# Tri-County Services Board of Trustees Meeting

March 26, 2015



Serving individuals with mental illness and developmental disabilities

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, March 26, 2015. The Business Committee will convene at 9:00 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:15 a.m.

#### **AGENDA**

l <b>.</b>	Organizational Items  A. Chairman Calls Meeting to Order  B. Public Comment  C. Quorum  D. Review & Act on Requests for Excused Absence	
۱.	Approve Minutes - February 26, 2015	
II.	Executive Director's Report - Evan Roberson  A. DSHS  1. YES Waiver  B. DADS  1. Failing Marci  C. Legislative Updates  D. Building Updates  E. Texas Council Update	
IV.	Chief Financial Officer's Report - Millie McDuffey  A. DSHS On-Site Fiscal Monitoring Review Final Report  B. FEMA Audit  C. FY 2015 Budget Revision  D. FY 2014 HCS, ICF, TxHmL & MEI Cost Reports  E. Days of Operation Ratio	
<b>v</b> .	Program Committee Information Items A. Community Resources Report B. Consumer Services Report for February 2015 C. Program Updates D. Year-to-Date FY 2015 Goals & Objectives Progress Report E. 2 <sup>nd</sup> Quarter FY 2015 Corporate Compliance & Quality Management Report F. 3 <sup>rd</sup> Quarter FY 2015 Corporate Compliance Training G. Medicaid 1115 Transformation Waiver Project Status Report H. Program Presentation - Child & Adolescent Services	Pages 13-15 Pages 16-19 Pages 20-22 Pages 23-24
∕I.	Executive Committee Information Items A. Personnel Report for February 2015 B. Texas Council Risk Management Fund Claim Summary for February 2015	Pages 28-31 Pages 32-33

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VII.	Business	Committee	•

AC	tion items	
A.	Approve February 2015 Financial Statements	Pages 34-47
В.	Approve Transfer of Funds from Reserved for Workers' Compensation Fund	Pages 48-54
С.	Approve Board Design for the Tri-County Consumer Foundation & Approve Tri-County	
	Board Trustees to Serve on the Board	Page 55
	Approve DADS Amendment Packet #2	Pages 56-57
E.	Approve Repair of Foundation at 63 Highway 75 North, Huntsville, Texas	Page 58
<u>Inf</u>	ormation Items	
F.	2 <sup>nd</sup> Quarter FY 2015 Investment Report	Pages 59-63
G.	Board of Trustees Unit Financial Statement for February 2015	Pages 64-65
	Cleveland Supported Housing, Inc. Monthly Update	Pages 66-70

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

Posted By:

Stephanie Eveland Executive Assistant

## **Tri-County Services**

P.O. Box 3067 Conroe, TX 77305

# BOARD OF TRUSTEES MEETING February 26, 2015

#### **Board Members Present:**

**Board Members Absent:** 

Brad Browder

None

Tracy Sorensen

Sharon Walker

Patti Atkins

Morris Johnson

Cecil McKnight

Jacob Paschal

Janet Qureshi

#### **Tri-County Staff Present:**

Evan Roberson, Executive Director
Millie McDuffey, Chief Financial Officer
Kenneth Barfield, Director of Management Information Services
Amy Foerster, Director of Human Resources
Kathy Foster, Director of IDD Provider Services
Catherine Prestigiovanni, Behavioral Health Director
Breanna Robertson, Director of Crisis Services
Stephanie Eveland, Executive Assistant
Tabatha Abbott, Cost Accountant
Melis Papila, Public Information Coordinator
Mary Lou Flynn-DuPart, Legal Counsel
Sean McElroy, Psychiatric Clinic Administrator
Janet Payne, Nurse Practitioner
Nancy Stamilio, Coordinator of Rider 65 & PATH
Ashley Taylor, Veterans Services Liaison

#### **Guests:**

Scott Hayes, ISC Group

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

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

**Quorum:** There being eight (8) members present, a quorum was established.

Cont.

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Longevity Recognitions were presented to Tri-County staff.

The Chairman of the Board, Brad Browder, suspended the agenda to move to Business Committee Information Item VIII-E, 401(a) Retirement Plan Account Review. Scott Hayes, from ISC Group, presented the report.

Resolution #02-15-01

Motion Made By: Morris Johnson

**Seconded By:** Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Patti Atkins, Cecil McKnight, Jacob Paschal

and Janet Qureshi that it be...

Resolved:

That the Board approve the minutes of the January 29, 2015 meeting

of the Board of Trustees.

#### **Executive Director's Report:**

The Executive Director's report is on file.

#### **Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

#### **PROGRAM COMMITTEE:**

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Report for January 2015 was reviewed for information purposes only.

The Program Updates were reviewed for information purposes only.

Program Presentation – Ashley Taylor presented information regarding Veteran Services.

#### **EXECUTIVE COMMITTEE:**

The Personnel Report for January 2015 was reviewed for information purposes only.

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The Texas Council Risk Management Fund Claim Summary for January 2015 was reviewed for information purposes only.

The Texas Council Quarterly Board Meeting Verbal Update was presented by Sharon Walker.

#### **BUSINESS COMMITTEE:**

**Resolution #02-15-02** 

Motion Made By: Morris Johnson

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

and Jacob Paschal that it be...

Resolved:

That the Board approve the January 2015 Financial Statements.

**Resolution #02-15-03** 

Motion Made By: Morris Johnson

**Seconded By:** Patti Atkins, with affirmative votes by Brad Browder, Tracy Sorensen, Sharon Walker, Cecil McKnight, Jacob Paschal and

Janet Qureshi that it be...

Resolved:

That the Board approve the DSHS Contract Amendment #2015-

046397-001A: Youth Prevention-Selective.

Resolution #02-15-04

Motion Made By: Morris Johnson

**Seconded By:** Sharon Walker, with affirmative votes by Brad Browder, Tracy Sorensen, Patti Atkins, Cecil McKnight, Jacob Paschal

and Janet Qureshi that it be...

Resolved:

That the Board ratify the DSHS Contract Amendment #2015-046833-

001A: Co-occurring Mental Health and Substance Abuse Services.

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	R	eso	lution	#02-	15-	05
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Motion Made By: Morris Johnson

**Seconded By:** Patti Atkins, with affirmative votes by Brad Browder, Tracy Sorensen, Sharon Walker, Cecil McKnight, Jacob Paschal and

Janet Qureshi that it be...

#### Resolved:

That the Board approve \$7,950 in non-refundable earnest money for 2000 Panther Lane, Liberty, Texas; and authorize the Executive Director, in consultation with the Board Chair, to approve an additional \$4,000 in non-refundable earnest money if required to extend the feasibility period.

The Board of Trustees' Unit Financial Statement for January 2015 was reviewed for information purposes only.

The Building Consolidation Updates were reviewed for information purposes only.

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

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

There was no need for Executive Session.

The regular meeting of the Board of Trustees adjourned at 11:59 a.m.

Adjournment:		Attest;		
_				
Brad Browder Chairman	Date	Tracy Sorensen Secretary	Date	



## Executive Director's Report

#### March 26, 2015

#### **Announcements**

- The next regularly scheduled Board meeting is Thursday, April 23, 2015. We will have the Annual Board and Management Team training at this meeting, so please try to be in attendance.
- The 30<sup>th</sup> Annual Texas Community Center Conference is scheduled for June 17-19<sup>th</sup> and will be held at the Westin Galleria in Houston. If you are interested in attending the conference, please let Stephanie Eveland know and she will get you registered. Most of our staff will be commuting to the conference each day, but we will be glad to make room reservations for the Trustees if you would like one. If you would like a room, please contact Stephanie as soon as possible as the rooms always go quickly.
- We continue to work on changing our former business name in all the places it needs to be changed. This month, we have submitted the name change to the Internal Revenue Service which needs to be done before it can be submitted to the Centers for Medicare and Medicaid Services.

In addition, Melis Papila continues work on our new logo and we plan to have it on the Board agenda for review in April.

#### **Department of State Health Services**

• The Department of State Health Services (DSHS) has started a new 1915(c) Waiver, called the <u>Youth Empowerment Services or YES Waiver</u>. The YES Waiver provides comprehensive home and community-based mental health services to children and youth ages three to 18 that are at risk of institutionalization and/or out-of-home placement due to their Serious Emotional Disturbances (SED). The program provides funding for intense 'wrap-around' services with the goal of preventing youth with complex disorders from being placed in an institution.

Last month, Tri-County was notified that we will be a part of the first group to roll out the service to our service area (Cohort 1), and we are expected to begin providing these services on or around April 1<sup>st</sup>.

Like other waiver programs, we are required to develop an 'interest list' for the program and must serve persons who are eligible. In addition, we have an authority (oversight) case management role and a provider role in the waiver. Provider services include our regular wrap-around service array (medication services, skills training, family partner services, etc.) and specialized therapies (animal assisted therapy, art therapy, nutritional counseling, etc.). The maximum caseload for case management in the waiver is ten.

While this program has the potential to have a positive impact for the kids who meet the criteria, we believe that there will be quite a bit of uncompensated expense associated with the program start-up. The State predicts that we will be able to bill Intensive Case Management at a level that will make these programs financially viable when we reach anticipated service targets, but the start-up is unfunded.

The State has also determined that the new YES Waiver services must be directly entered into their Clinical Management for Behavioral Health Services (CMBHS) software, which is in violation of a previous agreement between DSHS and Centers, which requires batch functionality from local records to CMBHS.

We have experienced records that are split between CMBHS and Anasazi in our substance abuse programs and the result has been very poor data which cannot be seen by all clinicians who need to have access. Our prescribers and other internal providers need to be able to see the entire record to provide appropriate treatment.

Along with two other ED's and the Texas Council, I have sent an email to DSHS in which I cite the previous agreement and refuse to begin providing the YES Waiver until we are able to batch our data from local systems to CMBHS. If DSHS ultimately determines that CMBHS is the only option, we will have to enter the record into Anasazi and have non-clinical staff data enter the information into CMBHS; and, of course this will mean additional expense.

To be clear, I think these services are needed and look forward to providing them. If there would have been earlier communication about the YES Waiver, many of these issues could have been resolved prior to the anticipated start date.

• We were notified in February, that the Health and Human Services Commission (HHSC) is requiring all HHSC agencies to sign a <u>Data Use Agreement</u>. The eleven page agreement is intended to "facilitate creation, receipt, maintenance, use, disclosure or access to confidential information... and describe the limited purposes for which the contractor may create, receive, maintain, use, disclose or have access..." to this information. The agreement calls into question how data provided to the State under contract, or provided by the State to Centers, can be used which opens up a great deal of potential legal liability and new compliance costs.

The Texas Council has negotiated a June 1<sup>st</sup> due date for the agreement while additional clarification is sought about the intent of the agreement.

#### **Department of Aging and Disability Services**

- The Department of Aging and Disability Services (DADS) recently shared with Centers that since the beginning of FY 2014, DADS has released over 18,527 Home and Community-Based Services (HCS)/Texas Home Living enrollment 'slots' and that 3,772 individuals have actually been enrolled statewide. Community First Choice enrollments are scheduled to begin in June and we are attempting to add some staff to meet the enrollment expectations for this new waiver.
- I have attached part II of a series of articles from the Fort Worth Star Telegram called
   <u>'Failing Marci'</u> to this report. This article includes a discussion about an individual who
   was served by a private HCS provider/family that received neglectful care to the point of
   death.

Although the care was provided in the family home by a family under contract with the HCS provider, there were also some implications for Centers. At one point in the article, the defense attorney for the family members said, "He is eager to find out where the agencies that were being paid to monitor this were during Marci's decline." The article further goes on to say, "Marci's care was supposed to be closely monitored. Under state rules, the service provider and MHMR staff, as well as inspectors with DADS, were required to have contact with Marci and her caregiver at the home."

The implications for Centers are clear. To date, we have already received more detailed home reviews from DADS at our Host Home/Family Home HCS homes. Kathy Foster does a good job managing the homes, but I can tell you that it is difficult to set expectations for a family in their own home.

However, the real unknowns are related to the Service Coordination that we provide for private HCS providers and whether it is the expectation of the State that we serve as their enforcement division. This will be important for the Center system and I thought it was important to discuss today.

#### **Legislative Updates**

I emailed the Board a copy of the Communications release from the Texas Council
regarding the decision of the Legislature to delay the Sunset recommendations and,
instead, to form a 'think tank' to guide the consolidation over the next few years.

Meanwhile, many key staff have already left DSHS and DADS anticipating the consolidation effort and there will be much work to be done to get the Departments functioning again.

Items from Sunset that appear to be scheduled for 2016 regardless of the Sunset process are provided below.

#### For DADS:

- Progressive sanctions from DADS for HCS, Nursing Facilities, Assisted Living Facilities, ICF and Adult Day Care facilities.
- Evaluation of crisis intervention models for IDD consumers and selection of a model that will be implemented statewide.
- A Restructuring Commission to evaluate each State Supported Living Center (SSLC) in the state to determine where closure is recommended.
- Closing Austin SSLC.
- Making more information about provider care available on-line.
- New Day Habilitation reporting requirements.
- Establishing a Day Habilitation Advisory Committee to make recommendations about Day Hab redesign and regulation.
- o Allowing SSLC providers to provide services to the community for a fee.

#### For DSHS:

- Required training for judges and attorneys on inpatient treatment alternatives.
- o Strategic review of current performance measures and payment mechanisms.
- Divide the state into new regions for State Hospital allocation.
  - Fees collected from Centers that overuse.
- Study new community-based crisis and treatment facilities or innovative practices.
- Combination of mental health and substance abuse hotlines.
- Ms. Patti Atkins and I visited the Capitol on March 6<sup>th</sup>. We were asked to meet with Representative Otto's staff regarding three exceptional items for DSHS. The original funding request is followed by the amount currently allocated by the House Appropriations Committee:
  - New funding for outpatient treatment distributed based on equity position.
    - Original request \$60,000,000; currently in the House at \$30,000,000
  - New funding for alternatives to inpatient treatment.
    - Original request \$37,000,000; currently in the House at \$31,300,000
  - New funding for State Hospital Beds.
    - Original request \$289,000,000; currently in the House at \$60,000,000

#### **Building Updates**

 In Liberty, we have submitted the required approval packets to both DSHS and DADS for the purchase of the property after meeting with the three county judges to discuss the purchase. The request for bidders was placed in both Liberty papers and in the Conroe Courier, and our building consultant met contractors at the site this week for a bidders meeting. • In Montgomery County, we continue to work on a property deal for the same site that was previously mentioned. The owner has agreed to a price in principle, but a formal agreement has not yet been written because the owner has health problems and has been receiving treatment in Houston.

