

# Tri-County Services Board of Trustees Meeting

March 28, 2013



*Serving individuals with mental illness  
and developmental disabilities*

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, March 28, 2013. The Business Committee will convene at 9:00 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:15 a.m.

## **AGENDA**

### **I. Organizational Items**

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

### **II. Approve Minutes - February 28, 2013**

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

- A. DSHS
  - 1. Contract Amendments
  - 2. DSHS Contract Accountability Memo
  - 3. Local Planning Network Development
  - 4. Texas Resilience & Recovery
  - 5. Adult Minimum Hours Target
- B. DADS
- C. Medicaid 1115 Transformation Waiver
- D. Cleveland Property Easement
- E. Legislative Session
  - 1. Senate Bill 7
  - 2. Senate Bill 58
  - 3. Status of Appropriations for DSHS New & Exceptional Items
  - 4. Status of Appropriations for DADS Exceptional Items
  - 5. Current Bill Tracker

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

- A. Cost Accounting Methodology (CAM)
- B. Request for Proposal for Auditors
- C. DADS Fiscal Monitoring Review Follow-up
- D. Electronic Health Records (EHR)
- E. Days of Operation Ratio
- F. FY 2012 ICF, HCF, TxHmL Cost Reports

### **V. Program Committee**

#### **Action Items**

- A. Approve Submission of Montgomery County United Way 2013 Request for Funding Application..... *Pages 9-10*

#### **Information Items**

- B. Community Resources Report for February 2013..... *Pages 11-13*
- C. Consumer Services Report for February 2013..... *Pages 14-15*
- D. Program Updates for February 2013..... *Pages 16-19*
- E. Year-to-Date FY 2013 Goals & Objectives Progress Report..... *Pages 20-25*

- F. 2<sup>nd</sup> Quarter FY 2013 Corporate Compliance & Quality Management Report.....Pages 26-28
- G. 3<sup>rd</sup> Quarter FY 2013 Corporate Compliance Training.....Pages 29-30
- H. Program Presentation - Rusk State Hospital Diversion Contract

**VI. Executive Committee**

Information Items

- A. Personnel Report for February 2013.....Pages 31-32

**VII. Business Committee**

Action Items

- A. Approve February 2013 Financial Statements.....Pages 33-46
- B. Approve FY 2013 Budget Revision.....Pages 47-49
- C. Disposition of 512 Bryant Road, Conroe, Texas.....Page 50
- D. Approve Recommendation to Declare 1997 Ford E350 15 Passenger Van as Surplus.....Page 51
- E. Approve Surplus Sale for Miscellaneous Furniture & Equipment.....Page 52
- F. Approve Request of Texas Department of Housing & Community Affairs for  
New Authorization in the Reservation System Participation Program.....Pages 53-54
- G. Approve Non-Refundable Option Payment for Independence Oaks Project Site.....Page 55
- H. Ratify DSHS Clinical Management for Behavioral Health Services Memorandum  
of Understanding.....Pages 56-63
- I. Ratify DSHS Contract Amendment for Mental Health Private Psychiatric Beds.....Pages 64-66
- J. Approve Addendum to Tri-County Services 401(a) Retirement Plan Adoption Agreement.....Pages 67-78

Information Items

- K. 2<sup>nd</sup> Quarter FY 2013 Investment Report.....Pages 79-83
- L. Board of Trustees' Unit Financial Statement for February 2013.....Pages 84-85
- M. Montgomery Supported Housing, Inc. Update.....Page 86

**VIII. Executive Session in Compliance with Texas Government Code Section 551.071, Consultation with Attorney, Section 551.074, Personnel & Section 551.072, Real Property**

Posted By:

Stephanie Eveland  
Executive Assistant

# Tri-County Services

P.O. Box 3067  
Conroe, TX 77305

## BOARD OF TRUSTEES MEETING

February 28, 2013

### Board Members Present:

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

### Board Members Absent:

David Walker

### Tri-County Staff Present:

Evan Roberson, Executive Director  
Millie McDuffey, Chief Financial Officer  
Don Teeler, Director of Operations  
Sandy Kelly, Director of Administrative Support  
Stephanie Eveland, Executive Assistant  
Stella Montemayor, Administrative Assistant  
Shane Burks, Coordinator of Community Resources  
Mary Lou Flynn-DuPart, Legal Counsel  
Kelly Gadbury, Staff  
Jennifer Graham, Staff  
Brenda Jones, Staff  
Charles Lowman, Staff  
Heather Robison, Staff  
Nancy Stamilio, Staff  
Melissa Zemencsik, Staff

### Guests:

Terry Hill, ISC Group

**Call to Order:** Vice-Chairman, Brad Browder, called the meeting to order at 10:00 a.m. at 1506 FM 2854, Conroe, TX.

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

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



**Resolution #02-13-01**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board excuse the absence of David Walker.

Longevity Recognitions were presented to Tri-County staff.

**Resolution #02-13-02**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the minutes of the January 24, 2013 meeting of the Board of Trustees.

The Vice-Chairman of the Board, Brad Browder, suspended the agenda to move to Business Committee Item VIII-H, 401(a) Retirement Plan Review. Terry Hill from ISC Group presented the report.

**Executive Director's Report:**

The Executive Director's report is on file.

**Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

**PROGRAM COMMITTEE:**

**Resolution #02-13-03**

**Motion Made By:** Tracy Sorensen

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

**Resolved:**

That the Board approve the grant application to DSHS for the Projects for Assistance in Transition from Homelessness Program to begin September 1, 2013.

The Community Resources Report for January 2013 was reviewed for information purposes only.

The Consumer Services Report for January 2013 was reviewed for information purposes only.

The Program Updates for January 2013 were reviewed for information purposes only.

Program Presentation – Melissa Zemencsik presented information regarding Family Partner Services.

### **EXECUTIVE COMMITTEE:**

The Personnel Report for January 2013 was reviewed for information purposes only.

### **BUSINESS COMMITTEE:**

#### **Resolution #02-13-04**

**Motion Made By:** Morris Johnson

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

#### **Resolved:**

That the Board approve the January 2013 Financial Statements.

#### **Resolution #02-13-05**

**Motion Made By:** Morris Johnson

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

#### **Resolved:**

That the Board approve the request for staff to solicit proposals for an auditor for the FY 2013 Independent Financial Audit.

#### **Resolution #02-13-06**

**Motion Made By:** Morris Johnson

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

#### **Resolved:**

That the Board approve the revisions to the Board Policy on Depositories.

**Resolution #02-13-07**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve Evan Roberson, Executive Director, as the authorized agent and signer for the State of Texas Co-Op Purchasing Program.

**Resolution #02-13-08**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the resolution authorizing Evan Roberson, Executive Director, to execute HOME Agreements.

**Resolution #02-13-09**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board ratify the FY 2012-13 DSHS Contract Amendment for Mental Health Services and the Outpatient Competency Restoration Program.

**Resolution #02-13-10**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board ratify the FY 2012-13 DADS Contract Amendment.

The Board of Trustees' Unit Financial Statement for January 2013 was reviewed for information purposes only.

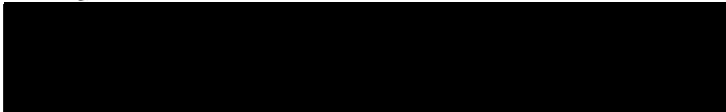
The regular meeting of the Board of Trustees recessed at 11:21 a.m. to go into Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney and Section 551.074, Personnel.

The meeting of the Board of Trustees reconvened at 12:08 p.m. to go into regular session.

There was no action taken from Executive Session.

The regular meeting of the Board of Trustees adjourned at 12:09 p.m.

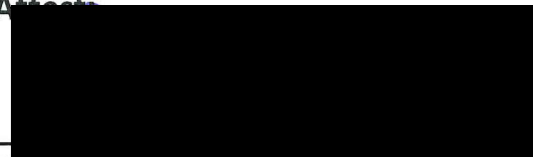
**Adjournment:**



David Walker  
Chairman

Date

**Attest:**



Tracy Sorensen  
Secretary

Date



## Executive Director's Report

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*March 28, 2013*

### Announcements

- The next regularly scheduled Board meeting is April 25, 2013.
- **Reminder – Mark your calendars.** The 28<sup>th</sup> Annual Texas Council Conference is scheduled for June 26-28<sup>th</sup> at the Dallas Sheraton. The Board of Trustees and staff are invited to attend.

### Department of State Health Services (DSHS)

- DSHS has issued two **Contract Amendments** to our 2012-2013 Performance Contract since the last meeting.
  - The DSHS Contract Amendment-Memorandum of Understanding, #2013.04337, which governs testing and use of the Clinical Management for Behavioral Health Services (CMBHS) system. DSHS requested that we sign the MOU and return it to them as soon as possible. CMBHS is the system that DSHS will use to collect new clinical assessments associated with Texas Resilience and Recovery (TRR) which begins in FY 2014. There were no financial changes associated with the MOU.
  - DSHS' Contract # 2012-039597 Amendment 005B: Mental Health Private Psychiatric Beds. We refer to this internally as the Rusk Diversion Beds.
    - The primary change associated with this amendment is the requirement to pay back unused diversion funds 60 days after the end of the Fiscal Year. If we remain on our current pace, we will easily use up the available funds for this program.
- I have attached a **DSHS Contract Accountability Memo** to this update. The memo reminds contractors like Tri-County that "all contract service targets, measures, outcomes, and requirements are subject to sanctions and remedies." DSHS has been preparing to fine Centers for the overuse of state hospital beddays and Centers have



challenged DSHS about such fines. This memo is DSHS' response to these challenges. Historically, DSHS has not sanctioned or fined Centers for much beyond missing service targets and for missing reporting deadlines. However, it should be noted that nearly all Centers, including Tri-County, have clinical outcomes which are not in line with contract requirements. If DSHS decides to diligently enforce their contractual ability to sanction providers, most Centers could face fines. Ironically, Tri-County has never been an over utilizer of state hospital beddays and would not be concerned about those fines.

- Our **Local Planning and Network Development** plan was approved by DSHS. Staff have begun developing our draft Request For Proposals which must be posted on our website no later than April 11, 2013. After the two week posting period is complete, staff will revise the RFP as needed and will then attempt to procure services as required by the Provider Network Development Rule. As a reminder, our plan committed us to attempting to procure Adult Service Package 1 (Medication Only) and Adult Service Package 3 (Adult Rehabilitation) services. We have never had a response to our LPND RFP.
- There are several requirements related to **Texas Resilience and Recovery** which are concerning to many centers. Some of the requirements would require significant amounts of new services for consumers without additional reimbursement and others are just procedurally cumbersome (e.g. getting trained therapists certified by DSHS to provide therapy). I have been in contact with the Texas Council about some of these requirements and have been told that they are working on them with DSHS. The changes associated with TRR as currently planned will likely require that much of our current service system to be redesigned.
- Unfortunately, the Center missed their **Adult Minimum Hours Target** for the first half of FY 2013. The target is met when at least 80% of persons in a Service Package receive the minimum hours for their package. The hours vary by package and range from ½ hour to 3 ½ hours per month. Our performance for the months of November and December was poor, but performance had recovered in January. However, a slightly low February brought our 6 month average back down to 79.2%. We have not yet heard from DSHS about a sanction associated with our performance, but I expect that we may be fined. System design issues are being modified to ensure that our performance is much better for the 2<sup>nd</sup> half of the year.

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

- Our IDD Provider staff are preparing for their annual audit sometime in April. The audit dates are announced to Provider staff 21 days prior to the review and have been in mid to late April for the last few years. This audit is different from the Authority (overseer) review that was completed in late January. Historically our Center has done very well in the IDD Provider Audits.

- On a positive note, we received a perfect score on the Waiver Survey and Regulatory Certification on the Home and Community Based 3-person home in Huntsville earlier this month. You may remember that this home, which is next to our Huntsville service facility, was refurbished by our Maintenance Department last year so three of our HCS consumers could move near the Huntsville Day Habilitation program. Congratulations to Kathy Luker-Foster and her staff.

### **Medicaid 1115 Waiver Transformation Updates**

- Activity related to the Medicaid 1115 Waiver Transformation continues. Since the last Board meeting, we have submitted Intergovernmental Transfer (IGT) funds to pull down Region 17 planning funds and have received word that Region 2 has submitted their plan to HHSC.

In the most recent communication from Region 17, we have received the following updates:

- The Centers for Medicare and Medicaid Services (CMS) will notify Region 17 providers of any projects, or elements of projects, which are not approvable by April 4<sup>th</sup>.
- If any of our plans, or plan elements are not approved, we will have the opportunity to replace these plans. If plans have to be replaced, final approval on the plans will not be known until July 8, 2013.

As you are aware, we have plan deliverables for demonstration year 2 (DY2) which is currently half over. We are hopeful that our plans will be final approved soon so we can get busy meeting these plan requirements.

- We have posted a position that will work to ensure that plans are developed appropriately and that all plan deliverables are met. This position will be paid for out of DY 1 planning money and will begin in the next month.

### **Cleveland Property Easement**

- As you are aware, we continue to work on a property easement related to the College Street property in Cleveland. I have had a few contacts with the City of Cleveland and legal staff from Jackson Walker. We continue to work on possible solutions, but the City wants us to provide the easement on our property without providing us with their final survey showing the proposed improvements and we cannot state definitively that the improvements will be okay without the final survey. We will continue to work on a solution but I wanted to provide you an update.

### **Legislative Session Updates**

- One of the bills that I have been watching very closely is Senate Bill 7 (SB7). As you are aware, SB 7 would move most of the intellectual and developmental disability waiver

services into the Star + Plus managed Medicaid Product. Since the last report on this bill, a substitute bill was filed CSSB7 which extended the timeline for the bill and on Monday, March 25<sup>th</sup>, Senator Nelson added an amendment to the bill which would 1) allow for optional movement from waivers to managed care for those currently receiving waiver services and 2) clearly defined the role of the Local Authority as the safety net.

I attended the HHSC hearing on SB 7 and the large conference room at HHSC was literally standing room only. None of the families or advocates that spoke were in favor of MCO involvement in the waivers-many had experienced, as we have, the Star + Plus model for medical services for their IDD family members and saw significant decrease in service vs. traditional Medicaid. However, I also spoke with the Texas Council IDD Legislative staff, Suzanne Elrod, at this same meeting. Her take on SB 7 was that a) opposing this legislation that is backed by many of the same offices that are backing new MH funding may put the MH funding in jeopardy, b) that implementation in 2020 (as proposed in the substitute) gave the Centers several legislative sessions to modify the bill/implementation of the same, and c) many of the more complex social services (like residential) would be included in pilots and she felt that MCOs probably won't find these services fit in their model.

I spoke with Mr. Walker about my concerns and about going against the Texas Council on this legislation; he was supportive of my doing so. However, I also told him that I would watch for other Centers before I jumped into a stance against the Council. Ultimately, it seems unlikely that being the only Center off message would make much of an impact on the legislation and there is some political risk with doing so. For now, I am continuing to monitor the legislation and will provide you continued updates.

- We continue to watch the activity related to Senate Bill 58. Senate Bill 58 would integrate ('carve in') Case Management and Rehabilitation services, which can currently only be provided by Community Centers, into the Star + Plus managed Medicaid system. This is seen by some Centers as a good alternative to allowing a managed care company to manage all community services 'carve out' (e.g. Northstar in Dallas). However, I am concerned about the fragmentation that might occur with multiple providers entering the mental health services system and am concerned about this legislation as well. At this point, the Texas Council is unsure if the legislation will come to the floor for a vote.
- Attached to this update I have provided a **Status of Appropriations for DSHS New and Exceptional Items** and a **Status of Appropriations for DADS Exceptional Items**. As you will note, there is significant new funding available in both the Senate and House bills for mental health funding, but DADS funding increases are essentially related to the growth of caseloads and the costs to serve these individuals. However, at this point, there is no reinstatement of the General Revenue we lost in IDD services last session.

- I have attached the Texas Councils Current Bill Tracker summary to this report for your information.



## TEXAS DEPARTMENT OF STATE HEALTH SERVICES

DAVID L. LAKEY, M.D.  
COMMISSIONER

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Austin, Texas 78714-9347  
1-888-963-7111  
TTY: 1-800-735-2989  
[www.dshs.state.tx.us](http://www.dshs.state.tx.us)  
**Broadcast MSG0692**

February 27, 2013

To: Executive Directors,  
Local Mental Health Authorities (LMHAs)

From: Roderick Swan, Manager,  
Mental Health Contracts Management Unit

Re: Contract Accountability

Pursuant to Section 19.01 of the FY12-13 Performance Contract General Provisions, DSHS will monitor programmatic and financial compliance with the contract and may impose sanctions and remedies for any breach of the contract. DSHS has received numerous inquiries from LMHAs regarding the potential enforcement of various contractual requirements. Please be advised that all contract service targets, measures, outcomes, and requirements are subject to sanctions and remedies.

Current contractual requirements are considered important to the successful delivery of mental health services statewide and need to be monitored for compliance. Contract managers will not be sending formal warnings prior to the imposition of a sanction or remedy. This does not mean that DSHS will impose sanctions or remedies for every instance of non-compliance with the contract. LMHAs are encouraged to inform their assigned contract managers of unique local circumstances that present barriers to contract compliance. Collectively, LMHAs are encouraged to work collaboratively with DSHS through various groups and consortia to identify contractual needs that support successful service delivery, reduce barriers to implementation of services, and promote accountability.

Thank you for your attention to this matter and your continued efforts to serve the citizens of Texas.



| <b>Status of Appropriations - DSHS<br/>Exceptional &amp; New Items</b> |  | <b>Senate</b>          | <b>House</b>           |
|--|--|------------------------|------------------------|
| <b>EI 6. Waiting Lists:</b>  |  | <b>FY 2014-15 (GR)</b> | <b>FY 2014-15 (GR)</b> |
| MH Adults  |  | \$ 54,100,000          | \$ 54,100,000          |
| MH Children  |  | \$ 3,100,000           | \$ 3,100,000           |
| <b>Subtotal - WL</b>   |  | <b>\$ 57,200,000</b>   | <b>\$ 57,200,000</b>   |
| <b>EI 7. Substance Use Disorder Services</b>                           |  |                        |                        |
| Capacity Expansion   |  | \$ 4,941,828           | \$ 4,941,828           |
| Substance Use Provider Rate (S: 10%) (H: 3.9%)                         |  | \$ 15,392,957          | \$ 6,000,000           |
| DFPS Slots   |  | \$ 10,136,707          | \$ 5,000,000           |
| <b>Subtotal - SUD</b>  |  | <b>\$ 30,471,492</b>   | <b>\$ 15,941,828</b>   |
| <b>EI 8. BH Treatment Outcomes</b>                                     |  |                        |                        |
| Oxford House   |  | \$ 1,140,000           | \$ 1,140,000           |
| DFPS Slots   |  | \$ 2,056,262           | \$ 2,056,262           |
| Rental Assistance  |  | \$ 20,017,406          | \$ 20,017,406          |
| <b>Subtotal - Treatment Outcomes</b>                                   |  | <b>\$ 23,213,668</b>   | <b>\$ 23,213,668</b>   |
| <b>New Items</b>   |  |                        |                        |
| Public Awareness   |  | \$ 4,000,000           | \$ -                   |
| Prevention and Intervention  |  | \$ 2,000,000           | \$ -                   |
| MH Crisis  |  | \$ 30,000,000          | \$ 25,000,000          |
| Treatment (surge: \$10 M adults & \$10 M children)                     |  | \$ 20,000,000          | \$ 20,000,000          |
| YES Waiver   |  | \$ 32,500,000          | \$ 32,500,000          |
| Collaborative Projects   |  | \$ 10,000,000          | \$ 25,000,000          |
| Underserved - LMHA   |  | \$ 17,000,000          | \$ 17,000,000          |
| Underserved - NorthSTAR (House)  |  | \$ -                   | \$ 6,000,000           |
| Veterans MH (House)  |  | \$ 4,000,000           | \$ 4,000,000           |
| <b>Subtotal - New Items</b>  |  | <b>\$ 119,500,000</b>  | <b>\$ 129,500,000</b>  |
| <b>Grand TOTAL</b>   |  | <b>\$ 230,385,160</b>  | <b>\$ 225,855,496</b>  |

| <b>Status of Appropriations - TCOOMMI</b>            |  | <b>Senate</b>          | <b>House</b>           |
|--|--|------------------------|------------------------|
| <b>Parolee Post Release Case Management Programs</b> |  | <b>FY 2014-15 (GR)</b> | <b>FY 2014-15 (GR)</b> |
|  |  | \$ 5,997,600           | \$ 5,997,600           |

| <b>Status of Appropriations - Texas<br/>Juvenile Justice Department (TJJD)</b> |  | <b>Senate</b>          | <b>House</b>           |
|--|--|------------------------|------------------------|
| <b>Goal A. Community Juvenile Justice</b>                                      |  | <b>FY 2014-15 (GR)</b> | <b>FY 2014-15 (GR)</b> |
| Mental Health  |  | \$ 15,200,000          | \$ 15,200,000          |

|  | Senate          | House           |
|--|-----------------|-----------------|
| Status of Appropriations - DADS<br>Exceptional Items       | FY 2014-15 (GR) | FY 2014-15 (GR) |
| El 1. Caseload Growth                                      | \$ 59,548,817   | \$ 59,548,817   |
| El 2. Maintain SSLC Operations                             | \$ 17,448,478   | \$ 7,806,336    |
| El 3. PASRR  | \$ 9,756,150    | \$ 9,756,150    |
| El 4. Cost Trends  | \$ 61,868,490   | \$ -            |
| El 5. Promoting Independence                               |                 |                 |
| Movement from Small/Medium ICF (400 HCS Slots)             | \$ 10,835       | \$ 10,835       |
| Children Aging Out of Foster Care (192 Slots)              | \$ 4,494,998    | \$ 4,494,998    |
| Prevention of Institutionalization/Crisis (300 HCS Slots)  | \$ 8,051,823    | \$ 8,051,823    |
| Prevention of Institutionalization/Crisis (100 CBA Slots)  | \$ 661,468      | \$ 661,468      |
| Movement of Individuals with IDD from NFs (120, 240 Slots) | \$ 3,344,693    | \$ 3,344,693    |
| DFPS Children (25 HCS Slots)                               | \$ 729,749      | \$ 729,749      |
| Subtotal - Promoting Independence                          | \$ 28,117,303   | \$ 28,117,303   |
| El 6a. Community Expansion                                 | \$ 66,218,242   | \$ 54,703,788   |
| El 6b. Provide Attendant and Habilitation Services (IDD)   | \$ 41,665,743   | \$ 41,665,743   |
| El 8. Improving Support for SSLC Residents                 | \$ 19,927,127   | \$ 13,712,460   |

|  | Senate          | House           |
|--|-----------------|-----------------|
| Status of Appropriations - DARS<br>Exceptional Items         | FY 2014-15 (GR) | FY 2014-15 (GR) |
| El 1. Maintain ECI Service Levels at 2.9 Hours/Child/Month   | \$ \$10,825,925 | \$ 10,825,925   |
| El 2. Expand Autism Services to Unserved Areas (4 providers) | \$ -            | \$ 4,751,198    |

**From:** Maria Rios <MRios@txcouncil.com> on behalf of Communications@txcouncil.com  
**Sent:** Sunday, March 24, 2013 11:45 AM  
**To:** Maria Rios  
**Cc:** Maria Rios  
**Subject:** Bill Tracker 83rd Legislature Vol. 13: March 24, 2013  
**Attachments:** TEXAS COUNCIL BILL TRACKING REPORT\_3\_24\_2013.pdf



## March 24, 2013

Attached, please find Vol. 13 of the Texas Council Bill Tracking Report for the 83<sup>rd</sup> Legislative Session. **We will release a new Bill Tracking Report every week from now until the end of the 83<sup>rd</sup> Legislative Session.** Our goal is to keep you informed about legislation relevant to our system of care.

