

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

**September 26, 2013**



*Serving individuals with mental illness  
and developmental disabilities*

Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Services will be held on Thursday, September 26, 2013. The Business Committee will convene at 9:00 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 1506 FM 2854, Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:15 a.m.

## AGENDA

### I. Organizational Items

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

### II. Approve Minutes - August 29, 2013

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

- A. DSHS
  - 1. Targets/Outcomes Update
  - 2. Outpatient Competency Restoration
- B. DADS
  - 1. Texas Home Living
  - 2. PASRR
- C. PETC
  - 1. Facility Audit
  - 2. Nurse Call System
  - 3. Generator
- D. 1115 Waiver
- E. Texas Council
  - 1. Framework for the Future
- F. ETBHN Navigator Grant
- G. TDHCA Audit

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

- A. FY 2013 Audit
- B. Worker's Compensation Audit
- C. FEMA - Ike Close-Out Requests
- D. CFO Consortium
- E. FY 2014 Budget Revision

### V. Program Committee

#### Action Items

- A. Reappoint Mental Health Planning Network Advisory Committee Members ..... Page 11
- B. Reappoint Intellectual and Developmental Disabilities Planning Network Advisory Committee Members ..... Page 12

#### Information Items

- C. Community Resources Report for August 2013 ..... Pages 13-14
- D. Consumer Services Report for August 2013 ..... Pages 15-16
- E. Program Updates for August 2013 ..... Pages 17-20
- F. Annual Planning Network Advisory Committee Reports ..... Pages 21-23
- G. Final FY 2013 Goals & Objectives Progress Report ..... Pages 24-29

H. 4 <sup>th</sup> Quarter Corporate Compliance & Quality Management Report.....	Pages 30-31
I. Annual Corporate Compliance & Quality Management Report.....	Pages 32-33
J. 1 <sup>st</sup> Quarter Corporate Compliance Training.....	Pages 34-35

**VI. Executive Committee**

Action Items

A. Appoint Texas Council Representative & Alternate for FY 2014.....	Page 36
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Information Items

B. Board of Trustees Reappointments & Oaths of Office.....	Pages 37-41
C. Board of Trustees Committee Appointments.....	Page 42
D. Analysis of Board Members Attendance for FY 2013 Regular & Called Board Meetings.....	Pages 43-44
E. Personnel Report for August 2013.....	Pages 45-46

**VII. Business Committee**

Action Items

A. Approve FY 2014 Dues Commitment & Payment Schedule for Texas Council Community Centers.....	Pages 47-54
B. Approve 6 <sup>th</sup> Payment of Non-Refundable Option Money to the Property Owner for the Independence Oaks Project Site, Cleveland, Texas.....	Page 55
C. Approve FY 2014 DSHS Performance Contract #2014-044767.....	Page 56
D. Approve DSHS Youth Prevention-Selective Contract #2014-044724-001.....	Page 57
E. Ratify DSHS Treatment Youth Services Contract #2014-044595-001.....	Page 58
F. Approve FY 2014 Kingwood Pines Inpatient Hospital Contract.....	Page 59
G. Approve FY 2014 Cypress Creek Inpatient Hospital Contract.....	Page 60

Information Items

H. Review Preliminary August 2013 Financial Statements.....	Pages 61-74
I. 4 <sup>th</sup> Quarter FY 2013 Investment Report.....	Pages 75-79
J. Board of Trustees' Unit Financial Statement for August 2013.....	Pages 80-81
K. Montgomery Supported Housing, Inc. Update.....	Page 82

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

Posted By:

Stephanie Eveland  
Executive Assistant

# Tri-County Services

P.O. Box 3067  
Conroe, TX 77305

## BOARD OF TRUSTEES MEETING

August 29, 2013

### Board Members Present:

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

### Board Members Absent:

None

### Tri-County Staff Present:

Evan Roberson, Executive Director  
Millie McDuffey, Chief Financial Officer  
Sandy Kelly, Director of Administrative Support  
Kathy Foster, Assistant Director of IDD Provider Services  
Chuck Lowman, Criminal Justice Services Director  
Catherine Prestigiovanni, Behavioral Health Director  
Kelly Shropshire, Assistant Director of IDD Authority Services  
Stephanie Eveland, Executive Assistant  
Shane Burks, Coordinator of Resource Development  
Stella Montemayor, Administrative Assistant  
David Deaton, Legal Counsel  
Gary Doddridge, Staff  
Mary Gail Doddridge, Staff  
Janet Munson, Staff  
Lois Schmidt, Staff

### Guests:

Genelle Edwards, Empowerment Options  
Duane Moore, Empowerment Options

**Call to Order:** Chairman, David Walker, called the meeting to order at 10:03 a.m. at 1506 FM 2854, Conroe, Texas.

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

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

Cont.

The Board of Trustees and staff recognized Gary Doddridge's retirement after 27 years of service with Tri-County Services.

**Resolution #08-13-01**

**Motion Made By:** Brad Browder

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

**Resolved:**

That the Board approve the minutes of the July 25, 2013 meeting of the Board of Trustees.

**Executive Director's Report:**

The Executive Director's report is on file.

**Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

**PROGRAM COMMITTEE:**

**Resolution #08-13-02**

**Motion Made By:** Tracy Sorensen

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

**Resolved:**

That the Board approve the FY 2014 Goals and Objectives with minor revisions made to Goal #3, Objective #1.

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

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

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

## EXECUTIVE COMMITTEE:

### **Resolution #08-13-03**

**Motion Made By:** Sharon Walker

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

### **Resolved:**

That the Board elect the FY 2014 Board Officers as follows:

- David Walker, Chairman
- Brad Browder, Vice-Chairman
- Tracy Sorensen, Secretary

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

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

## BUSINESS COMMITTEE:

### **Resolution #08-13-04**

**Motion Made By:** Morris Johnson

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

### **Resolved:**

That the Board approve the July 2013 Financial Statements.

### **Resolution #08-13-05**

**Motion Made By:** Morris Johnson

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

### **Resolved:**

That the Board approve the FY 2013 Year End Budget Revision.

### **Resolution #08-13-06**

**Motion Made By:** Morris Johnson

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

### **Resolved:**

That the Board approve the proposed FY 2014 Operating Budget.

**Resolution #08-13-07**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the purchase of a Dodge Grand Caravan from the lowest bidder, Liberty-Dayton Chrysler.

**Resolution #08-13-08**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the purchases of vehicles from the lowest bidders as follows:

- Ford Focus – BJ Ford
- Ford E-350 Passenger Van – Anderson Ford

**Resolution #08-13-09**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve Cordova Construction, Inc. to repair the rear parking lot and sidewalk and install lighting at the Administration building at a cost that does not exceed \$102,988.

**Resolution #08-13-10**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve Century Construction & Consulting to add an R-Panel extension around the perimeter of the roof at the Administration building at a cost that does not exceed \$7,000.

**Resolution #08-13-11**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board elect Brad Browder to serve as a representative of the Board on the Property Committee.

**Resolution #08-13-12**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2014-15 DADS Performance Contract and authorize the Executive Director, Evan Roberson, to execute any necessary documents.

**Resolution #08-13-13**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2014 DSHS Substance Abuse Treatment (TRA) Contract #2014-044438-001.

**Resolution #08-13-14**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2014 DSHS Co-Occurring Mental Health and Substance Abuse Services (TCO) Contract #2014-044475-001.

**Resolution #08-13-15**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2014 DSHS Contract #2012-039597, Amendment #001G: Mental Health Performance Contract Notebook.



**Resolution #08-13-16**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2013 Kingwood Pines Inpatient Hospital Contract Addendum for 1 month.

**Resolution #08-13-17**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2013 Cypress Creek Inpatient Hospital Contract Addendum for 1 month.

**Resolution #08-13-18**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board ratify the DSHS Contract #2013-041499, Amendment #002A: Youth Prevention-Selective (Youth).

**Resolution #08-13-19**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2014 Avail Solutions, Inc. Contract for Crisis Hotline Assessment Services.

**Resolution #08-13-20**

**Motion Made By:** Morris Johnson

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

**Resolved:**

That the Board approve the FY 2014 ICF/IID Services Contract with Empowerment Options.

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

The regular meeting of the Board of Trustees recessed at 11:19 a.m. to go into Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney and Section 551.074, Personnel.

The meeting of the Board of Trustees reconvened at 11:41 a.m. to go into regular session.

**Resolution #08-13-21**

**Motion Made By:** Cecil McKnight

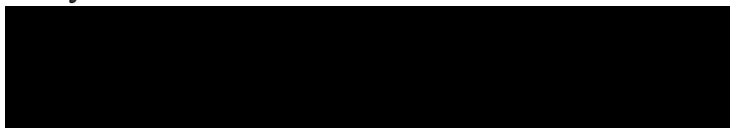
**Seconded By:** Janet Qureshi, with affirmative votes by David Walker, Brad Browder, Tracy Sorensen, Patti Atkins, Morris Johnson and Sharon Walker that it be...

**Resolved:**

That the Board extend the Executive Director's contract by 1 year.

The regular meeting of the Board of Trustees adjourned at 11:42 a.m.

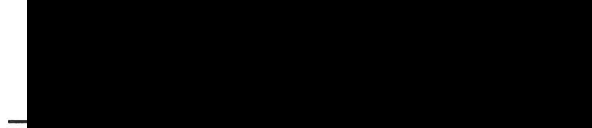
**Adjournment:**



David Walker  
Chairman

Date

**Attest:**



Tracy Sorensen  
Secretary

Date



# Executive Director's Report

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*September 26, 2013*

## Announcements

- The next regularly scheduled Board meeting is October 24, 2013.
- We received the proceeds from the 24<sup>th</sup> Annual Burnham Golf Classic on September 19<sup>th</sup>. We are very appreciative to have received **\$25,000** this year, and we thank the Burnham and McKnight families and all the other volunteers and supporters. I have included the article from the Liberty Vindicator with this report.
- I regret to inform you that the public notice of the Board meeting missed the posting requirement of 72 hours prior to the scheduled time of the meeting. The Board notice was posted on the website, but was not posted at the court houses of the three counties in time. The task of posting notices for the meetings has been completed by agency support staff and an error occurred. I have changed this process and it will not happen again.  
I consulted with Mary Lou Flynn-Dupart and Mr. Walker about the notice problem. We can have the meeting today and vote on action items, but we will have to ratify these decisions at the next Board meeting. Without taking this additional step of ratification of the action items, these decisions could be challenged in court because proper notice was not given. Again, I apologize for this error.
- As some of you are aware, Sandy Kelly has stepped down from the Human Resources Director position at Tri-County. Although Sandy had been talking about retirement for a while, I was very surprised when she came to me and asked to move into the secondary position in the Human Resources Department in mid-August. Sandy will now be serving as the Assistant Human Resources Director. Sandy will work with supervisors in the hiring process and will take a more active role in public awareness activities like job fairs and United Way fundraising.  
In July, we hired Amy Foerster as the Assistant Human Resources Director. Amy was the Human Resources Director at Betty Hardwick Center in Abilene for several years, but had spent the last few years commuting from the Cypress area to Abilene after her husband was hired as the Chief of Police in Jersey Village. Amy comes to us with

advanced degrees and certification in Human Resources, and I am pleased to have her on board.

- The birthday cake this month is in honor of Sharon Walker.

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

- There was a series of conversations with the DSHS regarding both our **Service Targets and the Outcome Measurements** that will be used to determine whether the Center will be able to receive the 10% General Revenue (GR) withhold. As a reminder, there is a proposed 49% increase in our Adult Service Target and a 70% increase in our Children's Service Target. In addition, DSHS has proposed 15 outcome measurements which will be used to determine if 10% of our GR (\$1.19 million) will be withheld. During the last few days, there have been three significant developments related to these two contract issues:
  1. On Wednesday, September 18<sup>th</sup>, DSHS provided me with a list of 10% Funding Reduction Outcome Measures and Tri-County's performance in FY 2013. I have attached this document to this report. In summary, there are two measures that we would have been at risk of missing in FY 2013 and one that we would have missed all together.
  2. On Monday, September 23<sup>rd</sup>, we received communication from the Texas Council (attached), which indicates that DSHS has been directed to "immediately reconvene negotiations with the Texas Council for the purpose of reaching a mutually agreed upon target methodology." This group will only be looking at Target performance and not the outcome measures.
  3. Finally, on Monday, September 23<sup>rd</sup>, I also received an email response from DSHS regarding several pages of detailed data questions that I put together as a response to our review of the full performance contract. DSHS' response to the questions was mixed, but ultimately, they did not agree to make any changes to the contract requirements at this time. DSHS did agree to study a couple of the issues further and may make changes during this first year of measurement.

Although I have a team evaluating DSHS' responses to some of the data questions we posed, I am not sure how much longer we will pursue these discussions. Each outcome at each measurement is worth \$40,000 in GR.

- As you are aware, Tri-County Services has been running an **Outpatient Competency Restoration** (OCR) program since April of 2012. OCR restores persons who are Incompetent to Stand Trial so they can participate in the legal process. Historically, OCR has been completed in the State Hospitals, but certain non-violent offenders are eligible for restoration in the community. The original application to DSHS for this program was a joint application with Gulf Coast Center. Gulf Coast's Executive Director, Mike Winburn, notified me in August that they

intend to tell DSHS that they would not be renewing their OCR contract. We have not been successful with diverting anyone from Galveston or Brazoria Counties since the start of the program.

I have spoken with our contract manager and she indicates that Gulf Coast's decision to back out would not affect our contract with DSHS. As has been the case from the beginning, our OCR program will continue to serve persons from outside of our three counties, if they can be served in Montgomery County at the Licensed Personal Care facility that we use for housing homeless inmates.

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

- Shortly after the last Board meeting, we received word from DADS that we would be receiving a cut in **Texas Home Living** (TxHmL) service rates. The TxHmL program provides select services and support services to people with intellectual and developmental disabilities that live in family homes or their own homes. All of the service rates were cut by 1% and the Community Support service was cut by 25%. The Community Support service component provides services and supports in an individual's home and at other community locations that are necessary to achieve outcomes identified in an individual's Person Directed Plan. An example of a Community Support service would be helping someone shower and get ready for their job. This service is received by many of our TxHmL clients and this change has a significant financial impact on provider services. Kathy Foster and her team are working on a plan to make up for this unexpected decrease.
- I wanted to provide you an update on **Pre-Admission Screening and Resident Review (PASRR)**. Since May 24<sup>th</sup>, DADS has asked us to screen 364 persons with a mental illness or intellectual disability in a nursing home. Of the 364 persons, approximately 20% have an intellectual disability and the remaining 80% have a mental illness. Ages for these nursing facility residents ranges from 32 to 102. Kelly Shropshire and his staff have until the end of FY 2014 to complete the PASRR screenings.

### **Psychiatric Emergency Treatment Center**

- As many of you are aware, we had an unannounced **DSHS Facility Audit** on the 28<sup>th</sup> and 29<sup>th</sup> of August. Overall, the audit went fairly well with a few deficiencies. The most significant findings were:
  1. The nurse call system for the facility was not functioning. (Staff have been attempting to get repairs done on the system for some time. The company that installed the system went out of business and other efforts to engage vendors have not been successful.)
  2. History and Physical Assessments (completed by our Physician's Assistant) were not documented within required timelines. (The assessments were done on paper, but were not entered into the computer system. The paper forms were not time-stamped or dated.)

3. The administrative review process for sentinel or near-sentinel events was not documented adequately for DSHS auditors.
4. Facility equipment (centrifuges and other lab equipment) did not have a sticker on it which indicates when it was last tested for accuracy.
5. In addition to these more significant items, the facility auditors also cited us for some supplies that were out of date, dust in several areas, including the top of the refrigerator, and residue on the outside of the ice machine.

PETC staff, in cooperation with Quality Management staff, submitted a Plan of Correction to DSHS on September 18<sup>th</sup> before the September 19<sup>th</sup> deadline.

- As a result of the audit, staff will need to gather bids to repair or replace the **nurse call system**. Efforts to engage potential vendors to repair the system have not been successful to date, so it is likely that the system will need to be replaced. I have obtained the original specifications for the system from the project architect.
- A few days after the DSHS Facility auditors left, a construction crew working on the Catholic School campus across the street hit a transformer and knocked out power to the PETC. During this first full test of the PETC **generator**, we learned that the air conditioning and the kitchen are not connected to emergency power. Even though the facility does have lights, it could not be occupied without A/C for very long in Texas. The PETC emergency plan includes the possibility of sheltering in place, so I have requested a quote for adding an additional generator for the PETC. I will bring the quote back to the Board if it seems reasonable.

### **Medicaid 1115 Transformation Waiver**

- We were notified last month that all five **1115 Waiver** programs were approved by the Centers for Medicare and Medicaid Services (CMS) through Demonstration Year 3 (which begins October 1<sup>st</sup>). All five will have modifications to the Category 3 (outcome) measurements before that portion of the programs are approved (Category 3 represents \$2.1 million in program income for all five programs), but we can begin implementing the programs. Currently, staff are developing program designs, and we will begin hiring staff in January of 2014. I am eager to begin using these funds to provide services to consumers in need.

### **Texas Council of Community Centers**

- The Texas Council's Healthcare Opportunities Workgroup (HOW) developed the **Framework for the Future** policy paper (attached). This document "is the Texas Council of Community Centers approach to framing the components of the system that need to be addressed in dialogue with invested leaders in the mental health and substance abuse system in Texas."

The document focuses on the following key components:

- Access to Care
- Managed Care
- Technology
- Clinical Integrity and Outcomes
- Quality Assurance and Accountability
- Mental Health as Public Health
- Sustainable Financing

This position paper will be used by the Council to frame conversations with policy makers in the coming years and I thought you might find it an interesting read.

### **ETBHN Navigator Grant**

In May of this year, ETBHN and Betty Hardwick Center (Abilene) applied for a Federal **Navigator Grant** to provide Health Insurance Exchange (Marketplace) navigation to persons in our 105 combined counties. On Thursday, August 15<sup>th</sup>, ETBHN was notified that we received the grant. A Tri-County press release regarding the award was released to the local papers, but so far only the Cleveland Advocate (on-line) has published it. I have attached this article for your review.

Navigators are to inform the public about Marketplace options for health insurance but not to sign persons up for the coverage. The Marketplace insurance will be available to persons who are between 139% and 400% of the Federal Poverty Level.

As many of you are aware, Affordable Care Act Navigation has become a political football in the last few months because many of the recipients of the award were historic supporters of the President. Governor Perry has recently issued an executive order to the Texas Department of Insurance (TDI) which adds many additional requirements to healthcare navigators including additional training and additional reporting. I have attached a Letter to the TDI from State Senator Kirk Watson which expresses his concerns about their “onerous restriction on navigators that will make it harder for them to do their important work.”

In the interim, we are receiving many calls from persons in the community who are interested in working for the Center as a navigator.

I will keep you posted.

### **Texas Department of Housing and Community Affairs**

Finally, I wanted to let you know that we had a Texas Department of Housing and Community Affairs (TDHCA) Tenant-Based Rental Assistance (TBRA) audit that was completed in early September and there were no findings. The TDHCA have been challenging for many providers and we are very pleased with this result. I have attached their cover letter regarding the audit to this report.

# Burnham Classic raises \$25000 for Tri-County Services

Story   Comments



Carol Skewes

## Evan Roberson, Bruce Burnham and Cecil McKnight

Bruce Burnham (center) presented a check for \$25,000 Thurs., Sept. 19, 2013 to Tri-County Services Executive Director Evan Roberson and Senior Board Member Cecil McKnight.

Tri-County Services provides services to clients in Montgomery, Liberty and Walker counties. Tri-County Services works to ensure the provision of quality services for individuals with mental illness, substance abuse disorders and intellectual/developmental disabilities to enhance the quality of life in our community. For more information about all programs provided by Tri-County Services, call 936-521-6100 or visit [www.tricountyservices.org](http://www.tricountyservices.org).



# Burnham Classic raises \$25000 for Tri-County Services

By Carol Skewes, Publisher, [publisher@thevindicator.com](mailto:publisher@thevindicator.com) | Posted: Friday, September 20, 2013 11:17 am

B. J. Ford owner Bruce Burnman, Tri-County Services 21-year Board Member Cecil McKnight and Tri-County Services Executive Director Evan Roberson met at B. J. Ford to exchange the check for Tri-County Services Thurs., Sept. 19, 2013.

The 24<sup>th</sup> annual Burnham Classic raised just over \$25,000, which will go directly to help citizens challenged with intellectual development disabilities in South Liberty County. This is the second biggest donation in Burnham's recollection.

Burnham explained the origins of the very successful tournament, "I had a cousin that was using their services. She was epileptic and had some problems.

"My dad and I wanted to have a golf tournament, and we wanted it to have a purpose so we could donate the money."

24 years ago, Cecil and Mable McKnight were on the board of South Liberty State Center, which later combined with Tri-County Services. Their big event was a bowling tournament in Liberty, but then the bowling alley shut down. They had lost their big fundraiser.

Burnham added, "When we first started we raised a couple thousand. My dad and I always guaranteed them \$4000 so we made up the difference in the very beginning." But, then the tournament took off and the numbers show the results.

Burnham continued, "One year we made right at \$30,000. This year was \$25,000. Last year was \$23,000. Most of them average \$20,000."

Burnham described, "We cannot fit any more golfers. I had to cut down the number of golfers this year. Darkness catches us. We tee off at 7:30 a.m. in the morning and we finish at 8:15 at night. If we have a 10-15 minute rain delay anytime during the day we may not get it all in. We are not limited to sponsors, however, and that's what keeps growing."

McKnight added, "A lot of people don't even play. They just like to give."

Burnham said, "We are very specific where they (Tri-County) spend the money. This is the biggest fundraiser Tri-County has by far. You can compare us to Walker County, Montgomery County. We are doing a lot more here."

Roberson stated, "It's not that easy to do a successful fundraiser and do all that these guys are doing here."

Burnham explained, “We have a lot of people from Liberty County that play in the tournament. But we have many people come from Houston and other places just to play as well. We have had them come from as far as Alaska, Louisiana and other places.

They started attending to support me and J.C. in this deal.”

... and they keep coming back and they keep giving. Thank you.

