services.

The listening sessions provided an opportunity for families, providers, and educators to share their experiences with federal officials.

Determinations of Intellectual Disability

Several efforts are underway at the state level to enhance the quality of Determinations of Intellectual Disability (DIDs).

HHSC worked closed with select members of the IDD Directors' Consortium to create the DID: Best Practice Guidelines. These guidelines are referenced in 40 TAC, Chapter 5, Subchapter D and were developed to assist authorized providers associated with a Local IDD Authority or SSLC to conduct a DID or endorsement based on current best practices. The guidelines provide guidance on Texas-specific eligibility for IDD programs and services. They are not intended to replace or supplant published clinical references, except where noted. The guidelines are available online at: https://hhs.texas.gov/sites/hhs/files//documents/doing-business-with-hhs/providers/long-term-care/lidda/did-best-practice-guidelines.pdf

Additionally, HHSC recently created a dedicated mailbox for questions related to the DID Best Practice Guidelines at didbpg@hhsc.state.tx.us. Dr. Corliss Powell and Dr. Fabian Aguirre will share monitoring responsibilities.

HHSC also hosted a webinar to review the DID Best Practice Guidelines. An archived version of the webinar is available at:
https://attendee.gotowebinar.com/recording/5893712555194569218

Most recently, in September 2016, members of the IDD Directors' Consortium tasked its DID Workgroup to partner with HHSC to implement a series of teleconferences for authorized providers (AP) who conduct determinations of intellectual disability (DID). The goal of the teleconference series is to help ensure that every DID meets the highest quality possible by (a) providing training on the DID rules and DID Best Practice Guidelines; (b) expanding clinical expertise through case discussions; and(c) facilitating networking among APs in the state. HHSC has begun gathering contact information of all Aps and will soon publicize the first teleconference. Teleconferences will likely occur quarterly or as needed.

The Local IDD Authority system as a whole has benefited from the leadership of **Dr. Maria Quintero-Conk of Tri-County Behavioral Healthcare** at every step of this process.

Agenda Item: Approve November 2016 Financial Statements **Committee:** Business	**Board Meeting Date** January 26, 2017
Background Information: None	
Supporting Documentation: November 2016 Financial Statements	
Recommended Action: **Approve November 2016 Financial Statements**	

November 2016 Financial Summary

Revenues for November 2016 were $2,677,410 and operating expenses were $2,595,067 resulting in a gain in operations of $82,343. Capital Expenditures and Extraordinary Expenses for November were $58,239 resulting in a gain of $24,104. Total revenues were 97.94% of the monthly budgeted revenues and total expenses were 98.49% of the monthly budgeted expenses.

Year to date revenues are $7,897,972 and operating expenses are $7,494,229 leaving excess operating revenues of $403,743. YTD Capital Expenditures and Extraordinary Expenses are $328,298 resulting in a gain YTD of $75,445. Total revenues are 100.57% of the YTD budgeted revenues and total expenses are 100.15% 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
Rehab – Title XIX	442,841	476,452	92.95%	33,611
Vocational Contract - NISH	23,704	43,752	54.18%	20,048

Rehab – Title XIX - This line item is back on the narrative report mainly due to a decrease in the number of Medicaid clients being seen for Rehab services. We have seen this percentage continue to decrease over the past 3+ years.

Vocational Contract – NISH – We had a delay in signing the lawn and janitorial contracts for the Conroe Army base. At the December Board meeting, it was decided to discontinue the contracts for both Huntsville and Conroe Army bases. This decision was based on the large decrease in the contract amounts which made it impossible to break even if we continued to provide these services. We are in contact with the NISH program in order to cancel these contracts. The exact date of cancellation is to be determined based on the contract terms and conditions.

EXPENSES

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	$ Variance
Building Repairs & Maintenance	155,210	51,323	3.02%	103,887
Contract EduCare	598,608	577,109	1.03%	21,499
Contract - Clinical	248,942	223,546	1.11%	25,396

Fixed Asset – Furniture & Equipment	135,385	0.00	0%	135,385
Vehicle – Repair & Maintenance	25,484	11,856	2.15%	13,628

Building Repairs & Maintenance – In November, we completed the Board approved repairs of water damage at the Huntsville location. We also had a Board approved roof replaced at River Pointe # 4 which was completed in November. Hopefully, we can get moved out of all these locations and decrease the outpouring of money that is spent for repairs and maintenance.

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

Contract – Clinical – This line item reflects the use of contract staffing agencies for hard to fill positions and also for the contract doctors for the inpatient Contract Hospitals. You can see in the salary lines that we are under budget which helps to offset this line being over budget.

Fixed Asset – Furniture & Equipment – As approved by the Board at the September Board meeting, Tri-County paid a deposit on the purchase of the furniture for the new Conroe facility. This line will be adjusted at the mid-year revision to reflect the total approved cost of the furniture.

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

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended November 30, 2016

	TOTALS COMBINED FUNDS November 2016	TOTALS COMBINED FUNDS October 2016	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	3,060	3,135	(75)
Cash on Deposit-General Fund	4,365,208	4,944,540	(579,332)
Cash on Deposit-Debt Fund			-
Accounts Receivable	1,830,524	2,019,186	(188,662)
Inventory	5,847	6,092	(245)
TOTAL CURRENT ASSETS	6,204,639	6,972,954	(768,314)
FIXED ASSETS	15,648,025	15,648,025	-
OTHER ASSETS	70,163	78,542	(8,379)
TOTAL ASSETS	**$ 21,922,827**	**$ 22,699,520**	**$ (776,692)**
LIABILITIES, DEFERRED REVENUE, FUND BALANCE			
CURRENT LIABILITIES	953,174	1,053,091	(99,916)
NOTES PAYABLE	607,292	607,292	-
DEFERRED REVENUE	(230,837)	468,532	(699,369)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	368,909	389,273	(20,365)
Note Payable Prosperity Bank	567,574	580,456	(12,882)
First Financial loan tied to CD	1,100,000	1,100,000	-
First Financial Construction Loan	3,113,876	3,113,876	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	(1,865,696)	(1,889,800)	24,104
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(5,150,359)	(5,183,606)	33,247
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	15,648,025	15,648,025	-
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	-	-	-
Reserved for Board Initiatives	1,464,542	1,472,221	(7,678)
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	18,498	12,332	6,166
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(607,292)	(607,292)	-
UNASSIGNED			
Unrestricted and Undesignated	3,402,135	3,402,135	-
TOTAL LIABILITIES/FUND BALANC	**$ 21,922,827**	**$ 22,699,520**	**$ (776,693)**

TRI-COUNTY BEHAVIORAL HEALTHCARE
CONSOLIDATED BALANCE SHEET
For the Month Ended November 30, 2016

	General Operating Funds	Memorandum Only Final August 2015
ASSETS		
CURRENT ASSETS		
Imprest Cash Funds	3,060	3,165
Cash on Deposit-General Fund	4,365,208	5,928,627
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	1,830,524	1,657,209
Inventory	5,847	9,877
TOTAL CURRENT ASSETS	6,204,639	7,598,878
FIXED ASSETS	15,648,025	7,091,888
OTHER ASSETS	70,163	49,749
		-
	$ 21,922,827	**$ 14,740,515**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES		
CURRENT LIABILITIES	953,174	1,103,286
NOTES PAYABLE	607,292	549,129
DEFERRED REVENUE	(230,837)	(889,779)
LONG-TERM LIABILITIES FOR		
Line of Credit - Tradition Bank	368,909	670,521
Note Payable Prosperity Bank	567,574	757,743
First Financial loan tied to CD	1,100,000	-
First Financial Construction Loan	3,113,876	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR		
General Fund	(1,865,696)	(1,065,136)
FUND EQUITY		
RESTRICTED		
Net Assets Reserved for Debt service-Restricted	(5,150,359)	(1,428,264)
Reserved for Debt Retirement	963,631	963,631
COMMITTED		-
Net Assets-Property and Equipment-Committed	15,648,025	7,091,887
Reserved for Vehicles & Equipment Replacement	678,112	678,112
Reserved for Facility Improvement & Acquisitions	-	2,136,013
Reserved for Board Initiatives	1,464,542	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
ASSIGNED		-
Reserved for Workers' Compensation-Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	18,498	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(607,292)	(549,129)
UNASSIGNED		
Unrestricted and Undesignated	3,402,135	2,331,257
TOTAL LIABILITIES/FUND BALANCE	**$ 21,922,827**	**$ 14,740,515**