#### **Texas Council Update**

 On Friday, we learned that Melissa Rowan, Senior Healthcare Policy Analyst at the Texas Council, has resigned and will be stepping down in April. For those of you that know Melissa, you will understand how big of a loss it will be for the Council and Center system to lose her services. She plans to start a consulting firm in September. Fort Worth SUBSCRIBE

# Star-Telegram

# Failing Marci: Investigation raises questions about care and oversight for disabled woman

BY DEANNA BOYD - DBOYD@STAR-TELEGRAM.COM 03/01/2015 9:00 AM | Updated: 03/02/2015 11:41 AM



Photo illustration for the Fort Worth Star-Telegram story on the death of Marci Garvin. STAR-TELEGRAM PHOTO ILLUSTRATION; PHOTO SOURCES: GETTY IMAGES/S-T ARCHIVES

Second in a two-part series on Marci Garvin, a 39-year-old woman whose life was inspiring and death marked by misery.

FORT WORTH — In the days before her death in March 2013, Marci Garvin received two visitors.

Mona Patel, a service coordinator with MHMR of Tarrant County, found the severely disabled woman lying on a sofa, reportedly recovering from the flu, during her Feb. 27, 2013 visit.

"She was covered up with a blanket and was lying on a pillow. Her hair covered her ear. I could only see her forehead to her chin of her face," Patel told investigators. "When I said hello to her she did lift her head up and she went back to sleep."

A day earlier, service provider employee Bill Eaton had stopped by.

Eaton, a close family friend of the Garvins since 1995, was completing an environmental study for his newest employer, Rock House, a service provider to which Marci was in the process of transferring.

"There was nothing unusual about Marci that day," Eaton recalled for investigators. "She did not appear dirty. I did not notice any odors. There was a urine smell but it smelt like she needed to be changed."

Neither Eaton nor Patel expressed concern about the home's cluttered condition, nor did they notice bedsores, although more than 20 festering sores covering Marci's emaciated body would be documented in photographs at the hospital 11 days later.

Within two weeks Marci would be dead, her body ravaged by sepsis, pneumonia, acute renal failure and severe dehydration.

An investigation followed and led to indictments of her older sister, Tabby Martinjak, and their father, Mike Garvin, on charges of injury to the disabled. Both remain free on bail. A trial date has not been set.

"Until I saw the death certificate or saw the pictures I had no concerns about the family," Eaton told investigators. "I had no concerns about her and her health."

While Marci's death led to criminal charges, it has also raised questions about how agencies tasked with assisting in and overseeing her care failed to detect warning signs of her demise and intervene.

"It is disgusting, it is awful what she suffered. A couple of her bedsores were to the bone. She was septic. There was no way to save her," said a social services professional who is familiar with Marci's case. She is not being identified because she fears for her job.

"Her family should definitely be accountable but people get overwhelmed and they don't know what to do and they shut down. There are supposed to be unbiased systems in place to prevent this," the social worker said. "I just think everyone who is accountable should be held accountable because there will not be any effective change unless it's out in the open."

Jim Lane, defense attorney for Mike Garvin and Martinjak, said he is eager to find out where the agencies "that were being paid to monitor this" were during Marci's decline.

"It's an unbelievable set of facts and tragedy all around," Lane said. "I think the general public, the legislation, the state agencies are going to have to monitor themselves. Somebody's going to have to look at what's available and if, in fact, it's being delivered."

Timeline of Marci's inspiring life and disturbing death (http://media.star-telegram.com/static/labs/FailingMarci.html)

#### **Troubling findings**

A preliminary, several hundred-page report by Adult Protective Services, a copy of which was obtained by the *Star-Telegram*, revealed troubling findings regarding the oversight of care provided by two service providers — Southern Concepts (http://www.scitx.net/)and Rock House (https://www.rockhouses.org/)— and by Mental Health and Mental Retardation (MHMR) of Tarrant County.

Southern Concepts had been Marci's provider since 2008, but her family was in the process of transferring to Rock House in the weeks before her death. Both providers claim that Marci was not their client at the time of her death.

#### Among the findings:

- Employees of the two service providers and MHMR knew that Martinjak was a hoarder whose boxes of possessions and clutter reached from floor to ceiling of the family's southwest Fort Worth home, but they did little to address it despite the fire and safety risk it posed. Martinjak repeatedly avoided home visits and inspections, yet was allowed to continue her paid role as foster care provider for her sister.
- Dianne Salas, a care coordinator with Southern Concepts at the time of Marci's death, was required to assess Marci's home yearly but hadn't been inside the Garvins' house since 2010. Still, Salas filled out home assessments in 2011 and 2012, stating that the home was safe for Marci.

• Marci had not seen her primary care doctor since 2010 despite contrary statements from her sister and had not received a required nursing assessment from her service provider.

The alleged neglect by two service provider employees — Eaton and Salas — was so serious that the state is recommending adding their names to the Employee Misconduct Registry (http://www.dads.state.tx.us/providers/nf/credentialing/emr/index.html)to ensure that they are never again employed in a facility or agency regulated by the Department of Aging and Disability Services. Martinjak and Mike Garvin were added to the same registry in June 2014.

The two employees — both now with Rock House — are appealing. Hearings are scheduled for this month. They did not return messages seeking comment for this report.

Rock House owner J. Brad Allen said Eaton and Salas are working on a restricted capacity until their appeals are concluded.

Citing privacy issues, Southern Concepts owner David Southern declined to discuss Marci or the findings of the Adult Protective Services investigation.

"The death of Marci Garvin was a sad event, however, Southern Concepts was not her HCS provider at that time," Southern wrote in an email to the *Star-Telegram*.

#### Shifting services to home

For years, the severely disabled were often relegated to state-run institutions. But a growing desire of families to keep their loved ones at home or close by in small group homes led to change.

In 1981, federal legislation created a waiver program, known as Home and Community Based Services, or HCS, whereby states could provide home and community-based care under Medicaid for certain people as an alternative to institutional care.

"This program was built at the request of families who said. 'I don't want my loved one far away in facilities. I don't want my loved one across the county in facilities. I want options that allow me to continue to care for my loved one," said Susan Garnett, CEO of MHMR of Tarrant County.

The Department of Disability and Aging (DADS) contracts with both public and private HCS providers, reimbursing them with Medicaid dollars. As of December, 21,676 clients were receiving HCS services in Texas with more than 72,000 on a waiting or "interest" list.

In Tarrant County, 1,475 people are in the HCS program.

MHMR of Tarrant County (http://www.mhmrtarrant.org/) is mandated by the state to help HCS clients in Tarrant County understand options and services available to them and monitor the satisfaction and provision of services between the clients and their providers.

Marci was enrolled in the program's foster care option, allowing her to receive services from her HCS provider while living at home. Her mother, and later Martinjak, were paid for being Marci's primary caregiver, receiving about \$3,000 a month in Medicaid funding at the time of the Marci's death.

But Marci's care was supposed to be closely monitored. Under state rules, both the service provider and MHMR staff, as well as inspectors with DADS, were required to have contact with Marci and her caregiver at the home.

Caring for Marci Interactive Flow Chart (http://media.star-telegram.com/static/labs/marcigarvin/index.html)

Gaining access to the Garvin home, however, proved problematic for many, according to the report from Adult Protective Services.

Several MHMR case coordinators, who were required to see Marci quarterly — but encouraged by MHMR to visit her monthly — told the APS investigator that Martinjak repeatedly avoided or canceled visits, often using the excuse that somebody in the house was sick. As a result, Marci sometimes went months without a visit by MHMR.

Salas, who served as Marci's direct care supervisor at Southern Concepts from 2009 until just before Marci's death, told investigators it had been an issue for several years.

"I was required to see her [Marci] once a year," Salas told investigators in April 2013. "Tabby would give us hell about us getting into the home to see Marci. The last time I saw Marci was 2010. I did pop up over at the house May and June of last year but Tabby would not let me in the home. Tabby was always stalling about letting us in."

#### Behind closed doors

When social services staffers did get inside, they were met with a home bursting with clutter and boxes.

To new staff members, Martinjak frequently used the excuse that she had just moved in with her parents and that she was still in the process of unpacking. In reality, she'd lived with them for several years.

To some who had visited before, Martinjak admitted that she was a hoarder and suffered from other mental illnesses. She later told investigators she had been receiving treatment for the hoarding, as well as other mental illness, including bipolar disorder, manic depression, post-traumatic stress disorder and obsessive-compulsive disorder.

Eaton, who was a program manager at Southern Concepts before moving to Rock House in January 2013, told investigators the hoarding had been an issue since he'd met the family in the mid-1990s.

"There had to be access/paths for Marci to get out of the home in her chair from the front to back door," Eaton told investigators. "I think DADS did tell us there was an issue and she got the house cleaned up and put stuff in storage. She had three storage units at one point."

In a July 2012 DADS inspection report, the agency said that movement in the house was "significantly limited due to boxes and other objects blocking the walkway." The inspector also found that the living room windows and walkways were blocked, that Marci's bedroom smelled of urine, and that there was clutter throughout the home that "posed a trip and fire hazard."

While Eaton would later assure DADs that he was addressing the issue, the APS report states that the clutter always returned and that Eaton, Southern Concepts and MHMR staff did little or nothing to correct it.

"Service coordinators should have come in and said: 'We're having a hard time getting in the home. Every time we're in there, there's been hoarding. I think we need to have an intervention here or we need to talk about the appropriateness of this placement," said the social services professional familiar with the case.

"But there's a big belief in that it's 'their business," she added. "No, it's not. If the environment is unsafe and if you're paid by the state to provide these services, it is not a privacy issue at that point. It's not a privacy issue for someone who doesn't have a choice in being there."

Salas told investigators that she believed that Eaton protected the Garvins, helping them get the house ready for state inspections.

"Bill would cover with the family when there were issues. I don't know that Bill knew that she was being abused or neglected. I think the fact that he had a personal relationship with the family was a reason for him to protect the family," she told investigators.

Salas, the report alleges, was doing her own covering up.

Though she told investigators she had not been in the Garvin home since 2010, investigators found that she signed off on 2011 and 2012 home assessments stating that Marci's living environment was typical for the community and "meets her needs in regards to health, safety, comfort and mobility."

Garnett, of MHMR of Tarrant County, contends that a home's condition can be a debatable point.

"This program really begins with the notion that all families live the way that those families are most comfortable with," Garnett said. "... People live the way they live. This program isn't really intended to say, 'Aha! I don't like the way you're living Remove this person from the home."

#### Privacy issues with family

While the report uncovered issues with the oversight of Marci's care, it also noted that the Garvin family members chose to keep important information to themselves.

Martinjak had refused to hand over Marci's medical records, meaning staff had to rely on her word regarding doctor visits and medical issues. She told investigators that her mother would not allow for the release of the records.

Though service providers are required to conduct yearly nursing assessment for clients in the foster care program, Martinjak told investigators that Marci hadn't been seen by a Southern Concepts nurse since 2008.

"I was never contacted about a nurse contacting me to do an assessment," Martinjak told investigators. "Southern Concepts could always reach me and if I missed a call I would call back."

The Adult Protective Services investigator found, however, that attempts had been made.

Progress reports from Southern Concepts indicated that a nurse had contacted Martinjak in September 2012 but that Martinjak refused to schedule an assessment, saying she was getting ready to go out of town and would bring Marci in for an assessment in October. She never did.

On Oct. 16, 2012, the nurse once again called Martinjak to set up a visit, but Martinjak told her she had a sick child in the hospital and would contact the nurse later. In February, another nurse tried to reach Martinjak without success.

#### Concerns about bedsores

Martinjak told investigators that while she never asked Southern Concepts directly for nursing services for Marci, she insisted that she told Salas, Eaton and two MHMR service coordinators that Marci was experiencing "skin breakdown," or bedsores.

"I thought since I was telling one on a monthly basis that she was having breakdown they would send someone out," Martinjak told investigators.

Salas told investigators that Martinjak never mentioned Marci's bedsores.

Patel and Eaton acknowledged that Martinjak mentioned the bedsores in February 2013, but Martinjack indicated that she was treating the problem under a doctor's advisement.

"She did not tell me how many wounds she had. I thought the skin breakdown was from her lying down. Usually if you are bedbound, then you do have bedsores," Patel told investigators.

Eaton said he was planning on getting Marci nursing services on her transfer to Rock House and a sand mattress to help with her skin issues.

Garnett said it is the service provider's responsibility to ensure that a client is receiving needed medical care. In cases where disabled people cannot communicate themselves, agencies must largely depend on the foster-care provider for reports on how the client is doing, she said.

"The system really was never set up to assume that people would lie about such things," Garnett said. "The system was set up to honor the family relationships."

Garnett said MHMR's service coordinators are prohibited from conducting a physical evaluation of a client, including looking under blankets or clothing for bedsores.

"A service coordinator is not qualified to evaluate a skin condition," Garnett said. "... We don't know enough to know what's a condition. That's just not a thing we do."

Garnett said neither MHMR of Tarrant County, nor any of the agency's employees, were ultimately confirmed to have been neglectful in their care of Marci. She said no changes have taken place in the agency in light of Marci's case.

"I don't know that there's a program rule that could ever completely prevent terrible people from being terrible," Garnett said.

#### Conflicting accounts

That Eaton was even inside the Garvin home in the week and a half before Marci's hospitalization and death came as a surprise to his employer at Rock House.

Allen had previously told the Star-Telegram that none of his employees had set eyes on Marci.

But Eaton told investigators that he had stopped by the house Feb. 26, 2013, to conduct a home environmental study for Rock House.

In a more recent interview, Allen says he was unaware of the late February visit between Eaton and Marci. He said Eaton told him that he had been unable to visit the house because Marci's family reported she had the flu.

Allen also said Eaton never told him that Marci was living in a hoarder house.

Despite these alleged omissions, Allen confirmed that Eaton remains employed with Rock House.

"Bill has a 30-year history of excellent performance in working with people with developmental disabilities," Allen said. "We don't think that one investigation like this, until he has got his due process, would justify jumping to the conclusion that he's guilty."

Eaton told investigators that while he was close to the family, he saw no indications that Marci was being neglected.

"I can't begin to tell you what Marci meant to me not only professionally but also personally," Eaton said. "... I have no way to know if Tabby was overwhelmed. Before I saw the pictures I would have thought that Tabby got her identity from taking care of people. Now I don't know."

Deanna Boyd, 817-390-7655

Twitter: @deannaboyd

# CHIEF FINANCIAL OFFICER'S REPORT March 26, 2015

**DSHS On-Site Fiscal Monitoring Review Final Report** — The Department of State Health Services (DSHS) was on site for a fiscal review from January 12<sup>th</sup> through January 16<sup>th</sup>. Overall, the visit was good. We received the final report by email on March 17<sup>th</sup>. I have attached the final report along with our Management Response which is due back to DSHS on March 31<sup>st</sup>.

**FEMA Audit** – Last summer, we were notified of a review of our Hurricane Ike FEMA project for the administration building claim. We had previously provided all the requested documentation for proof of claim and payments to vendors for work completed and we thought that we were done with the process. However, on February 25<sup>th</sup>, we received an email stating that we owed FEMA \$43,653.60 based on research done during their audit and that we had 60 days to respond from the date that we received the letter. We have not received their letter yet. However, we did receive a summary sheet of the Projects and the amounts owed for each Project. After conducting our own research, we have determined that we do owe \$28,431.60. Part of this was the deductible per location claimed. Texas Council Risk Management Fund only charged us \$1,000 for the entire "Incident of Ike". The remaining balance is for expenses at the Administration building that were paid by Texas Council Risk Management Fund but not accounted for during the audit.