As of today, the Texas Legislature has filed **6047** bills. The Texas Council is currently tracking **333** of these bills.

The Executive Summary below highlights bills specific to Mental Health and Intellectual and Developmental Disability issues.

If you identify a bill not on this list that you think should be tracked, please let us know. We greatly appreciate your feedback.

### Questions?

- For Mental Health legislation contact Joe Lovelace at [jlovelace@txcouncil.com](mailto:jlovelace@txcouncil.com).
- For IDD legislation contact Susanne Elrod at [selrod@txcouncil.com](mailto:selrod@txcouncil.com).

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## Executive Summary

The following bills have been highlighted for your review (click on the bill number for more information via Texas Legislature Online):

<sup>810</sup>  
**Mental Health Bills**

HB 2625

Coleman, Garnet(D)

Relating to disease management practices of local mental health authorities.

**REVISED BRIEF:** Amends "Disease Management" section of Health and Safety Code to require local mental health authorities to expand adult and children disorders services to include those diagnosed with: bipolar disorder; schizophrenia; major depressive disorder; PTSD; paranoid disorder; schizoaffective disorder, including bipolar and depressive types; pervasive developmental disorder; obsessive compulsive disorder; dysthymia; panic disorder; attention deficit disorder; or tic disorder, including Tourette's disorder.

**Bill History:** 03-18-13 H Introduced and referred to committee on House Public Health

HB 3427

Lavender, George(R)

Relating to the transport of a mental health patient who is not a resident of this state.

**BRIEF:** Amends 571.008 of the Health and Safety Code Relating to the Return of a Committed to State of Residence. Requires the state returning a committed person to another state to bear the expenses of returning the patient, unless the state agrees to share cost under a reciprocal agreement described in new Section 571.0081. New Section 571.0081 addresses the "reciprocal agreement" process and includes DSHS and LMHAs in its scope. If a state or local authority of another state petitions the DSHS, it shall enter into a reciprocal agreement to facilitate the return of persons committed to mental health facilities in this state to the state of their residence unless it determines the terms of the agreement are not acceptable. An agreement must require DSHS to develop a process for return including providing suitable care; using available resources efficiently; and

considering commitment to a proximate mental health facility. DSHS shall coordinate with the LMHA, a mental health facility, mental hospital, health service providers, courts and law enforcement located in the geographic area nearest the petitioning state.

**Bill History:** 03-08-13 H Filed

HB 3149 Collier,  
Nicole(D)

Relating to an extension for the time a person may be detained in custody for a preliminary examination.

**BRIEF:** Provides for a Preliminary Examination Extension under Emergency Detention Section 573.021 of the Health & Safety Code. Beyond the 48 hours provided for an examination under an emergency detention, a county may adopt the procedure provided in this bill (573.0211) to allow for a Preliminary Examination Extension if a majority of the judges of courts with probate jurisdictions in the county approve. If during the examination of the patient, the physician determinations that additional evaluation, observation, or treatment is needed to properly assess the person and determine if the person needs court-ordered mental health services, the physician and the person (represented by an attorney, if requested), may agree to the extension beyond the 48-hour period.

**Bill History:** 03-19-13 H Introduced and referred to committee on House Public Health

SB 1438 Paxton, Ken(R)

Relating to the transportation of certain mental health patients.

**BRIEF:** Amends Subchapter B of the Health & Safety Code regarding a Judge's or Magistrate's Order for Emergency Apprehension and Detention. If the court finds evidence to issue the warrant, it will be issued to an on duty peace officer for the person's immediate apprehension.

SB 1438 provides that a person apprehended under this section shall be transported for a preliminary examination to:

- the nearest appropriate inpatient mental health facility in the county in which the person is apprehended;
- a mental health facility deemed suitable by the local mental health authority, if an appropriate inpatient mental health facility is not available; or
- if there is no appropriate inpatient mental health facility in the county in which the person is



apprehended, the nearest appropriate mental health facility outside the county in which the person is apprehended.

**Bill History:** 03-18-13 S Introduced and referred to committee on Senate Health and Human Services

## IDD Bills

HB 2276 Crownover, Myra(R)

Relating to notice of residential services available for persons with intellectual disabilities.

**BRIEF:** In addition to explanation already required, the department shall ensure that each person inquiring about residential services receives:

- (1) a pamphlet or similar informational material explaining that a state supported living center may be an option available to an individual who is eligible for those services; and
- (2) information relating to whether appropriate residential services are available in the state supported living center located nearest to the residence of the proposed resident.

**Bill History:** 03-26-13 H Meeting set for 8:30 A.M., E2.030 House Human Services

HB 2721 Raymond, Richard(D)

Relating to improving the delivery and quality of certain health and human services, including the delivery and quality of Medicaid acute care services and long-term services and supports.

**BRIEF:** Same as CSSB 7. ([Click here for latest summary.](#))

**Bill History:** 03-06-13 H Filed

HB 3251 Zerwas, John(R)

Relating to the assessment of the long-term care needs of certain persons with intellectual and developmental disabilities and a resource allocation system for certain Medicaid program services provided to those persons.

**BRIEF:** The department shall implement an

automated functional assessment tool for use in assessing the needs of persons with IDD who receive long-term care services and supports, including those in a waiver program; or are on an interest list, including a waiver program.

Not later than August 31, 2014, the department shall prepare and submit to the governor and the Legislative Budget Board a report describing the automated functional assessment tool that the department develops or selects, and a plan for the implementation of the tool.

Not later than January 1, 2018, the department shall implement, in the most cost-effective manner possible, in phases described in the bill.

The department shall also develop and implement a resource allocation system for use in the HCS waiver program that:

- (1) is based on a reliable assessment of the types and levels of need of persons receiving and seeking services under the program; and
- (2) ensures that persons receiving services under the program only receive services that are appropriate and medically necessary, and at the appropriate funding levels.

**Bill History:** 03-19-13 H Introduced and referred to committee on House Human Services

SB 1226 Zaffirini, Judith(D)

Relating to the establishment of an employment-first policy and task force that promote opportunities for individuals with disabilities to earn a living wage with competitive employment.

**BRIEF:** Requires the Department of Assistive and Rehabilitative Services to adopt and implement an employment-first policy stating that earning a living wage with competitive employment in the general workforce is the first and preferred outcome of all publicly funded services provided to working-age individuals with disabilities.

The department, with the executive commissioner, shall establish an interagency employment-first task force to design outreach to raise expectations of the success of individuals with disabilities; develop recommendations for

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policy and procedure changes necessary to allow the employment-first policy to be fully implemented; and produce a report to the department and executive commissioner that estimates the reduction in publicly funded services that can be accomplished by implementing the employment-first policy.

**Bill History:** 03-13-13 S Introduced and referred to committee on Senate Health and Human Services

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*This message has been transmitted to Texas Council Board Members and Chief Executive Officers/Executive Directors.*



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

### **March 28, 2013**

**Cost Accounting Methodology (CAM) Report** – We have finally submitted the completed CAM report for FY 2012 on March 8<sup>th</sup> to both DADS and DSHS. We have done some comparisons to the past 3 years of reports to see where changes may be needed and will give feedback to managers as required.

**Request for Proposals for Auditor** - The request for proposals for the new auditor will go out sometime next week. We have received listings from other community centers of Auditors that they have used. We will determine the best choices based on locations of these auditors and will subsequently send the letters of requests. We hope to have a choice of at least 3 to 5 auditors for the Board to interview sometime in early May so we can have a recommendation made at the May Board meeting.

**DADS Fiscal Monitoring Review Follow-up** – On March 15<sup>th</sup>, we received a request from DADS for a status report from last year's Fiscal Monitoring Review. This report is due back to DADS by April 1<sup>st</sup>. Here is our report:

- **Finding #1:** No Update requested.
- **Finding #2:** DADS reviewed the Center's FY 2011 contracts to ensure that procedures were in place regarding the granting and monitoring of contracts with IDD service providers. The following was noted:
  - DADS found one contract in their sample that did not reflect the services being provided. In the original contract, Day Habilitation and Supported Home Living (SHL)/Transportation services were listed. This contract was amended 2/1/11, to reduce the payment amounts for Day Habilitation and to remove SHL/Transportation services in total. The contractor continued to receive payments for SHL/Transportation services and was also paid directly for Respite Services not mentioned in the contract. The contract also specified SHL services would be paid based on weekly time logs and the number of riders. The only documentation submitted was an invoice requesting payment for a monthly transportation fee for each client served.

DADS recommend that the Center revise and improve its contract review procedures to ensure all payments to contractors are for services covered by the contract and all required documentation supporting these services has been submitted.

**Management Response:** Tri-County will provide additional documentation of the questioned costs that fall under another program area where we have contracts with the In Home and Family Support families. At the time of the review, the Program Manager was out on leave and not available to correct during the review process.

**Status Update:** We have corrected and ensured that all respite reimbursement is to the caregiver as opposed to the provider. The caregiver pays the provider directly.

- **Finding #3:** DADS reviewed the Center's Schedule of Indirect Cost for FY 2011 as reported in the FY 2011 Independent Annual Financial Report, to determine if the Center is in compliance with the Audit Guidelines and with the performance Contract in calculating and reporting indirect costs and the indirect cost rate. The following was noted:

- Debt service interest costs of \$89,562 were incorrectly reported as unallowable costs.
- Administrative depreciation costs of \$39,706 were included as direct costs instead of indirect costs.
- Reported unallowable capital outlay costs were overstated by \$100,000.

The above adjustments result in an increase in the reported indirect cost rate from 10.14% to 10.31%.

DADS recommended that the Center include the debt service interest costs as allowable costs and the Center report administrative depreciation costs as indirect costs in subsequent Schedule of Indirect Costs.

**Management Response:** Tri-County will report as recommended in future Schedule of Indirect Costs.

**Status Update:** This recommendation was corrected and reported in the FY 2012 Audit as recommended in the Schedule of Indirect Costs.

- **Finding #4:** DADS reviewed a sample of IDD and indirect expenditures in FY 2011 to determine if the Center is in compliance with State and contract requirements regarding recording, documenting, and properly allocating expenditures. They noted the following:
  - In the examination of travel expenditures, there was an instance where the amount paid for out of state lodging exceeded the General Services Administration allowable rate. The excess amount was not charged to an unallowable account funded by sources other than general revenue.

DADS recommended the following: The Center has procedures in place to charge lodging costs and per diem in excess of the allowable state rate to an unallowable account. DADS recommend both in-state and out-of-state lodging and per diem be reviewed for amounts in excess of the allowable rate, and when found, charge to the unallowable account.

**Management Response:** Tri-County will review all travel expenses to ensure that any amount in excess of the allowable state rate be moved to the unallowable account.

**Status Update:** Tri-County reviews all travel expenditures to ensure that all amounts are within the allowable rates as recommended and if over the allowable rate moved to the unallowable account as required by both DADS and DSHS contracts.

- **Finding #5:** DADS reviewed a sample of administrative and IDD personnel folders to determine if sufficient employment information was available to support business operations. They noted the following:
  - Although the Center has a policy requiring regular performance evaluations, one employee's personnel folder did not contain an evaluation and another employee's folder had no recent evaluation, the last one was dated February 11, 2008.
  - One employee's personnel folder contained a Position Description for a Lead Human Resource Specialist while the employee was evaluated as a Human Resource Specialist.



- Another employee was classified as a Service Coordinator II, but received an evaluation for a Service Coordinator.

DADS recommended the Center review personnel folders to ensure employees are evaluated on a consistent reoccurring basis and the evaluation is performed for the position assigned to the employee.

**Management Response:** Tri-County will follow DADS recommendations.

**Status Update:** Tri-County continues to monitor timeliness of performance evaluations to help ensure that supervisors complete as required. Human Resource Department sends out reminders to all managers when evaluations are due on a quarterly basis.

- **Finding #6:** DADS reviewed the Center's internal controls over fixed assets and selected a sample of assets from IDD programs and from indirect programs to determine whether fixed assets purchased with State funds meet State and contract requirements. They noted the following:
  - One of the sample items was not currently in services. It had been assigned for disposal, but was still on the asset list. Transfer forms showing this change had not been processed.

DADS recommended the Center complete transfer forms on all surplus or obsolete assets to maintain its inventory records in accordance with the UGMS requirements.

**Management Response:** Tri-County will follow DADS recommendations.

**Status Update:** Tri-County continues to perform inventory counts as required by UGMS. As a part of the inventory process, any movement of inventory items between offices or to surplus or if an item is obsolete an inventory tracking form is required to be completed and turned in the accounting for proper tracking of inventory.

**Electronic Health Records (EHR)** – As you may remember last year as part of the Health Information Technology for Economic and Clinical Health Act, incentive payments were authorized through Medicare or Medicaid to clinicians and hospitals when they used EHR's to achieve specified improvements in care delivery. Certain software criteria had to be achieved by specific dates in order to qualify for the incentive payments. Tri-County chose to go with the Medicaid Incentive since the amounts were more and the percentage of Medicaid clients we served met the criteria for the payments. Last year we received \$85,000 for the first year for our prescribing staff that qualified and this year we have two staff that qualifies for the first year money so we can expect to receive an additional \$42,000 in the next couple of months. We will continue to get annual payments for up to 6 years as we continue to develop our electronic health records to meet the regulations.

**Days of Operation Ratio** – Updated Days of Operation Ratio is 140. This amount is up by 25 compared to what our days of were after the final audit numbers were in from August 31. Part of this is due to the payment schedule of the general revenue funds which causes us to have a large deferred revenue balance at this time of the year. We also received a large amount of settle-up funds from FY 2010 in February which raised our cash balances significantly.

**FY 2012 ICF, HCS and TxHmL Cost Reports** – Cost Reports for ICF, HCS and Texas Home Living programs are due on April 15<sup>th</sup>. We are in the final preparation stages of these reports and they will be submitted on time.

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| <p><b>Agenda Item:</b> Approve Submission of Montgomery County United Way 2013 Request for Funding Application</p> <p><b>Committee:</b> Program</p>  | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>Tri-County has applied for funding through Montgomery County United Way for many years to meet the needs of the community which are not covered by other funding sources. This year Tri-County will be applying for three (3) grants for a total of <b>\$220,500.</b></p> <p><u>Intellectual and Developmental Disabilities Services:</u> Requesting funding for summer camp and respite for individuals with intellectual and developmental disabilities. Amount requested: <b>\$16,000.</b></p> <p><u>Psychiatric Emergency Treatment Center:</u> Requesting funding for the Day Treatment Program. Amount requested: <b>\$130,000.</b></p> <p><u>Substance Abuse Treatment Program:</u> Funding requested for adult and youth outpatient substance abuse treatment. Amount requested: <b>\$74,500.</b></p> |  |
| <p><b>Supporting Documentation:</b></p> <p>Grant Summary</p>   |  |
| <p><b>Recommended Action:</b></p> <p><b>Approve Submission of the Montgomery County United Way 2013 Request For Funding Application</b></p>  |  |

## Montgomery County United Way 2013 Request For Funding Applications Summary

**Intellectual and Developmental Disabilities (IDD) Services:** Consumers with intellectual and developmental disabilities will have the opportunity to attend summer camp and/or request respite to give families/caregivers needed breaks from the daily services they provide in order to maintain the stability of the living environment. Although many services are available at Tri-County, there are limits to the numbers of persons served in certain programs based on current funding limitations. Each month Tri-County receives requests for hundreds of hours of respite care. The current budget plus the MCUW award has determined that IDD consumers and their families be allowed a maximum of 100 hours per year or 10 hours per month. Upon request, consumers will be provided 5 days of day camp during the summer. The family will have the option of selecting a camp designed specific to the disability of the individual. Due to an abbreviated 2013 application process and an MCUW request for flat-funding **to equal no more than last year's award**, Tri-County has requested **\$16,000** to provide these services.

**Psychiatric Emergency Treatment Center (PETC) - Day Treatment Program:** From 2008 to 2012, the CRU/PETC received grants from MCUW to cover the costs of the Day Treatment Program (DTP) component of the CRU/PETC program. The PETC is requesting funding from the MCUW to maintain staffing in the DTP to address the level of acuity of the clients. The DTP will continue to provide a structured, intensive skills training service to clients in the program 6 hours a day, 7 days a week. Also addressed are behavioral issues and medication management. In FY 2012, 366 unduplicated Montgomery County residents were served through DTP program. Due to an abbreviated 2013 application process this year and an MCUW request for flat-funding **to equal no more than last year's award**, Tri-County has requested **\$130,000** to continue the Day Treatment Program.

**Substance Abuse Treatment Program (SATP):** In 2009, the SATP received funding for the first time from MCUW for the purpose of providing intensive, outpatient substance abuse treatment services to adults and adolescents. In 2010, MCUW again provided assistance to help leverage state funding for substance abuse treatment. Tri-County state facility licensure allows substance abuse treatment for adults and adolescents for a total of 180 slots. Current staff include a full-time Program Manager and full-time Co-Occurring Psychiatric Substance Use Disorder (COPSD) Specialist for the adult program and a full-time Team Leader who is a Licensed Chemical Dependency Counselor (LCDC) for the youth program. The 2011 MCUW grant allowed for the addition of one full-time LCDC Intern to the adult program and one full-time LCDC Intern for the youth program. In 2012, the SATP applied only for the Adult Program. With the growth of the Youth SA Program, they will be applying once again for the adults and youths. Due to an abbreviated 2013 application process this year and an MCUW request for flat-funding **to equal no more than last year's award**, Tri-County has requested **\$74,500** to maintain staffing levels in the adult and youth substance abuse treatment programs.

