Tri-County Behavioral Healthcare Board of Trustees Meeting

May 26, 2016

Tri-County Behavioral Healthcare
Healthy Minds. Meaningful Lives.

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Thursday, May 26, 2016. 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 10:05 a.m.

AGENDA

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

II. **Approve Minutes - April 28, 2016**

III. **Longevity Recognition Presentations**

IV. **Executive Director's Report - Evan Roberson**
   A. DSHS
   B. DADS
   C. HHSC Consolidation Plan
   D. United Way Updates
   E. Community Meetings

V. **Chief Financial Officer's Report - Millie McDuffey**
   A. FY 2017 Budget Process
   B. County Annual Funding
   C. Fixed Asset Inventory
   D. Surplus Sale
   E. Texas Council Risk Management Board Meeting Update

VI. **Program Committee**
   Action Items
   A. Adult Mental Health Waiting List ..... *Page 8*

   Information Items
   B. Community Resources Report ..... *Pages 9-11*
   C. Consumer Services Report for April 2016 ..... *Pages 12-13*
   D. Program Updates ..... *Pages 14-17*
   E. Program Presentation - Jail Liaison Services

VII. **Executive Committee**
   Information Items
   A. Personnel Report for April 2016 ..... *Pages 18-20*
   B. Texas Council Risk Management Fund Claims Summary for April 2016 ..... *Pages 21-22*
   C. Texas Council Quarterly Board Meeting Verbal Update ..... *Pages 23-86*

VIII. **Business Committee**
   Action Items
   A. Approve April 2016 Financial Statements ..... *Pages 87-99*
   B. Consider Selection of FY 2016 Auditor ..... *Pages 100-109*

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

Information Items

C. Board of Trustees Unit Financial Statement for April 2016 ..... *Pages 110-11*
D. Building Consolidation Update ..... *Pages 112-115*

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

Posted By:

Stephanie Eveland
Executive Assistant

Tri-County Behavioral Healthcare

P.O. Box 3067
Conroe, TX 77305

BOARD OF TRUSTEES MEETING

April 28, 2016

Board Members Present:
Patti Atkins
Tracy Sorensen
Sharon Walker
Richard Duren
Cecil McKnight
Gail Page
Janet Qureshi

Board Members Absent:
Morris Johnson
Jacob Paschal

Tri-County Staff Present:
Evan Roberson, Executive Director
Annette Adams, Behavioral Health Director
Kenneth Barfield, Director of Management Information Systems
Tanya Bryant, Director of Quality Management and Support
Amy Foerster, Director of Human Resources
Kathy Foster, Director of IDD Provider Services
Catherine Prestigiovanni, Director of Strategic Development
Breanna Robertson, Director of Crisis Services
Kelly Shropshire, Director of IDD Authority Services
Stephanie Eveland, Executive Assistant
Tabatha Abbott, Cost Accountant
Mary Lou Flynn-DuPart, Legal Counsel
Robyn Gould, Training Coordinator

Guests:
Mike Duncum, WhiteStone Realty

Call to Order: Board Chair, Patti Atkins, called the meeting to order at 10:01 a.m. at 1506 FM 2854, Conroe, Texas.

Public Comment: There were no public comments.

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

Cont.

Resolution #04-16-01

Motion Made By: Cecil McKnight
Seconded By: Sharon Walker, with affirmative votes by Patti Atkins, Tracy Sorensen, Richard Duren, Gail Page and Janet Qureshi that it be...

Resolved: That the Board excuse the absences of Morris Johnson and Jacob Paschal.

Resolution #04-16-02

Motion Made By: Tracy Sorensen
Seconded By: Cecil McKnight, with affirmative votes by Patti Atkins, Sharon Walker, Richard Duren, Gail Page and Janet Qureshi that it be...

Resolved: That the Board approve the minutes of the March 24, 2016 meeting of the Board of Trustees.

Executive Director's Report:

The Executive Director's report is on file.

Chief Financial Officer's Report:

The Chief Financial Officer's report is on file.

Board Chair, Patti Atkins, suspended the agenda to move to Business Committee Information Item VII-I, Building Consolidation Update. Mike Duncum, from WhiteStone Realty, presented the report.

PROGRAM COMMITTEE:

The Community Resources Report was reviewed for information purposes only.

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

The Program Updates were reviewed for information purposes only.

The Medicaid 1115 Transformation Waiver Project Status Report was reviewed for information purposes only.

Program Presentation – The Board of Trustees and Management Team received their annual training.

Cont.

EXECUTIVE COMMITTEE:

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

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

BUSINESS COMMITTEE:

Resolution #04-16-03

Motion Made By: Tracy Sorensen
Seconded By: Cecil McKnight, with affirmative votes by Patti Atkins, Sharon Walker, Richard Duren, Gail Page and Janet Qureshi that it be...

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

Resolution #04-16-04

Motion Made By: Sharon Walker
Seconded By: Cecil McKnight, with affirmative votes by Patti Atkins, Tracy Sorensen, Richard Duren, Gail Page and Janet Qureshi that it be...

Resolved: That the Board remove Brad Browder and add Patti Atkins and Tracy Sorensen as authorized signers for financial accounts effective immediately.

Resolution #04-16-05

Motion Made By: Tracy Sorensen
Seconded By: Richard Duren, with affirmative votes by Patti Atkins, Sharon Walker, Cecil McKnight, Gail Page and Janet Qureshi that it be...

Resolved: That the Board select Cornerstone Detention as the contractor to resurface the Psychiatric Emergency Treatment Center Isolation Room.

Business Committee Action Item VII-D, Approve Contract Negotiation with David Southern to Broke ICF/IID License Sale was deferred until a later date.

Resolution #04-16-06

Motion Made By: Tracy Sorensen
Seconded By: Sharon Walker, with affirmative votes by Patti Atkins, Richard Duren, Cecil McKnight, Gail Page and Janet Qureshi that it be...

Resolved:

That the Board approve the DSHS YES Waiver Medicaid Provider Contract #2016-049249-001.

Resolution #04-16-07

Motion Made By: Tracy Sorensen
Seconded By: Cecil McKnight, with affirmative votes by Patti Atkins, Sharon Walker, Richard Duren, Gail Page and Janet Qureshi that it be...

Resolved:

That the Board approve the addendum to extend the FY 2016 Cypress Creek Hospital Contract for an additional contract maximum of $25,000 for a total of $675,000 for inpatient psychiatric services.

Resolution #04-16-08

Motion Made By: Tracy Sorensen
Seconded By: Richard Duren, with affirmative votes by Patti Atkins, Sharon Walker, Cecil McKnight, Gail Page and Janet Qureshi that it be...

Resolved:

That the Board approve Mrs. Meredith Heimsoth and Mrs. Pat Seward to serve on Tri-County's Consumer Foundation Board with terms expiring on August 31, 2016 and August 31, 2017 respectively.

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

There was no need for Executive Session.

The regular meeting of the Board of Trustees adjourned at 11:07 a.m.

Adjournment:

[redacted]

Patti Atkins Date
Chair

Attest:

[redacted]

Sharon Walker Date
Secretary

Executive Director's Report

May 26, 2016

Announcements

- **Reminder:** There will be no Board meeting in June. The next regularly scheduled Board meeting is on Thursday, July 28, 2016.

- We have scheduled the annual Board Strategic Planning meeting for Saturday, July 23rd from 9:00-2:30 p.m. in the Board Room.

- As a reminder, the East Texas Behavioral Health Network (ETBHN) has decided to have their annual Board Retreat in Galveston on September 8-9, 2016. Please contact Stephanie Eveland or me if you are interested in attending and we will add your name to the list.

- Catherine Prestigiovanni has arranged for 'The Walking Man' movie to be shown at the Crighton Theatre in Conroe at 5:30 p.m. on Thursday, June 9th. Following the movie, there will be a panel discussion with Mark Norwine, a mental health advocate who stars in the film. Catherine, Millie McDuffey and Patti Atkins heard this presentation at the National Council earlier this year, and we are thrilled to have him in Conroe, Texas.

- We have received clarification from the Health and Human Services Commission (HHSC) that Demonstration Year (DY) 6 of the 1115 Transformation Waiver will be extended for 15 months (through December 2017), and participants will not be required to commit to DYs 7-10 until more details are known. In addition, HHSC is delaying plans to have a performance incentive pool of 10% which is difficult for small providers to impact. In short, 1115 appears to be continuing in DY 6 exactly as it did in DY 5.

- The cake today is in honor of Morris Johnson who had a birthday on May 2nd and Richard Duren who had a birthday on May 15th.

Department of State Health Services

- As the Board will remember, the Department of State Health Services (DSHS) performance contracts were significantly delayed this year with the core performance contract language not being issued until December of 2015 and payments in January of 2016. We continue to see many draft contracts from the DSHS and we understand that DSHS is trying to avoid any delays in payment this year.

Department of Aging and Disability Services

- The Department of Aging and Disability Services (DADS) has notified us that they will be completing their annual Home and Community-based Services (HCS) and Texas Home Living (TxHmL) Provider audit the week of May 31st. Kathy Foster and her staff have done an outstanding job on this audit for years, but much like the Authority Services audit, the interpretation of the standards tightens each year. We will make a report about the audit findings at the July Board meeting.

Montgomery County United Way

- Series of changes continue to occur at the organization that was the Montgomery County United Way (MCUW). Several staff have resigned from the organization including Jesus Rodriguez, Director of Health and Wellness, who will leave at the end of this month.

  So far, our interactions with the United Way of Greater Houston have been very different than we were used to at MCUW and we have relied upon MCUW staff to advocate for the Center when necessary. Of course, MCUW is a major funder for our Substance Abuse programs and also provides funding for services at the Psychiatric Emergency Treatment Center (PETC). We are very grateful for the support we have received over the years from the MCUW and hope to continue this relationship with the United Way of Greater Houston.

- We are preparing to submit a set of data to MCUW for their Montgomery County Behavioral Health assessment. After visiting with Jackson Walker about what could be provided, we determined that we would share high level, de-identified data only. This data was gathered from almost 700,000 lines of code and required a good bit of time to produce. Thanks to Kenneth Barfield and his staff for their effort on this request.

Community Meetings

- Staff and I have been involved in a variety of community meetings stakeholders about the impact of mental illness on our community.

    - On May 17th, Millie and I met with the Montgomery County Hospital District (MCHD) to discuss potential PETC match funding. Previously, the PETC received match funding from MCHD until 2012. At that time, MCHD was undergoing a change in leadership and Cindy was unable to get them to commit to additional match funding. The meeting was positive. More details to come.

    - Millie and I are also planning to speak with the Walker County Hospital District about match funding in the coming weeks.

- On May 18th, we held our annual Jail Diversion Working Group meeting. This meeting was attended by District Judges Wood, Turner, Hamilton and Associate Judge Damico, the Assistant D.A. Mike Holley and several other Montgomery County staff. In the meeting, we reviewed a great deal of information about the persons that are frequenting the criminal justice system that also have a mental illness. The focus of the meeting was primarily related to the logistics for a Montgomery County Mental Health Treatment Court.

  Jay Conley, our Montgomery County Jail Services Liaison, will share more information during the program presentation today.

- On May 25th, as part of our efforts to meet with County Commissioners and County Judges, Breanna Robertson, Lisa Bradt and I met with Judge Doyle, his Chief of Staff Jim Fredericks, incoming Sheriff Rand Henderson, County Court at Law Judge Turner, and Adult Probation Director Ron Leach. Although the meeting was originally envisioned as a general discussion about mental health and intellectual disabilities in the community, the conversation revolved around the intersection of criminal justice and mental illness. Included in the conversations was a discussion about mental health crisis response and the development of a new mental health treatment court.

  Out of this group, there will be a workgroup formed to look into these issues further. Montgomery County has approximately 300 persons a month that have a history of mental health treatment in the Texas Community Center system. While only a small percentage of those folks are active in treatment at Tri-County, many could be active if they were willing to participate.

BE A PART OF THE SOLUTION TO END SUICIDE & BULLYING IN MONTGOMERY COUNTY

COME MEET MARK NORWINE, THE WALKING MAN

Free Admission

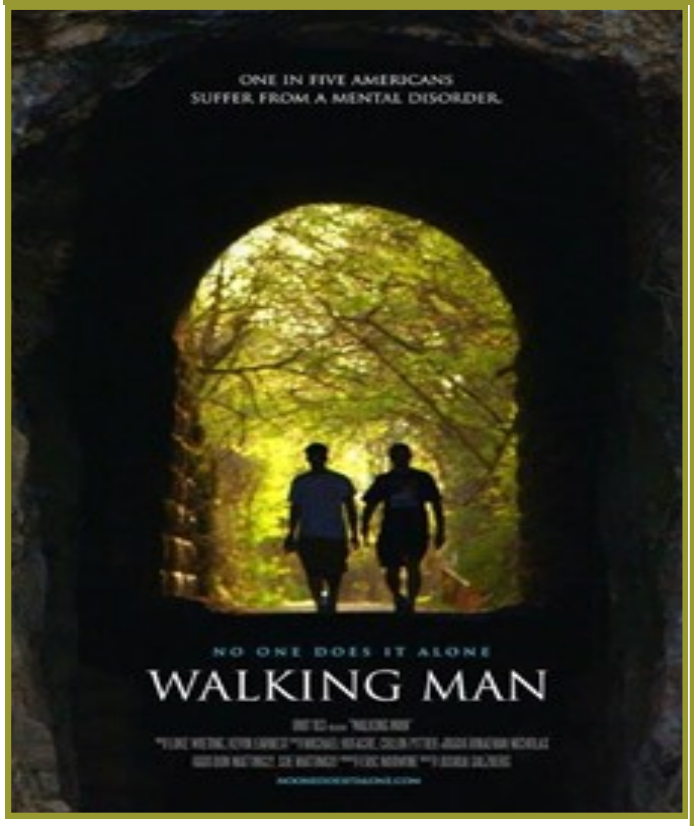
JUNE 9TH @ THE HISTORIC CRIGHTON THEATRE

234 North Main Street

Conroe, Texas 77301

5:30-6:00 REFRESHMENTS

6:00-7:30 FILM THEN OPEN DISCUSSION WITH MARK



After a Missouri high school loses three students to suicide, Mark Norwine (a mental health advocate) embarks on a 200-mile walk across the state, seeking to educate students and better understand the epidemic for himself. Mark is joined by his son, Eric, but when the road proves difficult, father and son must confront their own mental health struggles, which they've kept secret for so long. Endorsed by universities and mental health organizations across the U.S., Walking Man is an honest look at one family's journey with mental illness.

FOR MORE INFORMATION CALL 936-521-6100

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CHIEF FINANCIAL OFFICER'S REPORT
May 26, 2016

FY 2017 Budget Process – We are still in the early stages of the FY 2017 budget process. We have changed the process a bit this fiscal year. We will be starting from the current historical trends of the FY 2016 budget and build from there. As a part of this, we will analyze the vacancy rate for this year to determine appropriate staffing numbers for the amount of clients to be served. We should have a preliminary budget back to department managers by the middle of June.

County Annual Funding Request – It is that time of year again. We have submitted the Montgomery County Funding request and will be completing the Walker County request this next week. Walker County has already set a budget hearing date for June 27th.

Fixed Asset Inventory – The fixed asset inventory process is about to get under way. Every two years we conduct a complete inventory count, so this is that complete count year. Last year, we verified programs that had moved and all new items purchased. This year we will get complete review of all inventoried items. This is a pretty labor intensive process so we bring in building coordinators to assist with the actual count at each location.

Surplus Sale - We are preparing to have a surplus sale on Friday, June 10th at the vacant Liberty locations. We have an assortment of desks, file cabinets, refrigerators, stoves and other various furnishing left at these buildings and need to get the buildings cleaned out to be sold. We will have advertising in the local newspapers and also signs up on the day of the sale. After the sale, items that may have any salvage value for scrap metal will be hauled off the premises.

Texas Council Risk Management Fund Board Meeting Update – On May 5th and 6th, I attended the Strategic planning and Board meeting for the Texas Council Risk Management Fund. At the strategic planning session, we discussed what changes and challenges are on the horizon for all community centers. This was a good session.

Then on the 6th, we had the quarterly board meeting. The rates for reinsurance were announced for FY 2017. Here are the expected premium changes:

Auto Liability	Increase of 15%
Auto Collusion	Increase of 19%
Building Insurance	Increase of 16%
General Liability	Increase of 5%
Professional Liability	Increase of 5%
Errors & Omission Insurance	Increase of 14%
Workers Compensation	No Increase

Agenda Item: Adult Mental Health Waiting List **Committee:** Program	**Board Meeting Date** May 26, 2016

Background Information:

Tri-County is required by contract with the Health and the Human Services Commission (HHSC) to serve a minimum of 2,694 adults per month. Persons with Medicaid coverage must be admitted to ensure compliance with Medicaid Entitlement rules. Persons in crisis or high level of need must be admitted to stabilize and prevent crisis conditions. Priority admission status was also established for persons who are released from inpatient facilities; under parole or probation in criminal justice services; served as part of jail diversion; and, meet the priority population criteria.

The previous waiting list of almost 350 adults was eliminated in FY 2013. Since then, funding was received to increase our adult target from 1,484 to 2,220 and then 2,694. At the end of April, a total of 2,803 adults were admitted to Full Level of Care (FLOC). A large percentage of adults new to the system are indigent and have limited or no insurance coverage for services or medication. Medication expenditures are projected to exceed the budget with continued admissions expected to occur during the remainder of the year. There are no viable discharge options to keep this trend from continuing and getting worse. As many caseloads increase, the Center is struggling with the ability to serve consumers with the staff that we can afford with the funds we have available. The two largest growth areas are Montgomery County and Cleveland.

In Montgomery and Walker County, some of these consumers will qualify for the 1115 Expanded Psychiatry program and can be seen by our prescriber. Unfortunately, the Liberty 1115 program has already exceeded capacity limits and is not available.

Staff recommend a cap of 105% of the performance contract requirement of 2,694 or a cap of 2,828 adults. With the exceptions listed above, we may still exceed this target. At this time, we do not recommend a waiting list for children/youth since the majority of this target population has Medicaid Entitlement rights to services.

The HHSC performance contract requires consistent monitoring of the waiting list by Quality Management staff. Adults who are on the list but are decompensating may be brought into services as clinically indicated.

