

# Tri-County Behavioral Healthcare Board of Trustees Meeting

May 26, 2022



Notice is hereby given that a regular meeting of the Board of Trustees of Tri-County Behavioral Healthcare will be held on Thursday, May 26, 2022. The Business Committee will convene at 9:30 a.m., the Program Committee will convene at 9:30 a.m. and the Board meeting will convene at 10:00 a.m. at 233 Sgt. Ed Holcomb Blvd. S., Conroe, Texas. The public is invited to attend and offer comments to the Board of Trustees between 10:00 a.m. and 10:05 a.m. In compliance with the Americans with Disabilities Act, Tri-County Behavioral Healthcare will provide for reasonable accommodations for persons attending the Board Meeting. To better serve you, a request should be received with 48 hours prior to the meeting. Please contact Tri-County Behavioral Healthcare at 936-521-6119.

## **AGENDA**

- I. Organizational Items**
  - A. Chair Calls Meeting to Order
  - B. Public Comment
  - C. Quorum
  - D. Review & Act on Requests for Excused Absence
- II. Approve Minutes - April 21, 2022**
- III. Program Presentation - Annual Board and Management Team Training**
- IV. Executive Director's Report**
  - A. Operational Updates
  - B. Opening of the Porter Clinic
- V. Chief Financial Officer's Report**
  - A. FY 2023 Budget
  - B. Texas Council Risk Management Fund Training & Board Meeting
  - C. CFO Consortium
  - D. FY 2022 2<sup>nd</sup> Budget Revision
  - E. County Annual Funding Requests
- VI. Program Committee**
  - Information Items**
    - A. Community Resources Report..... 8-11
    - B. Consumer Services Report for April 2022..... 12-13
    - C. Program Updates..... 14-19
- VII. Executive Committee**
  - Information Items**
    - A. Personnel Report for April 2022..... 20-22
    - B. Texas Council Risk Management Fund Claims Summary as of April 2022..... 23-24
    - C. Texas Council Quarterly Board Meeting Update..... 25

**VIII. Business Committee**

Action Items

A. Approve April 2022 Financial Statements .....	26-39
B. Approve Auditor Engagement Letter .....	40-53
C. Approve the FY 2022 Kingwood Pines Inpatient Hospital Contract Addendum .....	54
D. Approve the FY 2022 Aspire Inpatient Hospital Contract Addendum .....	55
E. Approve the FY 2022 Woodland Springs Inpatient Hospital Contract Addendum .....	56
F. Approve the FY 2022 Cypress Creek Inpatient Hospital Contract Addendum .....	57
G. Approve Sale of 2014 Buick Encore .....	58
H. Decision Making Regarding Ongoing Operations of the Crisis Stabilization Unit .....	59-64

Information Items

I. Board of Trustees Unit Financial Statement for April 2022 .....	65-66
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**IX. Executive Session in compliance with Texas Government Code Section 551.071, Consultation with Attorney Regarding Pending Litigation, Michael Pegues v. Tri-County Behavioral Healthcare; and 551.074, Personnel Matters.**

Posted By:

Ava Green  
Executive Assistant

# Tri-County Behavioral Healthcare

P.O. Box 3067  
Conroe, TX 77305

## BOARD OF TRUSTEES MEETING

April 21, 2022

### Board Members Present:

Patti Atkins  
Gail Page  
Jacob Paschal  
Morris Johnson  
Sharon Walker

### Board Members Absent:

Tracy Sorensen  
Richard Duren

### Tri-County Staff Present:

Evan Roberson, Executive Director  
Kathy Foster, Director of IDD Provider Services  
Yolanda Gude, Directory of IDD Authority Services  
Sara Bradfield, Director of Adult Behavioral Health  
Melissa Zemencsik, Director of Child & Youth Behavioral Health  
Kenneth Barfield, Director of Management Information Systems  
Catherine Prestigiovanni, Director of Strategic Development  
Darius Tuminas, Controller  
Tabatha Abbott, Cost Accountant  
Ashley Bare, HR Manager  
Ava Green, Executive Assistant

### Legal Counsel Present:

Mary Lou Flynn-Dupart, Legal Counsel

### Sheriff Representatives Present:

**Call to Order:** Board Chair, Patti Atkins, called the meeting to order at 10:02 a.m.

**Public Comment:** There was no public comment.

**Quorum:** There being five (5) Board Members present, a quorum was established.

### Resolution #04-21-01

**Motion Made By:** Morris Johnson

**Seconded By:** Gail Page, with affirmative votes by Sharon Walker, and Jacob Paschal that it be...

**Resolved:** That the Board excuse the absence of Tracy Sorensen and Richard Duren.

**Resolution #04-21-02**      **Motion Made By:** Morris Johnson  
**Seconded By:** Sharon Walker, with affirmative votes by Gail Page and Jacob Paschal that it be...