**Tri-County**

**10% Funding Reduction Outcome Measures Only**

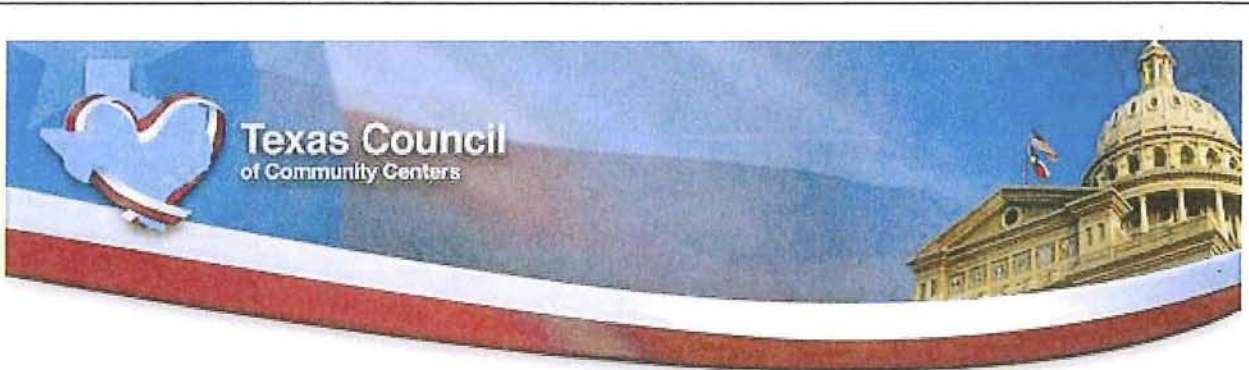
Measure ID	1st 6 months				2nd 6 months			
	Target	Below 10% benchmark	Met but at Risk	Above	Target	Below 20% benchmark	Met but at Risk	Above
<b>Adult</b>								
Employment	>=8.5%			X	9.90%			X
Housing	>=96.9%			X	97.60%			X
Community Tenure	>=95.8%			X	96.40%			X
Improvement	>=15.0%				20%			
Engagement	>=51.9%			X	54.10%			X
<b>Kids</b>								
Juvenile Justice Avoidance	>=95%		X	X	>=95%		X	
Community Tenure	>=97.5%			X	98.10%			X
Improvement	>=15%				20%			
Engagement	>=71.4%			X	77.80%			X
<b>Crisis</b>								
Hospitalization	<2.8%			X	1.90%			X
Jail Diversion	<=17.6%			X	14.10%			X
Effective Crisis Response	>=75.4%			X	76.70%			X
Frequent Admissions	<=2.0%			X	1.10%			X
Access to Crisis Response Services	>=26.0%			X	36.20%	X		

\* Data represented was modeled after data from Q1/Q2 of FY 13

## Evan Roberson

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**From:** Karen Justice <KJustice@txcouncil.com> on behalf of Communications@txcouncil.com  
**Sent:** Monday, September 23, 2013 10:02 AM  
**To:** Karen Justice  
**Subject:** UPDATE: FY2014 LMHA Performance Contract



## September 23, 2013

The Texas Council continues to engage legislative leadership offices in discussions about local implications of the FY2014 DSHS Target Methodology.

As a result of this effort, DSHS has been directed to immediately reconvene negotiations with the Texas Council for purpose of reaching a mutually agreed upon target methodology. We are hopeful this work can be completed within the six (6) month 'Hold Harmless' timeframe.

### Negotiating Team Composition

#### **Texas Council**

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

#### **DSHS**

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

We anticipate negotiations will commence immediately and continue over the next several months. Initial issues will include establishing contract amendment language to address reductions and/or shifts in local resources that impact service capacity and expectations related to bringing new people into services (e.g., waiting list clearance) within the six (6) month 'Hold Harmless' timeframe.

The Texas Council is also aware of significant challenges [requiring our continued attention] related to the 10% Incentive Based Payment Withhold and associated performance measures.

We remain committed to resolving these and other issues surrounding DSHS performance requirements.

If you have questions, please contact Lee Johnson at [ljohnson@txcouncil.com](mailto:ljohnson@txcouncil.com).

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



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**Texas Council**  
of Community Centers

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# Framework for the Future

Texas Council of Community Centers  
September 2013

## What is changing in the world of mental health and substance use disorder service delivery systems?

The healthcare landscape has changed, and will continue to change, in significant ways and at a pace not seen in the past. The next several years may bring the most significant change yet in healthcare. In Texas, the most significant change may be for the mental health service delivery system. Time of rapid change offers great opportunity to rethink the way systems are structured, what is valuable, what is meaningful and what has lost its relevance.

The mental health and substance use disorder services funded by the federal government, state agencies, insurers, foundations and local governments are not offered in isolation of the overall healthcare delivery system. In fact, one of the most significant changes in healthcare in the past two years has been the melting away of silos. Mental health and substance use disorder services are in the mix with all other healthcare delivery services and systems. The value proposition for these services are in relation to the impact of services on overall healthcare expenditures, overall quality of health outcomes and a better customer experience. The lines of public and private systems are blurring and will be significantly reduced in January 2014 with implementation of coverage options for the uninsured.

Leaders in mental health and substance use fields must step up to the challenge and join the larger health community to enact the change we need to succeed in reforming the healthcare system. Change within our separate silos or around the margins is unacceptable.

*~Robert Glover, PhD, Executive Director  
National Association of State Mental  
Health Program Directors*

In many ways, these changes reflect everything we wanted for our customers. But, we now have to re-evaluate what it means for the public mental health system.

The Framework for the Future is the Texas Council of Community Centers approach to framing the components of the system that need to be addressed in dialogue with invested leaders in the mental health and substance use disorder system in Texas. This is a high-level discussion of policy and practice in a changing world. The Framework centers around seven key components:

- Access to Care.** Implementing strategies to maximize access to quality care.
- Managed Care.** Understanding changes to long-standing roles in mental health.
- Technology.** Focusing on appropriate tools in an integrated service and finance world.
- Clinical Integrity and Outcomes.** Streamlining multi-payer approaches to drive system performance and clinical practice.
- Quality Assurance and Accountability.** Holding systems accountable in a new world.
- Mental Health as a Public Health Strategy.** Eliminating mental health stigma as a public health achievement.
- Sustainable Financing.** Finding a path to sustainable financing for community behavioral health.

## **What is a modern delivery system?**

A delivery system for people with mental illness and substance use disorders must go beyond the traditional interventions: inpatient hospital services or outpatient clinics. Having only two options, on opposite ends of the continuum of care, is a costly and ineffective way to provide treatment. The Substance Abuse and Mental Health Services Agency (SAMHSA) determined that a good and modern delivery system has the following major components:

- Health Promotion;
- Prevention;
- Screening and Early Intervention;
- Care Management;
- Self Help and Mutual Support; and
- Continuum of Services: Health Homes, Prevention/Wellness, Engagement Services, Outpatient Treatment, Community Supports/Recovery Services, Intensive Support Services, Other Living Supports, Out of Home Residential Services and Acute-Intensive Services.

Texas has lacked the full continuum of care for persons with mental illness and/or substance use disorders. The Texas Legislature has made a significant investment in mental health services and the 1115 Transformation Waiver provides new opportunity to add services along the continuum of care. As new programs are developed it will be important to monitor where progress has been made and where gaps remain in the Texas delivery system.

## **Who are Community Centers?**

There are 39 local, public Community MH/IDD Centers in Texas. Of these, thirty-seven (37) are also designated Local Mental Health Authorities while two, in the NorthSTAR region, serve as contracted providers. All 39 play a vital role in mental health services covering every county in Texas. Community Centers provide mental health services under a complex system of payers, including but not limited to:

- Health and Human Services Commission
- Department of State Health Services
- Medicaid Managed Care Health Plans
- Medicare
- Medicare Advantage
- Private Insurance
- Local Governments
- Department of Assistive and Rehabilitative Services
- Department of Aging and Disability Services
- Texas Correctional Office on Offenders with Medical or Mental Impairments

Centers play an important role in local planning and delivery of services. Diversity and disparities vary in local communities across the state. Centers work where they live and live where they work, blending multiple funding streams to best meet the needs of the community.



## **Breaking down the Core Functions of the Delivery System**

In times of change, we are often drawn to solve the crisis of the day rather than take an overarching view of the system. In that mode, the system is not restructured and the system misalignments continue to magnify the crisis. We will never live in a system without change but aligning the system to more naturally fit in the environment minimizes crisis and increases opportunities for success.

In this paper, the Healthcare Opportunities Workgroup seeks to lay out the core functions in the mental health system, looking at how operations occur today and how future operations can be better aligned with the new and dynamic healthcare environment.

### **Access to Care**

A fundamental function of the public mental health system in Texas is to provide access to needed services for persons with serious mental illness and substance use disorders. These conditions require access to quality, recovery-based care in a reasonable period of time.

### ***Waiting Lists are Funded***

In the 83<sup>rd</sup> legislative session, the Texas legislature made an unprecedented investment in mental health and substance use disorder services. One of the primary interests of the legislature was to fund waiting lists so the people in this state have access to needed services. When the legislature returns for the 84<sup>th</sup> legislative session the expectation will be that waiting lists are a piece of the past. However, there are serious threats to this progress that must be addressed in order to preserve the gains made this session.

### ***Marketplace Coverage***

The Health Insurance Exchange, now called the Marketplace, will allow the uninsured whose income is 100% to 400% of the federal poverty guideline the opportunity to shop for, select and enroll in qualified health plans. This has significant potential to increase the number of persons seeking mental health services and further blurs the line between “public” services and “private” services. These individuals will have commercial insurance coverage and distinctions between income, diagnosis and systems will be less visible.

The expectation for services will also be different. People will be looking for mental health services and are likely to contact Community Centers for services. Centers will be providers in the Marketplace Insurers networks. Individuals coming in for service, even those with serious mental illness, will expect less paperwork, faster service and access to services they value.

### ***Coverage for the Uninsured***

At this time, Texas does not have plans for a coverage expansion for persons below 100% of the federal poverty level, who do not have access to insurance through the Marketplace. General revenue funds will continue to be the sole funding source for half of all persons served under the DSHS-LMHA contract. If coverage expansion included individuals up to 138% of the federal poverty level, or about \$15,000 a year for an individual, the majority of the uninsured served by Centers will be insured.

Important to recognize is the fact that access to insurance does not necessarily mean coverage of specialty services often funded through general revenue. For example, crisis screening, jail diversion,

job development, housing support, and benefit counseling services are not covered by traditional insurance. In addition, because of the unique and significant challenges experienced by individuals with serious mental illness and substance use disorders, eligibility for insurance coverage does not equate to their ongoing ability to access and maintain insurance coverage. Planning for safety net provision of services through general revenue should include consideration of the pool of individuals who will need ongoing support for reliable access to needed outpatient care, in addition to crisis and specialty services, in order to ensure better outcomes and bend the cost curve for overall healthcare services.

### ***MTM Report Findings***

In fall of 2012, the Texas Council established a quality improvement project (QIP) on access to care. In consultation with MTM Services, thirty-two (32) Community Centers conducted internal gap analysis and developed project work plans to implement strategies that have been shown to reduce the wait time to first intake. In April 2013, MTM services issued their final report on the initiative.

Community Centers implemented a variety of change strategies including collaborative documentation, same day access, no show management, centralized scheduling, performance measures and instant access to medications. The outcomes for the Texas QIP included:

- Client wait time reduced by an average of more than 21 days (39%)
- Staff time to complete an intake reduced by 12%
- Client time to complete an intake reduced by 10%
- 96% of clients report collaborative documentation made them feel more involved in their care
- 80% of staff report collaborative documentation improved paperwork proficiency

The consultants compared the Texas system after the completion of the project to national best practice standards. On average the Texas process required an average of 5.33 hours to complete an intake, compared to the National Best Practice average of 2-2.5 hours. The consultants clearly state *“The challenges with the forms currently being utilized must be addressed if any additional changes to staff time required for intakes is to be accomplished. The challenges are multi-faceted, however without action the challenge will continue, and the gains we have made in staff time, client time and/or wait time reduction will be hard to maintain.”*

The current documentation practices must be examined carefully to make sure providers are correctly interpreting regulatory requirements; that regulatory requirements bring value; and that everything possible has been done at the state and local level to decrease the amount of time it takes to begin treatment services.

### ***Well-Trained Workforce***

As of March 2009, 173 of 254 counties in Texas (68%) were designated Health Profession Shortage Areas for mental health. Texas has less than half the recommended number of child and adolescent psychiatrists determined necessary to meet the needs of children and adolescents. There are critical needs for training opportunities and recruitment strategies at the state and local level to increase the number of mental health professionals practicing in Texas counties.

Type of Mental Health Professional	Number of Counties without a Single Professional
Psychologist	102
Licensed Professional Counselor	48
Social Worker	40
Psychiatrist	171

Source: Crisis Point, Mental Health Workforce Shortages in Texas, Hogg Foundation for Mental Health, March 2011.

### ***Telemedicine and Telehealth***

In the Texas Medicaid program, two important components of technology are being used to increase access to care for mental health and substance use disorder services: telemedicine and telehealth. Telemedicine refers to Physician Services and their delegates (Advanced Nurse Practitioners and Physician Assistants). Telehealth refers to non-physician/medical providers who can be reimbursed by Medicaid for counseling/psychotherapy, such as Psychologists, Licensed Clinical Social Workers, Licensed Professional Counselors and Licensed Marriage and Family Therapists.

The newly adopted Medicaid telemedicine rules allow Medicaid services to be billed by a physician, including psychiatrists, when a patient is seen via telemedicine in an established medical site/clinic. The Telehealth rule allows professionals licensed or certified by the Department of State Health Services to receive reimbursement for Medicaid services. The rule prohibits telemedicine and telehealth services from being delivered to a consumer in the home.

For mental health and substance use disorder services, the only reimbursable service under telehealth is Counseling/ Psychotherapy by disciplines that are licensed to deliver those services. The telehealth rule does not allow Medicaid services such as mental health rehabilitation or substance use disorder services to be reimbursed if delivered via telehealth. For allowable telehealth services, the patient must be seen in-person in an established medical site/clinic once per year to assure the service is still medically necessary.

### **Implications for Access to Care**

The legislature fully funded the waiting lists for mental health services and made large investments throughout the mental health system. Access to care issues must be addressed in order to preserve the gains made this past session. In addition to funding, the state and local systems must be fully examined for ways to be more efficient and to make sure requirements of the Texas system are in line with national standards.

**Efficient Intake Process.** National consultants have reviewed the Texas intake process and determined the requirements for data collection and forms being used must be redesigned for efficiency. The Texas Council will advance this project by engaging in an in-depth analysis of the similarities and differences among Centers, the similarities and differences between Texas requirements and national best practices, and an analysis of the essential elements of the health record. The Texas Council will present a set of recommended changes to the Department of State Health Services for consideration.

**Well-trained workforce.** Texas faces a shortage of mental health professionals now that will only get worse as many practitioners reach retirement in the next decade. The state of Texas needs a leader in

the Department of State Health Services to address workforce shortages that loom as access to mental health and substance use care expands under the Affordable Care Act.

A multi-pronged approach is required to initiate changes in the workforce shortage area. This may include:

- Promoting behavioral health certification and training for paramedics and community health workers
- Determining appropriate requirements for Licensed Chemical Dependency Counselors and promote certification programs
- Exploring blended certifications for mental health and substance use disorders
- Streamlining regulatory requirements for student placement work practices
- Expanding graduate education programs for behavioral health professionals, including psychiatry, psychology, social work, counseling and nursing
- Expanding access to student loan repayment programs

At the local level, Community Centers and Academic Institutions can partner to increase the number of mental health and substance use disorder providers in Texas. In Dallas, MetroCare Services has an established Center for Education and Research (MetroCare CER). The MetroCare CER provides training programs, mentorship opportunities and research training to increase the number of well-trained professionals willing to provide evidenced-based care within their communities through public mental health centers.

At the state level, agency leadership should continue to review practice guidelines and board regulations for opportunities to expand scope of practice for professionals when appropriate. This will allow for increased access to vital services.

**Expanded use of Telemedicine.** Texas has made significant progress in its rules and regulations to allow for expanded use of telemedicine and telehealth services. This provides an opportunity to expand access to care for individuals with mental illness. The rule defining an allowable medical site still prohibits the use of telemedicine and telehealth in the home and other non-traditional settings such as in a police car or under a bridge. These issues must be considered for specialty populations. In addition, the scope of telehealth should go beyond counseling services to include mental health rehabilitative services and substance use disorder services.

### **Managed Care: The Texas Platform for Medicaid**

Senate Bill 58 directs the Health and Human Services Commission to include mental health rehabilitative services, including the case management component, in the contracts for STAR and STAR+PLUS in September 2014. This means that for adult and children participating in Medicaid managed care, all mental health and substance use disorder services will be delivered through STAR, STAR+PLUS, STARHealth and NorthSTAR.

As you can see from the figure below, there are currently many Medicaid mental health and substance use disorder services in the health plan contracts. In September 2014, all current services, along with

mental health rehabilitation, including case management, will be carved-in to the STAR and STAR+PLUS health plan contracts, except in the NorthSTAR service area.

Behavioral Health Services	
Current STAR and STAR+PLUS Services	Future STAR and STAR+PLUS Services
Psychiatric Services	All Current Services
Counseling provided by a licensed therapist	Mental Health Rehabilitation Services, including Targeted Case Management
Inpatient Psychiatric Care (state/private hospital; children and adults)	
ECI Services	
Outpatient Substance Use Disorder Treatment	
Residential Substance Use Disorder Treatment	

Senate Bill 7 directs children on SSI to be in a managed care program called STARKids. When STARKids implements, all children mental health services and Medicaid populations will be in managed care.

#### Implications of Expanded Medicaid Managed Care

Given the expanded role of Medicaid Managed Care for specialty populations, long-standing roles are clearly changing and past responsibilities that are no longer applicable must be eliminated.

**Consumers.** Today, most Medicaid beneficiaries select a health plan for many of their services. In the future, this decision will also impact their choice in mental health rehabilitation providers. Education on managed care has been very limited for mental health consumers and is needed to ensure rights and responsibilities are clearly understood and informed decisions can be made

**Advocates.** In the past, mental health advocates have primarily focused on NorthSTAR and Community Centers. Although MCOs in STAR, STAR+PLUS, CHIP and STARHealth have played important roles in the payment and delivery of mental health and substance use disorder services, few advocates have been involved. Advocates must be well-versed in managed care contracts, reporting, outcomes and the appeals process for all Texas managed care programs.

**Providers.** According to SB 7, providers must be “well qualified” and “able to provide an appropriate array of services.” Existing mental health rehabilitation providers must prepare for more competition and to credential non-licensed staff under existing health plan contracts. New providers must understand the requirements for providing the full array of service available in the authorized level of care and understand the full array of health plan contracting requirements.

**LMHAs.** With the implementation of SB 58, LMHAs will no longer be responsible for network development and payment for Medicaid mental health rehabilitative services. This responsibility will shift to the MCO. However, the LMHA has an overarching responsibility for planning in its community and must be familiar with all resources. The LMHA should be aware and create relationships with new providers contracting with a health plan in their service area.

**HMOs.** For health plans, the addition of mental health specialty services has broad implications for contracting, credentialing, outcomes and disease management programs. HMOs will be required to make an investment to understand the details of the new program, including the importance of recovery-based services, and the implications to current business structures that may not fit these services.

Health Plans will be responsible for network development, utilization management and payment for all Medicaid mental health and substance use disorder services.

**DSHS.** The Department of State Health Services will need a relationship with HHSC that has not been absolutely required in the past. HHSC will hold key data elements on Medicaid mental health and substance use disorder services that have been in the DSHS purview in the past. Data exchange between the two agencies will be critical for DSHS to continue to have a policy and planning role for Medicaid behavioral health services in the future. In addition, DSHS must provide insight and expertise to HHSC and the managed care organizations on utilization management guidelines that are a key component of the Texas Recovery and Resiliency model.

**HHSC.** The Health and Human Services Commission will become the payer and contract monitor for specialty mental health services. In this role, important functions include planning for the operational shift from fee-for-service to managed care, examining changes in utilization over past experience and evaluating overall population health for people with serious mental illness. This also increases the emphasis needed on mental health and substance use disorder services in the health plan Quality Improvement Plan program.

### Technology

In many ways, the use of technology in the public mental health sector is at a crossroads: the past with a mental health specific thought process and the future of integrated, local health information exchange. The future system must develop quickly and efforts of the past must only be used to the extent necessary to bridge to the future system.

The future of clinical management through data will be local Health Information Exchanges, which integrate all health care data. If a mental health provider is operating a high-utilizers program, to improve mental health status and decrease use of the emergency room for non-emergent conditions involving both mental and physical health conditions, the provider needs access to real time patient data.

### *HIE in Texas*

The Texas State Designated Entity for HIE, the Texas Health Services Administration (THSA) has made awards to twelve (12) local HIEs each having an exclusive geographic service area, as well as five vendors that cover the largely rural, "White Space" with no HIE vendor. Although the twelve (12) HIEs will be linked through a state shared services layer run by THSA, this layer is relatively light.

There are two major challenges that substance abuse and mental health providers face with this approach: one regarding content that is exchanged, the other regarding the consent

management/privacy approach. And to add another level of complexity to it, these issues exist both at the local HIE level, and at the THSA level.

Currently, there are no local HIEs in Texas capable of accepting expanded clinical content—such as housing status and suicidality—that is germane to mental health and substance abuse providers. Additionally, all HIEs in Texas take a rough ‘all-or-nothing’ approach to consent/privacy. This means consumers served by Community Centers who opt not to share their substance abuse treatment information are effectively opting out of HIE altogether, since the HIEs cannot distinguish layers consent.

Additionally, these issues exist at the state shared services layer. THSA only awarded its shared services contract in early April 2013. Without a shared services layer, HIEs do not have a mechanism for exchanging content with other HIEs. This is a challenge for the 39 Community Centers in Texas because their service areas, as well as service areas for the twenty (20) Regional Health Partnership regions for the 1115 waiver, are not congruent with the HIE regions.

#### ***DSHS Clinical Management for Behavioral Health Services***

For many years, the Department of State Health Services (DSHS) has been developing the Clinical Management for Behavioral Health Services (CMBHS) system. Although DSHS recognized the need for electronic management of health information, the vision of CMBHS was created before integrated care became an accepted and expected practice in the health care delivery system and before the concepts of HIEs were widespread.

CMBHS has two primary functions:

- Web-based clinical record keeping system for state-contracted community mental health and substance abuse service providers. CMBHS supports data exchange across contracted substance abuse service providers and between DSHS and other state agencies to coordinate care.

CMBHS as an EHR is not currently certified and does not meet Meaningful Use requirements. It is designed solely to support DSHS funded services and has little 3<sup>rd</sup> party billing capability. The web-based design does not operationally support integrated records in an integrated physical health/behavioral health setting.

- Single system for DSHS behavioral health contractors to provide and receive data about clients who receive, or have received, DSHS-sponsored behavioral health services through data exchange. Data submitted through CMBHS data exchange, as well as encounter data submitted through batch processing to the DSHS Encounter Data Warehouse, is used by DSHS to monitor and evaluate service delivery trends as well as multiple process and outcome measures to hold LMHA’s accountable for contract requirements.