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| <b>Agenda Item:</b> Community Resources Report for February 2013<br><br><b>Committee:</b> Program | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>None  |   |
| <b>Supporting Documentation:</b><br><br>Community Resources Report for February 2013              |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>                                     |   |

# Community Resources Report

## Volunteer Hours:

| Location     | February     |
|--------------|--------------|
| Conroe       | 119.5        |
| Cleveland    | 5            |
| Liberty      | 41           |
| Huntsville   | 11           |
| <b>Total</b> | <b>176.5</b> |

## COMMUNITY ACTIVITIES:

|              |   |               |
|--------------|---|---------------|
| 3/4/13       | Texas Families Council of Montgomery County                   | The Woodlands |
| 3/5/13       | Liberty/Dayton Chamber of Commerce Banquet                    | Liberty       |
| 3/6/13       | Leadership Montgomery County Board Meeting                    | Montgomery    |
| 3/6-3/7/13   | Montgomery County Community Development Planning Meetings     | Magnolia      |
| 3/7/13       | Conroe ISD Transition Fair                                    | Conroe        |
| 3/7/13       | Walker County Community Resource Coordination Group           | Huntsville    |
| 3/7/13       | Cleveland Chamber of Commerce Luncheon                        | Cleveland     |
| 3/7/13       | Walker County Expo Fair                                       | Huntsville    |
| 3/11/13      | IDD Proclamation at Montgomery County Commissioners Court     | Conroe        |
| 3/11/13      | IDD Proclamation at Walker County Commissioners Court         | Huntsville    |
| 3/11/13      | Liberty County Community Resource Coordination Group          | Liberty       |
| 3/11/13      | Responding to Crisis Council Meeting                          | Conroe        |
| 3/12/13      | Montgomery County Community Development Planning Meeting      | Splendora     |
| 3/12/13      | IDD proclamation at Liberty County Commissioners Court        | Liberty       |
| 3/13/13      | Homeless Coalition Meeting – General Meeting                  | Conroe        |
| 3/14/13      | Huntsville Chamber of Commerce Breakfast                      | Huntsville    |
| 3/19/13      | Jail Diversion Executive Task Force Meeting/1115 Presentation | Conroe        |
| 3/19/13      | Montgomery County Community Resource Coordination Group       | Conroe        |
| 3/19/13      | Montgomery County United Way Disaster Recovery Taskforce      | The Woodlands |
| 3/19-3/21/13 | Montgomery County Community Development Planning Meetings     | Splendora     |
| 3/20/13      | <b>Speaker's Bureau</b> – Huntsville Rotary Club              | Huntsville    |
| 3/20/13      | Walker County Child Fatality Review Team Meeting              | Huntsville    |
| 3/20/13      | Roots of Change Coalition Meeting                             | Conroe        |
| 3/21/13      | Adult Protective Services Task Force Meeting                  | Conroe        |
| 3/22/13      | Cleveland Chamber Annual Banquet                              | Cleveland     |
| 3/26/13      | Montgomery County Community Development Planning Meetings     | Splendora     |
| 3/27/13      | Liberty County Child Fatality Review Team Meeting             | Liberty       |

## UPCOMING ACTIVITIES:

|        |   |               |
|--------|---|---------------|
| 4/2/13 | Montgomery County United Way Well Being Counsel Meeting | The Woodlands |
| 4/3/13 | Liberty County Community Resource Coordination Group    | Liberty       |
| 4/4/13 | Walker County Community Resource Coordination Group     | Huntsville    |
| 4/4/13 | Lone Star College Wellness Expo and Job Fair            | Montgomery    |

|         |  |               |
|---------|--|---------------|
| 4/4/13  | Cleveland Chamber of Commerce Luncheon                   | Cleveland     |
| 4/8/13  | Responding to Crisis Council Meeting                     | Conroe        |
| 4/10/13 | Woodlands Area Chamber of Commerce Luncheon              | The Woodlands |
| 4/10/13 | Montgomery County United Way Funded Partners Meeting     | The Woodlands |
| 4/11/13 | Huntsville Chamber of Commerce Breakfast                 | Huntsville    |
| 4/11/13 | Liberty County Business Expo                             | Liberty       |
| 4/16/13 | Montgomery County United Way Disaster Recovery Taskforce | The Woodlands |
| 4/16/13 | Montgomery County Community Resource Coordination Group  | Conroe        |
| 4/17/13 | Walker County Child Fatality Review Team Meeting         | Huntsville    |
| 4/17/13 | Roots of Change Coalition Meeting                        | Conroe        |
| 4/24/13 | Liberty County Child Fatality Review Team Meeting        | Liberty       |

|   |   |
|---|---|
| <b>Agenda Item:</b> Consumer Services Report for February 2013<br><br><b>Committee:</b> Program | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>None  |   |
| <b>Supporting Documentation:</b><br><br>Consumer Services Report for February 2013              |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>                                   |   |

Consumer Services Report – February 2013

| Crisis Services, MH Adults/Children                    | Montgomery County | Cleveland | Liberty | Walker County | Total |
|--|-------------------|-----------|---------|---------------|-------|
| Persons Screened, Intakes, Other Crisis Services       | 480               | 43        | 29      | 52            | 604   |
| Crisis and Transitional Services (SP 0, SP5)           | 62                | 2         | 5       | 1             | 70    |
| Psychiatric Emergency Treatment Center (PETC) Served   | 27                | 5         | 5       | 3             | 40    |
| Psychiatric Emergency Treatment Center (PETC) Bed Days | 169               | 22        | 16      | 21            | 228   |
| Contract Hospital Admissions                           | 13                | 3         | 0       | 1             | 17    |
| Diversion Admits                                       | 7                 | 3         | 0       | 0             | 10    |
| Total State Hospital Admissions                        | 8                 | 1         | 1       | 0             | 10    |
|  |                   |           |         |               |       |
| Routine Services, MH Adults/Children                   |                   |           |         |               |       |
| Adult Service Packages (SP 1-4)                        | 694               | 91        | 81      | 121           | 987   |
| Adult Medication Services                              | 538               | 51        | 64      | 86            | 739   |
| Child Service Packages (SP 1.1-4)                      | 267               | 19        | 7       | 42            | 335   |
| Child Medication Services                              | 114               | 11        | 5       | 11            | 141   |
| TCOOMMI (Adult Only)                                   | 97                | 8         | 4       | 13            | 122   |
| Adult Jail Diversion Services                          | 7                 | 0         | 1       | 0             | 8     |
| Juvenile Detention Diversion Services                  | 3                 | 0         | 0       | 0             | 3     |
|  |                   |           |         |               |       |
| Persons Served by Program, IDD                         |                   |           |         |               |       |
| Number of New Enrollments for IDD Services             | 2                 | 0         | 0       | 0             | 2     |
| Service Coordination                                   | 438               | 28        | 43      | 53            | 562   |
|  |                   |           |         |               |       |
| Persons Enrolled in Programs, IDD                      |                   |           |         |               |       |
| Center Waiver Services (HCS, Supervised Living, TxHmL) | 53                | 7         | 24      | 25            | 109   |
| Contractor Provided ICF-MR                             | 18                | 12        | 12      | 6             | 48    |
|  |                   |           |         |               |       |
| Substance Abuse Services                               |                   |           |         |               |       |
| Children and Youth Prevention Services                 | 150               | 0         | 0       | 32            | 182   |
| Youth Substance Abuse Treatment Services/COPSD         | 19                | 0         | 0       | 0             | 19    |
| Adult Substance Abuse Treatment Services/COPSD         | 26                | 0         | 0       | 0             | 26    |
|  |                   |           |         |               |       |
| Waiting/Interest Lists as of Month End                 |                   |           |         |               |       |
| Department of State Health Services-Adults             | 157               | 21        | 18      | 6             | 202   |
| Department of State Health Services-Children           | 16                | 0         | 0       | 0             | 16    |
| Home and Community Based Services Interest List        | 1234              | 101       | 104     | 108           | 1547  |
|  |                   |           |         |               |       |
| Persons Served Outside of the State Contracts          |                   |           |         |               |       |
| Benefit Package 3 Adult                                | 50                | 9         | 7       | 1             | 67    |
|  |                   |           |         |               |       |
| February Served by County                              |                   |           |         |               |       |
| Adult Mental Health Services                           | 1151              | 128       | 120     | 161           | 1560  |
| Child Mental Health Services                           | 317               | 23        | 8       | 44            | 392   |
| Intellectual and Developmental Disabilities Services   | 482               | 45        | 60      | 63            | 650   |
| Total Served by County                                 | 1950              | 196       | 188     | 268           | 2602  |
|  |                   |           |         |               |       |
| January Served by County                               |                   |           |         |               |       |
| Adult Mental Health Services                           | 1276              | 135       | 121     | 169           | 1701  |
| Child Mental Health Services                           | 309               | 19        | 7       | 42            | 377   |
| Intellectual and Developmental Disabilities Services   | 497               | 48        | 62      | 57            | 664   |
| Total Served by County                                 | 2082              | 202       | 190     | 268           | 2742  |
|  |                   |           |         |               |       |
| December Served by County                              |                   |           |         |               |       |
| Adult Mental Health Services                           | 1194              | 117       | 102     | 152           | 1565  |
| Child Mental Health Services                           | 296               | 21        | 7       | 35            | 359   |
| Intellectual and Developmental Disabilities Services   | 485               | 45        | 59      | 64            | 653   |
| Total Served by County                                 | 1975              | 183       | 168     | 251           | 2577  |



|  |   |
|--|---|
| <b>Agenda Item:</b> Program Updates for February 2013<br><br><b>Committee:</b> Program | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>None   |   |
| <b>Supporting Documentation:</b><br><br>Program Updates for February 2013              |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>                          |   |

# Program Updates

## February 2013

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### **MH Crisis and Admission Services**

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

1. Number of new admissions during the month: 118
2. PETC average daily census: 9.75

#### **B. Program Comments:**

1. Due to Psychiatry vacancies, we had to limit our average daily census capacity for the month.
2. We had turnover in our Licensed Admissions staff, but we've been successful in filling vacancies.
3. We had some increased admissions to our Contract Inpatient Hospitals, largely related to serving more aggressive patients and reduced capacity of PETC.

### **MH Adult Services**

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

1. Number of adults served during the month: 1,560
2. Number of adults served in Medication Services: 739

#### **B. Program Comments:**

1. We have started a Locum Tenens Psychiatrist in an effort to cover our vacant Psychiatry position.
2. We recently had a resignation of one of our Advanced Practice Nurses, which will present additional challenges in our Medication Prescribing Service.
3. DSHS contract targets were increased, but we continue to serve significantly more than the target number.

### **MH Child Services**

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

1. Number of children served during the month: 392
2. Number of children served in Medication Services: 142

#### **B. Program Comments:**

1. Our Child Rehabilitation Staff have been involved in a significant amount of training this month due to DSHS implementation of six new service protocols of Texas Resiliency and Recovery.
2. We have seen a gradual increase in new referrals for MH Child Services in the month.
3. We had a resignation of one of our Licensed Counselors forcing a temporary change in some staff work assignments.

## **Criminal Justice Services**

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

1. Number of adults served through Texas Office on Offenders with Medical and Mental Impairments (TCOOMMI): 120 (130 enrolled; 10 incarcerated and did not receive services in February – will not show up in Encounter data)
2. Number of jail diversions: 1

### **B. Program Comments:**

1. DSHS conducted a site visit of our Outpatient Competency Restoration Program and discussed efforts to increase referrals for this program.
2. We have been focusing efforts to increase services in Supported Housing and Supported Employment, as part of our DSHS target increases in these areas.
3. Our staff have been participating in several new state required trainings this month.

## **Substance Abuse Services**

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

1. Number of children served in Substance Abuse Prevention Services: 182
2. Number of adults served in Substance Abuse/COPSD Treatment Services:
  - a. Substance Abuse Outpatient: 26
  - b. COPSD: 14
  - c. Total unique clients served: 26
3. Number of children served in Substance Abuse Treatment Services: 19

### **B. Program Comments:**

1. Our Youth Outpatient Substance Abuse Treatment Program has served over 35 youth in FY 2013, compared to 30 for the entire FY 2012 period.
2. We continue to evaluate possible service expansion opportunities in East Montgomery and Liberty Counties.
3. We completed a United Way application, noting significant program growth in adult services for the past year.

## **IDD Services**

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

1. Total number of admissions for the month: 2
2. Total number enrolled in the Home and Community Based Services (HCS) and Texas Home Living (TxHmL) Provider Services for the month: HCS = 68 TxHmL = 42
3. Total number served within the department: HCS = 56 TxHmL = 18
4. Total number served in all IDD Services for the month: 650

### **B. Program Comments:**

1. We have started preparing for the HCS and TxHmL audits in our Provider Service Programs.

2. We continue a very busy schedule of assessing and enrolling clients for new TxHML slots we have been awarded.
3. We continue to successfully meet our general revenue targets for the IDD Services.

### **Support Information**

- A. **ETBHN/Regional Authorization:** The Regional UM Director is participating in the DSHS Utilization Management Manual Workgroup which is working on the FY 2014 revisions in preparation for Texas Resiliency and Recovery.
- B. **Grants:** The Montgomery County United Way grants for IDD, Substance Abuse, and the PETC were completed.
- C. **Veteran Affairs:** Staff had a meeting with a tenured peer support specialist from Galveston to discuss ideas and learn new and effective ways to implement the program and increase veteran involvement.
- D. **Mental Health and Intellectual and Developmental Disabilities Planning Network Advisory Committees (MH and IDD PNACs):** A combined MH and IDD PNAC meeting was held to review and provide feedback regarding the 1115 Medicaid Transformation Waiver.

### **Community Activities**

- A. "March is IDD Month" proclamations were presented in Liberty, Montgomery and Walker Counties at the respective Commissioners Courts.
- B. Representatives from Tri-County attended the Liberty/Dayton Awards Banquet on March 5<sup>th</sup>.
- C. On March 7<sup>th</sup>, representatives from Tri-County attended the Walker County Trade Expo.
- D. Frani Scates discussed Tri-County programs at the Huntsville Rotary Club On March 20<sup>th</sup>.
- E. Representatives from Tri-County attended the Cleveland Chamber Annual Banquet on March 22<sup>nd</sup>.
- F. We have two additional 1115 Waiver Meetings scheduled for March.

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|--|--|
| <p><b>Agenda Item:</b> FY 2013 Goals and Objectives Progress Report</p> <p><b>Committee:</b> Program</p>   | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>The Board of Trustees and Leadership Team met on July 28, 2012 for the annual strategic planning retreat and to develop the goals for FY 2013. Goals were discussed and a consensus was reached. Subsequently, the Leadership Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center's contracts with the Department of State Health Services and the Department of Aging and Disability Services.</p> <p>The Board also requested that quarterly progress reports be presented as a "year-to-date summary".</p> <p>This report shows progress through the 2<sup>nd</sup> Quarter of FY 2013.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>FY 2013 Goals and Objectives Progress Report</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>   |  |

# Year-to-Date Progress Report

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*September 1, 2012 – February 28, 2013*

## **Goal #1 – Technology**

*Make technology a more effective tool in Center business.*

### **Objective #1**

**Implement changes necessary to meet Electronic Health Record (EHR) Phase II Meaningful Use requirements.**

- A list of required changes to meet Phase II of Stage I of Meaningful use was developed. Processes, largely involving information captured by nurses and doctors, have been identified.
- Anasazi software promotion bulletins have been reviewed for Phase II changes and an assessment of software features which must be implemented has been developed.
- Discussions about equipment needed (blood pressure cuffs, etc.) is currently underway.

### **Objective #2**

**Eliminate paper records for persons with mental illness who are currently receiving services.**

- The process of scanning records for active clients with mental illness into Anasazi is complete.
- A list of items which are still being generated in paper has been created.
- Initial discussions are underway regarding system changes which will need to occur to address these paper processes.

### **Objective #3**

**Convert at least five (5) commonly used Center paper processes to electronic processes.**

- Staff have reviewed organizational charts and flow processes for internal documents.
- Several paper processes which need to be converted first have been identified.

### **Objective #4**

**Implement an electronic centralized scheduling system for the individuals we serve.**

- We continue to schedule consultations with Scott Lloyd, which includes discussion regarding centralized scheduling. We are also in consultation with East Texas Behavioral Health Network regarding their interest in developing a centralized scheduling system for member centers.

## **Goal #2 – Funding**

*Strengthen the Center's financial health.*

### **Objective #1**

**Increase donation receipts through fundraisers, gifts and in-kind contributions.**

- The amount of donations and the number of unique group and/or individual adopters for the From the Heart Campaign increased this year. We have received \$8,454 in donations and 65 adoptions for the current year. At the end of the campaign last year, \$6,735 was received in donations and there were 43 adoptions.
- Donations for From the Heart now stand at \$9,954. We also received 40 bicycles for the From the Heart program.

### **Objective #2**

**Implement best strategies to sell vacant properties.**

- Conroe properties have renewed listing agreements.
- Listings based on realtor value assessments are being evaluated to determine if actual appraisals are needed to properly list the properties.
- Properties which have been on the market for an extended period of time are being evaluated for barriers to sale.

### **Objective #3**

**Write and submit at least eight (8) grant or contract proposals.**

- Staff submitted the Substance Abuse Prevention grant, Projects to Assist the Transition from Homelessness (PATH) grant and three Montgomery County United way grants.
- In addition, several grants for Cleveland Supported Housing, Inc. have been written and submitted. Funding from Houston Endowment has been approved in the amount of \$200,000.

## **Goal #3 – Education/Communication**

*Improve external communication.*

### **Objective #1**

**Develop and market a Speaker's Bureau that includes staff and individuals receiving services.**

- There is a coordinated effort involving Shane Burks and our service managers to develop a Speaker's Bureau. This has been a topic of MH department meetings and we are developing the names of both employees and clients/consumers as participants in this process. A MH department meeting was scheduled in January 2013 to develop more specific implementation plans.
- This project was discussed in the Center Management Team with all Executive Level Managers. Employees of Tri-County have been selected to participate in speaking assignments as part of the Speaker's Bureau. We have also approached and identified

clients of Tri-County, who will participate as part of the Speaker's Bureau with our employees. Speaking engagements have now been scheduled and will start occurring in the third quarter.

### Objective #2

#### **Make presentations at each Commissioners' Court quarterly.**

- A presentation was made to the Montgomery County Commissioner's Court on January 28<sup>th</sup> and to the Walker County Commissioner's Court on February 25<sup>th</sup>.
- Liberty County Commissioner's Court is scheduled for the third quarter.

### Objective #3

#### **Have at least one (1) educational event with state elected officials and communicate throughout the session.**

- Cindy Sill arranged a legislative event at the Capitol on February 26<sup>th</sup>. There were 22 people who participated in the event. Attendees had an opportunity to visit with many of our representatives or their staff about our support for new mental health funding and our request for restored IDD funding.

### Objective #4

#### **Expand stakeholder contact list for the electronic newsletter.**

- We have been adding additional names to our existing stakeholder contact list. Additionally, we have decided to more actively gather client/consumer e-mail information for newsletter distribution.
- Tri-County continues to send out electronic newsletters to both stakeholder and consumers on a quarterly basis. During FY 2013, we have increased the number of individuals on those lists significantly. We now have approximately 207 on the stakeholder list and 338 on the consumer list, and we intend to increase that number during the remainder of FY 2013.

## Goal #4 – Staff

### *Recruit and retain quality staff.*

### Objective #1

#### **Develop and implement organizational fit questions for the interview process to identify staff that have the same values as Tri-County.**

- The organization fit questions are being reviewed by the Leadership Team for implementation in the 2<sup>nd</sup> quarter.
- The Organizational Fit questions were distributed to the Supervisors for interviewing purposes.



### Objective #2

#### **Evaluate Computer Competency testing and make adjustments to ensure the hiring of competent staff.**

- The test scores were reviewed and as a result, the typing score was increased as well as the Competency test score. The Basic Microsoft Outlook test remained the same. The test results will be reviewed again during the second quarter.
- The test scores were reviewed and adjustments were made to increase the Basic Microsoft Outlook score requirement.

### Objective #3

#### **Assess the Computer Competency of current staff and determine a plan to address skill deficits.**

- Discussion has taken place on how to address the computer skill deficiencies of current staff, i.e., in-house staff training, outside classes, etc.
- Plans to address computer skill deficiencies of current staff are being discussed.

### Objective #4

#### **Conduct feasibility study regarding staff compensation methods.**

- This topic was the subject of a Leadership Team agenda item in November, and it was decided to focus our efforts initially on our Psychiatrists and Registered Nursing staff. Communication has been started with other community MHMR centers to gather information and we will attempt to gather information from local hospitals and mental health providers about this area.
- We have had several discussions at the Management Team Level with all Executive Management Team members. Surveys and information gathering has been attempted with other community centers and other community agencies. There has been legal consultation completed in conjunction with employment agreements and possible changes for selected employee groups. Policies and procedures have been updated as part of this study. We are now in the process of implementing changes for our medication prescribing staff. We will start reviewing our options for additional employee categories for the remainder of FY 2013.
- Employment Agreements were developed and signed for the current APN and Psychiatrists.

## **Goal #5 – New and/or Expanded Services**

*Explore opportunities to diversify Center services.*

### **Objective #1**

**Maximize new and expanded service development and implementation through Medicaid 1115 Transformation Waiver funding.**

- There have been numerous meetings and submission of information in this area. We expect to start implementation of some of the project details in January, based on additional feedback we expect to receive on materials already submitted.
- 1115 Waiver Project Application materials have been submitted to Region 2 and Region 17. We are waiting on feedback from the federal review process.
- At the end of the second quarter, staff were still awaiting approval of the Region 2 and Region 17 plans.
- A Medicaid 1115 Waiver coordinator position was posted at the end of the 2<sup>nd</sup> quarter.

### **Objective #2**

**Begin analyzing the service expansion that may be available through the Affordable Care Act as implemented in Texas.**

- We are awaiting further information from the State of Texas regarding plans to implement the Affordable Care Act.
- A preliminary discussion about contracting for Health Insurance Exchange services was held at the Management Team in the second quarter. It was agreed that further information about volume of services to be contracted and rates would be needed to make any decisions about our participation.

### **Objective #3**

**Consider the feasibility of expanding substance abuse treatment services.**

- We have hired a Team Leader for our Youth Outpatient Substance Abuse Treatment Program. That individual will now begin conducting feasibility studies of expanding substance abuse treatment to other parts of our service area especially the Cleveland/Liberty County area, and other Montgomery County locations. As we identify potential expansion opportunities, we will evaluate what is involved in achieving licensure compliance in implementation of expanded service sites.
- We have filled the vacant Substance Abuse Team Leader position for Youth Outpatient Services. We have made several contacts in Montgomery and Liberty County regarding the possibility of expanding substance abuse treatment to locations which do not have a substance abuse treatment program. We are now in the process of renewing funding for these services, and if successful, recommendations for service expansion will occur for the remainder of FY 2013.

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| <p><b>Agenda Item:</b> 2<sup>nd</sup> Quarter FY 2013 Corporate Compliance and Quality Management Report</p> <p><b>Committee:</b> Program</p>   | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>The Department of State Health Services' Performance Contract has a requirement that the Quality Management Department provide "routine" reports to the Board of Trustees about "Quality Management Program activities."</p> <p>Although Quality Management Program activities have been included in the program updates, it was determined that it might be appropriate, in light of this contract requirement, to provide more details regarding these activities.</p> <p>Since the Corporate Compliance Program and Quality Management Program activities are similar in nature, the decision was made to incorporate the Quality Management Program activities into the Quarterly Corporate Compliance Report to the Board and to format this item similar to the program updates. The Corporate Compliance and Quality Management Report for the 2<sup>nd</sup> quarter of FY 2013 are included in this Board packet.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>2<sup>nd</sup> Quarter FY 2013 Corporate Compliance and Quality Management Report</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>  |  |

# **Corporate Compliance and Quality Management Report**

## **2<sup>nd</sup> Quarter, FY 2013**

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### **Corporate Compliance Activities**

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

1. There have been a total of six (6) Corporate Compliance investigations in the 2<sup>nd</sup> quarter of FY 2013.
2. Two (2) of the cases have been confirmed.
  - a. The first case was found during an internal audit and involved a staff that was not completing documentation as needed to justify Medicaid billing. This staff had other problems with documentation which resulted in \$1,858 in payback.
  - b. The second case was found by a supervisor who was comparing travel logs to actual services documented in the electronic medical record. Upon review, the compliance investigator noted that services were not being individualized for each service or even between clients. In addition, problems with travel logs and other documentation were noted. Payback for this case was \$11,514 because most of his services over several months have to be paid back. This staff has been terminated.
3. Two (2) of the cases were unconfirmed with payback.
  - a. The first case involved a relatively new staff person who was not documenting services with enough detail to justify Medicaid billing. This staff person will be retrained. Payback for this case is \$3,582.
  - b. The second case involved a report that a staff person was not meeting with persons on their caseload as reported. After investigating, it was determined that this staff was seeing the persons on their caseload at sites other than the home and therefore, the family was unaware of the visit. The staff person will receive additional training about the involvement of family members in treatment. Payback for this case has not yet been determined, but is expected to be low.
4. Two (2) of the investigations were still pending completion at the time of this update.
5. The methods for monitoring compliance are being significantly modified, including changes in compliance requirements for supervisors, so that some of the problems noted above can be identified while corrections can still be made.