Supporting Documentation:

Contract Information Item R Available for Review at the Board Meeting

Recommended Action:

Approve Implementation of a Mental Health Waiting List for Adults Who Are Indigent and Not in One of the Priority Admission Categories

Agenda Item: Community Resources Report **Committee:** Program	**Board Meeting Date** May 26, 2016
Background Information: None	
Supporting Documentation: Community Resources Report	
Recommended Action: **For Information Only**	

Community Resources Report
April 29, 2016 – May 26, 2016

Volunteer Hours:

Location	April
Conroe	163.5
Cleveland	0
Liberty	17.5
Huntsville	21
Total	**202**

COMMUNITY ACTIVITIES:

4/28/16	Candidate Forum Membership Luncheon	Conroe
4/29/16	Montgomery County Jail Meeting	Conroe
4/29/16	United Way Agency Executives Meeting	Houston
4/29/16	Texas Council Emergency Preparedness Conference	Houston
4/29/16	Cleveland ISD DAEP Meeting	Cleveland
4/30/16	Relay for Life of Conroe	Conroe
5/2/16	Montgomery County Homeless Coalition Board Meeting	Conroe
5/2/16	Conroe Noon Lions Club Luncheon	Conroe
5/3/16	Montgomery County United Way Health & Wellness Meeting	The Woodlands
5/3/16	Montgomery County Homeless Coalition Empowerment Resource Center Meeting	Conroe
5/4/16	American Legion Executive Board Meeting	Conroe
5/4/16	East Montgomery County Chamber of Commerce Luncheon	New Caney
5/4/16	Veterans of Foreign Wars Monthly Meeting	Conroe
5/4/16	ETBHN Managed Care Summit	Round Rock
5/4/16	Suicide A Community Response Event	The Woodlands
5/4/16	Conroe ISD Event – Increase Mental Health Awareness	Conroe
5/4/16	Conroe Noon Lions Club Luncheon	Conroe
5/5/16	Law Enforcement Management Institute of Texas School Military Culture Meeting	Huntsville
5/5/16	Sam Houston State University Veterans Graduation Ceremony	Huntsville
5/5/16	Cleveland Chamber of Commerce Luncheon	Cleveland
5/5/16	Walker County Community Resource Coordination Group	Huntsville
5/5/16	Meeting with Senator Robert Nichols	Montgomery
5/6/16	San Jacinto Hospital Meeting	Liberty
5/6/16	Veterans of Foreign Wars Benefit for Touchstone Neurorecovery Center	Conroe
5/6/16	Veterans of Foreign Wars Presentation	Porter
5/9/16	Bring Everyone In The Zone Training	Killeen
5/10/16	Veterans Museum of Texas 4th of July Planning Meeting	Huntsville
5/10/16	Meeting with Justice of the Peace Judge Wayne Mack	Willis

COMMUNITY ACTIVITIES (cont'd):

5/10/16	Adolescent Round Table Symposium – Suicide Prevention	The Woodlands
5/10/16	Freedom Fest Planning Meeting	Conroe
5/11/16	The Refuge Trauma & Counseling Center Veterans 101 Course	Conroe
5/11/16	Conroe Noon Lions Club Luncheon	Conroe
5/11/16	Veterans Treatment Court	Conroe
5/12/16	Huntsville Chamber of Commerce Breakfast	Huntsville
5/12/16	Cleveland Chamber of Commerce Luncheon	Cleveland
5/13/16	Austin Elementary Career Fair	Conroe
5/13/16	Hope for U.S. Veterans Meeting	Conroe
5/14/16	Kids on the Lake – YMCA	Conroe
5/14/16	Women Veterans Spa Day Event	Conroe
5/14/16	Military Veteran Peer Network's Veteran's Surf Day	Galveston
5/16/16	Lone Star Legal Aid – Survivors of Sexual Assault Meeting	Conroe
5/17/16	Montgomery County Community Resource Coordination Group	Conroe
5/17/16	Liberty County Veteran Services Planning Meeting	Liberty
5/18/16	Jail Diversion Working Group	Conroe
5/18/16	Liberty/Dayton Chamber of Commerce Meeting	Liberty
5/18/16	Conroe Noon Lions Club Luncheon	Conroe
5/19/16	Montgomery County Homeless Coalition Community Meeting	Conroe
5/19/16	Veterans Affairs Advisory Board Meeting	Huntsville
5/20/16	Conroe Regional Hospital – Veterans Presentation on Trauma & PTSD	Conroe
5/20/16	Tri-County Consumer Foundation Board Meeting	Conroe
5/21/16	Veterans 5k Run	Houston
5/23/16	Military Veteran Peer Network Basic Training	Conroe
5/24/16	Veterans ASK About Suicide Training	Liberty
5/24/16	Montgomery County Business Women's Association Luncheon	Conroe
5/25/16	Conroe Noon Lions Club Luncheon	Conroe
5/25/16	Veterans Treatment Court One Year Anniversary Celebration	Conroe
5/25/16	CPS Director's Meeting	Conroe
5/26/16	The Woodlands Church Career Fair	The Woodlands
5/26/16	Harris County Jail Veterans Program Tour	Houston

UPCOMING ACTIVITIES:

6/2/16	Cleveland Chamber of Commerce Luncheon	Cleveland
6/2/16	Walker County Community Resource Coordination Group	Huntsville
6/6/16	Montgomery County Homeless Coalition Board Meeting	Conroe
6/9/16	Huntsville Chamber of Commerce Breakfast	Huntsville
6/9/16	An Evening with the Walking Man	Conroe
6/14/16	CASA suicide training event	Liberty
6/21/16	Montgomery County Community Resource Coordination Group	Conroe

Agenda Item: Consumer Services Report for April 2016 **Committee:** Program	**Board Meeting Date** May 26, 2016
Background Information: None	
Supporting Documentation: Consumer Services Report for April 2016	
Recommended Action: **For Information Only**	

Consumer Services Report
April 2016

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
Crisis Services, MH Adults/Children					
Persons Screened, Intakes, Other Crisis Services	465	38	34	45	**582**
Crisis and Transitional Services (LOC 0, LOC 5)	51	2	5	3	**61**
Psychiatric Emergency Treatment Center (PETC) Served	60	4	1	0	**65**
Psychiatric Emergency Treatment Center (PETC) Bed Days	240	19	8	0	**267**
Contract Hospital Admissions	14	2	1	2	**19**
Diversion Admits	15	3	1	2	**21**
Total State Hospital Admissions	7	0	0	1	**8**
Routine Services, MH Adults/Children					
Adult Service Packages (LOC 1m,1s,2,3,4)	1083	151	80	99	**1413**
Adult Medication Services	809	78	70	108	**1065**
Child Service Packages (LOC 1-4 and YC)	440	31	20	61	**552**
Child Medication Services	232	10	11	27	**280**
TCOOMMI (Adult Only)	108	18	17	12	**155**
Adult Jail Diversions	6	0	0	0	**6**
Persons Served by Program, IDD					
Number of New Enrollments for IDD Services	11	0	0	0	**11**
Service Coordination	654	45	53	66	**818**
Persons Enrolled in Programs, IDD					
Center Waiver Services (HCS, Supervised Living, TxHmL)	42	5	20	23	**90**
Contractor Provided ICF-MR	18	10	10	6	**44**
Substance Abuse Services					
Children and Youth Prevention Services	123	0	113	0	**236**
Youth Substance Abuse Treatment Services/COPSD	13	0	0	1	**14**
Adult Substance Abuse Treatment Services/COPSD	27	0	0	7	**34**
Waiting/Interest Lists as of Month End					
Home and Community Based Services Interest List	1621	128	138	145	**2032**
April Served by County					
Adult Mental Health Services	1426	161	120	190	**1897**
Child Mental Health Services	566	35	26	67	**694**
Intellectual and Developmental Disabilities Services	711	48	56	69	**884**
Total Served by County	**2703**	**244**	**202**	**326**	**3475**
March Served by County					
Adult Mental Health Services	1378	167	124	184	**1853**
Child Mental Health Services	549	39	18	73	**679**
Intellectual and Developmental Disabilities Services	743	47	55	77	**922**
Total Served by County	**2670**	**253**	**197**	**334**	**3454**
February Served by County					
Adult Mental Health Services	1370	168	114	177	**1829**
Child Mental Health Services	531	44	23	63	**661**
Intellectual and Developmental Disabilities Services	709	49	58	72	**888**
Total Served by County	**2610**	**261**	**195**	**312**	**3378**

Agenda Item: Program Updates **Committee:** Program	**Board Meeting Date** May 26, 2016
Background Information: None	
Supporting Documentation: Program Updates	
Recommended Action: **For Information Only**	

Program Updates
April 29, 2016 – May 26, 2016

MH Crisis Services

1. A meeting was held with the Montgomery County Hospital District's Medical Director to discuss the Crisis Intervention Response Team (CIRT) and ways both agencies can collaboratively decrease 911 calls and divert individuals from the emergency room.
2. The Psychiatric Emergency Treatment Center continues to be evaluated for ways to enhance safety for consumers and staff. The furniture in the lobby, dayroom, and triage area of the building are being considered for replacement for more durable and secure equipment. Recently, maintenance was contacted twice for repairs that were needed in the assessment area as a result of chairs being thrown against the wall.

MH Adult Services

1. We are adding another expert in the treatment of PTSD by the end of this month with one of our counselors completing the 20-week training to become certified in Cognitive Processing Therapy for treatment of PTSD.
2. There is an increase in the number of intake evaluations being scheduled same-day, with 73% in April, compared to 63% in March.
3. We have submitted a proposal to the United Way of the Piney Woods for grant funding. The goal of this "Keeping the Future Bright" grant is to help out with our Huntsville clients during the summer months. The clients can be in either LOC1 or LOC3 services, and if approved, would be allotted up to $100 for their electric bill. Since we operate on a monthly ability to pay (MAP), our clients with a MAP of 0 will qualify for this funding. They must also score a 3 on the residential stability domain on the ANSA, meaning that they have stable housing. The grant itself is for $5,000 allowing at least 50 clients some assistance with their electric bill.

MH Child Services

1. Staff are engaging in a first-time Practicum with a staff member of the Conroe ISD; this should be a great "win-win" for the Practicum student, for our clients and for our relationship with the school district.
2. April was a challenging month due to weather, testing, and overwhelming caseloads. School testing schedules continue into the beginning of May and we are finding that school policies regarding access to kids during testing are becoming excessively strict. Many are shutting down the schools for checking clients out during the entire day, even when just a small subgroup of students are testing for a portion of the day. The team continues to find solutions related to access problems.

Criminal Justice Services

1. The Jail Liaison assessed 44 individuals and coordinated the treatment of 70 others in the Montgomery County Jail.

2. The Program Administrator presented the TCOOMMI program to Liberty County Judges Cain, McDonald, Morefied and Judge Chambers.
3. TCOOMMI adult caseloads are at 157 served for the month of April.

Substance Abuse Services

1. Adult Substance Abuse Services began providing same-day/walk-in assessments and admission for the program on May 3rd. By implementing this change, we have seen an increase in the number of clients coming in to explore treatment; however, engagement in ongoing treatment remains a challenge.
2. Medical staff has increased its focus on assessing for and diagnosing substance use/abuse as well as increased attention to making referrals for substance abuse treatment.
3. Youth Substance Abuse Prevention is projecting completion of performance measure targets for curriculum groups by the end of May.

IDD Services

1. IDD Provider staff are preparing for an upcoming audit. DADS auditors are scheduled to arrive on Tuesday, May 31st.
2. A Texas Home Living consumer in Liberty received a PASRR diversion slot and is scheduled to be enrolled on June 1, 2016. This is a positive thing as this parent was going to be impacted due to the changes in Community First Choice rules no longer permitting anyone living in the same home to be a paid provider.
3. Since the beginning of this fiscal year, the PASRR IDD Authority staff have transitioned or diverted nine (9) individuals from nursing facilities.
4. DADS announced a new requirement for all Local Authorities to begin monitoring persons diverted or transitioned from State Supported Living Centers for an additional four (4) years.

Support Services

1. **Quality Management:**
    a. Staff attended the Texas Council training, 'Emergency Responses: Plan, Prepare, Act' on April 29th. Attendees received response training for active shooter and bioterrorism situations along with other safety topics that improve Centers' ability to mitigate risks.
    b. Cenpatico conducted their quarterly site visit on May 13th. Four (4) charts, with dates of service dating back to September 2014 were reviewed in preparation for the visit.
    c. Staff reviewed and submitted two (2) record requests to Managed Care Organizations (MCOs). One (1) from Aetna for an annual medical risk adjustment data review dating back to January 2015 and one (1) from Amerigroup for Texas Wellness Incentives and Navigation (WIN) dating back to December 2014.

2. **Utilization Management:** Discussions have begun with other Center staff to determine new ways to collect and measure data that can better allow our Center to demonstrate the benefits of our services to the individuals in our community by focusing on positive outcomes and cost savings.
3. **ETBHN/Regional Authorization:** Center staff attended the Managed Care Summit in Round Rock, Texas, which was hosted by ETBHN. At this meeting, Centers discussed challenges related to working with managed care organizations and collaborated to establish best practices.
4. **Veteran Affairs:** The Montgomery County Veterans Treatment Court celebrated its one year anniversary. Over the course of the first year, fourteen (14) Veterans have been accepted into the court. Two (2) Veterans successfully completed the program in April. The Veteran Services Liaison has played an active role in providing participants with peer mentorship as they progress through this program.

Community Activities

1. Staff met with Senator Nichols and Judge Wayne Mack – they are very supportive of Tri-County and the work we are doing in the community, and both considered themselves advocates for the agency.
2. Six (6) therapists participated in the "Suicide, A Community's Response" event and were on standby for folks who became overwhelmed during the event. Support and referral information was provided to over 30 individuals.

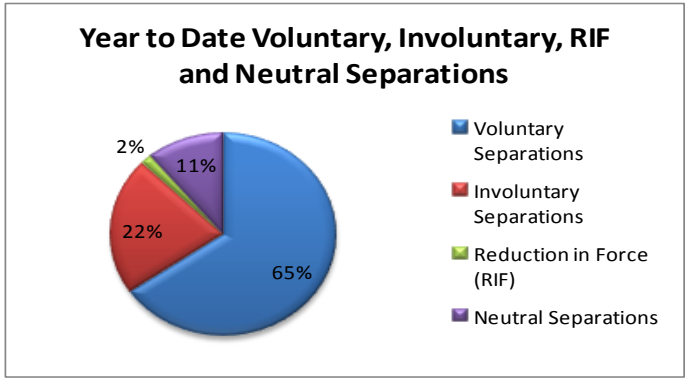
Agenda Item: Personnel Report for April 2016 **Committee:** Executive	**Board Meeting Date** May 26, 2016
Background Information: None	
Supporting Documentation: Personnel Report for April 2016	
Recommended Action: **For Information Only**	

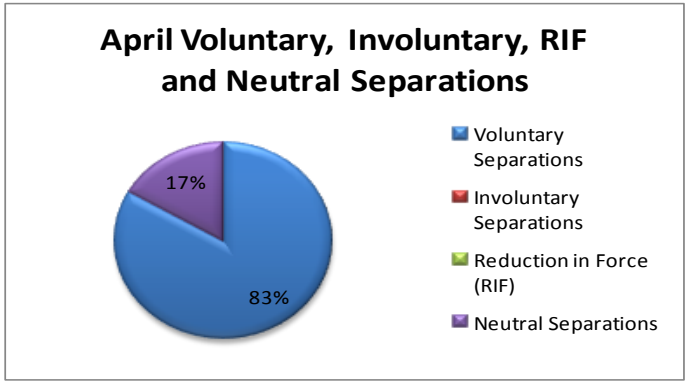
Personnel Report April 2016

Total Applications received in April = 341
Total New Hires for the month of April = 7
Total New Hires Year to Date = 65

Apr-16	FY16	FY15
Number of Active Employees	333	327
Number of Monthly Separations	6	10
Number of Separations YTD	55	53
Year to Date Turnover Rate	**17%**	**16%**
April Turnover	**2%**	**3%**

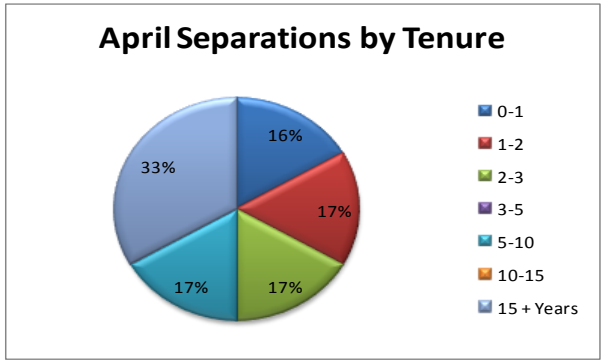
Separations by Reason	April Separations	Year to Date
Retired	0	0
Involuntarily Terminated	0	12
Neutral Termination	1	6
Dissatisfied	0	1
Lack of Support from Administration	0	0
Micro-managing supervisor	0	0
Lack of growth opportunities/recognition	0	0
Difficulty learning new job	0	0
Co-workers	0	0
Work Related Stress/Environment	0	2
RIF	0	1
Deceased	0	0
Pay	0	0
Health	0	1
Family	0	4
Relocation	1	5
School	0	0
Personal	1	3
Unknown	0	1
New Job	3	19
Total Separations	**6**	**55**

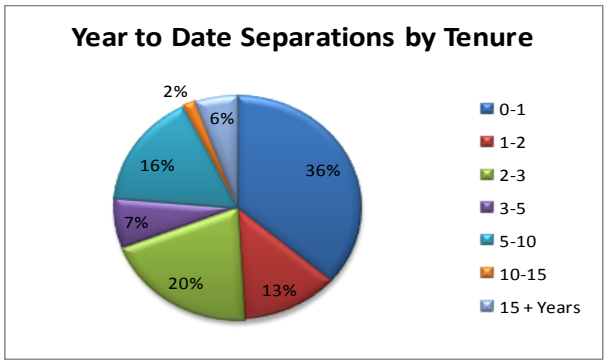




Management Team	# of Employees	Monthly Separations	Year to Date Separations	% April	% YTD
Evan Roberson	15	0	1	0%	7%
Millie McDuffey	46	2	4	4%	9%
Amy Foerster	7	0	1	0%	14%
Tanya Bryant	8	0	1	0%	13%
Annette Adams	124	3	26	2%	21%
Breanna Robertson	52	1	14	2%	27%
Kelly Shropshire	32	0	4	0%	13%
Kathy Foster	39	0	3	0%	8%
Kenneth Barfield	10	0	1	0%	10%
Total	**333**	**6**	**55**		

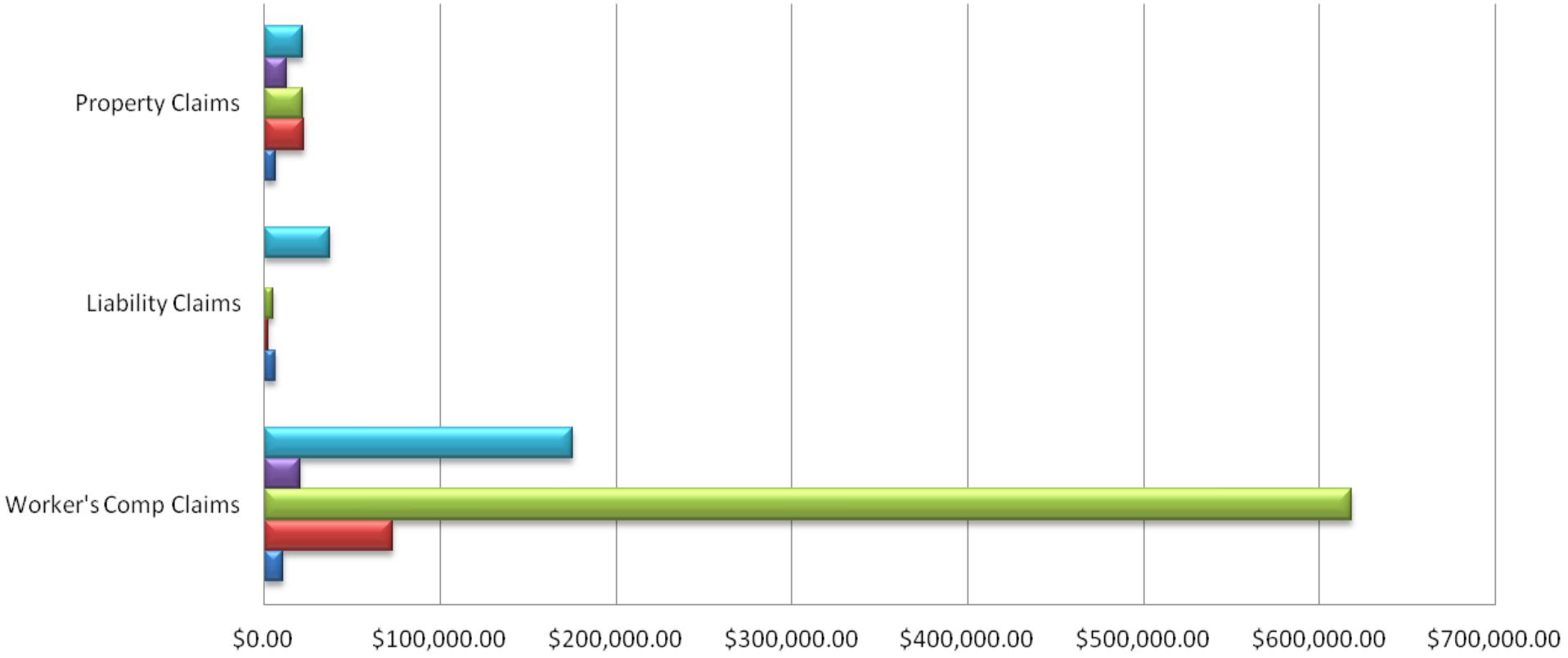
Separation by EEO Category	# of Employees	Monthly Separations	Year to Date	% April	% Year to Date
Supervisors & Managers	23	1	2	4%	9%
Medical (MD,DO, LVN, RN, APN, PA, Psychologist)	37	0	6	0%	16%
Professionals (QMHP)	86	1	20	1%	23%
Professionals (QIDP)	27	0	4	0%	15%
Licensed Staff (LCDC, LPC…)	19	1	3	5%	16%
Business Services (Accounting)	11	0	0	0%	0%
Central Administration (HR, IT, Executive Director)	25	0	3	0%	12%
Program Support(Financial Counselors, QA, Training, Med. Records)	37	2	8	5%	22%
Nurse Technicians/Aides	20	0	4	0%	20%
Service/Maintenance	22	0	1	0%	5%
Direct Care (HCS, Respite, Life Skills)	26	1	4	4%	15%
Total	**333**	**6**	**55**		





Agenda Item: Texas Council Risk Management Fund Claims Summary for April 2016 **Committee:** Executive	**Board Meeting Date** May 26, 2016
Background Information: None	
Supporting Documentation: Texas Council Risk Management Fund Claims Summary for April 2016	
Recommended Action: **For Information Only**	

TCRMF Claims Summary April 2016



	Worker's Comp Claims	Liability Claims	Property Claims
2012	$175,098.00	$37,206.00	$21,595.00
2013	$20,263.00	$0.00	$12,869.00
2014	$618,718.00	$5,295.00	$21,931.00
2015	$73,414.00	$2,556.00	$22,505.00
2016	$10,687.00	$6,192.00	$6,482.00

Agenda Item: Texas Council Quarterly Board Meeting Update **Committee:** Executive	**Board Meeting Date** May 26, 2016

Background Information:

The Texas Council has requested that Center representatives give updates to Trustees regarding their quarterly Board meeting. A verbal update will be given at the Board meeting.

Supporting Documentation:

Texas Council Staff Report

Recommended Action:

For Information Only

Texas Council
of Community Centers

Texas Council Report
Quarterly Meeting
MAY 2016

Table of Contents

Chief Executive Officer Report

Engagement Highlights

Since the February 20, 2016 board meeting, the Texas Council engaged in a number of key initiatives and priorities, including:

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

Drug Enforcement Agency (DEA) & Telemedicine

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

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

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

In addition to the effort to address this issue at the state level, efforts by other stakeholders have been underway at the Federal level to direct the DEA to issue interim rules that would favorably address the problem created by DEA regulatory action in Texas related to the Ryan Haight Act. Texas Council legal counsel has engaged in discussions with various parties involved in this process and submitted information regarding Community Centers.