However, the rapid cycle of change in technology has surpassed the CMBHS model. For example, LMHA’s and other behavioral health providers use HIT vendors to purchase Electronic Health Record products. These providers are working to adopt certified electronic health records, meet Meaningful Use requirements and develop the capability of integration and interoperability with primary care, data exchange, and billing systems capable of dealing with multiple payers. The technology and health care environments are significantly different today and the goals and roles of CMBHS must be reconsidered.

## *New Technology*

Technology is changing and changing rapidly. If you think about the news around us:

- Supercomputers to help physicians make better diagnosis and treatment decisions
- Electronic records and data exchange so care can be coordinated between medical professionals
- Telemedicine bringing treatment to underserved area
- Robots that teach social clues to individuals with autism

And these may be the simple solutions brought about by technology. The human connectome project is mapping the wiring diagram of the entire, living human brain. When we know more about the connections within the brain – and especially their susceptibility to change – we will know more about brain dysfunction in aging, mental health disorders, addiction and neurological disease.

At the same time, life is lived on a hand-held device. Regulators, payers and providers must work to keep up with this high paced world and to use technology to increase access to high quality services.

## **Implications of Technology**

Although the glamour of robots and mapping of the brain present a new future for treatment of mental illness, there are two key components of technology in the Texas mental health delivery system that must be addressed immediately.

**Health Information Exchange.** Health data exchange among local providers holds tremendous promise to increase positive health care outcomes and decrease cost. The time is now for leaders at HHSC, DSHS and THSA to come together to discuss the future of behavioral health data in the Health Information Exchanges, with an emphasis of the important role of HIEs in allowing providers to capture critical outcome data required for the 1115 Transformation Waiver, Category 3 reporting.

Compared to other states, the development of HIEs in Texas is still relatively new. Of more than 43,000 providers targeted by the twelve HIEs in Texas, fewer than 1,700 are actively conducting query-based exchange, and those mostly in three HIEs. Fewer than 1000 are conducting direct-based exchange, the vast majority in just four HIEs. Clearly, there is much work left to do in Texas.

Since October 2012, The Texas Council of Community Centers has worked with Healthcare Intelligence Partners to address many of these challenges. Specifically, HCIPartners is supporting a three-pronged strategy focusing on:

- Exchange standards for data germane to behavioral healthcare;
- Defining quality measures aligned with Stage 2 Meaningful Use, the 1115 Waiver, and national standards; and
- Addressing the unique privacy/security/consent management issues that govern behavioral health and substance abuse providers.

The goal of this engagement is to support Community Centers as active partners in the delivery of high quality, measurable healthcare using health information technology. The Texas Council is invested in



working with THSA, HHSC and DSHS to develop a behavioral health continuity of care document (BH-CCD) and data exchange protocols for Regional Health Information Exchanges.

**CMBHS.** With trends in health care delivery, the feasibility of continuing to move CMBHS forward as an electronic health record or vehicle for data exchange must be reconsidered. From a data exchange standpoint, the Regional Health Information Exchanges are intended to push the integration and sharing information between physical health and behavioral health providers, with intent to reduce duplicative services and encourage coordinated and comprehensive care. CMBHS appears to duplicate efforts that are moving forward on a regional level. Local health care providers are not likely to query and receive needed clinical information from multiple sources.

The Department of State Health Services should re-evaluate the goals of CMBHS based on the rapidly changing health care environment. The evaluation must include changes occurring due to technology, Health Information Exchange, Senate Bill 58, Senate Bill 7, 1115 Waiver and the Affordable Care Act.

Based on our understanding of those multiple layers of change in the Texas health care environment, the Texas Council recommends Department of State Health Services:

1. Discontinue current development of the CMBHS web-based EHR;
2. Use CMBHS to develop data exchange capability for public substance abuse providers, with minimally necessary reporting requirements.
3. Discontinue development of CMBHS data exchange upon completion of migration of CARE and Web-CARE to CMBHS and successful implantation of current data exchange protocols.
4. Develop the capability to serve as “behavioral health consultants” to HHSC and the Managed Care Organizations.

### **Clinical Integrity and Outcomes**

As Parity and Health Care Reform measures are implemented, specialty behavioral healthcare organizations, including community mental health centers, must not only expand capacity and improve access to traditional services to meet increased demand and expectations, but must also ensure services are measurable, high-performing and include integration with primary health care, prevention and wellness services and supports.

With the significant changes underway, accountability measures placed on payers and providers alike must be clear and consistent to ensure that care is effectively and efficiently delivered. This requires a new approach, one that has implications not only for health plans and providers but also for funders such as DSHS and HHSC.

In 2008 Don Berwick, Tom Nolan, and John Whittington first described the Triple Aim of simultaneously improving population health, improving the patient experience of care, and reducing per capita cost. The Institute for Healthcare Improvement (IHI) developed the Triple Aim as a statement of purpose for fundamentally new health systems that contribute to the overall health of populations while reducing costs. The idea struck a nerve. It has since become the organizing framework for the US National Quality Strategy and for strategies of public and private health organizations around the world. The concept of

the Triple Aim can also guide efforts to streamline and improve accountability measures for public behavioral healthcare in Texas.

If we are to achieve significant gains in meeting the Triple Aim, a consistent approach to measuring improvement is essential. The ability of the provider to focus on quality strategies is diminished when each funding agency and health plan defines and measures quality in different ways. A coherent approach to measuring quality is essential to accountability at all levels.

In Texas, there are 3 main payers from behavioral health services for the SPMI population:

- HHSC for Medicaid Managed Care (through contracts with multiple MCOs)
- DSHS for the indigent population and specialty services
- HHSC for the 1115 Transformation Waiver for low-income Texans

Multi-payer approaches to quality outcomes are often difficult to bring together due to the competing interests and approaches of multiple payers. Even among state Health and Human Services agencies, the approach to measuring outcomes varies. In the 2013 DSHS contract, Centers report on 14 adult, 14 children and 19 other process and outcome measures. HHSC measures managed care organizations typically through national data sets such as HEDIS and CAHPS. The 1115 Transformation Waiver uses a set of nationally recognized outcome measures and the provider selects the measure most appropriate for the project and consumer population.

### **Implications of Clinical Integrity and Outcomes**

Healthcare systems must be able to demonstrate to consumers, payers and regulators that services provided meet the triple aim of providing a positive patient experience and being effective and cost-efficient. Effectiveness and patient experience must be demonstrated by the measurement and reporting of meaningful outcomes and satisfaction data. The behavioral healthcare industry must align its clinical, quality and information infrastructure and operations to be positioned to reliably make the case for its value in order to ensure viability and ongoing sustainability in the emerging healthcare landscape.

The Texas Council of Community Centers has engaged a national consultant to support a three-pronged strategy focused on defining quality measures that are aligned with Stage 2 Meaningful Use, the 1115 Waiver, and national standards. One of the goals of this project is to ultimately adopt a set of 5-7 reliable, valid and meaningful outcomes measures to drive system performance and clinical practice. At some point in the future, these could be the measures used to support the value of community based behavioral health services for all payers.

Although a multi-payer approach can be complicated, this approach may be simpler in the publicly funded mental health system in Texas. For Medicaid and indigent care, there are state agencies involved, all under the umbrella of the Texas Health and Human Services Commission. To adopt a multi-payer approach, leaders from HHSC and DSHS need to strategize on the most appropriate way to monitor and incentivize the healthcare outcomes desired for persons with mental illness, including those with serious mental illness. The outcomes for people with serious mental illness must focus on

elements beyond medical diagnosis and should include concepts of recovery, functioning and community integration.

### Quality Assurance and Accountability for the System

Defining contract compliance in health care is changing as the industry transforms from a pay for service to a pay for outcomes delivery system. This is complex due to multiple factors impacting the outcomes of a particular treatment on a person's health. In the public mental health system, this shift becomes more complex due to the history of community-based services and the specialty population served. In most states, community-based mental health systems were developed as individuals were deinstitutionalized. The move out of large state run facilities to community-based services was a significant shift and in most cases, these services were still very tied to the state mental health agency, which also operated the state hospitals. So, in early development contract compliance was based on operations management not contract management. In addition, the systems were developed in isolation from the rest of the healthcare delivery system.

Fast forward to 2014 and the delivery system is very different although contract compliance has stayed rooted in its history. In Texas, the public mental health system through the Department of State Health Services will pay for indigent care and some specialty services while the Health and Human Services Commission will pay for all Medicaid covered mental health benefits. The closure of the historical divide between mental health and physical health in Medicaid aligns the system more with the commercialized market and demands a holistic review of past contract compliance requirements.

### Implications of Quality Assurance and Accountability for the System of Care

Healthcare systems must be held accountable for funding received. Regulators have a responsibility to monitor contract compliance and assure that funds have been spent as designated. However, this must be done in a way that brings value to the system and is not overly burdensome.

**Contract Compliance.** Regulators throughout the health care system must reconsider current processes in light of the changing healthcare landscape. In Texas, as specialty mental health services move into managed care, there are components of the Texas Recovery and Resiliency model that should be protected and preserved. However, some elements are past history. For example, the service packages should move into managed care but not minimum service hours or average services hours. In a managed care utilization setting, certain levels of services are allowed based on member need and acuity and then a request for authorization is required after a maximum allowed number of services is reached. However, there is no concept that every person gets a certain number of hours per month regardless of clinical need or desire. Clinicians make those decisions based on established guidelines and choose evidence-based practices as they apply to each individual being served.

**National Accreditation Standards.** In order to streamline contract compliance without losing regulatory oversight, many states are utilizing applicable national accreditation review criteria to determine compliance with corresponding state requirements for provider agencies that have been reviewed and accredited by a national accrediting entity for behavioral health care services. The state policy is driving individual organizations towards national standards of practice. Although not required, allowing a

national accreditation to replace elements of state monitoring incentivizes providers to expend the resources required to attain accreditation standards.

The state of Texas should begin a dialogue on the use of national accreditation standards in the publicly funded mental health system. Currently, there are 19 states that provide deemed status to provider organizations who have CARF International accreditation. This allows CARF-accredited program to be considered in compliance with or in partial compliance with state-required licensure, participation or other state regulatory requirements.

There may be opportunity for reducing risk at the payer level and providing greater accountability while creating efficiencies at the provider level. Accreditation should confirm that a program or service is committed to continuous quality improvement, performance accountability through outcomes evidence, and monitoring the satisfaction of persons served. The Texas Council is currently reviewing CARF and Joint Commission standards compared to the Department of State Health Services regulatory requirements for Community Centers to determine if there is an opportunity to use deemed status in Texas for certain contractual requirements.

### Mental Health as a Public Health Strategy

DSHS must use its public health strategies for mental health issues. The public health community has recognized the potential for health communication to modify beliefs and behavior and has worked for many years to develop communication campaigns to change health behavior. In public health, the entire community is the patient and proactive, preventive strategies are used to achieve greater overall health. Stopping the spread of sexually transmitted diseases, such as herpes and HIV/AIDS; helping youth recognize the dangers of binge drinking; and promoting seatbelt use are all public health success stories. It is time to add mental health to the top achievements in Public Health.

The Bazelon Center for Mental Health Law suggests there are opportunities to incorporate behavioral health in several areas of the public health agenda:

- Community-wide education
- Surveillance/epidemiologic surveys
- Screening
- Assuring and linking individuals' access to care
- Identifying underlying causes of disease burden
- Promoting prevention and early intervention
- Expanding electronic data systems and information exchange
- Addressing social determinants of health, such as poverty and violence
- Disaster response

Source: Bazelon Center for Mental Health Law, A Healthcare Reform Issue Brief, Integration of Mental Health into the Public Health System.

### **Implications of Mental Health as a Public Health Strategy**

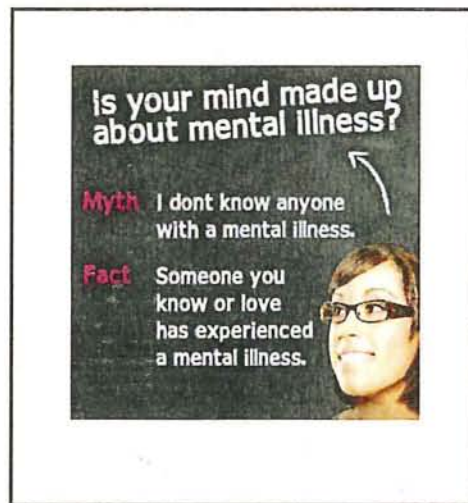
Integration of mental health into the agenda of state and local public health systems is an important step in creating a holistic healthcare system. In the past, mental health has generally been viewed as outside the medical and public health framework, and as a result is too often not included in public health activities. With focus on integration and the implications of mental health on overall health, including mental health in public health strategies is critical.

**Early identification of and policy recommendations for emerging problems.** Epidemiology is a key public health function. A steep rise in suicides among middle aged persons, increased drug overdose deaths due to pain killers and escalating ADD medication abuse on college campuses are all issues that successful public health strategies can address. DSHS has the skills and resources to help Texas rally to address these problems and other emerging issues.

**Prevention and early intervention.** DSHS can be a partner in making sure communities across Texas know what to look for and how to respond to persons experiencing a psychiatric disorder. Widespread availability of Mental Health First Aid, ASIST, and other relevant trainings could be facilitated by DSHS.

**Stigma reduction.** This is a public education initiative best led by the state mental health policy agency at a statewide level.

**Emergency preparedness.** DSHS plays an essential role in assuring that disaster relief includes mental health care.



### **Sustainable Financing**

The importance of psychiatric and nursing services for adults with serious mental illness and children with serious emotional disturbance is clear. For most individuals in those two groups, these services are critical for recovery and for sustaining health and wellness. For large, public providers such as public hospitals and FQHCs, there are permanent funding structures to supplement Medicaid payments which are not adequate to cover reasonable costs of care. For public hospitals, the Uncompensated Care Pool pays Medicare rates for Medicaid services and the Disproportionate Share Hospital (DSH) program pays uncompensated care costs when other payers do not cover full cost. For FQHCs, the Prospective Payment System reimburses Medicaid rates at the provider's full cost. Community Centers do not have a source of permanent funding to supplement Medicaid rates.

Even with the most aggressive model possible, including Texas Medicaid reimbursement, 2012 low-end average salaries for Community Center psychiatrists that work every hour without ever having a day off, it is impossible to create a scenario in which Medicaid rates for psychiatry are sustainable without supplemental funding streams. This scenario is worse for children, since the Medicaid medication management rate for adults is \$33.27 compared to children at \$26.89. In a more realistic model based on an efficient practice, the loss per month grows considerably. And, these scenarios do not include overhead and support of the physician practice such as office space, administrative support and clinical team support.

Financial Scenarios for Community-based Psychiatric Services in Medicaid		
	Most Aggressive Financial Model	Model Based on Efficient Practice
2012 Low Weighted Average Community Center Salary Survey, including fringe benefits	\$ 224,689	
2012 Locum Tenens Salary Survey, including fringe benefits		\$ 270,013
Work Hours per Month, including vacation, sick, administrative and training time	173.33	173.33
100% billability	173.33	
Billability with 10 vacation days, 5 sick days, and 5 training days		160.00
Mid-range Texas Medicaid rate for medication management for adults	\$ 33.27	\$ 33.27
Assume 3 visits per hour	520	480
Maximum revenue per month	\$ 17,300	\$15,970
Cost of MD per Month	\$ 18,724	\$22,501
<b>Loss Per Month</b>	<b>\$ (1,424)</b>	<b>\$ (6,531)</b>

The reality is that Community Centers are losing psychiatrists to other public providers, particularly FQHCs, because the Community Center salary structure cannot compete with those offered by entities with higher reimbursement rates. For example, the FQHC encounter rate for medication management ranges from \$87.76 to \$276.29 compared to \$33.27 for adults served by Community Centers.

Public Payer	Adult Medication Management	Child Medication Management
Medicaid	\$33.27	\$26.89
Medicare	\$72.55	NA
Medicaid PPS for FQHC	\$87.76-\$276.29	\$87.76-\$276.29

### *Coverage for the Uninsured*

If coverage for persons below 100% of FPL happens in Texas, a significant concern in the mental health system is that the rates of payment are not sustainable if the rates are based on the current Medicaid program. If Community Centers have 95% of their customer base with Medicaid rates, services will quickly diminish as rates do not sustain costs. A different rate structure must be implemented with any coverage expansion.

### *High value services*

The value of community based behavioral health services is not in the cost of the actual service but rather in the savings born in other parts of the health care system. The investment in community based care provides significant return.

Cost of Care for Persons with Serious Mental Illness in Texas	
Community-based mental health treatment	\$12 per day
Care for a person with mental illness who is incarcerated	\$137 per day
Visit to the emergency room	\$1265 episode
State mental health facility hospitalization*	\$400 per day

\*Excludes personnel fringe benefits and physical plant.

Source: Saving Minds, Saving Money, 2011. [www.texmed.org/WorkArea/DownloadAsset.aspx?id=20537](http://www.texmed.org/WorkArea/DownloadAsset.aspx?id=20537)

House Bill 1218 from the 81st Legislature, Regular Session 2009, requires the Texas Health and Human Services Commission (HHSC) to provide confidential information to each hospital on its performance with regard to potentially preventable readmissions (PPR) into hospitals. The SFY 2011 report documents mental health and substance abuse conditions comprised 8.5 percent of initial admissions but 25.8 percent of PPRs.

**“Readmissions for people who were initially admitted with mental health or substance abuse diagnoses were particularly notable. Moreover, patients in these care categories were more likely to have more than one readmission within a chain of readmissions. Presence of a major mental health or substance abuse condition as a secondary diagnosis also made readmissions more likely for patients who were admitted with medical or surgical conditions.”**

The report clearly documents that presence of a major mental illness or substance abuse co-morbidity substantially increases the likelihood that a person will be readmitted into the hospital for a preventable condition. “For adults, a readmission was 83 percent more likely; for pediatric patients, it was 98 percent more likely.”

More information on potentially preventable readmissions can be found at:  
<http://www.hhsc.state.tx.us/reports/2012/PPR-Readmissions-FY2011.pdf>

### *Multi-payer alignment*

CMS and HHSC are currently partnering in a grant for State Innovation Models. This is one of many projects across the country focusing on multi-payer delivery and payment models. These models can

include Accountable Care Organizations (ACOs) or shared savings plans; bundled or episodic payments or medical or health homes. The goals of testing these models include improving the health care infrastructure, lowering health costs and improving quality outcomes for patients. The ultimate goal is to create incentives for value over volume and to provide tools for providers to organize their practices to achieve quality outcomes at lower cost. This presents an opportunity to test new payment models for behavioral health.

### Implications of Sustainable Financing

The value of community based behavioral health services is not in the cost of the actual service but rather in the savings born in other parts of the health care system. The investment in community based care provides significant return to payers with savings in emergency department use, reduction of inpatient admissions and reductions in preventable admissions and readmissions. And, the value is in the holistic health of individuals. When a person's depression is well managed, the likelihood of that person managing their diabetes goes up significantly.

Medicaid rates for psychiatric and nursing services for Community Centers and other private practitioners do not cover the basic costs of delivery the service. If the number of persons served at Medicaid rates were to rise considerably at Community Centers, the model would not be sustainable under the current rate structure. And a rate that is currently not sustainable means there are few, if any, private psychiatrists participating in Medicaid today. As we look to the future of health care delivery in Texas, the focus must include an approach to create a financing structure for community behavioral health that is sustainable.

### Moving the System Forward

In 2008 Don Berwick, Tom Nolan, and John Whittington first described the Triple Aim of simultaneously improving population health, improving the patient experience of care, and reducing per capita cost. The Institute for Healthcare Improvement (IHI) developed the Triple Aim as a statement of purpose for fundamentally new health systems that contribute to the overall health of populations while reducing costs. And, the triple aim is a holistic approach weaving together all systems of care, including behavioral health.

If change is the "new normal" in our business, there must be a thoroughly review of existing structures and processes in place to assess their ability to address the challenges produced by both mounting complexity and rapid changes. Federal agencies, state agencies, payers, providers, advocates and consumers within the broad mental health system must be engaged in this complex systems change.

The complexity and speed of change in the system requires less bureaucratic and more agile structures in all areas of the delivery system: regulatory, financing, technology and service delivery. It is in the best interest of

The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.

--Peter Drucker, Management Consultant



all organizations involved and invested in services to people with mental health and/or substance use disorders to help support and promote culture change across the system.

Although this time of rapid change is complex and brings a great deal of uncertainty, the goal is to change the system for the better. We must improve the overall health and experience of care for people with mental illness. There must be engagement of key stakeholders in a dialogue about the goals for change, how to restructure a system while it operates and an evaluation of best practices in other states. But, the time is now and time is short.

**Evan Roberson**

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**From:** Maria Rios <MRios@txcouncil.com> on behalf of Communications@txcouncil.com  
**Sent:** Friday, August 30, 2013 10:08 AM  
**To:** Maria Rios  
**Cc:** Maria Rios  
**Subject:** UPDATE: FY2014 LMHA Performance Contract



**August 30, 2013**

As you are aware, the Texas Council has engaged legislative leadership offices in discussions about local implications of the FY2014 DSHS proposed target methodology. Several Community Centers have also communicated concerns with select legislative offices.

These discussions have been productive and informative; however, it is clear there is not enough time [prior to the start of FY2014] to secure agreement on an alternate target methodology. The Texas Council expects DSHS will move forward with their proposed FY2014 target methodology included in performance contracts.

However, we have commitments from several key legislative offices to support our efforts to address this issue via a contract amendment or other acceptable remedy during the six month period in which DSHS has agreed not to impose sanctions for performance related to AMH and CMH targets.

The Texas Council is also aware there are significant challenges [requiring our continued attention] related to the 10% Incentive Based Payment Withhold and associated performance measures.

We remain committed to resolving these and other issues surrounding DSHS performance requirements.

If you have questions, please contact Lee Johnson at [ljohnson@txcouncil.com](mailto:ljohnson@txcouncil.com).

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



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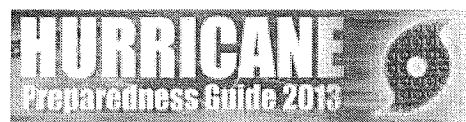
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# Tri-County Services receives \$1,337,000 Healthcare Navigation grant



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Posted: Monday, September 16, 2013 1:00 pm

By Community Reports

Evan Roberson, executive director, Tri-County Services, announced that "Tri-County Services will benefit from a federal navigation grant awarded by the U.S. Department of Health and Human Services to the East Texas Behavioral Healthcare Network (ETBHN)."

The grant is to be used to educate consumers about the Affordable Healthcare Act, how to navigate through the system to enroll in a health plan that meets their needs and how the federal and state insurance marketplaces or exchanges work. Staff will be hired and trained as "navigators" to provide direct, face-to-face assistance to consumers and their family members.