FY 2015 Budget Revision – We are still working on the budget revision and will have it on the agenda for the next Board meeting. I had thought we would have this for the March meeting, but we have too many moving parts at the moment to get it completed. We wanted to make sure that we are including all the correct data for the building renovations, contract changes through year end and all the program changes that are coming up.

FY 2014 HCS, ICF and Texas Home Living and MEI Cost Reports – Cost Reports for ICF, HCS, Texas Home Living programs and MEI are due on April 15<sup>th</sup>. We are in the final preparation stages of these reports and they will get submitted on time.

<u>Days of Operation Ratio</u> - Updated Days of Operation Ratio is 134 as of February 28, 2015. This amount is up from 105 days as of the preliminary August 31<sup>st</sup> financials.



#### TEXAS DEPARTMENT OF STATE HEALTH SERVICES

P.O. Box 149347 Austin, Texas 78714-9347 1-888-963-7111 TTY: 1-800-735-2989

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KIRK COLE INTERIM COMMISSIONER

March 17, 2015

Ms. Millie McDuffey, Chief Financial Officer TRI-County MHMR Services 1506 FM 2854 Conroe, Tx 77304-2206

Dear Ms. McDuffey:

The Texas Department of State Health Services (DSHS), Contract Oversight and Support has completed its fiscal monitoring review covering the period of June 1, 2014 through August 31, 2014. The primary objective of this review was to determine if your agency was in compliance with the fiscal requirements of federal and state regulations, DSHS policies and procedures, and the contract provisions. This review was limited to fiscal compliance only and did not evaluate the overall program objectives.

The findings and recommendations are detailed in the enclosed report. A written management response with a corrective action plan must be submitted for each finding and will be included verbatim in the Final report. The corrective action plan must include the steps planned by management to address the condition noted, the implementation date, and who is responsible for this implementation. Any additional documents or other requested information necessary to mitigate the finding should be included with your response, which must be received in our office no later than March 31, 2015. Any questioned costs not resolved by your response(s) will become disallowed costs and a refund will be required. Please submit the responses by email to susan.mcadams@dshs.state.tx.us or by mail at:

> Susan McAdams, Fiscal Monitor Department of State Health Services Contract Oversight and Support, MC 1326 P.O. Box 149347 Austin, Texas 78714-9347.

Please contact Susan at (512) 776-3544 or me at (512) 776-6729 if you have questions. Thank you.

Sincerely /

Charles Hund

Branch Manager, Fiscal Monitoring Unit

Contract Oversight and Support

Enclosure



# DEPARTMENT OF STATE HEALTH SERVICES CONTRACT OVERSIGHT AND SUPPORT SERVICES

#### **Fiscal Compliance Review Report**

#### **TRI-County MHMR Services**

#### **Objective:**

To determine whether the amounts paid for the Attachments referenced below were in compliance with the terms of the contract, Department of State Health Services (DSHS) rules, and applicable state and federal regulations.

#### **Attachments & Periods Reviewed:**

Attachment ID	Program ID	Contract Term	Contract Amount	Review Period
2014-044724-001A	SA/YPS	9/1/13 - 8/31/14	\$201,881	6/1/14 - 8/31/14
2014-044767-001A	MH/PCN	9/1/13 - 8/31/14	\$9,412,604	6/1/14 - 8/31/14
2014-044767-006A	MH/PESC	9/1/13 - 8/31/14	\$1,993,130	6/1/14 - 8/31/14

#### **Legend for Program Abbreviations:**

- SA/YPS Substance Abuse/Youth Prevention Selective
- MH/PCN Mental Health/Performance Contract Notebook
- MH/PESC Mental Health/Psychiatric Emergency Service Center

**Fieldwork Conducted:** January 12, 2015 through January 16, 2015.

**Scope and Methodology**: The scope and methodology of this visit encompassed a review of supporting documentation and analysis of:

- Payroll
- Other Contract Expenditures
- Cost Allocation Plan(s)
- Subcontracts
- Program income
- Equipment paid by the Contract
- Matching Requirements
- General compliance with rules, regulations, contract provisions, and policies and procedures

We reviewed the agency's accounting procedures relating to the contract (grant) to determine whether they were adequate to ensure accurate, current, and complete disclosure of the financial results of grant activities and were adequate to identify the source and application of contract (grant) funds. We also reviewed documentation and interviewed agency staff to determine

whether the agency was in compliance with applicable federal and state regulations; DSHS policies and procedures; and contract provisions. In some instances, we relied on the results of the independent audit to determine grant compliance with specific provisions. This review was limited to issues of financial compliance only. Programmatic compliance is the purview of the various DSHS programs and therefore no records concerning program compliance were examined.

As stated in the General Provisions, Section 12.02, the contractor shall comply with all the requirements of the Department's Contractor's Financial Procedures Manual (CFPM), and any of its subsequent amendments. The CFPM requirements may be used as criteria for the findings listed below.

#### **Detailed Findings and Recommendations**

#### Finding #1

**Condition:** The provider inadvertently charged a cost to the Performance Contract Notebook grant that should have been charged to the HOGG grant, which is a non-DSHS funded program.

**Criteria:** Uniform Grants Management Standards (UGMS) C. Basic Guidelines 3. Allocable Costs, states in part, "a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received."

**Questioned Cost:** \$0.00

**Recommendation:** Submit a Corrective Action Plan that specifically details the policies and/or procedures that will be implemented to ensure that, in the future goods or services will be chargeable or assignable to such cost objective in accordance with relative benefits received.

**Management Response:** This expense was charged on the management team's procurement card. The management team member reconciled the charges through the Chase procurement card process and inadvertently coded the expense to the wrong cost center. The management team member found the error and put a note on the paperwork that was submitted to accounting for backup documentation to correct the miscoding, but the note was missed by accounting.

In the future if an error is made during the Chase procurement card reconciliation process, an email will be sent immediately to the Accounting Manager and the Administrative Assistant to the CFO, who is in charge of the Center's Procurement card reconciliation process to ensure all activity has been properly coded to the correct accounts and cost centers. This email will identify the error and the corrections that will need to be made in the accounting system.

Responsible Party: Millie McDuffey, CFO

**Implementation Date: January 16, 2015** 

**DSHS Reply:** 

Agenda Item: Community Resources Report	Board Meeting Date		
Committee: Program	March 26, 2015		
Background Information:			
None			
Supporting Documentation:			
Community Resources Report			
Recommended Action:			
For Information Only			

## Community Resources Report February 27, 2015 – March 26, 2015

#### **Volunteer Hours:**

Location	February	
Conroe	181.20	
Cleveland	8.90	
Liberty	13.50	
Huntsville	13.50	
Total	217.10	

#### **COMMUNITY ACTIVITIES:**

<u> </u>	ACIIVIILS.	
3/2/15	Montgomery County Homeless Coalition Board Meeting	Conroe
3/3/15	Conroe ISD Solutions Workgroup Meeting	Conroe
3/4/15	Liberty County Community Resource Coordination Group Meeting	Cleveland
3/5/15	Cleveland Chamber of Commerce Luncheon	Cleveland
3/5/15	Conroe ISD Transition/Resource Fair for Students with Disabilities	The Woodlands
3/5/15	Leadership Montgomery County Presentation	The Woodlands
3/5/15	RHP 2 Behavioral Learning Collaborative Meeting	Galveston
3/10/15	Montgomery County Community Assistance Recovery Efforts & Services Meeting	Montgomery
3/10/15	MC-Cares Montgomery County	The Woodlands
3/11/15	Walker County Community Fatality Review Team Meeting	Huntsville
3/12/15	Huntsville Chamber of Commerce Breakfast	Huntsville
3/17/15	Montgomery County Community Resource Coordination Group Meeting	Conroe
3/17/15	Veteran's Expo for Montgomery, Walker & Liberty Counties	Conroe
3/18/15	Roots of Change Coalition Meeting	Conroe
3/18/15	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
3/19/15	Up2Youth Coalition Meeting	Huntsville
3/19/15	Liberty County Community Fatality Review Team Meeting	Dayton
3/20/15	Veteran's Community Benefits Fair with Montgomery County Food Bank	Conroe
3/24/15	Town Hall Meeting at VA Tomball Outpatient Clinic	Tomball
3/25/15	RHP 17 Behavioral Learning Collaborative Meeting	College Station
3/25/15	Montgomery County United Way Behavioral Health Steering Committee Meeting	The Woodlands

### **UPCOMING ACTIVITIES:**

3/27/15	Regional Planning & Network Advisory Committee (RPNAC) Meeting	Montgomery	
4/1/15	4/1/15 Montgomery County Emergency Assistance Hands Up Health & Wellness Committee Meeting		
4/1/15	Conroe ISD Solutions Workgroup Meeting	Conroe	
4/2/15	Cleveland Chamber of Commerce Luncheon	Cleveland	
4/2/15	Walker County Community Resource Coordination Group Meeting	Huntsville	
4/6/15	Montgomery County Homeless Coalition Board Meeting	Conroe	
4/7/15	Montgomery County United Way Health & Wellness Impact Council Meeting	The Woodlands	
4/16/15	Up2Youth Coalition Meeting	Huntsville	
4/21/15	Houston Council on Alcohol & Drug Abuse Quarterly Regional Providers Meeting	Houston	
4/21/15	Montgomery County Community Resource Coordination Group Meeting	Conroe	
4/25/15	Conroe Kidzfest	Conroe	

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

# Consumer Services Report February 2015

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total	
Crisis Services, MH Adults/Children						
Persons Screened, Intakes, Other Crisis Services	463	35	21	47	566	
Crisis and Transitional Services (LOC 0, LOC 5)	51	3	5	4	63	
Psychiatric Emergency Treatment Center (PETC) Served	51	0	3	6	60	
Psychiatric Emergency Treatment Center (PETC) Bed Days	295	0	14	40	349	
Contract Hospital Admissions	7	0	1	1	9	
Diversion Admits	12	0	0	2	14	
Total State Hospital Admissions	3	0	0	0	3	
Routine Services, MH Adults/Children						
Adult Service Packages (LOC 1m,1s,2,3,4)	1042	132	80	116	1370	
Adult Medication Services	751	81	57	101	990	
Child Service Packages (LOC 1-4 and YC)	434	40	19	59	552	
Child Medication Services	134	15	5	21	175	
TCOOMMI (Adult Only)	111	13	6	10	140	
Adult Jail Diversions	5	0	0	0	5	
Persons Served by Program, IDD						
Number of New Enrollments for IDD Services	21	2	0	1	24	
Service Coordination	547	30	47	61	685	
Persons Enrolled in Programs, IDD						
Center Waiver Services (HCS, Supervised Living, TxHmL)	45	6	22	27	100	
Contractor Provided ICF-MR	17	12	11	6	46	
Substance Abuse Services						
Children and Youth Prevention Services	28	0	0	0	28	
Youth Substance Abuse Treatment Services/COPSD	85	0	0	32	117	
Adult Substance Abuse Treatment Services/COPSD	43	0	0	0	43	
Waiting/Interest Lists as of Month End						
Home and Community Based Services Interest List	1462	124	135	131	1852	
February Served by County						
Adult Mental Health Services	1333	152	99	182	1766	
Child Mental Health Services	475	43	19	53	590	
Intellectual and Developmental Disabilities Services	559	49	51	65	724	
Total Served by County	2367	244	169	300	3080	
January Served by County						
Adult Mental Health Services	1387	156	122	195	1860	
Child Mental Health Services	442	35	22	54	553	
Intellectual and Developmental Disabilities Services	535	46	55	64	700	
Total Served by County	2364	237	199	313	3113	
	2007			5.5	3210	
December Served by County						
Adult Mental Health Services	1305	169	125	183	1782	
Child Mental Health Services	431	32	13	57	533	
Intellectual and Developmental Disabilities Services	525	45	56	67	693	
Total Served by County	2261	246	194	307	3008	

Agenda Item: Program Updates	Board Meeting Date	
	March 26, 2015	
Committee: Program		
Background Information:		
None		
Supporting Documentation:		
Program Updates		
Recommended Action:		
For Information Only		

# **Program Updates**February 27, 2015 – March 26, 2015

#### **MH Crisis Services**

- An applicant has accepted the Director of Nursing position at the Psychiatric Emergency Treatment Center (PETC). She will participate in new employee orientation on March 30, 2015.
- 2. The Montgomery County Hospital District began utilizing the PETC for educational opportunities this month. Emergency Medical Technicians will spend some time shadowing and observing services provided in the Crisis Stabilization and Intensive Evaluation and Diversion programs to expand knowledge of behavioral health diagnoses and related issues.
- 3. A meeting was held with the Montgomery County Women's Center (MCWC) this month to determine ways both agencies can better partner with one another. We have been asked to provide MCWC staff with education on crisis services that Tri-County provides as well as how to identify individuals experiencing a mental health emergency.

#### **MH Adult Services**

- 1. The number of adult clients served in February was 2,648. The highest amount served in FY 2014 was 2,302.
- 2. The ACT average hours of service for February was 13.6 and we finished the first half with an average of 11.9. We have led the state in this category and continue to do well.
- 3. The current Director of Nursing has resigned from her current position. She will remain a Tri-County employee as a prescriber for our 1115 Expanded Program. We are currently reviewing applicants for her replacement as the Director of Nursing.

#### **MH Child Services**

- 1. We are in the process of implementing the YES Waiver Program, which will add increased specialty services to our wrap-around services for eligible children and youth.
- 2. The number of children and youth served by Tri-County has increased by almost 50% in the past year; going from 392 children served in 2014 to 592 children served in February 2015.

#### **Criminal Justice Services**

- 1. TCOOMMI Adult Program caseloads were full at 120. This is 10 more than our contract amount of 110.
- 2. We had 1 new Jail Diversion admission in the month of February. This brings our annual total to 7.

#### **Substance Abuse Services**

- 1. The Adult Substance Abuse Treatment Program has served a total of 83 clients so far this year.
- 2. Our Youth Prevention Program has expanded services to our outlying areas to include Liberty ISD, Splendora ISD, Dayton ISD, Tarkington ISD, Hardin ISD and New Waverly ISD for the spring semester. The program will also be participating in the annual Kidzfest in Conroe on April 25<sup>th</sup>.

#### **IDD Services**

- 1. IDD Provider staff are preparing for the upcoming HCS and TxHmL annual audit. We have not received a notice yet; however, we expect the auditors will arrive in April.
- 2. A Huntsville Life Skills Team Leader has resigned effective March 20<sup>th</sup>.
- 3. IDD Authority staff continue to prepare for the implementation of the Community First Choice (CFC) Waiver on June  $1^{st}$ .