**Resolved:** That the Board approve the minutes of the March 24, 2022 meeting of the Board of Trustees.

**Board Chair Announcement:** Board Chair, Patti Atkins, announced that she accepted the resignation of Board Member Janet Qureshi.

**Program Presentation:** Longevity Presentations

**Executive Director's Report:**

The Executive Director's report is on file.

- HHSC CSU Discussion
- Superior Health Plans

**Chief Financial Officer's Report:**

The Chief Financial Officer's report is on file.

- Banking RFP
- FY 2021 Cost Report Update
- FY 2022 Budget Process
- County Annual Funding Requests

**PROGRAM COMMITTEE:**

The Community Resources Report was reviewed for information purposes only.

The Consumer Services Report for March 2022 was reviewed for information purposes only.

The Program Updates Report was reviewed for information purposes only.

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

**EXECUTIVE COMMITTEE:**

The Personnel Report for March 2022 was reviewed for information purposes only.

The Texas Council Risk Management Fund Claims Summary as of March 2022 was reviewed for information purposes only.

**BUSINESS COMMITTEE:**

**Resolution #04-21-03**

**Motion Made By:** Morris Johnson

**Seconded By:** Sharon Walker, with affirmative votes by Gail Page and Jacob Paschal that it be...

**Resolved:**

That the Board approve the March 2022 Financial Statements.

**Resolution #04-21-04**

**Motion Made By:** Morris Johnson

**Seconded By:** Gail Page, with affirmative votes by Sharon Walker and Jacob Paschal that it be...

**Resolved:**

That the Board approve the selection of the FY 2022 Auditor, Eide Bailly LLP with an audit engagement letter forthcoming.

**Resolution #04-21-05**

**Motion Made By:** Morris Johnson

**Seconded By:** Gail Page, with affirmative votes by Sharon Walker and Jacob Paschal that it be...

**Resolved:**

That the Board ratify the HHSC Covid-19 Supplemental Grant Program Contract No. HHS001108400037, Amendment No. 2.

**Resolution #04-21-06**

**Motion Made By:** Morris Johnson

**Seconded By:** Gail Page, with affirmative votes by Sharon Walker and Jacob Paschal that it be...

**Resolved:**

That the Board approve the HHSC LMHA Performance Agreement Interlocal Cooperation Contract No. HHS001022200037, Amendment No. 1.

**Resolution #04-21-07**

**Motion Made By:** Morris Johnson

**Seconded By:** Gail Page, with affirmative votes by Sharon Walker and Jacob Paschal that it be...

**Resolved:**

That the Board approve the purchase of Streamline HealthCare Solutions' SmartCare Electronic Health Record.

The HUD 811 Updates for Cleveland, Montgomery and Huntsville was reviewed for information purposes only.

The Board of Trustees Unit Financial Statement for March 2022 was reviewed for information purposes only.

**The regular meeting of the Board of Trustees adjourned at 11:37 a.m.**

**Adjournment:**

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Patti Atkins  
Chair

Date

**Attest:**

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Jacob Paschal  
Secretary

Date

<b>Agenda Item:</b> Community Resources Report	<b>Board Meeting Date:</b>  May 26, 2022
<b>Committee:</b> Program	
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Community Resources Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	



# Community Resources Report

## April 22, 2022 – May 26, 2022

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### Volunteer Hours:

Location	April
Conroe	198.17
Cleveland	0
Liberty	16
Huntsville	9
<b>Total</b>	<b>223.17</b>