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

INCOME:	MONTH OF November 2016	YTD November 2016
Local Revenue Sources	143,438	401,350
Earned Income	1,229,430	3,577,411
General Revenue-Contract	1,304,541	3,919,211
TOTAL INCOME	**$ 2,677,410**	**$ 7,897,972**
EXPENSES:		
Salaries	1,343,626	4,060,798
Employee Benefits	261,360	791,895
Medication Expense	69,477	179,113
Travel-Board/Staff	37,396	125,330
Building Rent/Maintenance	105,494	161,072
Consultants/Contracts	595,791	1,561,973
Other Operating Expenses	181,923	614,047
TOTAL EXPENSES	**$ 2,595,067**	**$ 7,494,229**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 82,343**	**$ 403,743**
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	7,678	182,107
Capital Outlay-Debt Service	50,560	146,190
TOTAL CAPITAL EXPENDITURES	**$ 58,239**	**$ 328,298**
GRAND TOTAL EXPENDITURES	**$ 2,653,306**	**$ 7,822,527**
Excess (Deficiency) of Revenues and Expenses	**$ 24,104**	**$ 75,445**

Debt Service and Fixed Asset Fund:		
Debt Service	50,560	146,190
Excess(Deficiency) of revenues over Expenses	**50,560**	**146,190**

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

	YTD November 2016	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	401,350	367,530	33,820
Earned Income	3,577,411	3,540,169	37,242
General Revenue-Contract	3,919,211	3,945,765	(26,554)
TOTAL INCOME	**$ 7,897,972**	**$ 7,853,464**	**$ 44,508**
EXPENSES:			
Salaries	4,060,798	4,198,824	(138,026)
Employee Benefits	791,895	859,825	(67,930)
Medication Expense	179,113	175,502	3,611
Travel-Board/Staff	125,330	117,610	7,720
Building Rent/Maintenance	161,072	56,948	104,124
Consultants/Contracts	1,561,973	1,603,152	(41,179)
Other Operating Expenses	614,047	655,602	(41,555)
TOTAL EXPENSES	**$ 7,494,229**	**$ 7,667,463**	**$ (173,234)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 403,743**	**$ 186,001**	**$ 217,742**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	182,107	37,077	145,030
Capital Outlay-Debt Service	146,190	106,112	40,078
TOTAL CAPITAL EXPENDITURES	**$ 328,298**	**$ 143,189**	**$ 185,109**
GRAND TOTAL EXPENDITURES	**$ 7,822,527**	**$ 7,810,652**	**$ 11,875**
Excess (Deficiency) of Revenues and Expense	**$ 75,445**	**$ 42,812**	**$ 32,633**
Debt Service and Fixed Asset Fund:			
Debt Service	146,190	106,112	**40,078**
Excess(Deficiency) of revenues over Expense	**146,190**	**106,112**	**40,078**

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

INCOME:	MONTH OF November 2016	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	143,438	140,481	2,957
Earned Income	1,229,430	1,247,807	(18,377)
General Revenue-Contract	1,304,541	1,345,554	(41,013)
TOTAL INCOME	**$ 2,677,410**	**$ 2,733,842**	**$ (56,432)**
EXPENSES:			
Salaries	1,343,626	1,391,276	(47,650)
Employee Benefits	261,360	286,604	(25,244)
Medication Expense	69,477	58,500	10,977
Travel-Board/Staff	37,396	42,205	(4,809)
Building Rent/Maintenance	105,494	15,616	89,878
Consultants/Contracts	595,791	634,718	(38,927)
Other Operating Expenses	181,923	217,316	(35,393)
TOTAL EXPENSES	**$ 2,595,067**	**$ 2,646,235**	**$ (51,168)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 82,343**	**$ 87,607**	**$ (5,264)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	7,678	12,359	(4,681)
Capital Outlay-Debt Service	50,560	35,371	15,189
TOTAL CAPITAL EXPENDITURES	**$ 58,239**	**$ 47,730**	**$ 10,509**
GRAND TOTAL EXPENDITURES	**$ 2,653,306**	**$ 2,693,965**	$ (40,659)
Excess (Deficiency) of Revenues and Expenses	**$ 24,104**	**$ 39,877**	**$ (15,773)**

Debt Service and Fixed Asset Fund:			
Debt Service	50,560	35,371	15,189
Excess(Deficiency) of revenues over Expenses	**50,560**	**35,371**	**15,189**

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

INCOME:	YTD November 2016	YTD November 2015	Increase (Decrease)
Local Revenue Sources	401,350	933,143	(531,793)
Earned Income	3,577,411	3,397,835	179,576
General Revenue-Contract	3,919,211	3,552,333	366,878
TOTAL INCOME	**$ 7,897,972**	**$ 7,883,311**	**$ 14,661**
EXPENSES:			
Salaries	4,060,798	3,911,896	148,902
Employee Benefits	791,895	736,357	55,538
Medication Expense	179,113	153,233	25,880
Travel-Board/Staff	125,330	121,695	3,635
Building Rent/Maintenance	161,072	90,682	70,390
Consultants/Contracts	1,561,973	1,268,479	293,494
Other Operating Expenses	614,047	674,932	(60,885)
TOTAL EXPENSES	**$ 7,494,229**	**$ 6,957,274**	**$ 536,955**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 403,743**	**$ 926,037**	**$ (522,294)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	182,107	716,638	(534,531)
Capital Outlay-Debt Service	146,190	105,967	40,223
TOTAL CAPITAL EXPENDITURES	**$ 328,298**	**$ 822,605**	**$ (494,307)**
GRAND TOTAL EXPENDITURES	**$ 7,822,527**	**$ 7,779,879**	**$ 42,648**
Excess (Deficiency) of Revenues and Expense	**$ 75,445**	**$ 103,432**	**$ (27,987)**

Debt Service and Fixed Asset Fund:			
Debt Service	146,190	105,967	40,223
			-
Excess(Deficiency) of revenues over Expense	**146,190**	**105,967**	**40,223**

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

INCOME:	MONTH OF November 2016	MONTH OF November 2015	Increase (Decrease)
Local Revenue Sources	143,438	275,697	(132,259)
Earned Income	1,229,430	1,189,725	39,705
General Revenue-Contract	1,304,541	1,189,462	115,079
TOTAL INCOME	**$ 2,677,410**	**$ 2,654,884**	**$ 22,526**
Salaries	1,343,626	1,299,138	44,488
Employee Benefits	261,360	250,508	10,852
Medication Expense	69,477	59,183	10,294
Travel-Board/Staff	37,396	41,307	(3,911)
Building Rent/Maintenance	105,494	24,932	80,562
Consultants/Contracts	595,791	437,556	158,235
Other Operating Expenses	181,923	215,654	(33,731)
TOTAL EXPENSES	**$ 2,595,067**	**$ 2,328,278**	**$ 266,789**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 82,343**	**$ 326,606**	**$ (244,263)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	7,678	256,943	(249,265)
Capital Outlay-Debt Service	50,560	35,322	15,238
TOTAL CAPITAL EXPENDITURES	**$ 58,239**	**$ 292,265**	**$ (234,026)**
GRAND TOTAL EXPENDITURES	**$ 2,653,306**	**$ 2,620,543**	**$ 32,763**
Excess (Deficiency) of Revenues and Expense	**$ 24,104**	**$ 34,341**	**$ (10,237)**

Debt Service and Fixed Asset Fund:			
Debt Service	50,560	35,322	15,238
			-
Excess(Deficiency) of revenues over Expense	**50,560**	**35,322**	**15,238**