#### **Support Services**

- 1. **Quality Management:** The Physician Quality Reporting System (PQRS) measurements were submitted to our Registry (MedXpress) and will be submitted to the Center for Medicare and Medicaid Services (CMS). PQRS measurements are an annual requirement of CMS where agencies are required to submit a minimum number of federally created measurements (3) in order to avoid a reduction in the Medicare rate reimbursement the center receives.
- 2. **Utilization Management:** UM staff attended the Mass Fatality Workgroup on February 25<sup>th</sup>. The workgroup worked on setting up a family assistance center in the event of a mass incident. The group discussed who would need to be involved, building locations and what role each agency would play in the event of a mass fatality.
- 3. **Veteran Affairs:** The Veteran's Expo was held at the Lone Star Convention Center on March 17<sup>th</sup>. There were 62 service providers and 61 employers who took part in this year's expo. We had 131 veterans attend the event.
- 4. **Intellectual/Developmental Disabilities Planning Network Advisory Committee (IDDPNAC):** The IDDPNAC met on February 18<sup>th</sup> and discussed center updates, CFC implementation and the center's proposed new logo and tagline. The PNAC members were complimentary of both proposals.

#### **Community Activities**

- 1. On March 5<sup>th</sup>, David Gornet, Executive Director of the Grand Parkway Association, spoke at the Cleveland Chamber of Commerce Luncheon held at the Cleveland Civic Center. The project is being completed in sections, with portions of construction taking place simultaneously in several areas. Gornet delivered news that the project is expected to be completed in late 2015.
- 2. Students and parents attended the Conroe ISD Department of Special Education Services Parent Resource Center's transition/resource fair for students with disabilities in order to connect with community agencies.

Agenda Item: FY 2015 Goals and Objectives Progress Report

**Board Meeting Date** 

March 26, 2015

Committee: Program

#### **Background Information:**

The Board of Trustees and Management Team met on July 19, 2014 for the annual strategic planning retreat to develop the goals for FY 2015. Goals were discussed and a consensus was reached. Subsequently, the Management Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center's contracts with the Department of State Health Services and the Department of Aging and Disability Services.

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

This report shows progress through the 2<sup>nd</sup> Quarter of FY 2015.

#### **Supporting Documentation:**

FY 2015 Goals and Objectives Progress Report

#### **Recommended Action:**

#### For Information Only

## **Year-to-Date Progress Report**

## September 1, 2014 - February 28, 2015

#### **Goal #1 - Community Awareness**

#### **Objective #1**

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

- The name, Tri-County Behavioral Healthcare, was approved by all three (3) Commissioners' Courts and staff are working on filing documents to make this final.
- A draft logo has been developed and is being finalized. The IDDPNAC has helped staff create a tagline that will be used with the logo.

#### **Objective #2**

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

- A series of training and outreach events have been held with the Montgomery County Hospital District EMTs.
- We developed a memorandum of understand with MHMRA Brazos Valley so they can begin utilizing the Crisis Stabilization Unit in the third quarter.
- The Veterans Task Force was created and a Veteran's Expo was planned for March 17<sup>th</sup>.

#### **Objective #3**

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

• Six (6) Mental Health First Aid trainings were held in the first quarter and additional trainings have been scheduled for the second quarter.

#### Goal #2 - Funding

#### **Objective #1**

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

• Our Veteran's Liaison secured sponsors for the Veteran's Expo in March.

#### **Objective #2**

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

- In December, the Board agreed to form a Tri-County Consumer Foundation.
- A Board Policy on the creation of the foundation was approved.

#### **Objective #3**

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

Staff are working with legal staff from Jackson Walker to officially form the new organization. The Board will need to approve the formation documents and the Board members at a meeting in the third quarter.

#### Goal #3 - Staff Development

#### Objective #1

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

- One (1) leadership development course was held in the first quarter.
- Dr. Watson presented parts 1 and 2 of his Leadership Development Series in February.
- Three (3) Middle Managers were scheduled to attend the National Council's Middle Management Academy in San Antonio in the third quarter.
- Monthly management trainings with Jon Stigliano were planned to begin in the third quarter.

#### **Objective #2**

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

- The first quarter supervisor training in November focused on new Human Resources procedures.
- Financial training for supervisors was scheduled in third quarter.

#### Objective #3

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

- September 23, 2014
  - Communicating Effectively
  - Situational Leadership
- November 5, 2014
  - Dealing Effectively with Supervisors
  - Are You Thriving or Surviving
- November 6, 2014
  - Dealing with Difficult People
  - Dealing Effectively with Supervisors
- February 10 & 11, 2015
  - Interviewing & Selection
  - Time Management
- April 21 & 22, 2015 TBD

#### Goal #4 - Facilities

#### **Objective #1**

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

- The Board approved the purchase of 2000 Panther Lane in Liberty, Texas which will serve persons with mental illnesses and intellectual disabilities.
  - Staff are finalizing paperwork to send to DSHS/DADS for approval of this site.
- Architects were hired to develop a site plan for the consolidated Montgomery County facility.
- Staff are working with our building consultant to find and secure a suitable location for the consolidated Montgomery County building.

#### **Objective #2**

Provide quarterly progress updates to the Board regarding building consolidation.

 Quarterly updates on building consolidation were provided to the Board in October and January.

#### **Objective #3**

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

- Documents have been prepared to secure approval from DSHS and DADS.
  - After further research, it has been determined that it is our responsibility to notify the County Judge on the purchases and be available to review questions or concerns, but it is not required to receive Commissioners Court approval.

#### **Goal #5 - Technology**

#### **Objective #1**

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

- The Board approved a set of information technology equipment and related upgrades which will serve as the platform for the server room at a consolidated facility.
- The kickoff meeting for the install was held in late February with installation scheduled for the third quarter.

#### **Objective #2**

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

- The staffing plan was reviewed and a meeting was held with Human Resources to try to identify other advertising sources as well as to conduct an additional market salary survey.
- The staffing plan, which is in motion, includes providing technical certification trainings for an existing employee to gain the skills necessary to fill IT staffing gaps.

**Agenda Item:** 2<sup>nd</sup> Quarter FY 2015 Corporate Compliance and

Quality Management Report

**Board Meeting Date** 

March 26, 2015

**Committee:** Program

#### **Background Information:**

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."

Although Quality Management Program activities have been included in the program updates, it was determined that it might be appropriate, in light of this contract requirement, to provide more details regarding these activities.

Since the Corporate Compliance Program and Quality Management Program activities are similar in nature, the decision was made to incorporate the Quality Management Program activities into the Quarterly Corporate Compliance Report to the Board and to format this item similar to the program updates. The Corporate Compliance and Quality Management Report for the 2<sup>nd</sup> quarter of FY 2015 are included in this Board packet.

#### **Supporting Documentation:**

2<sup>nd</sup> Quarter FY 2015 Corporate Compliance and Quality Management Report

#### **Recommended Action:**

#### **For Information Only**

# Corporate Compliance and Quality Management Report 2<sup>nd</sup> Quarter, FY 2015

#### **Corporate Compliance Activities**

#### A. Key Statistics:

- 1. There was one (1) Corporate Compliance review in the 2nd quarter of FY 2015.
  - a. The case was found during routine human resource activities and involved inappropriate billing times. This case resulted in \$1533.72 in payback and was followed by additional staff training and education.
- 2. Quality Assurance of staff documentation continues to be a focus across the Center. The Quality Management Department continues to perform daily reviews of documentation in order to identify any compliance or billing concerns. Compliance training continues to be provided to new employees, quarterly to all current staff, and in specific areas identified as having a need.

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

- 1. The Corporate Compliance Committee met on January 14, 2015. The committee reviewed the following:
  - a. A summary of the 1<sup>st</sup> quarter investigations;
  - b. Internal audit updates;
  - c. Legal Updates on compliance issues

#### **Quality Management Initiatives**

#### A. Key Statistics:

- 1. Staff responded to two (2) MCO On-site audit requests.
- 2. Staff reviewed and submitted four (4) MCO record requests.

#### **B. Reviews/Audits:**

- 1. Optum performed an on-site review of 6 client records, HR records, credentialing records, required postings and policies and procedures. Optum was pleased with all documentation reviewed and the center scored a 100%.
- 2. Cenpatico performed an on-site review of 3 client records and were focused on reviewing child and adolescent UM authorizations. Overall the reviewer was pleased with the quality of the client records and did not make any recommendations.
- 3. Staff reviewed and submitted twelve (12) charts going back eighteen months for Cigna, five (5) charts going back one year for TMHP, and three (3) charts going back one year for Amerigroup.

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

1. Staff completed the IDD Life Skills Program Reviews.

#### **D. Other Quality Management Activities:**

1. Staff completed the three (3) Physician Quality Reporting System (PQRS) measurements for each prescriber and submitted these results to our chosen registry, MedXpress. MedXpress will submit these measurements to CMS so we avoid any rate reduction for our Medicare services.

Agenda Item: 3<sup>rd</sup> Quarter FY 2015 Corporate Compliance Training

**Board Meeting Date** 

March 26, 2015

**Committee:** Program

#### **Background Information:**

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

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

#### **Supporting Documentation:**

3<sup>rd</sup> Quarter FY 2015 Corporate Compliance Training

#### **Recommended Action:**

**For Information Only** 

#### **Timely Entry of Service Data**

#### A key element of Corporate Compliance

Quarterly Corporate Compliance Education Information 3<sup>rd</sup> Ouarter, FY 2015

Training Goal: To understand the necessity for timely data entry to avoid Corporate Compliance issues.

#### Timely Entry of Service Data; a key element of Corporate Compliance:

A provider habit that can become an issue for the Corporate Compliance program is the tardy entry of service data.

One of the reasons that timely entry of data is so important is the need for all staff and supervisors to know how the agency is progressing toward the many targets, performance measures and outcomes that programs must meet each month. Supervisors and Management Team members watch the service data that is batched to the Department of State Health Services' data warehouse each day and make decisions about what should be given greater emphasis to meet contract requirements. Timely data ensures that managers can prevent sanctions and penalties.

Since 2014, Tri-County has been requiring that staff document services concurrently with the service whenever feasible. Concurrent documentation is generally better quality than documentation which is done days after a service, but ultimately, once staff are comfortable with the practice, also helps them with time management.

Historically, Community Center employees have saved multiple days of data to enter at one time in the name of efficiency only to find that the 'notes' they have are incomplete. Problems occur because staff can have many contacts with the same consumer that occurs within a few days and details about specific services can become sketchy or lost. When 'notes' are sketchy, it often takes longer to remember the details from the service and enter them into the system than it would if the notes were done at the time of the visit. Staff who do not remember the details are not only slower, but are also susceptible to adding inaccurate information to progress notes.

If data is entered concurrently or daily, the staff will remember the service and will be able to ensure the record is complete.

The Corporate Compliance Program endeavors to address operating issues that are most likely to be of greatest consequence to the Center's ongoing operations. Data seems so routine to most staff, but all of the individual data entry elements work together to form the largest and most important of our systems to measure quantitative and qualitative service provision. Timely data submission is the key to a compliant, healthy and properly functioning Center.

#### DID YOU KNOW?

Tri-County sends over 19,500 service encounters to the state each month?

In addition, Tri-County batches approximately 500 adult assessments and 200 child assessments to CMBHS each month?

Agenda Item: Medicaid 1115 Transformation Waiver Project

Status Report

**Board Meeting Date** 

March 26, 2015

**Committee:** Program

#### **Background Information:**

The Tri-County 1115 projects will complete Round 1 of Demonstration Year (DY 4) on March 31, 2015 and submit all reports to the Texas Health and Human Services Commission (HHSC) by April 30, 2015.

At this DY 4 midway mark, most programs have achieved or are showing progress toward meeting required targets. The Intensive Evaluation and Diversion program, housing the Extended Observation Unit, started on January 19, 2015 after being approved for carry forward for DY 4. The target goal of serving 25 persons in DY 3 will be added to the DY 4 goal of 300. Progress towards achievement of their goal of serving 325 persons will be reported in Round 2 in October.

The IDD ACT program, with a goal of 50, has admitted 39 unique individuals to date. With a goal of 50% cost avoidance from higher cost alternatives, the program has an 85% crisis diversion rate. The program's Category 3 performance outcomes for the Aberrant Behavior Checklist survey will show a >5% decrease in behavior symptoms meeting the criteria for payment and will report for the full DY 4 in October 2015.

Both Expanded Psychiatry Delivery projects covering Montgomery, Walker and Liberty Counties have exceeded their volume service goals and will report achievement in the April reporting period. The Category 3 survey, PHQ-SADS, is expected to show a 5% decrease in behavioral health symptoms and will also be reported for payment in October.

Integrated Primary and Behavioral Health Care has exceeded the number of patients required to be served and is close to its target of making 500 appointments available and 250 visits. The mobile clinic component has been reviewed for Board presentation.