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

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

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

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

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

HB 910 (Open Carry)

Passage of HB 910 by the 84th Legislature, relating to the authority of a person who is licensed to carry a handgun continues to generate intense discussion throughout the state, including its impact on Community Center facilities, State Hospitals and State Supported Living Centers.

The Texas Council Risk Management Fund and the Texas Council provided training focused on the best interpretations of the law and exceptions that do, do not, or could potentially apply to Community Centers. HHSC has taken the position that persons cannot be denied services if they are lawfully carrying a gun on premise. The apparent inability of Community Center clinics and other service delivery sites to post blanket prohibitions for people to openly or concealed carry continues to raise concerns at the local level.

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

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

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

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

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

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

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

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

The focus of JCAFS efforts has shifted to developing the comprehensive plan for forensic services. Draft recommendations for additional resources are focused on:

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

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

We will continue to keep you informed as the JCAFS process progresses.

Key Dates

- HHSC appointed workgroup – appointed by November 1, 2015
- Develop a comprehensive plan – not later than July 1, 2016
- Initial Advisory Panel Recommendations – March 1, 2016
- Executive Commissioner approves allocation methodology & review protocol – June 1, 2016
- Updating Allocation Methodology – not later than December 1st of even number year

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

State Budget FY2016-17

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

Health and Human Services Agencies Transformation Transition Legislative Oversight Committee

Senate Bill 200 of the 84th Texas Legislature requires establishment of a Health and Human Services Transition Legislative Oversight Committee to help direct the HHS transformation.

The committee includes 11 voting members - 4 members of the Senate appointed by the Lieutenant Governor; 4 members of the House of Representatives appointed by the Speaker; and 3 public members appointed by the Governor. The Texas Health and Human Services Executive Commissioner serves as an ex officio, nonvoting member.

Governor Greg Abbott appointments:

- John D. Colyandro, Austin
- Billy C. Hamilton, Austin
- Heather Griffith Peterson, Austin

Speaker of House Joe Straus appointments:

- State Rep. Four Price (Co-Chair), Amarillo
- State Rep. Richard Raymond, Laredo
- State Rep. Toni Rose, Dallas
- State Rep. Cindy Burkett, Garland

Lieutenant Governor Dan Patrick appointments:

- State Sen. Jane Nelson (Co-Chair), Flower Mound
- State Sen. Brian Birdwell, Granbury
- State Sen. Juan "Chuy" Hinojosa, McAllen
- State Sen. Charles Schwertner, Georgetown

The committee held its first two hearings in January and March, 2016. To view the archived hearings visit: http://www.senate.state.tx.us/75r/senate/commit/c935/c935.htm

During the March hearing, Executive Commissioner Chris Traylor presented the draft HHS System Transition Plan, which would:

- Organize clients services into three divisions at HHSC, beginning September 2016; and
- Consolidate regulatory services and state facility operations within HHSC, beginning September 2017.

The committee expressed concern that the plan did not integrate services as directed by the legislature, and requested changes to more closely align with the functional structure set forth in Senate Bill 200. This requires an organizational structure along functional lines, including, at a minimum, Medical and Social Services, Regulatory, Facilities, Administrative and Office of Inspector General. HHSC will likely revise the plan before the next committee hearing on May 18, 2016. The final hearing is scheduled for September 14, 2016.

To learn more about the transformation process, please review information on the HHS Transformation website:
http://www.hhsc.state.tx.us/hhs-transformation/index.shtml

Texas Council Sunset Bill Summaries are available at this link:
http://www.txcouncil.com/public_policy.aspx

The draft HHS System Transition Plan is available at this link: http://www.hhsc.state.tx.us/hhs-transformation/transition-plan.shtml

Major Provisions of S.B. 200

- Reorganizes the HHS System, bringing client services, regulatory, and facility operations in to HHSC
- Focuses DSHS on public health and DFPS on protective services
- Creates a Transition Legislative Oversight Committee to govern the reorganization process
- Requires the Executive Commissioner to develop a transition plan, submitted to the Committee at regular intervals, and to assess the continuing need for DFPS and DSHS as standalone entities
- Continues HHSC for 12 years, DSHS and DFPS for eight years, and provides for limited-scope Sunset review of OIG in six years

84th Legislative Interim Update

On November 9, 2015, Speaker Straus announced the creation of a select committee to, "take a wide-ranging look at the state's behavioral health system for children and adults."

The Speaker's full press release is available, at the following link:
http://www.house.state.tx.us/news/member/press-releases/?id=5741

This select committee will review the behavioral health system, including substance use treatment and make recommendations to:

- improve early identification of mental illness,
- increase collaboration among entities that deliver care; and,
- improve performance measurement and outcomes.

As part of this effort, the select committee will specifically examine the challenges of providing care in underserved and rural areas of the state and identify challenges of providing care to Veterans and homeless Texans.

House Committee on Mental Health, Select		
Legislature: 84(R) - 2015		
Appointment Date: 11/9/2015		
Position	**Member**	**Community Center**
Chair:	Rep. Four Price	Texas Panhandle

Vice Chair:	Rep. Joe Moody	Emergence
Members:	Rep. Greg Bonnen	Gulf Coast
	Rep. Garnet Coleman	Harris Center
	Rep. Sarah Davis	Harris Center
	Rep. Rick Galindo	Center for Health Care Services
	Rep. Sergio Muñoz, Jr.	Tropical Texas
	Rep. Andrew S. Murr	Hill Country
	Rep. Toni Rose	Metrocare
	Rep. Kenneth Sheets	Metrocare
	Rep. Senfronia Thompson	Harris Center
	Rep. Chris Turner	MHMR Tarrant
	Rep. James White	Burke, Spindletop

Select Committee Hearing Highlights

The first hearing was held February 18, 2016. The Texas Council was asked by Chairman Four Price to provide invited testimony focusing on an overview of the public mental health system, the role of Community Centers and recommendations to continue improving the effectiveness and efficiency of our system of care.

The committee held a second hearing March 22, 2016 focused on children's mental health, including clinical medicine, treatment, innovative practices in public education and juvenile justice.

Invited Testimony:

- Andrea Richardson, Executive Director, Bluebonnet Trails Community Services
- Douglas Killian, PhD, Superintendent, Hutto Independent School District
- Jodi Duron, EdD, Superintendent, Elgin Independent School District

Andrea and the school district representatives provided an excellent overview of their school based healthcare services. In Hutto, the Family Health Center clinic is co-located in Hutto High School. This clinic provides psychiatric evaluations via telemedicine, immunizations, sports physicals and health forums to the community. In Elgin, a Family Health Center clinic is co-located in the district's administration building. Services are similar to those available in Hutto.

In addition, David Evans, CEO, Ellen Richards, Chief Strategy Officer and Leela Rice, Strategic Planner of Austin Travis County Integral Care (ATCIC) provided support to representatives of AISD and also submitted written testimony to the Select Committee regarding the innovative school-based programs ATCIC is engaged in with local school districts.

On April 27, 2016 and April 28, 2016 the Select Committee held additional hearings related to mental/behavioral health care services in Texas.
Subjects covered during the hearing include:

- early identification,

- crisis intervention,
- access to care,
- continuity of care,
- coordination of services related to an integrated system of care,
- the delivery of care in rural, urban, and underserved areas
- workforce challenges and
- strategies to improve service delivery.

Invited Testimony:

- Terry Crocker, CEO, Tropical Texas Behavioral Health
- Beth Lawson, Associate CEO, StarCare Specialty Services (Lubbock).

Terry provided an agency overview of Tropical Texas Behavioral Health and discussed two DSRIP projects related to integrated primary care and mental health deputies. The integrated care initiative has increased access to primary care services people with mental health conditions and streamlined the local process for medical clearance. Additionally, the mental health deputy program is widely supported by local law enforcement agencies and has allowed officers to receive specialized training to better assist people with mental health conditions access the care and services they need.

Beth provided an overview of Sunrise Canyon, a free-standing psychiatric hospital operated by the Center. She described how the program offers an ability to seamlessly and rapidly transition between the various levels of care needed by people experiencing symptoms and issues related to mental illness and substance use.

The committee members engaged extensively with both Terry Crocker and Beth Lawson. Lawmakers were highly interested in how quality of care and outcomes are measured, whether or not LMHAs in other parts of the state have similar initiatives and services and the sustainability of 1115 Waiver projects.

Presentations from all past hearings are available at the following link:

http://www.house.state.tx.us/schedules/committee-schedules/advanced-search/search-results/index.php?startDate=01-01-2015&endDate=today&committeeCode=C382&chamber=H

Interim Charges Update

As you are aware, the Texas House and Senate have released interim charges. The following select charges most directly impact Community Centers:

TEXAS HOUSE

County Affairs

Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 84th Legislature. In conducting this oversight, the committee should: a. consider any reforms to state agencies to make them more responsive to Texas taxpayers and citizens; b. identify issues regarding the agency or its governance that may be appropriate to investigate, improve, remedy, or eliminate; c. determine whether an agency is operating in a transparent and efficient manner; and d. identify opportunities to streamline programs and services while maintaining the mission of the agency and its programs. The hearing will focus on the Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver and Counties involvement in Child Protective Services (CPS) cases. **Hearing scheduled, May 16, 2016.**

Appropriations

8. Monitor the ongoing implementation of SB 20 (84R) and Article IX, Sec. 7.12 of the General Appropriations Act, HB 1 (84R). Study trends in state contracting as developed by the Legislative Budget Board and recommend new and/or modified strategies to ensure all contracting is executed in a transparent and judicious manner.

9. Review hospital reimbursement methodologies, including supplemental payments and the Medicaid add-on payments directed by HB 1 (84R) for safety-net and trauma facilities. In the review, include reimbursement methodologies for rural and children's hospitals. Also, monitor the extension of the Texas Healthcare Transformation and Quality Improvement 1115 Waiver.

10. Review the Texas Medicaid programs providing long-term services and support to adults or children with medical, physical, or intellectual and developmental disabilities (IDD). Study reimbursement methodologies, the historical appropriated slot allocation compared to the actual fill rate, the procedure of releasing slots to providers, and the impact and timeline of carving services into Medicaid managed care. Identify potential obstacles for the delivery of community long-term services and support, including the availability of community care workers. Make any needed recommendations to improve community long-term services and supports. **Hearing held, April 26, 2016.** Danette Castle, CEO for Texas Council, provided invited testimony related to the role of Local Intellectual and Developmental Disability Authorities (LIDDAs) related to improving quality of care and oversight in long term care settings.

Hearing scheduled, May 19, 2016 to discuss the cost reporting process for long term care programs.

Corrections

2. Study recidivism, its major causes, and existing programs designed to reduce recidivism, including a review of current programs utilized by the Texas Department of Criminal Justice (TDCJ) and the Windham School District for incarcerated persons. Examine re-entry programs and opportunities for offenders upon release. Identify successful programs in other jurisdictions and consider how they might be implemented in Texas. **Hearing held, February 10, 2016**

4. Study inmate release policies of the Texas Department of Criminal Justice, including the release of inmates directly from administrative segregation. Identify best practices and policies for both the transitioning of these various inmate populations from the prison to appropriate supervision in the community. Identify any needed legislative changes necessary to accomplish these goals. **Hearing held, February 11, 2016**

Corrections and Criminal Jurisprudence (Joint)

Examine fees and revocations for those on probation and parole; examine effectiveness of fees imposed as a condition of probation and parole; study technical revocations in adult probation to identify drivers of revocations, disparities across the state, and strategies for reducing technical revocations while ensuring program effectiveness and public safety. **Hearing scheduled, May 17, 2016.**

Human Services

4. Review the Health and Human Services Commission's Medicaid managed care organizations policies and procedures including a review of quality initiatives. Study contract management and assess the Vendor Drug Program drug formularies and current function. Identify the savings achieved by moving Medicaid into managed care. Determine what mechanisms or policies could be modified or strengthened to encourage increased participation or retention of healthcare providers in the Medicaid managed care system. **Hearing held, March 8, 2016**

Public Health

3. Examine the history of telemedicine in Texas and the adequacy of the technological infrastructure for use between Texas healthcare providers. Review the benefits of using telemedicine in rural and underserved areas and current reimbursement practices. Explore opportunities to expand and improve the delivery of healthcare and identify methods to increase awareness by provider groups, including institutions of higher education, and payers of telemedicine activities being reimbursed in Texas. **Hearing held, February 10, 2016**

Review programs focused on improving birth outcomes including evaluating the effectiveness and identifying any cost avoidance associated with them. Study barriers pregnant women face enrolling in services and receiving regular prenatal care. Identify factors, including substance abuse, associated with preterm birth and review services available for mothers postpartum. **Hearing scheduled, May 19, 2016.**

Emerging Issues in Texas Law Enforcement

3. Review the training and professional needs of law enforcement in the State of Texas, including the award and sufficiency of law enforcement training grants, methods of training, and types of training, including training in emerging or changing threats such as human trafficking, mental health crisis and confrontation, organized crime, and critical incident shooting. **Hearing held, April 28, 2016.**

Insurance

2. Examine the effectiveness of previous legislative efforts to encourage transparency and adequacy of health care networks, and of legislation to protect consumers from the negative impacts of disputes over out-of-network services. Study whether enhancements in transparency or regulation are necessary. **Hearing scheduled, June 1, 2016.**

TEXAS SENATE

Health and Human Services

Protection of Children

Part I: Reducing Recurrence of Child Abuse and Neglect:

Examine the current process that Child Protective Services uses to track recurrence of child abuse and neglect, and make recommendations to improve data tracking and the use of that data to assist in preventing recurrence. The study should examine the differences in recurrence among families who received services, families who received no services and had their cases closed, and families who had their children removed from the home.

Part II: Addressing High-Acuity Needs of Foster Care Children: Study the increase in higher acuity children with trauma and mental illness in the state foster care system, and recommend ways to ensure children have timely access to appropriate treatment and placement options. **Hearing held, April 20, 2016.**

Healthy Aging:

Part I: Study and make recommendations on innovative methods and best practices to promote healthy aging for the state's population and reduce chronic medical and behavioral health conditions. Identify opportunities for improved collaboration to promote healthy aging in the health and human services system at the state, regional and local levels.

Part II: Examine and recommend ways to improve quality and oversight in long-term care settings, including nursing homes and ICF/HCS programs. Monitor the implementation of legislation addressed by the Senate Committee on Health and Human Services during the 84th Regular Session related to the revocation of nursing home licenses for repeated serious violations. **Hearing held, February 18, 2016.**

NOTES: Danette Castle, CEO for Texas Council, provided invited testimony related to the role of Local Intellectual and Developmental Disability Authorities (LIDDAs) for Part II, related to improving quality of care and oversight in long term care settings. In addition, the Texas Council

arranged invited testimony from an expert from our system to share experiences developing local collaborations for Part 1 of the "Healthy Aging" charge.

Medicaid Reform and State Innovation:
Study the impact of the Section 1115 Texas Healthcare Transformation and Quality Improvement Program Waiver on improving health outcomes, reducing costs, and providing access to healthcare for the uninsured, and monitor the renewal process of the waiver. Explore other mechanisms and make recommendations to control costs and increase quality and efficiency in the Medicaid program, including the pursuit of a block grant or a Section 1332 Medicaid State Innovation Waiver for the existing Medicaid program.

Inpatient Mental Health System Reform:
Study and make recommendations on establishing collaborative partnerships between state-owned mental health hospitals and university health science centers to improve inpatient state mental health services, maximize the state mental health workforce, and reduce healthcare costs.

Mental Health Diversion and Forensic Capacity:
Study the impact of recent efforts by the legislature to divert individuals with serious mental illness from criminal justice settings and prevent recidivism. Study and make recommendations to address the state's ongoing need for inpatient forensic capacity, including the impact of expanding community inpatient psychiatric beds.

Improving Access to Care through TeleHealth:
Study and make recommendations on the appropriate use, scope and application of tele-monitoring and telemedicine services to improve management and outcomes for adults and children with complex medical needs and for persons confined in correctional facilities. Examine barriers to implementation of these services and any impact on access to healthcare in rural parts of the state. **The Texas Council will have invited testimony at the hearing scheduled for Inpatient System, Diversion & Forensic Capacity and Access through Telehealth interim charges on June 16, 2016.**

Criminal Justice Committee
Re-Entry and Continuity of Care:
Review current programs provided by the Texas Department of Criminal Justice (TDCJ) and the Windham School for incarcerated persons to prepare them for re-entry, including inmates in administrative segregation. Examine opportunities for incarcerated persons once they are released and make recommendations to expand successful programs to provide resources and support for released inmates. Assess the success of Certified Peer Support Services. **Hearing scheduled, May 17, 2016.**

Diversion:
Examine the success of current pretrial diversion and treatment programs in Texas and in other states. Make recommendations on best practices and how to implement and expand these programs in Texas to maximize effective use of resources and reduce populations in jails. **Hearing scheduled, May 17, 2016.**

Jail Safety Standards in Texas:
Evaluate the current guidelines and practices in county and municipal jails relating to the health, welfare, and safety of those in custody. Review law enforcement and correctional officer training, with emphasis on mental health and de-escalation. Study the effectiveness of existing oversight mechanisms to enforce jail standards; making recommendations for policies and procedures if needed. Examine the current mental health and substance use treatment services and medical resources offered in county, municipal, and state correctional facilities. **Hearing held, March 30, 2016. Dennis Wilson provided invited testimony on behalf of the Texas Sheriffs Association and the Texas Council of Community Centers.**

Veteran Affairs and Military Installations
Strike Force, VA Health, Mental Health:
Study the state of veteran health and mental health in Texas. Review the progress made by state strike force teams to reduce the claims backlog and decrease wait times at VA hospitals. Evaluate if the passage of the federal Veterans' Access to Care through Choice, Accountability, and Transparency Act of 2014 and other state initiatives have improved access and outcomes. Determine if state strike force teams should continue as established and make recommendations on necessary changes. **Hearing held, March 10, 2016.**

Finance
Coordinating Behavioral Health Services and Expenditures:
Monitor the state's progress in coordinating behavioral health services and expenditures across state government, pursuant to Article IX Sec. 10.04. Identify ways state agencies that provide mental health services are collaborating and taking steps to eliminate redundancy, create efficiency, utilize best practices, ensure optimal service delivery, and demonstrate expenditures are coordinated and in furtherance of a behavioral health statewide strategic plan. Identify barriers that prevent the coordination of behavioral health services. Make recommendations to maximize use of state funding. **Hearing held, January 26, 2016. NOTE: Lee Johnson, Deputy Director, Texas Council provided invited testimony.**

Continue Engaging Local and State Elected Officials

The 85th Texas Legislative Session is less than 13 months away. Every Community Center should organize at least one local legislative forum.

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

Hot Topics

1. Criminal Justice / Mental Health Interface
2. Provider Rates
3. 1115 T Waiver Sustainability
4. Veterans Mental Health
5. Availability of Substance Use Disorder Services
6. Workforce Shortages
7. Challenges of Limited Resources and/or Gaps In Local Services
8. HCS expansion (address waiting lists)
9. Increase community-based direct service provider wages
10. IDD in Managed Care (network adequacy, case management role)
11. IDD Crisis Services (local initiatives, new funding)

The topics above are identified as suggestions to begin thinking about how a local legislative forum could be framed and organized.

If you are planning a local forum and have questions, contact Lee Johnson at ljohnson@txcouncil.com

Federal Update

National Council Hill Day 2016 will take place June 6-7, 2016 at the Hyatt Regency on Capitol Hill in Washington, D.C.

Hill Day is the biggest mental health and addictions care advocacy event of the year, where hundreds of stakeholders join together in our mission to serve people living with mental illness and addictions by urging Congress to support our work.

The event is held in partnership with 10 other national organizations: NAMI, Mental Health America, Depression and Bipolar Support Alliance, International Bipolar Foundation, Legal Action Center, Association for Behavioral Health and Wellness, Psychiatric Rehabilitation Association, Hazelden Betty Ford Institute for Recovery Advocacy, NAADAC, the Association for Addictions Professionals and Faces & Voices of Recovery.

At Hill Day, you will:

- Gain special insights into the legislative process, with updates from political journalists and national health care experts
- Meet with your Members of Congress and their staff to speak up for our field's priorities
- Network with colleagues from Texas and across the country

Learn more about Hill Day with this one-pager: http://www.thenationalcouncil.org/wp-content/uploads/2016/02/Hill-Day-One-Pager-2016.pdf

For more information visit:
http://www.thenationalcouncil.org/events-and-training/hill-day/hill-day/

U.S. Senate Finance Committee

On Thursday, April 28, 2016, the Senate Finance Committee convened a hearing to discuss the status of mental health in America. Linda Rosenberg, president and CEO of the National Council for Behavioral Health, testified before the Committee, highlighting the challenges facing the behavioral health system and how the Excellence in Mental Health Act and Certified Community Behavioral Health Clinics (CCBHCs) can and should be the answer.