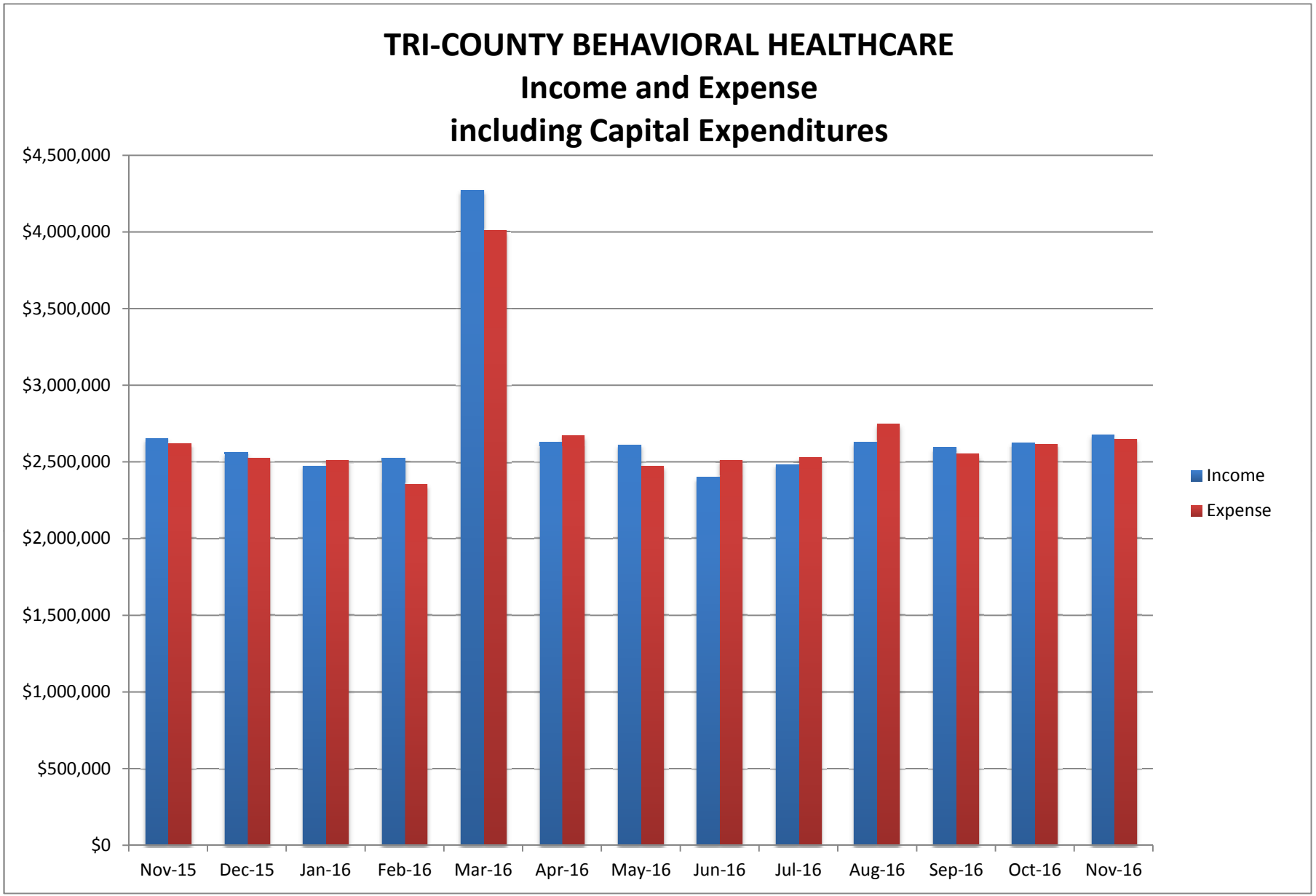
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With October 2016 Comparative Data
For the Month Ended November 2016

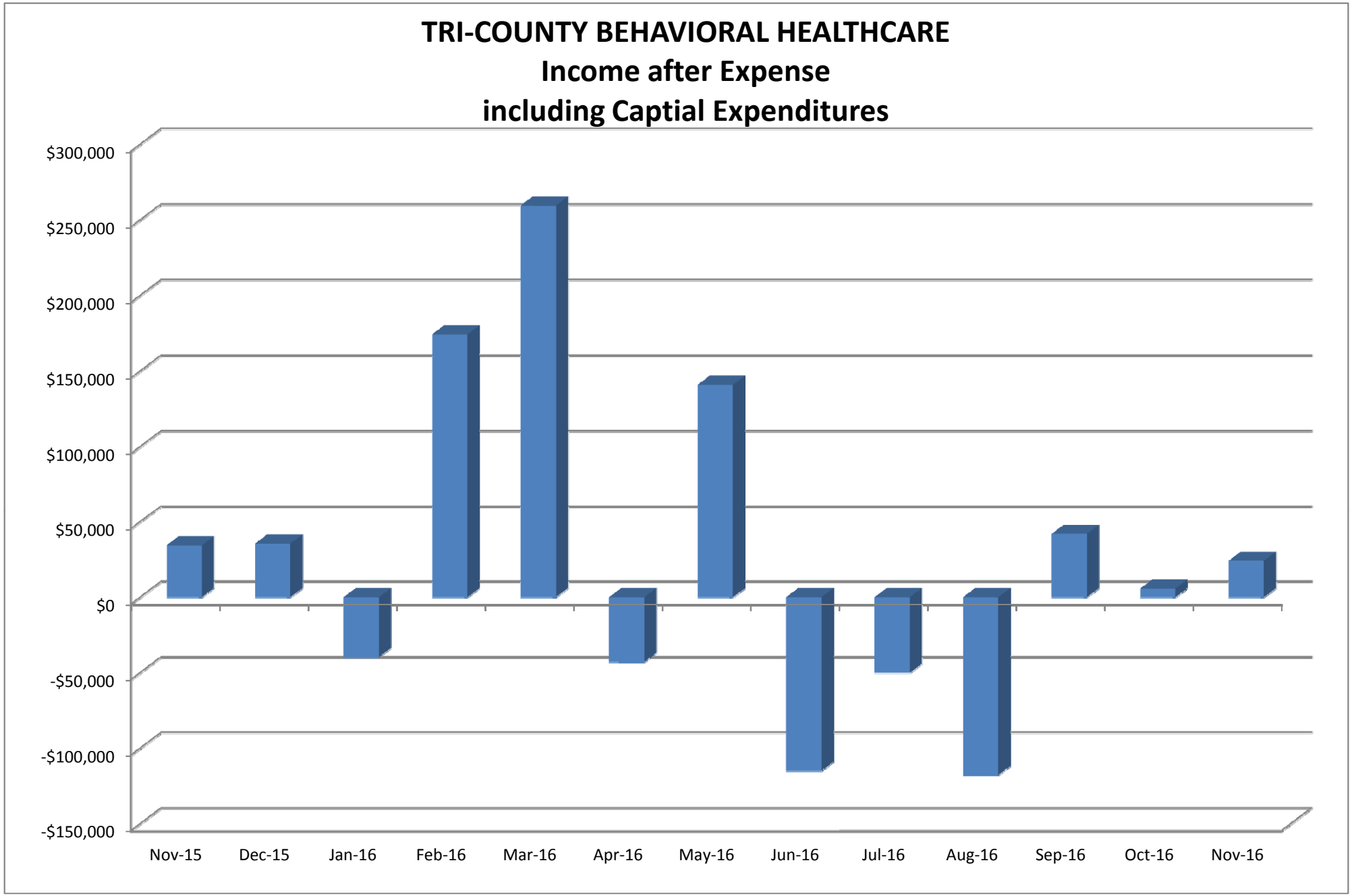
INCOME:	MONTH OF November 2016	MONTH OF October 2016	Increase (Decrease)
Local Revenue Sources	143,438	149,020	(5,581)
Earned Income	1,229,430	1,192,701	36,729
General Revenue-Contract	1,304,541	1,283,100	21,441
TOTAL INCOME	**$ 2,677,410**	**$ 2,624,821**	**$ 52,589**
EXPENSES:			
Salaries	1,343,626	1,321,387	22,239
Employee Benefits	261,360	263,407	(2,047)
Medication Expense	69,477	43,304	26,173
Travel-Board/Staff	37,396	47,533	(10,137)
Building Rent/Maintenance	105,494	19,167	86,328
Consultants/Contracts	595,791	477,282	118,509
Other Operating Expenses	181,923	222,821	(40,899)
TOTAL EXPENSES	**$ 2,595,067**	**$ 2,394,901**	**$ 200,166**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 82,343**	**$ 229,920**	**$ (147,577)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	7,678	174,429	(166,750)
Capital Outlay-Debt Service	50,560	49,865	696
TOTAL CAPITAL EXPENDITURES	**$ 58,239**	**$ 224,293**	**$ (166,055)**
GRAND TOTAL EXPENDITURES	**$ 2,653,306**	**$ 2,619,194**	**$ 34,111**
Excess (Deficiency) of Revenues and Expenses	**$ 24,104**	**$ 5,627**	**$ 18,478**

Debt Service and Fixed Asset Fund:			
Debt Service	50,560	49,865	696
Excess(Deficiency) of revenues over Expenses	**50,560**	**49,865**	**696**