#### **Supporting Documentation:**

Medicaid 1115 Transformation Waiver Project Status Report

#### **Recommended Action:**

#### **For Information Only**

### **Tri-County Services**

#### **Medicaid 1115 Transformation Waiver Projects**

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

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

#### **Source: Internal Reporting / HHSC Reports**

On Target to Meet DY4 Outcomes



Starting DY 4



Pending HHSC Approval

Project	County	DY 4 Targets	As of 3/6/15	Progress Towards Goals	Status	Barriers / Comments		
1.1.1 Intensive Evaluation & Diversion	Montgomery Walker	DY 3 - 25 Persons presenting in crisis DY 4 - 300	Program began 1/19/15. Program is fully staffed and trained.			25 individuals who were to be seen in DY 3 will be added to the 300 to be seen in DY 4.		
Required Milestones/Metrics		1: 4 Stakeholder mtgs. 2. 50% Costs avoided	0%	Program will begin scheduling stakeholder meetings		DY 4 Estimated Incentive Bundle Amount: \$2,137,234		
Category 3 Performance Outcomes		PHQ-9 -Depression Survey Establish baseline	3600%	PHQ-9 baseline to be established before 9/30/15				To be completed in DY 4. \$129,117
1.1.2 IDD ACT	Montgomery Walker	50 Unique Individuals	39%	On target to achieve goal by 9/30/15				
Required Milestones/Metrics		<ol> <li>4 Stakeholder mtgs.</li> <li>50% Costs avoided</li> </ol>	100%	1. Will report for full payment in 10/15 2. Will report for full payment in 10/15		DY 4 Estimated Incentive Bundle Amount: \$337,880		
Category 3 Performance Outcomes		Aberrant Behavior Checklist (ABC) 34 Pre/34 Posttests	TBD	On target to achieve goal by 9/30/15		DY 4 Incentive Payment: \$129,117		
1.1.3 Expanded Psychiatry Delivery	Montgomery Walker	1. 100 Unique clients 2. 250 Visits 3. 500 Appts		On target to report 100% achievement in April reporting period.		Increase services in Walker County and underserved rural areas.		
Required Milestones/Metrics		Gaps in accessibility 2. Evidence of improved access		Will report in Round 2 (Oct 15 reporting period)		DY 4 Estimated Incentive Bundle Amount: \$666,283		

**Tri-County Services** 

**Source: Internal Reporting / HHSC Reports** 

#### **Medicaid Transformation Waiver Projects**

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

**Status Update: 10/1/2014 - 3/6/2015 - Round 1** 

On Target to Meet DY4 Outcomes



Carry Forward to DY 4



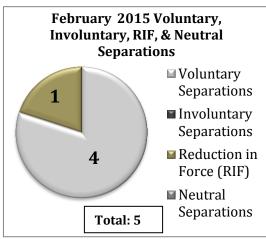
Pending HHSC Approval

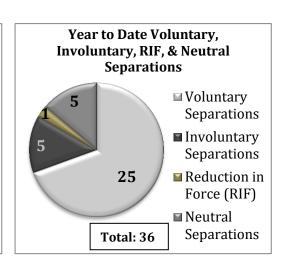
Project	County	DY 4 Target	As of 3/6/15	Update	Status	Barriers / Comments		
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	Baseline = 36.8	Will report a ≥ 5% decrease in behavioral health symptoms due to treatment		DY 4 Incentive Payment: \$129,117		
1.2.1 Integrated Primary & Behavioral Healthcare	Montgomery Walker	1. 500 Available Appointments 2. 175 persons with both physical & BH care	1. 503 2. 242	Will report 100% achievement in April reporting period.		Expand services in Walker County Improve data entry in EHR		
Required Milestones/Metrics		<ol> <li>Expand appts.</li> <li>CQI activities</li> <li>% receiving both primary &amp; BH care</li> </ol>		On target to report 100% achievement in April reporting period. Need to assess using Fidelity Monitoring Tool for continuous quality improvement (CQI)		DY 4 Estimated Incentive Bundle Amount: \$1,254,782		
Category 3 Performance Outcomes		HTN: BP ≥ 140/90 with 1 lower BP	TBD	Data being gathered through EHRs and charts		DY 4 Incentive Payment: \$129,117		
1.1.1 Expanded Psychiatry Delivery	Liberty	1. 25 Unique clients 2. 70 Visits 3. 125 Appts		Will report 100% achievement in April reporting period.		Will expand hours to include occasional week night/Sat morning		
Required Milestones/Metrics		Gaps in accessibility 2. Evidence of improved access	TBD	On target to report 100% achievement in October 15 reporting period.		DY 4 Estimated Incentive Bundle Amount: \$1286,750		
Category 3 Performance Outcomes		PHQ-SADS - Depression/Anxiety Establish baseline	47.2 = Baseline	Will report in Round 2 (Oct 15 reporting period)		DY 4 Incentive Payment: \$31,860		

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

### Personnel Report February 2015

February 2015	FY15	FY14
Number of Active Employees	326	304
Number of Monthly Separations	5	5
Number of Separations YTD	36	34
Year to Date Turnover Rate	11%	9%
February Turnover	2%	1%





Separations by Reason	February Separations	Year to Date		
Retired	1	3		
Involuntarily Terminated	0	5		
Neutral Termination	0	5		
Dissatisfied	1	7		
RIF	1	1		
Deceased	0	0		
Illness	0	3		
Relocation	1	2		
School	0	1		
Personal	0	1		
Unknown	0	1		
New Job	1	7		
Temp	0	0		
Total Separations	5	36		

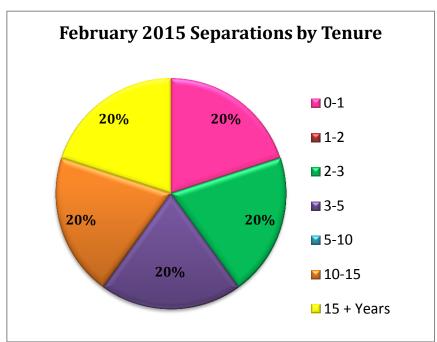
Total Applications received in February=218

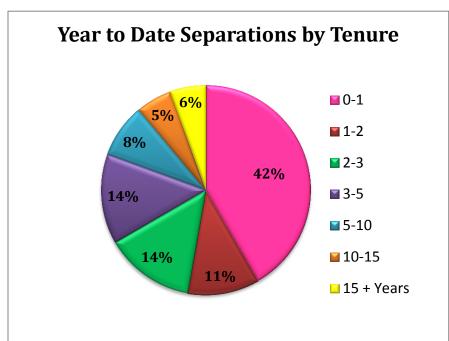
Total New Hires for the month of February=4

Total New Hires Year to date =45

Separation by EEO Category	# of Employees	Monthly	Year to Date	% February	% Year to Date
Supervisors & Managers	24	0	2	0%	8%
Medical (MD,DO, LVN, RN, APN)	37	1	3	3%	8%
Professionals (QMHP)	91	2	12	2%	13%
Professionals (QIDP)	24	0	3	0%	13%
Licensed Staff (LCDC, LPC)	16	0	1	0%	6%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT,					
Executive Director)	21	0	1	0%	5%
Program Support(Financial Counselors, QA, Training, Med.					
Records)	41	2	4	5%	10%
Nurse Technicians/Aides	17	0	2	0%	12%
Service/Maintenance	20	0	2	0%	10%
Direct Care (HCS, Respite, Life					
Skills)	24	0	6	0%	25%
Total Separations	326	5	36	2%	11%

<b>Management Team</b>	# of Employees	Monthly Separations	Year to Date Separations	%February	% YTD
Evan Roberson	14	0	1	0%	7%
Millie McDuffey	43	0	2	0%	5%
Amy Foerster	8	0	0	0%	0%
Tanya Bryant	8	0	0	0%	0%
Catherine Prestigiovanni	131	3	18	2%	14%
Breanna Robertson	52	1	5	2%	10%
Kelly Shropshire	28	0	3	0%	11%
Kathy Luker-Foster	34	0	6	0%	18%
Kenneth Barfield	8	1	1	13%	13%
Total	326	5	36		





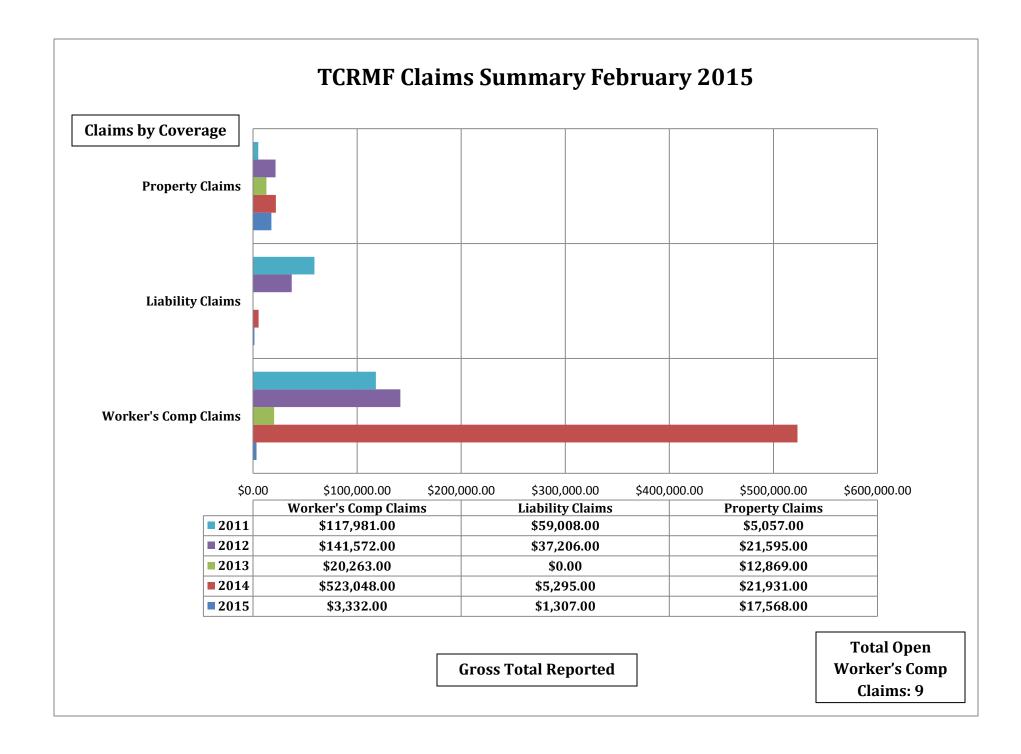
Agenda Item: Texas Council Risk Management Fund Claim
Summary for February 2015

Committee: Executive

Background Information:
None

Supporting Documentation:
Texas Council Risk Management Fund Claim Summary for February 2015

Recommended Action:
For Information Only



Agenda Item: Approve February 2015 Financial Statements	Board Meeting Date
	March 26, 2015
Committee: Business	
Background Information:	
None	
Supporting Documentation:	
February 2015 Financial Statements	
Recommended Action:	
Approve February 2015 Financial Statements	

#### February 2015 Financial Summary

Revenues for February 2015 were \$2,316,612 and operating expenses were \$2,262,054 resulting in a gain in operations of \$54,558. Capital Expenditures and Extraordinary Expenses for February were \$8,567 resulting in a gain of \$45,991. Total revenues were 96.79% of the monthly budgeted revenues and total expenses were 97.30% of the monthly budgeted expenses.

Year to date revenues are \$13,928,622 and operating expenses are \$13,429,520 leaving excess operating revenues of \$499,102. YTD Capital Expenditures and Extraordinary Expenses are \$207,972 resulting in a gain YTD of 291,130. Total revenues are 99.26% of the YTD budgeted revenues and total expenses are 97.58% of the YTD budgeted expenses

#### **REVENUES**

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

Revenue Source	YTD Revenue	YTD Budget	% of Budget	\$ Variance
ICF Program – Title XIX	1,133,442	1,216,400	93.18%	82,958
Rehab – Title XIX	981,363	1,053,780	93.12%	72,417

<u>ICF Program – Title XIX</u> – This line item continues to have a variance due to clients that we were unable to bill for services due to problems with Medicaid coverage. When these problems are resolved, we should be able to back bill for their services. Since this is a cost reimbursement program, there will also be an offset on the expense side of the program.

**Rehab – Title XIX** – This line item is still under budget on the adult side due to numerous vacancies in positions. The children's program is over budget and providing more services due to the ever increasing demand in that population. We are monitoring these services and having routine meetings to evaluate improvements that can be made to get staff hired into the vacant positions.

#### **EXPENSES**

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

Expense Source	YTD Expenses	YTD Budget	% of Budget	\$ Variance
Consultant - Other	68,491	31,682	2.16%	36,809
Employee Recruitment	31,685	15,000	2.11%	16,685

<u>Consultant – Other</u> – This line item includes the Building Consultant that was approved after the original budget was completed. A budget revision will include the necessary adjustment.

<u>Employee – Recruitment</u> – This expense line went over budget due to recruitment fees incurred at the beginning of the budget year for hiring of new doctors recruited through an employment service. This will be included in the budget revision.

### TRI-COUNTY SERVICES CONSOLIDATED BALANCE SHEET For the Month Ended February 28, 2015

		ALS COMBINED FUNDS ebruary 2015		TOTALS BINED FUNDS anuary 2015	Increase (Decrease)	
ASSETS						
CURRENT ASSETS						
Imprest Cash Funds	<u> </u>	6,437	\$	6,437	\$	-
Cash on Deposit-General Fund	\$	10,128,897	\$	11,161,210	\$	(1,032,313)
Cash on Deposit-Debt Fund	\$	-	\$	=	\$	-
Accounts Receivable	\$	1,547,957	\$	1,594,298	\$	(46,341)
Inventory	\$	9,207	\$	8,670	\$	537
TOTAL CURRENT ASSETS	\$	11,692,498	\$	12,770,615	\$	(1,078,117)
FIXED ASSETS	\$	5,487,590	\$	5,487,590	\$	-
OTHER ASSETS	\$	40,084	\$	24,248	\$	15,836
TOTAL ASSETS	\$	17,220,174	\$	18,282,454	\$	(1,062,281)
LIABILITIES, DEFERRED REVENUE, FUND BALANCES						
CURRENT LIABILITIES	\$	904,697	\$	949,449	\$	(44,753)
NOTES PAYABLE	\$	536,765	\$	536,765	\$	-
DEFERRED REVENUE	\$	1,999,503	\$	3,069,189	\$	(1,069,686)
LONG-TERM LIABILITIES FOR						
Line of Credit - Tradition Bank	\$	788,860	\$	808,406	\$	(19,546)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR						
General Fund	\$	682,997	\$	637,006	\$	45,991
Debt Service Fund	\$	-	\$	-	\$	-
FUND EQUITY						
RESTRICTED	•	(=00.000)	•	(000 100)	•	10 = 10
Net Assets Reserved for Debt Service	\$	(788,860)	\$	(808,406)	\$	19,546
Reserved for Debt Retirement  COMMITTED	\$	963,631	\$	963,631	\$	-
	¢	E 497 E00	<b>c</b>	E 497 E00	\$	
Net Assets-Property and Equipment Reserved for Vehicles & Equipment Replacement	\$ \$	5,487,590 387,871	\$ \$	5,487,590 387,871	Ф	-
Reserved for Facility Improvement & Acquisitions	\$ \$	2,426,254	э \$	2,426,254		
Reserved for Board Initiatives	\$	1,500,000		1,500,000		
Reserved for 1115 Waiver Programs	\$ \$	516,833	\$ \$	516,833		
ASSIGNED		·		•		
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	\$	-
Reserved for Accrued Paid Time Off UNASSIGNED	\$	(536,765)	\$	(536,765)		
Unrestricted and Undesignated	\$ <b>\$</b>	1,939,391	\$	1,939,391	\$	-
TOTAL LIABILITIES/FUND BALANCE	\$	17,220,174	\$	18,282,454	\$	(1,062,281)