"But it's not just access—we need uniform high-quality services. Unfortunately, the adoption of research based practice is limited," said Rosenberg. "CCBHCs can move the needle. They're required to offer evidence-based services and are paid a rate inclusive of these activities. Through outcome tracking and quality bonus payments, clinics will be held accountable for patients' progress – a critical step in our nation's move to value based purchasing." Read her full statement here.

Committee Chairman Orrin Hatch (R-UT) opened the hearing calling on his colleagues to do what's best for both patients and providers. "Across the nation families struggle with mental health illnesses that often times rob them of parents, siblings, children and friends," Hatch said. "To combat these serious issues, we should explore ways to provide care in the interest of both patients and providers."

Highlights of the hearing included: an in-depth discussion about the expansion of the Certified Community Behavioral Health Clinic demonstration program, debate over a potential alleviation of a Medicaid payment prohibition for residential substance use treatment organizations and an overall discussion of congressional efforts to fund prevention, treatment and recovery supports in the FY2017 budget.

The remainder of the witness panel included: Brandon Marshall, Executive Chairman and Co-Founder, Project 375; Dr. Margaret Bennington-Davis, Chief Medical Officer, Health Share of Oregon; and Douglas P. Thomas, Director, Division of Substance Abuse and Mental Health, State of Utah.

Linda Rosenberg's testimony is available at the following link:
http://www.thenationalcouncil.org/mental-health-america-now/

Federal Legislation
On Wednesday, April 27, 2016 two House committees overwhelmingly passed a number of opioid-related bills, setting the stage for House floor debate this month. The two committees – the **House Judiciary Committee** and the **House Energy and Commerce Committee** – are the lead committees of jurisdiction on measures related to curbing the nation's opioid epidemic. House leadership has made clear its plans to combine these separate initiatives into one bill that will ultimately resemble the Senate-approved Comprehensive Addiction and Recovery Act.

Members of the Texas Delegation on these committees include:

House Judiciary:
Rep. Lamar Smith, R
Rep. Louie Gohmert, R
Rep. Ted Poe, R
Rep. Blake Farenthold, R
Rep. Sheila Jackson Lee, D

House Energy and Commerce:
Rep. Joe Barton, R
Rep. Michael Burgess, R
Rep. Pete Olson, R
Rep. Bill Flores, R
Rep. Gene Green, D

Bills approved by the House Judiciary Committee include:

- Comprehensive Opioid Abuse Reduction Act (H.R. 5046) would authorize the Attorney General to make grants to help states and local governments address the national epidemic of opioid abuse.
- Opioid Program Evaluation (OPEN) Act (H.R. 5052) would direct the Attorney General and HHS Secretary to evaluate the effectiveness of grant programs whose primary purpose is providing assistance in addressing problems pertaining to opioid abuse.

The bills approved by the House Energy and Commerce Committee include:

- The National Council supported Opioid Use Disorder Treatment Expansion and Modernization Act (H.R. 4981) which increases prescriber patient limits while also allowing for qualified professionals such as physician assistants and nurse practitioners to use buprenorphine as part of their treatment regimen.
- The National Council supported Improving Treatment for Pregnant and Postpartum Women Act (H.R. 3691) would reauthorize residential treatment programs for pregnant and postpartum women and establish a new pilot program to promote innovative service delivery models for such women.

- The National Council supported Co-Prescribing to Reduce Overdoses Act (H.R. 3680) would allow for HHS to carry out a grant program for co-prescribing opioid overdose reversal drugs such as naloxone.
- Lali's Law Act (H.R. 4586) would authorize grants for developing standing orders and educating healthcare professionals on the dispensing of opioid overdose reversal medications.
- The Reducing Unused Medications Act (H.R. 4599) would allow prescriptions for certain controlled substances to be partially filled.
- The Opioid Review Modernization Act (H.R. 4976) would require the Commissioner of Food and Drugs to seek recommendations from a Food and Drug Administration (FDA) advisory committee before approving certain opioid drugs without abuse-deterrent properties.
- The Examining Opioid Treatment Infrastructure Act (H.R. 4982) would direct the Comptroller General of the United States to produce a report on the inpatient and outpatient treatment capacity of American medical facilities.
- The NAS Healthy Babies Act (H.R. 4978) would require the Government Accountability Office (GAO) to submit a report on neonatal abstinence syndrome (NAS) and its treatment under Medicaid.

In the event comprehensive legislation is approved by the House, any remaining differences between that and the Senate-passed Comprehensive Addiction and Recovery Act would then be worked out by a conference committee made up of members of both the House and Senate. Following conference committee deliberations, CARA would head to the White House for review and approval by the President.

Public Information – Special Interest Group

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

Mission

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

Vision

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

The group meets 6 times a year, mostly via webinar, and plans to have two in-person meetings – during the annual Texas Council Conference in June and in October 2016.

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

- Catherine Carlton, MHMR Tarrant
- Kinnie Reina, Burke
- Ellen Summey, Betty Hardwick
- Rene Hurtado, Emergence
- Maria Rios, Texas Council

PI-SIG members recently completed its first collectively written Op-Ed template on Mental Health First Aid to be used statewide for May is Mental Health Month. Members are working on a second template Op-Ed on the shortage of rural psychiatrists.

PI-SIG is currently planning for its annual workshop at the Texas Council Conference in June 2016.

Healthcare Policy Update

Healthcare Transformation and Quality Improvement Program: 1115 Waiver

The State's 1115 Transformation Waiver is in its fifth and final demonstration year. On September 29, 2015, Governor Abbott requested a five-year extension from the Centers for Medicare and Medicaid Services (CMS). The renewal application is on the HHSC website at: http://www.hhsc.state.tx.us/waiver-renewal.shtml.

On May 2, 2016, HHSC announced that CMS approved an initial 15-month extension, which will give the state and federal government time to work through a longer term agreement. For the initial 15-month extension, current Demonstration Year 5 funding will be maintained for both the Delivery System Reform Incentive Payment (DSRIP) and Uncompensated Care (UC) pools. This equates to $3.875 billion per program, and an overall combined amount of $7.75 billion for 15 months. Amounts are all funds (state and federal shares).

The Texas Council has and will continue to provide feedback on the state's extension efforts. Working with Bill Rago, former HHSC official, the Texas Council released an Issue Brief. Community Centers and trustees can use the brief as a tool for discussions with HHSC and the legislature regarding the 1115 Waiver extension. The brief emphasizes the value of Center DSRIP projects both in improved services and cost-savings statewide. The brief addresses topics such as the uninsured population, sustainability, valuation, role of General Revenue, and integration into managed care. We anticipate it will inform HHSC negotiations with CMS.

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

Finally, the Texas Council continues active engagement with UT researchers, who are conducting an evaluation of 10 Community Center Physical-Behavioral Health Integration Projects. This review is a component of the 1115 Waiver evaluation funded in part by MMHPI (Meadows). Released in June 2015, the first report was a qualitative review of the projects: http://www.txcouncil-intranet.com/wp-content/uploads/2012/07/TX-1115-MH-PC-integration-baseline-report_05_22_2015.pdf. To be released in 2016, a second report will include quantitative analyses of the projects. Texas Council and participating Centers met with UT researchers and reached an agreement on data elements to be included in the evaluation of the effectiveness of Centers' integrated projects in improving physical health outcomes. UT is collecting data from the Centers and will complete its report later in 2016.

Healthcare Opportunities Workgroup (HOW)

The HOW adopted its FY2016 Work Plan with emphasis in the following policy areas:

- Intellectual and Developmental Disabilities: The Role of Targeted Case Management in a managed care environment
- Substance Use Disorder Treatment as a Component of Integrated Healthcare
- Performance Contracting & Outcome Measurement in a Modern Healthcare System
- Implications of CMBHS on Innovation

In addition, the HOW will continue to monitor Managed Care Expansion implications through its Managed Care Steering Committee and will receive updates from Texas Council staff on the Certified Community Behavioral Health Clinics (CCBHCs). The HOW continues to meet monthly and is developing policy documents as deliverables for its FY2016 work.

Intellectual and Developmental Disabilities: The Role of Targeted Case Management in a Managed Care Environment

The HOW, in partnership with the Local Authority Workgroup, is developing a policy document that clearly lays out the functions of the LIDDA related to targeted case management including contract requirements, data on types of services, financing models and vignettes on consumer experiences. The HOW reviewed a draft one-page brief at the February 10, 2016 meeting. This brief will be released as a new publication by end of February. A longer policy document is under development.

Substance Use Disorder Treatment as a Component of Integrated Healthcare

Substance Use Disorder (SUD) is the most common comorbid condition among adults with serious mental illness; however, our treatment models typically do not integrate the treatment of those two conditions. SUD is estimated to impact 50% of individuals with serious mental illness, and is associated with a variety of poor health and life outcomes including: hospitalization, involvement with criminal justice, homelessness, chronic medical conditions and communicable diseases.

The HOW is examining treatment of SUD in an integrated healthcare approach and will identify:

- Overarching issues that result in under identification and under treatment of these conditions;
- Programmatic and regulatory barriers to integrated treatment;
- Impact of current rates on specific services;
- Cultural issues and clinical concerns among providers;
- Opportunities to improve integrated care; and
- Opportunities to improve health outcomes.

Cynthia Humphrey, Executive Director, Association of Substance Abuse Providers, participated in the December meeting to discuss policy issues related to SUD treatment. Additionally, Representatives of the HOW and Texas Council leadership met with DSHS Substance Use Disorder leadership staff on February 9, 2016 to discuss priorities relating to access to SUD

treatment and Outpatient Screening and Referral (OSAR) as a function of the LMHA. At this time, the Committee continues development of a policy document on the integration of mental health and substance use treatment.

The HOW will present a draft report for comment to the ED Consortium at the May 2016 meeting. After comments are received, a final version of the document will be developed.

Alternate Models to Provide Healthcare Coverage to the SMI Population
The HOW is exploring options that would provide healthcare coverage to the SMI population who meet specified clinical and financial eligibility without a statewide Medicaid expansion.

An example of alternate coverage is Virginia's Governor's Access Program that provides critical access to behavioral and physical health for uninsured individuals with SMI at an appropriate percentage of the Federal Poverty Level (FPL) established by the state through its 1115 Waiver.

The rationale for this type of coverage model is that without access to treatment, the SMI population is often hospitalized unnecessarily, unable to find or sustain employment, struggles with affordable housing, becomes involved in the criminal justice system, and suffers with social and interpersonal isolation. With treatment, individuals with SMI and co-occurring or co-morbid conditions can recover and live, work, parent, learn and participate fully in their community. A GAP-like model therefore will help alleviate the systemic financial and social burdens caused by untreated SMI.

Behavioral and Physical Health Integration
The Texas Council has organized monthly conference calls to discuss integration of mental health and physical health. Three calls were held with an average of 50 participants on each call. Topics included, models of integration, diabetes and hypertension protocols and data, chronic disease registries, sustaining integrated care and current collaborations, and achieving Medicaid PCP designation for providers. Agenda topics are identified by the participants. The upcoming topic for May will be toolkits for diabetes and hypertension management.

Performance & Outcome Measurement in a Modern Healthcare System

Endorsed Measure Strategy
On January 17, 2014, the Texas Council Executive Directors' Consortium reviewed and approved an Endorsed Measurement Strategy approach to clinical quality measures that reflects a more balanced method of measurement. This strategy identifies a core set of quality measures that all Community Centers must track. The Behavioral Health Data workgroup completed the measure specifications and the Access database for the calculation of endorsed measures.

As the Behavioral Health Data Workgroup completed their work, a new workgroup was formed, the Data Evaluation Workgroup (DEW). The HOW established the DEW as a place for subject

matter experts from our system to meet and carry forward initiatives specific to outcome measurement for Community Centers.

During April and May 2015, 19 Centers submitted their measure outcomes and survey results to the Texas Council. None of the 19 submitted results for all measures; however, each Center reported outcomes for at least one measure. Contact was made with all 20 Centers that did not submit any results. The Endorsed Measure Evaluation and Recommendations report includes results for Centers that submitted outcomes. The report is available here: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Endorsed-Measures-Evaluation-and-Recommendations1.pdf

On December 3, 2015, the Texas Council ED Consortium approved the DEW's proposed recommendations/next steps related to the Endorsed Measure Strategy. All Endorsed Measure materials were updated and released to Centers. Texas Council conducted a webinar in March 2016 to outline the second year submission process answer questions before Center outcomes are submitted on May 13, 2016. Centers will be able to resubmit calendar year (CY) 2014 outcomes and submit CY2015 outcomes at that time.

Additionally, the DEW is developing strategies to improve data collection, analyses and measure outcomes, which will aid and inform evaluation of Center project/measure outcomes, not limited to the Endorsed Measures. Some of these strategies will be presented at the Texas Council Annual Conference in June 2016.

Certified Community Behavioral Health Clinics: SAMHSA Grant

On May 20, 2015, the Substance Abuse and Mental Health Administration (SAMHSA) issued a request for applications (RFA) for Certified Community Behavioral Health Clinic (CCBHC) planning grants. Identified as a legislative priority by the Texas Council, the 84th Legislature included Rider 79 in the state budget, directing HHSC to apply for the planning and demonstration grants if cost-effective and consistent with HHSC quality objectives.

In July and August 2015, Texas Council staff engaged extensively with HHSC, MMHPI and DSHS to prepare the planning grant application. The Texas Council extends appreciation to all twenty-five Centers that completed readiness assessments and applied with HHSC to participate in the planning grant.

In October 2015, SAMHSA announced planning grant awards. Texas was one of 24 states selected, and received an award of $982,000. HHSC can use these funds to support state efforts to certify clinics as CCBHCs, establish prospective payment rates for services covered by Medicaid MCOs, and prepare an application for a two-year demonstration program.

To participate in the demonstration, Texas must submit an application no later than October 31, 2016. Up to 8 states will share $1.1 billion in demonstration grants. With increased funding provided by SAMHSA, CCBHCs will receive guaranteed minimum payments under the state-

designed prospective payment systems for managed care providers, and incentive payments from MCOs for improved performance during the demonstration period.

After identifying ten potential Community Centers participants, HHSC met with candidates in February 2016 and announced the following seven Centers would move forward in the CCBHC initiative:

- Austin Travis County Integral Care
- Bluebonnet Trails Community Services
- Burke
- Helen Farabee Centers
- StarCare Specialty Health System
- MHMR Tarrant
- Tropical Texas Behavioral Health

In addition to the seven Centers, the State also selected one private entity, the Montrose Clinic in Houston. States were only required to select two CCBHC sites, so Texas Council is encouraged by the geographic coverage and number of potential sites included in this next phase of the initiative.

If selected as one of the eight states for the demonstration project, Texas has elected July 1, 2017 as the start date. The eight participants will work with HHSC to be certified or at least the stage of the process where HHSC can attest that the sites will be certified by the July 1, 2017 start date.

Managed Care Workgroup and Steering Committee

The Texas Council supports Community Centers as they develop and maintain relationships with Medicaid and CHIP MCOs. The Council provides technical assistance on contract issues, participates in strategic planning, and facilitates meetings to maintain good working relationships with MCOs. The Texas Council also promotes policies to protect managed care enrollees, reduce administrative burdens on providers, and communicates with HHSC and State leadership about important issues.

As part of this effort, the Texas Council holds quarterly meetings with the Managed Care Workgroup and monthly meetings with the Managed Care Steering Committee, a subcommittee of the HOW. The meetings focus on common member issues, including re-enrollment challenges, claim processing and utilization management guidelines, and preparing for the STAR Kids Program for children with disabilities (begins November 1, 2016).

The Managed Care Steering Committee developed several resources to help Community Centers operate in the Medicaid and CHIP managed care environment. Each quarter, the committee revises its recommendations for consortia in the "Things Every Consortium Should be Talking about Regarding Managed Care" document. In December 2015, the Texas Council also published the first version of the *Quick Reference Guide for Managed Care*. The Guide uses

a question and answer format to address Medicaid and CHIP managed care topics. The Managed Care Steering Committee will update the Guide quarterly to address new topics and MCO contract amendments.
The June 2016 Guide will include new chapters on:

- Continuity of Care
- Disease Management/Super-utilizer Programs
- MCO Report Cards
- Pay-for-Quality (P4Q)
- Performance Improvement Projects
- STAR Kids Program

The Guide identifies the contract source for each requirement, and state and federal laws, rules, regulations, and policy guidance when available.

Copies of the Guide and "Things Every Consortium Should be Talking about Regarding Managed Care" will be available on the Texas Council Intranet at:

- http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/managed-care-page/
- http://www.txcouncil-intranet.com/index.php/texas-council-initiatives/managed-care-steering-committee/

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

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

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

Medicaid Managed Care Rules

In May 2015, CMS published draft rules representing the first major overhaul of Medicaid and CHIP managed care regulations since 2002. In April 2016, CMS released the final rules. Select highlights:

- **States keep flexibility in the Medicaid enrollment process.** The proposed rule would have required states to provide 14 days of fee-for-service Medicaid to eligible beneficiaries, to give them time to select managed care plan. Under the final rule, states can enroll beneficiaries in MCOs immediately upon eligibility determination and "default enroll" enrollees who do not select a plan. Enrollees will be able to change plans for any reason within 90 days, every 12 months when they reenroll, and at any time for cause.
- **States keep flexibility in developing network adequacy standards.** The final rule generally maintains the current approach to network adequacy, allowing state officials to develop Medicaid and CHIP standards and certify to CMS that plans are meeting these standards. The rule requires states to develop specific time and distance standards for a new set of provider types, including primary and specialty care (adult and pediatric), mental health (adult and pediatric), OB/GYN, pediatric dental, hospital, and long-term services and supports providers. Texas already implemented time and distance standards, but is reviewing these standards based on stakeholder feedback.
- **Creates an 85 percent Medical Loss Ratio (MLR) for Medicaid and CHIP.** The final rule limits MCO profits by requiring rate setting that assumes 85 percent of revenue will be spent on medical care. HHSC already places caps on MCO administrative expenses and profits, so the new MLR requirements are not expected to have a significant impact on Texas MCOs.
- **Provides tools for states to engage MCOs in delivery reform and quality improvement efforts.** The final rule makes it easier for states to develop MCO contracts with incentive or disincentive arrangements that drive delivery system reforms or performance and quality improvement initiatives.
- **Requires MCOs to regularly update provider directories.** A 2014 investigation by the Department of Health and Human Services found that half the doctors listed in insurer directories were not taking Medicaid patients. This has been identified as an ongoing problem in Texas and HHSC is working with MCOs to ensure accurate provider directories.
- **Creates flexibility to cover short-term stays in institutions for mental disease (IMD).** The final rules loosen federal restrictions on Medicaid reimbursement for institutional-based mental health and substance abuse services. The rules will allow states to make a premium payments for an adult age 21-65 with a short-term stay (15 or fewer days) in an IMD during a month.

  While this change is widely viewed as a positive step toward improving access to critical mental health services, the 15 day requirement will create a new restriction for Texas. Under terms of the current Texas 1115 waiver with CMS, Medicaid MCOs can already provide IMD services to adults "in lieu of" inpatient acute care services without

the 15 day restriction. The attached document provides additional information on the federal rule's impact on the IMD exclusion.

The final rules will be implemented in phases over the next three years, starting July 1, 2017. The Texas Council will monitor and report on Texas efforts to implement the new requirements.

Network Access Improvement Program (NAIP)

NAIP is a voluntary program that leverages intergovernmental transfers (IGTs) to fund provider incentive programs through Medicaid managed care organizations. Currently, only public hospitals and health related institutions (teaching hospitals) that are qualified to provide IGTs can participate in NAIP.

Because Community Centers are also qualified to provide IGTs, the Texas Council approached HHSC leadership about extending NAIP to Centers. HHSC does not plan to approach CMS about extending NAIP to Centers at this time, and will instead focus negotiation efforts on preserving DSRIP participation in the 1115 Waiver extension. HHSC indicated a willingness to continue NAIP at a later date, most likely following the first extension period. Until this time, Community Centers should consider partnering with public or teaching hospitals and Medicaid MCOs on NAIP projects. Under these arrangements, Centers could help develop innovative projects and serve as subcontractors to hospital providers. HHSC would apply DSRIP-like payment rules to these programs, meaning that Centers should be paid based on fair market value and cannot provide IGT funding.

The Texas Council encouraged Centers interested in NAIP collaborations to reach out to public or teaching hospitals in their areas, and continues to provide support and assistance on proposed NAIP projects. HHSC will likely request NAIP proposals for SFY 2018 in January 2017.

Medicaid Provider Re-enrollment

In January 2016, CMS extended the deadline for Medicaid provider re-enrollment by six months, to September 25, 2016. In collaboration with HHSC, the Texas Council developed a frequently asked questions (FAQ) document to assist Centers with the re-enrollment process. HHSC provided additional instructions with screenshots from the provider application portal. The FAQ document and HHSC guidance are available on the Publications page on the Texas Council member site at: http://www.txcouncil-intranet.com/wp-content/uploads/2015/11/Reenrollment-FAQ-1.pdf

The Texas Council continues to monitor Center re-enrollment status and communicates with the State on re-enrollment barriers.

Transition Medicine

In October 2013, the Texas Council attended the *Chronic Illness and Disability Conference: Transition from Pediatric to Adult-based Care* in Houston, and participated in a dinner hosted by Texas Children's Hospital. Board Member Jamie Travis spoke about her commitment to

Transition Medicine. The conference included several sessions on the special transition needs of youth and young adults with intellectual and developmental disabilities.