Advertisement



Tri-County is a member of ETBHN, a network comprised of eleven community centers in Texas. ETBHN is one of 105 organizations nationwide to be awarded a federal Navigation Grant and will receive \$1,337,000. ETBHN works with the community centers to provide financial efficiencies, strategic, operational and technological solutions by creating economies of scale for its members. ETBHN will share the grant with Tri-County and eleven other community centers in Texas that span 75 of 254 counties, approximately one-third of the state, located from Beaumont to Abilene. Other organizations that will receive grants in Texas include the United Way, Area Agency on Aging, and the National Urban League. Many other organizations in 34 states are also receiving grants to assist with enrollments.

Mr. Roberson stated that "the complexity and implementation of the Affordable Care Act will challenge the people who are trying to access the exchange and marketplace. Tri-County's goal is to help people find available paid resources for both physical and behavioral healthcare needs and thereby reduce the costs to our local communities."

Tri-County provides services to individuals diagnosed with a mental illness or intellectual and/or developmental disability. For more information about Tri-County and its programs, interested parties may access the website at [www.tricountyservices.org](http://www.tricountyservices.org) or call 936-521-6100.



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September 19, 2013

Julia Rathgeber  
Commissioner  
Texas Department of Insurance  
P.O. Box 149104  
Austin, Texas 78714

Dear Commissioner Rathgeber:

This letter concerns the implementation of Senate Bill 1795, which I passed in the recent legislative session to give Texas the flexibility it needs to regulate healthcare navigators while making it easier – not harder – for Texans to secure the health insurance they need.

The purpose of SB 1795 is to ensure that Texans are able to find and apply for affordable health coverage in the new Health Insurance Marketplace. While SB 1795 does authorize the Texas Department of Insurance (TDI) to write rules to implement the bill, it does not authorize the agency to put in place many of the provisions outlined in Governor Perry's letter to you on September 17.

Navigators will perform the essential work of educating Texans about coverage under the Affordable Care Act and helping them enroll in insurance plans. In a state with 6.4 million uninsured individuals and the highest percentage of uninsured residents in the nation, we need an all-hands-on-deck approach to outreach and enrollment. Texas can and must do better in helping people get covered; this is an issue that affects all of us.

The cost that comes with having so many Texans uninsured is not only human; it's also economic. We know that access to excellent, early and frequent health care means fewer visits to emergency rooms and increased productivity in the workplace. We also know that when individuals know enough about the health system to take an active role in their own care, many chronic illnesses can be prevented.

It makes no sense that Texas would make it more difficult for individuals and families to enroll in an insurance plan that's right for them. Hard-working Texans who seek healthcare want and need information, and that information can and should be provided without efforts to create barriers.

In recent months, navigators have come under political attack in many states. It's important to note that these attacks generally have been purely political in nature and do not represent legitimate concerns about consumer protection and privacy. Rather, they have sought to intimidate the groups that will perform critical outreach and enrollment functions. The intended effects of these attacks has been to erect barriers that will

September 19, 2013

Page 2 of 2

prevent eligible low-income and middle-class citizens from enrolling in more affordable coverage in the new Health Insurance Marketplace.

With programs such as Medicaid, CHIP and Medicare, Texas has a long, successful history of partnering with informed community-based groups to help people enroll in health insurance. None of this enrollment assistance has stirred controversy in the past. With Medicare, the State Health Insurance Assistance Program (known as the Health Information, Counseling and Advocacy Program, or HICAP, in Texas) has been helping seniors for more than two decades. And community partners who assist with outreach and enrollment have been a key part of covering children in Texas Medicaid and CHIP. Existing navigator-like programs work, and just like with navigators under the ACA, they are subject to thorough training, certification and oversight requirements.

Navigators are held to strict federal standards for training, certification, conflicts of interest, and privacy and security, as well as federal monitoring and enforcement. When I first started working on SB 1795, back at the beginning of the year, final federal navigator standards and training requirements had not been released. The purpose behind the bill was to ensure that TDI could have some oversight over navigators, if it proved needed.

As is evident, my bill was crafted carefully so as to not duplicate federal training and certification requirements or place any undue burden on navigators. Rather, the bill lets TDI step in if the agency finds that federal standards and training prove insufficient in equipping navigators to perform their federally defined duties. Every stakeholder working on the bill backed this conditional approach, which provides consumer protection without adding unnecessary red tape and regulation.

SB 1795 does not authorize the agency to place onerous restrictions on navigators that will make it harder for them to do their important work. I'm sorry to say that many of the provisions suggested by Governor Perry seem to have this intended effect. For example, **SB 1795 provides no authority** for TDI to require:

- Age restrictions for navigators;
- Navigators' citizenship status to be reported to TDI (though it should be noted that navigators already have to prove that they have legal status to work for their employers);
- A purely arbitrary amount of additional training (Sec. 4154.054 authorizes only additional continuing education training "necessary to ensure compliance with changes in state or federal law");
- Additional exam requirements (all navigators must already complete 30 or more hours of training and pass a certification exam);
- Navigators' use of state-issued identification;
- Background checks or the submission of fingerprints by navigators' employers to TDI;
- The creation of a statewide database showing people who are assisted by navigators and locations where they were assisted;
- Requirements governing the time, place, and manner of contacts between navigators and people they're trying to assist;
- Fees on navigators; and
- Surety bonds for navigator services.

September 19, 2013

Page 3 of 3

One of the goals of this legislation was to ensure that the bill was consistent with federal law and avoided pre-emption issues. Two sections of the bill make that intent clear. Section 4154.005 directs that rules to implement the bill must “meet the minimum requirements of 42 U.S.C. Section 18031, including regulations.” In addition, Sec. 4154.101, which prohibits non-agent navigators from performing certain acts, clarifies in subsection (b) that the bill does not “prohibit a navigator from providing information on public benefits and health coverage, or other information and services consistent with the mission of a navigator.” In other words, SB 1795 does not prohibit a navigator from performing duties assigned in federal law.

I’m very concerned that the Governor’s heavy-handed regulatory demands that appear to conflict with federal law and to prevent navigators from performing their federally required duties. Specifically, the following appear to both conflict with federal law and be inconsistent with SB 1795:

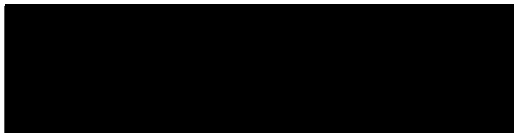
- *Prohibiting navigators from providing advice on the substantive benefits or comparative benefits of different plans.* Navigators have to provide fair and impartial information and cannot recommend a specific plan, but they are required to help consumers understand the differences between plans and make plan comparisons so that the consumer can make an informed choice.
- *Requiring navigators to report to TDI on a regular basis the names of those persons they sign up for the federal health care exchange and locations at which sign-ups take place.*  
Navigators cannot retain or report data on people who they assist.

Lastly, SB 1795 directs that before TDI can write rules regarding navigator standards and registration, the agency must make a determination that federal standards are insufficient to ensure federal navigators can perform their federally-defined duties, and make a good faith effort to work with the federal Health and Human Services Department to improve standards. I understand the agency is moving forward with the rulemaking process and already has a stakeholder meeting scheduled for this month.

Please let me know specifically what federal navigator standards TDI found insufficient and how TDI has worked with federal agencies to improve standards.

I look forward to working with TDI to ensure that rules written to implement SB 1795 fulfill the purpose of the bill: to ensure that Texans have the help they need to apply for new healthcare coverage in a manner that’s consistent with both state and federal law.

Sincerely,

A large black rectangular redaction box covering the signature area.

Kirk Watson



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September 11, 2013

Mr. Evan Roberson  
Executive Director  
Tri-County Services  
Conroe, TX  
Email: [evanr@tcmhmrs.org](mailto:evanr@tcmhmrs.org)

RE: Monitoring Report of Desk Review Conducted August 7, 2013  
HOME TBRA Contract No. 1001660

Dear Mr. Roberson:

The Texas Department of Housing and Community Affairs (the Department) conducted a monitoring review of the above mentioned contract. The goal of the review was to provide reasonable but not absolute assurance regarding compliance with federal and state requirements and program objectives.

To achieve this goal, a sample of activities were randomly selected and tested. The attached report details the scope and results of the review.

Based on the limited scope of the review, no findings were identified. Please note although there were no findings, it is Tri-County Services' responsibility to maintain compliance throughout the contract and affordability period. No further action is necessary in addressing this review. This review has been closed.

The Department wishes to express our appreciation for the cooperation of your staff in facilitating this review. If you have any questions or concerns regarding this review, please feel free to contact me at 512-475-0265 or via email at [dave.spillar@tdhca.state.tx.us](mailto:dave.spillar@tdhca.state.tx.us).

Sincerely,



Dave Spillar  
Contract Monitor

DMS

cc: Jennifer Molinari, Director of HOME  
Brenda Hull, Program Services Director



**CHIEF FINANCIAL OFFICER'S REPORT**  
**September 26, 2013**

**FY 2013 Audit** – The new auditors were on site September 9<sup>th</sup> through September 12<sup>th</sup>. This visit mainly focused on contract compliance and review of our processes and procedures. The visit went very well and when they left they gave us a lengthy list of items to prepare for their next visit that is scheduled in November. We have sent out confirmation letters for Accounts Receivables, Bank Account Balances, Loan confirmation balances and letters to the Board members. The new auditors have been in contact with Carlos to have a review of our HUD project auditor. We continue to work on account reconciliations.

**Worker's Compensation Audit** – I reported last month that our contractor from Texas Council Risk Management Fund was coming out to review our final payroll documents for FY 2013 the week of September 12<sup>th</sup>. That date was delayed until October 1<sup>st</sup>. So just wanted to keep you informed of the change and therefore do not have anything to report on this topic as of this time.

**FEMA – IKE Close Out Reports** – We have been in contact with the second reviewer from Texas Division of Emergency Management in regards to final closeout documents for Hurricane IKE on the FEMA projects. We have submitted all the requested documents that we have available from quotes for repairs; bid processes used, actual receipts and payments made and also payments from Texas Council Risk Management fund. This is the second time around for having some of these projects reviewed so we hope that we are coming to the end of this process. We received an email yesterday stating that all information has been forwarded to FEMA and they will let us know as soon as the process is completed.

**CFO Consortium** – The quarterly CFO meeting is scheduled to be held in Austin on October 17<sup>th</sup> and 18<sup>th</sup>. We expect the following topics to be on the agenda: New DSHS General Revenue and expectations for these funds, 1115 Waiver Discussion and Tracking, Changes in the CARE Report III, Public Finance Training, and as always updates from both DADS and DSHS.

**FY 2014 Budget Revision** – I am in the process of preparing the first budget revision for FY 2014. This will include the new DSHS funding of approximately \$1.4 million and any program changes that have happened since the budget was submitted to the board. Revision should be on the Board agenda for the December meeting.



<p><b>Agenda Item:</b> Reappoint Mental Health Planning Network Advisory Committee Members</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>According to the bylaws for the Mental Health Planning Network Advisory Committee (MHPNAC), one-half of the members are to be reappointed by the Board of Trustees every year, for two year terms. There is no limit on the number of terms that a committee member can serve.</p> <p>Each of the following members has an expiring term and has been contacted about their participation in the MHPNAC. They have agreed to continue serving on the MHPNAC for an additional two-year term which will expire August 31, 2015.</p> <ul style="list-style-type: none"> <li>• Judie Hunter – Special Education Parent Resource Center Coordinator for Conroe Independent School District</li> <li>• Richard Duren – Family Member</li> <li>• Barbara Grogan – Special Education Parent Resource Center Coordinator for Conroe Independent School District</li> </ul> <p>We currently have six MHPNAC members, but we are in need of nine members to be in compliance with the contract and would gladly accept additional members beyond contract requirements. If you know of anyone that may be interested in PNAC membership, please contact Tanya Bryant.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Reappoint Mental Health Planning Network Advisory Committee Members to a Two Year Term Which Expires August 31, 2015</b></p>	

<p><b>Agenda Item:</b> Reappoint Intellectual and Developmental Disabilities Planning Network Advisory Committee Members</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>According to the bylaws for the Intellectual and Developmental Disabilities Planning Network Advisory Committee (IDDPNAC), one-half of the members are to be reappointed by the Board of Trustees every year, for two-year terms. There is no limit on the number of terms that a member can serve.</p> <p>Each of the following members has an expiring term and has been contacted about their participation in the IDDPNAC. They have agreed to continue serving on the IDDPNAC for an additional two year term which will expire August 31, 2015.</p> <ul style="list-style-type: none"> <li>• Judie Hunter – Special Education Parent Resource Center Coordinator for Conroe Independent School District and Parent</li> <li>• Mary Byrne – Special Education Teacher at Conroe Independent School District and Parent</li> <li>• Madeline Brogan – Professor of Accounting at Lone Star Community College and Parent</li> <li>• Barbara Grogan – Special Education Parent Resource Center Coordinator for Conroe Independent School District and Parent</li> </ul> <p>We are currently in compliance with the contract, with nine IDDPNAC members, but would gladly accept additional members beyond contract requirements. If you know of anyone that may be interested in PNAC membership, please contact Tanya Bryant.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Reappoint Intellectual and Developmental Disabilities Planning Network Advisory Committee Members to a Two Year Term Which Expires August 31, 2015</b></p>	

<p><b>Agenda Item:</b> Community Resources Report for August 2013</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>Community Resources Report for August 2013</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

# Community Resources Report

## August 30 – September 26, 2013

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### Volunteer Hours:

Location	August
Conroe	286.25
Cleveland	9
Liberty	56
Huntsville	5
<b>Total</b>	<b>356.25</b>

### COMMUNITY ACTIVITIES:

9/1/13	Liberty County Community Resource Coordination Group	Cleveland
9/3/13	Montgomery County Managed Assigned Counsel Board Meeting	Conroe
9/3/13	Montgomery County United Way Well Being Counsel Meeting	The Woodlands
9/4/13	East Montgomery County Chamber Luncheon	New Caney
9/5/13	Cleveland Chamber of Commerce Luncheon	Cleveland
9/5/13	Walker County Community Resource Coordination Group	Huntsville
9/9/13	Liberty County Mental Health Constable Meeting	Liberty
9/10/13	Working Together to End Truancy	The Woodlands
9/11/13	Montgomery County United Way Funded Partners Meeting	The Woodlands
9/12/13	Huntsville Chamber of Commerce Breakfast	Huntsville
9/13/13	Hispanic Outreach Professional Enrichment Community Networking Event	Huntsville
9/12–9/19/13	Memorial Hermann United Way Presentation	The Woodlands
9/17/13	Montgomery County United Way Disaster Recovery Taskforce	The Woodlands
9/17/13	Montgomery County Community Resource Coordination Group	Conroe
9/17/13	Montgomery County Court Seminar	Conroe
9/18/13	Walker County Child Fatality Review Team Meeting	Huntsville
9/18/13	Liberty/Dayton Chamber of Commerce Luncheon	Liberty
9/19/13	Meeting with Sam Houston State University Nursing Department	Huntsville
9/20/13	Dept. of Family and Protective Services Substance Abuse Meeting	Houston
9/24/13	Montgomery County Managed Assigned Counsel Board Meeting	Conroe
9/25/13	Sam Houston State University Career Fair	Huntsville
9/26/13	Montgomery County Community Planning Meeting	Conroe

### UPCOMING ACTIVITIES:

10/1/13	Montgomery County Hospital District and Conroe Regional Meeting	Conroe
10/1/13	Montgomery County United Way Well Being Counsel	The Woodlands
10/3/13	Cleveland Chamber of Commerce Luncheon	Cleveland
10/3/13	Walker County Community Resource Coordination Group	Huntsville
10/9/13	Montgomery County United Way Funded Partners Meeting	The Woodlands
10/15/13	Montgomery County Community Resource Coordination Group	Conroe
10/16/13	Jail Diversion Executive Task Force Meeting	Conroe

<b>Agenda Item:</b> Consumer Services Report for August 2013  <b>Committee:</b> Program	<b>Board Meeting Date</b>  September 26, 2013
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Consumer Services Report for August 2013	
<b>Recommended Action:</b>  <b>For Information Only</b>	

### Consumer Services Report – August 2013

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
<b>Crisis Services, MH Adults/Children</b>					
Persons Screened, Intakes, Other Crisis Services	471	46	41	37	595
Crisis and Transitional Services (SP 0, SP5)	81	2	4	0	87
Psychiatric Emergency Treatment Center (PETC) Served	51	7	3	4	65
Psychiatric Emergency Treatment Center (PETC) Bed Days	55	8	4	4	71
Contract Hospital Admissions	4	0	2	0	6
Diversion Admits	10	0	1	0	11
Total State Hospital Admissions	2	0	0	0	2
<b>Routine Services, MH Adults/Children</b>					
Adult Service Packages (SP 1-4)	740	83	69	96	988
Adult Medication Services	596	61	55	86	798
Child Service Packages (SP 1.1-4)	236	19	9	35	299
Child Medication Services	87	7	2	8	104
TCOOMMI (Adult Only)	87	9	5	14	115
Adult Jail Diversion Services	9	0	0	0	9
Juvenile Detention Diversion Services	3	0	0	0	3
<b>Persons Served by Program, IDD</b>					
Number of New Enrollments for IDD Services	2	0	1	0	3
Service Coordination	438	28	43	55	564
<b>Persons Enrolled in Programs, IDD</b>					
Center Waiver Services (HCS, Supervised Living, TxHmL)	52	6	24	24	106
Contractor Provided ICF-MR	18	11	12	6	47
<b>Substance Abuse Services</b>					
Children and Youth Prevention Services	0	0	0	0	0
Youth Substance Abuse Treatment Services/COPSD	23	0	0	0	23
Adult Substance Abuse Treatment Services/COPSD	19	0	0	0	19
<b>Waiting/Interest Lists as of Month End</b>					
Department of State Health Services-Adults	183	17	5	4	209
Department of State Health Services-Children	18	0	0	0	18
Home and Community Based Services Interest List	1293	108	114	120	1635
<b>Persons Served Outside of the State Contracts</b>					
Benefit Package 3 Adult	30	7	5	1	43
<b>August Served by County</b>					
Adult Mental Health Services	1171	135	119	159	1584
Child Mental Health Services	269	21	12	38	340
Intellectual and Developmental Disabilities Services	491	51	59	61	662
<b>Total Served by County</b>	<b>1931</b>	<b>207</b>	<b>190</b>	<b>258</b>	<b>2586</b>
<b>July Served by County</b>					
Adult Mental Health Services	1232	135	133	153	1653
Child Mental Health Services	260	21	10	37	328
Intellectual and Developmental Disabilities Services	491	48	56	54	649
<b>Total Served by County</b>	<b>1983</b>	<b>204</b>	<b>199</b>	<b>244</b>	<b>2630</b>
<b>June Served by County</b>					
Adult Mental Health Services	1207	141	127	160	1635
Child Mental Health Services	276	21	9	38	344
Intellectual and Developmental Disabilities Services	496	46	59	62	663
<b>Total Served by County</b>	<b>1979</b>	<b>208</b>	<b>195</b>	<b>260</b>	<b>2642</b>

<b>Agenda Item:</b> Program Updates for August 2013  <b>Committee:</b> Program	<b>Board Meeting Date</b>  September 26, 2013
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Program Updates for August 2013	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Program Updates

## August 30 – September 26, 2013

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

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

1. Number of new admissions during the month: 114
2. PETC average daily census: 12.8

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

1. DSHS surveyors conducted an unannounced two-day audit of the PETC and reported that the program passed the audit with a deficiency report forthcoming.
2. The recently increased performance contract target for the PETC of 630 was met with 646 persons served in FY 2013.

### **MH Adult Services**

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

1. Number of adults served during the month: 1,584
2. Number of adults served in Medication Services: 798

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

1. The Center has contracted with ETBHN to provide much needed psychiatric services via televideo with the ETBHN Wide Area Network (WAN). The physician under contract with Tri-County will primarily provide initial psychiatric assessments to clients that are entering our service system.
2. Two professional recruitment services were hired to assist with locating qualified prescribers.
3. The Texas Resilience and Recovery (TRR) rollout went into effect on September 2<sup>nd</sup> and is going well. Staff began utilizing the new assessment tools.

### **MH Child Services**

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

1. Number of children served during the month: 340
2. Number of children served in Medication Services: 104

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

1. We are working to increase the number served in Children's Mental Health Services by opening our doors to children with a single diagnosis of ADHD and by positioning ourselves to move all children off the wait list.
2. We are adjusting well to the redesign of Children's Mental Health Services, including implementation of new Levels of Care and new evidence-based protocol.
3. We increased the number of Family Partners by 1.5 to meet the significantly increased target for FY 2014.



## **Criminal Justice Services**

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

1. Number of adults served through Texas Office on Offenders with Medical and Mental Impairments (TCOOMMI): 109 (119 enrolled, but 10 were incarcerated or discharged early in the month and received no services.)
2. Number of jail diversions: 4

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

1. Outpatient Competency Restoration finished FY 2013 at 11 served versus a target of 15; there is no DSHS sanction associated with the target because OCR is still a "pilot" program.
2. TCOOMMI Program revenue at the end of FY 2013 was 106% of the budgeted revenue target.
3. The Jail Diversion total for FY 2013 was 47, equating to an estimated cost avoidance of \$525,422 for the Montgomery County Jail for custody and mental health treatment of those diverted during the year.

## **Substance Abuse Services**

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

1. Number of children served in Substance Abuse Prevention Services: 0 in August (prevention skills training groups resume in September)
2. Number of adults served in Substance Abuse/COPSD Treatment Services:
  - a. Substance Abuse Outpatient: 23
  - b. COPSD: 12
  - c. Total unique clients served: 25
3. Number of children served in Substance Abuse Treatment Services: 23

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

1. Staff continue to recruit candidates for the vacant LCDC position in the Adult Substance Abuse Treatment Program.
2. Staff are drafting a Memorandum of Understanding (MOU) with the Department of Family and Protective Services (DFPS) to serve CPS and APS clients for Substance Abuse Services.
3. Substance Abuse Prevention Services are 0 for the summer months as schools are not in session, although FY13 targets were exceeded.

## **IDD Services**

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

1. Total number of admissions for the month: 3
2. Total number enrolled in the Home and Community Based Services (HCS) and Texas Home Living (TxHmL) Provider Services for the month: HCS = 66 TxHmL = 41
3. Total number served within the department: HCS = 60 TxHmL = 23
4. Total number served in all IDD Services for the month: 662

## **B. Program Comments:**

1. TxHmL Program Providers were notified by DADS on August 30<sup>th</sup> of a rate reduction effective September 1<sup>st</sup>. The Community Support rate was reduced by 25% and other service rates were reduced by 1%. This will have a significant financial impact to a program that has not been appropriately funded.
2. In the Supported Employment Program, there are approximately 20 out of the 34 enrolled who are employed. As of September 2<sup>nd</sup>, an additional 16 individuals requesting assistance in finding jobs were enrolled.
3. DADS has implemented a new requirement, effective September 3<sup>rd</sup>, for both HCS and TxHmL Providers and Authorities, to ensure that individuals receiving waiver services while living in their own residences or in foster/companion care settings have a service backup plan for each critical service.
4. Since September 1<sup>st</sup>, 4 HCS slots and 5 for TxHmL slots were received. The process for enrollment has begun.