In addition, compliance training will be modified and expanded to directly address problem areas.

**B. Committee Activities:**

1. The Corporate Compliance Committee met on January 15, 2013. The committee reviewed the following:
  - a. Summary of the 1<sup>st</sup> quarter investigation;
  - b. A review of audits that were requested by different funding sources;
  - c. An update on Current Procedural Terminology code changes;
  - d. A review of large contractor compliance programs; and
  - e. Legal Updates on compliance issues.

**Quality Management Initiatives****A. Key Statistics:**

1. Staff responded to three (3) DSHS initiatives
2. Two (2) Managed Care record requests

**B. Reviews/Audits:**

1. Staff reviewed and prepared records requested from DSHS in preparation for a statewide mental health progress note audit.
2. Staff responded to a DSHS survey initiative focused on gaining information on how community members refer and access substance abuse services.
3. Staff prepared a timeline for DSHS outlining the implementation schedule for the new Adult Needs and Strengths Assessment (ANSA) which will replace the TRAG in FY 2014.
4. Staff prepared and fulfilled two (2) Amerigroup record requests involving six (6) charts, each over a two (2) year span.

**C. Internal Programs Reviewed by Quality Management:**

1. Staff completed the SP1 and Med Clinic Program Review.

**D. Other Quality Management Activities**

1. The Director of Quality Management attended the DSHS sponsored Supported Employment training, in preparation of the changes related to Texas Resiliency and Recovery (TRR).
2. The QM and Contract Oversight Specialist attended Mental Health First Aid (MHFA) training in Dallas.

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| <b>Agenda Item:</b> 3 <sup>rd</sup> Quarter FY 2013 Corporate Compliance Training<br><br><b>Committee:</b> Program  | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>As part of the Center's Corporate Compliance Program, training is developed each quarter for distribution to staff by their supervisors.<br><br>This training is included in the packet for ongoing education of the Tri-County Board of Trustees on Corporate Compliance issues. |   |
| <b>Supporting Documentation:</b><br><br>3 <sup>rd</sup> Quarter FY 2013 Corporate Compliance Training   |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>   |   |

# How to Avoid Corporate Compliance Investigations

## 3<sup>rd</sup> Quarter FY 2013

### Know the facts

Federal and state governments are ramping up investigations on healthcare fraud. If accused, healthcare workers may face loss of employment, substantial fines, public embarrassment, criminal charges, and possibly jail time.

### What is healthcare fraud?

Fraud is the act of deceiving. It is the intentional distortion of the truth in order to induce another person to part with something of value. Healthcare fraud comes in many forms, including the following:

- Performing unnecessary services
- Billing for a service not provided or billing more hours than were actually provided
- Coding a service improperly to obtain a higher reimbursement
- Seeking special payments to make or receive a referral (kickback)
- Attempting to get paid twice for the same service
- Billing for a diagnostic code that is not correct to ensure reimbursement for services

### What are the laws created to prevent healthcare fraud?

Ensure that you understand the implications the following laws have on your practices. If you do not know, REVIEW; if you do not understand, ASK.

- Federal False Claims Act
- Federal Anti-Kickback Statute
- Texas Illegal Remuneration Statute
- Stark Law
- Civil Money Penalties Statute
- Medicaid Fraud Prevention Act

### How to avoid fraud accusations?

Employees and providers can take five simple steps to avoid accusations of fraud:

- 1) Conduct frequent reviews
- 2) Ensure that you understand the codes you are using
- 3) Immediately correct any errors or mistakes
- 4) Keep detailed, accurate, and individualized patient records
- 5) Ask questions

### How to respond if you are subject to an investigation

Keep in mind that investigations are conducted to identify and prevent fraud, not simple mistakes or carelessness. A billing issue viewed in isolation may appear to be fraud, but when viewed with all records, they may be more accurately described as carelessness or mistakes. If you become the subject of an investigation:

- Do not destroy or attempt to alter any records
- Do not discuss the investigation with your clients
- Always tell the truth to investigators

### Staying off the radar

In conclusion, the easiest way to avoid being subject to a Corporate Compliance investigation, is to understand the relevant laws, ensure that you understand the codes you are using to bill for services, as well as the documentation requirements surrounding the services you have provided, and, when identified, correct errors immediately.

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| <b>Agenda Item:</b> Personnel Report for February 2013<br><br><b>Committee:</b> Executive | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>None  |   |
| <b>Supporting Documentation:</b><br><br>Personnel Report for February 2013                |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>                             |   |



# TRI-COUNTY SERVICES PERSONNEL BOARD REPORT FEBRUARY 2013

| STAFF<br>CLASSIFICATIONS                                       | NEW HIRES |      | SEPARATED |      | VOLUNTARY<br>SEPARATION |      | INVOLUNTARY<br>SEPARATION |      | BUDGETED<br>POSITIONS | FILLED<br>POSITIONS | MONTHLY<br>TURNOVER<br>PERCENT | YEARLY<br>TURNOVER<br>PERCENT |
|--|-----------|------|-----------|------|-------------------------|------|---------------------------|------|-----------------------|---------------------|--------------------------------|-------------------------------|
|  | MO.       | YTD. | MO.       | YTD. | MO.                     | YTD. | MO.                       | YTD. |                       |                     |                                |                               |
| Bachelor's   |           |      |           |      |                         |      |                           |      |                       |                     |                                |                               |
| Qualified Mental Health Professionals                          | 1         | 8    | 2         | 7    | 2                       | 4    |                           | 3    | 80                    | 72                  | 3%                             | 10%                           |
| Qualified Developmental Disability Professionals (State Title) | 1         | 3    |           | 1    |                         | 1    |                           |      | 16                    | 15                  | 0%                             | 7%                            |
| Licensed Staff   | 1         | 1    |           |      |                         |      |                           |      | 18                    | 15                  | 0%                             | 0%                            |
| Medical  |           |      |           |      |                         |      |                           |      |                       |                     |                                |                               |
| Physicians   |           | 2    |           | 1    |                         | 1    |                           |      | 7                     | 5                   | 0%                             | 20%                           |
| Advanced Practice Nurses                                       |           |      |           |      |                         |      |                           |      | 2                     | 2                   | 0%                             | 0%                            |
| RN's   |           |      |           |      |                         |      |                           |      | 11                    | 10                  | 0%                             | 0%                            |
| LVN's  |           | 1    |           |      |                         |      |                           |      | 10                    | 10                  | 0%                             | 0%                            |
| Techs/Aides  |           |      |           |      |                         |      |                           |      |                       |                     |                                |                               |
| MH   |           | 2    |           | 2    |                         | 2    |                           |      | 17                    | 11                  | 0%                             | 18%                           |
| IDD  |           | 2    | 1         | 1    |                         |      | 1                         | 1    | 35                    | 33                  | 3%                             | 3%                            |
| Supervisor/Manager   |           |      |           |      |                         |      |                           |      |                       |                     |                                |                               |
| MH   |           |      |           |      |                         |      |                           |      | 13                    | 13                  | 0%                             | 0%                            |
| IDD  |           |      |           |      |                         |      |                           |      | 7                     | 7                   | 0%                             | 0%                            |
| Program Support  |           | 3    |           | 2    |                         | 2    |                           |      | 44                    | 37                  | 0%                             | 5%                            |
| Central Administration   |           |      |           | 2    |                         |      |                           | 2    | 20                    | 17                  | 0%                             | 12%                           |
| Business Services  |           |      |           | 1    |                         |      |                           | 1    | 14                    | 13                  | 0%                             | 8%                            |
| Maintenance/Janitorial/Lawn                                    |           | 2    |           | 2    |                         | 2    |                           |      | 23                    | 20                  | 0%                             | 10%                           |
| GRAND TOTALS   | 3         | 24   | 3         | 19   | 2                       | 12   | 1                         | 7    | 317                   | 280                 | 1%                             | 7%                            |
| Previous YTD   |           |      |           |      |                         |      |                           |      |                       |                     | 2%                             | 13%                           |

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| <b>Agenda Item:</b> Approve February 2013 Financial Statements<br><br><b>Committee:</b> Business | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>None   |   |
| <b>Supporting Documentation:</b><br><br>February 2013 Financial Statements                       |   |
| <b>Recommended Action:</b><br><br><b>Approve February 2013 Financial Statements</b>              |   |

## February 2013 Financial Summary

Revenues for February 2013 were \$2,063,331 and operating expenses were \$1,948,105 resulting in a gain in operation of \$115,226. Capital Expenditures and Extraordinary Expenses for February were \$34,680 resulting in a gain of \$80,546. Total revenues were 105.45% of the monthly budgeted revenues and total expenses were 102.24% of the monthly budgeted expenses.

Year to date revenues are \$12,306,565 and operating expenses are \$11,302,279 leaving excess operating revenues of \$1,004,287. YTD Capital Expenditures and Extraordinary Expenses are \$235,859 resulting in a gain YTD of \$768,427. Total revenues are 104.19% of the YTD budgeted revenues and total expenses are 97.96% 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 |
|------------------------------|-------------|------------|-------------|-------------|
| County of Montg – CDBG       | 81,685      | 106,233    | 76.89%      | 24,548      |
| ICF/IDD Program – Title XIX  | 1,272,482   | 1,304,215  | 97.56%      | 31,733      |
| DSHS – Outpatient Competency | 82,854      | 97,002     | 85.41%      | 14,148      |

**County of Montgomery – CDBG** – In past years, we received Community Development Block Grant funds to help pay for our crisis stabilization facility. While we budgeted to receive additional funding in FY2013, we were told we would not be receiving any more CDBG funding for this project. This is being adjusted in the mid-year budget revision.

**ICF/IDD Program – Title XIX** – This line item is below budget due to a couple of reasons. First, there is a delay in billing for numerous clients due to annual required documentation that was not submitted by Empowerment Options. We will be able to bill for these services as soon as documents are submitted. A new requirement for the ICF program has started this year where if a client has private insurance, we must have a denial from the private insurance prior to billing for Medicaid. Therefore, this adds an additional delay in billing for a couple of clients that are in this program. Lastly, we have had one consumer in this program that has had a very long hospitalization that has caused a significant decrease in billing. We will continue to monitor this line item.

**DSHS – Outpatient Competency Restoration** – As we have reported over the last few months, we have not had the referrals to this new program as we had hoped. This is a cost reimbursement program so we are not losing money but not fully funded as we were anticipating.

**EXPENSES**

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

| <b>Expense Source</b>     | <b>YTD<br/>Expenses</b> | <b>YTD<br/>Budget</b> | <b>% of<br/>Budget</b> | <b>\$<br/>Variance</b> |
|---------------------------|-------------------------|-----------------------|------------------------|------------------------|
| Advertising - Recruitment | 36,026                  | 19,167                | 187.95%                | 16,859                 |
| Contract Hospital - Child | 52,550                  | 37,500                | 140.13%                | 15,050                 |

**Advertising – Recruitment** – This line item represents the cost of advertising for various positions that have been recruited for this fiscal year. The bulk of the costs were for the Executive Director ads that were placed throughout the State of Texas. An adjustment will be made during the mid-year budget revision process to correct this variance.

**Contract Hospital – Child** – This line item is over budget due to an increase in the number of children admitted to contract hospitals. We will watch this line item to determine if additional funds are needed during the revision process.

**TRI-COUNTY SERVICES**  
**CONSOLIDATED BALANCE SHEET**  
**As of February 28, 2013**

|   | <b>TOTALS COMBINED<br/>FUNDS<br/>February 2013</b> | <b>TOTALS COMBINED<br/>FUNDS<br/>January 2013</b> | <b>Increase<br/>(Decrease)</b> |
|---|--|---|--------------------------------|
| <b>ASSETS</b>   |  |   |                                |
| <b>CURRENT ASSETS</b>                                       |  |   |                                |
| Imprest Cash Funds  | 5,125  | 5,125   | -                              |
| Cash on Deposit-General Fund                                | 8,905,189  | 9,942,378   | (1,037,189)                    |
| Cash on Deposit-Debt Fund                                   | 216,430  | 180,948   | 35,482                         |
| Accounts Receivable   | 1,309,555  | 1,213,239   | 96,316                         |
| Inventory   | 5,132  | 4,926   | 207                            |
| <b>TOTAL CURRENT ASSETS</b>                                 | <b>10,441,431</b>                                  | <b>11,346,615</b>                                 | <b>(905,184)</b>               |
| <b>FIXED ASSETS</b>   | <b>6,066,064</b>                                   | <b>6,066,064</b>                                  | <b>-</b>                       |
| <b>OTHER ASSETS</b>   | <b>58,646</b>                                      | <b>43,936</b>                                     | <b>14,710</b>                  |
| <b>TOTAL ASSETS</b>   | <b>16,566,141</b>                                  | <b>17,456,614</b>                                 | <b>(890,473)</b>               |
| <b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>         |  |   |                                |
| <b>CURRENT LIABILITIES</b>                                  | <b>1,069,350</b>                                   | <b>997,944</b>                                    | <b>71,405</b>                  |
| <b>NOTES PAYABLE</b>  | <b>409,597</b>                                     | <b>409,597</b>                                    | <b>-</b>                       |
| <b>DEFERRED REVENUE</b>                                     | <b>1,653,835</b>                                   | <b>2,657,244</b>                                  | <b>(1,003,409)</b>             |
| <b>LONG-TERM LIABILITIES FOR</b>                            |  |   |                                |
| Line of Credit - Tradition Bank                             | 1,263,482  | 1,285,682   | (22,200)                       |
| Bond Series 2004  | 410,000  | 410,000   | -                              |
| <b>EXCESS(DEFICIENCY) OF REVENUES<br/>OVER EXPENSES FOR</b> |  |   |                                |
| General Fund  | 1,825,683  | 1,790,320   | 35,363                         |
| Debt Service Fund   | -  | -   | -                              |
| <b>FUND EQUITY</b>  |  |   |                                |
| <b>RESTRICTED</b>   |  |   |                                |
| Net Assets Reserved for Debt Service                        | (2,079,278)  | (2,101,478)                                       | 22,200                         |
| Reserved for Debt Retirement                                | 1,230,000  | 1,230,000   | -                              |
| Reserved for Debt Service                                   | -  | -   | -                              |
| <b>COMMITTED</b>  |  |   |                                |
| Net Assets-Property and Equipment                           | 6,066,064  | 6,066,064   | -                              |
| Reserved for Board Policy Requirements                      | 879,405  | 879,405   | -                              |
| Reserved for Equipment Reserve                              | 354,290  | 354,290   | -                              |
| Reserved for Inventory Reserve                              | 32,973   | 32,973  | -                              |
| Reserved for Operations and Programs                        | 2,000,000  | 2,000,000   | -                              |
| <b>ASSIGNED</b>   |  |   |                                |
| Reserved for Workers' Compensation                          | 274,409  | 274,409   | -                              |
| Reserved for Current Year Budgeted Reserve                  | 36,998   | 30,831  | 6,167                          |
| Reserved for Insurance Deductibles                          | 100,000  | 100,000   | -                              |
| <b>UNASSIGNED</b>   |  |   |                                |
| Unrestricted and Undesignated                               | 1,039,334  | 1,039,334   | -                              |
| <b>TOTAL LIABILITIES/FUND BALANCE</b>                       | <b>16,566,141</b>                                  | <b>17,456,614</b>                                 | <b>(890,474)</b>               |

**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
As of February 28, 2013**

|   | <b>General<br/>Operating<br/>Funds</b> | <b>TOTALS</b>          |                              |
|---|--|------------------------|------------------------------|
|   |  | <b>Memorandum Only</b> |                              |
|   |  | <b>February 2013</b>   | <b>Final<br/>August 2012</b> |
| <b>ASSETS</b>   |  |                        |                              |
| <b>CURRENT ASSETS</b>   |  |                        |                              |
| Imprest Cash Funds  | 5,125                                  | 5,125                  | 5,125                        |
| Cash on Deposit-General Fund  | 8,905,189                              | 8,905,189              | 6,181,561                    |
| Cash on Deposit-Debt Fund   | 216,430                                | 216,430                | 429,586                      |
| Accounts Receivable   | 1,309,555                              | 1,309,555              | 1,706,732                    |
| Inventory   | 5,132                                  | 5,132                  | 3,600                        |
| <b>TOTAL CURRENT ASSETS</b>   | <b>10,441,431</b>                      | <b>10,441,431</b>      | <b>8,326,604</b>             |
| <b>FIXED ASSETS</b>   | <b>6,066,064</b>                       | <b>6,066,064</b>       | <b>6,066,064</b>             |
| <b>OTHER ASSETS</b>   | <b>58,646</b>                          | <b>58,646</b>          | <b>42,755</b>                |
| <b>AMOUNT TO BE PROVIDED FOR THE<br/>RETIREMENT OF LONG TERM DEBT</b> |  | -                      |                              |
| <b>TOTAL ASSETS</b>   | <b>16,566,141</b>                      | <b>16,566,141</b>      | <b>14,435,423</b>            |
| <b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>                   |  |                        |                              |
| <b>CURRENT LIABILITIES</b>  | <b>1,069,350</b>                       | <b>1,069,350</b>       | <b>1,195,517</b>             |
| <b>NOTES PAYABLE</b>  | <b>409,597</b>                         | <b>409,597</b>         | <b>409,597</b>               |
| <b>DEFERRED REVENUE</b>   | <b>1,653,835</b>                       | <b>1,653,835</b>       | <b>157,192</b>               |
| <b>LONG-TERM LIABILITIES FOR</b>                                      |  |                        |                              |
| Line of Credit - Tradition Bank                                       | 1,263,482                              | 1,263,482              | 1,395,837                    |
| Bond Series 2004  | 410,000                                | 410,000                | 820,000                      |
| <b>EXCESS(DEFICIENCY) OF REVENUES<br/>OVER EXPENSES FOR</b>           |  |                        |                              |
| General Fund  | 1,825,683                              | 1,825,683              | 1,102,439                    |
| Debt Service Fund   | -                                      | -                      | -                            |
| <b>FUND EQUITY</b>  |  |                        |                              |
| <b>RESTRICTED</b>   |  |                        |                              |
| Net Assets Reserved for Debt service-Restricted                       | (2,079,278)                            | (2,079,278)            | (2,621,633)                  |
| Reserved for Debt Retirement  | 1,230,000                              | 1,230,000              | 1,230,000                    |
| Reserved for Debt Service   | -                                      | -                      | -                            |
| <b>COMMITTED</b>  |  |                        |                              |
| Net Assets-Property and Equipment-Committed                           | 6,066,064                              | 6,066,064              | 6,066,064                    |
| Reserved for Board Policy Requirements-Committed                      | 879,405                                | 879,405                | 879,405                      |
| Reserved for Equipment Reserve-Committed                              | 354,290                                | 354,290                | 354,290                      |
| Reserved for Inventory Reserve-Committed                              | 32,973                                 | 32,973                 | 32,973                       |
| Reserved for Operations and Programs -Committed                       | 2,000,000                              | 2,000,000              | 2,000,000                    |
| <b>ASSIGNED</b>   |  |                        |                              |
| Reserved for Workers' Compensation-Assigned                           | 274,409                                | 274,409                | 274,409                      |
| Reserved for Current Year Budgeted Reserve -Assigned                  | 36,998                                 | 36,998                 | -                            |
| Reserved for Insurance Deductibles-Assigned                           | 100,000                                | 100,000                | 100,000                      |
| <b>UNASSIGNED</b>   |  |                        |                              |
| Unrestricted and Undesignated   | 1,039,334                              | 1,039,334              | 1,039,334                    |
| <b>TOTAL LIABILITIES/FUND BALANCE</b>                                 | <b>16,566,141</b>                      | <b>16,566,141</b>      | <b>14,435,423</b>            |

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**For the Month Ended February 2013**  
**and YTD as of February 2013**

| <b>INCOME:</b>  | <b>MONTH OF<br/>February 2013</b> | <b>YTD<br/>February 2013</b> |
|---|-----------------------------------|------------------------------|
| Local Revenue Sources   | 113,038                           | 780,284                      |
| Earned Income   | 938,840                           | 5,290,859                    |
| General Revenue-Contract  | 1,011,452                         | 6,235,422                    |
| <b>TOTAL INCOME</b>   | <b>2,063,331</b>                  | <b>12,306,565</b>            |
| <b>EXPENSES:</b>  |                                   |                              |
| Salaries  | 1,006,517                         | 5,900,430                    |
| Employee Benefits   | 209,981                           | 1,154,388                    |
| Medication Expense  | 30,140                            | 149,787                      |
| Travel-Board/Staff  | 35,549                            | 186,369                      |
| Building Rent/Maintenance   | 25,362                            | 102,116                      |
| Consultants/Contracts   | 438,493                           | 2,668,680                    |
| Other Operating Expenses  | 202,063                           | 1,140,508                    |
| <b>TOTAL EXPENSES</b>   | <b>1,948,105</b>                  | <b>11,302,279</b>            |
| <b>Excess(Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>115,226</b>                    | <b>1,004,287</b>             |
| <b>CAPITAL EXPENDITURES</b>   |                                   |                              |
| Capital Outlay-FF&E, Automobiles, Building  | (803)                             | 22,967                       |
| Capital Outlay-Debt Service Bonds   | 35,482                            | 212,892                      |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>34,680</b>                     | <b>235,859</b>               |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>1,982,784</b>                  | <b>11,538,138</b>            |
| <b>Excess (Deficiency) of Revenues and Expenses</b>                                 | <b>80,546</b>                     | <b>768,427</b>               |