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

Texas Children's Hospital now has an active 1115 Waiver project related to Transition Medicine, in partnership with Baylor College of Medicine. The Texas Council has played an active role on the implementation team for this project. In July 2014, the Texas Council organized a meeting between Texas Children's, Baylor, United Health Plan, Harris Center and the Texas Council to discuss how the Health Plan might be a part of the project. The meeting was positive and there is active dialogue on creating a partnership going forward. The Texas Council also arranged a meeting with Texas Children's and Molina Health Plan for April 2015.

The Texas Council met with the Chief Medical Officer for Seton Hospital system in August 2014 to discuss the Houston project and determine if there may be opportunities for a similar project in the Central Texas area. A second meeting with Seton, Dell Children's Hospital, Texas Children's Hospital, Baylor College of Medicine and the Texas Council occurred in November 2014. In January 2015, HHSC and Texas Council staff participated in an on-site visit to better understand the program and its impact on individuals with special healthcare needs in Houston. Jamie and Christy Travis also participated in the on-site visit. The Transition Medicine project team from Texas Children's and Baylor presented at the Texas Council annual conference in June 2015.

The Texas Council is aware of legislative interest in Transition Medicine in other areas of the state and will keep membership informed as this potential unfolds.

Meadows Mental Health Policy Institute

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

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

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

- Legislative Information
- Performance Measures
- Workforce

- Smart Justice
- Veterans

Danette Castle, Lee Johnson and Jolene Rasmussen are active members in the MMHPI Collaborative Council Legislative and Performance Measures task force workgroups.

Additionally, Texas Council has engaged in Mental Health America of Greater Houston's Integrated Health Care Initiative, which is also partially funded by MMHPI. The initiative is focused on developing recommendations to promote the integration of physical health and behavioral health in Texas. As part of the initiative, Texas Council participated on a site visit to Denver Colorado to meet with Eugene S. Farley, Jr. Health Policy Center at the University of Colorado as well as Salud Family Health Centers and Rocky Mountain Health Plan.

Mental Health and Substance Use Disorders Update

MCOT and COPSD Reporting

DSHS recently requested that Centers identify a method to report Mobile Crisis Outreach Team (MCOT) and Co-occurring Psychiatric and Substance Disorder (COPSD) services in CMBHS. The Texas Council and a workgroup of Executive Directors and Information Management Consortium leadership are currently working with DSHS to develop a standardized process that is feasible for Centers to implement. Additional considerations include the use and evaluation of the data once reported to DSHS.

Charges Rule

The Charges Rules, 412.108, 412.303, and 412.322, were released for informal comment in January 2016. Proposed language is available at this link: http://www.txcouncil-intranet.com/wp-content/uploads/2010/06/Charges-Rule_Chapter-412-Local-Mental-Health-Authority-Responsibilities....pdf.

Center comments indicated varied interpretation related to third-party payers (§412.108 of the rule). Texas Council, Center representatives, and members of the Collective Advocacy Participants Rule Committee met with DSHS and DADS representatives on February 4, 2016 to clarify meaning and application of that portion of the rule.

As a result of the meeting, DSHS will update the Charges rule FAQs, Client Brochures, and training materials. Conflicting language in the DSHS performance contract (children's services) and the rule has been resolved with DSHS revisions to the contract. Texas Council will host a webinar for Centers to provide guidance for the application of the Charges rule once the materials are finalized.

Balancing Incentive Program (BIP) LTSS

The Balancing Incentive Program is a Federal Medicaid initiative that granted Texas funds for increasing access to non-institutional long-term services and supports (LTSS). The Balancing Incentive Program requires Texas to implement structural changes, including a no wrong door/single entry point system (NWD/SEP), conflict-free case management services, and core standardized assessment instruments.

Utilizing a questionnaire survey, anyone applying for any assistance is asked screening questions about mental health and substance use. Positive answers to three of the mental health questions results in a referral to the nearest LMHA. Positive replies to certain questions about substance use generates a referral to the nearest OSAR. DSHS recently modified the survey because questions regarding the life skills domains were generating false positives.

Both LMHA and OSARs are held to a 70% compliance level on following up within 15 business days of referrals.

LMHAs are able to use server types "A" through "R" which are currently in the Service Array and encounter type "D" Documentation, "F" Face-to-Face, and "T" Telephone as satisfying the encounter. The system went live on August 31, 2015. LMHAs are able to monitor their effectiveness by running reports through MBOW. DSHS will identify and remove these encounters from the Uniform Assessment Completion Rate contract measure reports.

Centers are working on an electronic interface with the DADS long-term services and supports (LTSS) system. This will allow them to receive DADS referrals and notifications electronically through their clinical systems, reducing administrative burden and the need to frequently monitor the LTSS portal for this information.

Veterans

Military Veteran Peer Network

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

For the past two years, MVPN has held a pre-conference meeting at the Texas Council Conference. In 2016, in addition to this activity, they anticipate hosting a Military Cultural Competency certificate session.

VISN 17

VISN 17 and the Texas Council continue working collaboratively to provide services to Texas Veterans. VISN 17 engaged the Texas Council to find ways to increase participation in VISN 17 RFPs. As a result, the subsequent release of the Tele-mental Health Provision RFP included the following changes from the Veterans Administration to encourage more Centers to participate:

- Majority of restrictions from previous contract lifted
- Contract for base year extended by four years (5-year contract total)
- VA will work closely with healthcare sites to ensure consult referrals
- VA will work closely with healthcare sites to ensure timely invoice payments

Five Centers – Hill Country MHDD, Pecan Valley, Camino Real, Gulf Coast Center and Center for Life Resources – secured contracts with VISN 17 to provide Tele-mental Health Services at 26 sites for eligible Veterans. Communication between VISN 17 and the Community Centers is on-going. Future sites may be selected for future opportunities to expand access to services through tele-mental health.

In addition, HHSC, DSHS, TVC, VA and the Texas Council are discussing strategies to increase access to mental health and substance use services for Veterans and their families. As part of this effort, the Texas Council is developing a survey to Community Centers that will allow us to better understand the services you currently provide to this population and determine what barriers exist (if any) to increase access to care.

Disaster Behavioral Health

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

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

Texas Council continues to work with DBH staff to bring the Incident Command System (ICS) 300/400 training to Centers at no cost. ICS 100, 200, 700 and 800 are prerequisites. These free three-hour trainings can be found on the Learning Opportunities Page on the Texas Council website.

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

HHSC has been hosting High Consequence Infectious Disease workshops in each of the Health Service Regions to share in-depth, Texas-specific preparedness and response information. The schedule is as follows:

REGION	LOCATION	DATES
Region 1	Lubbock	March 29-31, 2016
Region 2&3	Dallas/Fort Worth	May 3-5,2016
Region 4&5 North	Tyler	March 1-3, 2016
Region 6&5 South	Houston	February 2-4,2016
Region 7	Austin	February 16-18,2016
Region 9&10	El Paso	June 7-9, 2016

Peer Opportunities

Peer Services as a Medicaid Benefit

In preparation for the 85th Legislative Session, HHSC is actively engaged in several strategies to evaluate the value and cost-effectiveness of Peer/Family Partner services, with the potential to recommend adding the services to the Medicaid state plan. The workgroup continues to meet monthly.

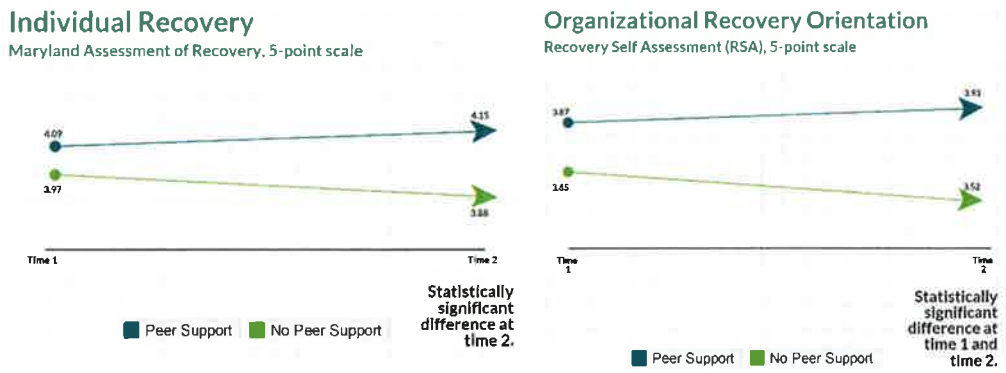
Peer Report

The Texas Council is working with DSHS, the UT Austin School of Social Work and Texas Mental Health Resource (Via Hope) to design a survey assessing all people working within the Community Mental Health System who use their lived experience to help others. This will include Peers, Family Partners and Military Veteran Peer Coordinators.

This in-depth look at people who use their lived experience will be the basis for an updated Peer report. The objective is to give Community Centers a snapshot of how peer support specialists are using their lived experience throughout the state, which trainings are found to be helpful, and the challenges and outcomes of utilizing people with lived experience in professional settings.

Do Peer Specialists make a difference in recovery outcomes?

In the Peer Specialist Integration initiative which included five community mental health centers and one state hospital, two separate measures of recovery were administered to 804 clients receiving services. The Maryland Assessment of Recovery measures an individual's perception of their own recovery and the Recovery Self-Assessment measures perceptions of the organization's recovery orientation. On both measures, individuals who reported working with a Peer Specialists rated their experience of recovery (both their own recovery and the recovery practices of the organization) higher than those who did not receive this support. Utilizing Peer Specialists could be an element in retaining workforce while achieving the desired outcomes.



Earley, J., Brooks, W. & Stevens-Manser, S. (2015). *Peer Specialist Integration Project: Summary Evaluation Report, August 2015.* Texas Institute for Excellence in Mental Health, Center for Social Work Research, School of Social Work, University of Texas at Austin.

Texas Council Peer/Family Partner Group
Family Partners and Peers met in a summit on the last day of the 2015 Texas Council Conference. The 5-hour summit focused on how each group used their lived experience to help others and on ways to collaborate more closely in the future to assist transition-age youth.

The planning committee is working on the Peer Specialist/Family Partner Post Conference. The session will focus on wellness tools, connecting across Texas and supporting mutual support between Peer Specialists and Family Partners. Optum and United Healthcare are co-sponsoring lunch for the event.

Peerfest
The Hogg Foundation held PeerFest in Corpus Christi, April 25-28, 2016. This event reached people with lived experience who are not currently involved in the Texas recovery movement, peer support or a formal support network. The event was extraordinary and while the final numbers are not available, about 350 people attended. Participants stated this was the most amazing conference dealing with mental health they had attended. This was a pilot event and should the Hogg decide to hold another, it would take place in two years.

Peer Re-entry Program
Rider 73 (84th Regular Session) required DSHS to implement a mental health peer support re-entry program between LMHAs and county sheriffs to ensure inmates with mental illness successfully transition from the county jail into clinically appropriate community-based care.

Proposals from three Centers were awarded:

- Tropical Texas
- Harris Center for MH & IDD
- MHMR Tarrant

Texas Mental Health Resource (formerly Via Hope) is working on the curriculum for re-entry training. Many peers have been involved in development of the training.

Advisory Committees

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

This committee was created to subsume the work of the Council for Advising and Planning (CAP), Drug Demand Reduction Advisory Committee, Local Authority Network Advisory Committee, Texas Children Recovering from Trauma Steering Committee, and Texas System of

Care Consortium. This committee will serve as the primary advisory voice to HHSC for issues related to mental health and substance use for Texans of all ages. Andrea Richardson, Executive Director of Bluebonnet Trails Community Services was appointed by Executive Commissioner Traylor to represent the Texas Council on this committee.

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

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

Texas Mental Health Resource (Via Hope) Advisory Committee

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

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

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

The PAIMI Council is an advisory group of consumers, family members and professionals in the mental health field for Disability Rights Texas. The PAIMI Council will focus on voting rights in 2016. People with disabilities are more likely not to vote. Most of the activities of will be focus on this issue.

Texans for Recovery and Resiliency

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

In 2016, Texans for Recovery and Resiliency will develop a centralized directory of trainings and curriculums used by peers and family support. This will inform a cross-training strategic plan

and the development of a Cross-Training of Trainers and ongoing learning community that will support trainers as they brining the cross-training to their respective communities.

The group will help in identify the different types of educational resources, trainings and curriculums that peer specialists and family supporters can access to develop their skills and better promote mental health, trauma and substance use recovery and resiliency. This directory will be posted online and serve as the foundation for the strategic plan and subsequent activities.

Mental Health First Aid

SB 133 Mental Health First Aid Initiative

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

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

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

MHFA Leadership

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

- Technical Assistance
- Identifying Best Practices
- Agency Implementation Issues

MHFA Steering Committee Membership

Andrea Richardson – Co-chair	Bluebonnet Trails
Ron Trusler – Co-chair	Central Plains Center
Catherine Carlton	MHMR Tarrant
Susan Holt	Spindletop Center
Rene Hurtado	Emergence Health Network
Laura Gold	Austin Travis County Integral Care
Lisa Boone	MHMR Tarrant

Steering Committee Members meet monthly along with DSHS. The larger MHFA workgroup meets quarterly to share ideas, concerns and techniques in a networking conference call. The next meeting for the larger MHFA group is May 23, 2016 at 11:00 am. A survey was released to assess training needs for LMHAs and to assist with scheduling training.

MHFA Summary

2016

Staff & Contractors to Train FY16	Educators to Train FY16	Staff & Contractors Trained FY16	Educator Trainings FY16	Non Educator Trainings FY16
236	**10,995**	**78**	**2517**	**2467**

2015

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

2014

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

MHFA Instructor Training Update

A new survey was issued to determine training needs. East Texas Behavioral Health Network (ETBHN) agreed to host a training when survey results are established.

Additionally, DSHS is being asked by legislators how many school districts are participating in MHFA. The Texas Council is working with DSHS to develop a survey and will continue to keep you informed as this effort progresses.

Crisis Services

Extended Observation Units (EOUs) Update

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

What is Different?

- Structure - The format of the EOU section is different to allow for easier reading and more clarity. Programmatic standards are towards the beginning of the section whereas physical plant and general facility requirements have been moved to the end of the section.

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

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

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

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

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

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

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

Crosswalk of EOU Section Edits

EOU Edits: 8/20/15	EOU Edits: 12/8/15
Section A: Program Definition	Section A: Program Definition – **No Change**
Section B: Goals for Extended Observation	Section B: Goals for Extended Observation – **No Change**
Section C: Description 1. **C1**: Extended observation services can take place for up to 23 hours or up to 48 hours, depending on the physical setting of the facility as described in subsection 3 of this section. An individual who cannot be stabilized within that timeframe shall be linked to the appropriate level of care such as an inpatient hospital unit or crisis stabilization unit. EOUs may be co-located within a licensed hospital or within close proximity to a licensed hospital. The availability of an EOU is dependent upon community needs and funding. 2. **C5**: An Individual on involuntary status may be detained in a locked unit. In accordance with 25 TAC Chapter 404, Subchapter E, an individual on voluntary status may receive services in the least restrictive environment available, consistent with the protection of the individual and the protection of the community. An individual on voluntary status may have access to, with or without supervision, appropriate areas of the EOU away from the individual's bed or unit, as clinically indicated. For discharge standards, see section F. of the EOU section of Information Item V.	**Section C: Description** 1. **C1**: Extended observation services can take place for up to 23 hours or up to 48 hours, depending on the physical setting of the facility as described in subsection 3 of this section. An individual who cannot be stabilized within that timeframe shall be linked to the appropriate level of care such as an inpatient hospital unit or crisis stabilization unit. **The LMHA shall develop a written plan on a process for managing individuals on emergency detention after the 48 hours has expired.** EOUs may be co-located within a licensed hospital or within close proximity to a licensed hospital. The availability of an EOU is dependent upon community needs and funding. 2. **C5**: **An Individual on involuntary status may be detained in a locked unit. An individual on voluntary status may receive services in the least restrictive environment available, consistent with the protection of the individual and the protection of the community. An individual on voluntary status may have access to, with or without supervision, appropriate areas of the EOU away from the individual's bed or unit.** For discharge standards, see section F. of the EOU section of Information Item V.
Section D: Standards 1. **D.1.**: The EOU staffing pattern shall adhere to the following standards and not follow the staffing pattern of a facility that provides a lower level of care.	**Section D: Standards** 1. **D1**: The EOU staffing pattern shall adhere to the following standards and not follow the staffing pattern of a facility that provides a lower level of care. A staffing plan shall be developed to address acuity and number of clients served.
Section F: Discharge Planning 1. **F.2.**: In accordance with 25 TAC, Chapter 404, Subchapter E, an individual on	**Section F: Discharge Planning** 1. **F.2.**: An individual on voluntary status who requests discharge shall do so in

voluntary status who requests discharge shall do so in writing with assistance from staff. The individual's request for discharge shall be processed as soon as possible, but no longer than 4 hours. The individual shall be discharged with at minimum the individual's belongings and medications. Staff shall immediately notify the LPHA and physician (preferably a psychiatrist) of the individual's request.	writing with assistance from staff. The individual's request for discharge shall be processed as soon as possible. The individual shall be discharged with at minimum the individual's belongings and medications. Staff shall immediately notify the LPHA and physician (preferably a psychiatrist) of the individual's request.
Section H: Physical Plant 1. **H.3.**: If the EOU claims exemption under HSC Chapter 247, Sec. 247.004, the facility shall comply with Information Item V and is subject to Quality Management (QM) compliance reviews. Any changes in programming, construction or facility shall be reported to the department immediately.	**Section H: Physical Plant** 1. **H.3.**: **The EOU is subject to Quality Management (QM) compliance reviews. Any changes in programming, construction or facility shall be reported to the department immediately.**
Section J: General Facility 1. **J.4. (Telephone Access)**: Contractor shall provide at least one telephone in the facility available to both staff and individuals for use in case of an emergency.	**Section J: General Facility** 1. **J.4. (Telephone Access)**: Contractor shall provide at least one telephone in the facility available to both staff and individuals for use.

Home and Community-Based Services

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

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

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

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

Eligibility criteria for expansion populations:

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

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

HHSC is holding stakeholder meetings throughout the state and over webinars. More information about the program and upcoming events, as well as how to apply to become a provider, can accessed on the DSHS webpage https://www.dshs.state.tx.us/mhsa/hcbs-amh/.

Behavioral Health Integration Report

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

Members of the committee include:

- Octavio Martinez (chair), Austin, Hogg Foundation for Mental Health
- Douglas Beach, San Antonio, Parent
- Susan Calloway, Austin, Texas Rural Health Association
- Terry Crocker, Mission, Tropical Texas Behavioral Health
- Sherry Cusumano, Dallas, Licensed Chemical Dependency Counselor
- Kristen Daugherty, El Paso, Emergence Health Network
- Lisa Doggett, Austin, McKesson
- Angelo Giardino, Houston, Texas Children's Health Plan
- Debra Jackson, Houston, Deblin Health Concepts & Assoc., Inc.
- Dwina Bridgemohan, Katy, Professional Mediator
- Kenneth Meyer, Allan, Value Options of Texas, Inc.

- Richard Noel, Houston, IntraCareNorth Hospital
- Melissa Rowan, Austin, Texas Council of Community Centers
- Nakia Scott, Round Rock, Lone Star Circle of Care
- John Theiss, Austin, Mental Health America of Texas
- Gregg Sherrill, Houston, OptumHealth Behavioral Services
- John Gore, Bedford, Cigna-HealthSpring STAR+PLUS
- Janet Paleo, San Antonio, Consumer Representative

The Phase II report was presented to Executive Commissioner Chris Traylor and was well received. The group is being allowed to continue their work towards implementation of Behavioral Health Integrated Health Home Pilots. The Phase II report can be found at https://www.hhsc.state.tx.us/about_hhsc/AdvisoryCommittees/bhiac-docs/BHIAC-Phase-II-recommendations.pdf.

While the state agreed to continue this committee, the committee determined more expertise and time is needed to go forward. The Hogg Foundation is supporting this need by bringing in experts and hosting meetings:

- Workshop #1 Thursday, May 5, 2016
- Workshop #2 Thursday, May 26, 2016
- Workshop #3 Monday, 6/6 AND Tuesday, 6/7 (Please hold both days for now)

First Episode Psychosis

DSHS is implementing a First Episode Psychosis (FEP) pilot focused on evidence-based programs designed to meet the needs of individuals with early onset psychotic disorders. Following the RAISE model, SAMHSA has delineated the following guidelines to states:

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

DSHS has selected 7 Centers to be a part of this pilot:

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

This pilot is expected to begin June 2016. A similar pilot started in 2014 with Metrocare Services and The Harris Center for MH & IDD. This new initiative will expand from the previous project by offering services to individuals under Medicaid.

Children's Mental Health

Youth Empowerment Services (YES) Waiver

The Health and Human Services Commission (HHSC) and the Department of State Health Services (DSHS) developed the Youth Empowerment Services (YES) Waiver, which provides comprehensive home and community-based mental health services for youth between the ages of 3 and 18, up to the 19th birthday, who have a serious emotional disturbance.