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

INCOME:	YTD Mental Health November 2016	YTD IDD November 2016	YTD Other Services November 2016	YTD Agency Total November 2016	YTD Approved Budget November 2016	Increase (Decrease)
Local Revenue Sources	502,995	63,449	(165,095)	401,349	367,530	33,819
Earned Income	931,816	1,618,089	1,027,507	3,577,411	3,540,169	37,242
General Revenue-Contract	3,394,178	525,033		3,919,211	3,945,765	(26,554)
TOTAL INCOME	**$ 4,828,989**	**$ 2,206,571**	**$ 862,412**	**$ 7,897,971**	**$ 7,853,464**	**$ 44,507**
EXPENSES:						
Salaries	2,597,554	803,438	659,805	4,060,798	4,198,824	(138,026)
Employee Benefits	498,517	172,765	120,614	791,895	859,825	(67,930)
Medication Expense	136,051		43,063	179,113	175,502	3,611
Travel-Board/Staff	74,190	35,039	16,101	125,330	117,610	7,720
Building Rent/Maintenance	98,539	41,638	20,896	161,072	56,948	104,124
Consultants/Contracts	627,484	895,909	38,580	1,561,973	1,603,152	(41,179)
Other Operating Expenses	349,551	155,711	108,785	614,047	655,602	(41,555)
TOTAL EXPENSES	**$ 4,381,886**	**$ 2,104,500**	**$ 1,007,844**	**$ 7,494,228**	**$ 7,667,463**	**$ (173,235)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 447,103**	**$ 102,071**	**$ (145,432)**	**$ 403,743**	**$ 186,001**	**$ 217,742**
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	93,392	41,910	46,805	182,107	37,077	145,030
Capital Outlay-Debt Service	84,151	17,497	44,542	146,190	106,112	40,078
TOTAL CAPITAL EXPENDITURES	**$ 177,543**	**$ 59,407**	**$ 91,347**	**$ 328,297**	**$ 143,189**	**$ 185,108**
GRAND TOTAL EXPENDITURES	**$ 4,559,429**	**$ 2,163,907**	**$ 1,099,191**	**$ 7,822,525**	**$ 7,810,652**	**$ 11,873**
Excess (Deficiency) of Revenues and Expenses	**$ 269,560**	**$ 42,664**	**$ (236,779)**	**$ 75,445**	**$ 42,812**	**$ 32,634**
Debt Service and Fixed Asset Fund:						
Debt Service	84,151	17,497	44,542	146,190	106,112	(21,961)
		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	**84,151**	**17,497**	**44,542**	**146,190**	**106,112**	**(21,961)**


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


TRI-COUNTY BEHAVIORAL HEALTHCARE
Income after Expense
including Captial Expenditures
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
-$50,000
-$100,000
-$150,000
Nov-15
Dec-15
Jan-16
Feb-16
Mar-16
Apr-16
May-16
Jun-16
Jul-16
Aug-16
Sep-16
Oct-16
Nov-16

Agenda Item: Approve December 2016 Financial Statements **Committee:** Business	**Board Meeting Date** January 26, 2017
Background Information: None	
Supporting Documentation: December 2016 Financial Statements	
Recommended Action: **Approve December 2016 Financial Statements**	

December 2017 Financial Summary

Revenues for December 2016 were $2,807,786 and operating expenses were $2,500,635 resulting in a gain in operations of $301,151. Capital Expenditures and Extraordinary Expenses for December were $58,520 resulting in a gain of $242,630. Total revenues were 110.68% of the monthly budgeted revenues and total expenses were 99.90% of the monthly budgeted expenses.

Year to date revenues are $10,699,758 and operating expenses are $9,994,864 leaving excess operating revenues of $704,894. YTD Capital Expenditures and Extraordinary Expenses are $386,818 resulting in a gain YTD of $318,076. Total revenues are 103.03% of the YTD budgeted revenues and total expenses are 100.09% 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
Rehab – Title XIX	591,930	636,668	92.98%	44,738
DSHS – SA Treatment Youth	0	12,014	0	12,014
Vocational Contract - NISH	39,087	58,336	67.01%	19,249

Rehab – Title XIX – This line item remains on the narrative mainly due to a decrease in the number of Medicaid clients being seen for Rehab services. We have seen this percentage continue to decrease over the past 3+ years. We will continue to monitor our data to ensure our revenue expectations are realistic.

DSHS – SA Treatment Youth – We've had this funding source for many years. As of this time, we have not billed any services in FY 2017. This line item will continue to be monitored and adjustments will be made during the mid-year revision if necessary.

Vocational Contract – NISH – As presented last month, the NISH contracts have decreased significantly. We approved the termination of these contracts at the December board meeting, but it will not be finalized until April 15th.

EXPENSES

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	$ Variance
Building Repairs & Maintenance	183,318	65,064	2.82%	118,254
Contract EduCare	775,353	732,812	1.06%	42,541
Contract - Clinical	341,539	293,895	1.16%	47,644
Fixed Asset – F&E	135,385	0.00	0%	135,385
Insurance	43,218	15,424	2.80%	27,794
Vehicle – Repair & Maint	27,724	15,808	1.75%	11,916

Building Repairs & Maintenance – This line item overage represents the Board approved Huntsville repairs. We will adjust this line in the mid-year budget revisions.

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

Contract – Clinical – This line item represents Contract Doctor fees that paid for coverage while Dr. Sneed was out on medical leave.

Fixed Asset – Furniture & Equipment – As approved by the Board at the September Board meeting, Tri-County paid a deposit on the purchase of the furniture for the new Conroe facility. We are expecting the 2nd payment to post in January's financials. A mid-year revision will be done to reflect the total approved cost of the furniture.

Insurance – The Texas Council Risk Management Fund sent invoices from prior year's claims and deductibles in December. These amounts were deductibles for Errors and Omissions and General Liability claims. These claims were from prior years and should have been billed sooner but fell through the cracks at the Texas Council Risk Management Fund.

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

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

	TOTALS COMBINED FUNDS December 2016	TOTALS COMBINED FUNDS November 2016	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	3,010	3,060	(50)
Cash on Deposit-General Fund	7,496,705	4,365,208	3,131,498
Cash on Deposit-Debt Fund			-
Accounts Receivable	1,876,398	1,830,524	45,874
Inventory	5,668	5,847	(179)
TOTAL CURRENT ASSETS	9,381,781	6,204,639	3,177,142
FIXED ASSETS	15,648,025	15,648,025	-
OTHER ASSETS	199,501	70,163	129,338
TOTAL ASSETS	**$ 25,229,307**	**$ 21,922,827**	**$ 3,306,482**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES			
CURRENT LIABILITIES	1,013,328	953,174	60,154
NOTES PAYABLE	607,292	607,292	-
DEFERRED REVENUE	2,766,694	(230,837)	2,997,530
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	348,483	368,909	(20,426)
Note Payable Prosperity Bank	554,663	567,574	(12,912)
First Financial loan tied to CD	1,100,000	1,100,000	-
First Financial Construction Loan	3,113,876	3,113,876	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	(1,623,065)	(1,865,696)	242,630
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(5,117,022)	(5,150,359)	33,337
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	15,648,025	15,648,025	-
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	-	-	-
Reserved for Board Initiatives	1,464,542	1,464,542	-
Reserved for 1115 Waiver Programs	516,833	516,833	-
ASSIGNED			
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	(607,292)	(607,292)	-
UNASSIGNED			
Unrestricted and Undesignated	3,402,135	3,402,135	-
TOTAL LIABILITIES/FUND BALANCE	**$ 25,229,307**	**$ 21,922,827**	**$ 3,306,481**

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

	General Operating Funds	Memorandum Only Final August 2015
ASSETS		
CURRENT ASSETS		
Imprest Cash Funds	3,010	3,165
Cash on Deposit-General Fund	7,496,705	5,928,627
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	1,876,398	1,657,209
Inventory	5,668	9,877
TOTAL CURRENT ASSETS	9,381,781	7,598,878
FIXED ASSETS	15,648,025	7,091,888
OTHER ASSETS	199,501	49,749
		-
	$ 25,229,307	**$ 14,740,515**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES		
CURRENT LIABILITIES	1,013,328	1,103,286
NOTES PAYABLE	607,292	549,129
DEFERRED REVENUE	2,766,694	(889,779)
LONG-TERM LIABILITIES FOR		
Line of Credit - Tradition Bank	348,483	670,521
Note Payable Prosperity Bank	554,663	757,743
First Financial loan tied to CD	1,100,000	-
First Financial Construction Loan	3,113,876	-
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR		
General Fund	(1,623,065)	(1,065,136)
FUND EQUITY		
RESTRICTED		
Net Assets Reserved for Debt service-Restricted	(5,117,022)	(1,428,264)
Reserved for Debt Retirement	963,631	963,631
COMMITTED		-
Net Assets-Property and Equipment-Committed	15,648,025	7,091,887
Reserved for Vehicles & Equipment Replacement	678,112	678,112
Reserved for Facility Improvement & Acquisitions	-	2,136,013
Reserved for Board Initiatives	1,464,542	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
ASSIGNED		-
Reserved for Workers' Compensation-Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	24,664	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(607,292)	(549,129)
UNASSIGNED		
Unrestricted and Undesignated	3,402,135	2,331,257
TOTAL LIABILITIES/FUND BALANCE	**$ 25,229,307**	**$ 14,740,515**