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budgeted**  
**Year to Date as of February 2013**

|   | YTD<br>February 2013 | APPROVED<br>BUDGET | Increase<br>(Decrease) |
|---|----------------------|--------------------|------------------------|
| <b>INCOME:</b>  |                      |                    |                        |
| Local Revenue Sources   | 780,284              | 780,236            | 48                     |
| Earned Income   | 5,290,859            | 4,779,868          | 510,991                |
| General Revenue-Contract  | 6,235,422            | 6,251,463          | (16,041)               |
| <b>TOTAL INCOME</b>   | <b>12,306,565</b>    | <b>11,811,567</b>  | <b>494,998</b>         |
| <b>EXPENSES:</b>  |                      |                    |                        |
| Salaries  | 5,900,430            | 5,957,530          | (57,100)               |
| Employee Benefits   | 1,154,388            | 1,153,366          | 1,022                  |
| Medication Expense  | 149,787              | 169,283            | (19,496)               |
| Travel-Board/Staff  | 186,369              | 208,196            | (21,827)               |
| Building Rent/Maintenance   | 102,116              | 116,332            | (14,216)               |
| Consultants/Contracts   | 2,668,680            | 2,694,410          | (25,730)               |
| Other Operating Expenses  | 1,140,508            | 1,206,666          | (66,158)               |
| <b>TOTAL EXPENSES</b>   | <b>11,302,279</b>    | <b>11,505,783</b>  | <b>(203,504)</b>       |
| <b>Excess(Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>1,004,287</b>     | <b>305,784</b>     | <b>698,503</b>         |
| <b>CAPITAL EXPENDITURES</b>   |                      |                    |                        |
| Capital Outlay-FF&E, Automobiles  | 22,967               | 59,380             | (36,413)               |
| Capital Outlay-Debt Service Bonds   | 212,892              | 212,827            | 65                     |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>235,859</b>       | <b>272,207</b>     | <b>(36,348)</b>        |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>11,538,138</b>    | <b>11,777,990</b>  | <b>(239,852)</b>       |
| <b>Excess (Deficiency) of Revenues and Expenses</b>                                 | <b>768,427</b>       | <b>33,577</b>      | <b>734,850</b>         |

**Debt Service and Fixed Asset Fund:**

|   |                |                |           |
|---|----------------|----------------|-----------|
| Bond Payments Receipts                              | 212,892        | 212,827        | 65        |
| Bond Payments Disbursements                         |                | -              | -         |
| Interest Income                                     |                |                |           |
| <b>Excess(Deficiency) of revenues over Expenses</b> | <b>212,892</b> | <b>212,827</b> | <b>65</b> |



**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended February 2013**

| <b>INCOME:</b>  | <b>MONTH OF<br/>February 2013</b> | <b>APPROVED<br/>BUDGET</b> | <b>Increase<br/>(Decrease)</b> |
|---|-----------------------------------|----------------------------|--------------------------------|
| Local Revenue Sources   | 113,038                           | 108,877                    | 4,161                          |
| Earned Income   | 938,840                           | 808,636                    | 130,204                        |
| General Revenue-Contract  | 1,011,452                         | 1,039,041                  | (27,589)                       |
| <b>TOTAL INCOME</b>   | <b>2,063,331</b>                  | <b>1,956,554</b>           | <b>106,777</b>                 |
| <b>EXPENSES:</b>  |                                   |                            |                                |
| Salaries  | 1,006,517                         | 1,004,842                  | 1,675                          |
| Employee Benefits   | 209,981                           | 191,348                    | 18,633                         |
| Medication Expense  | 30,140                            | 28,214                     | 1,926                          |
| Travel-Board/Staff  | 35,549                            | 35,533                     | 16                             |
| Building Rent/Maintenance   | 25,362                            | 10,667                     | 14,695                         |
| Consultants/Contracts   | 438,493                           | 433,399                    | 5,094                          |
| Other Operating Expenses  | 202,063                           | 196,737                    | 5,326                          |
| <b>TOTAL EXPENSES</b>   | <b>1,948,105</b>                  | <b>1,900,740</b>           | <b>47,365</b>                  |
| <b>Excess(Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>115,226</b>                    | <b>55,814</b>              | <b>59,412</b>                  |
| <b>CAPITAL EXPENDITURES</b>   |                                   |                            |                                |
| Capital Outlay-FF&E, Automobiles  | (803)                             | 2,978                      | (3,781)                        |
| Capital Outlay-Debt Service Bonds   | 35,482                            | 35,469                     | 13                             |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>34,680</b>                     | <b>38,447</b>              | <b>(3,767)</b>                 |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>1,982,784</b>                  | <b>1,939,187</b>           | <b>43,597</b>                  |
| <b>Excess (Deficiency) of Revenues and Expenses:</b>                                | <b>80,546</b>                     | <b>17,367</b>              | <b>63,179</b>                  |

**Debt Service and Fixed Asset Fund:**

|  |               |               |           |
|--|---------------|---------------|-----------|
| Bond Payments Receipts                               | 35,482        | 35,469        | 13        |
| Bond Payments Disbursements                          |               | -             | -         |
| Interest Income                                      |               |               |           |
| <b>Excess(Deficiency) of revenues over Expenses:</b> | <b>35,482</b> | <b>35,469</b> | <b>13</b> |

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With February 2012 Comparative Data**  
**Year to Date as of February 2013**

| <b>INCOME:</b>  | <b>YTD<br/>February 2013</b> | <b>YTD<br/>February 2012</b> | <b>Increase<br/>(Decrease)</b> |
|---|------------------------------|------------------------------|--------------------------------|
| Local Revenue Sources   | 780,284                      | 887,334                      | (107,050)                      |
| Earned Income   | 5,290,859                    | 4,570,963                    | 719,896                        |
| General Revenue-Contract  | 6,235,422                    | 5,490,451                    | 744,971                        |
| <b>TOTAL INCOME</b>   | <b>12,306,565</b>            | <b>10,948,748</b>            | <b>1,357,817</b>               |
| <b>EXPENSES:</b>  |                              |                              |                                |
| Salaries  | 5,900,430                    | 5,565,844                    | 334,586                        |
| Employee Benefits   | 1,154,388                    | 1,084,181                    | 70,207                         |
| Medication Expense  | 149,787                      | 135,810                      | 13,977                         |
| Travel-Board/Staff  | 186,369                      | 170,155                      | 16,214                         |
| Building Rent/Maintenance   | 102,116                      | 117,013                      | (14,897)                       |
| Consultants/Contracts   | 2,668,680                    | 2,295,414                    | 373,266                        |
| Other Operating Expenses  | 1,140,508                    | 1,152,535                    | (12,027)                       |
| <b>TOTAL EXPENSES</b>   | <b>11,302,279</b>            | <b>10,520,952</b>            | <b>781,327</b>                 |
| <b>Excess(Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>1,004,287</b>             | <b>427,796</b>               | <b>576,491</b>                 |
| <b>CAPITAL EXPENDITURES</b>   |                              |                              |                                |
| Capital Outlay-FF&E, Automobiles  | 22,967                       | 5,952                        | 17,015                         |
| Capital Outlay-Debt Service Bonds   | 212,892                      | 220,785                      | (7,893)                        |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>235,859</b>               | <b>226,737</b>               | <b>9,122</b>                   |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>11,538,138</b>            | <b>10,747,689</b>            | <b>790,449</b>                 |
| <b>Excess (Deficiency) of Revenues and Expenses</b>                                 | <b>768,427</b>               | <b>201,059</b>               | <b>567,368</b>                 |

**Debt Service and Fixed Asset Fund:**

|   |                |                |                |
|---|----------------|----------------|----------------|
| Bond Payments Receipts                              | 212,892        | 220,785        | (7,893)        |
| Bond Payments Disbursements                         |                |                | -              |
| Interest Income                                     |                |                | -              |
| <b>Excess(Deficiency) of revenues over Expenses</b> | <b>212,892</b> | <b>220,785</b> | <b>(7,893)</b> |

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With February 2012 Comparative Data**  
**For the Month February 2013**

| <b>INCOME:</b>  | <b>MONTH OF<br/>February 2013</b> | <b>MONTH OF<br/>February 2012</b> | <b>Increase<br/>(Decrease)</b> |
|---|-----------------------------------|-----------------------------------|--------------------------------|
| Local Revenue Sources   | 113,038                           | 135,500                           | (22,462)                       |
| Earned Income   | 938,840                           | 784,190                           | 154,650                        |
| General Revenue-Contract  | 1,011,452                         | 936,216                           | 75,236                         |
| <b>TOTAL INCOME</b>   | <b>2,063,331</b>                  | <b>1,855,906</b>                  | <b>207,425</b>                 |
| <b>EXPENSES:</b>  |                                   |                                   |                                |
| Salaries  | 1,006,517                         | 938,685                           | 67,832                         |
| Employee Benefits   | 209,981                           | 183,713                           | 26,268                         |
| Medication Expense  | 30,140                            | 20,018                            | 10,122                         |
| Travel-Board/Staff  | 35,549                            | 36,473                            | (924)                          |
| Building Rent/Maintenance   | 25,362                            | 25,826                            | (464)                          |
| Consultants/Contracts   | 438,493                           | 388,706                           | 49,787                         |
| Other Operating Expenses  | 202,063                           | 193,262                           | 8,801                          |
| <b>TOTAL EXPENSES</b>   | <b>1,948,105</b>                  | <b>1,786,683</b>                  | <b>161,422</b>                 |
| <b>Excess(Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>115,226</b>                    | <b>69,223</b>                     | <b>46,003</b>                  |
| <b>CAPITAL EXPENDITURES</b>   |                                   |                                   |                                |
| Capital Outlay-FF&E, Automobiles  | (803)                             | -                                 | (803)                          |
| Capital Outlay-Debt Service Bonds   | 35,482                            | 36,798                            | (1,316)                        |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>34,680</b>                     | <b>36,798</b>                     | <b>(2,118)</b>                 |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>1,982,784</b>                  | <b>1,823,481</b>                  | <b>159,303</b>                 |
| <b>Excess (Deficiency) of Revenues and Expenses</b>                                 | <b>80,546</b>                     | <b>32,425</b>                     | <b>48,121</b>                  |

**Debt Service and Fixed Asset Fund:**

|   |               |               |                |
|---|---------------|---------------|----------------|
| Bond Payments Receipts                              | 35,482        | 36,798        | (1,316)        |
| Bond Payments Disbursements                         |               |               | -              |
| Interest Income                                     |               |               | -              |
| <b>Excess(Deficiency) of revenues over Expenses</b> | <b>35,482</b> | <b>36,798</b> | <b>(1,316)</b> |

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With January 2013 Comparative Data**  
**As of February 2013**

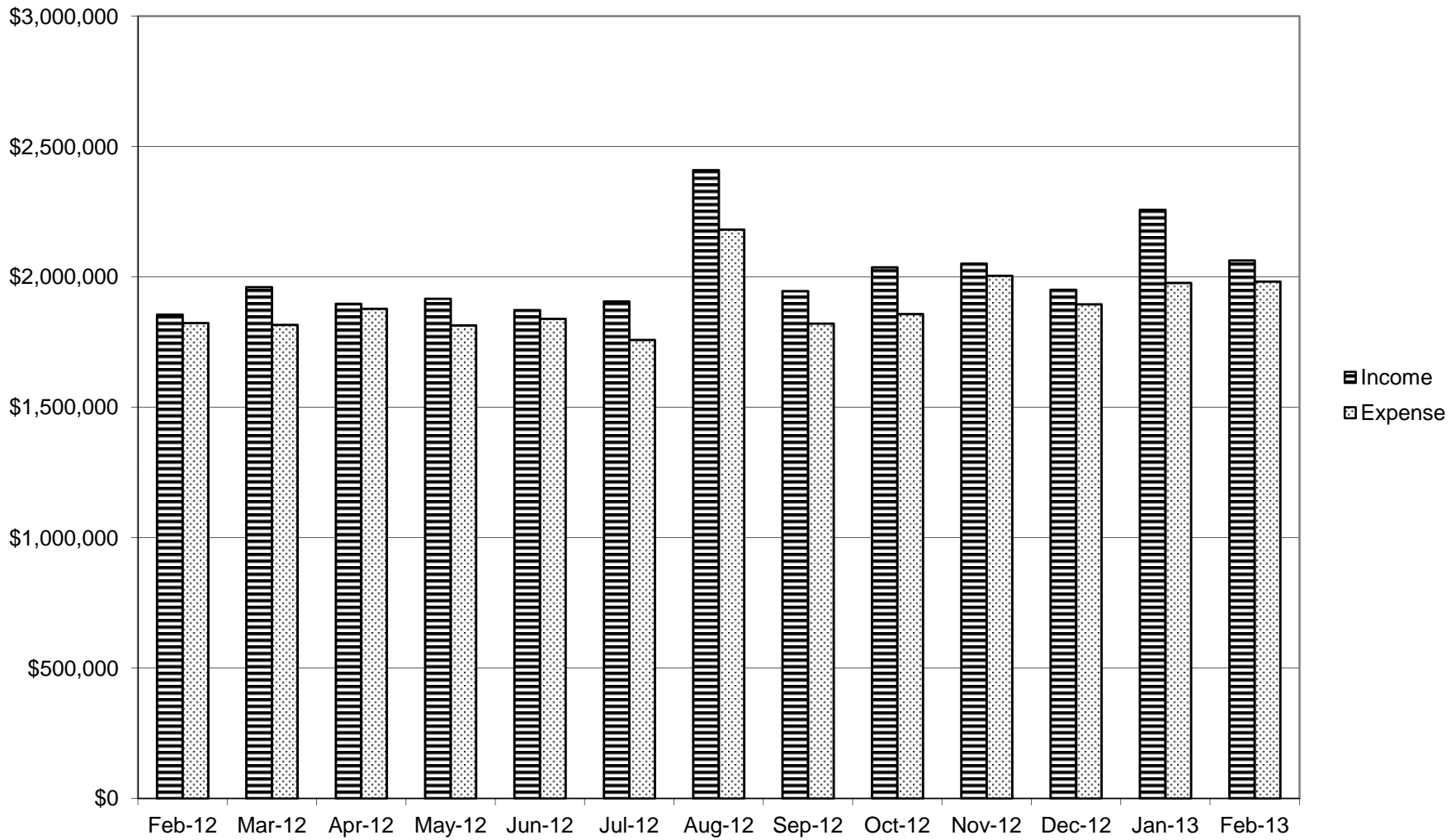
| <b>INCOME:</b>  | <b>MONTH OF<br/>February 2013</b> | <b>MONTH OF<br/>January 2013</b> | <b>Increase<br/>(Decrease)</b> |
|---|-----------------------------------|----------------------------------|--------------------------------|
| Local Revenue Sources   | 113,038                           | 80,504                           | 32,534                         |
| Earned Income   | 938,840                           | 1,128,517                        | (189,677)                      |
| General Revenue-Contract  | 1,011,452                         | 1,048,341                        | (36,889)                       |
| <b>TOTAL INCOME</b>   | <b>2,063,331</b>                  | <b>2,257,362</b>                 | <b>(194,032)</b>               |
| <b>EXPENSES:</b>  |                                   |                                  |                                |
| Salaries  | 1,006,517                         | 1,005,641                        | 876                            |
| Employee Benefits   | 209,981                           | 215,802                          | (5,822)                        |
| Medication Expense  | 30,140                            | 25,982                           | 4,158                          |
| Travel-Board/Staff  | 35,549                            | 29,572                           | 5,976                          |
| Building Rent/Maintenance   | 25,362                            | 11,231                           | 14,131                         |
| Consultants/Contracts   | 438,493                           | 458,203                          | (19,709)                       |
| Other Operating Expenses  | 202,063                           | 194,014                          | 8,049                          |
| <b>TOTAL EXPENSES</b>   | <b>1,948,105</b>                  | <b>1,940,445</b>                 | <b>7,660</b>                   |
| <b>Excess(Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>115,226</b>                    | <b>316,918</b>                   | <b>(201,692)</b>               |
| <b>CAPITAL EXPENDITURES</b>   |                                   |                                  |                                |
| Capital Outlay-FF&E, Automobiles  | (803)                             | 1,110                            | (1,912)                        |
| Capital Outlay-Debt Service Bonds   | 35,482                            | 35,482                           | -                              |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>34,680</b>                     | <b>36,592</b>                    | <b>(1,912)</b>                 |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>1,982,784</b>                  | <b>1,977,037</b>                 | <b>5,748</b>                   |
| <b>Excess (Deficiency) of Revenues and Expenses</b>                                 | <b>80,546</b>                     | <b>280,326</b>                   | <b>(199,779)</b>               |

|   |               |               |          |
|---|---------------|---------------|----------|
| <b>Debt Service and Fixed Asset Fund:</b>           |               |               |          |
| Bond Payments Receipts                              | 35,482        | 35,482        | -        |
| Bond Payments Disbursements                         |               |               | -        |
| Interest Income                                     |               |               |          |
| <b>Excess(Deficiency) of revenues over Expenses</b> | <b>35,482</b> | <b>35,482</b> | <b>-</b> |

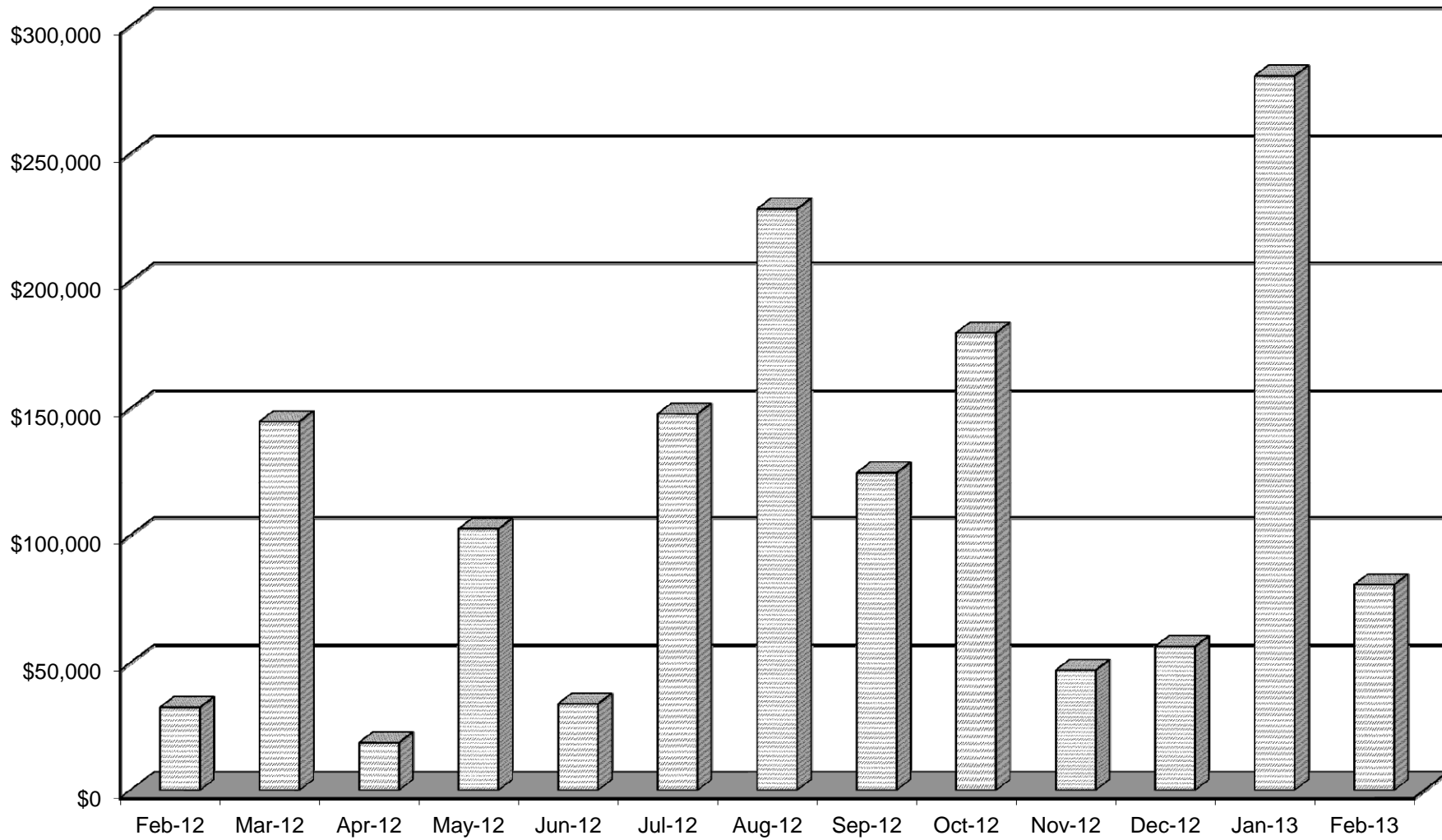
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**As of YTD Ended February 2013**

|   | YTD<br>Mental<br>Health<br>February 2013 | YTD<br>IDD<br>February 2013 | YTD<br>Other<br>Services<br>February 2013 | YTD<br>Agency<br>Total<br>February 2013 | YTD<br>Approved<br>Budget<br>February 2013 | Increase<br>(Decrease) |
|---|--|-----------------------------|---|---|--|------------------------|
| <b>INCOME:</b>  |  |                             |   |   |  |                        |
| Local Revenue Sources   | 492,554                                  | 125,116                     | 162,614                                   | 780,284                                 | 780,236                                    | 48                     |
| Earned Income   | 1,496,332                                | 3,190,288                   | 604,240                                   | 5,290,859                               | 4,779,868                                  | 510,991                |
| General Revenue-Contract  | 5,560,719                                | 674,703                     | -   | 6,235,422                               | 6,251,463                                  | (16,041)               |
| <b>TOTAL INCOME</b>   | <b>7,549,605</b>                         | <b>3,990,107</b>            | <b>766,854</b>                            | <b>12,306,565</b>                       | <b>11,811,567</b>                          | <b>494,998</b>         |
| <b>EXPENSES:</b>  |  |                             |   |   |  |                        |
| Salaries  | 4,194,236                                | 1,222,987                   | 483,206                                   | 5,900,430                               | 5,957,530                                  | (57,100)               |
| Employee Benefits   | 803,860                                  | 249,224                     | 101,305                                   | 1,154,388                               | 1,153,366                                  | 1,022                  |
| Medication Expense  | 144,690                                  | -                           | 5,097                                     | 149,787                                 | 169,283                                    | (19,496)               |
| Travel-Board/Staff  | 121,614                                  | 46,244                      | 18,512                                    | 186,369                                 | 208,196                                    | (21,827)               |
| Building Rent/Maintenance   | 60,405                                   | 33,959                      | 7,752                                     | 102,116                                 | 116,332                                    | (14,216)               |
| Consultants/Contracts   | 791,420                                  | 1,845,489                   | 31,770                                    | 2,668,680                               | 2,694,410                                  | (25,730)               |
| Other Operating Expenses  | 752,448                                  | 280,265                     | 107,795                                   | 1,140,508                               | 1,206,666                                  | (66,158)               |
| <b>TOTAL EXPENSES</b>   | <b>6,868,673</b>                         | <b>3,678,168</b>            | <b>755,437</b>                            | <b>11,302,278</b>                       | <b>11,505,783</b>                          | <b>(203,505)</b>       |
| <b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b> | <b>680,932</b>                           | <b>311,939</b>              | <b>11,417</b>                             | <b>1,004,287</b>                        | <b>305,784</b>                             | <b>698,503</b>         |
| <b>CAPITAL EXPENDITURES</b>   |  |                             |   |   |  |                        |
| Capital Outlay-FF&E, Automobiles  | 14,265                                   | 6,899                       | 1,804                                     | 22,967                                  | 59,380                                     | (36,413)               |
| Capital Outlay-Debt Service Bonds   | 130,779                                  | 59,417                      | 22,697                                    | 212,892                                 | 212,827                                    | 65                     |
| <b>TOTAL CAPITAL EXPENDITURES</b>   | <b>145,044</b>                           | <b>66,316</b>               | <b>24,501</b>                             | <b>235,858</b>                          | <b>272,207</b>                             | <b>(36,348)</b>        |
| <b>GRAND TOTAL EXPENDITURES</b>   | <b>7,013,717</b>                         | <b>3,744,484</b>            | <b>779,938</b>                            | <b>11,538,136</b>                       | <b>11,777,990</b>                          | <b>(239,853)</b>       |
| <b>Excess (Deficiency) of Revenues and Expenses</b>                             | <b>535,888</b>                           | <b>245,623</b>              | <b>(13,084)</b>                           | <b>768,427</b>                          | <b>33,577</b>                              | <b>734,851</b>         |
| <b>Debt Service and Fixed Asset Fund:</b>                                       |  |                             |   |   |  |                        |
| Bond Payments Receipts  | 130,779                                  | 59,417                      | 22,697                                    | 212,892                                 | 212,827                                    | (82,048)               |
| Bond Payments Disbursements   | -  | -                           | -   | -                                       | -  | -                      |
| Interest Income   | -  | -                           | -   | -                                       | -  | -                      |
| <b>Excess(Deficiency) of revenues over Expenses</b>                             | <b>130,779</b>                           | <b>59,417</b>               | <b>22,697</b>                             | <b>212,892</b>                          | <b>212,827</b>                             | <b>(82,048)</b>        |