### TRI-COUNTY SERVICES CONSOLIDATED BALANCE SHEET For the Month Ended February 28, 2015

### TOTALS Memorandum Only

			Memorandum Only			
		General Operating Funds	Fe	ebruary 2015	Final August 2014	
ASSETS						
CURRENT ASSETS						
Imprest Cash Funds	\$	6,437	\$	6,437	\$	4,350
Cash on Deposit-General Fund	\$	10,128,897	\$	10,128,897	\$	7,523,501
Cash on Deposit-Debt Fund	\$	-	\$	-	\$	-
Accounts Receivable	\$	1,547,957	\$	1,547,957	\$	1,634,194
Inventory	\$ \$	9,207	\$	9,207	\$	8,787
TOTAL CURRENT ASSETS	\$	11,692,498	\$	11,692,498	\$	9,170,832
FIXED ASSETS	\$	5,487,590	\$	5,487,590	\$	5,487,590
OTHER ASSETS	\$	40,084	\$	40,084	\$	42,111
	_	47,000,474	\$	- 47,000,474	\$	- 44 700 500
	\$	17,220,174	\$	17,220,174	\$	14,700,532
LIABILITIES, DEFERRED REVENUE, FUND BALANCES						
CURRENT LIABILITIES	\$	904,697	\$	904,697	\$	908,243
NOTES PAYABLE	\$	536,765	\$	536,765	\$	536,765
DEFERRED REVENUE	\$	1,999,503	\$	1,999,503	\$	(195,556)
LONG-TERM LIABILITIES FOR						
Line of Credit - Tradition Bank	\$	788,860	\$	788,860	\$	905,707
EXCESS(DEFICIENCY) OF REVENUES						
OVER EXPENSES FOR	œ.	602.007	Φ.	692.007	¢	204.067
General Fund Debt Service Fund	\$ \$	682,997	\$ \$	682,997	\$ \$	391,867
Debt Service Fund	φ	-	φ	-	φ	-
FUND EQUITY						
RESTRICTED						
Net Assets Reserved for Debt service-Restricted	\$	(788,860)	\$	(788,860)	\$	(905,708)
Reserved for Debt Retirement	\$	963,631	\$	963,631	\$	963,631
COMMITTED	Φ.	E 407 E00	\$	-	\$	-
Net Assets-Property and Equipment-Committed	\$	5,487,590	\$	5,487,590	\$	5,487,590
Reserved for Vehicles & Equipment Replacement	\$	387,871	\$	387,871	\$	387,871
Reserved for Facility Improvement & Acquisitions	\$	2,426,254	\$	2,426,254	\$	2,426,254
Reserved for Board Initiatives	\$ \$	1,500,000	\$	1,500,000	\$	1,500,000
Reserved for 1115 Waiver Programs  ASSIGNED	Φ	516,833	\$ \$	516,833	\$ \$	516,833
Reserved for Workers' Compensation-Assigned	Ф	274,409	э \$	- 274,409	э \$	- 274,409
Reserved for Current Year Budgeted Reserve -Assigned	\$ \$	274,409 36,998	э \$	36,998	\$ \$	214,409 -
Reserved for Insurance Deductibles-Assigned	\$	100,000	э \$	100,000	э \$	100,000
Reserved for Accrued Paid Time Off	\$	(536,765)	\$	(536,765)	\$	(536,765)
UNASSIGNED					_	
Unrestricted and Undesignated TOTAL LIABILITIES/FUND BALANCE	\$ <b>\$</b>	1,939,391 <b>17,220,174</b>	\$ <b>\$</b>	1,939,391 <b>17,220,174</b>	\$ <b>\$</b>	1,939,391 <b>14,700,532</b>

#### **TRI-COUNTY SERVICES**

#### Revenue and Expense Summary For the Month Ended February 2015 and Year To Date as of February 2015

INCOME:		ONTH OF bruary 2015	YTD February 2015			
Local Revenue Sources Earned Income General Revenue-Contract TOTAL INCOME	\$ \$ <b>\$</b>	96,999 1,064,651 1,154,963 <b>2,316,612</b>	\$ \$ <b>\$</b>	656,114 6,173,791 7,098,717 <b>13,928,622</b>		
EXPENSES: Salaries Employee Benefits Medication Expense Travel-Board/Staff Building Rent/Maintenance Consultants/Contracts Other Operating Expenses TOTAL EXPENSES	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,231,599 220,319 53,951 35,473 30,335 497,651 192,727 <b>2,262,054</b>	\$\$\$\$\$\$	7,254,801 1,431,817 256,582 208,860 135,356 2,837,012 1,305,093 13,429,520		
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$	54,558	\$	499,102		
CAPITAL EXPENDITURES Capital Outlay-FF&E, Automobiles, Building Capital Outlay-Debt Service Bonds TOTAL CAPITAL EXPENDITURES	\$ <b>\$</b>	8,567 - <b>8,567</b>	\$ <b>\$</b>	207,972 - <b>207,972</b>		
GRAND TOTAL EXPENDITURES	\$	2,270,621	\$	13,637,492		
Excess (Deficiency) of Revenues and Expenses	\$	45,991	\$	291,130		

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

INCOME:	Fe	YTD bruary 2015	A	APPROVED BUDGET	-	ncrease Decrease)
Local Revenue Sources	\$	656,114	\$	641,515	\$	14,599
Earned Income	\$	6,173,791	\$	6,276,989	\$	(103,198)
General Revenue-Contract	\$	7,098,717	\$	7,114,509	\$	(15,792)
TOTAL INCOME	\$	13,928,622	\$	14,033,013	\$	(104,391)
EXPENSES:						
Salaries	\$	7,254,801	\$	7,381,694	\$	(126,893)
Employee Benefits	\$	1,431,817	\$	1,440,729	\$	(8,912)
Medication Expense	\$	256,582	\$	276,341	\$	(19,759)
Travel-Board/Staff	\$	208,860	\$	224,853	\$	(15,793)
Building Rent/Maintenance	\$	135,356	\$	127,254	\$	8,102
Consultants/Contracts	\$	2,837,012	\$	2,888,336	\$	(51,324)
Other Operating Expenses	\$	1,305,093	\$	1,417,292	\$	(112,199)
TOTAL EXPENSES	\$	13,429,520	\$	13,756,499	\$	(326,979)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$	499,102	\$	276,514	\$	222,588
CAPITAL EXPENDITURES Capital Outlay-FF&E, Automobiles	\$	207,972	\$	218,503	\$	(10,531)
Capital Outlay-Debt Service Bonds	\$				\$	
TOTAL CAPITAL EXPENDITURES	\$	207,972	\$	218,503	\$	(10,531)
GRAND TOTAL EXPENDITURES	\$	13,637,492	\$	13,975,002	\$	(337,510)
Excess (Deficiency) of Revenues and Expenses	\$	291,130	\$	58,011	\$	233,119

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

INCOME:		ONTH OF oruary 2015		PPROVED BUDGET		ncrease ecrease)
Local Revenue Sources	\$	96,999	\$	103,065	\$	(6,066)
Earned Income	\$	1,064,651	\$	1,130,902	\$	(66,251)
General Revenue-Contract	\$	1,154,963	\$	1,159,442	\$	(4,479)
TOTAL INCOME	\$	2,316,612	\$	2,393,409	\$	(76,797)
EXPENSES:						
Salaries	\$	1,231,599	\$	1,246,191	Ф	(14,592)
Employee Benefits	\$ \$	220,319	э \$	207,716	\$ \$	12,603
Medication Expense	\$ \$	53,951	\$ \$	54,889	φ \$	(938)
Travel-Board/Staff	\$ \$	35,473	\$ \$	37,395	\$ \$	(1,922)
Building Rent/Maintenance	\$	30,335	\$	27,041	\$	3,294
Consultants/Contracts	\$	497,651	\$	528,811	\$	(31,160)
Other Operating Expenses	\$	192,727	\$	229,813	\$	(37,086)
TOTAL EXPENSES	\$	2,262,054	\$	2,331,856	\$	(69,802)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$	54,558	\$	61,553	\$	(6,995)
CAPITAL EXPENDITURES Capital Outlay-FF&E, Automobiles Capital Outlay-Debt Service Bonds	\$ \$	8,567 -	\$	1,816	\$ \$	6,751 -
TOTAL CAPITAL EXPENDITURES	\$	8,567	\$	1,816	\$	6,751
				1,0.0		
GRAND TOTAL EXPENDITURES	\$	2,270,621	\$	2,333,672	\$	(63,051)
Excess (Deficiency) of Revenues and Expenses	\$	45,991	\$	59,737	\$	(13,746)

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

		YTD		YTD		Increase
INCOME:	Fe	bruary 2015	Fe	February 2014		Decrease)
						_
Local Revenue Sources	\$	656,114	\$	702,673	\$	(46,559)
Earned Income	\$	6,173,791	\$	4,523,003	\$	1,650,788
General Revenue-Contract	<u>\$</u>	7,098,717	\$	7,001,077	\$	97,640
TOTAL INCOME	\$	13,928,622	\$	12,226,753	\$	1,701,869
EXPENSES:						
Salaries	\$	7,254,801	\$	6,211,943	\$	1,042,858
Employee Benefits	\$	1,431,817	\$	1,171,472	\$	260,345
Medication Expense	\$	256,582	\$	195,687	\$	60,895
Travel-Board/Staff	\$	208,860	\$	195,566	\$	13,294
Building Rent/Maintenance	\$	135,356	\$	127,280	\$	8,076
Consultants/Contracts	\$	2,837,012	\$	2,712,251	\$	124,761
Other Operating Expenses	\$ <b>\$</b>	1,305,093	\$	1,255,300	\$	49,793
TOTAL EXPENSES	\$	13,429,520	\$	11,869,499	\$	1,560,021
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$	499,102	\$	357,254	\$	141,848
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	\$	207,972	\$	81,939	\$	126,033
Capital Outlay-Debt Service Bonds	\$	, -		•	\$	· -
TOTAL CAPITAL EXPENDITURES	\$	207,972	\$	81,939	\$	126,033
GRAND TOTAL EXPENDITURES	\$	13,637,492	\$	11,951,438	\$	1,686,054
Excess (Deficiency) of Payonues and Expenses	<u> </u>	291,130	<u> </u>	275,315	<u> </u>	15,815
Excess (Deficiency) of Revenues and Expenses	Ψ	291,130	Ψ	213,313	Ψ	13,013

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

INCOME:		ONTH OF bruary 2015	ONTH OF bruary 2014	Increase (Decrease)	
Local Revenue Sources	\$	96,999	\$ 108,393	\$	(11,394)
Earned Income	\$	1,064,651	\$ 776,384	\$	288,267
General Revenue-Contract		1,154,963	\$ 1,286,815	\$	(131,852)
TOTAL INCOME	\$ <b>\$</b>	2,316,612	\$ 2,171,592	\$	145,020
EXPENSES:					
Salaries	\$	1,231,599	\$ 1,080,102	\$	151,497
Employee Benefits	\$	220,319	\$ 205,528	\$	14,791
Medication Expense	\$	53,951	\$ 35,969	\$	17,982
Travel-Board/Staff	\$	35,473	\$ 35,864	\$	(391)
Building Rent/Maintenance	\$	30,335	\$ 23,711	\$	6,624
Consultants/Contracts	\$	497,651	\$ 449,074	\$	48,577
Other Operating Expenses	\$	192,727	\$ 273,455	\$	(80,728)
TOTAL EXPENSES	\$	2,262,054	\$ 2,103,703	\$	158,351
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	\$	54,558	\$ 67,889	\$	(13,331)
CAPITAL EXPENDITURES					
Capital Outlay-FF&E, Automobiles	\$	8,567	\$ 36,641	\$	(28,074)
Capital Outlay-Debt Service Bonds	\$	-		\$	-
TOTAL CAPITAL EXPENDITURES	\$	8,567	\$ 36,641	\$	(28,074)
GRAND TOTAL EXPENDITURES	\$	2,270,621	\$ 2,140,344	\$	130,277
Excess (Deficiency) of Revenues and Expenses	\$	45,991	\$ 31,248	\$	14,743

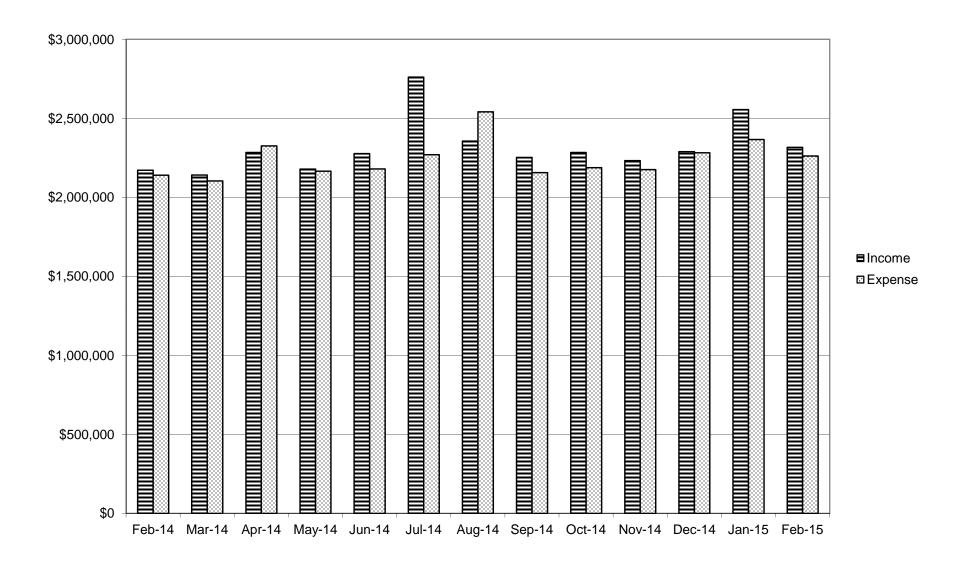
## TRI-COUNTY SERVICES Revenue and Expense Summary With January 2015 Comparative Data For the Month Ended February 2015

INCOME:	MONTH OF February 2015			ONTH OF nuary 2015	Increase (Decrease)		
Local Revenue Sources	\$	96,999	\$	124,024	\$	(27,026)	
Earned Income	\$	1,064,651	\$	1,142,609	\$	(77,958)	
General Revenue-Contract	\$ \$ <b>\$</b>	1,154,963	\$	1,288,754	\$	(133,792)	
TOTAL INCOME	\$	2,316,612	\$	2,555,388	\$	(238,776)	
EVENOES							
EXPENSES:	Φ.	4 004 500	Φ.	4 000 047	Φ	(00.040)	
Salaries	\$ \$	1,231,599	\$	1,263,847	\$	(32,248)	
Employee Benefits		220,319	\$	275,910	\$	(55,592)	
Medication Expense Travel-Board/Staff	\$	53,951	\$	57,245	\$	(3,294)	
	Ф	35,473	\$ \$ \$	31,861	\$ \$	3,612	
Building Rent/Maintenance Consultants/Contracts	Φ	30,335	Φ	38,438	э \$	(8,104)	
Other Operating Expenses	ф	497,651 192,727	Φ	489,750 209,214	э \$	7,901 (16,488)	
TOTAL EXPENSES	\$ \$ \$ \$ \$ \$ \$ \$	2,262,054	\$ <b>\$</b>	2,366,266	\$	(104,212)	
TOTAL EXI ENGLO		2,202,004	Ψ	2,000,200	Ψ	(104,212)	
Excess(Deficiency) of Revenues over							
Expenses before Capital Expenditures	\$	54,558	\$	189,122	\$	(134,564)	
CAPITAL EXPENDITURES							
Capital Outlay-FF&E, Automobiles	\$	8,567	\$	163,316	\$	(154,749)	
Capital Outlay-Debt Service Bonds	\$	-		-	\$	-	
TOTAL CAPITAL EXPENDITURES	\$ <b>\$</b>	8,567	\$ <b>\$</b>	163,316	\$	(154,749)	
GRAND TOTAL EXPENDITURES	\$	2,270,621	\$	2,529,582	\$	(258,962)	
Excess (Deficiency) of Revenues and Expenses	\$	45,991	\$	25,805	\$	20,186	