## **Support Information**

- A. **Quality Management:** QM continues to provide support to program staff following the transition from Resiliency and Disease Management to Texas Resiliency and Recovery
- B. **Utilization Management:** Staff are in the process of updating utilization review tools to reflect the FY 14 Contract changes.
- C. **ETBHN/Regional Authorization:** Staff are working on authorization process issues with Centers following the transition from the Texas Recommended Authorization Guidelines (TRAG) to the Adult Needs and Strengths Assessment (ANSA) and the Child and Adolescent Needs and Strengths Assessment (CANS).
- D. **Veteran Services:** The Regional Veteran Services Liaison has collaborated with local peer support providers to establish a new Veteran Peer Support Group that began meeting on September 5<sup>th</sup> at Lone Star College.

## **Community Activities**

- A. Representatives from Tri-County Services attended a United Way presentation at Memorial Hermann Hospital of The Woodlands on Friday, September 13<sup>th</sup>.
- B. Representatives from Tri-County Services attended a career fair held at Sam Houston State University on Wednesday, September 25<sup>th</sup>.

<p><b>Agenda Item:</b> Planning Network Advisory Committee Annual Reports</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>According to their bylaws, both the Mental Health and Intellectual and Developmental Disabilities Planning Network Advisory Committees (PNAC) are required to make a written report to the Board that outlines the Committees' activities for the year and reports on committee attendance. Currently the Center has two PNACs, one for Mental Health and another for Intellectual and Developmental Disabilities. Many of our committee members continue to serve on both PNACs, but we have also added members to each group that are primarily concerned with that group's focus. The attached reports on the two committees' activities are provided for your information.</p>	
<p><b>Supporting Documentation:</b></p> <p>Mental Health PNAC Annual Report</p> <p>Intellectual and Developmental Disabilities PNAC Annual Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

## **Mental Health Planning Network Advisory Committee**

### **Annual Report**

#### **FY 2013**

In FY 13, the Mental Health Planning Network Advisory Committee (MHPNAC) provided feedback in the creation of the Consolidated Local Service Plan (CLSP) and advised the Center on the development of the FY13 Provider Network Development Request for Proposals. The Committee expressed concern about the transportation options in our service area, recommended focus on additional services to benefit children, education to judges about jail diversion for individuals requiring competency restoration, and additional focus on crisis respite.

Additionally, the Committee has been busy reviewing the many changes that are taking place in the Mental Health Service System across the State with the rollout of Texas Resiliency and Recovery and 1115 Medicaid Transformation Waiver.

In FY 2013, the MHPNAC met five times and had an overall attendance of 60%.

We currently have six MHPNAC members. Staff needs to find three additional members to be in compliance with contract requirements.

**Intellectual and Developmental Disabilities  
Planning Network Advisory Committee**

**Annual Report**

**FY 2013**

In FY 2013, the Intellectual and Developmental Disabilities Planning Network Advisory Committee (IDDPNAC) focused their attention on reviewing the FY14-15 proposed Legislative Budget and discussed the potential impact of Senate Bill 7, which would put all of our IDD services into managed care by 2020. The Committee also spent time reviewing the projected implementation of IDD programs with the 1115 Medicaid Transformation Waiver funding and monitored other Department of Aging and Disabilities program changes including:

- Pre Admission Screening and Resident Review – A process by which Center staff are required to evaluate individuals in a nursing facility to determine if such placement is appropriate and assist with appropriate placement when needed.
- Additional Texas Home Living (TxHmL) slots which were allotted to Tri-County's service area (53) for those who are closest to receiving Home and Community-Based Services (HCS).

The IDDPNAC expressed high interest in the IDD Assertive Community Treatment Program that is being developed as a part of Medicaid 1115 Transformation Waiver and recommended that the Center focus on educating school employees and community members on the program once it is implemented.

In FY 2013, the IDDPNAC met five times and had an overall attendance of 49%.

The IDDPNAC has nine members and is currently in compliance with contract requirements; however, the committee may appoint additional members if desired.

<p><b>Agenda Item:</b> Final FY 2013 Goals and Objectives Progress Report</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>The Board of Trustees and Management Team met on July 28, 2012 for the annual strategic planning retreat and to develop the goals for FY 2013. Goals were discussed and a consensus was reached. Subsequently, the Management Team developed objectives for each of the goals. These goals are in addition to the contractual requirements of the Center’s contracts with the Department of State Health Services and the Department of Aging and Disability Services.</p> <p>The Board also requested that quarterly progress reports be presented as a “year-to-date summary.”</p> <p>This report shows progress through the 4<sup>th</sup> Quarter of FY 2013.</p>	
<p><b>Supporting Documentation:</b></p> <p>FY 2013 Goals and Objectives Progress Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

# Year-to-Date Progress Report

*September 1, 2012 – August 31, 2013*

## Goal #1 – Technology

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

### Objective #1

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

- A list of required changes to meet Phase II of Stage I of Meaningful Use was developed. Processes, largely involving information captured by nurses and doctors, were identified and software has modified to capture this information.
- Required equipment (blood pressure cuffs, etc.) was ordered, and staff began capturing required information on August 1<sup>st</sup>.

### Objective #2

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

- The process of scanning records for active clients with mental illness into Anasazi is complete.
- A list was created consisting of items that are still being generated in paper and the technology that was required in order to address these paper processes was purchased at the end of FY 2013.

### Objective #3

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

- Changes are being made to staff titles to reflect signature authority and so electronic process work-flows can be developed.
- Several paper processes which need to be converted first have been identified.

### Objective #4

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

- Staff participated in a series of meetings with consultant Scott Lloyd of MTM Services. He recommended a centralized scheduling process for prescriber staff should be implemented for all Tri-County prescribers. Staff sought feedback from East Texas Behavioral Health Network centers regarding their interest in developing a centralized scheduling system for member centers, but they did not have interest in doing so.
- There are some building issues, including waiting room space, which need to be addressed prior to implementation of centralized scheduling.

- The Management Team will review the feasibility of implementing a centralized scheduling system.
- Centralized scheduling will be implemented in FY 2014 as a part of a new Medication Clinic design.

## Goal #2 – Funding

*Strengthen the Center's financial health.*

### Objective #1

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

- Donations for From the Heart now stand at \$9,954. We also received 40 bicycles for the From the Heart program.
- Staff implemented a School Supply drive from June to August 15<sup>th</sup> that provided school supplies for 59 C&A clients. Donations totaled approximately \$585.

### Objective #2

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

- Properties which have been on the market for an extended period of time are being evaluated for barriers to sale. Barriers to sale were identified for many of the properties and staff are working on a plan to address these barriers. Some expenditure will be required on several of the facilities if they are to have a realistic chance of being sold.
- The Conroe Maintenance facility was sold.

### Objective #3

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

- Ten (10) grants were submitted to date; nine (9) were approved in the amount of \$1,539,462 and one (1) is pending in the amount of \$300,000.

## Goal #3 – Education/Communication

### Objective #1

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

- A Tri-County Speaker's Bureau was implemented. Staff members are prepared to present Criminal Justice Services, Outpatient Competency Restoration (OCR), Jail Diversion Programs, Clinical Operations, Child and Adolescent (C&A) Programs, and Adult Programs in response to opportunities presented in all the communities of the Tri-County area.
- Presentations representing a variety of adult and children services were made at the Huntsville Rotary Club, the Woodlands Area Chamber of Commerce and to the faculty of College Park High School. Staff presented information on the OCR Program at a meeting for the Walker County Bar Association on August 2<sup>nd</sup>.



## Objective #2

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

- Presentations were made to the Montgomery County Commissioner's Court on January 28<sup>th</sup> and July 24<sup>th</sup>, and to the Walker County Commissioner's Court on February 25<sup>th</sup> and July 3<sup>rd</sup>.
- The last presentation made to the Liberty County Commissioner's Court was on March 12<sup>th</sup>. Staff have offered to present at the Liberty County budget hearing, but no date has been set.

## Objective #3

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

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

## Objective #4

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

- Tri-County continues to send out electronic newsletters to both stakeholder and consumers on a quarterly basis. During FY 2013, we have increased the number of individuals on those lists significantly. There are approximately 207 email addresses on the Stakeholder email list and 443 on the Consumer email list.

## Goal #4 – Staff

*Recruit and retain quality staff.*

## Objective #1

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

- Organizational fit questions were completed and distributed to all hiring managers and supervisors.

## Objective #2

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

- The test scores were reviewed quarterly and thresholds for passing the tests were adjusted upward in two (2) of the four (4) quarters.

### Objective #3

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

- Human Resource Development has incorporated the three (3) tests into the Annual staff training requirements. These tests will not be pass/fail but will be used to identify further training needs.

### Objective #4

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

- The Management Team made the decision to focus on the Psychiatrists, Advanced Practice Nurses (APNs) and Registered Nursing staff for recruitment and retention purposes.
- Employment Agreements were completed and implemented for Psychiatrists and APNs. Health insurance benefits were enhanced for PETC Registered Nurses.

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

*Explore opportunities to diversify Center services.*

### Objective #1

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

- Four (4) of our five (5) 1115 programs were approved through Demonstration Year 3. Planning continued in the fourth quarter, and a variety of reports sent to HHSC and CMS. One (1) staff was hired to administer the program, and program designs are being developed. We will start hiring the first clinical staff in early FY 2014.

### Objective #2

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

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

### Objective #3

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

- During FY 2013, the Youth Outpatient Substance Abuse Treatment Program has continued to exceed the number served in prior years.
- Referrals continue to be steady for the Adult Substance Abuse Program and we anticipate referrals to increase due to implementation of referral protocol with medical

staff. Youth Substance Abuse Program referrals continue to be steady as we have maintained our relationship with referral sources.

- Although there is ample need for additional services, program revenue is not exceeding program cost at this time. As a result, we are not currently pursuing additional program sites since expansion would increase costs. Staff will continue to evaluate our Substance Abuse programs for expansion.

<p><b>Agenda Item:</b> 4<sup>th</sup> Quarter FY 2013 Corporate Compliance and Quality Management Report</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>The Department of State Health Services' Performance Contract has a requirement that the Quality Management Department provide "routine" reports to the Board of Trustees about "Quality Management Program activities."</p> <p>Although Quality Management Program activities have been included in the program updates, it was determined that it might be appropriate, in light of this contract requirement, to provide more details regarding these activities.</p> <p>Since the Corporate Compliance Program and Quality Management Program activities are similar in nature, the decision was made to incorporate the Quality Management Program activities into the Quarterly Corporate Compliance Report to the Board and to format this item similar to the program updates. The Corporate Compliance and Quality Management Report for 4<sup>th</sup> quarter of FY 2013 are included in this Board packet.</p>	
<p><b>Supporting Documentation:</b></p> <p>4<sup>th</sup> Quarter FY 2013 Corporate Compliance and Quality Management Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

# Corporate Compliance and Quality Management Report

## 4<sup>th</sup> Quarter, FY 2013

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### **Corporate Compliance Activities**

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

1. There was one (1) Corporate Compliance review in the 4<sup>th</sup> quarter of FY 2013. This case is currently under review and payback is pending.
  - a. This case was found during routine quality assurance activities by Quality Management Staff and involves a staff identified as having overlapping service times.
2. Quality Assurance of staff documentation continues to be a focus across the Center, and the QM department has been conducting daily reviews to ensure adequate monitoring of compliance. These reviews are aimed at identifying problems while corrections can still be made. Compliance training continues to be provided to new employees, quarterly to all staff, and in specific areas identified as having a need.

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

1. The Corporate Compliance Committee met on July 17, 2013. The committee reviewed the following:
  - a. A summary of the 3<sup>rd</sup> quarter investigations;
  - b. Audits that were requested by different funding sources;
  - c. Legal Updates on compliance issues; and
  - d. The Corporate Compliance Action Plan.

### **Quality Management Initiatives**

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

1. Staff responded to one (1) DSHS Site Visit

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

1. Staff collected and submitted records requested from DSHS during a site visit of our Psychiatric Emergency Treatment Center.

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

1. Staff completed the Adult Substance Abuse and COPSD Program Reviews.

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

1. Staff participated in and assisted Center staff with trainings on the new curriculum and assessments in preparation of the changes related to Texas Resilience and Recovery (TRR).

<p><b>Agenda Item:</b> Annual Corporate Compliance Report</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>In addition to the Quarterly Corporate Compliance and Quality Management Report, the Corporate Compliance Officer is required by Board Policy to submit an Annual Report on Corporate Compliance activities to the Board of Trustees at the end of each fiscal year.</p> <p>The Annual Corporate Compliance Report for FY 2013 is attached.</p>	
<p><b>Supporting Documentation:</b></p> <p>Annual Corporate Compliance Report for FY 2013</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

## Corporate Compliance Program

### FY 2013 Annual Report

#### General Overview:

The Board Policy on Corporate Compliance requires that the Corporate Compliance Officer present an annual report on program activities and investigations from the previous year.

In FY 2013, training continued for all new employees in the monthly extended orientation class and quarterly training was provided to all Tri-County staff and eligible contractors.

As the Board is likely aware, compliance regulations and auditing have increased at the state and federal level. Staff have remained diligent in our pursuit of legal compliance with all regulations.

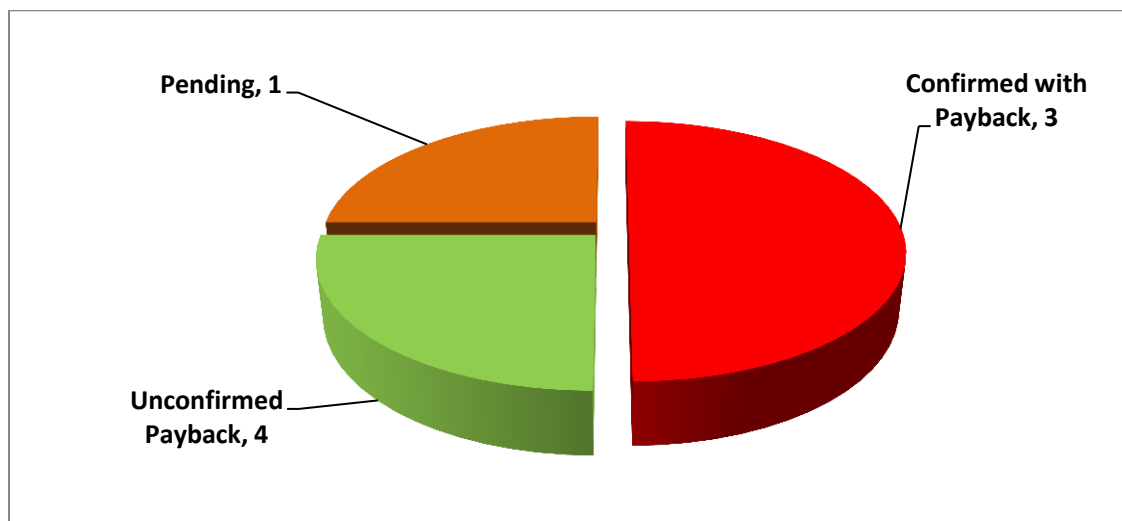
The Corporate Compliance Committee has reviewed and has made revisions to the Corporate Compliance Action Plan. The Committee also reviews a variety of legal updates on a consistent basis.

#### Corporate Compliance Investigation Results:

For FY 2013, there were nine corporate compliance allegations which were reviewed, seven of which ended up being investigated by the Corporate Compliance Officer; one did not require an investigation following initial review, and one is currently pending. Of the seven cases investigated in FY 2013, four were unconfirmed with payback and three were confirmed with payback.

Following a number of allegations in one program, the Corporate Compliance Officer provided additional training to the program manager and staff and implemented additional daily reviews to improve identification of potential issues so that they may be addressed as quickly as possible.

#### Total Corporate Compliance Investigations



<p><b>Agenda Item:</b> 1<sup>st</sup> Quarter FY 2014 Corporate Compliance Training</p> <p><b>Committee:</b> Program</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>As part of the Center’s Corporate Compliance Program, training is developed each quarter for distribution to staff by their supervisors.</p> <p>This training is included in the packet for ongoing education of the Tri-County Board of Trustees on Corporate Compliance issues.</p>	
<p><b>Supporting Documentation:</b></p> <p>1<sup>st</sup> Quarter FY 2014 Corporate Compliance Training</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	



## **Recent Audits Have Relevance for Behavioral Health Organizations 1<sup>st</sup> Quarter, FY 2014**

### **INTRODUCTION:**

Recent enforcement activities by the U.S. Department of Justice and the U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) and Office for Civil Rights (OCR) have relevance for Community Behavioral Health Organizations.

### **STATE SUSPENDS MEDICAID PAYMENTS TO 15 BEHAVIORAL HEALTH ORGANIZATIONS:**

In June 2013, 15 non-profit New Mexico behavioral health organizations had payments suspended as allegations of overbilling, failing to meet documentation and safety standards, and potential fraud were made following a state-initiated audit by a Boston-based contractor, Public Consulting Group. In lieu of alerting providers and requesting a corrective action plan, the Human Services Department (HSD) opted to bring the consultant group in to audit after fraud-detection software raised red flags in early 2012. According to HSD, each of the 15 providers “failed to meet compliance standards” and collectively overbilled the Medicaid program \$36 million between 2009 and 2012. At this time, the New Mexico Attorney General’s Office continues to investigate the claims, and the final disposition is pending.

Federal regulations provide states with discretion in deciding whether to suspend payments during fraud investigations. States may choose not to suspend payments and/or services in situations where patients’ access to services would be negatively impacted.

The behavioral health organizations affected in New Mexico, which provide both Mental Health and Substance Abuse services, serve thousands of residents and employ hundreds of workers. Although all 15 organizations have appealed the payment suspension, the State has only restored partial or full funding to 3 of the 15 organizations to date.

As their Medicaid contracts require, the State has ordered the agencies under investigation to continue providing services to patients despite not being paid. Individuals served, as well as employees of the 15 BHO’s under investigation, are understandably concerned about the future as a lengthy investigation would put a serious strain on resources and could ultimately result in lack of ability to continue certain operations.

Although we have yet to understand all of the lessons to be learned from the New Mexico investigation, the following remains clear and should be a focus of proactive fraud prevention in behavioral health organizations:

- 1) Clinical documentation is critically important;
- 2) Accurate Coding is essential;
- 3) Training and resources to obtain billing and compliance expertise are central to the success of MH and SUD providers; and
- 4) Compliance and pre-audit activities to detect fraud and abuse are vital to avoiding and quickly identifying and addressing systemic issues.

If you have questions or concerns about Corporate Compliance, talk with your supervisor or contact the Corporate Compliance Officer, Tanya Bryant, at: [tanyab@tricountyservices.org](mailto:tanyab@tricountyservices.org) or by phone at 936 521-6115.

<p><b>Agenda Item:</b> Appoint Texas Council Representative and Alternate for FY 2014</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>The representative attends the Texas Council of Community Centers, Inc. Board meetings on a quarterly basis and gives a verbal update to the Tri-County Board at their subsequent Board meetings. The alternate will attend the meeting and provide a report if the representative is unable to do so.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>Appoint Texas Council Representative and Alternate for FY 2014</b></p>	

<p><b>Agenda Item:</b> Board of Trustees Reappointments and Oaths of Office</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>Listed below are the Board members who were reappointed by the Commissioner’s Court of their respective counties for an additional two year term expiring August 31, 2015.</p> <p><u>Reappointments:</u></p> <ul style="list-style-type: none"> <li>• Sharon Walker, Montgomery County</li> <li>• Morris Johnson, Walker County</li> <li>• Tracy Sorensen, Walker County</li> <li>• Brad Browder, Liberty County</li> </ul> <p>Oaths of Office will be recited at the Board meeting.</p>	
<p><b>Supporting Documentation:</b></p> <p>Oath of Office Recitation</p> <p>Montgomery County Trustees – Copy of Minutes from Montgomery County Commissioner’s Court Meeting</p> <p>Walker County Trustees – Copy of Minutes from Walker County Commissioner’s Court Meeting</p> <p>Liberty County Trustees – Letter from Liberty County Judge Craig McNair</p>	
<p><b>Recommended Action:</b></p> <p><b>Recite Oaths of Office</b></p>	

# OATH OF OFFICE

I, \_\_\_\_\_,  
do solemnly swear,  
that I will faithfully execute  
the duties of the office of Trustee  
of Tri-County Services,  
and will, to the best of my ability  
preserve, protect, and defend the Constitution  
and laws of the United States and of this State;  
and I furthermore solemnly swear  
that I have not directly nor indirectly,  
paid, offered, or promised to pay,  
contributed, nor promised to contribute  
any money, or valuable thing,  
or promised any public office or employment,  
as a reward for the giving or withholding a vote  
to secure my appointment,  
and further affirm that I,  
nor any company, association, or corporation  
of which I am an officer or principal  
will act as supplier of services or goods,  
nor bid or negotiate to supply  
such goods or services, for this Center,  
so help me God.

G4. Precinct 4

- a. STREETS ACCEPTED into the one year maintenance period, effective August 26, 2013 in Montgomery Creek Ranch, Section 12, 2,861.40 Linear Feet = .54 miles.

COUNTY ATTORNEY – REAL PROPERTY – AGENDA ITEM 8H1

H1. PRECINCT 3

- a. CORRECTED ORDER APPROVED consenting to street construction, repair, and maintenance by Montgomery County for The Woodlands Joint Powers Agency for 43 Halfmoon Court, per Interlocal Agreement.

Motion carried.

**END OF CONSENT AGENDA**

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4. **REAPPOINTMENT APPROVED – SHARON WALKER – COUNTY JUDGE**

Motion by Judge Sadler, seconded by Commissioner Meador, to approve the reappointment of Sharon Walker to the Board of Trustees for Tri-County Services for another two-year term to expire August 31, 2015. Motion carried.

5. REQUEST APPROVED – TERM EXTENSION – COUNTY JUDGE

Motion by Commissioner Doyal, seconded by Commissioner Meador, to approve the extension of David Harris' term as Housing Commissioner for Montgomery County Housing Authority. Motion carried.

6. APPOINTMENT APPROVED – NATHAN JENSEN – COUNTY JUDGE

Motion by Commissioner Noack, seconded by Commissioner Doyal, to approve the appointment of Nathan Jensen to the Jail Expansion Committee. Motion carried.