# TRI-COUNTY SERVICES Income and Expense



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



|   |  |
|---|--|
| <p><b>Agenda Item:</b> Approve FY 2013 Budget Revision as of January 31, 2013</p> <p><b>Committee:</b> Business</p>   | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>Periodically throughout the budget year, we adjust the budget for changes to funding or other scenarios that may have changed from the initial budget process.</p> <p>This budget revision reflects new programs awarded after the beginning of fiscal year. This revision also shows adjustments made to revenue and expenses based on YTD trends and projections through the end of the fiscal year.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>Summary</p> <p>FY 2013 Budget Revision</p>   |  |
| <p><b>Recommended Action:</b></p> <p><b>Approve FY 2013 Budget Revision as of January 31, 2013</b></p>  |  |



**Tri-County MHMR Services  
Proposed FY 2013 Revised Budget Compared to  
Current FY 2013 Approved Budget**

**Explanation of line items that have material changes from Proposed FY 2013 Budget compared to the Final FY 2013 Approved Budget.**

**REVENUES:**

**Local Revenue** - Local Revenue is projected to decrease based on having received the entire amount of the Community Development Block Grant funds from Montgomery County for the PETC.

**Earned Income** - This line item reflects an overall increase based on recognizing funds from DY 1 of the 1115 Waiver Project as well as receiving FY 2010 Settle-up funds for Rehab, Targeted Case Management and IDD Service Coordination. This line also reflects an increase in MAC Claims.

**General Revenue** - This line item reflects an overall increase due to DADS increasing our IDD GR back to the FY 2012 levels in a recent Contract revision.

**EXPENSES:**

**Salaries** – The salary line reflects an increase based on budgeted positions increasing midway through the fiscal year of FY 13.

**Employee Benefits** – This line shows a decrease based mainly due to a change in our State Unemployment rate for calendar year 2013. The rate changed from 2.9% to .1%. This is a huge decrease.

**Travel – Board/Staff** – This line item reflects a slight decrease overall.

**Medication Expense** - This line item reflects a decrease based on year to date trends.

**Building Rent/Maintenance** - This line item reflects a projected increase based on year to date trends and the continued repairs required on our aging buildings.

**Consultants/Contracts** - This line reflects an increase based mainly on a new contract the Board implemented with retired executive director and an increase in respite contracts with the IDD GR funds. We also budgeted for the use of contract doctors since we are having a difficult time hiring permanent doctors on staff.

**Other Operating Expenses** - This line item is budgeted to increase slightly based on various utilities and an increase in supplies needed for new staff and programs starting for 1115 Waiver.

**Capital Outlay-FF&E, Automobiles** - This line item has a budgeted increase based on the purchase of new equipment for new programs starting up and replacement of aging computers.

**Capital Outlay - Debt Service Bonds** – This line item has no change.

**TRI-COUNTY MHMR SERVICES  
PROPOSED FY 2013 REVISED BUDGET COMPARED TO  
CURRENT FY 2013 APPROVED BUDGET**

|  | <b>PROPOSED<br/>REVISED<br/>FY 2013<br/>BUDGET</b> | <b>CURRENT<br/>FY 2013<br/>BUDGET</b> | <b>Increase<br/>(Decrease)</b> |
|--|--|---------------------------------------|--------------------------------|
| <b>INCOME:</b>   |  |                                       |                                |
| Local Revenue Sources  | 1,436,022  | 1,633,736                             | (197,714)                      |
| Earned Income  | 10,716,609   | 9,617,335                             | 1,099,274                      |
| General Revenue  | 12,543,396   | 12,432,557                            | 110,839                        |
| <b>TOTAL INCOME</b>  | <b>24,696,027</b>                                  | <b>23,683,628</b>                     | <b>1,012,400</b>               |
| <b>EXPENSES:</b>   |  |                                       |                                |
| Salaries   | 11,853,323   | 11,690,096                            | 163,227                        |
| Employee Benefits  | 2,282,207  | 2,326,389                             | (44,183)                       |
| Travel-Board/Staff   | 413,582  | 414,470                               | (888)                          |
| Medication Expense   | 324,567  | 338,567                               | (14,000)                       |
| Building Rent/Maintenance  | 258,500  | 236,000                               | 22,500                         |
| Consultants/Contracts  | 5,736,882  | 5,664,810                             | 72,072                         |
| Other Operating Expenses   | 2,470,846  | 2,435,261                             | 35,585                         |
| <b>TOTAL EXPENSES</b>  | <b>23,339,906</b>                                  | <b>23,105,593</b>                     | <b>234,314</b>                 |
| <b>Excess (Deficiency) of Revenues over<br/>Expenses before Capital Expenditures</b> | <b>1,356,121</b>                                   | <b>578,035</b>                        | <b>778,086</b>                 |
| <b>CAPITAL EXPENDITURES</b>  |  |                                       |                                |
| Capital Outlay - FF&E, Automobiles   | 230,336  | 152,250                               | 78,086                         |
| Capital Outlay - Debt Services Bonds   | 425,785  | 425,785                               | -                              |
| <b>TOTAL CAPITAL EXPENDITURES</b>  | <b>656,121</b>                                     | <b>578,035</b>                        | <b>78,086</b>                  |
| <b>GRAND TOTAL EXPENDITURES</b>  | <b>23,996,027</b>                                  | <b>23,683,628</b>                     | <b>312,400</b>                 |
| <b>Excess (Deficiency) of<br/>Revenues and Expenses</b>                              | <b>700,000</b>                                     | <b>(0)</b>                            | <b>700,000</b>                 |

|   |  |
|---|--|
| <p><b>Agenda Item:</b> Disposition of 512 Bryant Road, Conroe, Texas</p> <p><b>Committee:</b> Business</p>  | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>The 507 Bryant Road facility (which formerly housed the Conroe IDD Day Habilitation Program) has been on the market for over a year without any offers.</p> <p>However, staff has received an offer to purchase the maintenance facility located across the street at 512 Bryant Road in Conroe. The 512 Bryant Road facility is an office/warehouse building that has a total of 9,600 square feet on approximately .58 of an acre of land with a shared parking area with the adjacent building; 2,000 square feet is office space and the remaining square footage is warehouse. It has not been on the market, but the owner of the property next door (that Tri-County shares the parking with) is interested in expanding his facility.</p> <p>The Center has a Board Goal for FY 2013 to “implement best strategies to sell vacant properties” and the offer on the facility at 512 Bryant Road may provide an opportunity to reduce the number of vacant buildings we own. Staff wants to discuss the possibility of moving forward with the sale of this facility and potential options available to move the maintenance department.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>Appraisal of 512 Bryant Road Available at Board Meeting</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>Authorize Executive Director to Move Forward as Directed by the Board of Trustees</b></p>   |  |

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| <p><b>Agenda Item:</b> Approve Recommendation to Declare 1997 Ford E350 15 Passenger Van as Surplus</p> <p><b>Committee:</b> Business</p>   | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>Staff has recommended that the 1997 Ford E350 15 Passenger Van be declared as surplus due to the age of the vehicle, high mileage, increased maintenance and repair costs and safety.</p> <p><b>Vehicle Descriptions:</b></p> <ul style="list-style-type: none"> <li>• 1997 Ford E350 15 Passenger Van             <ul style="list-style-type: none"> <li>○ License #DL4R053</li> <li>○ Mileage as of February 28, 2013 – 278,627</li> </ul> </li> </ul> |  |
| <p><b>Supporting Documentation:</b></p> <p>None</p>   |  |
| <p><b>Recommended Action:</b></p> <p><b>Approve Recommendation to Declare 1997 Ford E350 15 Passenger Van as Surplus and Approve Sale to the Highest Bidder</b></p>   |  |

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|---|---|
| <b>Agenda Item:</b> Approve Surplus Sale for Miscellaneous Furniture and Equipment<br><br><b>Committee:</b> Business  | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>Periodically, Tri-County has the need to dispose of items stored in our bays. Currently, we have a substantial amount of used furniture and equipment that are no longer needed at our Cleveland location. The actual value of these items is minimal, but staff will attempt to sell the furniture and equipment at a fair market value. |   |
| <b>Supporting Documentation:</b><br><br>None  |   |
| <b>Recommended Action:</b><br><br><b>Approve Surplus Sale for Miscellaneous Furniture and Equipment to be held in April 2013</b>  |   |

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| <p><b>Agenda Item:</b> Approve Request of Texas Department of Housing and Community Affairs (TDHCA) for New Authorization in the Reservation System Participation Program</p> <p><b>Committee:</b> Business</p>   | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>In March 2012, the Board of Trustees voted on a resolution to opt-in to the TDHCA Reservation System Program (RSP) which is intended to replace the TBRA contract system. A letter requesting to opt-in was submitted by the Executive Director as required by TDHCA.</p> <p>TDHCA recently acknowledged errors in their process and now states that the Board of Trustees must approve all staff who will be authorized to execute program contracts under the TBRA RSP. Evan Roberson was approved at the February 2013 Board meeting. Under TDHCA rules, Frani Scates-Strain, MH Adult Rehabilitation Manager, also requires Board approval to enter and approve RSP set-ups and/or draw requests.</p> <p>A resolution must be approved by the Board of Trustees and signed by the Board Chairman stating that:</p> <ol style="list-style-type: none"> <li>1. Frani Scates-Strain, MH Adult Rehabilitation Manager for Tri-County Services, be authorized to execute contracts for the TBRA Persons with Disabilities Reservation Project.</li> </ol> |  |
| <p><b>Supporting Documentation:</b></p> <p>TBRA Board Resolution</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>Approve request by the Texas Department of Housing and Community Affairs HOME Reservation System to Approve a Resolution to Authorize Frani Scates-Strain, MH Adult Rehab Manager, to Execute TBRA RSP Contracts</b></p>  |  |

## **TBRA PWD BOARD RESOLUTION**

On the 28<sup>th</sup> of March 2013, the Board of Trustees of Tri-County Mental Health Mental Retardation Services dba Tri-County Services passed the following Motion:

NOW BE IT RESOLVED, by the Board of Trustees, that

- Frani Scates-Strain, Administrator of Adult Rehabilitation Services, be authorized to execute contracts for the Tenant-Based Rental Assistance for Persons with Disabilities (TBRA PWD) Reservation Project.

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David Walker, Chair

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|--|--|
| <p><b>Agenda Item:</b> Approve 4<sup>th</sup> Payment of Non-Refundable Option Money to the Property Owner for the Independence Oaks Project Site</p> <p><b>Committee:</b> Business</p>  | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>After Board approval, Cindy Sill signed an Option to Purchase for a piece of property in Cleveland. The initial term of the Option would have expired June 30, 2012, but the Board authorized Cindy Sill to extend the option for 3 months in June, September and December. An additional payment is due by March 30, 2013 to extend the option to June 30, 2013. This is the last option available without amending the agreement.</p> <p>According to the Option, "Purchaser may extend the term of this Option for up to four (4) additional periods of three (3) months each. Should Purchaser desire to so extend the term of this Option, Purchaser shall pay Seller the sum of Two Thousand Five Hundred and NO/100 Dollars (\$2,500.00) which must be paid on or before the expiration of the initial or <b>extended term then in effect.</b>" <b>These 'extension option fees' will apply toward the final purchase price but are not refundable if Cleveland Supported Housing, Inc. (CSHI) does not purchase the property for some reason.</b></p> <p>The Property Option was developed and approved by David Deaton of Jackson Walker.</p> <p>Mr. Brad Browder, President of CSHI, Mr. Joe Bazar, along with the project team (Architects, Builder, and Evan Roberson) met with the City of Cleveland to review the site plans on Monday March 5<sup>th</sup>. The City requested a few small changes, but was otherwise pleased with the project as proposed. After the meeting with the City, the project team met at the project site and reviewed a few remaining site-related questions.</p> <p>The Firm Commitment paperwork has been submitted to HUD, but we may not be ready for construction by the time that the option expires. The final pricing for the project has been completed and the project came in very close to the original estimate. Therefore, as expected, the project will require additional funding from HUD even if we receive substantial foundation funding. On Tuesday, March 19<sup>th</sup>, staff received word that Houston Endowment had funded our full request for \$200,000 in funding. Staff continues to wait for word regarding grant funding from the Meadows Foundation.</p> <p>Staff plans to begin discussions with the property owners about an official extension of the property option for an additional three (3) months to September 2013.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>None</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>Approve 4<sup>th</sup> Payment of Non-Refundable Option Money to the Property Owner for the Independence Oaks Project Site</b></p>   |  |



|   |  |
|---|--|
| <p><b>Agenda Item:</b> Ratify Department of State Health Services Clinical Management for Behavioral Health Services (CMBHS) Memorandum of Understanding</p> <p><b>Committee:</b> Business</p>  | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>The Department of State Health Services (DSHS) has been developing a computer software system called the Clinical Management for Behavioral Health Services (CMBHS-pronounced Columbus) for a few years.</p> <p>DSHS plans for all centers to begin sending data to CMBHS from their current Electronic Medical Record (EMR) by September 1, 2013. DSHS has developed this Memorandum of Understanding (MOU) to facilitate the development of interfaces between CMBHS and center medical records, and to govern testing protocols.</p> <p>Tri-County was required to provide a Single Point of Contact (SPOC) as a part of submitting the MOU. Tri-County has selected one of our Information Services staff to facilitate the testing and certification of our system with CMBHS.</p> <p>Submission of new assessment tools (the CANS and ANSA) will be required by September as a part of Texas Resilience and Recovery (TRR). Other data elements will be submitted to CMBHS over time.</p> <p>Evan Roberson reviewed the MOU with Board Chair, David Walker, who authorized him to sign the MOU and submit it back to DSHS.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>Memorandum of Understanding # 2013-043377</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>Ratify Department of State Health Services Clinical Management for Behavioral Health Services (CMBHS) Memorandum of Understanding</b></p>   |  |

## DEPARTMENT OF STATE HEALTH SERVICES

### MEMORANDUM OF UNDERSTANDING



This Memorandum of Understanding (MOU), number 2013-043377 is entered into by and between the Department of State Health Services (DSHS), an agency of the State of Texas, and TRI-COUNTY MHMR SERVICES (Licensee). Collectively, the Department and Licensee shall be referred to in this MOU as "the Parties."

#### SECTION I. PURPOSE OF MOU

DSHS has developed the Clinical Management for Behavioral Health Services (CMBHS) to support the delivery of behavioral health services. Technology components of CMBHS related to the support of substance abuse services have previously been released for use. DSHS is preparing to release an updated version of CMBHS (Software) that includes functionality made available through a web interface (Website) for managing the delivery of mental health services, including, but not limited to, developing client profiles and conducting assessments, and an Internet portal (Portal) that includes services to support standards-based data submission, data exchange, and state-required reporting for mental health services (Data Exchange). The Software includes, but is not necessarily limited to, programming code, system enhancements, improvements, updates, additions, derivative works, business rules, documentation, supporting documents, user guides, and related material. Access to the Website, Portal, and select Software components, may be provided to Licensee by DSHS under the terms of this MOU.

Testing of the functionality of the Software using the Website and Portal includes Data Exchange Testing which incorporates, but is not necessarily limited to, data submission, data exchange, reporting, and error correcting services for all mental health-related client data, including adult, child, and adolescents, to be electronically provided to CMBHS by DSHS-contracted providers and/or select providers participating in NorthSTAR. Data Exchange Testing will occur on a schedule developed by DSHS using methodologies developed by DSHS. All testing will occur on test installations of the Software, Website, and Portal established, identified, and maintained by DSHS.

The purpose of this MOU is to set out the roles and responsibilities of DSHS and Licensee in the cooperative efforts of Data Exchange Testing of CMBHS for mental health services prior to the general release of CMBHS for mental health services to DSHS contractors and NorthSTAR.

DSHS enters this MOU to allow Licensee to:

Participate in Data Exchange Testing. By participating in Data Exchange Testing, Licensee will be able to:

- A. Access, through a CMBHS Documentation Website identified by DSHS, resources including, but not limited to, testing methodology and criteria, business rules, sample code, and other material DSHS believes may provide Licensee assistance with conducting Data Exchange Testing, and/or modifying its local information system to support interoperability with DSHS's information systems;
- B. Test Licensee's local health information system's ability to exchange data with DSHS using the Portal to submit data as required by DSHS through its performance contracts with Licensee and/or as required by statute or regulation;
- C. Test Website-based online error correction;
- D. Utilize DSHS-specified testing methodology so the Parties can validate the performance of the Software, including the Website and Portal, in preparation for general release by DSHS;
- E. Participate in conference calls hosted by DSHS regarding Data Exchange Testing; and
- F. Receive technical assistance in addressing problems with data exchange.

Licensee enters this MOU for the purposes of:

Participating in Data Exchange Testing. By participating in Data Exchange Testing Licensee will be able to:

- A. Access, through a CMBHS Documentation Website identified by DSHS, resources including, but not limited to, testing methodology and criteria, business rules, sample code, and other material DSHS believes may provide Licensee assistance with conducting Data Exchange Testing, and/or modifying its local information system to support interoperability with DSHS's information systems;
- B. Test Licensee's local health information system's ability to exchange data with DSHS using the Portal as required by DSHS through its performance contracts with Licensee and/or as required by statute or regulation;
- C. Test Website-based error correction functionality;
- D. Utilize DSHS-specified testing methodology so the Parties can validate the performance of the Software, including the Website and Portal, in preparation for general release by DSHS;
- E. Participate in conference calls hosted by DSHS regarding Data Exchange Testing; and
- F. Receive technical assistance in addressing problems with data exchange.

## **SECTION II. ROLES AND RESPONSIBILITIES OF DSHS**

DSHS represents and warrants that it has the requisite right and legal authority to grant the license to Licensee for Data Exchange Testing of the Software using the Website and Portal. No other warranty is made with regard to DSHS providing access to the Website, Portal, and Software to Licensee for Data Exchange Testing. DSHS is providing access to the Website, Portal, and Software to Licensee "as is," and Licensee accepts all risk arising out of the use or performance of Website, Portal, and Software.

DSHS agrees to:

- A. Assign a single point of contact (POC) for all Licensee questions for Data Exchange Testing. DSHS will notify the applicable Licensee's POC if there is a change in the DSHS POC.
- B. Host and provide Licensee access to a CMBHS Documentation website with materials relevant to implementing mental health assessments in local health information systems and data submission/exchange/reporting file formats and instructions. This material may include

business rules in human and/or machine-readable form, sample code, and any other material DSHS identifies as useful in implementing mental health assessments, implementing changes in Licensee's health information systems to support interoperability/data exchange with DSHS systems, or Data Exchange Testing.

- C. Provide Licensee access, including at least one user ID and password, to a Portal and Website for the duration of the Data Exchange Testing period for exclusive use in Data Exchange Testing.
- D. Provide technical and testing assistance for Data Exchange Testing, in a manner and within limits defined exclusively by DSHS.
- E. Conduct scheduled conference calls with Licensees and other entities including, but not limited to Licensee's contractors and ValueOptions during the term of this MOU to address issues related to Data Exchange addressed by this MOU.
- F. Provide technical assistance to Licensee to develop functionality to support Data Exchange, including file layout structures, sample code, and other materials.

Failure of DSHS to enforce a right under this MOU shall not act as a waiver of that right or the ability to later assert that right relative to the particular situation involved.