### COMMUNITY ACTIVITIES:

4/25/22	Military Veteran Peer Network Basic Certification Mentor Training	Conroe
4/25/22	Montgomery County Sexual Assault Response Team Meeting (MCSART)	Conroe
4/26/22	Walker County Community Resource Coordination Group Meeting	Huntsville
4/26/22	New Waverly ISD Student Health Advisory Committee Meeting	New Waverly
4/26/22	Montgomery County Community Collaborative Crisis Team Meeting	Conroe
4/27/22	Montgomery County Veterans Treatment Court	Conroe
4/27/22	Conroe Noon Lions Club Luncheon	Conroe
4/27/22	Huntsville Transit and Mobility Meeting	Huntsville
4/28/22	Texas Veterans Commission Monthly Webinar	Conroe
4/28/22	Montgomery County Community Assistance Recovery Efforts and Services (MCCARES) Meeting	Virtual
4/29/22	Walker County Juvenile Services Staffing Meeting	Huntsville
4/30/22	Military Veteran Peer Network Mentor Luncheon	Conroe
5/2/22	Vet Fest Planning Committee Meeting – Virtual	Conroe
5/3/22	Veteran Spouse Monthly Meeting	Liberty
5/3/22	Veterans of Foreign Wars Events Meeting	Liberty
5/3/22	Conroe Rotary Club Meeting	Conroe
5/3/22	Department of Counselor Education at Sam Houston State University – Virtual	Conroe
5/4/22	Conroe Noon Lions Club Luncheon	Conroe
5/5/22	ExxonMobil Geoscience Mental Health Presentation	The Woodlands
5/5/22	Veterans Mental Health Awareness Cross Country Motorcycle Ride	Conroe
5/5/22	Porter Child & Youth Clinic Grand Opening	Porter
5/6/22	Creighton Elementary School Carnival	Conroe
5/9/22	Vet Fest Planning Committee Meeting – Virtual	Conroe
5/9/22	Military Veteran Basic Certification Training for Peer Mentor	Liberty

5/9/22	Conroe Homeless Advisory Board Meeting	Conroe
5/10/22	Assisting Victims Escape and Resist Human Trafficking Meeting (AVERT)	Conroe
5/10/22	Conroe Noon Lions Club Luncheon	Conroe
5/10/22	Veteran Affairs Mental Health Summit Committee Meeting – Virtual	Conroe
5/10/22	Walker County Community Resource Coordination Group Meeting	Huntsville
5/11/22	Montgomery County Veterans Treatment Court	Conroe
5/11/22	Rural Veteran Committee Meeting	Conroe
5/11/22	Conroe Noon Lions Club Luncheon	Conroe
5/11/22	Youth Mental Health First Aid with the Court Appointed Special Advocates (CASA)	Conroe
5/12/22	Military Veteran Basic Certification Training for Peer Mentor	Liberty
5/12/22	Behavioral Health Suicide Prevention Task Force Meeting – Major Mental Health Workgroup – Virtual	Conroe
5/16/22	Mental Health First Aid – Adults Training – Veterans Museum in Huntsville	Conroe
5/17/22	Early Transition Veteran Sponsor Meeting	Conroe
5/17/22	Veteran Taskforce Meeting	Conroe
5/17/22	Law Enforcement Safety Day Suicide Prevention Presentation	The Woodlands
5/17/22	Montgomery County Community Resource Coordination Group Meeting	Conroe
5/19/22	Behavioral Healthcare Suicide Prevention Taskforce Meeting	Conroe
5/19/22	Liberty County Mental Health Issues Workgroup Meeting	Liberty
5/23/22	Military Veteran Peer Network Basic Certification Mentor Training	Conroe
5/24/22	Conroe Rotary Club Meeting	Conroe
5/24/22	Walker County Community Resource Coordination Group Meeting	Huntsville
5/24/22	Veterans Affairs Mental Health Summit Committee Meeting – Virtual	Conroe
5/25/22	Montgomery County Veterans Treatment Court	Conroe
5/25/22	Liberty County Community Resource Coordination Group Meeting – Virtual	Liberty
5/25/22	Conroe Noon Lions Luncheon	Conroe

### **UPCOMING ACTIVITIES:**

5/27/22	Behavioral Healthcare Suicide Prevention Taskforce - Military Connected Subgroup Quarterly Meeting	Conroe
5/27/22	Military Veteran Peer Group Quarterly Meeting	Conroe
5/27/22	Walker County Juvenile Services Staffing Meeting	Huntsville
5/31/22	Montgomery County Community Collaborative Crisis Team Meeting	Conroe