7. FUNDS ACCEPTED – FY2014 SPEED STEP GRANT – SHERIFF

Motion by Commissioner Noack, seconded by Commissioner Doyal, to accept the funds for the FY2014 Speed Step Grant in the amount of \$32,024.16. The Grant application was approved in Commissioners Court on December 17, 2012. Motion carried.

8. AWARD ACCEPTED – 2013 JAG GRANT - SHERIFF

Motion by Commissioner Doyal, seconded by Commissioner Meador, to accept the 2013 JAG Grant award in the amount of \$64,704.00 and authorize Judge Sadler to sign all related paperwork. The Grant application was approved in Commissioners Court on July 1, 2013. Motion carried.

AGENDA ITEM 11A DEFERRED AT REQUEST OF COMMISSIONER MEADOR.

9. REQUESTS APPROVED – GRANTS SUBMISSION – CONSTABLE PRECINCT 2

Motion by Commissioner Doyal, seconded by Commissioner Meador, to approve Constable Precinct 2 applying to K9 4 COPS Grant (for one K9) and to the Texas 1033 Military Surplus Program. Motion carried.

AGENDA ITEM 13A1-3 DEFERRED UNTIL A LATER DATE AT THE REQUEST OF COMMISSIONER DOYAL.

- Discuss and/or approve ROW Mr. Michael Johnson, Walker Loop Road – Ronnie White #22  
*Ronnie White stated this ties into Carter Road that he was doing during the MidSouth project; he has the other side. A motion was made by Ronnie White to approve the ROW Mr. Michael Johnson, Walker Loop Road, seconded by Bobby Warren, unanimous vote.*

---

- Discuss and/or approve (re)appointment to the Walker County Public Safety Communications Center Board – Danny Pierce #23  
*B.J. Gaines, Jr. stated Tim is coming up; his appointment expires on the 31<sup>st</sup>; he commended Tim on the job he has done. A motion was made by B.J. Gaines, Jr. to approve the (re)appointment to the Walker County Public Safety Communications Center Board, seconded by Bobby Warren, unanimous vote.*

---

- **Discuss and/or approve two (re)appointments to the Tri-County Services Board of Trustees – Danny Pierce** #24  
*Judge Pierce stated that Tracy Sorensen and Morris Johnson are up for reappointment. A motion was made by B.J. Gaines, Jr. to approve the two (re)appointments to the Tri-County Services Board of Trustees, seconded by Bobby Warren, unanimous vote.*

---

- Discuss and/or approve three (re)appointments to the (City) Tax Increment Reinvestment Zone Number One Board of Directors – Danny Pierce #25  
*A motion was made by B.J. Gaines, Jr. to approve the three (re)appointments to the (City) Tax Increment Reinvestment Zone Number One Board of Directors, seconded by Bobby Warren, unanimous vote.*

---

- Discuss and/or approve transferring retiring 2004 GMC 4500 ambulance VIN#1GBC4C1264F511691 to the Huntsville Police Department – Danny Pierce #26  
*Judge Pierce stated this is something that was done in the past; the current ambulance they have at this time is no longer needed for the proper capacity; that one they will transfer to Huntsville Fire Department. Kevin Lunsford stated they have a 1979 box van for the dive team; this will give them more room; it will serve more of a purpose for Huntsville Police Department. A motion was made by B.J. Gaines, Jr. to approve transferring retiring 2004 GMC 4500 ambulance VIN#1GBC4C1264F511691 to the Huntsville Police Department, seconded by Tim Paulsel, unanimous vote.*

•

• **At 10:15 a.m. Judge Pierce called for a break.**

**At 10:48 a.m. Judge Pierce reconvened the meeting and took up item #27.**

- 
- BUDGET WORKSHOP and review of policies #27  

Judge Pierce asked if there are any areas that need to be addressed.  
 Judge Pierce stated that with the 3% raise; the Sheriff's salary allows individuals under Clint that would exceed his pay; we need to adjust his salary up \$1,800.  
 Patricia Allen stated it is \$1,884.  
 Judge Pierce stated with a consensus he would like to see it in the budget; it won't change the rate.  
 Patricia Allen stated to adjust the salary we have to republish the elected officials salaries 10 days before they approve the budget; the EMS transfer revenue through May; in June we had a bad month; July was a good month; we made up ground we lost in May; the August figures are still coming in.  
 Judge Pierce stated we are currently probably in the break even.  
 Patricia Allen stated expenditures flow differently than revenues; the budget projections are still pretty close unless we continue to have months like July; she is under the impression that John is still working with Quentin on possible contracts that can be discussed with different centers; it appears the discussion with the hospital helped with getting revenue in; in April or May the reclassification committee met, three things were presented; one for the Emergency Management Coordinator, there is no change in salary; the Treasurer wants to change groups, money was not approved, Sharon would like to make the changes but no change in pay; Robyn requested she has one long term employee that is leaving, she would like to change the name of the position, there is no money change; Judge Kraemer recently hired a court reporter, he hired her at a reduced salary, the order was written that she would receive a 3% raise when the county got one, he wants to include her this year, the District Judge sets the salary not the court; she discussed a few changes.  
 Sharon Duke discussed the credit card policy; she stated we could either go through the company to get an upgrade for \$65.00 or do it online and pay \$30.00 and \$3.00 sales tax; she went ahead and purchased it online; there is no way to get away from sales tax; she paid the \$3.00 sales tax personally to save the county \$33.00; there should be a provision to allow for extenuating circumstances.  
 Sonja Tennant stated she worked on it with Got Print; it took a good 6 months of paperwork pushing before they got it tax exempt.  
 Sharon Duke stated it seems we cut off our nose despite our face.  
 Patricia Allen stated there have been a few unique cases; more often than not it is an employee not following through.  
 Quentin Russell stated he always thought we weren't supposed to pay taxes.  
 Tim Paulsel asked is it state by state or just Texas.  
 Patricia Allen stated if it is out of state they don't charge taxes.  
 No action needed.

**VI. EXECUTIVE SESSION: none**

If during the course of the meeting covered by this notice, Commissioners Court shall determine that a closed meeting of the Court is required, then such closed meeting as authorized by Texas Government Code 551, sub-chapter D will be held by the Commissioners Court at the date, hour, and place given in this notice or as soon after the commencement of the meeting covered by this notice as the Commissioners Court may conveniently meet in such closed meeting concerning any and all subjects and for any and all purposes permitted by Chapter 551, sub-chapter D, inclusive of said Texas Government Code, including but not limited to:

**Section 551.071** For the purpose of private consultation between the Commissioners' Court and its attorney when the Court seeks the attorney's advice with respect to pending or contemplated litigation settlement offers, and matters where the duty of the Commissioners' Court counsel to his client pursuant to the Code of Professional Responsibility of the State Bar of Texas clearly conflicts with the Open meetings Act.

CRAIG McNAIR  
COUNTY JUDGE



1923 SAM HOUSTON  
LIBERTY, TEXAS 77575

***THE COUNTY OF LIBERTY***  
*Est. 1836*

August 27, 2013


Tri-County MHMR  
Attn: Evan Roberson  
P.O. Box 3067  
Conroe, TX 77305

Re: Reappointment of Brad Browder

Dear Mr. Roberson:

On August 27, 2013, the Liberty County Commissioners Court voted to reappoint Brad Browder to the Tri-County Services Board of Trustees. Thank you.

Sincerely,

  
Craig McNair  
County Judge

CM/dh



<p><b>Agenda Item:</b> Board of Trustees Committee Appointments</p> <p><b>Committee:</b> Executive</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>David Walker, Chairman of the Board, will appoint Committee members and their respective Chairs at the meeting.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	



<b>Agenda Item:</b> Board of Trustees Attendance Analysis for FY 2013  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  September 26, 2013
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Board of Trustees Attendance Analysis for FY 2013	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Board of Trustees Attendance Analysis | FY 2013

Board Member	Regular Meetings	Attendance Percentage for Regular Meetings	Special Called Meetings	Attendance Percentage for Special Called Meetings	Total Attendance
David Walker Chair	9/10	90%	1/1	100%	91%
Brad Browder Vice-Chair	6/10	60%	0/1	0%	55%
Tracy Sorensen Secretary	8/10	80%	1/1	100%	82%
Patti Atkins	7/10	70%	1/1	100%	73%
Morris Johnson	10/10	100%	1/1	100%	100%
Cecil McKnight	10/10	100%	1/1	100%	100%
Janet Qureshi	8/10	80%	1/1	100%	82%
Sharon Walker	8/10	80%	1/1	100%	82%
(Vacant)					

<b><u>Summary of Attendance</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Total Regular Meetings Held:	10	10	10
Average Attendance:	90%	86%	83%
Total Special Called Meetings Held:	1	1	1
Average Attendance:	56%	67%	88%
Total Number of Meetings Held:	11	11	11
Average Attendance:	87%	84%	83%
Average Number of Members Present:	7.81	7.70	6.73

**NOTE: ALL ABSENCES LISTED ABOVE WERE EXCUSED**

<b>Agenda Item:</b> Personnel Report for August 2013  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  September 26, 2013
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Personnel Report for August 2013	
<b>Recommended Action:</b>  <b>For Information Only</b>	

**TRI-COUNTY SERVICES  
PERSONNEL BOARD REPORT  
AUGUST  
2013**

STAFF CLASSIFICATIONS	NEW HIRES		SEPARATED		VOLUNTARY SEPARATION		INVOLUNTARY SEPARATION		BUDGETED POSITIONS	FILLED POSITIONS	MONTHLY TURNOVER PERCENT	YEARLY TURNOVER PERCENT
	MO.	YTD.	MO.	YTD.	MO.	YTD.	MO.	YTD.				
Bachelor's												
Qualified Mental Health Professionals	6	21	3	22	3	16		6	74	71	4%	31%
Qualified Developmental Disability Professionals (State Title)		8	1	6	1	6			16	15	7%	40%
Licensed Staff		2	1	3	1	3			15	12	8%	25%
Medical												
Physicians		3		1		1			7	6	0%	17%
Advanced Practice Nurses				1		1			2	1	0%	50%
RN's	1	3	1	6		3		3	12	9	11%	67%
LVN's		4		4	1	4			10	9	0%	44%
Techs/Aides												
MH	1	5		3		3			18	10	0%	30%
IDD		5	1	6		4	1	2	34	30	3%	20%
Supervisor/Manager												
MH									15	15	0%	0%
IDD				1		1			8	8	0%	13%
Program Support	1	10	1	6	1	6			41	38	3%	16%
Central Administration		3		4		2		2	21	20	0%	20%
Business Services		1		1				1	14	13	0%	8%
Maintenance/Janitorial/Lawn		4		3		3			23	21	0%	14%
<b>GRAND TOTALS</b>	<b>9</b>	<b>69</b>	<b>8</b>	<b>67</b>	<b>7</b>	<b>53</b>	<b>1</b>	<b>14</b>	<b>310</b>	<b>278</b>	<b>3%</b>	<b>24%</b>
Previous YTD											3%	29%

<p><b>Agenda Item:</b> Approve FY 2014 Dues Commitment and Payment Schedule for Texas Council of Community Centers</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>The Texas Council Budget for FY 2014 was approved at the Texas Council Board meeting in August. The FY 2014 Budget includes a small increase of \$2,432 for the Texas Council.</p> <p>This small budget increase was covered without an increase in dues for Tri-County. The total annual payment was reduced by \$847 from \$29,078 to \$28,231. Tri-County pays this fee in quarterly installments.</p>	
<p><b>Supporting Documentation:</b></p> <p>Dues Commitment and Payment Schedule</p> <p>Cover Memorandum from Danette Castle, CEO</p> <p>Budget Overview and Budget</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve FY 2014 Dues Commitment and Payment Schedule for Texas Council of Community Centers</b></p>	

**FY 2014 Commitment of Dues Payment for  
Texas Council of Community Centers**

**CENTER: Tri-County Services**

The dues for FY 2014 have been calculated as follows:

Total Dues ... ..\$30,817.00

**LESS: Credit for Texas Council Risk  
Management Fund Members...(2,586.00)**

Net Dues .....**\$28,231.00**

The dues payment may be paid in one payment or in monthly or quarterly installments. Please identify the dues payment methodology you plan to use:

	<u>Monthly</u>	<u>Quarterly</u>	<u>Lump Sum</u>
<b>September 2013</b>	_____	<u>7,058</u>	\$ _____
<b>October</b>	_____		
<b>November</b>	_____		
<b>December</b>	_____	<u>7,058</u>	
<b>January 2014</b>	_____		
<b>February</b>	_____		
<b>March</b>	_____	<u>7,058</u>	
<b>April</b>	_____		
<b>May</b>	_____		
<b>June</b>	_____	<u>7,057</u>	
<b>July</b>	_____		
<b>August</b>	_____		
<b>TOTALS</b>	\$ _____	\$ <u>28,231</u>	\$ _____

Invoice for each payment required?  Yes  No

We appreciate your prompt and timely payment!

APPROVED:

\_\_\_\_\_  
Chairperson, Board of Trustees

\_\_\_\_\_  
Executive Director

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



**Texas Council**  
of Community Centers

**MEMO**  
**August 30, 2013**

**TO:** Evan Roberson  
Executive Director, Tri-County Services

**FROM:** Danette Castle [REDACTED]  
Chief Executive Officer

**SUBJECT:** FY 2014 Commitment of Dues for  
Texas Council of Community Centers

Please find attached the FY 2014 (September 1, 2013 – August 31, 2014) Commitment of Dues Payment Form. This form establishes the basis for payment of your dues. Please note on the form that you can choose a payment schedule that meets your needs.

The dues assessment reflects the budget as approved at the August 3, 2013 meeting of the Texas Council Board of Directors. To assist with local discussions with your Board of Trustees, we include the following information:

- Budget Overview
- FY 2014 Budget (with side-by-side comparison to FY 2013)
- FY 2014 Dues Comparison to FY 2013 Dues
- FY 2014 Commitment of Dues Payment Form

If you have any questions or need further information, please contact Paul Hagen at [phagen@txcouncil.com](mailto:phagen@txcouncil.com) or call the Texas Council office at 512.794.9268.

Enclosure

cc: Sharon Walker, Texas Council Board Delegate

Westpark Building 3, Suite 240 | 8140 N. Mopac Expressway | Austin, TX 78759  
512.794.9268 | fax 512.794.8280 | [office@txcouncil.com](mailto:office@txcouncil.com)



## **Texas Council of Community Centers FY 2014 Budget Overview**

The Texas Council Board of Directors approved the FY 2014 operating budget on August 3, 2013.

### **FY 2014 Budget: Key Elements**

- Total Budget: \$1,595,692 (\$2,432 increase as compared to FY 2013);
- Total dues for FY 2014 are unchanged from FY 2013;
- Includes \$150,000 contribution from the Texas Council Risk Management Fund (\$75,000 for administrative support provided by the Texas Council and \$75,000 for TCRMF member dues);
- Base dues remain at \$8,000;
- Reflects a \$5,568 reduction in product endorsement fees;
- Covers membership dues for all Texas Council members in National Council for Behavioral Health and National Association of County Behavioral Health & Developmental Disabilities.

Texas Council dues are calculated using a board approved formula: a base assessment is applied to each Center and remaining amount needed to fund total dues for the year is assessed to each member by determining the net revenue of each Center in proportion to the total net revenues of all members. The net revenue for each Center equals its gross revenues less local funds and community hospital funds (as reflected in the most current independent audit). Total dues assessed to each member equals base dues (\$8,000) plus the proportionate share.

For Centers in NorthSTAR, mental health revenues earned through contract with Value Options are included in the determination of net revenue.

If you have any questions, please contact Paul Hagen at [phagen@txcouncil.com](mailto:phagen@txcouncil.com).



<b>Proposed Budget</b>							
<b>Year Ended August 31, 2014</b>							
						<b>FY 2014</b>	
				<b>Original</b>	<b>Revised</b>	<b>Proposed</b>	<b>Compared to</b>
				<b>FY 2013</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2013 -</b>
				<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Increase</b>
<b>REVENUES</b>				<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>(Decrease)</b>
40110 - Dues from Member Centers				1,322,672	1,322,672	1,322,672	0
40120 - Dues from Associate Members				10,000	10,000	10,000	0
Product Endorsement Fees:							
41110 - Bond Program - FAP (Admin. Fee)				20,212	20,212	17,588	(2,624)
41130 - Texas Council Risk Management Fund				150,000	150,000	150,000	0
41140 - Retirement Program - Membership				60,000	60,000	60,000	0
41145 - Retirement Program - Life Insurance				2,000	2,000	0	(2,000)
41150 - Bond Program - FAP (Rebate)				7,276	7,276	6,332	(944)
Other:							
42145 - MH First Aid Registrations				0	41,720	0	0
42146 - Service Coordination Summit Registrations				0	0	4,000	4,000
42147 - ECI Summit Registrations				0	0	4,000	4,000
42150 - Conference Acct. Salary Reimbursement				20,800	20,800	20,800	0
42160 - Miscellaneous				300	300	300	0
<b>Total Revenues</b>				<b>1,593,260</b>	<b>1,634,980</b>	<b>1,595,692</b>	<b>2,432</b>

							FY 2014
							Compared to
				Original	Revised	Proposed	FY 2013 -
				FY 2013	FY 2013	FY 2014	Increase
				<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
<b><u>EXPENSES</u></b>							
Personnel:							
61110 - Salaries				644,600	686,820	655,000	10,400
61115 - Other Compensation				0	0	0	0
62210 - Retirement Program Benefits				64,460	61,060	65,500	1,040
62220 - Employee Health Insurance				52,800	51,200	52,800	0
62310 - FICA (Soc. Security & Medicare)				45,133	45,133	45,430	297
62320 - State Unemployment				384	384	384	0
62330 - Federal Unemployment				392	392	336	(56)
62340 - Workers' Comp. Insurance				1,700	1,700	1,767	67
62380 - Contingency - Salary and Other				20,000	0	30,000	10,000
Insurance:							
64110 - Auto - Liab., Comp., Collision				150	150	139	(11)
64130 - Directors' & Officers' Liability				1,865	1,865	1,865	0
64170 - Office Contents				700	700	721	21
Occupancy:							
65130 - Base Office Lease				78,609	78,609	79,431	822
65135 - Bldg. Expense Pass-through				360	360	420	60
Office Equipment (Leases, etc.):							
65240 - Lease - Office Equipment				10,548	10,548	8,844	(1,704)
65242 - Lease - Ad Valorem Taxes				894	894	894	0
65245 - Lease - Telephone				4,716	4,716	4,716	0
65250 - Maintenance - Office Equipment				12,000	12,000	12,300	300

							FY 2014
							Compared to
				Original	Revised	Proposed	FY 2013 -
				FY 2013	FY 2013	FY 2014	Increase
				<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
Office Expenses (Other):							
65325	· Office Supplies			8,400	8,400	10,650	2,250
65330	· Postage and Delivery			1,600	1,600	2,160	560
65335	· Printing			6,600	6,600	6,690	90
65340	· Telephone			24,300	24,300	24,000	(300)
65345	· Subscriptions - Publications			5,500	5,500	5,500	0
65350	· Miscellaneous			1,320	1,320	2,071	751
65380	· Depreciation - Office Equipment			6,500	6,500	9,500	3,000
65390	· Depreciation - Office Furniture			1,500	1,500	1,500	0
Travel:							
66110	· CEO - Auto Allowance			8,400	8,400	8,400	0
66112	· CEO - Travel/Meetings			12,000	7,000	12,000	0
66120	· Board of Directors			6,000	4,000	6,000	0
66140	· TX Council Staff (except CEO)			18,000	13,500	18,360	360
66150	· Registration Fees/Conferences			4,200	4,200	4,800	600
66160	· Oversight Committees			5,500	5,500	6,000	500
Meetings:							
67110	· TX Council Board of Directors			24,000	24,000	24,000	0
67120	· Executive Directors' Consortium			24,000	24,000	24,000	0
67150	· Other Meeting Costs			8,000	8,000	8,000	0
Other Operating:							
68110	· Memberships - Associations, etc			42,500	42,500	42,500	0
68120	· Advocacy Associations			5,000	5,000	5,000	0
68130	· Public Info. - Contracted			8,400	8,400	10,000	1,600
68160	· National Council Dues			85,915	85,915	91,150	5,235

							FY 2014
							Compared to
				Original	Revised	Proposed	FY 2013 -
				FY 2013	FY 2013	FY 2014	Increase
				<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>
Contracted and Purchased Services:							
69120	Governmental Relations (State)			132,000	152,000	72,000	(60,000)
69150	Medicaid Cost Report Analysis			864	864	0	(864)
69210	Audit/Tax Services			5,950	5,950	6,200	250
69220	General Counsel Services			75,000	75,000	75,000	0
69240	Bond Admin. - Arbitrage			2,700	0	5,000	2,300
69250	Financial Services			64,800	64,800	70,800	6,000
69260	Purchased Services / Consultation			60,000	47,200	70,864	10,864
69270	MH First Aid Training			0	31,500	0	0
69271	Service Coordination Summit			0	0	4,000	4,000
69272	ECI Summit			0	0	4,000	4,000
Contingency Funds:							
69910	Unanticipated Expenses			5,000	5,000	5,000	0
Total Expenses				<b>1,593,260</b>	<b>1,634,980</b>	<b>1,595,692</b>	<b>2,432</b>
Excess (Deficit) of Revenues over Expenses				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<p><b>Agenda Item:</b> Approve 6<sup>th</sup> Payment of Non-Refundable Option Money to the Property Owner for the Independence Oaks Project Site</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>Earlier this month, Tri-County staff communicated with HUD on the progress of the Firm Commitment for the Independence Oaks Project. Based upon responses received from HUD, it appears that the Firm Commitment can be approved once amendment funds are secured. We are hopeful that HUD may attempt to secure amendment funds by the end of the federal fiscal year (9/30). Once funds are approved, the project will proceed to Initial Closing within a few months.</p> <p>Due to the current timeline of the project, a second amendment to the Option to Purchase the property in Cleveland was negotiated. This amendment was developed and approved by David Deaton of Jackson Walker. The property owner has requested that ¼ of any subsequent payments made, go toward the property taxes. To date, \$12,500 in Option money was approved by the Board for the Cleveland Supported Housing, Inc. (CSHI) Project. Following Board approval, the agreement will be extended and an additional payment will be due by September 30<sup>th</sup>, 2013 to extend the Option to Purchase to December 30<sup>th</sup>, 2013.</p> <p>In addition, we recently received word from our architect that they were able to secure approval from Auto Zone to access the utility easement necessary to complete the CSHI Project as it is currently designed. It appears that once funding is received, the project can proceed to construction without clearing any other regulatory/site-related hurdles.</p>	
<p><b>Supporting Documentation:</b></p> <p>Second Amendment to Option</p>	
<p><b>Recommended Action:</b></p> <p><b>Authorize the Executive Director to execute the Second Amendment to the Option for the Cleveland Property, and Approve 6<sup>th</sup> Payment of Non-Refundable Option Money to the Property Owner for the Independence Oaks Project Site</b></p>	

**Agenda Item:** Approve FY 2014 Department of State Health Services (DSHS) Performance Contract #2014-044767

**Board Meeting Date**

September 26, 2013

**Committee:** Business

**Background Information:**

The DSHS Performance Contract consists of the following program attachments:

- Mental Health Performance Contract (traditional MH Services)
- Pre-Admission, Screening and Resident Review (Nursing Home Screenings performed under contract with the Department of Aging and Disability Services)
- Outpatient Competency Restoration
- Supportive Housing Project (new funding)
- Veterans Services
- Psychiatric Emergency Service Center and Associated Projects (PETC and hospitalization money)
- Mental Health Private Psychiatric Beds (Rusk diversion beds)

This new contract includes the following key changes:

- An increase of 49% in the MH Adult Service Target from 1,485 to 2,220 persons served a month
- An increase of 70% in the MH Children Service Target from 219 to 374 persons served a month
- A series of new measurements that will be used to determine if 10% of the General Revenue funds will be held back for Quarters 1/2 and Quarters 3/4. This 10% withhold puts \$1.19 million at risk.
- \$1.489 million in new funding to:
  - Increase the number of persons served
  - Eliminate the waiting list for all services
  - Serve persons in appropriate levels of care (instead of putting them in a lesser service at a lower cost)
- The requirement for all services to be done in strict compliance with Texas Resilience and Recovery (TRR) treatment design
- A requirement to develop a plan for the use of the new funding

These changes to the Mental Health Performance Contract are the most significant in recent history, and include new opportunities and challenges for the Center.