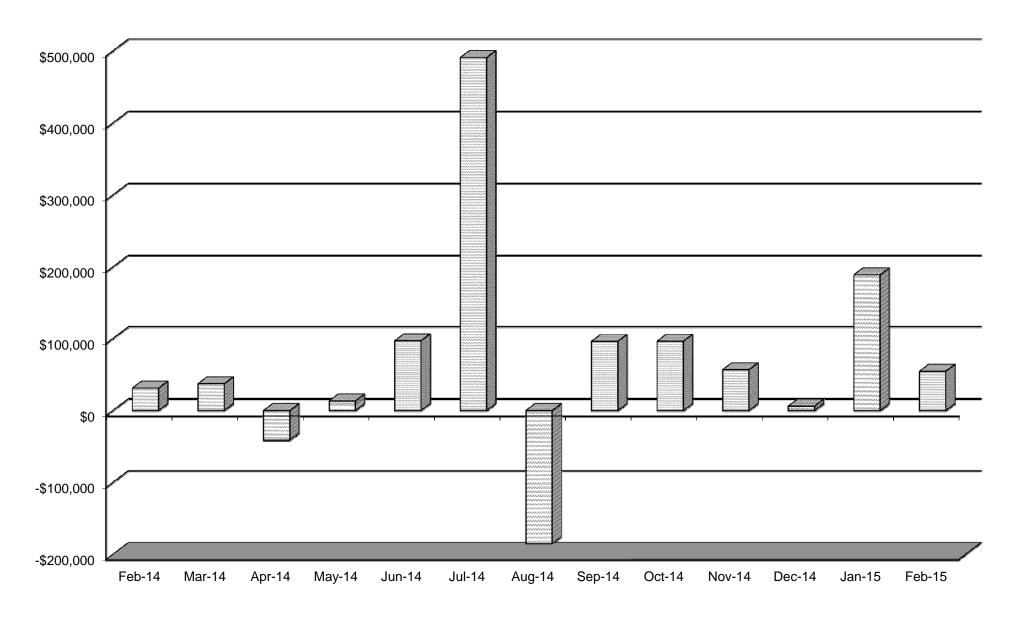
## TRI-COUNTY SERVICES Revenue and Expense Summary by Service Type Compared to Budget Year To Date as of February 2015

INCOME:	Feb	YTD Mental Health oruary 2015	Feb	YTD IDD oruary 2015		YTD Other Services bruary 2015	Fe	YTD Agency Total bruary 2015		YTD Approved Budget bruary 2015		ncrease Jecrease)
Local Revenue Sources	\$	527.124	\$	118,595	\$	10,394	\$	656.114	\$	641.515	\$	14,599
Earned Income	\$	1,597,503	\$	2,800,812	\$	1,775,475	\$	6,173,791	\$	6,276,989	\$	(103,198)
General Revenue-Contract	\$	6,217,112	\$	881,605	•	, -, -	\$	7,098,717	\$	7,114,509	\$	(15,792)
TOTAL INCOME	\$	8,341,739	\$	3,801,012	\$	1,785,869	\$	13,928,622	\$	14,033,013	\$	(104,391)
EXPENSES:												
Salaries	\$	4,765,230	\$	1,337,901	\$	1,151,670	\$	7,254,801	\$	7,381,694	\$	(126,893)
Employee Benefits	\$ \$	933,522	\$	281,672	\$ \$	216,623	\$ \$	1,431,817	φ \$	1,440,729	\$	(8,912)
Medication Expense	\$	214,630	\$	201,072	\$	41,952	\$	256,582	\$	276,341	\$	(19,759)
Travel-Board/Staff	\$	129,444	\$	53.712	\$	25,705	\$	208,860	\$	224,853	\$	(15,993)
Building Rent/Maintenance	\$	79,202	\$	41,690	\$	14,465	\$	135,357	\$	127,254	\$	8,103
Consultants/Contracts	\$	1,048,222	\$	1,708,993	\$	79,796	\$	2,837,012	\$	2,888,336	\$	(51,324)
Other Operating Expenses	\$	877,150	\$	275,310	\$	152,633	\$	1,305,093	\$	1,417,292	\$	(112,199)
TOTAL EXPENSES	\$	8,047,400	\$	3,699,278	\$	1,682,844	\$	13,429,522	\$	13,756,499	\$	(326,977)
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	<u></u> \$	294,339	\$	101,734	\$	103,025	\$	499,100	\$	276,514	\$	222,586
CAPITAL EXPENDITURES												
Capital Outlay-FF&E, Automobiles Capital Outlay-Debt Service Bonds	\$	82,700	\$	41,008	\$	84,263	\$ \$	207,972	\$	218,503	\$ \$	(10,531)
TOTAL CAPITAL EXPENDITURES	\$	82,700	\$	41,008	\$	84,263	\$	207,972	\$	218,503	\$	(10,531)
GRAND TOTAL EXPENDITURES	\$	8,130,100	\$	3,740,286	\$	1,767,107	\$	13,637,494	\$	13,975,002	\$	(337,508)
Excess (Deficiency) of Revenues and Expenses	\$	211,639	\$	60,726	\$	18,762	\$	291,130	\$	58,011	\$	233,117

### TRI-COUNTY SERVICES Income and Expense



### TRI-COUNTY SERVICES Income after Expense



Agenda Item: Approve Transfer of Funds from Reserved for

Workers' Compensation Fund

**Board Meeting Date** 

March 26, 2015

**Committee:** Business

#### **Background Information:**

For many years, Tri-County has been a part of the Texas Council Risk Management Fund Minimum Contribution Plan (MCP). This plan has allowed Tri-County to pay a minimum amount of 80% of the annual Workers' Compensation premiums based on previous claim history. Each year, Tri-County has set aside the remaining 20% in a Workers' Compensation Reserve Fund should the need arise to pay the maximum 100% premium. This is the most out of pocket Tri-County would need to pay each year if claims are higher than the historical trend.

Each year, TCRMF reviews the previous 6 years of claims to determine if the additional 20% is required. Consequently, it has been determined that the additional 20% premiums are due for the following fiscal periods:

FY Ending 8/31/11	\$3,102
FY Ending 8/31/12	\$37,614
FY Ending 8/31/14	\$50,073
Total Due	\$90,789

In the supporting TCRMF letter, it states that Tri-County will receive a credit for the same amount on the 2015-2016 Workers' Compensation renewal. The letter also explains why we pay now and receive a credit later so that funds are paid from reserves and are used for their originally intended purpose.

Staff requests that the Board approve the transfer from "Reserved for Workers' Compensation" in the amount of \$90,789.

#### **Supporting Documentation:**

TCRMF Letter - 2015 Minimum Contribution Plan Adjustments

Tri-County Claims & Contributions Graph

TCRMF Invoices for FY 2011, FY 2012 and FY 2014

#### **Recommended Action:**

Approve Transfer of Funds from "Reserved for Workers' Compensation" in the Amount of \$90,789



March 13, 2015

Ms. Stella Montemayor Tri-County Services P.O. Box 3067 Conroe, TX 77305

RE: 2015 Minimum Contribution Plan Adjustments and Use of Surplus (Contract #17)

Dear Ms. Montemayor,

The MCP adjustment calculations using the December 31, 2014 data have recently been completed. At the TCRMF Board meeting on February 20, 2015, the Board considered these adjustments and possible use of surplus to provide a 2015-16 renewal credits related to these adjustments.

We are pleased to inform you that the Board again approved use of surplus related to the MCP adjustments as it did last year. For members that owe additional contributions based on the MCP adjustment calculation, they will pay the amount of the adjustment and then be credited that same amount on their 2015-16 renewal contributions. In other words, for payments owed and made under the MCP adjustments, members will receive a credit in that same amount on their 2015-16 workers' compensation renewal contributions. The amount of any renewal credit will be drawn from members' surplus.

The amount of the credit will be based upon the parameters used in the past (see below), to provide credit to their 2015-16 workers' compensation renewal. This would be in addition to any other rate or contribution adjustments that may be applied at renewal. The highlights of how these credits are calculated are as follows:

- 1. Each center is allowed a credit up to \$25,000 of its MCP balance due, regardless of their surplus position with the Fund. It should be noted that:
  - a. If a center has in excess of \$25,000 of surplus with the Fund, any credit for their renewal will reduce their surplus position by the amount of the credit; and
  - b. If a center has less than \$25,000 of surplus or has a negative surplus position, they will be reducing their surplus/increasing their deficit by up to \$25,000
- 2. Those centers with positive surplus positions are allowed a credit up to the remaining balance (100%) due (after the \$25,000 noted above), if any, based upon their individual level of surplus. Specifically, the renewal credit will be equal to their calculated MCP adjustment due so long as their contribution to surplus ratio (as of December 31, 2014) does not exceed 2:1. In other words, the credit from surplus will be limited to the amount at which their contribution to surplus ratio reaches 2:1, or \$25,000, whichever is greater.

Page 2 of 2

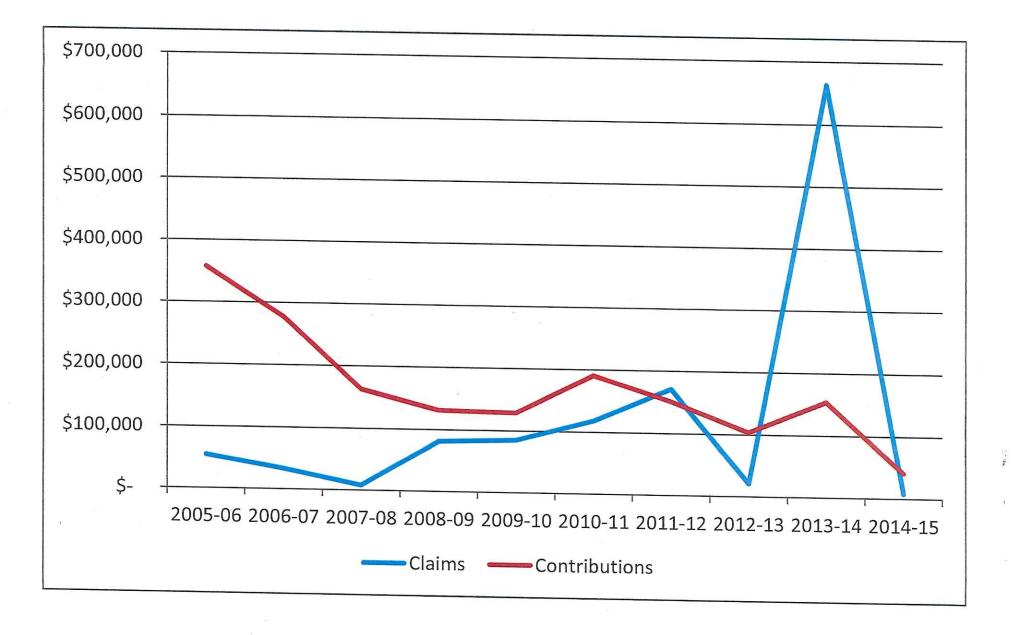
The rationale behind getting credit on your renewal contribution (as opposed to credit for the payment owed) is that most centers have reserve funds (contingent liability) set aside to cover their future MCP adjustments. This would allow members to use those reserves for this purpose, as originally planned/intended. This is expected to reduce questions raised by your financial auditor if the contingent funds are not actually paid. The rationale is also based on the fact that centers know their current year budgets. The renewal credit will help members from a budgetary standpoint for 2015-16 by reducing those contributions.

If the Fund owes you money as a result of the MCP adjustment calculations (see attached invoice), your center can take credit on upcoming monthly contributions until the amount of the credit is exhausted. This will be the default option if there is a credit. Alternatively, you can request that the Fund send you a check for the amount of the return contribution owed.

We trust you will find this to be good news related to the MCP adjustment calculations. If you have any questions on this, please give us a call.

Sincerely, Texas Council Risk Management Fund

Customer Service Associate





#### INVOICE

Customer	Tri-County Services	
		175
Date	03/12/2015	
Customer Service	Ernest Garcia	
Page	1 of 1	

Payment Information					
Invoice Summary	50,073.00				
Payment Amount					
Payment for:	Invoice#10882				
TC-00017 13-14					

Thank You

Tri-County Services Attn: Stella Montemayor PO Box 3067 Conroe, TX 77305

Please detach and return with payment

Customer: Tri-County Services

Invoice	Effective	Transaction	Description	Amount
10882	08/31/2014	Policy change	Policy #TC-00017 13-14 09/01/2013-09/01/2014 Texas Council Risk Management Fund Workers Compensation - MCP Adjustment: 13-14 (1 of 6	50,073.00
			Due Date: 4/13/2015	
				8
				W
				Total

50,073.00

Thank You

Texas Council Risk Management Fund 8140 N. MoPac, Bldg 3, Ste 240 Austin, TX 78759 (800)580-6467

Date

03/12/2015



#### INVOICE

Customer	Tri-County Services	- Color (Inc.)
Gustomer		175
Date	03/12/2015	
Customer Service	Ernest Garcia	
Page	1 of 1	

Payment Information				
Invoice Summary	37,614.00			
Payment Amount				
Payment for:	Invoice#10883			
TC-00017 11-12				

Thank You

Tri-County Services Attn: Stella Montemayor

PO Box 3067 Conroe, TX 77305

Please detach and return with payment

Customer: Tri-County Services

Invoice	Effective	Transaction	Description	Amount
10883	08/31/2012	Policy change	Policy #TC-00017 11-12 09/01/2011-09/01/2012 Texas Council Risk Management Fund Workers Compensation - MCP Adjustment: 11-12 (3 of	37,614.00
			Due Date: 4/13/2015	
			±1	~
				Total 37,614.00 Thank You
			9	Hank IV

Texas Council Risk Management Fund	(800)580-6467	Date
8140 N. MoPac, Bldg 3, Ste 240 Austin, TX 78759		03/12/2015



1	FIA	10		E
Ш	M		10	

Customer	Tri-County Services	
Gustomer		175
Date	03/12/2015	
Customer Service	Ernest Garcia	
Page	1 of 1	

Payment Information				
Invoice Summary	3,102.00			
Payment Amount				
Payment for: Invoice#10884				
TC-017-2010-11				

Thank You

Tri-County Services
Attn: Stella Montemayor

PO Box 3067 Conroe, TX 77305

Please detach and return with payment

Customer: Tri-County Services

Invoice	Effective	Transaction	Description	Amount
10884	08/31/2011	Policy change	Policy #TC-017-2010-11 09/01/2010-09/01/2011 Texas Council Risk Management Fund Workers Compensation - MCP Adjustment: 10-11 (4 of	3,102.00
			Due Date: 4/13/2015	
			¥	
		a.	e e	
	,	e e		
			7	Total
			** «)	3,102.00
				Thank You
			e e i e	

Texas Council Risk Management Fund	(800)580-6467	Date
8140 N. MoPac, Bldg 3, Ste 240 Austin, TX 78759	7	03/12/2015

**Agenda Item:** Approve Board Design for the Tri-County Consumer Foundation and Approve Tri-County Board Trustees to Serve on the Board

**Board Meeting Date** 

March 26, 2015

Committee: Business

#### **Background Information:**

On January 29, 2015, the Tri-County Board approved the formation of a foundation that would exist to support Tri-County consumers. Staff visited with Jackson Walker about setting up the foundation, and there were some questions regarding the design of the board for the new entity.