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

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

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

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

DSHS and Texas Institute for Excellence in Mental Health will continue to have ongoing stakeholder meetings with the Centers. The next meeting is on May 9, 2016 on organization and opportunities. National Wraparound Initiative representatives will be in attendance. On May 24, 2016, DSHS will host a best practice meeting. Both meetings will be held in Austin.

Mental Health and Foster Care

Health and Human Services Commission Office of Mental Health Coordination and Department of Family Protective Services hosted a meeting to discuss community-based mental health

services for children and youth in foster care, with a focus on current utilization of services, as well as ways to enhance access and coordination in October 2015. LMHAs, CPAs, and Texas Council staff were in attendance.

The meeting covered the complexities of the relationships between LMHAs and CPAs and ways to establish better partnerships. HHSC has planned a series of activities to promote this partnership, including:

1. Archived webinars on basic services available in communities for CPAs, CPS and LMHAs. Link to archived webinars will be released in the near future.
2. CPA training on services and enrollment open to all interested parties.
3. HHSC will visit Travis County, Dallas, Bexar County, and Rio Grande Valley with the LMHAs and the CPAs to identify issues and any technical assistance needed. More areas may be included in the future.

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

Children's Policy Council

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

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

- Michelle Jenkins, Chair, San Antonio
- Leah Rummel, Chair, San Antonio
- Karen T Yeaman, Immediate Past Chair, Denton
- Denise Sonleitner, Past Chair, Austin
- Emily Rogers, Secretary, Austin
- John Roppolo, San Marcos
- Silvia Vargas, El Paso
- Brian Spann, Allen
- Laura Warren, Austin
- Elizabeth Tucker, EveryChild, Inc., Austin
- Mary Klentzman, Joni and Friends, Plano
- David Evans, Austin Travis County Integral Care, Austin
- Greg Mazick, National Nursing and Rehab SA Pediatrics, Inc, San Antonio
- Josette Saxton, Texans Care for Children, Austin

Children and Youth Behavioral Health Subcommittee

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

Children's Special Interest Group

The Texas Council is in the process of developing a Children's Special Interest Group and will be reaching out to all Centers for their involvement. Topics will range from current initiatives, such as the YES waiver and First Episode Psychosis, as well as opportunities and barriers to providing services to children. If you have questions, or are interested in joining, contact Kaitlyn Motley at kmotley@txcouncil.com

Substance Use Disorders

Chapter 448

DSHS released updated proposed rules for Chapter 448 – Treatment Facilities for Individuals with Substance-Related Disorders. A stakeholder meeting was held on April 8, 2016 with an open comment period following. DSHS anticipates releasing a new draft in mid May 2016 with another stakeholder meeting in June 2016. The goal of DSHS is to have the rules published in the Texas Register in August 2016 with a comment period and to ultimately finalize the rules in March 2017.

Intellectual and Developmental Disabilities

Overview of Significant IDD Issues

General Revenue (GR) Targets

Recently DADS commended the LIDDA system as a whole for exceeding statewide targets for the FY2014-FY2015 biennium by 959.

As you are aware, despite this outstanding collective performance, some individual LIDDAs struggle to meet targets and would be at risk of recoupment if DADS applied sanctions or penalties. Subsequent to multiple discussions with the Texas Council, DADS leadership acknowledges serious considerations to work through with the Texas Council (Local Authorities) before moving forward with related sanctions or penalties. Among the serious considerations brought forward by Texas Council and currently under review by DADS is the substantial number of LIDDA functions that do not count toward performance targets.

Although DADS leadership would not commit to a defined or long-term hold harmless period in FY2016, they did commit to provide LIDDAs with sufficient prospective notice before moving out of the current hold harmless environment.

Texas Council will continue to engage with DADS on these issues and will keep you abreast of new developments.

Crisis Respite and Behavioral Intervention Funding for People with IDD

The 84th Texas Legislature appropriated $18.6 million (all funds - biennium) toward crisis respite and behavioral intervention initiatives for people with IDD and unmet mental health needs.

To evaluate current availability of crisis services for this population and make decisions regarding use of new funds, DADS issued a Needs and Capacity Assessment (NCA) in December 2015 for completion by each LIDDA. LIDDAs were invited to submit individual assessments and/or assessments proposing collaborative projects involving more than one LIDDA.

At time of writing, Texas Council is actively engaged with DADS leadership in crafting an approach that will ensure effective use of new crisis funds and maximum benefit for Texans with intellectual disabilities and mental health needs. A likely approach will include distribution of funds statewide for: (1) the creation of a Crisis Intervention Specialist position at each LIDDA to increase expertise among MCOT members in distinct needs of people with IDD and (2) crisis respite services.

The likely distribution schedule is:

- $6 million in FY2016
- $12 million in FY2017

LIDDA Targeted Case Management
The Local Authority Workgroup (LAW) is collaborating with the Healthcare Opportunities Workgroup (HOW) to create an educational tool describing benefits of LIDDA targeted case management (TCM) and highlighting key differences between LIDDA TCM and Managed Care Organization (MCO) service coordination. The tool can be used in lead-up to and during next Legislative Session to protect and bolster LIDDA TCM role.

The LAW and the HOW recommend DADS change terminology from LIDDA service coordination to LIDDA targeted case management to emphasize distinction.

For further detail on this initiative, see Health Opportunities Workgroup section of this report (pages 22-23).

HCS and TxHmL Enrollments
In recent months, DADS stopped releasing new HCS and TxHmL Interest List slots. LIDDAs were directed to focus on HCS and TxHmL enrollees "in the pipeline" (in some stage of enrollment or pre-enrollment). At the IDD Consortium in January 2016, DADS staff announced that LIDDAs should not anticipate any new slot releases until summer 2016.

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

Texas Council continues to emphasize to DADS the justified sense of urgency LIDDAs have around this issue and the need for timely communications to all LIDDAs.

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

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

Timeline	IDD Redesign Requirements and Related Activities	Status as of 02.09.16
October 1, 2013	SB 7 deadline to appoint IDD System Redesign Advisory Committee members	Recent meeting held April 28, 2016. Upcoming meetings: July 28, 2016and October, 27, 2016.
Fall, 2013*	HHSC and DADS prepares Community First Choice (CFC) Medicaid state plan amendment for submission to CMS (CFC option implements SB 7 basic attendant and habilitation services provided through STAR + PLUS)	HHSC submitted proposed State Plan Amendment to CMS October 10, 2014. CMS approved the CFC state plan amendment, effective June 1, 2015.
Fall, 2013*	Informal consideration of pilot(s) to test managed care strategies based on capitation to be implemented "not later than September 1, 2017" per HB 3523	Pilot Request for Information (RFI) issued July 20, 2015. HHSC received 11 responses. Request for Proposals (RFP) to follow in spring/summer 2016
September 1, 2014*	First possible date STAR + PLUS managed care can expand statewide	STAR+PLUS expansion occurred September 1, 2014.
September 1, 2014*	Estimated start date for CFC basic attendant and habilitation services through STAR + PLUS	June 1, 2015 implementation.
September 1, 2014*	First possible date to begin providing IDD acute care services through STAR + PLUS	Acute care services for people with IDD (in ICF, HCS, TxHmL, DBMD, CLASS) were rolled in to managed care September 1, 2014.
September 1, 2014	Nursing Facility carve-in to STAR + PLUS	Implemented March 1, 2015.
September 30, 2014	SB 7 deadline for annual IDD System Redesign report to legislature	2014 report published online January 2015 at: http://www.hhsc.state.tx.us/reports/2015/sdiidd.pdf. 2015 report published online April 2016 at: http://www.hhsc.state.tx.us/news/presentations/2016/040116-sb7.pdf 2016 report currently being drafted by agency staff; will be reviewed by IDD SRAC membership summer 2016.
December 1, 2014	SB 7 deadline for report to legislature on role of Local Authority as service provider	Published online: http://www.dads.state.tx.us/news_info/publications/legislative/roleofliddas2015/roleofliddas2015.pdf
September 1, 2015	IDD Comprehensive Assessment Evaluation	Stakeholder input requested by DADS via survey. RFI released August 25, 2014. RFP currently in development at HHSC. A pilot of the assessment is anticipated to roll out at MHMR Tarrant and Lakes Regional MHMR Center; details forthcoming.

SB 7 Implementation Activities:

- **IDD System Redesign Advisory Committee.** The committee held a meeting April 28, 2016 and will meet quarterly throughout 2016: July 28, 2016 and October, 27, 2016. Community Centers are represented by John Delaney, Executive Director, Lakes Regional MHMR Center, and Susan Garnett, CEO, MHMR Tarrant.

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

- **Pilot to test managed care strategies.** On July 20, 2015, HHSC released an RFI for the IDD Managed Care Pilot directed by SB 7 (83rd Legislature). Responses were due August 20, 2015. HHSC reports it received eleven responses to the RFI.

  As directed, HHSC and DADS are required to:
  - Develop and implement a pilot program of a service delivery model involving a managed care strategy based on capitation; and
  - Test the model in the provision of Medicaid long-term services and supports for individuals with IDD.

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

  See link below for announcement. Access RFI by clicking "RFP Documents" on left side of announcement page.

  RFI 529-16-141882: Managed Care Pilot Provisions for Individuals With Intellectual and Developmental Disabilities (HHSC)

  HHSC, through its contractor Leavitt Partners, hosted in-person and virtual listening sessions to gather stakeholder feedback on pilot design in January 2015. Texas Council and LIDDA representatives participated in several listening sessions. Texas Council submitted written feedback to Leavitt Partners, emphasizing the importance of the independent, LIDDA case management role in the pilot.

- **IDD Comprehensive Assessment Evaluation**. Per agency updates provided at the IDD System Redesign Advisory Committee meeting on January 28, 2016, HHSC developed an RFP for a vendor to complete the interRAI intellectual disability assessment, part of a larger suite of assessments, with a select population. The RFP is currently under review by Procurement Contract Services and Legal Services at HHSC. When finalized, the RFP will be posted to the Electronic State Business Daily (ESPD) website hosted by the Comptroller's Office for a minimum of 30 days.

  The interRAI organization is a collaborative network of researchers in over thirty countries committed to improving care for people with disabilities or who are medically complex. The organization identified the need for compatible assessment

instrumentation that could be used across healthcare sectors and released a first iteration of the integrated suite in 2005. Over time, other instrument systems have been added to the suite. For more information on the interRAI organization and assessment suite, visit www.interrai.org.

After the assessments have been completed, an outside evaluator will compare the results of the interRAI with results of other assessments (ICAP or SIB-R) along various domains. Several Texas universities received solicitations from DADS about serving as the outside evaluator. At this time, an RPF for outside evaluators is being developed.

Community First Choice

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

Recent Highlights

- Two significant policy changes to CFC as delivered through HCS and TxHmL were announced through DADS Information Letters, with implementation in spring/summer 2016:
    - (1) A functional assessment (streamlined version of assessment used in managed care) is now required for all individuals receiving CFC PAS/HAB in HCS or TxHmL to determine how many hours of CFC PAS/HAB the individual needs. This change affects all individuals receiving CFC PAS/HAB through HCS or TxHmL with an initial or renewal IPC with an effective date of March 20, 2016 or later.
    - (2) Provider qualifications will disallow someone who lives in the same residence as the individual from being the paid provider of CFC PAS/HAB services. This change applies to all individuals receiving CFC/PAS HAB through HCS or TxHmL, effective June 1, 2016.
- LIDDA service coordinators are responsible for helping communicate and institute these changes. DADS incorporated extensive feedback from Texas Council when drafting materials to share with individuals and families affected by these changes.
- Due in part to feedback from Texas Council, DADS refrained from changing CFC provider qualifications in **rule (regulation)**, choosing instead to change provider qualifications through **Information Letter (policy) only**. This distinction is important because it makes any future changes or adjustments to the new policy more easily and quickly accomplished.
- DADS is looking closely at LIDDAs with relatively few LOC determination requests for CFC submitted so far and has contacted some LIDDAs directly to discuss.
    - DADS added new questions and answers to its website to help LIDDAS and their employees understand the process of becoming certified to conduct a Determination of Intellectual Disability (DID). Updates can be found on the LIDDA website.

- Contact Erin Lawler (elawler@txcouncil.com) to discuss resource or other challenges in CFC; Texas Council is available to facilitate shared resource arrangements between LIDDAs.

CFC Summit and Other CFC Initiatives

CFC Summit. Leadership of the IDD Directors' Consortium, led by Jennifer Farrar of Betty Hardwick Center, and the Local Authority Workgroup (LAW) organized a day-long "CFC Summit" for statewide LIDDA CFC staff in Austin on April 14, 2016. Participants attended sessions and panel presentations by DADS, HHSC, and DSHS staff, along with Managed Care Organization representatives and LIDDA experts, focused on sharing information regarding CFC implementation. The summit also allowed LIDDA participants to share opportunities and challenges from their on-the-ground perspective with HHSC leadership, including HHSC Medicaid Director, Gary Jessee.

Special thanks are due to Jennifer Farrar, Betty Hardwick Center; Janet Brunette, Bluebonnet Trails; Kevin Barker, Texana Center; Ronnie Cardenas, Center for Life Resources; Molly Hurst, Tarrant County; Sheri Talbot, Texana Center, and Linda Thompson, Metrocare Services, for their role in planning and facilitating the Summit.

Texas Council CFC Workgroup. Texas Council instituted a CFC Workgroup, composed of volunteer members from LIDDA CFC staff across the state. Through the contributions of these members, the state is sure to see an enhancement in outreach, coordination, communication, and access to services as the implementation of CFC continues.

Workgroup members are as follows:

- Maribel Burgos, Texana Center (Workgroup Coordinator)
- Missy Fenter, Helen Farabee Centers
- Kathryn Foster, Tri-County Behavioral Healthcare
- Blanca E. Gutierrez, Tropical Texas Behavioral Health
- Lindsey Halligan, ATCIC
- Meagan Howard, The Harris Center
- Kenyonika Johnson, The Harris Center
- Genelly Ortiz-Montoya, Helen Farabee Centers
- Antoinette Pirelli, Texas Panhandle Centers
- Luke Reynard, MHMR Tarrant
- Debbie Richardson, Lakes Regional Community Center
- Jennifer Salazar, Permian Basin Community Centers
- Jennifer Stafford, The Gulf Coast Center
- Nina Sullivan, Bluebonnet Trails Community Services
- Sondra "Yvone" Taylor, Texoma Community Center
- Toni Uhe, LifePath Systems
- Linda Williams, Spindletop Center

CFC Cost Tool. Thanks to leadership of the East Texas Behavioral Health Network (ETBHN)'s IDD leadership (special recognition: Lee Brown, Community Healthcore) and the Texas Council Revenue Management Committee (special recognition: Jenny Goode, Betty Hardwick Center), Texas Council will soon release a survey designed to identify costs to LIDDAs of serving as the front door for access to CFC services for individuals with IDD in Texas. The results of this survey may be used to inform future discussions with agency staff and the Legislature about the role of LIDDAs in administering CFC.

PASRR and Related Local IDD Authority Responsibilities

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

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

LA Requirements Related to PASSR Quality Service Reviews

Recent Updates

At the April 15, 2016 meeting of the IDD Consortium, Ms. Heather Cook, Manager, DADS PASRR Quality Service Review (QSR) Unit, presented on activities of her unit. Ms. Cook emphasized that QSR activities of 2015 were used to establish a baseline for compliance. State QSR processes and responsibilities are transitioning from the External Consultant teams (Ms. Kathryn Du Pree, Lead PASRR Expert Reviewer) to internal QSR Unit Teams. The DADS QSR Unit is in the process of hiring five teams, regionally located throughout the state, with each team consisting of a "generalist" and a Registered Nurse. As with the External Teams, the internal QSR Teams will notify the LIDDA of a scheduled onsite review, request the LIDDA to upload documents to the Secure File Transfer Protocol site for desk review, complete telephone and on site interviews, and use DADS guidelines to rate the LIDDA's level of compliance.

Ms. Cook also presented DADS' goals for statewide LIDDA compliance across six outcomes (focus areas): (1) diversion, (2) specialized services, (3) transition, (4) community services, (5) service coordination, and (6) service planning team. DADS' goal is to achieve 85% compliance with all outcomes by the end of calendar year 2019, with all outcomes achieving sustained compliance for a full year by 2020. Recognizing that achievement of compliance with some

outcomes will likely take longer than achievement of compliance with others, DADS set interim goals for partial compliance for more difficult outcomes:

DADS Expectation for PASRR Compliance[1]:

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

Background

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

Quality Service Reviews (QSR)

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

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

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

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

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

LIDDA Specialized Services for PASRR Residents

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

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

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

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

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

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

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

Use of Nursing Facility Alternatives

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

- Individuals moving from nursing facilities:
  - 903 authorizations released (Total 700 allocated for FY2016-17))
  - 88 enrolled
  - 278pre-enrolled/pending

- Individuals diverted from nursing facility admission:
  - 122 authorizations released (Total 400 allocated for FY2016-17)
  - 60 enrolled
  - 53 pre-enrolled/pending

PASRR Rate Issues

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

DADS Money Follows the Person (MFP) Proposal: Overview

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

1. Eight medical, psychiatric and behavioral support regional teams support all 254 counties, including all 39 Local IDD Authorities and all community waiver providers within a designated region. These teams provide, in general:
   - Educational activities focused on increasing expertise of Local Authorities and providers in supporting individuals in the targeted groups
   - Technical assistance upon request from Local Authorities and program providers on specific conditions, with examples of best practices and evidence-based services for individuals with significant challenges
   - Case and peer review support to service planning teams to provide effective care for an individual.

2. Enhanced community coordination (in part):
   - Enhances current Local Authority responsibilities for service planning and continuity (pre- and post-relocation), crisis and critical care help to access behavioral and/or medical supports, ensure uniquely designed supports through person-centered

process, and increase responsibility to ensure services are delivered as planned and intervene as needed to adapt care to meet individual needs.

- Once a person relocates to community, Local Authority monitors for up to one year.
- For persons in institutions, strengthen information about community options and participation in the planning process.
- Designated funds to enhance natural supports and promote successful community integration, including one-time emergency assistance, special needs not funded by other sources and resources for diversion from institutions.

Medical, Behavioral, and Psychiatric Support Teams: 8 Regions & LIDDA Hubs

The eight LIDDAs selected as "hubs" for the medical, behavioral, and psychiatric supports teams and the regions they serve are:

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

The hubs are working collaboratively to identify best practices and share materials and insights. In addition to meeting in person at the IDD Consortium in September 2015 and January 2016, the hubs, under leadership provided by Texana Center, are participating in monthly collaboration calls. A group of hubs presented on their work at the Private Provider Association of Texas (PPAT) annual conference in November 2015 and at the IDD Consortium in January 2016.

Medicaid Home and Community-based Settings Requirements

Recent Updates

- Texas remains in the assessment phase of its transition into compliance with the Medicaid Home and Community-based Settings (HCBS) requirements.
- HHSC submitted a revised draft Statewide Transition Plan (STP) in February 2016; Texas Council provided significant comment on this draft (see below for detail). CMS has not yet approved the latest draft STP.
- HHSC anticipates revising the STP again in 2017 based on information gained from assessment surveys.
    - DADS recently released assessment surveys to Medicaid HCBS providers.
    - DADS and HHSC are currently finalizing participant assessment surveys (surveys to be completed by individuals who are recipients of HCBS services).
- On April 13, 2016, CMS announced its approval of Tennessee's Statewide Transition (STP) Plan; Tennessee is the first state in the country to receive approval of its STP. While Tennessee's approved plan may provide some valuable information for Texas, HHSC officials note that the size of the provider base in Tennessee is a small fraction of Texas' provider base, creating a very different service delivery landscape.
    - Tennessee's STP as approved is available online at: https://tn.gov/assets/entities/tenncare/attachments/TNProposedAmendedStatewideTransitionPlanCV.pdf

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

Purpose and Scope

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

Compliance Timeline

New waiver or state plans must meet the new requirements to be approved. CMS is allowing a transition period for states to evaluate service systems and determine what aspects of existing programs meet the requirements and which may need to be transitioned. Existing programs must be evaluated by the state. After a period of public input, the state must submit a

transition plan for programs that do not fully meet the HCBS settings requirements. A joint HSC-DADS stakeholder meeting on October 13, 2014 was a first step in the process of public input.

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

Statewide Transition Plan

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

The most recent draft of the SPT is available online now: Amended Statewide Transition Plan (February 2016)

IDD Specific Analysis of Statewide Transition Plan

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

IDD SPECIFIC ANALYSIS

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

Re: HCS

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

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

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

Day habilitation sites only:

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

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

- individuals may own/rent or legally occupy unit under a legally enforceable agreement;
- individuals have responsibilities and protections against eviction;

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

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

Re: TxHmL

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

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

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

Day habilitation sites only:

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

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

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

Texas Council Comments on Statewide Transition Plan

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

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

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

Funding

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

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

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

Lawsuit over Medicaid Rate Cuts Dismissed

On Thursday, April 21, 2016, the 3rd Court of Appeals dismissed the Travis County lawsuit blocking significant Medicaid therapy rate cuts. HHSC has not released a statement regarding the lawsuit or the timing of rate cuts.