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

INCOME:	MONTH OF December 2016	YTD December 2016
Local Revenue Sources	305,063	706,413
Earned Income	1,194,606	4,772,017
General Revenue-Contract	1,302,117	5,221,328
TOTAL INCOME	**$ 2,801,786**	**$ 10,699,758**
EXPENSES:		
Salaries	1,345,088	5,405,886
Employee Benefits	267,898	1,059,794
Medication Expense	55,879	234,993
Travel-Board/Staff	34,274	159,604
Building Rent/Maintenance	28,849	189,921
Consultants/Contracts	515,448	2,077,420
Other Operating Expenses	253,200	867,247
TOTAL EXPENSES	**$ 2,500,635**	**$ 9,994,864**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 301,151**	**$ 704,894**
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	3,431	185,538
Capital Outlay-Debt Service	55,090	201,280
TOTAL CAPITAL EXPENDITURES	**$ 58,520**	**$ 386,818**
GRAND TOTAL EXPENDITURES	**$ 2,559,156**	**$ 10,381,682**
Excess (Deficiency) of Revenues and Expenses	**$ 242,630**	**$ 318,076**

Debt Service and Fixed Asset Fund:		
Debt Service	55,090	201,280
Excess(Deficiency) of revenues over Expenses	**55,090**	**201,280**

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

	YTD December 2016	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	706,413	472,055	234,358
Earned Income	4,772,017	4,697,378	74,639
General Revenue-Contract	5,221,328	5,215,430	5,898
TOTAL INCOME	**$ 10,699,758**	**$ 10,384,863**	**$ 314,895**
EXPENSES:			
Salaries	5,405,886	5,590,098	(184,212)
Employee Benefits	1,059,794	1,146,422	(86,628)
Medication Expense	234,993	234,002	991
Travel-Board/Staff	159,604	152,313	7,291
Building Rent/Maintenance	189,921	72,564	117,357
Consultants/Contracts	2,077,420	2,077,371	49
Other Operating Expenses	867,247	872,893	(5,646)
TOTAL EXPENSES	**$ 9,994,864**	**$ 10,145,663**	**$ (150,799)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 704,894**	**$ 239,200**	**$ 465,694**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	185,538	85,194	100,344
Capital Outlay-Debt Service	201,280	141,481	59,799
TOTAL CAPITAL EXPENDITURES	**$ 386,818**	**$ 226,675**	**$ 160,143**
GRAND TOTAL EXPENDITURES	**$ 10,381,682**	**$ 10,372,338**	**$ 9,344**
Excess (Deficiency) of Revenues and Expenses	**$ 318,076**	**$ 12,525**	**$ 305,551**

Debt Service and Fixed Asset Fund:			
Debt Service	201,280	141,481	**59,799**
Excess(Deficiency) of revenues over Expenses	**201,280**	**141,481**	**59,799**

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

INCOME:	MONTH OF December 2016	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	305,063	104,525	200,538
Earned Income	1,194,606	1,157,209	37,397
General Revenue-Contract	1,302,117	1,269,665	32,452
TOTAL INCOME	**$ 2,801,786**	**$ 2,531,399**	**$ 270,387**
EXPENSES:			
Salaries	1,345,088	1,391,274	(46,186)
Employee Benefits	267,898	286,597	(18,699)
Medication Expense	55,879	58,500	(2,621)
Travel-Board/Staff	34,274	34,703	(429)
Building Rent/Maintenance	28,849	15,616	13,233
Consultants/Contracts	515,448	474,219	41,229
Other Operating Expenses	253,200	217,291	35,909
TOTAL EXPENSES	**$ 2,500,635**	**$ 2,478,200**	**$ 22,435**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 301,151**	**$ 53,199**	**$ 247,952**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	3,431	48,117	(44,686)
Capital Outlay-Debt Service	55,090	35,369	19,721
TOTAL CAPITAL EXPENDITURES	**$ 58,520**	**$ 83,486**	**$ (24,966)**
GRAND TOTAL EXPENDITURES	**$ 2,559,156**	**$ 2,561,686**	$ (2,530)
Excess (Deficiency) of Revenues and Expenses	**$ 242,630**	**$ (30,287)**	**$ 272,917**

Debt Service and Fixed Asset Fund:			
Debt Service	55,090	35,369	19,721
Excess(Deficiency) of revenues over Expenses	**55,090**	**35,369**	**19,721**

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

INCOME:	**YTD December 2016**	**YTD December 2015**	**Increase (Decrease)**
Local Revenue Sources	706,413	1,069,088	(362,675)
Earned Income	4,772,017	4,649,395	122,622
General Revenue-Contract	5,221,328	4,728,591	492,737
TOTAL INCOME	**$ 10,699,758**	**$ 10,447,074**	**$ 252,684**
EXPENSES:			
Salaries	5,405,886	5,252,667	153,219
Employee Benefits	1,059,794	991,910	67,884
Medication Expense	234,993	201,895	33,098
Travel-Board/Staff	159,604	157,004	2,600
Building Rent/Maintenance	189,921	116,895	73,026
Consultants/Contracts	2,077,420	1,814,875	262,545
Other Operating Expenses	867,247	898,840	(31,593)
TOTAL EXPENSES	**$ 9,994,864**	**$ 9,434,086**	**$ 560,778**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 704,894**	**$ 1,012,988**	**$ (308,094)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	185,538	732,797	(547,259)
Capital Outlay-Debt Service	201,280	141,289	59,991
TOTAL CAPITAL EXPENDITURES	**$ 386,818**	**$ 874,086**	**$ (487,268)**
GRAND TOTAL EXPENDITURES	**$ 10,381,682**	**$ 10,308,172**	**$ 73,510**
Excess (Deficiency) of Revenues and Expenses	**$ 318,076**	**$ 138,902**	**$ 179,174**

Debt Service and Fixed Asset Fund:			
Debt Service	201,280	141,289	59,991
			-
Excess(Deficiency) of revenues over Expenses	**201,280**	**141,289**	**59,991**

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

INCOME:	MONTH OF December 2016	MONTH OF December 2015	Increase (Decrease)
Local Revenue Sources	305,063	135,945	169,118
Earned Income	1,194,606	1,251,560	(56,954)
General Revenue-Contract	1,302,117	1,176,258	125,859
TOTAL INCOME	**$ 2,801,786**	**$ 2,563,763**	**$ 238,023**
Salaries	1,345,088	1,340,771	4,317
Employee Benefits	267,898	255,552	12,346
Medication Expense	55,879	48,662	7,217
Travel-Board/Staff	34,274	35,309	(1,035)
Building Rent/Maintenance	28,849	26,213	2,636
Consultants/Contracts	515,448	546,397	(30,949)
Other Operating Expenses	253,200	223,907	29,293
TOTAL EXPENSES	**$ 2,500,635**	**$ 2,476,811**	**$ 23,824**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 301,151**	**$ 86,952**	**$ 214,199**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	3,431	16,159	(12,728)
Capital Outlay-Debt Service	55,090	35,322	19,768
TOTAL CAPITAL EXPENDITURES	**$ 58,520**	**$ 51,481**	**$ 7,039**
GRAND TOTAL EXPENDITURES	**$ 2,559,156**	**$ 2,528,292**	**$ 30,864**
Excess (Deficiency) of Revenues and Expenses	**$ 242,630**	**$ 35,471**	**$ 207,159**

Debt Service and Fixed Asset Fund:			
Debt Service	55,090	35,322	19,768
			-
Excess(Deficiency) of revenues over Expenses	**55,090**	**35,322**	**19,768**