### **SECTION III. ROLES AND RESPONSIBILITIES OF LICENSEE**

- A. Licensee agrees that Software, including Website and Portal, is the sole property of DSHS.
- B. Licensee agrees to treat Software and data as confidential and shall not, without the express written permission of DSHS or as specified in this MOU, take any action that will compromise the confidentiality of the Software and data, including the following:
- C. Licensee shall not demonstrate, copy, sell, loan, lease, assign, license, transfer or market Software or any portion of Software without the prior written consent of DSHS.
- D. With the exception of developing and implementing technology to fulfill contracted services between Licensee and DSHS (i.e. delivery of mental health services), including but not limited to development and implementation of assessment tools, data exchange, and customized reports, Licensee shall not modify, prepare derivative works, reuse, disassemble, decompile, reverse engineer or otherwise translate Software or any portion of Software without the prior written consent of DSHS.
- E. Licensee may consult and collaborate with contractor(s) and other Licensees to utilize DSHS-provided resources identified in this MOU to make or test any required modification(s) to computer software and systems maintained or utilized by the Licensee to incorporate new Uniform Assessments and data exchange functionality to support the delivery of DSHS-contracted services. Licensee shall provide a list of all entities with whom it has consulted to DSHS on request.
- F. Licensee shall ensure that any entity or individual to which it discloses information about CMBHS material subject to this MOU will adhere to all provisions of this MOU as if the entity/individual were a Licensee.
- G. Licensee acknowledges that it shall have a limited, non-exclusive, non-transferable license to use the Website and Portal solely for testing purposes for the term of this MOU.
- H. Licensee hereby assigns to DSHS all right, title and interest to any recommendations regarding modifications or additions to the Website, Portal, and/or Software and all property

rights therein, including without limitation all patent, copyright, trade secret, mask work, trademark, moral right, or other intellectual property rights.

- I. In consideration for use of the Software, Website, and Portal for Data Exchange Testing, Licensee agrees to perform, in addition to related activities described elsewhere in this MOU, the following:
  - 1. Assign and utilize a POC for Data Exchange Testing to communicate with DSHS. Licensee will notify DSHS Data Exchange Testing POC of the Licensee's Data Exchange Testing POC, and any change in the Licensee's Data Exchange Testing POC shall be communicated via email to DSHS's Data Exchange Testing POC.
  - 2. Test and evaluate the Website and Portal as provided in this MOU on the website hosting the Software designated by DSHS and using interfaces specified by DSHS, using any user acceptance test script(s), data, approaches, and protocols provided by DSHS to the Licensee.
  - 3. Notify DSHS POC and the DSHS CMBHS technical team within 72 hours via email of all problems regarding the use of Software, Website and Portal.
  - 4. Provide written feedback weekly via email during active testing by the Licensee to DSHS on Software, Website, and Portal performance regarding data exchange and Licensee's experience with implementing data exchange functionality. Active testing is defined as the actual submission of a test file by a Licensee and not the entirety of the testing period (e.g. a Licensee submits a file and should report on the results of the test, identifying if the test was successful or what problems, if any, were encountered. If no file was submitted, no feedback report is necessary.).
  - 5. Participate in conference calls with DSHS regarding Data Exchange Testing.
- J. Licensee agrees that it will not utilize the CMBHS test environment for ongoing business activities involving current clients, including conducting assessments or managing care delivery.
- K. Licensee understands that DSHS may, at its own discretion and without prior communication to the Licensee, eliminate, alter, or add information to any or all record(s) in the CMBHS development/test environment. DSHS will not implement alteration of the record submission layout without prior consultation with its Contractors.
- L. Licensee is responsible for all costs incurred by Licensee, including but not limited to local computer system modifications or changes required for testing and staff or contracting costs associated with staff time involved in participating in user acceptance testing and conference calls.
- M. Notwithstanding other agreements between DSHS and Licensee, Licensee assumes all liability arising from the use of Software during testing activities. DSHS is not liable in any manner for any damages arising out of Licensee's use of, or inability to use, the Website, Portal, or Software or any incidental or consequential damages, including, without limitation, loss of data.

#### **SECTION IV. TERM OF THE MOU**

This MOU shall be effective as of the date of the last signature and end on August 31, 2014, unless terminated as provided elsewhere in this MOU.

#### **SECTION V. AUTHORITY**

DSHS enters into this MOU under the authority of Health and Safety Code, Chapter 1001. This MOU is governed by and construed and enforced according to the laws of the State of Texas. Licensee shall comply with all applicable federal, state, and local law, regulations, and ordinances in connection with its activities pursuant to this MOU.

If any provision(s) of this MOU shall be found by a court to be void, invalid, or unenforceable, the provision(s) shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this MOU.

## **SECTION VI. AMENDMENTS**

Amendments to this MOU shall be in writing and signed by the Parties.

## **SECTION VII. TERMINATION**

- A. At the termination of this MOU, Licensee shall immediately return to DSHS or destroy all copies of test scripts and Software in its possession and cease accessing the Software version provided by DSHS for use in testing as part of this MOU and certify to DSHS that it has done so.
- B. If the Licensee withdraws from participating in Data Exchange Testing, Licensee shall immediately return to DSHS or destroy all copies of Data Exchange Testing scripts, Software and other related material in its possession and cease accessing the Software for user acceptance testing.
- C. Either DSHS or Licensee may terminate this MOU with or without cause with 30 days written notice.
- D. If either Party terminates this MOU for cause, the cause for termination shall be communicated in writing to the other Party.

## **SECTION VIII. CONFIDENTIALITY**

Licensee shall comply with the Health Information Portability and Accountability Act of 1996, as amended and all rules and regulations thereto (collectively, HIPAA). In accordance with the HIPAA Privacy Rule's Minimum Necessary standard, Licensee shall, if it is a HIPAA Covered Entity or Business Associate of a Covered Entity (as such terms are defined in the HIPAA regulations), provide patient data that includes all requisite fields included in the CMBHS file submission layout. The use of patient data is required to ensure that the data exchange between Licensee and DSHS is performing properly and ensure that when CMBHS' new functionality is released the data exchanged is in the format consistent with the data specifications established by DSHS and the Software produces accurate information regarding patient care, consistent with the information contained in other state information systems. This exchange of patient data between covered entities and business associates of covered entities is authorized by the Privacy Rule to support health care operations. Applicable rules and regulations, including the HIPAA Security Rule, shall apply to all data provided and systems utilized by the Parties for relevant activities undertaken pursuant to this MOU.

No actual patient data or protected identifiable information shall be used in any testing file submitted by entities other than those that are Covered Entities or Business Associates as defined by HIPAA. Licensee shall immediately notify DSHS of any access, use or disclosure of confidential information that may be in violation of HIPAA and shall assist DSHS in performing any investigation and notice that may be required pursuant to HIPAA.

#### **SECTION IX. PRIMARY CONTACTS**

All communications between the Parties shall be made through the Parties' POCs to the maximum extent possible. The DSHS initial POC is the following:

For Data Exchange Testing:

|       |  |
|-------|--|
|       | For DSHS                                 |
| Name  | Dana Brown                               |
| Title | CMBHS Data Exchange<br>Software Engineer |
| Email | dana.brown@dshs.state.tx.us              |
| Phone | 512-206-5822                             |

The initial POC for Licensee is:

|       |                                  |
|-------|----------------------------------|
|       |                                  |
| Name  | Kenneth Barfield                 |
| Title | Anasazi Software Specialist      |
| Email | KennethB@tricountysecurities.org |
| Phone | 936-521-6124                     |

The Parties shall notify each other via email of any change in their POC.

#### **SECTION X. ENTIRE AGREEMENT**

This MOU terminates and supersedes all prior understandings or agreements on the subject matter hereof.

The Parties acknowledge that this MOU is the entire agreement of the Parties and that there are no agreements or understandings, written or oral, between them with respect to the subject matter of this MOU, other than as set forth in this MOU.

By signing below, the Parties acknowledge that they have read the MOU and agree to its terms, and that the persons whose signatures appear below have the requisite authority to execute this MOU on behalf of the named party.

DEPARTMENT OF STATE HEALTH SERVICES      ENTITY

By: \_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title

Mailing Address For Regular Mail:  
Client Services Contracting Unit MC 1886  
PO Box 149347  
Austin, TX 78714-9347

Physical Address For Overnight Mail:  
Client Services Contracting Unit MC 1886  
Department Of State Health Services  
1100 West 49th Street  
Austin, Texas 78756

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
E-mail Address for Official Correspondence

By: \_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

Evan Roberson, Executive Director

\_\_\_\_\_  
Printed Name and Title

P.O. Box 3067

\_\_\_\_\_  
Address

Conroe, TX 77305

\_\_\_\_\_  
City, State, Zip

936-521-6119

\_\_\_\_\_  
Telephone Number

EvanR@tricityservices.org

\_\_\_\_\_  
E-mail Address for Official Correspondence



|   |  |
|---|--|
| <p><b>Agenda Item:</b> Ratify Department of State Health Services Amendment to Contract # 2012-039597 Amendment 005B: Mental Health Private Psychiatric Beds</p> <p><b>Committee:</b> Business</p>  | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>The Department of State Health Services (DSHS) has issued a contract amendment (005B) to the contract for Mental Health Private Psychiatric Beds (referred to as Rusk Diversion Beds at Tri-County).</p> <p>The contract amendment:</p> <ul style="list-style-type: none"> <li>• changes all references to the Local Mental Health Authority (LMHA) to Contractor;</li> <li>• requires Tri-County to return unused funds "within 60 days of the termination of this Program Attachment"; and,</li> <li>• clarifies that certain reporting information must be submitted electronically.</li> </ul> <p>Evan Roberson reviewed the contract amendment with Board Chair, David Walker, who authorized him to sign the amendment and submit it back to DSHS.</p> |  |
| <p><b>Supporting Documentation:</b></p> <p>Contract Amendment 005B to Contract # 2012-039597</p>  |  |
| <p><b>Recommended Action:</b></p> <p><b>Ratify Department of State Health Services Amendment to Contract # 2012-039597 Amendment 005B: Mental Health Private Psychiatric Beds</b></p>   |  |

DEPARTMENT OF STATE HEALTH SERVICES



Amendment  
To

The Department of State Health Services (DSHS) and TRI-COUNTY MHMR SERVICES (Contractor) agree to amend the Program Attachment # 005A (Program Attachment) to Contract # 2012-039597 (Contract) in accordance with this Amendment No. 005B : Mental Health Private Psychiatric Beds, effective 02/08/2013.

This Amendment is necessary: To make language revisions to the scope of work and to update the number of beds required.

Therefore, DSHS and Contractor agree as follows:

1 change at paragraph (2)

PROGRAM ATTACHMENT ~~NO.005A~~ NO.005B

1 change at paragraph (23)

5. Contractor shall require the Hospital to notify Contractor no later than 90 days prior to discontinuing the provision of inpatient mental health services ~~received~~ at the Hospital.

1 change at paragraph (39)

2. Contractor shall budget and report expenditure data on the Client Assignment and Registration (CARE) Report III within the Community Hospital strategy C.2.1.1 using line ~~758-Other General Revenue 764--~~ DSHS, Project Private Beds.

1 change at paragraph (91)

i. A reasonable and appropriate discharge plan that is jointly developed by ~~the LMHA Contractor~~ and the Hospital; and

1 change at paragraph (109)

a. The Hospital must not allow admissions without prior ~~LMHA/Contractor~~ Contractor approval;

3 changes at paragraph (112)

- d. When the Hospital admits a patient, the Hospital must promptly notify ~~the designated LMHA Contractor~~ of the admission and the admission status;
- e. Upon admission of a patient to the Hospital, the Hospital and ~~the designated LMHA Contractor~~ must begin discharge planning for the patient;

f. Discharge planning must involve the Hospital treatment team, ~~the designated LMHA Contractor -~~ liaison staff or other ~~LMHA-designated Contractor-designated~~ staff, the designated mental retardation authority (MRA) liaison staff if appropriate, the patient, the patient's legally authorized representative (LAR), if any, and any other individual authorized by the patient;

1 change at paragraph (123)

The terms and conditions of this Program Attachment and the following performance measures will be used to ~~assess, in part, assess~~ Contractor's effectiveness in providing the services described in ~~this Program Attachment, without waiving the enforceability of any of the terms of~~ this Program Attachment:

1 change at paragraph (129)

C. No later than October 15, 2012 for FY12 and October 15, 2013 for FY13, Contractor shall report to DSHS the total amount paid to the Hospital for services provided under this Program Attachment, and the total amount used by Contractor for the administration of the provision of services under this Program Attachment. If the funding paid by DSHS exceeds the total paid to the Hospital plus the total used by Contractor for administration, Contractor shall return to DSHS the unspent funds paid under this Program Attachment within 60 days of the termination of this Program Attachment. Contractor's duty to submit reports survives the termination or expiration of this Program Attachment.

1 change at paragraph (133)

~~E. AHE. Contractor shall send all~~ reports, documentation, and other information required of Contractor by this Program Attachment ~~must be sent~~ to the address listed below. Where electronic submission is determined acceptable by DSHS, Contractor shall electronically send all reports, documentation, and other information required of Contractor ~~must be sent electronically~~ to the [Performance.Contracts@dshs.state.tx.us](mailto:Performance.Contracts@dshs.state.tx.us) ~~<mailto:Performance.Contracts@dshs.state.tx.us>~~ email address, as well as to the assigned DSHS Contract Manager.

1 change at paragraph (159)

~~A. PaymentA.~~ DSHS shall pay for services provided by Contractor in accordance with the terms and conditions of this Program Attachment ~~will be made~~ in one lump sum payment upon execution of the contract.

Department of State Health Services

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

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

David L. Lakey, M.D.

Commissioner

1100 WEST 49TH STREET  
AUSTIN, TEXAS 78756

512.458.7375

david.lakey@dshs.state.tx.us

Contractor

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

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

Name: Evan Roberson

Title: Executive Director

Address: P.O. Box 3067

Conroe, TX 77305

Phone: 936-521-6119

Email: EvanR@tricityservices.org

|   |  |
|---|--|
| <p><b>Agenda Item:</b> Approve Addendum to Tri-County Services 401(a) Retirement Plan Adoption Agreement</p> <p><b>Committee:</b> Business</p>  | <p><b>Board Meeting Date</b></p> <p>March 28, 2013</p> |
| <p><b>Background Information:</b></p> <p>ISC Group has always permitted terminated participants in the Tri-County Services 401(a) Retirement Plan to take a portion of their vested account balance once they leave employment. Often, they need a small amount in cash while weighing options to rollover or completely distribute the account. However, the Adoption Agreement does not state this. Therefore, ISC Group recommends the attached addendum which clarifies Section 7.01 of the Tri-County Services 401(a) Retirement Plan Adoption Agreement by adding <b>“partial distributions”</b>. <b>The addendum will be added to the document and can be written in when a formal amendment or restatement is required.</b></p> |  |
| <p><b>Supporting Documentation:</b></p> <p>Tri-County Services 401(a) Retirement Plan Addendum</p> <p>Tri-County Services 401(a) Retirement Plan Adoption Agreement</p>   |  |
| <p><b>Recommended Action:</b></p> <p><b>Approve Addendum to Tri-County Services 401(a) Retirement Plan Adoption Agreement</b></p>   |  |

**Tri-County MHMR Services 401a Retirement Plan  
Addendum to Adoption Agreement**

**Clarification of Distribution of Plan Benefits**

7.01 Shall be amended to include partial distribution of benefits.

*Note: This has been the plan's intent and interpretation. This addendum serves as a clarification of intent.*

Effective date: March 28, 2013

Tri-County MHMR Services 401a Retirement Plan  
**Plan Name**

---

David K. Walker, Chairman  
Tri-County Services Board of Trustees

## ADOPTION AGREEMENT

Employer: Tri-County MHMR Services  
Plan Name: Tri-County MHMR Services Retirement Plan  
Effective Date: May 1, 1990  
Date Amended: September 1, 2009

Prepared By:



UNDERWOOD, PERKINS & RALSTON, P.C.  
ATTORNEYS AND COUNSELORS AT LAW

5420 LBJ Freeway  
Two Lincoln Centre, Suite 1900  
Dallas, Texas 75240  
(972) 661-5114  
[www.uprlaw.com](http://www.uprlaw.com)

## ADOPTION AGREEMENT

for the

Tri-County MHMR Services

Retirement Plan

The Employer hereby adopts this Plan and establishes the Trust for the benefit of its Employees in accordance with the terms and provisions of the attached Plan and Trust, subject to the following Plan Specifications.

### ARTICLE A1 – ESTABLISHMENT OF PLAN AND TRUST

A1.01 NAME. The name of this Plan shall be the "Tri-County MHMR Services Retirement Plan."

Effective beginning December 10, 2009, the name of this Plan shall be the "Tri-County MHMR Services Retirement Plan."

A1.02 EFFECTIVE DATE. The Effective Date of this Plan originally was May 1, 1990. The Effective Date of this amended and restated Plan shall be September 1, 2009. The Effective Date shall be limited to periods after December 31, 2001, unless specifically stated otherwise in the Plan. The Plan was last amended effective September 1, 2009.

### ARTICLE A2 – DEFINITIONS

A2.01 COMPENSATION. All of each Participant's W-2 earnings/compensation (as that term is defined in IRC Section 415(c)(3)) that actually is paid to the Participant during the Plan Year. Compensation shall not include elective amounts that are not includable in the gross income of the Employee under IRC Section 125, IRC Section 132(f), IRC Section 402(e)(3), IRC Section 402(h), or IRC Section 403(b).

Excluded from Compensation are all Employer Contributions to a plan of deferred compensation that are not includable in the Employee's gross income for the taxable year in which contributed, amounts realized from the exercise of a qualified or a non-qualified stock option, and any contributions as payments to any trust, fund or plan to provide retirement, pensions, profit sharing, health, welfare, death, insurance or similar benefits to or on behalf of the Employee.

Also excluded are overtime, bonuses, commissions and Compensation other than Base Salary.

Notwithstanding the above exclusions, any contributions made by the Employer pursuant to a salary reduction agreement under IRC Sections 125, 132(f), 402(e)(3), 402(h)(1)(B), 403(b) or 457 shall be includable in Compensation.

No amount of remuneration paid or accrued to an Employee during the time the Employee is an Excluded Employee as defined in Section A3.03 shall be considered Compensation for purposes of this Plan.

For the Employee's initial year of participation, Compensation shall be determined from the date of entry into the Plan.

A2.02 EMPLOYER. The Employer adopting this Plan and Trust shall be Tri-County MHMR Services or any successor business entity.

Effective beginning December 10, 2009, the Employer adopting this Plan and Trust shall be Tri-County MHMR Services or any successor business entity.

A2.03 ENTRY DATE. The Entry Dates of the Plan shall be the first day of each month during the Plan Year.

A2.04 HIGHLY COMPENSATED EMPLOYEE. In determining who is a Highly Compensated Employee, the Employer makes a top paid group election. The effect of this election is that an Employee (who is not a five percent [5%] owner at any time during the determination year or the look-back year) with Compensation in excess of \$80,000 (as adjusted) for the look-back year is a Highly Compensated Employee only if the Employee was in the top-paid group for the look-back year.

In determining who is a Highly Compensated Employee (other than a five percent [5%] owner) the Employer makes a Plan Year data election. The effect of this election is that the look-back year is the Plan Year beginning with or within the look-back year.

A2.05 LIMITATION YEAR. The Limitation Year shall be based on the twelve (12) month period commencing each January 1<sup>st</sup>.

A2.06 PLAN ADMINISTRATOR. the Plan Administrator shall be Tri-County MHMR Services.

Effective beginning December 10, 2009, the Plan Administrator shall be Tri-County MHMR Services.

A2.07 PLAN YEAR. The Plan Year shall be a twelve (12) consecutive month period commencing each September 1<sup>st</sup> and ending on the following August 31<sup>st</sup>.

A2.08 RETIREMENT DATES. For purposes of the Plan, a Participant's retirement date shall be the Participant's Normal, Early or Disability Retirement Date, as follows:



"Normal Retirement Age/Date" shall mean the later of the date on which the Participant attains age sixty-five (65) or the fifth (5<sup>th</sup>) anniversary of the first day on which the Participant became an Active Participant.

"Early Retirement Date" shall mean the later of the date on which the Participant attains age sixty (60) or the tenth (10<sup>th</sup>) anniversary of the date on which the Participant first performed an Hour of Service. Upon becoming eligible for Early Retirement, a Participant shall be fully vested in the Participant's Accrued Benefit under the Plan.

"Disability Retirement Date" shall mean the date as of which a Participant suffers a Disability. Upon becoming eligible for Disability Retirement, a Participant shall be fully vested in the Participant's Accrued Benefit under the Plan.

A2.09 TRUSTEE. The Trustees of the Trust created under this Plan shall be those who have affixed their signatures below.

A2.10 YEAR OF SERVICE. Years of Service under the Plan shall be determined using the "counting of hours" method under which an Employee shall be credited with a Year of Service if the Employee completes one thousand (1,000) or more Hours of Service during a Computation Period.

For purposes of eligibility and vesting, a period of employment with a Predecessor Entity shall not be counted in computing Years of Service.

#### ARTICLE A3 – PARTICIPATION AND ENTRY DATE

A3.01 ELIGIBILITY. Each Person who is an Employee shall be an Eligible Employee as of the Employee's date of hire.

A3.02 BECOMING AN ACTIVE PARTICIPANT IN THE PLAN. An Eligible Employee shall become an Active Participant on the appropriate Entry Date as specified in Section A2.03.

A3.03 EXCLUDED EMPLOYEES. The classification of Employee eligible to become an Eligible Employee shall not include any of the following:

- (1) Non-resident aliens who do not receive any earned income (as defined in IRC Section 911(d)(2)) from the Employer that constitutes United States source income (as defined in IRC Section 861(a)(3)).
- (2) Employees whose wages and conditions of employment are governed by the terms of a collective bargaining agreement between the Employee representatives and the Employer under

which retirement benefits were the subject of good faith bargaining.

- (3) Employees paid by commissions only.
- (4) Hourly paid Employees.
- (5) Temporary Employees.

A3.04 ELIGIBILITY COMPUTATION PERIOD. After the initial eligibility Computation Period of Section A3.01, the Plan measures the Eligibility Computation Period as the Plan Year, beginning with the Plan Year that includes the first anniversary of the Employee's employment commencement date.