Centers should review existing MCO contracts carefully, taking note whether therapy rates are based on the traditional Medicaid fee schedule (e.g., 90% of the Medicaid fee-for-service rate). If so, MCOs are not required to notify providers of rate reductions.

If rates are not based on traditional Medicaid, pay careful attention to rate amendments, including deadlines for taking action. To ensure continued access to care for ECI and other vulnerable clients, the Texas Council encourages Centers to reach out to contracted MCOs and request equitable and sustainable rates.

Revenue Management Committee Efforts

Recent efforts at the Texas Council level were led by the Revenue Management Committee and included comprehensive data collection. Through voluntary survey results and working with DARS, the Revenue Management Committee obtained the following documents from all ECI providers in Texas:

1. FY2015 Final 4th Quarter 269(a) reports; and
2. FY2015 Final 4th Quarter 269(a) attachments showing third party billing claims.

This information allowed Jenny Goode (CEO, Betty Hardwick Center) and David Weden (Chief Administrative Officer/Chief Financial Officer, Austin Travis County Integral Care) to present an invaluable analysis of reimbursement, billing, and collections issues for ECI providers at the January 2016 ECI Summit.

Administrative Penalties for HCS and TxHmL Providers (Proposed)

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

In fulfillment of the statutory requirement for consultation with appropriate stakeholders, DADS convened a stakeholder group with two representatives each from various provider groups. LIDDAs are represented by representatives from Texas Council and Bluebonnet Trails. An internal group at DADS will draft a "scope and severity" chart, which will then be shared with stakeholders for feedback. The timeline for implementation includes possible presentation of draft rules to HHSC Medical Care Advisory Committee (MCAC) in August 2016 and implementation in February 2017.

Texas Achieving a Better Life Experience (ABLE) Act

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

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

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

On November 16, 2015, Comptroller Hegar appointed Erin Lawler to the Texas ABLE Program Advisory Committee. Ms. Lawler serves along with five other committee members.
At this time, the Prepaid Higher Education Tuition Board, with input from the Advisory Committee, is in the process of drafting rules to implement, manage, and govern the ABLE program. For more information or to sign-up to receive updates as they become available, visit TexasAble.org.

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

April 2016 Financial Summary

Revenues for April 2016 were $2,630,271 and operating expenses were $2,635,802 resulting in a loss in operations of $5,531. Capital Expenditures and Extraordinary Expenses for April were $37,411 resulting in a loss of $42,941. Total revenues were 96.65% of the monthly budgeted revenues and total expenses were 100.56% of the monthly budgeted expenses.

Year to date revenues are $22,351,525 and operating expenses are $19,225,619 leaving excess operating revenues of $3,125,906. YTD Capital Expenditures and Extraordinary Expenses are $2,636,175 resulting in a gain YTD of $489,732. Total revenues are 99.71% of the YTD budgeted revenues and total expenses are 98.56% of the YTD budgeted expenses.

REVENUES

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

Revenue Source	YTD Revenue	YTD Budget	% of Budget	$ Variance
Rehab – Title XIX	1,192,983	1,263,328	94.43%	70,345

Rehab – This line item is under budget due to staff vacancies in both Adult and the Child and Adolescent programs. Even after the mid-year budget revision, revenues continue to be under expectations. We will continue to monitor this line item and ways to recruit qualified staff.

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
Medication	488,682	470,622	103.83%	18,060

Medication – This line item continues to increase beyond our mid-year adjusted budget. We will monitor this line and prescribing trends to see if these costs can be reduced.

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

	TOTALS COMBINED FUNDS April 2016	TOTALS COMBINED FUNDS March 2016	Increase (Decrease)
ASSETS			
CURRENT ASSETS			
Imprest Cash Funds	2,788	5,764	(2,976)
Cash on Deposit-General Fund	7,023,832	7,867,597	(843,765)
Cash on Deposit-Debt Fund			-
Accounts Receivable	929,494	1,896,422	(966,928)
Inventory	7,879	8,195	(316)
TOTAL CURRENT ASSETS	7,963,993	9,777,978	(1,813,985)
FIXED ASSETS	8,577,947	8,577,947	-
OTHER ASSETS	41,714	52,757	(11,043)
TOTAL ASSETS	**$ 16,583,655**	**$ 18,408,682**	**$ (1,825,027)**
LIABILITIES, DEFERRED REVENUE, FUND BALANCE			
CURRENT LIABILITIES	919,423	1,028,731	(109,308)
NOTES PAYABLE	549,129	549,129	-
DEFERRED REVENUE	1,239,756	2,918,700	(1,678,945)
LONG-TERM LIABILITIES FOR			
Line of Credit - Tradition Bank	510,734	530,816	(20,083)
Note Payable Prosperity Bank	657,133	669,810	(12,677)
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR			
General Fund	489,732	532,673	(42,941)
FUND EQUITY			
RESTRICTED			
Net Assets Reserved for Debt Service	(1,167,866)	(1,200,626)	32,760
Reserved for Debt Retirement	963,631	963,631	-
COMMITTED			
Net Assets-Property and Equipment	8,577,947	8,577,947	-
Reserved for Vehicles & Equipment Replacement	678,112	678,112	-
Reserved for Facility Improvement & Acquisitions	8,360	8,360	-
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	49,332	43,165	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(549,129)	(549,129)	-
UNASSIGNED			
Unrestricted and Undesignated	1,266,121	1,266,121	-
TOTAL LIABILITIES/FUND BALANC	**$ 16,583,655**	**$ 18,408,682**	**$ (1,825,028)**

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

	General Operating Funds	Memorandum Only Final August 2015
ASSETS		
CURRENT ASSETS		
Imprest Cash Funds	2,788	3,165
Cash on Deposit-General Fund	7,023,832	5,928,627
Cash on Deposit-Debt Fund	-	-
Accounts Receivable	929,494	1,657,209
Inventory	7,879	9,877
TOTAL CURRENT ASSETS	7,963,993	7,598,878
FIXED ASSETS	8,577,947	7,091,888
OTHER ASSETS	41,714	49,749
		-
	$ 16,583,655	**$ 14,740,515**
LIABILITIES, DEFERRED REVENUE, FUND BALANCES		
CURRENT LIABILITIES	919,423	1,103,286
NOTES PAYABLE	549,129	549,129
DEFERRED REVENUE	1,239,756	(889,779)
LONG-TERM LIABILITIES FOR		
Line of Credit - Tradition Bank	510,734	670,521
Note Payable Prosperity Bank	657,133	757,743
EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR		
General Fund	489,732	(1,065,136)
FUND EQUITY		
RESTRICTED		
Net Assets Reserved for Debt service-Restricted	(1,167,866)	(1,428,264)
Reserved for Debt Retirement	963,631	963,631
COMMITTED		-
Net Assets-Property and Equipment-Committed	8,577,947	7,091,887
Reserved for Vehicles & Equipment Replacement	678,112	678,112
Reserved for Facility Improvement & Acquisitions	8,360	2,136,013
Reserved for Board Initiatives	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	516,833	516,833
ASSIGNED		-
Reserved for Workers' Compensation-Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	49,332	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(549,129)	(549,129)
UNASSIGNED		
Unrestricted and Undesignated	1,266,121	2,331,257
TOTAL LIABILITIES/FUND BALANCE	**$ 16,583,655**	**$ 14,740,515**

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

INCOME:	MONTH OF April 2016	YTD April 2016
Local Revenue Sources	103,292	2,990,884
Earned Income	1,105,751	9,271,643
General Revenue-Contract	1,421,227	10,088,998
TOTAL INCOME	**$ 2,630,271**	**$ 22,351,525**
EXPENSES:		
Salaries	1,466,013	10,692,664
Employee Benefits	266,353	2,080,764
Medication Expense	100,146	488,856
Travel-Board/Staff	39,687	318,089
Building Rent/Maintenance	28,646	202,600
Consultants/Contracts	531,656	3,718,414
Other Operating Expenses	203,300	1,724,232
TOTAL EXPENSES	**$ 2,635,802**	**$ 19,225,619**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ (5,531)**	**$ 3,125,906**
CAPITAL EXPENDITURES		
Capital Outlay-FF&E, Automobiles, Building	-	2,349,462
Capital Outlay-Debt Service	37,411	286,713
TOTAL CAPITAL EXPENDITURES	**$ 37,411**	**$ 2,636,175**
GRAND TOTAL EXPENDITURES	**$ 2,673,212**	**$ 21,861,794**
Excess (Deficiency) of Revenues and Expenses	**$ (42,941)**	**$ 489,732**

Debt Service and Fixed Asset Fund:		
Debt Service	37,411	286,713
Excess(Deficiency) of revenues over Expenses	**37,411**	**286,713**

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

	YTD April 2016	APPROVED BUDGET	Increase (Decrease)
INCOME:			
Local Revenue Sources	2,990,884	2,971,840	19,044
Earned Income	9,271,643	9,342,215	(70,572)
General Revenue-Contract	10,088,998	10,103,058	(14,060)
TOTAL INCOME	**$ 22,351,525**	**$ 22,417,113**	**$ (65,588)**
EXPENSES:			
Salaries	10,692,664	10,797,769	(105,105)
Employee Benefits	2,080,764	2,089,409	(8,645)
Medication Expense	488,856	471,954	16,902
Travel-Board/Staff	318,089	298,187	19,902
Building Rent/Maintenance	202,600	199,164	3,436
Consultants/Contracts	3,718,414	3,825,515	(107,101)
Other Operating Expenses	1,724,232	1,763,195	(38,963)
TOTAL EXPENSES	**$ 19,225,619**	**$ 19,445,193**	**$ (219,574)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 3,125,906**	**$ 2,971,920**	**$ 153,986**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	2,349,462	2,455,867	(106,405)
Capital Outlay-Debt Service	286,713	280,475	6,238
TOTAL CAPITAL EXPENDITURES	**$ 2,636,175**	**$ 2,736,342**	**$ (100,167)**
GRAND TOTAL EXPENDITURES	**$ 21,861,794**	**$ 22,181,535**	**$ (319,741)**
Excess (Deficiency) of Revenues and Expense	**$ 489,732**	**$ 235,578**	**$ 254,154**
Debt Service and Fixed Asset Fund:			
Debt Service	286,713	280,475	**6,238**
Excess(Deficiency) of revenues over Expense	**286,713**	**280,475**	**6,238**

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

INCOME:	MONTH OF April 2016	APPROVED BUDGET	Increase (Decrease)
Local Revenue Sources	103,292	102,268	1,024
Earned Income	1,105,751	1,162,061	(56,310)
General Revenue-Contract	1,421,227	1,457,084	(35,857)
TOTAL INCOME	**$ 2,630,271**	**$ 2,721,413**	**$ (91,142)**
EXPENSES:			
Salaries	1,466,013	1,476,904	(10,891)
Employee Benefits	266,353	259,607	6,746
Medication Expense	100,146	57,511	42,635
Travel-Board/Staff	39,687	36,290	3,397
Building Rent/Maintenance	28,646	20,459	8,187
Consultants/Contracts	531,656	535,604	(3,948)
Other Operating Expenses	203,300	212,535	(9,235)
TOTAL EXPENSES	**$ 2,635,802**	**$ 2,598,910**	**$ 36,892**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ (5,531)**	**$ 122,503**	**$ (128,034)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	24,317	(24,317)
Capital Outlay-Debt Service	37,411	35,060	2,351
TOTAL CAPITAL EXPENDITURES	**$ 37,411**	**$ 59,377**	**$ (21,966)**
GRAND TOTAL EXPENDITURES	**$ 2,673,212**	**$ 2,658,287**	$ 14,925
Excess (Deficiency) of Revenues and Expenses	**$ (42,941)**	**$ 63,126**	**$ (106,067)**

Debt Service and Fixed Asset Fund:			
Debt Service	37,411	35,060	2,351
Excess(Deficiency) of revenues over Expenses	**37,411**	**35,060**	**2,351**

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

INCOME:	YTD April 2016	YTD April 2015	Increase (Decrease)
Local Revenue Sources	2,990,884	1,025,075	1,965,809
Earned Income	9,271,643	8,357,395	914,248
General Revenue-Contract	10,088,998	9,460,832	628,166
TOTAL INCOME	**$ 22,351,525**	**$ 18,843,302**	**$ 3,508,223**
EXPENSES:			
Salaries	10,692,664	9,821,962	870,702
Employee Benefits	2,080,764	2,018,273	62,491
Medication Expense	488,856	353,778	135,078
Travel-Board/Staff	318,089	301,593	16,496
Building Rent/Maintenance	202,600	178,735	23,865
Consultants/Contracts	3,718,414	3,726,114	(7,700)
Other Operating Expenses	1,724,232	1,750,710	(26,478)
TOTAL EXPENSES	**$ 19,225,619**	**$ 18,151,165**	**$ 1,074,454**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 3,125,906**	**$ 692,137**	**$ 2,433,769**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	2,349,462	283,435	2,066,027
Capital Outlay-Debt Service	286,713	-	286,713
TOTAL CAPITAL EXPENDITURES	**$ 2,636,175**	**$ 283,435**	**$ 2,352,740**
GRAND TOTAL EXPENDITURES	**$ 21,861,794**	**$ 18,434,600**	**$ 3,427,194**
Excess (Deficiency) of Revenues and Expense	**$ 489,732**	**$ 408,702**	**$ 81,030**

Debt Service and Fixed Asset Fund:			
Debt Service	286,713	-	286,713
			-
Excess(Deficiency) of revenues over Expense	**286,713**	**-**	**286,713**

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

INCOME:	MONTH OF April 2016	MONTH OF April 2015	Increase (Decrease)
Local Revenue Sources	103,292	270,850	(167,558)
Earned Income	1,105,751	1,146,979	(41,228)
General Revenue-Contract	1,421,227	1,229,887	191,340
TOTAL INCOME	**$ 2,630,271**	**$ 2,647,716**	**$ (17,445)**
Salaries	1,466,013	1,388,353	77,660
Employee Benefits	266,353	350,659	(84,306)
Medication Expense	100,146	42,291	57,855
Travel-Board/Staff	39,687	55,557	(15,870)
Building Rent/Maintenance	28,646	25,819	2,827
Consultants/Contracts	531,656	501,706	29,950
Other Operating Expenses	203,300	219,270	(15,970)
TOTAL EXPENSES	**$ 2,635,802**	**$ 2,583,655**	**$ 52,147**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ (5,531)**	**$ 64,061**	**$ (69,592)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	62,113	(62,113)
Capital Outlay-Debt Service	37,411	-	37,411
TOTAL CAPITAL EXPENDITURES	**$ 37,411**	**$ 62,113**	**$ (24,702)**
GRAND TOTAL EXPENDITURES	**$ 2,673,212**	**$ 2,645,768**	**$ 27,444**
Excess (Deficiency) of Revenues and Expense	**$ (42,941)**	**$ 1,948**	**$ (44,889)**
Debt Service and Fixed Asset Fund:			
Debt Service	37,411	-	37,411
			-
Excess(Deficiency) of revenues over Expense	**37,411**	**-**	**37,411**

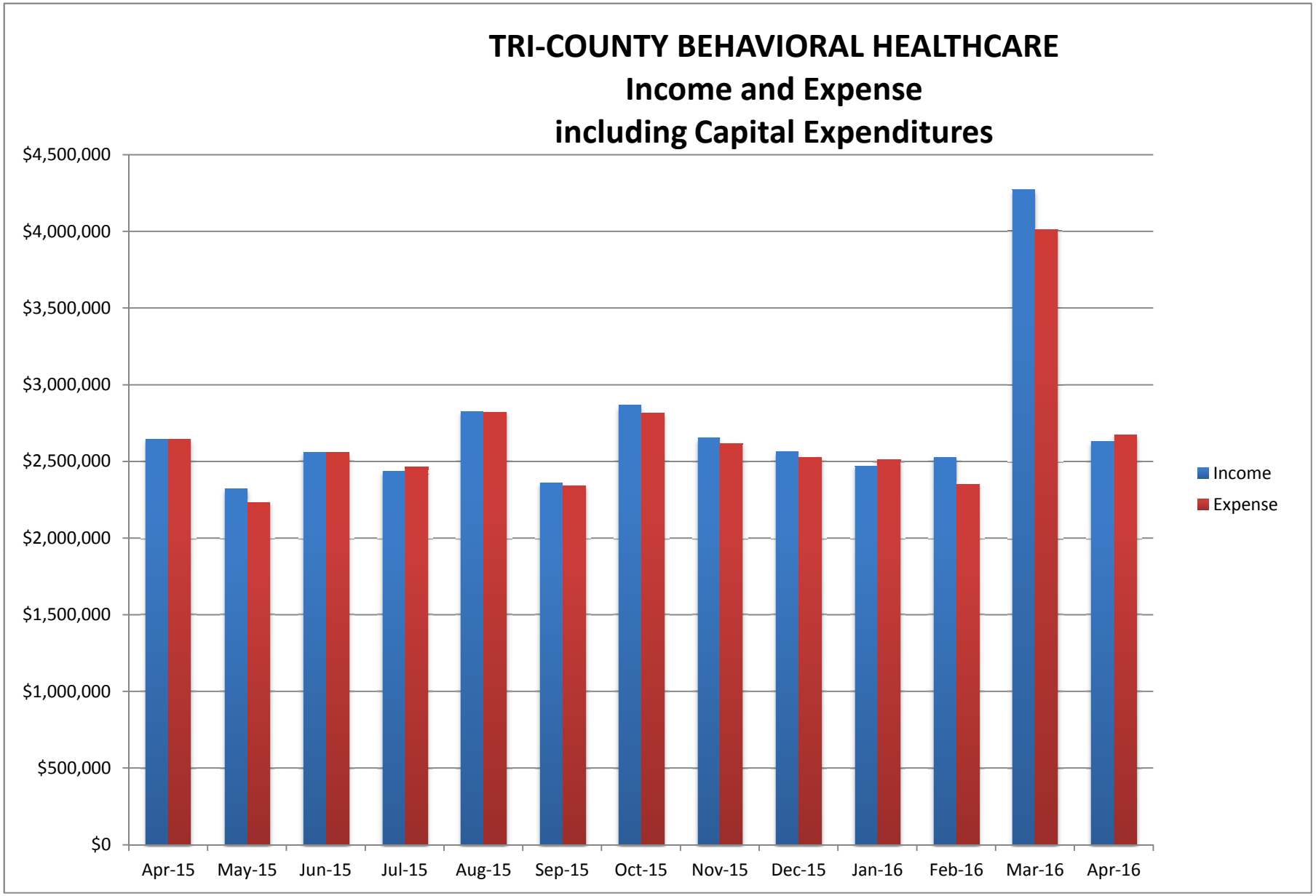
TRI-COUNTY BEHAVIORAL HEALTHCARE
Revenue and Expense Summary
With March 2016 Comparative Data
For the Month Ended April 2016