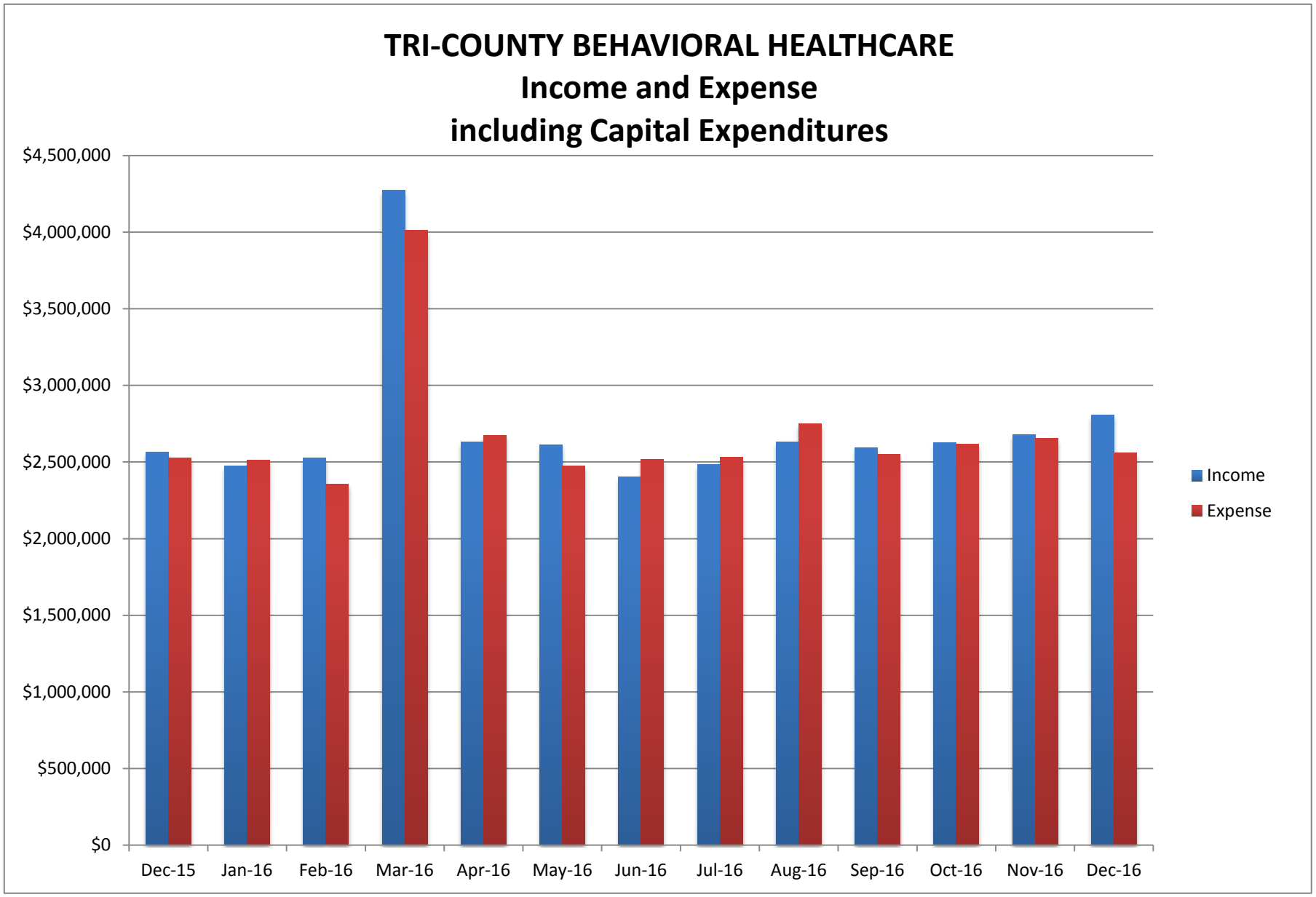
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With November 2016 Comparative Data
For the Month Ended December 2016

INCOME:	MONTH OF December 2016	MONTH OF November 2016	Increase (Decrease)
Local Revenue Sources	305,063	143,438	161,625
Earned Income	1,194,606	1,229,430	(34,825)
General Revenue-Contract	1,302,117	1,304,541	(2,424)
TOTAL INCOME	**$ 2,801,786**	**$ 2,677,410**	**$ 124,376**
EXPENSES:			
Salaries	1,345,088	1,343,626	1,462
Employee Benefits	267,898	261,360	6,539
Medication Expense	55,879	69,477	(13,598)
Travel-Board/Staff	34,274	37,396	(3,122)
Building Rent/Maintenance	28,849	105,494	(76,646)
Consultants/Contracts	515,448	595,791	(80,343)
Other Operating Expenses	253,200	181,923	71,277
TOTAL EXPENSES	**$ 2,500,635**	**$ 2,595,067**	**$ (94,432)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 301,151**	**$ 82,343**	**$ 218,808**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	3,431	7,678	(4,247)
Capital Outlay-Debt Service	55,090	50,560	4,529
TOTAL CAPITAL EXPENDITURES	**$ 58,520**	**$ 58,239**	**$ 282**
GRAND TOTAL EXPENDITURES	**$ 2,559,156**	**$ 2,653,306**	**$ (94,150)**
Excess (Deficiency) of Revenues and Expenses	**$ 242,630**	**$ 24,104**	**$ 218,526**

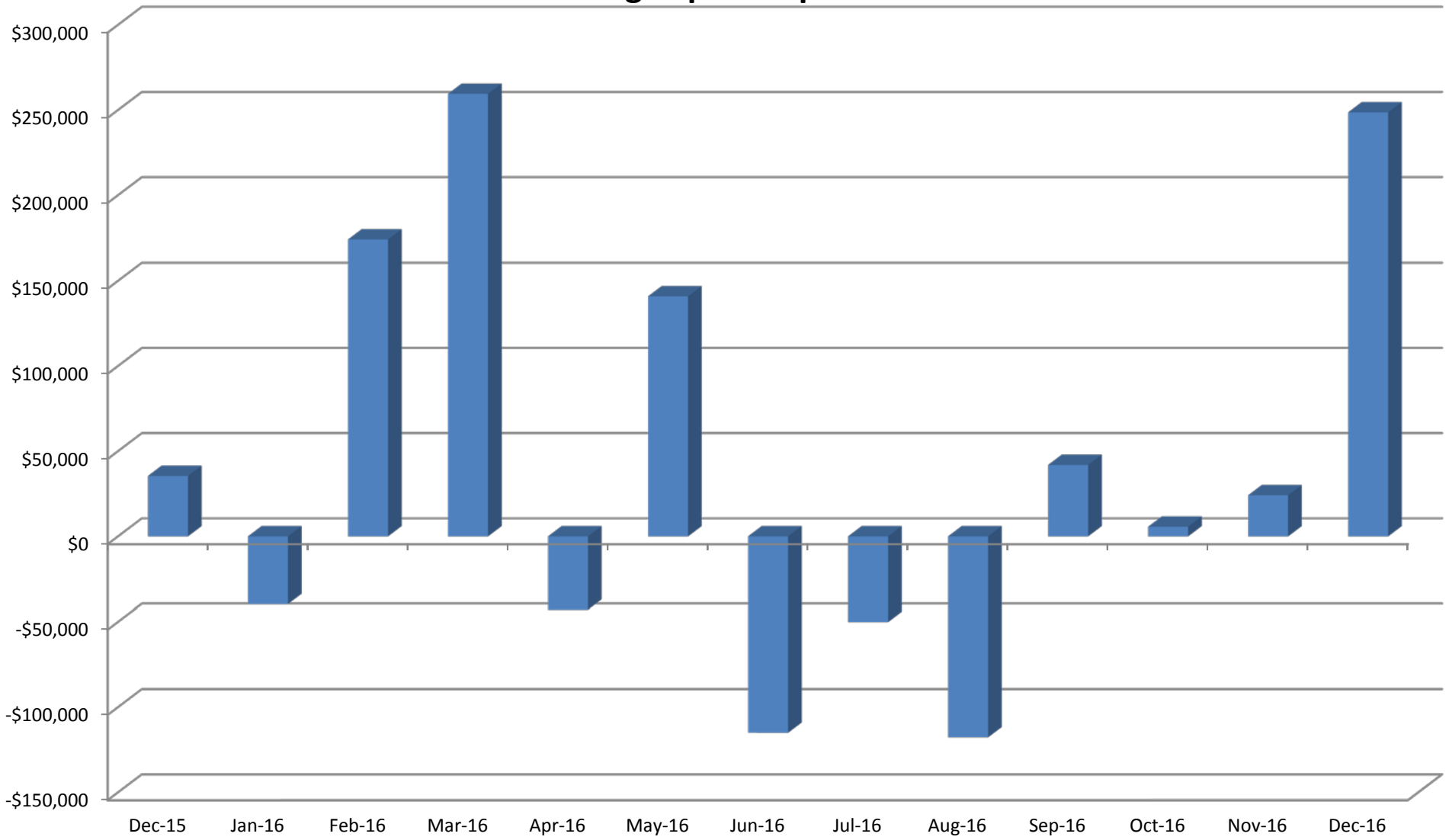
Debt Service and Fixed Asset Fund:			
Debt Service	55,090	50,560	4,529
Excess(Deficiency) of revenues over Expenses	**55,090**	**50,560**	**4,529**