Ultimately, staff are hopeful that this new funding will allow us to serve more individuals with mental illness. Significant monitoring activities will also be undertaken to ensure that we meet contract expectations.

**Supporting Documentation:**

Contract Available for Review at the Board Meeting

**Recommended Action:**

**Approve FY 2014 Department of State Health Services (DSHS) Performance Contract # 2014-044767**

<p><b>Agenda Item:</b> Approve Department of State Health Services (DSHS) Youth Prevention-Selective Contract #2014-044724-001</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>Tri-County contracts with DSHS to provide substance abuse prevention education to children and youth (YPS). Previously, these services (children to age 11 and youth to age 17) were two separate contracts with DSHS; however, this year, the contract was combined into one document.</p> <p>Significant changes in the FY 2014 contract are:</p> <ul style="list-style-type: none"> <li>• New funding to add a third prevention specialist;</li> <li>• New targets for youth and parents that attend Alcohol, Tobacco and other Drug (ATOD) meetings;</li> <li>• No longer allowed to provide groups to Kindergarteners;</li> <li>• The age range for group participation is 6-18;</li> <li>• Required to use new pre and post tests for the program; and,</li> <li>• New data submission requirements.</li> </ul> <p>We are pleased to get the funding to add another staff person, and all of the other changes are acceptable.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the DSHS Youth Prevention-Selective Contract #2014-044724-001</b></p>	

<p><b>Agenda Item:</b> Ratify DSHS Treatment Youth Services Contract #2014-044595-001</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>Tri-County contracts with the Department of State Health Services (DSHS) to provide Youth Outpatient Substance Abuse Services at our Riverpointe facility.</p> <p>There were only a few changes to the FY 2014 Contract including:</p> <ul style="list-style-type: none"> <li>• A slight increase in the award amount-\$367-which is the result of an increase in a couple of the rates.</li> <li>• The target was lowered for "successful completions" of the program from 70% to 42%.</li> <li>• Finally, there were a few changes to the data that is reported to the State.</li> </ul> <p>Evan Roberson spoke with David Walker, Board Chairman, who authorized the contract to be signed and returned to DSHS.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Ratify the DSHS Treatment Youth Services Contract #2014-044595-001</b></p>	



<p><b>Agenda Item:</b> Approve FY 2014 Kingwood Pines Inpatient Hospital Contract</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>Tri-County Services has utilized Kingwood Pines for inpatient contract services for several years. This service is utilized for individuals with psychiatric acuity levels that exceed the resources and service capabilities for our Psychiatric Emergency Treatment Center (PETC) program. This includes persons who are aggressive and a threat to others, and who need longer term inpatient treatment than that permitted in the PETC.</p> <p>This year, Tri-County Services has executed a Statement of Work (SOW) with the Department of State Health Services (DSHS) for five private psychiatric beds intended for state hospital diversion. This additional attachment to specify psychiatric services for those beds is included in the FY 2014 Kingwood Pines contract.</p> <p>The Kingwood Pines contract for FY 2014 state hospital diversion beds is \$300,000. The contract for additional beds in FY 2014 is \$50,000 which is the same as last year in FY 2013.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the FY 2014 Kingwood Pines Hospital Contract for Psychiatric Inpatient Services</b></p>	

<p><b>Agenda Item:</b> Approve FY 2014 Cypress Creek Inpatient Hospital Contract</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>Tri-County Services has utilized Cypress Creek for inpatient contract services for several years. This service is utilized for individuals with psychiatric acuity levels that exceed the resources and service capabilities for our Psychiatric Emergency Treatment Center (PETC) program. This includes persons who are very aggressive and a threat to others, and who need longer term inpatient treatment than that permitted in the PETC.</p> <p>This year, Tri-County Services has executed a Statement of Work (SOW) with the Department of State Health Services (DSHS) for five private psychiatric beds intended for state hospital diversion. This additional attachment to specify psychiatric services for those beds is included in the FY 2014 Cypress Creek contract.</p> <p>The Cypress Creek contract for FY 2014 state hospital diversion beds is \$600,000. The contract for additional beds in FY 2014 is \$50,000 which is the same as last year in FY 2013.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review at the Board Meeting</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the FY 2014 Cypress Creek Hospital Contract for Psychiatric Inpatient Services</b></p>	

<p><b>Agenda Item:</b> Review August 2013 Preliminary Financial Statements</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>August 2013 Preliminary Financial Statements</p>	
<p><b>Recommended Action:</b></p> <p><b>Review of August 2013 Preliminary Financial Statements – For Information Only</b></p>	

### Preliminary August 2013 Financial Summary

Revenues for August 2013 were \$2,050,787 and operating expenses were \$2,343,463 resulting in a loss in operation of \$292,677. Capital Expenditures and Extraordinary Expenses for August were \$182,436 resulting in a loss of \$475,113. Total revenues were 88.22% of the monthly budgeted revenues and total expenses were 115.87% of the monthly budgeted expenses.

Year to date revenues are \$24,835,441 and operating expenses are \$23,505,044 leaving excess operating revenues of \$1,330,396. YTD Capital Expenditures and Extraordinary Expenses are \$697,736 resulting in a gain YTD of \$632,661. Total revenues are 99.66% of the YTD budgeted revenues and total expenses are 99.98% 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
UT-HOGG Foundation	5,100	19,970	25.53%	14,870
TCOOMMI	419,070	433,306	96.71%	14,236
Rehab - Title XIX	1,813,997	1,827,598	99.25%	13,601
DSHS - Outpatient Competency Restoration	170,841	222,000	76.95%	51,159

UT-HOGG Foundation - This line item is a pass through for training provided to our Peer Support positions. The remaining funds will be carried over to FY 2014 to be used for new training that could not be arranged in FY 2013.

TCOOMMI - This line item is a cost reimbursement program and the actual amount of revenue received from TCOOMMI is determined by taking total expenses less Medicaid Revenue. The variance means that we received more Medicaid revenue than we had anticipated during the budging process.

Rehab - Title XIX - This line item continues to be on the variance report but we have seen a gradual improvement in the past few months. We expect to continue to see our service numbers improve as positions are filled and training is provided to staff.

DSHS - Outpatient Competency Restoration - As we have reported all year, we continue to have issues with no referrals to this program. This is a cost reimbursement program so we are not losing money, but not fully funded as we were anticipating.

**EXPENSES**

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

<b>Expense Source</b>	<b>YTD Expenses</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Building Repairs & Maintenance	363,540	280,400	129.65%	83,140
Contract Empowerment Options	2,491,052	2,473,000	100.72%	18,052

Building Repairs & Maintenance – We have accrued for some estimated repairs to the administration building based on approved contracts received by end of fiscal year. This item is over budget based on our estimate to repair a portion of the parking lot area and the Board approving the entire project at the August board meeting.

Contract Empowerment Options – This item is a cost reimbursement program and we received back billing from the ICF program which was higher than trended and the year-end budget is based on. Therefore, we are over budget on the revenue and offset on the expense side.

**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
As of August 31, 2013  
Preliminary**

	<b>TOTALS COMBINED FUNDS August 2013</b>	<b>TOTALS COMBINED FUNDS July 2013</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,325	5,325	-
Cash on Deposit-General Fund	8,352,038	8,957,085	(605,047)
Cash on Deposit-Debt Fund	421,561	421,561	-
Accounts Receivable	1,125,256	1,624,206	(498,950)
Inventory	6,661	5,985	676
<b>TOTAL CURRENT ASSETS</b>	<b>9,910,841</b>	<b>11,014,163</b>	<b>(1,103,322)</b>
<b>FIXED ASSETS</b>	<b>6,084,978</b>	<b>6,084,978</b>	<b>-</b>
<b>OTHER ASSETS</b>	<b>42,427</b>	<b>27,826</b>	<b>14,601</b>
<b>TOTAL ASSETS</b>	<b>16,038,247</b>	<b>17,126,968</b>	<b>(1,088,721)</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	1,450,960	1,317,479	133,481
<b>NOTES PAYABLE</b>	409,597	409,597	-
<b>DEFERRED REVENUE</b>	797,913	1,551,168	(753,255)
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	1,135,612	1,195,899	(60,287)
Bond Series 2004	410,000	410,000	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	632,661	1,107,774	(475,113)
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(1,951,408)	(2,011,695)	60,287
Reserved for Debt Retirement	1,230,000	1,230,000	-
Reserved for Debt Service	-	-	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment	6,066,064	6,066,064	-
Reserved for Board Policy Requirements	879,405	879,405	-
Reserved for Equipment Reserve	354,290	354,290	-
Reserved for Inventory Reserve	32,973	32,973	-
Reserved for Operations and Programs	2,000,000	2,000,000	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	74,000	67,833	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,141,773	2,141,773	-
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>16,038,248</b>	<b>17,126,968</b>	<b>(1,088,720)</b>

**TRI-COUNTY SERVICES  
CONSOLIDATED BALANCE SHEET  
As of August 31, 2013  
Preliminary**

	General Operating Funds	TOTALS Memorandum Only	
		August 2013	Final August 2012
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	5,325	5,325	5,125
Cash on Deposit-General Fund	8,352,038	8,352,038	6,181,561
Cash on Deposit-Debt Fund	421,561	421,561	429,586
Accounts Receivable	1,125,256	1,125,256	1,706,732
Inventory	6,661	6,661	3,600
<b>TOTAL CURRENT ASSETS</b>	<b>9,910,841</b>	<b>9,910,841</b>	<b>8,326,604</b>
<b>FIXED ASSETS</b>	<b>6,084,978</b>	<b>6,084,978</b>	<b>6,066,064</b>
<b>OTHER ASSETS</b>	<b>42,427</b>	<b>42,427</b>	<b>42,755</b>
<b>AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF LONG TERM DEBT</b>			
<b>TOTAL ASSETS</b>	<b>16,038,247</b>	<b>16,038,247</b>	<b>14,435,423</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	1,450,960	1,450,960	1,195,517
<b>NOTES PAYABLE</b>	409,597	409,597	409,597
<b>DEFERRED REVENUE</b>	797,913	797,913	157,192
<b>LONG-TERM LIABILITIES FOR</b>			
Line of Credit - Tradition Bank	1,135,612	1,135,612	1,395,837
Bond Series 2004	410,000	410,000	820,000
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	632,661	632,661	1,102,439
Debt Service Fund	-	-	-
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt service-Restricted	(1,951,408)	(1,951,408)	(2,621,633)
Reserved for Debt Retirement	1,230,000	1,230,000	1,230,000
Reserved for Debt Service	-	-	-
<b>COMMITTED</b>			
Net Assets-Property and Equipment-Committed	6,066,064	6,066,064	6,066,064
Reserved for Board Policy Requirements-Committed	879,405	879,405	879,405
Reserved for Equipment Reserve-Committed	354,290	354,290	354,290
Reserved for Inventory Reserve-Committed	32,973	32,973	32,973
Reserved for Operations and Programs -Committed	2,000,000	2,000,000	2,000,000
<b>ASSIGNED</b>			
Reserved for Workers' Compensation-Assigned	274,409	274,409	274,409
Reserved for Current Year Budgeted Reserve -Assigned	74,000	74,000	-
Reserved for Insurance Deductibles-Assigned	100,000	100,000	100,000
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	2,141,773	2,141,773	1,039,334
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>16,038,248</b>	<b>16,038,248</b>	<b>14,435,423</b>

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

<b>INCOME:</b>	<b>MONTH OF August 2013</b>	<b>YTD August 2013</b>
Local Revenue Sources	108,544	1,700,917
Earned Income	966,734	10,534,728
General Revenue-Contract	975,509	12,599,796
<b>TOTAL INCOME</b>	<b>2,050,787</b>	<b>24,835,441</b>
<b>EXPENSES:</b>		
Salaries	1,301,153	12,237,551
Employee Benefits	121,147	2,133,709
Medication Expense	39,002	330,083
Travel-Board/Staff	38,060	403,271
Building Rent/Maintenance	136,214	396,734
Consultants/Contracts	475,776	5,606,718
Other Operating Expenses	232,112	2,396,978
<b>TOTAL EXPENSES</b>	<b>2,343,463</b>	<b>23,505,044</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>(292,677)</b>	<b>1,330,396</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay-FF&E, Automobiles, Building	146,954	271,951
Capital Outlay-Debt Service Bonds	35,482	425,785
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>182,436</b>	<b>697,736</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,525,900</b>	<b>24,202,780</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>(475,113)</b>	<b>632,661</b>



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

	YTD August 2013	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	1,700,917	1,710,879	(9,962)
Earned Income	10,534,728	10,605,494	(70,766)
General Revenue-Contract	12,599,796	12,601,396	(1,600)
<b>TOTAL INCOME</b>	<b>24,835,441</b>	<b>24,917,769</b>	<b>(82,328)</b>
<b>EXPENSES:</b>			
Salaries	12,237,551	12,222,104	15,447
Employee Benefits	2,133,709	2,147,210	(13,501)
Medication Expense	330,083	320,697	9,386
Travel-Board/Staff	403,271	401,871	1,400
Building Rent/Maintenance	396,734	312,900	83,834
Consultants/Contracts	5,606,718	5,643,882	(37,164)
Other Operating Expenses	2,396,978	2,451,594	(54,616)
<b>TOTAL EXPENSES</b>	<b>23,505,044</b>	<b>23,500,258</b>	<b>4,786</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>1,330,396</b>	<b>1,417,511</b>	<b>(87,115)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	271,951	280,601	(8,650)
Capital Outlay-Debt Service Bonds	425,785	425,785	(0)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>697,736</b>	<b>706,386</b>	<b>(8,650)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>24,202,780</b>	<b>24,206,644</b>	<b>(3,864)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>632,661</b>	<b>711,125</b>	<b>(78,464)</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	425,785	425,785	(0)
Bond Payments Disbursements		-	-
Interest Income			
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>425,785</b>	<b>425,785</b>	<b>(0)</b>

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

<b>INCOME:</b>	<u>MONTH OF August 2013</u>	<u>APPROVED BUDGET</u>	<u>Increase (Decrease)</u>
Local Revenue Sources	108,544	390,765	(282,221)
Earned Income	966,734	899,055	67,679
General Revenue-Contract	975,509	1,034,762	(59,253)
<b>TOTAL INCOME</b>	<u><b>2,050,787</b></u>	<u><b>2,324,582</b></u>	<u><b>(273,795)</b></u>
<b>EXPENSES:</b>			
Salaries	1,301,153	1,287,652	13,501
Employee Benefits	121,147	60,702	60,445
Medication Expense	39,002	24,344	14,658
Travel-Board/Staff	38,060	25,051	13,009
Building Rent/Maintenance	136,214	68,233	67,981
Consultants/Contracts	475,776	406,830	68,946
Other Operating Expenses	232,112	201,625	30,487
<b>TOTAL EXPENSES</b>	<u><b>2,343,463</b></u>	<u><b>2,074,437</b></u>	<u><b>269,026</b></u>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<u><b>(292,677)</b></u>	<u><b>250,145</b></u>	<u><b>(542,822)</b></u>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	146,954	69,910	77,044
Capital Outlay-Debt Service Bonds	35,482	35,493	(11)
<b>TOTAL CAPITAL EXPENDITURES</b>	<u><b>182,436</b></u>	<u><b>105,403</b></u>	<u><b>77,033</b></u>
<b>GRAND TOTAL EXPENDITURES</b>	<u><b>2,525,900</b></u>	<u><b>2,179,840</b></u>	<u><b>346,060</b></u>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<u><u><b>(475,113)</b></u></u>	<u><u><b>144,742</b></u></u>	<u><u><b>(619,855)</b></u></u>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	35,482	35,493	(11)
Bond Payments Disbursements		-	-
Interest Income			
<b>Excess(Deficiency) of revenues over Expenses</b>	<u><u><b>35,482</b></u></u>	<u><u><b>35,493</b></u></u>	<u><u><b>(11)</b></u></u>

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

<b>INCOME:</b>	<b>YTD August 2013</b>	<b>Final YTD August 2012</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	1,700,917	2,091,894	(390,977)
Earned Income	10,534,728	9,548,792	985,936
General Revenue-Contract	12,599,796	11,607,469	992,327
<b>TOTAL INCOME</b>	<b>24,835,441</b>	<b>23,248,155</b>	<b>1,587,286</b>
<b>EXPENSES:</b>			
Salaries	12,237,551	11,412,325	825,226
Employee Benefits	2,133,709	2,108,702	25,007
Medication Expense	330,083	292,877	37,206
Travel-Board/Staff	403,271	368,551	34,720
Building Rent/Maintenance	396,734	246,283	150,451
Consultants/Contracts	5,606,718	4,684,717	922,001
Other Operating Expenses	2,396,978	2,389,999	6,979
<b>TOTAL EXPENSES</b>	<b>23,505,044</b>	<b>21,503,454</b>	<b>2,001,590</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>1,330,396</b>	<b>1,744,701</b>	<b>(414,305)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	271,951	201,893	70,058
Capital Outlay-Debt Service Bonds	425,785	440,370	(14,585)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>697,736</b>	<b>642,263</b>	<b>55,473</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>24,202,780</b>	<b>22,145,717</b>	<b>2,057,063</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>632,661</b>	<b>1,102,438</b>	<b>(469,777)</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	425,785	440,370	(14,585)
Bond Payments Disbursements			-
Interest Income			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>425,785</b>	<b>440,370</b>	<b>(14,585)</b>

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

<b>INCOME:</b>	<b>MONTH OF August 2013</b>	<b>Final MONTH OF August 2012</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	108,544	410,515	(301,971)
Earned Income	966,734	907,039	59,695
General Revenue-Contract	975,509	1,428,341	(452,832)
<b>TOTAL INCOME</b>	<b>2,050,787</b>	<b>2,745,895</b>	<b>(695,108)</b>
<b>EXPENSES:</b>			
Salaries	1,301,153	1,164,734	136,419
Employee Benefits	121,147	75,093	46,054
Medication Expense	39,002	34,334	4,668
Travel-Board/Staff	38,060	36,262	1,798
Building Rent/Maintenance	136,214	144	136,070
Consultants/Contracts	475,776	466,074	9,702
Other Operating Expenses	232,112	289,655	(57,543)
<b>TOTAL EXPENSES</b>	<b>2,343,463</b>	<b>2,066,296</b>	<b>277,167</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>(292,677)</b>	<b>679,599</b>	<b>(972,276)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	146,954	188,875	(41,921)
Capital Outlay-Debt Service Bonds	35,482	36,798	(1,316)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>182,436</b>	<b>225,673</b>	<b>(43,237)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,525,900</b>	<b>2,291,969</b>	<b>233,931</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<b>(475,113)</b>	<b>453,926</b>	<b>(929,039)</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Bond Payments Receipts	35,482	36,798	(1,316)
Bond Payments Disbursements			-
Interest Income			-
<b>Excess(Deficiency) of revenues over Expense:</b>	<b>35,482</b>	<b>36,798</b>	<b>(1,316)</b>

**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary**  
**With July 2013 Comparative Data**  
**As of August 2013**  
**Preliminary**