#### ARTICLE A4 – EMPLOYER CONTRIBUTIONS

AMOUNT OF EMPLOYER CONTRIBUTION. The Employer shall contribute for each Plan Year an amount that, when added to any forfeitures to be allocated pursuant to Section A6.02 (which total amount then shall be considered to be the Employer contribution), shall be equal to seven and one-half percent (7.5%) of each eligible Participant's Compensation. In addition, the Employer shall contribute a matching contribution equal to one hundred percent (100%) of each eligible Participant's Compensation, up to two and one-half percent (2 ½%) of Compensation.

Effective beginning March 1, 2006, the Employer shall contribute for each Plan Year an amount that, when added to any forfeitures to be allocated pursuant to Section A6.02 (which total amount then shall be considered to be the Employer contribution), shall be equal to seven and one-half percent (7.5%) of each eligible Participant's Compensation. In addition, the Employer shall contribute a matching contribution equal to one hundred percent (100%) of each eligible Participant's Compensation, up to two and one-half percent (2 ½%) of Compensation. The Employer shall also contribute an additional one-half percent (.50%) for each one percent (1%) over two and one-half percent (2.5%) up to a maximum of four percent (4%) of the Compensation of each Participant who is eligible to share under the Plan.

#### ARTICLE A5 – ALLOCATIONS

A5.01 ELIGIBILITY TO SHARE IN ALLOCATION. A Participant shall be eligible to share in any Employer Contributions in each Plan Year in which the Participant has been actively employed; provided, however, should a Participant terminate employment by reason of death or Disability or following Normal Retirement Age, such Participant shall be deemed to have completed the requirement to be eligible for a share of any Employer Contributions.

Any Participant who terminated employment during the Plan Year for reasons other than death, Disability or following Normal Retirement Age shall be eligible share in the allocations of any Employer Contributions only if such Participant has completed more than five hundred (500) Hours of Service during the Plan Year.

A5.02 FORMULA FOR DETERMINING ALLOCATIONS. As of each Anniversary Date, the total contributions of the Employer shall be allocated to the Employer Contribution Account of each Participant who is eligible to share in accordance with Article A4.

A5.03 ALLOCATION OF FORFEITURES. As of each Anniversary Date, any amounts that became Forfeitures since the last Anniversary Date first shall be made available to reinstate previously forfeited Account balances of former Participants, if any. The remaining Forfeitures, if any, shall be used to reduce the contribution of the Employer hereunder for the Plan Year in which such Forfeitures occur.

Effective beginning August 31, 2006, as of each Anniversary Date, any amounts that became available Forfeitures since the last Anniversary Date first shall be made available to reinstate previously forfeited Account balances of former Participants, if any. The remaining forfeitures, if any, shall be hereby utilized in the following manner:

- (A) Fifty percent (50%) of the forfeitures from the last Anniversary Date shall be used to reduce Plan expenses under the Plan on or before August 31 each fiscal year.
- (B) Fifty percent of the remaining forfeitures after expenses after the last Anniversary Date shall be allocated in equal amounts to active fully vested Participants on or before August 31<sup>st</sup> each fiscal year.

A5.04 EXCESS CONTRIBUTIONS. If the annual additions under the terms of the Plan for a particular Participant would cause the limitations of IRC Section 415 to be exceeded with respect to each Plan Participant for the Limitation Year, then the Excess Amount shall be held unallocated in a suspense account. The suspense account shall be applied as the first portion of the Employer's contribution for all Participants in the next Limitation Year, and each succeeding Limitation Year if necessary. If a suspense account is in existence at any time during the Limitation Year pursuant to this Section, it shall not participate in the allocation of the Trust's investment gains and losses.

A5.05 ALLOCATION OF TRUST EARNINGS, GAINS AND LOSSES. The earnings, gains and losses of the Plan will be allocated to each Participant's Account in the ratio that such Account balance bears to all Account balances.

#### ARTICLE A6 – VESTING AND TERMINATION OF EMPLOYMENT

A6.01 VESTING PRIOR TO NORMAL RETIREMENT AGE. The vesting schedule, based on the number of Years of Service, shall be as follows:

| <u>Years of Service</u> | <u>Vested Percentage</u> |
|-------------------------|--------------------------|
| Less than One (1) Year  | 0%                       |
| One (1) Year            | 5%                       |
| Two (2) Years           | 15%                      |
| Three (3) Years         | 35%                      |
| Four (4) Years          | 65%                      |
| Five (5) or more Years  | 100%                     |

For purposes of this Section, all Years of Service shall be counted.

A6.02 FORFEITURES. The non-vested portion of a Participant's Employer Contribution Account shall be forfeited at the time a Participant has terminated employment and received a distribution of the entire vested portion of the Participant's Employer Contribution Account.

Effective beginning August 31, 2006, the non-vested portion of a Participant's Employer Contribution Account shall be forfeited as of the time a Participant incurs a Break in Service or received a distribution of the entire vested portion of the Participant's Employer Contribution Account.

#### ARTICLE A7 – DISTRIBUTION OF PLAN BENEFITS

A7.01 DISTRIBUTION UPON TERMINATION OF EMPLOYMENT. Distribution of Plan benefits shall be limited to forms other than Life Annuity or Qualified Joint and Survivor Annuity. Except as otherwise provided in Section 7.02(f), the Annuity requirements of Section 7.02 shall be inoperative. Benefits shall be payable in Single Lump Sum Distributions and Installments.

Effective for Plan Years beginning on or after September 1, 2009, distribution of Plan benefits shall be limited to forms other than Life Annuity or Qualified Joint and Survivor Annuity. Except as otherwise provided in Section 7.02(f), the Annuity requirements of Section 7.02 shall be inoperative. Benefits shall be payable in Single Lump Sum Distributions only.

A7.02 DISTRIBUTION UPON HARDSHIP. No hardship distributions under the Plan are permitted.

A7.03 IN-SERVICE DISTRIBUTIONS. No in-service distributions are permitted under Section 7.07 of the Plan prior to termination of employment or attaining a Retirement Date under the Plan.

Effective for Plan Years beginning on or after September 1, 2009, in-service distributions are permitted under Section 7.07 of the Plan upon having attained five (5) Years of Service and attaining the Normal Retirement Date from amounts in which Participant is one hundred percent (100%) vested.

A7.04 REQUIRED BEGINNING DATE. The required beginning date of a Participant is the later of April 1st of the calendar year following the calendar year in which the Participant attains age seventy and one-half (70 ½) or retires, except that benefit distributions to a five percent (5%) owner must commence by April 1st of the calendar year following the calendar year in which the Participant attains age seventy and one-half (70 ½). For these purposes, a five percent (5%) owner is an Employee who is a five percent (5%) owner (as defined in IRC Section 416) with respect to the Plan Year ending in the calendar year in which the Participant attains age seventy and one-half (70 ½).

If no such election is made, the Participant will begin receiving distributions by April 1st of the calendar year following the year in which the Participant attained age seventy and one-half (70 ½) (or by December 31, 1997 in the case of a Participant attaining age seventy and one-half (70 ½) in 1996).

A7.05 NON-SPOUSE BENEFICIARY DIRECT ROLLOVERS. Effective for Plan Years beginning on or after September 1, 2009, notwithstanding any provision under Section 7.09 of the Plan, any portion of a deceased Employee's Account in the Plan may be transferred, in a direct trustee-to-trustee transfer, to either an Individual Retirement Account described in IRC Section 408(a) or an individual retirement annuity described in IRC Section 408(b), established for the purpose of receiving the distribution on behalf of the Employee's designated beneficiary (who is not the Employee's surviving Spouse). This transfer shall be treated as an Eligible Rollover Distribution.

#### ARTICLE A8 – VOLUNTARY EMPLOYEE CONTRIBUTIONS AND TRANSFERS FROM QUALIFIED PLANS

A8.01 VOLUNTARY EMPLOYEE CONTRIBUTIONS. No Voluntary Employee Contributions are permitted.

A8.02 ROLLOVERS. Pursuant to the provisions of Article VIII of the Plan any Employee may direct a rollover to the Plan from any other qualified retirement plan.

Effective for Plan Years beginning on or after September 1, 2009, notwithstanding any provision under Article VIII of the Plan, any Employee may direct a rollover to the Plan from any other qualified retirement plan or from an Individual Retirement Account described in IRC Section 408(a).

#### ARTICLE A9 – ADMINISTRATION OF FUNDS

A9.01 PARTICIPANT-DIRECTED ACCOUNTS. No Participant-Directed Investments are permitted.

Effective beginning April 22, 2010, Participants shall either designate self-direction or assign an investment template in which their investments will be directed. If a Participant fails to make a designation, the Participant's Account will default to an investment template chosen at the Plan Administrator's discretion.

A9.02 LOANS TO PARTICIPANTS. Loans to Participants shall not be permitted.

Signature of the Trustee below certifies the Trustee's acceptance of the attached Plan and Trust.

By: \_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Printed Name and Title)

It is understood and agreed that the undersigned Employer has read this Plan and Trust in its entirety, has consulted legal and tax counsel, acknowledges that it finds the Plan and Trust suitable for its purposes, and accepts full responsibility for participation hereunder. By signing this Adoption Agreement, the Employer acknowledges having reviewed the Appendix A and certifies that all choices reflected in this Adoption Agreement have been taken from such appendix.

IN WITNESS WHEREOF, the Employer has caused the Adoption Agreement to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Employer: Tri-County MHMR Services

By: \_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Printed Name and Title)

|  |   |
|--|---|
| <b>Agenda Item:</b> 2 <sup>nd</sup> Quarter FY 2013 Quarterly Investment Report<br><br><b>Committee:</b> Business  | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>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. |   |
| <b>Supporting Documentation:</b><br><br>Quarterly TexPool Investment Report<br><br>Quarterly Interest Report   |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>  |   |



## **QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS**

**For the Period Ending February 28, 2013**

### **GENERAL INFORMATION**

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

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

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

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

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

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

TexPool is governed by the following specific portfolio diversification limitations;

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

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

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

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

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

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

## STATISTICAL INFORMATION

### Market Value for the Period

| Portfolio Summary                    | December                   | January                    | February                   |
|--------------------------------------|----------------------------|----------------------------|----------------------------|
| Uninvested Balance                   | (\$144.61)                 | (\$50,831.63)              | (\$2,766.73)               |
| Accrual of Interest Income           | 13,620,329.90              | 11,265,164.35              | 9,851,448.92               |
| Interest and Management Fees Payable | (1,849,803.84)             | (1,440,110.66)             | (1,385,361.83)             |
| Payable for Investments Purchased    | 0.00                       | (383,967,314.10)           | (69,987,885.80)            |
| Accrued Expense & Taxes              | 0.00                       | (691,546.72)               | 0.00                       |
| Repurchase Agreements                | 9,431,035,145.00           | 11,461,938,400.00          | 10,989,223,680.00          |
| Mutual Fund Investments              | 0.00                       | 0.00                       | 0.00                       |
| Government Securities                | 6,040,315,775.59           | 7,758,552,765.77           | 7,594,651,621.98           |
| U.S. Treasury Bills                  | 0.00                       | 0.00                       | 0.00                       |
| U.S. Treasury Notes                  | 162,981,280.00             | 162,587,520.00             | 263,653,200.00             |
| <b>TOTAL</b>                         | <b>\$15,646,102,582.04</b> | <b>\$19,008,194,047.01</b> | <b>\$18,786,003,936.54</b> |

### Book Value for the Period

| Type of Asset                        | Beginning Balance          | Ending Balance             |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance                   | \$204.37                   | (\$2,766.73)               |
| Accrual of Interest Income           | 10,973,475.42              | 9,851,448.92               |
| Interest and Management Fees Payable | (1,805,190.24)             | (1,385,361.83)             |
| Payable for Investments Purchased    | (35,434,944.13)            | (69,987,885.80)            |
| Repurchase Agreements                | 8,335,506,000.00           | 10,989,382,000.00          |
| Mutual Fund Investments              | 0.00                       | 0.00                       |
| Government Securities                | 5,414,763,610.82           | 7,593,805,996.66           |
| U.S. Treasury Bills                  | 0.00                       | 0.00                       |
| U.S. Treasury Notes                  | 163,377,259.78             | 263,612,802.62             |
| <b>TOTAL</b>                         | <b>\$13,887,380,416.02</b> | <b>\$18,785,276,233.84</b> |

### Portfolio by Maturity as of February 28, 2013

| 1 to 7 days | 8 to 90 day | 91 to 180 days | 181 + days |
|-------------|-------------|----------------|------------|
| 51.00%      | 29.5%       | 10.0%          | 9.5%       |

### Portfolio by Type of Investments as of February 28, 2012

| Agencies | Mutual Funds | Repurchase Agreements | Treasuries |
|----------|--------------|-----------------------|------------|
| 40.3%    | None         | 58.3%                 | 1.4%       |

## SUMMARY INFORMATION

On a simple daily basis, the monthly average yield was 0.15% for December, 0.10% for January and 0.09% for February.

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 February 28, 2013 was 51 days.

The net asset value as of February 28, 2013 was 1.00004.

The total amount of interest distributed to participants during the period was \$4,675,699.02.

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

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

During the reporting period, the total number of participants has increased to 2,278.


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

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

Submitted by:

  
Minnie McDuney  
Chief Financial Officer / Investment Officer

  
Date

  
Evan Roberson  
Executive Director / Investment Officer

  
Date

**TRI-COUNTY SERVICES  
QUARTERLY INTEREST EARNED REPORT  
FISCAL YEAR 2013  
AS OF FEBRUARY 2013**

| BANK NAME                                | INTEREST EARNED |              |          |          |              |
|--|-----------------|--------------|----------|----------|--------------|
|  | 1st QTR.        | 2nd QTR.     | 3rd QTR. | 4th QTR. | YTD TOTAL    |
| Alliance Bank - Central Texas CD-3/29/12 | \$ 658.19       | \$ 650.96    |          |          | \$ 1,309.15  |
| Citizens 1st Bank CD-3/30/12             | \$ 310.55       | \$ 307.13    |          |          | \$ 617.68    |
| First Liberty National Bank              | \$ 16.83        | \$ 16.83     |          |          | \$ 33.66     |
| First Liberty National Bank CD-5/1/12    | \$ 560.96       | \$ 554.79    |          |          | \$ 1,115.75  |
| JP Morgan Chase (HBS)                    | \$ 1,604.42     | \$ 1,604.42  |          |          | \$ 3,208.84  |
| Prosperity Bank                          | \$ 11.71        | \$ 11.71     |          |          | \$ 23.42     |
| TexPool Participants                     | \$ 262.73       | \$ 262.73    |          |          | \$ 525.46    |
| Tradition Bank                           | \$ 9,572.33     | \$ 9,468.47  |          |          | \$ 19,040.81 |
| Total Earned                             | \$ 12,997.72    | \$ 12,877.05 | \$ -     | \$ -     | \$ 25,874.77 |
|  |                 |              |          |          |              |

|   |   |
|---|---|
| <b>Agenda Item:</b> Board of Trustees' Unit Financial Statement for February 2013<br><br><b>Committee:</b> Business | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br>None  |   |
| <b>Supporting Documentation:</b><br><br>Board of Trustees' Unit Financial Statement for February 2013               |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>   |   |

# Unit Financial Statement

FY 2013

|   | February 13<br>Actuals | February 13<br>Budgeted | Variance      | YTD<br>Actual | YTD<br>Budget | Variance      | Percent | Budget       |
|---|------------------------|-------------------------|---------------|---------------|---------------|---------------|---------|--------------|
| <b>Revenues</b>                         |                        |                         |               |               |               |               |         |              |
| 80103998 Allocated Revenue              | \$ 4,450.00            | \$ 2,700.00             | \$ 1,750.00   | \$ 17,945.00  | \$ 16,195.00  | \$ 1,750.00   | 110.81% | \$ 32,395.00 |
| Total Revenue                           | \$ 4,450.00            | \$ 2,700.00             | \$ 1,750.00   | \$ 17,945.00  | \$ 16,195.00  | \$ 1,750.00   | 110.81% | \$ 32,395.00 |
| <b>Expenses</b>                         |                        |                         |               |               |               |               |         |              |
| 80105030 Application Fees               | \$ -                   | \$ 1.00                 | \$ (1.00)     | \$ -          | \$ 9.00       | \$ (9.00)     | 0.00%   | \$ 15.00     |
| 80105199 Consultant - Other             | \$ 3,600.00            | \$ -                    | \$ 3,600.00   | \$ 3,607.11   | \$ -          | \$ 3,607.11   | 0.00%   | \$ -         |
| 80105210 Dues & Memberships             | \$ -                   | \$ -                    | \$ -          | \$ 10.00      | \$ -          | \$ 10.00      | 0.00%   | \$ -         |
| 80105275 Food Items                     | \$ 10.97               | \$ 183.00               | \$ (172.03)   | \$ 777.66     | \$ 1,102.00   | \$ (324.34)   | 70.57%  | \$ 2,200.00  |
| 80105320 Insurance-Worker Compensation  | \$ 12.31               | \$ 19.00                | \$ (6.69)     | \$ 57.78      | \$ 116.00     | \$ (58.22)    | 49.81%  | \$ 230.00    |
| 80105388 Legal Fees                     | \$ 1,500.00            | \$ 1,500.00             | \$ -          | \$ 9,000.00   | \$ 9,000.00   | \$ -          | 100.00% | \$ 18,000.00 |
| 80105394 License Fees                   | \$ -                   | \$ 12.00                | \$ (12.00)    | \$ -          | \$ 72.00      | \$ (72.00)    | 0.00%   | \$ 150.00    |
| 80105715 Supplies-Office                | \$ 32.40               | \$ -                    | \$ 32.40      | \$ 44.40      | \$ -          | \$ 44.40      | 0.00%   | \$ -         |
| 80105738 Telephone - Mobile Service     | \$ 27.05               | \$ -                    | \$ 27.05      | \$ 27.05      | \$ -          | \$ 27.05      |         |              |
| 80105750 Training                       | \$ 2,175.00            | \$ 1,000.00             | \$ 1,175.00   | \$ 2,175.00   | \$ 2,250.00   | \$ (75.00)    | 96.67%  | \$ 3,000.00  |
| 80105755 Travel - Local                 | \$ 7.21                | \$ 100.00               | \$ (92.79)    | \$ 396.06     | \$ 600.00     | \$ (203.94)   | 66.01%  | \$ 1,200.00  |
| 80105757 Travel - Non-local Mileage/Air | \$ 1,558.56            | \$ 1,169.00             | \$ 389.56     | \$ 2,028.76   | \$ 2,000.00   | \$ 28.76      | 101.44% | \$ 2,000.00  |
| 80105758 Travel - Non-local Hotel       | \$ 544.88              | \$ 383.00               | \$ 161.88     | \$ 1,188.68   | \$ 2,302.00   | \$ (1,113.32) | 51.64%  | \$ 4,600.00  |
| 80105759 Travel - Meals                 | \$ 8.06                | \$ 83.00                | \$ (74.94)    | \$ 78.68      | \$ 502.00     | \$ (423.32)   | 15.67%  | \$ 1,000.00  |
| Total Expenses                          | \$ 9,476.44            | \$ 4,450.00             | \$ 5,026.44   | \$ 19,391.18  | \$ 17,953.00  | \$ 1,438.18   | 108.01% | \$ 32,395.00 |
| Total Revenue minus Expenses            | \$ (5,026.44)          | \$ (1,750.00)           | \$ (3,276.44) | \$ (1,446.18) | \$ (1,758.00) | \$ 311.82     | 2.79%   | \$ -         |

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| <b>Agenda Item:</b> Montgomery Supported Housing, Inc. Update<br><br><b>Committee:</b> Business  | <b>Board Meeting Date</b><br><br>March 28, 2013 |
| <b>Background Information:</b><br><br><p>The Montgomery Supported Housing, Inc. (MSHI) Board met on March 22, 2013. The agenda included review of the FY 2012 audit by Carlos Taboada. The audit report was unqualified and there were no findings on internal controls or questioned costs.</p> <p>Brenda Shuttlesworth, the Board President since its inception, will be moving to Waco and has communicated her intention to resign from the board. The March meeting is the first MSHI Board meeting for FY 2013 and officers, including a replacement for Ms. Shuttlesworth, were selected as required by the bylaws. At this time, we have an opening for a community member on the MSHI Board. If you know of anyone that is interested, please contact Evan Roberson.</p> <p>The project continues to experience some financial loss associated with unexpected legal fees and unexpected property repairs on items that are out of warranty. To date, several of the AC units have failed and recently the electronic gate stopped working. McDougal Property Management has requested a rent increase from HUD for the project and this rent increase should get the project in the black by the end of the fiscal year.</p> <p>On March 20, 2013, Tri-County staff were informed that the McDougal Property Manager, Beth Brotherton, has resigned effective March 29, 2013. The manager from ICI will assist Steve Colella in locating a new manager for the project.</p> <p>On a positive note, issues which involve legal expense appear to be resolved and no further legal expense is expected at this time.</p> |   |
| <b>Supporting Documentation:</b><br><br>None   |   |
| <b>Recommended Action:</b><br><br><b>For Information Only</b>  |   |

# UPCOMING MEETINGS

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## **April 25<sup>th</sup>, 2013 – Board Meeting**

- Shining Star Awards
- Approve Minutes from March 28, 2013 Board Meeting
- Community Resources Report for March 2013
- Consumer Services Report for March 2013
- Program Updates for March 2013
- Annual Board & Management Team Training
- Personnel Report for March 2013
- Texas Council Quarterly Meeting Update
- Approve March 2013 Financial Statements
- Board of Trustees' Unit Financial Statement for March 2013
- Other Business Committee Issues

## **May 23<sup>rd</sup>, 2013 – Board Meeting**

- Longevity Recognition Presentations – February through April
- Approve Minutes from April 25, 2013 Board Meeting
- Community Resources Report for April 2013
- Consumer Services Report for April 2013
- Program Updates for April 2013
- Program Presentation – PATH Program
- Personnel Report for April 2013
- Approve April 2013 Financial Statements
- Board of Trustees' Unit Financial Statement for April 2013
- Select Auditor for FY 2013 Independent Financial Audit
- Montgomery Supported Housing, Inc. Update
- Cleveland Supported Housing, Inc. Update
- Other Business Committee Issues