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

INCOME:	YTD Mental Health December 2016	YTD IDD December 2016	YTD Other Services December 2016	YTD Agency Total December 2016	YTD Approved Budget December 2016	Increase (Decrease)
Local Revenue Sources	775,584	128,797	(197,969)	706,413	472,055	234,358
Earned Income	1,253,547	2,136,442	1,382,027	4,772,017	4,697,378	74,639
General Revenue-Contract	4,460,678	697,946	62,704	5,221,328	5,215,430	5,898
TOTAL INCOME	**$ 6,489,809**	**$ 2,963,185**	**$ 1,246,762**	**$ 10,699,758**	**$ 10,384,863**	**$ 314,895**
EXPENSES:						
Salaries	3,443,501	1,080,673	881,712	5,405,886	5,590,098	(184,212)
Employee Benefits	667,071	231,173	161,550	1,059,794	1,146,422	(86,628)
Medication Expense	179,585		55,408	234,993	234,002	991
Travel-Board/Staff	93,891	45,924	19,788	159,604	152,313	7,291
Building Rent/Maintenance	115,003	49,800	25,119	189,921	72,564	117,357
Consultants/Contracts	853,699	1,171,790	51,932	2,077,420	2,077,371	49
Other Operating Expenses	501,042	222,908	143,297	867,247	872,893	(5,646)
TOTAL EXPENSES	**$ 5,853,792**	**$ 2,802,268**	**$ 1,338,806**	**$ 9,994,865**	**$ 10,145,663**	**$ (150,798)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 636,017**	**$ 160,917**	**$ (92,044)**	**$ 704,893**	**$ 239,200**	**$ 465,693**
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	98,747	40,628	46,164	185,538	85,194	100,344
Capital Outlay-Debt Service	101,882	38,065	61,333	201,280	141,481	59,799
TOTAL CAPITAL EXPENDITURES	**$ 200,629**	**$ 78,693**	**$ 107,497**	**$ 386,818**	**$ 226,675**	**$ 160,143**
GRAND TOTAL EXPENDITURES	**$ 6,054,421**	**$ 2,880,961**	**$ 1,446,303**	**$ 10,381,683**	**$ 10,372,338**	**$ 9,345**
Excess (Deficiency) of Revenues and Expenses	**$ 435,388**	**$ 82,224**	**$ (199,541)**	**$ 318,076**	**$ 12,525**	**$ 305,550**
Debt Service and Fixed Asset Fund:						
Debt Service	101,882	38,065	61,333	201,280	141,481	(39,599)
		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	**101,882**	**38,065**	**61,333**	**201,280**	**141,481**	**(39,599)**


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

TRI-COUNTY BEHAVIORAL HEALTHCARE
Income after Expense
including Captial Expenditures



Agenda Item: Approve FY 2016 Independent Financial Audit **Committee**: Business	**Board Meeting Date** January 28, 2016

Background Information:

Scott, Singleton, Fincher & Company PC audited Tri-County's Financial Statements for the fiscal year ending August 31, 2016. There were no material findings related to the financial statements.

Supporting Documentation:

Copy of Preliminary Audited Financial Statements – Mailed to Board Members

Recommended Action:

Approve FY 2016 Independent Financial Audit

Agenda Item: 1st Quarter FY 2017 Quarterly Investment Report **Committee:** Business	**Board Meeting Date** January 26, 2017

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, 2016

GENERAL INFORMATION

This report is provided to the Board of Trustees of Tri-County Behavioral Healthcare 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	493,354.85	85,572.51	(5,201,513.47)
Accrual of Interest Income	10,088,047.48	13,732,102.08	11,736,505.20
Interest and Management Fees Payable	(4,086,432.05)	(4,254,673.21)	(4,390,979.80)
Payable for Investments Purchased	0.00	0.00	(499,241,805.50)
Accrued Expense & Taxes	(491,587.23)	(16,675.09)	(16,876.88)
Repurchase Agreements	1,920,167,000.00	2,395,104,728.00	3,349,614,695.50
Mutual Fund Investments	1,070,022,103.88	570,022,103.88	570,022,103.88
Government Securities	3,955,704,844.11	7,107,460,373.46	7,406,616,807.77
U.S. Treasury Bills	0.00	249,880,250.00	459,534,889.14
U.S. Treasury Notes	6,395,077,730.71	2,917,648,027.97	2,466,795,481.90
TOTAL	**$13,346,975,061.75**	**$13,249,661,809.59**	**$13,755,469,307.73**

Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	$551,448.82	($5,201,513.47)
Accrual of Interest Income	9,038,831.62	11,736,505.20
Interest and Management Fees Payable	(4,344,220.18)	(4,390,979.80)
Payable for Investments Purchased	0.00	(499,241,805.50)
Accrued Expenses & Taxes	(568,645.42)	(16,876.88)
Repurchase Agreements	2,690,625,000.00	3,349,648,000.00
Mutual Fund Investments	770,022,103.88	570,022,103.88
Government Securities	5,098,862,422.92	7,404,829,096.89
U.S. Treasury Bills	0.00	459,530,087.37
U.S. Treasury Notes	4,765,268,362.41	2,466,792,963.56
TOTAL	**$13,329,455,304.05**	**$13,753,707,581.25**

Portfolio by Maturity as of November 30, 2016

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
31.7%	55.1%	10.1%	3.1%

Portfolio by Type of Investments as of November 30, 2016

Agencies	Repurchase Agreements	Treasuries	Money Market Funds
52.0%	23.5%	20.5%	4.0%

SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 0.38% for September, 0.38% for October and 0.40% 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, 2016 was 43 days.

The net asset value as of November 30, 2016 was 1.00013.

The total amount of interest distributed to participants during the period was $12,705,827.56.

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

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

During the reporting period, the total number of participants has increased to 2,380.

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 Behavioral Healthcare's Investment Policy and with the Public Funds Investment Act.

Submitted by:

[redacted]

Millie McDuffey
Chief Financial Officer / Investment Officer

[redacted]

Date

[redacted]

Evan Roberson
Executive Director / Investment Officer

[redacted]

Date

TRI-COUNTY BEHAVIORAL HEALTHCARE
QUARTERLY INTEREST EARNED REPORT
FISCAL YEAR 2017
As Of November 30, 2016

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD	$ 472.35				$ 472.35
First Financial Bank CD	$ 3,438.88				$ 3,438.88
First Liberty National Bank	$ 0.43				$ 0.43
JP Morgan Chase (HBS)	$ 1,349.11				$ 1,349.11
Prosperity Bank	$ 42.47				$ 42.47
Prosperity Bank CD (formerly Tradition)	$ 3,807.62				$ 3,807.62
TexPool Participants	$ 58.92				$ 58.92
Total Earned	$ 9,169.78				$ 9,169.78

Agenda Item: Board of Trustees Unit Financial Statement as of November and December 2016 **Committee:** Business	**Board Meeting Date** January 26, 2017
Background Information: None	
Supporting Documentation: November 2016 and December 2016 Board of Trustees Unit Financial Statements	
Recommended Action: **For Information Only**	