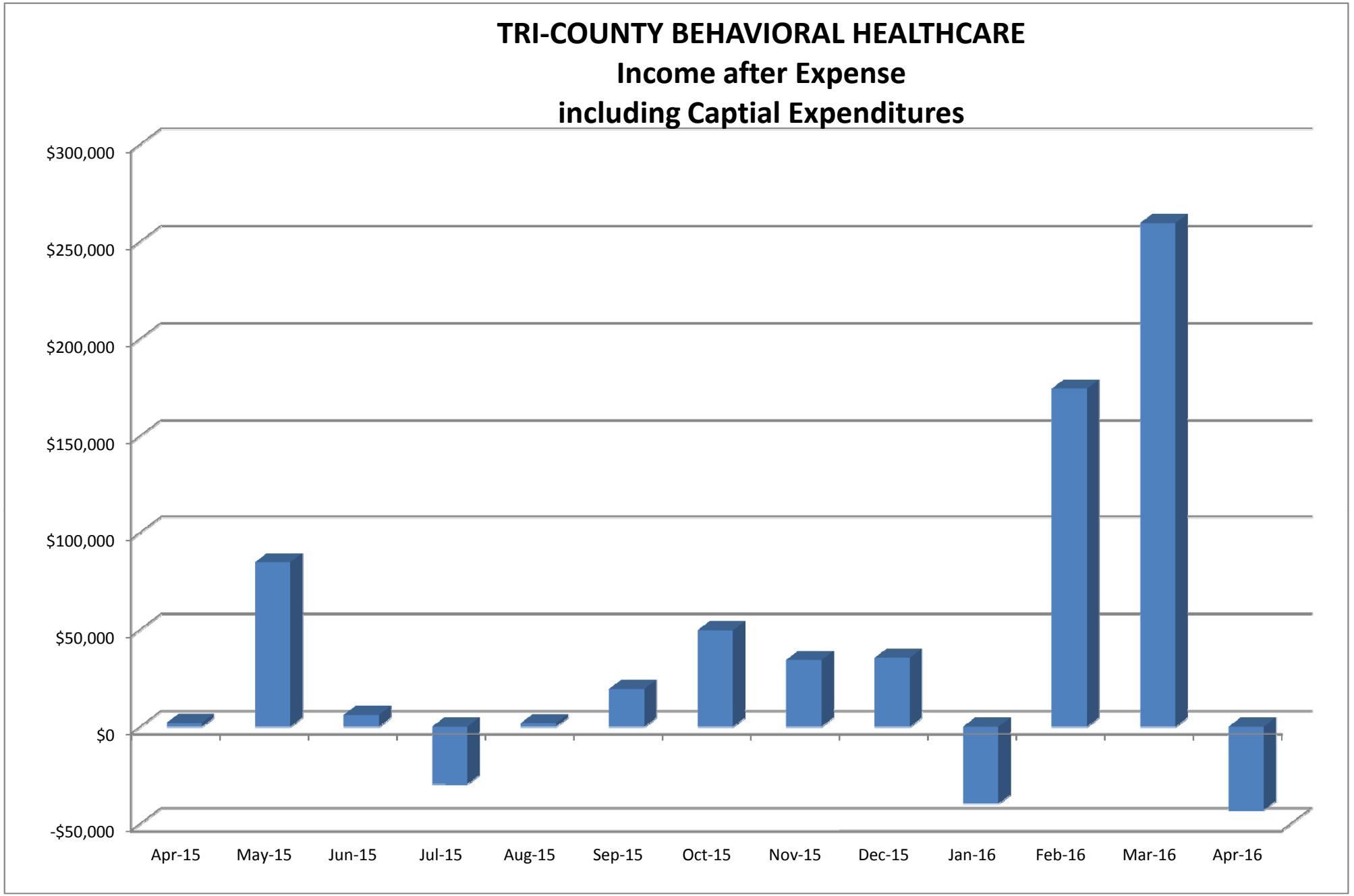
INCOME:	MONTH OF April 2016	MONTH OF March 2016	Increase (Decrease)
Local Revenue Sources	103,292	1,578,252	(1,474,960)
Earned Income	1,105,751	1,278,719	(172,968)
General Revenue-Contract	1,421,227	1,414,764	6,463
TOTAL INCOME	**$ 2,630,271**	**$ 4,271,735**	**$ (1,641,464)**
EXPENSES:			
Salaries	1,466,013	1,298,007	168,007
Employee Benefits	266,353	305,081	(38,728)
Medication Expense	100,146	49,248	50,898
Travel-Board/Staff	39,687	36,769	2,918
Building Rent/Maintenance	28,646	10,028	18,618
Consultants/Contracts	531,656	477,609	54,047
Other Operating Expenses	203,300	217,525	(14,225)
TOTAL EXPENSES	**$ 2,635,802**	**$ 2,394,266**	**$ 241,535**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ (5,531)**	**$ 1,877,469**	**$ (1,883,000)**
CAPITAL EXPENDITURES			
Capital Outlay-FF&E, Automobiles	-	1,580,841	(1,580,841)
Capital Outlay-Debt Service	37,411	37,150	261
TOTAL CAPITAL EXPENDITURES	**$ 37,411**	**$ 1,617,991**	**$ (1,580,580)**
GRAND TOTAL EXPENDITURES	**$ 2,673,212**	**$ 4,012,257**	**$ (1,339,045)**
Excess (Deficiency) of Revenues and Expenses	**$ (42,941)**	**$ 259,478**	**$ (302,420)**

Debt Service and Fixed Asset Fund:			
Debt Service	37,411	37,150	261
Excess(Deficiency) of revenues over Expenses	**37,411**	**37,150**	**261**

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

INCOME:	YTD Mental Health April 2016	YTD IDD April 2016	YTD Other Services April 2016	YTD Agency Total April 2016	YTD Approved Budget April 2016	Increase (Decrease)
Local Revenue Sources	2,227,687	732,160	31,038	2,990,884	2,971,840	19,044
Earned Income	2,355,804	3,922,612	2,993,227	9,271,643	9,342,215	(70,572)
General Revenue-Contract	8,948,067	1,140,931		10,088,998	10,103,058	(14,060)
TOTAL INCOME	**$ 13,531,558**	**$ 5,795,703**	**$ 3,024,265**	**$ 22,351,525**	**$ 22,417,113**	**$ (65,588)**
EXPENSES:						
Salaries	6,700,925	2,149,307	1,842,432	10,692,664	10,797,769	(105,105)
Employee Benefits	1,303,679	452,245	324,840	2,080,764	2,089,409	(8,645)
Medication Expense	349,570		139,286	488,856	471,954	16,902
Travel-Board/Staff	181,990	94,831	41,268	318,088	298,187	19,901
Building Rent/Maintenance	120,026	54,118	28,456	202,600	199,164	3,436
Consultants/Contracts	1,555,132	2,032,705	130,578	3,718,414	3,825,515	(107,101)
Other Operating Expenses	1,006,855	415,329	302,046	1,724,232	1,763,195	(38,963)
TOTAL EXPENSES	**$ 11,218,177**	**$ 5,198,535**	**$ 2,808,906**	**$ 19,225,618**	**$ 19,445,193**	**$ (219,575)**
Excess(Deficiency) of Revenues over Expenses before Capital Expenditures	**$ 2,313,381**	**$ 597,168**	**$ 215,359**	**$ 3,125,907**	**$ 2,971,920**	**$ 153,987**
CAPITAL EXPENDITURES						
Capital Outlay-FF&E, Automobiles	1,254,781	567,092	527,589	2,349,462	2,455,867	(106,405)
Capital Outlay-Debt Service	234,824	30,699	21,190	286,713	280,475	6,238
TOTAL CAPITAL EXPENDITURES	**$ 1,489,605**	**$ 597,791**	**$ 548,779**	**$ 2,636,175**	**$ 2,736,342**	**$ (100,167)**
GRAND TOTAL EXPENDITURES	**$ 12,707,782**	**$ 5,796,326**	**$ 3,357,685**	**$ 21,861,793**	**$ 22,181,535**	**$ (319,742)**
Excess (Deficiency) of Revenues and Expenses	**$ 823,776**	**$ (623)**	**$ (333,420)**	**$ 489,732**	**$ 235,578**	**$ 254,154**
Debt Service and Fixed Asset Fund:						
Debt Service	234,824	30,699	21,190	286,713	280,475	(45,651)
		-	-	-	-	-
Excess(Deficiency) of revenues over Expenses	**234,824**	**30,699**	**21,190**	**286,713**	**280,475**	**(45,651)**


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


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

Agenda Item: Consider Selection of FY 2016 Auditor **Committee:** Business	**Board Meeting Date** May 26, 2016

Background Information:

Each year, Tri-County Behavioral Healthcare is required to select an outside auditor for our financial audit. We have previously used the following auditors:

FY 1992	Pircher and Co.
FY 1988 - 1993	Kenneth Davis
FY 1999	Vetter & Taboada, PC
FY 2000 - 2003	David N. Miller, LLP
FY 2004 - 2006	McConnell & Jones, LLP
FY 2007 - 2010	David N. Miller, LLP
FY 2011 - 2012	Carlos Taboada & Company, PC (Carlos Taboada previously worked for David N. Miller, LLP and opened his own business 7/11.)
FY 2013 - 2015	Scott, Singleton, Fincher and Company, PC

The FY 2016 DSHS and DADS Performance Contracts state that the Center shall "engage the same audit firm no more than six (6) consecutive years from the initial date of engagement."

Supporting Documentation:

Auditor Engagement Letter

Recommended Action:

Approve Audit Engagement Letter from Scott, Singleton, Fincher and Company, PC or Solicit Proposals for FY 2016 Independent Financial Audit

SCOTT, SINGLETON, FINCHER AND COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Tommy L. Nelson, CPA
Hannah C. Nelson-Rix, CPA
Abigail E. Evans, CPA

Members of:
American Institute of
Certified Public Accountants

Texas Society of
Certified Public Accountants

May 18, 2016

To the Board of Trustees and Management
Tri-County Behavioral Health Care
P. O. Box 3067
Conroe, Texas 77305

We are pleased to confirm our understanding of the services we are to provide Tri-County Behavioral Health Care for the year ended August 31, 2016. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Tri-County Behavioral Health Care as of and for the year ended August 31, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Tri-County Behavioral Health Care's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Tri-County Behavioral Health Care's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.

2) Budgetary Comparison Schedule – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies Tri-County Behavioral Health Care's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1) Schedule of expenditures of federal and state awards.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide an opinion or any assurance.

1) Supplementary schedules required by the Texas Health and Human Services Commission Audit Guidelines

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and terms and conditions of federal and state awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular.*

The *Governmental Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. The Uniform Guidance and the *State of Texas Single Audit Circular* report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Texas Single Audit Circular.* Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and the *State of Texas Single Audit Circular;* and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Trustees of Tri-County Behavioral Health Care. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the Center. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal and state award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the Center and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the *State of Texas Single Audit Circular,* we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the *State of Texas Single Audit Circular*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, the Uniform Guidance and the *State of Texas Single Audit Circular.*

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Center's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance and the *State of Texas Single Audit Circular* requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and state statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement*; and the *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* published by THHSC for the types of compliance requirements that could have a direct and material effect on each of the Center's major programs. The purpose of these procedures will be to express an opinion on the Center's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the *State of Texas Single Audit Circular.*

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the Center in conformity with U.S. generally accepted accounting principles; the Uniform Guidance; and the *State of Texas Single Audit Circular* based on information provided by you. We will also assist in preparing the Form 990 based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures or federal and state awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal and state awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any unrecorded misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Center complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance and the *State of Texas Single Audit Circular*, it is management's responsibility to evaluate and monitor noncompliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on the date of our first scheduled audit field work.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, if applicable) in conformity with the Uniform Guidance and the *State of Texas Single Audit Circular*. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards, in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular;* (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes, preparation of Form 990, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. You will be required to acknowledge in the management representation letter our assistance with preparation of Form 990 prior to its filing and accept responsibility for it. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification.

The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Center; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Scott, Singleton, Fincher and Company and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation, and appropriate individuals will be made available upon request in a timely manner to Texas Health and Human Services Commission Office of the Inspector General or its designee, a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Scott, Singleton, Fincher and Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit and issue our reports on mutually agreed upon dates. Tommy Nelson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). We estimate that our gross fee, including expenses, will not exceed $27,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review report dated October 29, 2015 accompanies this letter.

We appreciate the opportunity to be of service to Tri-County Behavioral Health Care and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Scott, Singleton, Fincher and Company, PC

Scott, Singleton, Fincher and Company, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Tri-County Behavioral Health Care.

Board signature: _____

Title: _____

Date: _____

Management signature: _____

Title: _____

Date: _____

Condley
AND COMPANY, LLP
Certified Public Accountants and Business Advisors

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www.condley.com

System Review Report

October 29, 2015

To the Owner
Scott, Singleton Fincher and Company, P.C.
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Scott, Singleton Fincher and Company, P.C. (the firm) in effect for the year ended June 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Scott, Singleton Fincher and Company, P.C. in effect for the year ended June 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Scott, Singleton Fincher and Company, P.C. has received a peer review rating of *pass*.

[redacted]
Certified Public Accountants

Agenda Item: Board of Trustees Unit Financial Statement for April 2016 **Committee:** Business	**Board Meeting Date** May 26, 2016
Background Information: None	
Supporting Documentation: April 2016 Board of Trustees Unit Financial Statement	
Recommended Action: **For Information Only**	

Unit Financial Statement

FY 2016

	April 2016 Actuals	April 2016 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	$ 2,596.00	$ 2,596.00	$ -	$ 20,766.00	$ 20,766.00	$ -	100.00%	$ 31,150.00
Total Revenue	$ 2,596.00	$ 2,596.00	$ -	$ 20,766.00	$ 20,766.00	$ -	100.00%	$ 31,150.00
Expenses								
Food Items	$ 308.15	$ 208.00	$ 100.15	$ 1,483.01	$ 1,668.00	$ (184.99)	88.91%	$ 2,500.00
Insurance-Worker Compensation	$ 6.09	$ 17.00	$ (10.91)	$ 60.03	$ 132.00	$ (71.97)	45.48%	$ 200.00
Legal Fees	$ 1,500.00	$ 1,500.00	$ -	$ 12,000.00	$ 12,000.00	$ -	100.00%	$ 18,000.00
Postage-Express Mail	$ -	$ 4.00	$ (4.00)	$ -	$ 34.00	$ (34.00)	0.00%	$ 50.00
Supplies-Office	$ 32.40	$ 8.00	$ 24.40	$ 277.17	$ 213.00	$ 64.17	0.00%	$ 100.00
Training	$ -	$ 300.00	$ (300.00)	$ 1,850.00	$ 2,400.00	$ (550.00)	77.08%	$ 3,600.00
Travel - Local	$ -	$ 75.00	$ (75.00)	$ 242.36	$ 600.00	$ (357.64)	40.39%	$ 900.00
Travel - Non-local Mileage/Air	$ 75.50	$ 150.00	$ (74.50)	$ 1,637.26	$ 1,200.00	$ 437.26	136.44%	$ 1,800.00
Travel - Non-local Hotel	$ -	$ 250.00	$ (250.00)	$ 967.05	$ 2,000.00	$ (1,032.95)	48.35%	$ 3,000.00
Travel - Meals	$ -	$ 83.00	$ (83.00)	$ 227.73	$ 668.00	$ (440.27)	34.09%	$ 1,000.00
Total Expenses	$ 1,922.14	$ 2,595.00	$ (672.86)	$ 18,744.61	$ 20,915.00	$ (2,170.39)	89.62%	$ 31,150.00
Total Revenue minus Expenses	$ 673.86	$ 1.00	$ 672.86	$ 2,021.39	$ (149.00)	$ 2,170.39	10.38%	$ -

Agenda Item: Building Consolidation Update **Committee:** Business	**Board Meeting Date** May 26, 2016

Background Information:

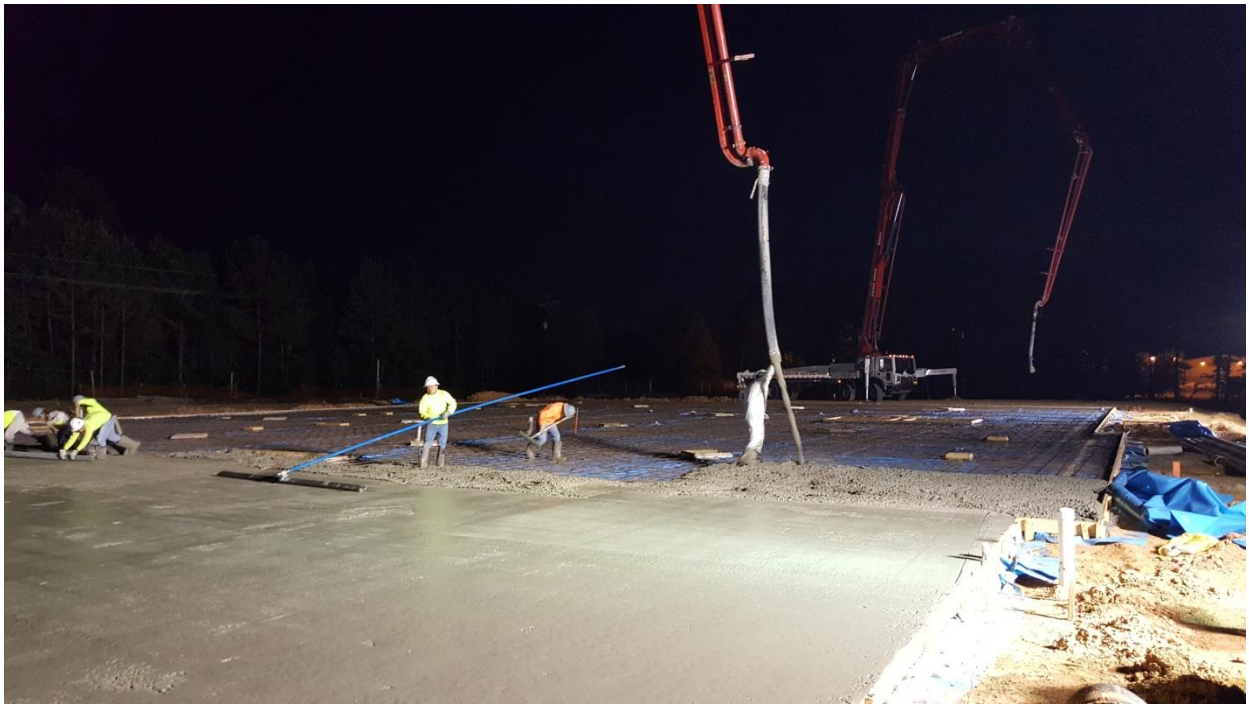
As a standing information item on the agenda, Tri-County staff, Mike Duncum and/or contractors will continue to provide updates to the Board regarding progress made throughout the construction phase until we have officially moved into the new consolidated facility in Montgomery County.

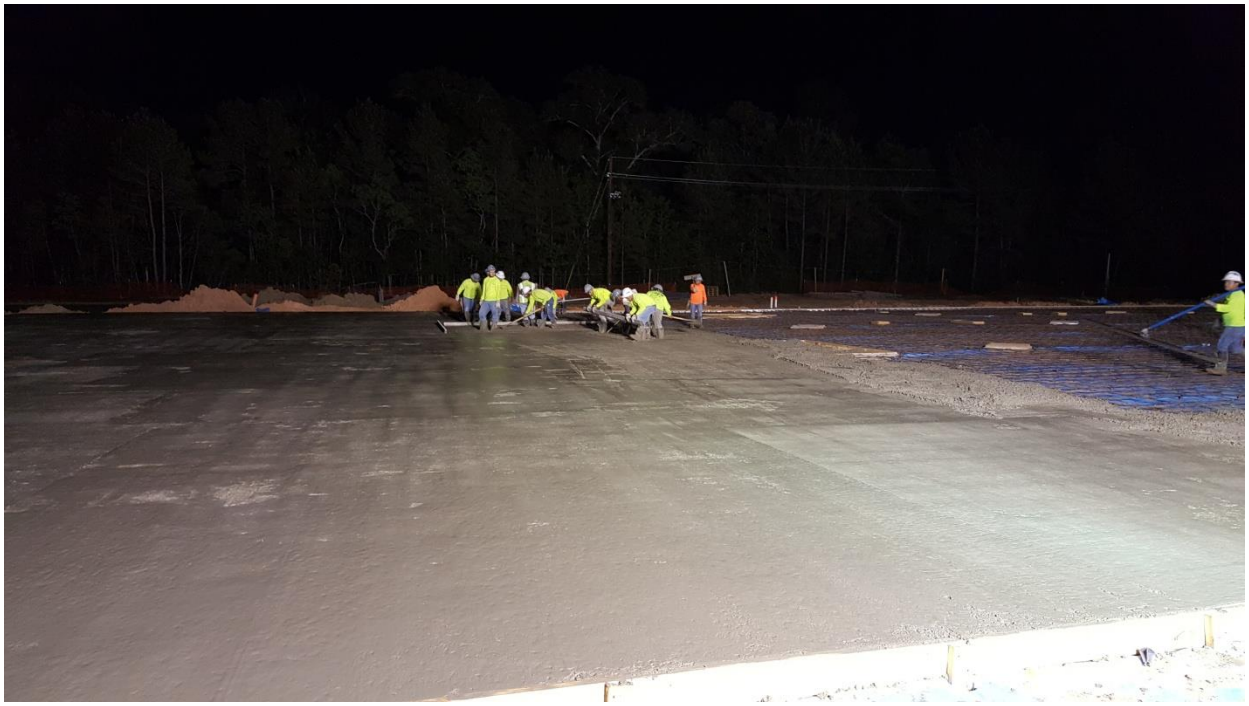
Supporting Documentation:

Project Pictures

Recommended Action:

For Information Only





UPCOMING MEETINGS

July 28th, 2016 – Board Meeting

- Approve Minutes from May 26, 2016 Board Meeting
- Longevity Recognition Presentations – May through July 2016
- Community Resources Report
- Consumer Services Reports for May & June 2016
- Program Updates
- FY 2016 Goals & Objectives Progress Report
- 3rd Quarter FY 2016 Corporate Compliance & Quality Management Report
- 4th Quarter FY 2016 Corporate Compliance Training
- Medicaid 1115 Transformation Waiver Project Status Report
- Appoint Nominating Committee for FY 2017 Board Officers
- Appoint Executive Director Evaluation Committee
- Personnel Reports for May & June 2016
- Texas Council Risk Management Fund Claims Summaries for May & June 2016
- Approve Financial Statements for May & June 2016
- Approve Recommendation for Tri-County Employee Health Insurance & Ancillary Plans
- 3rd Quarter FY 2016 Investment Report
- Board of Trustees Unit Financial Statements for May & June 2016
- Cleveland Supported Housing, Inc. Update
- Building Consolidation Update

August 25th, 2016 – Board Meeting

- Approve Minutes from July 28, 2016 Board Meeting
- Approve Goals & Objectives for FY 2017
- Community Resources Report
- Consumer Services Report for July 2016
- Program Updates
- Annual Election of FY 2017 Board Officers
- Executive Director's Evaluation, Compensation & Contract for FY 2017
- Nominations for the Texas Council Risk Management Fund's Board of Trustees
- Personnel Report for July 2016
- Texas Council Risk Management Fund Claims Summary for July 2016
- Texas Council Quarterly Board Meeting Verbal Update
- Approve July 2015 Financial Statements
- Approve FY 2016 Year End Budget Revision
- Approve Proposed FY 2017 Operating Budget
- Approve FY 2017 HHSC Enterprise Agency Contract
- Board of Trustees Unit Financial Statement for July 2016
- Building Consolidation Update