- The full Tri-County Board could serve as the foundation board if you all chose to, but we only need three (3) directors to make up a non-profit board in Texas.
  - The housing boards each have five (5) directors so that it is easier to establish a quorum for meetings.
- This foundation board would be considered as a related entity to the Tri-County Board and would be a component unit for tax purposes, like the housing boards.
- Based on experience with the housing boards, there may be a need to meet as often as quarterly. Staff will ensure that the bylaws include a statement that the new board can meet via phone, webinar, video, etc.

#### Questions:

- Would the Tri-County Board prefer to be set up as the foundation board or would you all prefer to set up a separate board?
- If we set up a separate board, how many Tri-County Trustees and how many community members should we have serve on the foundation board?

Jackson Walker is recommending that we select the Board, bring it together (informally) and then form the purpose statement that would be used in developing the entity. The new entity needs to support the activities of Tri-County in some way to receive 509(a)(3) status which allows the new organization to remain tax exempt (if we became a private foundation, there are apparently fees that would need to be paid on an annual basis). However, the purpose statement also needs to be crafted in a way that is appealing to potential donors.

If the Board choses to select community members, staff would bring those individuals back to the Board for approval.

#### **Supporting Documentation:**

None

#### **Recommended Action:**

Approve Board Design for the Tri-County Consumer Foundation and Approve Tri-County Board Trustees to Serve on the Foundation Board

Agenda Item: Approve Department of Aging and Disability

Services FY 2014-2015 Amendment Packet #2

**Board Meeting Date** 

March 26, 2015

**Committee:** Business

#### **Background Information:**

The Department of Aging and Disability Services (DADS) will authorize persons to be enrolled in the Community First Choice (CFC) Waiver; the anticipated start date is June 1, 2015. Community Centers are only allowed to serve as the Authority (overseer) of services or as the Provider. Thirty-eight (38) of the thirty-nine (39) Centers chose the Authority role (the exception is the Center for Healthcare Services in San Antonio that is no longer the Local IDD Authority). In the Authority role, Centers will be responsible for initial eligibility of the clients for CFC and ongoing service coordination (case management) for the services provided.

Centers became concerned about their existing capacity to handle the additional enrollment activities associated with CFC because HCS and Texas Home Living 'slots' have been released so frequently that Centers are already struggling with enrollment timelines. Of specific concern is the ability of Centers to get a Psychologist or other qualifying staff to complete a Determination of Intellectual Disability (DID) for persons interested in CFC.

DADS had some funding lapse because the CFC waiver, originally slated to begin in September, was delayed; and so, they agreed to provide one-time general revenue so Centers could increase capacity for the DID process.

Amendment Packet #2 provides Tri-County \$112,269.22 in one-time general revenue. There are no additional contract requirements.

Staff have a Psychologist and two (2) Service Coordinator positions posted to prepare for CFC starting June 1, 2015.

#### **Supporting Documentation:**

Form C, Contract Amendment Request for FY 2014-2015 DADS Contract

#### **Recommended Action:**

Approve Department of Aging and Disability Services FY 2014-2015 Amendment Packet #2

## FORM C Contract Amendment Request FYs 2014 and 2015 Performance Contract

DATE:	<u>3/19/2015</u>				
propose	ed for amendment: (check all that	apply)			
Repo	ort III (submit online in CARE)				
FY 2015 One-Time Allocation for Eligibility Determinations in the amount of \$112,269.22					
ons Sum	mary				
Report III,	for services and costs related to the completion	n of eligibility			
	Approved by: Assistant Commissioner Access & Intake Department of Aging and Disability Services	Date			
nent Requ	Overnight Delivery:  Mail Code W354  701 W. 51 <sup>st</sup> Street  Austin, TX 78751				
	Report Summallocation Report III,	Report III (submit online in CARE)  FY 2015 One-Time Allocation for Eligibility Determinations in the amount of \$112,269  allocation of \$112,269.22 for fiscal year 2015. These allocation are reported to the completion and and from the allocation are reported only in line #75  Approved by: Assistant Commissioner Access & Intake Department of Aging and Disability Services  nent Request forms to:  Overnight Delivery: Mail Code W354 701 W. 51st Street			

Agenda Item: Approve Repair of Foundation at 63 Hwy 75 N.,

Huntsville, Texas

**Board Meeting Date** 

March 26, 2015

**Committee:** Business

#### **Background Information:**

During a Department of Aging and Disability Services health and safety review of the ICF home at 63 Hwy 75 N, Huntsville, Texas, we were cited for the cracks in the foundation that needed to get repaired. We contracted with an engineer to get a scope of work to fix the problem at this location.

We sent out a request for bids through "The Blue Book" on-line to 24 contractors. We met with 4 interested contractors on-site to review the job, and we received 2 quotes to complete the project:

- J & J Foundation Bid \$9,000 this was to install 36 piers This contractor did not meet the requirements to have liability insurance and did not receive good references.
- Rodriquez House Leveling Bid \$21,830 this was to install 59 piers, with a 10 year warranty. This contractor provided the appropriate liability insurance, and provided 3 references that have done repeated work with Mr. Rodriguez over the past 20 years. We also checked the Better Business Bureau and he received an A+ rating.

Staff recommends Rodriquez House Leveling to complete the foundation repairs at 63 Hwy 75 N., Huntsville, Texas.

#### **Supporting Documentation:**

Quotes, References and Copy of Liability Insurance Available for Review at the Board Meeting

#### Recommended Action:

Approve Repair of Foundation at 63 Hwy 75 N., Huntsville, Texas as Recommended

**Agenda Item:** 2<sup>nd</sup> Quarter FY 2015 Quarterly Investment Report

**Board Meeting Date** 

March 26, 2015

**Committee:** Business

#### **Background Information:**

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

#### **Supporting Documentation:**

Quarterly TexPool Investment Report

Quarterly Interest Report

#### **Recommended Action:**

#### **For Information Only**

#### QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS

#### For the Period Ending February 28, 2015

#### GENERAL INFORMATION

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

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

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

Obligations of the United States Government or its agencies and instrumentalities with a maximum final maturity of 397 days for fixed rate securities and 24 months for variable rate notes;

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

No-load money market mutual funds are registered and regulated by the Securities and Exchange Commission and rated AAA or equivalent by at least one nationally recognized rating service. The money market mutual fund must maintain a dollar weighted average stated maturity of 90 days or less and include in its investment objectives the maintenance of a stable net asset value of \$1.00.

TexPool is governed by the following specific portfolio diversification limitations;

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

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

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

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

The weighted average maturity of TexPool cannot exceed 60 days calculated using the reset date for variable rate notes and 90 days calculated using the final maturity date for variable rate notes.

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

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

#### STATISTICAL INFORMATION

#### Market Value for the Period

Portfolio Summary	December	January	February
Uninvested Balance	\$7,807.79	(\$84,416.46)	(\$25,716,364.50)
Accrual of Interest Income	7,806,802.84	24,728,216.01	2,059,163.71
Interest and Management Fees Payable	(450,754.64)	(591,662.49)	(561,575.10)
Payable for Investments Purchased	0.00	(189,956,300.60)	(89,995,320.90)
Accrued Expense & Taxes	0.00	0.00	0.00
Repurchase Agreements	1,666,934,520.00	2,732,464,310.00	1,884,940,145.00
Mutual Fund Investments	775,006,855.60	525,009,280.50	350,014,068.65
Government Securities	10,294,641,635.34	10,398,240,609.04	12,904,516,940.16
U.S. Treasury Bills	0.00	0.00	0.00
U.S. Treasury Notes	1,102,581,850.00	2,601,087,750.00	1,050,523,400.00
TOTAL	\$13,846,528,716.93	\$16,090,897,786.00	\$16,075,780,457.02

#### **Book Value for the Period**

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(\$10.19)	(\$25,716,364.50)
Accrual of Interest Income	9,980,758.22	2,059,163.71
Interest and Management Fees Payable	(288,992.13)	(561,575.10)
Payable for Investments Purchased	0.00	(89,995,320.90)
Repurchase Agreements	1,256,871,000.00	1,884,968,000.00
Mutual Fund Investments	250,003,589.40	350,014,068.65
Government Securities	9,120,846,830.32	12,903,446,802.12
U.S. Treasury Bills	249,989,583.30	0.00
U.S. Treasury Notes	1,253,113,135.50	1,050,541,968.14
TOTAL	\$12,140,515,894.42	\$16,074,756,742.12

#### Portfolio by Maturity as of February 28, 2015

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
25.2%	61.1%	11.8%	1.9%

#### Portfolio by Type of Investments as of February 28, 2015

Agencies	Repurchase	Treasuries	Money
	Agreements		Market Funds
79.7%	11.6%	6.5%	2.2%

#### **SUMMARY INFORMATION**

On a simple daily basis, the monthly average yield was 0.04% for December, 0.05% for January and 0.04% 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, 2015 was 50 days.

The net asset value as of February 28, 2015 was 1.00007.

The total amount of interest distributed to participants during the period was \$1,604,561.46.

This quarter TexPool 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 2,321.

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

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

Submitted by:	
Millie McDuffey (1)	Date
Chief Financial Officer / Investment Officer	Date
Evan Roberson	Date
Executive Director / Investment Officer	

# TRI-COUNTY SERVICES QUARTERLY INTEREST EARNED REPORT FISCAL YEAR 2015 As Of February 28, 2015

		INTEREST EARNED						
BANK NAME		1st QTR.	2	nd QTR.	3rd QTR.	4th QTR.	Y	TD TOTAL
Alliance Bank - Central Texas CD	\$	423.87	\$	419.21			\$	843.08
Citizens 1st Bank CD	\$	277.28	\$	274.23			\$	551.51
First Liberty National Bank	\$	1.82	\$	0.16			\$	1.98
First Liberty National Bank CD	\$	409.58	\$	414.03			\$	823.61
JP Morgan Chase (HBS)	\$	492.44	\$	594.48			\$	1,086.92
Prosperity Bank	\$	12.62	\$	12.58			\$	25.20
TexPool Participants	\$	48.59	\$	71.89			\$	120.48
Tradition Bank	\$	3,693.11	\$	3,652.76			\$	7,345.87
Total Earned	\$	5,359.31	\$	5,439.35	\$ -	\$ -	\$	10,798.65

Agenda Item: Board of Trustees' Unit Financial Statement for February 2015	Board Meeting Date
	March 26, 2015
Committee: Business	
Background Information:	
None	
Supporting Documentation:	
Board of Trustees' Unit Financial Statement for February 2015	
Recommended Action:	
For Information Only	

Unit Financial Statement FY 2015											
		uary 2015 actuals		uary 2015 udgeted	Va	riance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues				Ū				J			•
Allocated Revenue	\$	2,640	\$	2,640	\$	-	\$15,840	\$16,840	\$ (1,000)	94%	\$31,680
Total Revenue	\$	2,640	\$	2,640	\$	-	\$15,840	\$16,840	\$ (1,000)	94%	\$31,680
Expenses											
Food Items	\$	296	\$	167	\$	129	\$ 1,262	\$ 998	\$ 264	126%	\$ 2,000
Insurance-Worker Comper	\$	8	\$	19	\$	(11)	\$ 43	\$ 116	\$ (73)	37%	\$ 230
Legal Fees	\$	1,500	\$	1,500	\$	-	\$ 9,000	\$ 9,000	\$ -	100%	\$18,000
Postage-Express Mail	\$	-	\$	4	\$	(4)	\$ -	\$ 26	\$ (26)	0%	\$ 50
Supplies-Office	\$	-	\$	4	\$	(4)	\$ 12	\$ 26	\$ (14)	0%	\$ 50
Training	\$	-	\$	300	\$	(300)	\$ 1,950	\$ 2,400	\$ (450)	81%	\$ 3,600
Travel - Local	\$	79	\$	62	\$	17	\$ 444	\$ 372	\$ 72	119%	\$ 750
Travel - Non-local Mileage/	\$	691	\$	167	\$	524	\$ 846	\$ 998	\$ (152)	85%	\$ 2,000
Travel - Non-local Hotel	\$	-	\$	317	\$	(317)	\$ 124	\$ 1,898	\$ (1,774)	7%	\$ 3,800
Travel - Meals	\$	-	\$	100	\$	(100)	\$ 60	\$ 600	\$ (540)	10%	\$ 1,200
Total Expenses	\$	2,574	\$	2,640	\$	(66)	\$13,740	\$16,434	\$ (2,694)	84%	\$31,680
Total Revenue minus Expe	\$	66	\$	-	\$	66	\$ 2,100	\$ 406	\$ 1,694	10%	\$ -

Agenda Item: Cleveland Supported Housing Inc. Update

Board Meeting Date

March 26, 2015

**Committee:** Business

#### **Background Information:**

The Cleveland Supported Housing, Inc. Board (CSHI) met on March 19, 2015 to review project updates, the current timeline for construction, and to review requisitions 5 and 6. The board also selected current officers for the upcoming year.

The progress has been steady amidst the rainy conditions over the last several weeks. They are currently working on interior painting and exterior stone, weather permitting. The underground electrical will be started, along with electrical trim, and the cabinets are to be delivered during the week of March 19-25<sup>th</sup>. At this time, the tentative date for construction completion is estimated to be early to mid Summer.

With the delay in the LOCCS system we were a little behind in paying the contractor, architect and housing consultant. Since the resolution, we have caught up on payment from HUD to all vendors with the exception of Requisition 6. These invoices will be paid once funds have been approved from HUD. Requisition 6 was submitted to HUD on March 18, 2015.

On February 26<sup>th</sup>, the project team met with HUD on-site to review the progress and discuss the allocations for the 6<sup>th</sup> requisition. The next meeting with HUD will be held onsite March 27, 2015.

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**Recent Project Pictures** 

#### **Recommended Action:**

**For Information Only** 

#### Water Heaters Installed



Painted Ceilings and Primed Walls



## Building B



Building C



Installation of Underground Electric



Interior of Building D



## Window Seat



## **UPCOMING MEETINGS**

## April 23rd, 2015 - Board Meeting

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

### May 28th, 2015 - Board Meeting

- Longevity Recognition Presentations February through April
- Approve Minutes from April 23, 2015 Board Meeting
- Community Resources Report
- Consumer Services Report for April 2015
- Program Updates
- Program Presentation
- Personnel Report for April 2015
- Texas Council Risk Management Fund Claim Summary for April 2015
- Approve April 2015 Financial Statements
- Board of Trustees Unit Financial Statement for April 2015
- Cleveland Supported Housing, Inc. Monthly Update
- Other Business Committee Issues

## **June 2015 - No Board Meeting**