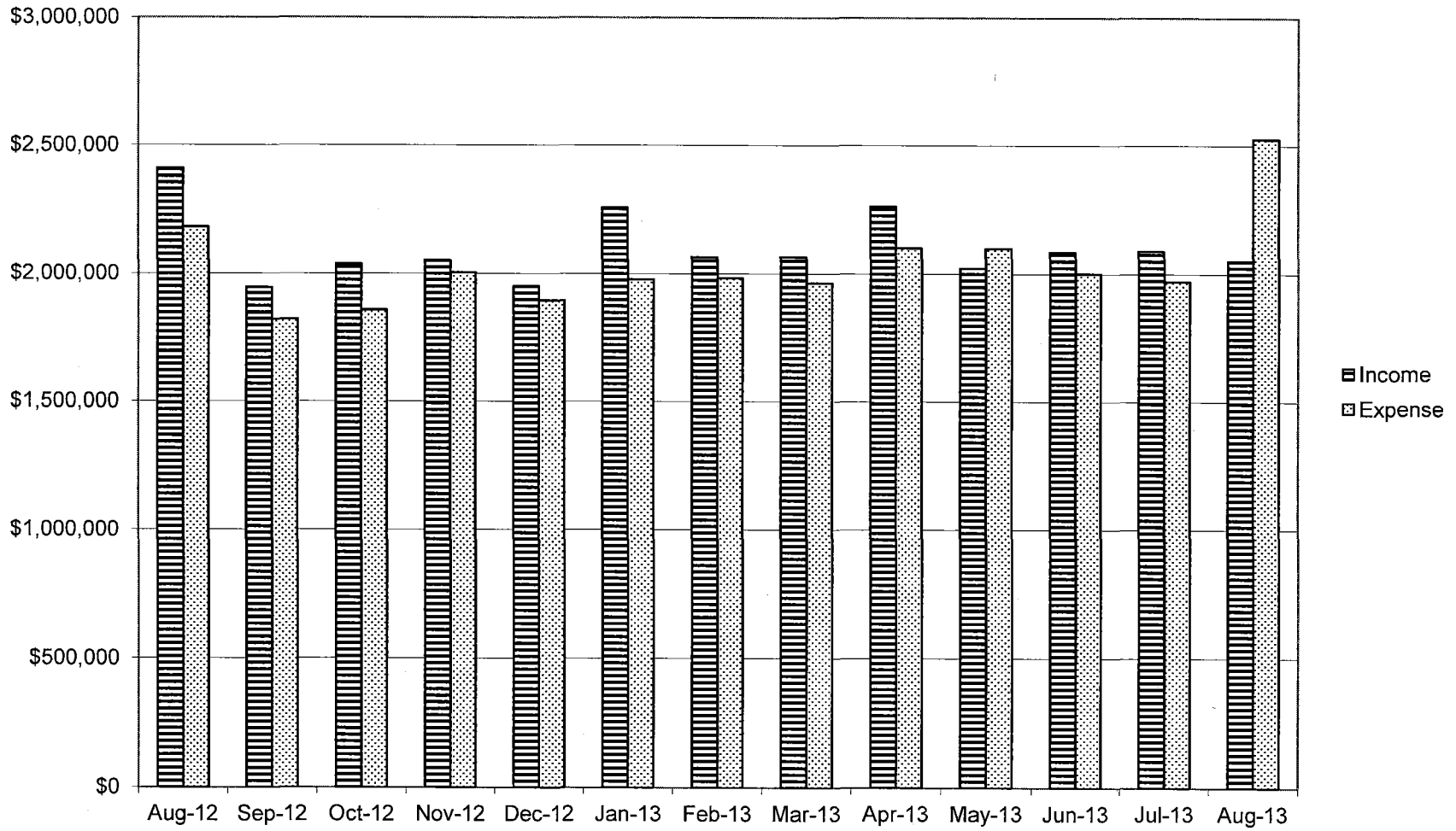
<b>INCOME:</b>	<u>MONTH OF August 2013</u>	<u>MONTH OF July 2013</u>	<u>Increase (Decrease)</u>
Local Revenue Sources	108,544	112,312	(3,768)
Earned Income	966,734	886,616	80,118
General Revenue-Contract	975,509	1,089,631	(114,122)
<b>TOTAL INCOME</b>	<u><b>2,050,787</b></u>	<u><b>2,088,559</b></u>	<u><b>(37,772)</b></u>
<b>EXPENSES:</b>			
Salaries	1,301,153	993,264	307,889
Employee Benefits	121,147	176,171	(55,024)
Medication Expense	39,002	32,437	6,564
Travel-Board/Staff	38,060	36,414	1,646
Building Rent/Maintenance	136,214	22,264	113,950
Consultants/Contracts	475,776	470,425	5,351
Other Operating Expenses	232,112	201,303	30,808
<b>TOTAL EXPENSES</b>	<u><b>2,343,463</b></u>	<u><b>1,932,278</b></u>	<u><b>411,185</b></u>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<u><b>(292,677)</b></u>	<u><b>156,281</b></u>	<u><b>(448,957)</b></u>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay-FF&E, Automobiles	146,954	3,438	143,517
Capital Outlay-Debt Service Bonds	35,482	35,482	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<u><b>182,436</b></u>	<u><b>38,920</b></u>	<u><b>143,517</b></u>
<b>GRAND TOTAL EXPENDITURES</b>	<b>2,525,900</b>	<b>1,971,198</b>	<b>554,702</b>
<b>Excess (Deficiency) of Revenues and Expense:</b>	<u><u><b>(475,113)</b></u></u>	<u><u><b>117,361</b></u></u>	<u><u><b>(592,474)</b></u></u>

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

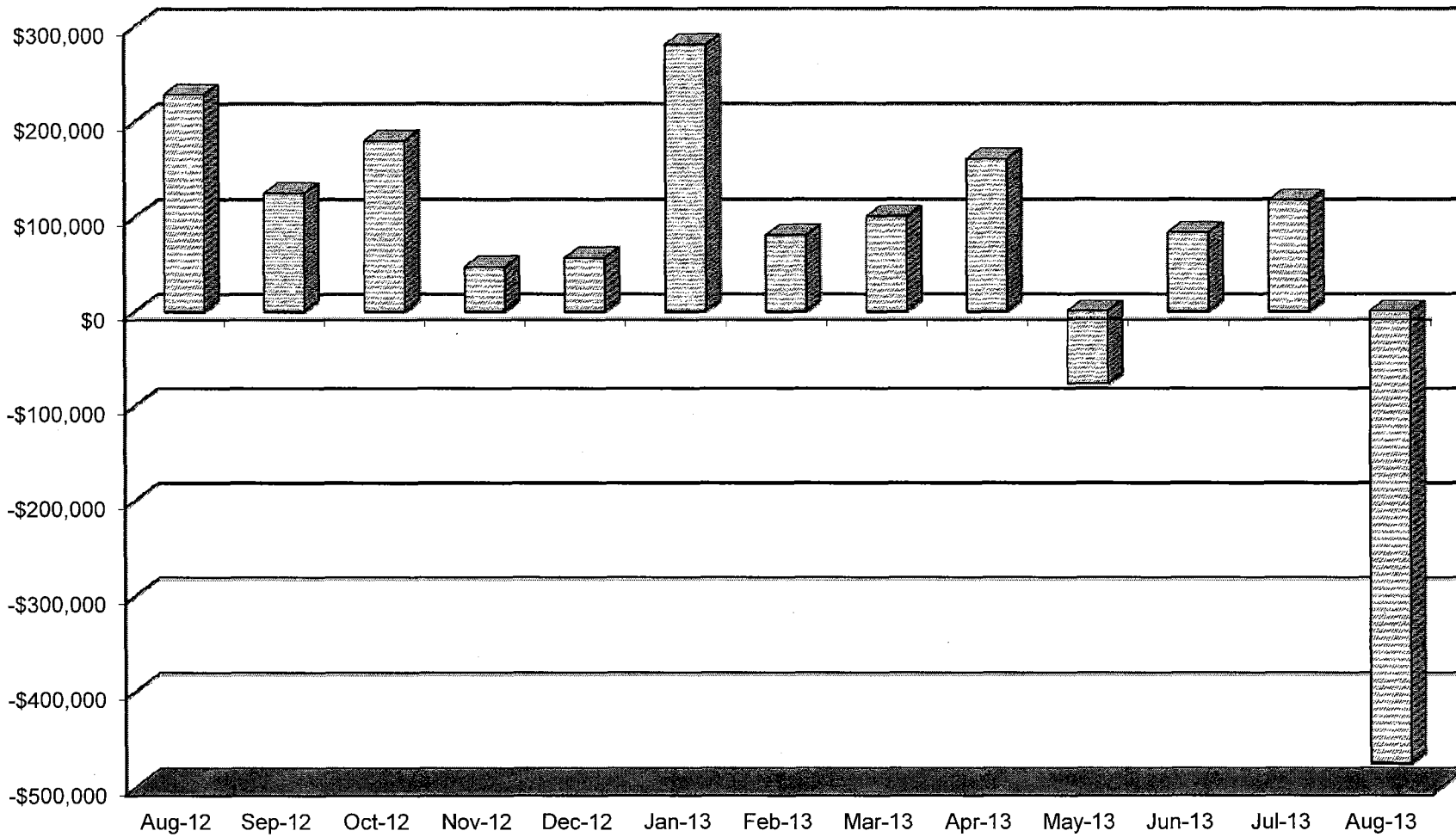
**TRI-COUNTY SERVICES**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**As of YTD Ended August 2013**  
**Preliminary**

	YTD Mental Health August 2013	YTD IDD August 2013	YTD Other Services August 2013	YTD Agency Total August 2013	YTD Approved Budget August 2013	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	1,049,747	308,837	342,334	1,700,917	1,710,879	(9,962)
Earned Income	2,937,974	6,339,806	1,256,948	10,534,728	10,605,494	(70,766)
General Revenue-Contract	11,188,932	1,410,864	-	12,599,796	12,601,396	(1,600)
<b>TOTAL INCOME</b>	<b>15,176,653</b>	<b>8,059,507</b>	<b>1,599,282</b>	<b>24,835,441</b>	<b>24,917,769</b>	<b>(82,328)</b>
<b>EXPENSES:</b>						
Salaries	8,658,257	2,561,656	1,017,638	12,237,551	12,190,104	47,447
Employee Benefits	1,496,560	446,746	190,403	2,133,709	2,167,210	(33,501)
Medication Expense	312,567	-	17,516	330,083	316,697	13,386
Travel-Board/Staff	256,449	99,496	47,326	403,271	401,871	1,400
Building Rent/Maintenance	240,393	127,120	29,222	396,734	312,900	83,834
Consultants/Contracts	1,787,718	3,757,396	61,604	5,606,718	5,640,882	(34,164)
Other Operating Expenses	1,555,427	586,679	254,872	2,396,978	2,470,594	(73,616)
<b>TOTAL EXPENSES</b>	<b>14,307,371</b>	<b>7,579,093</b>	<b>1,618,581</b>	<b>23,505,044</b>	<b>23,500,258</b>	<b>4,786</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>869,282</b>	<b>480,414</b>	<b>(19,299)</b>	<b>1,330,397</b>	<b>1,417,511</b>	<b>(87,114)</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay-FF&E, Automobiles	157,800	81,907	32,245	271,951	280,601	(8,650)
Capital Outlay-Debt Service Bonds	261,603	118,814	45,367	425,784	425,785	(1)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>419,403</b>	<b>200,721</b>	<b>77,612</b>	<b>697,734</b>	<b>706,386</b>	<b>(8,651)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>14,726,774</b>	<b>7,779,814</b>	<b>1,696,193</b>	<b>24,202,778</b>	<b>24,206,644</b>	<b>(3,865)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>449,879</b>	<b>279,693</b>	<b>(96,911)</b>	<b>632,661</b>	<b>711,125</b>	<b>(78,463)</b>
<b>Debt Service and Fixed Asset Fund:</b>						
Bond Payments Receipts	261,603	118,814	45,367	425,784	425,785	(164,182)
Bond Payments Disbursements	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
<b>Excess(Deficiency) of revenues over Expenses</b>	<b>261,603</b>	<b>118,814</b>	<b>45,367</b>	<b>425,784</b>	<b>425,785</b>	<b>(164,182)</b>

### TRI-COUNTY SERVICES Income and Expense



### TRI-COUNTY SERVICES Income after Expense





<p><b>Agenda Item:</b> 4<sup>th</sup> Quarter FY 2013 Quarterly Investment Report</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>This report is provided to the Board of Trustees of Tri-County Services in accordance with Board Policy on fiscal management and in compliance with Chapter 2256: Subchapter A of the Public Funds Investment Act.</p>	
<p><b>Supporting Documentation:</b></p> <p>Quarterly TexPool Investment Report</p> <p>Quarterly Interest Report</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

## QUARTERLY INVESTMENT REPORT TEXPOOL FUNDS

For the Period Ending August 31, 2013

### GENERAL INFORMATION

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

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

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

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

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

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

TexPool is governed by the following specific portfolio diversification limitations;

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

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

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

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

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

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

## STATISTICAL INFORMATION

### Market Value for the Period

Portfolio Summary	June	July	August
Uninvested Balance	(\$608,163.30)	\$332.88	(\$11,020,455.94)
Accrual of Interest Income	17,903,813.45	13,112,025.81	13,652,605.89
Interest and Management Fees Payable	(738,019.47)	(674,455.93)	(549,168.22)
Payable for Investments Purchased	(150,000,000.00)	(125,000,000.00)	(82,500,000.00)
Accrued Expense & Taxes	0.00	0.00	0.00
Repurchase Agreements	7,156,390,250.00	5,635,008,620.00	4,397,079,565.00
Mutual Fund Investments	0.00	0.00	0.00
Government Securities	6,956,932,639.15	8,286,043,050.45	7,199,375,865.17
U.S. Treasury Bills	0.00	99,999,400.00	1,768,587,894.20
U.S. Treasury Notes	1,453,824,297.12	701,035,150.00	1,001,753,900.00
<b>TOTAL</b>	<b>\$15,433,704,816.96</b>	<b>\$14,609,524,123.21</b>	<b>\$14,286,380,206.10</b>

### Book Value for the Period

Type of Asset	Beginning Balance	Ending Balance
Uninvested Balance	(\$47,759.29)	(\$11,020,455.94)
Accrual of Interest Income	11,603,732.75	13,652,605.89
Interest and Management Fees Payable	(1,000,042.20)	(549,168.22)
Payable for Investments Purchased	(285,000,000.00)	(85,500,000.00)
Repurchase Agreements	7,684,937,000.00	4,397,115,000.00
Mutual Fund Investments	0.00	0.00
Government Securities	7,637,273,720.51	7,198,272,953.21
U.S. Treasury Bills	0.00	1,768,573,592.52
U.S. Treasury Notes	849,921,643.49	1,001,789,747.72
<b>TOTAL</b>	<b>\$15,897,688,295.26</b>	<b>\$14,285,334,275.18</b>

### Portfolio by Maturity as of August 31, 2013

1 to 7 days	8 to 90 day	91 to 180 days	181 + days
47.7%	32.8%	11.1%	8.4%

### Portfolio by Type of Investments as of August 31, 2012

Agencies	Mutual Funds	Repurchase Agreements	Treasuries
50.1%	None	30.6%	19.3%

**SUMMARY INFORMATION**

On a simple daily basis, the monthly average yield was 0.06% for June, 0.05% for July and 0.04% for August.

As of the end of the reporting period, market value of collateral supporting the Repurchase Agreements was at least 102% of the Book Value.

The weighted average maturity of the fund as of August 31, 2013 was 49 days.

The net asset value as of August 31, 2013 was 1.00008.

The total amount of interest distributed to participants during the period was \$548,931.46.

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

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

During the reporting period, the total number of participants has increased to 2,293.

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

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

Submitted by:

[Redacted Signature]

Minnie McDuney  
Chief Financial Officer / Investment Officer

[Redacted Signature]

Evan Roberson  
Executive Director / Investment Officer

[Redacted Date]

Date

[Redacted Date]

Date

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

BANK NAME	INTEREST EARNED				
	1st QTR.	2nd QTR.	3rd QTR.	4th QTR.	YTD TOTAL
Alliance Bank - Central Texas CD	\$ 658.19	\$ 650.96	\$ 665.42	\$ 658.19	\$ 2,632.77
Citizens 1st Bank CD	\$ 310.55	\$ 307.13	\$ 278.87	\$ 275.84	\$ 1,172.40
First Liberty National Bank	\$ 16.83	\$ 16.83	\$ 7.80	\$ 1.46	\$ 42.92
First Liberty National Bank CD	\$ 560.96	\$ 554.79	\$ 409.59	\$ 405.14	\$ 1,930.48
JP Morgan Chase (HBS)	\$ 1,604.42	\$ 2,379.14	\$ 2,368.14	\$ 2,158.92	\$ 8,510.62
Prosperity Bank	\$ 11.71	\$ 11.71	\$ 12.04	\$ 12.12	\$ 47.58
TexPool Participants	\$ 262.73	\$ 187.02	\$ 154.19	\$ 85.48	\$ 689.42
Tradition Bank	\$ 9,572.33	\$ 9,468.47	\$ 9,676.20	\$ 4,617.69	\$ 33,334.69
<b>Total Earned</b>	<b>\$ 12,997.72</b>	<b>\$ 13,576.06</b>	<b>\$ 13,572.25</b>	<b>\$ 8,214.84</b>	<b>\$ 48,360.87</b>

<p><b>Agenda Item:</b> Board of Trustees' Unit Financial Statement for August 2013</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>None</p>	
<p><b>Supporting Documentation:</b></p> <p>August 2013 Board of Trustees' Unit Financial Statement</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	

**Unit Financial Statement**  
FY 2013

	<b>Aug 13 Actuals</b>	<b>Aug 13 Budgeted</b>	<b>Variance</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>	<b>Percent</b>	<b>Budget</b>
<b>Revenues</b>								
80103998 Allocated Revenue	\$ 6,408.00	\$ 6,408.00	\$ -	\$ 60,391.00	\$ 60,391.00	\$ -	100.00%	\$ 60,391.00
<b>Total Revenue</b>	<b>\$ 6,408.00</b>	<b>\$ 6,408.00</b>	<b>\$ -</b>	<b>\$ 60,391.00</b>	<b>\$ 60,391.00</b>	<b>\$ -</b>	<b>100.00%</b>	<b>\$ 60,391.00</b>
<b>Expenses</b>								
80105030 Application Fees	\$ -	\$ 1.00	\$ (1.00)	\$ -	\$ 15.00	\$ (15.00)	0.00%	\$ 15.00
80105199 Consultant - Other	\$ -	\$ (1,402.00)	\$ 1,402.00	\$ 18,007.11	\$ 20,200.00	\$ (2,192.89)	89.14%	\$ 20,200.00
80105210 Dues & Memberships	\$ -	\$ -	\$ -	\$ 10.00	\$ -	\$ 10.00	0.00%	\$ -
80105275 Food Items	\$ 209.84	\$ 183.00	\$ 26.84	\$ 2,149.11	\$ 2,200.00	\$ (50.89)	97.69%	\$ 2,200.00
80105320 Insurance-Worker Compensation	\$ 19.89	\$ 19.00	\$ 0.89	\$ 135.43	\$ 230.00	\$ (94.57)	58.88%	\$ 230.00
80105388 Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 18,000.00	\$ 18,000.00	\$ -	100.00%	\$ 18,000.00
80105394 License Fees	\$ -	\$ 13.00	\$ (13.00)	\$ -	\$ 150.00	\$ (150.00)	0.00%	\$ 150.00
80155605 Postage-Express Mail	\$ -	\$ -	\$ -	\$ 14.56	\$ -	\$ 14.56	0.00%	\$ -
80105715 Supplies-Office	\$ -	\$ -	\$ -	\$ 44.40	\$ 12.00	\$ 32.40	370.00%	\$ 12.00
80105736 Telephone - Air cards	\$ 39.99	\$ -	\$ 39.99	\$ 239.94	\$ -	\$ 239.94	0.00%	\$ -
80105738 Telephone - Mobile Service	\$ 50.01	\$ -	\$ 50.01	\$ 574.03	\$ -	\$ 574.03	0.00%	\$ -
80105750 Training	\$ -	\$ (600.00)	\$ 600.00	\$ 2,410.00	\$ 2,400.00	\$ 10.00	100.42%	\$ 2,400.00
80105755 Travel - Local	\$ 79.28	\$ 100.00	\$ (20.72)	\$ 952.52	\$ 1,200.00	\$ (247.48)	79.38%	\$ 1,200.00
80105757 Travel - Non-local Mileage/Air	\$ 137.03	\$ 400.00	\$ (262.97)	\$ 2,567.16	\$ 5,000.00	\$ (2,432.84)	51.34%	\$ 5,000.00
80105758 Travel - Non-local Hotel	\$ 124.20	\$ 383.00	\$ (258.80)	\$ 3,625.62	\$ 4,600.00	\$ (974.38)	78.82%	\$ 4,600.00
80105759 Travel - Meals	\$ 56.65	\$ 83.00	\$ (26.35)	\$ 918.55	\$ 1,000.00	\$ (81.45)	91.86%	\$ 1,000.00
<b>Total Expenses</b>	<b>\$ 2,216.89</b>	<b>\$ 680.00</b>	<b>\$ 1,536.89</b>	<b>\$ 49,648.43</b>	<b>\$ 55,007.00</b>	<b>\$ (5,358.57)</b>	<b>90.26%</b>	<b>\$ 55,007.00</b>
<b>Total Revenue minus Expenses</b>	<b>\$ 4,191.11</b>	<b>\$ 5,728.00</b>	<b>\$ (1,536.89)</b>	<b>\$ 10,742.57</b>	<b>\$ 5,384.00</b>	<b>\$ 5,358.57</b>	<b>9.74%</b>	<b>\$ 5,384.00</b>

<p><b>Agenda Item:</b> Montgomery Supported Housing, Inc. Update</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>September 26, 2013</p>
<p><b>Background Information:</b></p> <p>The Montgomery Supported Housing, Inc. (MSHI) Board met on September 17, 2013. The agenda included review of financial information and approval of the purchase of Directors and Officers Insurance.</p> <p>Virlene Riechert, who began at the beginning of August as the new McDougal Property Manager for Independence Place, has settled in and is continuing to undergo training with the Property Manager from Independence Village.</p> <p>As you will remember, McDougal Property Management has been working with Tri-County Staff to obtain approval to take down a number of dead trees located directly behind the Montgomery Property. To date, McDougal Property Management has obtained three (3) bids for the removal of the 25 dead trees. Following various attempts to secure permission from the adjacent land owners to take down the trees, Tri-County Staff have recently made contact and are consulting with Jackson Walker to obtain formal permission to take down the trees.</p> <p>In late August, McDougal Property Management received notification of a rent increase from HUD which was submitted in September 2012. This approval has been backdated to December 1, 2012, which should get the project financially on track.</p> <p>We continue to look for a community member to serve on the MSHI Board. If you know of anyone that is interested, please contact Tanya Bryant, Director of Quality Management &amp; Support.</p> <p>The next MSHI Board meeting is scheduled for Tuesday, December 3<sup>rd</sup>.</p>	
<p><b>Supporting Documentation:</b></p> <p>None</p>	
<p><b>Recommended Action:</b></p> <p><b>For Information Only</b></p>	



# UPCOMING MEETINGS

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## **October 24<sup>th</sup>, 2013 – Board Meeting**

- Longevity Recognition Presentations
- Approve Minutes from September 26, 2013 Board Meeting
- Community Resources Report for September 2013
- Consumer Services Report for September 2013
- Program Updates for September 2013
- Regional Planning Network Advisory Committee's FY 2014 Budget Review
- Personnel Report for September 2013
- Program Presentation – TxHmL Program
- Approve September 2013 Financial Statements
- 401(a) Account Review
- Board of Trustees' Unit Financial Statement for September 2013
- Other Business Committee Issues

## **November – No Board Meeting – Thanksgiving Holiday**

## **December 12<sup>th</sup>, 2013 – Board Meeting**

- Program Presentation – Life Skills Christmas Carolers
- Approve Minutes from October 24, 2013 Board Meeting
- Community Resources Report for October & November 2013
- Consumer Services Report for October 2013
- Program Updates for October 2013
- Personnel Report for October 2013
- Texas Council Quarterly Board Meeting Update
- Approve October 2013 Financial Statements
- Reappoint Independence Communities, Inc. Board of Directors
- Reappoint Montgomery Supported Housing, Inc. Board of Directors
- Reappoint Cleveland Supported Housing, Inc. Board of Directors
- Board of Trustees' Unit Financial Statement for October 2013
- Montgomery Supported Housing, Inc. Update
- Cleveland Supported Housing, Inc. Update
- Other Business Committee Issues