Unit Financial Statement

FY 2017

	November 2016 Actuals	November 2016 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	$ 2,599.00	$ 2,599.00	$ -	$ 7,797.00	$ 7,797.00	$ -	100.00%	$ 31,195.00
Total Revenue	$ 2,599.00	$ 2,599.00	$ -	$ 7,797.00	$ 7,797.00	$ -	100.00%	$ 31,195.00
Expenses								
Food Items	$ 360.00	$ 200.00	$ 160.00	$ 865.09	$ 600.00	$ 265.09	144.18%	$ 2,400.00
Insurance-Worker Compensation	$ -	$ 16.00	$ (16.00)	$ 12.30	$ 48.00	$ (35.70)	25.63%	$ 200.00
Legal Fees	$ 1,500.00	$ 1,500.00	$ -	$ 4,500.00	$ 4,500.00	$ -	100.00%	$ 18,000.00
Postage-Express Mail	$ -	$ 4.00	$ (4.00)	$ -	$ 14.00	$ (14.00)	0.00%	$ 50.00
Supplies-Office	$ -	$ 21.00	$ (21.00)	$ 12.00	$ 63.00	$ (51.00)	0.00%	$ 245.00
Training	$ -	$ 300.00	$ (300.00)	$ -	$ 900.00	$ (900.00)	0.00%	$ 3,600.00
Travel - Local	$ 123.50	$ 75.00	$ 48.50	$ 199.00	$ 225.00	$ (26.00)	88.44%	$ 900.00
Travel - Non-local Mileage/Air	$ -	$ 150.00	$ (150.00)	$ 249.70	$ 450.00	$ (200.30)	55.49%	$ 1,800.00
Travel - Non-local Hotel	$ -	$ 250.00	$ (250.00)	$ 353.50	$ 750.00	$ (396.50)	47.13%	$ 3,000.00
Travel - Meals	$ -	$ 84.00	$ (84.00)	$ 56.31	$ 252.00	$ (195.69)	22.35%	$ 1,000.00
Total Expenses	$ 1,983.50	$ 2,600.00	$ (616.50)	$ 6,247.90	$ 7,802.00	$ (1,554.10)	80.08%	$ 31,195.00
Total Revenue minus Expenses	$ 615.50	$ (1.00)	$ 616.50	$ 1,549.10	$ (5.00)	$ 1,554.10	19.92%	$ -

Unit Financial Statement

FY 2017

	December 2016 Actuals	December 2016 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	$ 2,599.00	$ 2,599.00	$ -	$ 10,396.00	$ 10,396.00	$ -	100.00%	$ 31,195.00
Total Revenue	$ 2,599.00	$ 2,599.00	$ -	$ 10,396.00	$ 10,396.00	$ -	100.00%	$ 31,195.00
Expenses								
Food Items	$ 40.00	$ 200.00	$ (160.00)	$ 905.09	$ 800.00	$ 105.09	113.14%	$ 2,400.00
Insurance-Worker Compensation	$ 5.27	$ 16.00	$ (10.73)	$ 17.57	$ 64.00	$ (46.43)	27.45%	$ 200.00
Legal Fees	$ 1,500.00	$ 1,500.00	$ -	$ 6,000.00	$ 6,000.00	$ -	100.00%	$ 18,000.00
Postage-Express Mail	$ -	$ 4.00	$ (4.00)	$ -	$ 18.00	$ (18.00)	0.00%	$ 50.00
Supplies-Office	$ -	$ 21.00	$ (21.00)	$ 12.00	$ 84.00	$ (72.00)	0.00%	$ 245.00
Training	$ 2,625.00	$ 300.00	$ 2,325.00	$ 2,625.00	$ 1,200.00	$ 1,425.00	218.75%	$ 3,600.00
Travel - Local	$ -	$ 75.00	$ (75.00)	$ 199.00	$ 300.00	$ (101.00)	66.33%	$ 900.00
Travel - Non-local Mileage/Air	$ -	$ 150.00	$ (150.00)	$ 249.70	$ 600.00	$ (350.30)	41.62%	$ 1,800.00
Travel - Non-local Hotel	$ -	$ 250.00	$ (250.00)	$ 353.50	$ 1,000.00	$ (646.50)	35.35%	$ 3,000.00
Travel - Meals	$ -	$ 84.00	$ (84.00)	$ 56.31	$ 336.00	$ (279.69)	16.76%	$ 1,000.00
Total Expenses	$ 4,170.27	$ 2,600.00	$ 1,570.27	$ 10,418.17	$ 10,402.00	$ 16.17	100.16%	$ 31,195.00
Total Revenue minus Expenses	$ (1,571.27)	$ (1.00)	$ (1,570.27)	$ (22.17)	$ (6.00)	$ (16.17)	-0.16%	$ -

Agenda Item: Building Consolidation Update **Committee:** Business	**Board Meeting Date:** January 26, 2017

Background Information:

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

Supporting Documentation:

Project Pictures

Recommended Action:

For Information Only

1st Floor Workstations Adult MH

2nd Floor Workstations IDD Area

2nd Floor Lobby

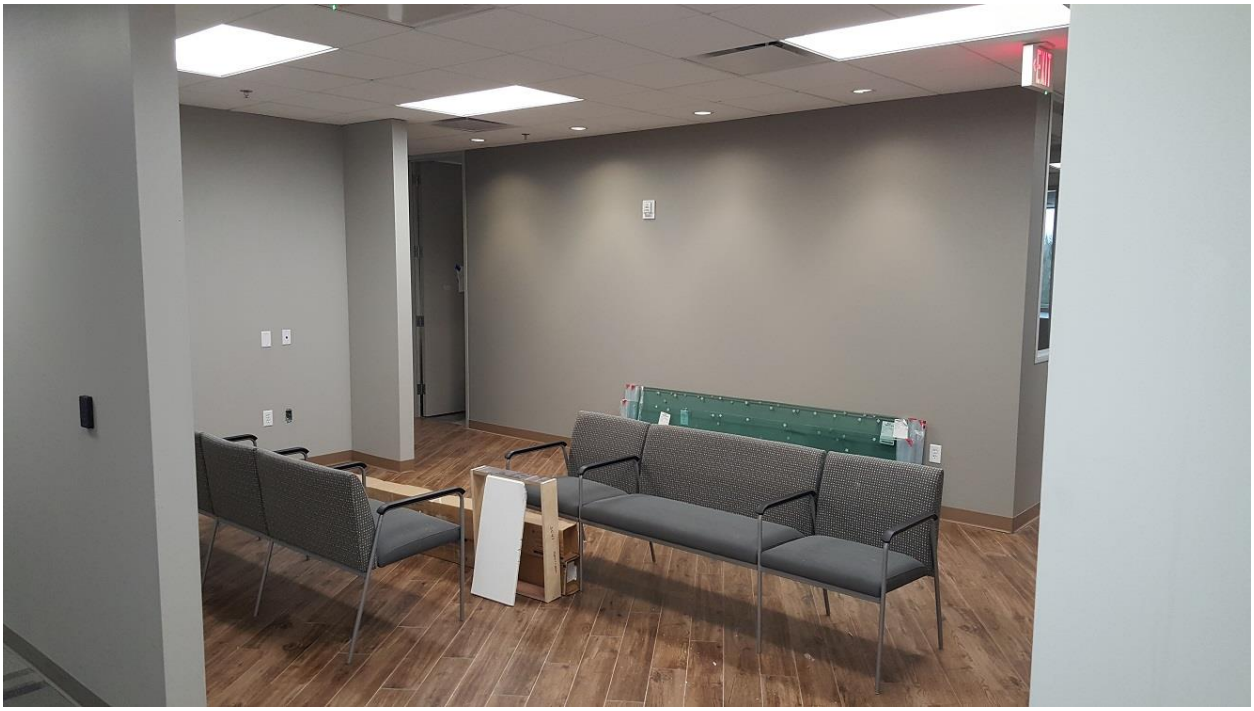
2nd Floor Workstations Child and Youth Area

2nd Floor Kids Play Area

3rd Floor Conference Room

3rd Floor IT Workstations

3rd Floor Lobby



Executive Waiting Area 3rd Floor

Front

HR Reception Area 3rd Floor

Main Lobby/Entrance

Main Lobby Waiting Area

Rear

Typical Public Restroom

UPCOMING MEETINGS

February 23rd, 2017 – Board Meeting

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

March 23rd, 2017 – Board Meeting

- Approve Minutes from February 23, 2017 Board Meeting
- Community Resources Report
- Consumer Services Report for February 2017
- Program Updates
- Year-to-Date FY 2017 Goals & Objectives Progress Report
- 2nd Quarter FY 2017 Corporate Compliance & Quality Management Report
- 3rd Quarter FY 2017 Corporate Compliance Training
- Program Presentation
- Personnel Report for February 2017
- Texas Council Risk Management Fund Claims Summary for January 2017
- Approve February 2017 Financial Statements
- 2nd Quarter FY 2017 Investment Report
- Board of Trustees Unit Financial Statement for February 2017
- Cleveland Supported Housing, Inc. Update
- Building Consolidation Update
- Other Business Committee Issues