5/31/22	Montgomery County Sexual Assault Response Team Meeting (MCSART)	Conroe
6/1/22	Securing Access for Lethal Means Training	Conroe
6/1/22	Conroe Noon Lions Luncheon	Conroe
6/4/22	Vet Fest – Veteran Resource Fair	Conroe
6/7/22-6/9/22	Veterans Moral Injury Conference	Conroe
6/7/22	Veterans of Foreign Wars Events Meeting	Liberty
6/8/22	Conroe Rotary Club Meeting	Conroe
6/8/22	Montgomery County Veterans Treatment Court	Conroe
6/8/22	Conroe Noon Lions Luncheon	Conroe
6/9/22	Southeast Texas MCOT & Law Enforcement Officer (LEO) Coordination Group – Virtual	Conroe
6/9/22	Behavioral Health Suicide Prevention Task Force Meeting – Major Mental Health Workgroup	Conroe
6/10/22	Mental Health First Aid Veterans Training	Conroe
6/14/22	Veterans Affairs Mental Health Summit Committee Meeting – Virtual	Conroe
6/14/22	Assisting Victims Escape and Resist Human Trafficking (AVERT)	Conroe
6/15/22	Conroe Noon Lions Club Luncheon	Conroe
6/16/22	Behavioral Healthcare Suicide Prevention Taskforce Meeting	Conroe
6/16/22	Liberty County Mental Health Issues Workgroup Meeting	Liberty
6/21/22	Conroe Rotary Club Meeting	Conroe
6/21/22	Montgomery County Community Resource Coordination Group Meeting	Conroe
6/22/22	Montgomery County Veterans Treatment Court	Conroe
6/23/22	College of Social Services and Humanities at University of Houston – Virtual	Conroe
6/24/22	Walker County Juvenile Services Staffing Meeting	Huntsville
6/27/22	Military Veteran Peer Network Basic Certification Mentor Training	Conroe
6/28/22	Montgomery County Community Collaborative Crisis Team Meeting	Conroe
6/28/22	Veterans Affairs Mental Health Summit Committee Meeting – Virtual	Conroe

<b>Agenda Item:</b> Consumer Services Report for April 2022  <b>Committee:</b> Program	<b>Board Meeting Date:</b>  May 26, 2022
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Consumer Services Report for April 2022	
<b>Recommended Action:</b>  <b>For Information Only</b>	

## Consumer Services Report April 2022

Consumer Services	Montgomery County	Cleveland	Liberty	Walker County	Total
<b>Crisis Services, MH Adults/Children</b>					
Persons Screened, Intakes, Other Crisis Services	724	74	35	85	<b>918</b>
Transitional Services (LOC 5)	0	0	0	0	<b>0</b>
Psychiatric Emergency Treatment Center (PETC) Served	0	0	0	0	<b>0</b>
Psychiatric Emergency Treatment Center (PETC) Bed Days	0	0	0	0	<b>0</b>
Adult Contract Hospital Admissions	56	7	4	2	<b>69</b>
Child and Youth Contract Hospital Admissions	7	1	0	0	<b>8</b>
Total State Hospital Admissions	0	0	0	0	<b>0</b>
<b>Routine Services, MH Adults/Children</b>					
Adult Service Packages (LOC 1-4, FEP)	1309	137	97	77	<b>1620</b>
Adult Medication Services	995	99	67	138	<b>1299</b>
Child Service Packages (LOC 1-4, YC, YES, TAY, RTC, FEP)	575	42	27	89	<b>733</b>
Child Medication Services	251	23	7	18	<b>299</b>
TCOOMMI (Adult Only)	91	14	13	7	<b>125</b>
Adult Jail Diversions	1	0	0	0	<b>1</b>
<b>Persons Served by Program, IDD</b>					
Number of New Enrollments for IDD Services	1	0	0	0	<b>1</b>
Service Coordination	696	30	36	61	<b>823</b>
<b>Persons Enrolled in Programs, IDD</b>					
Center Waiver Services (HCS, Supervised Living)	23	2	15	17	<b>57</b>
<b>Substance Abuse Services</b>					
Children and Youth Prevention Services	685	13	0	26	<b>724</b>
Youth Substance Abuse Treatment Services/COPSD	26	0	0	0	<b>26</b>
Adult Substance Abuse Treatment Services/COPSD	41	2	0	2	<b>45</b>
<b>Waiting/Interest Lists as of Month End</b>					
Home and Community Based Services Interest List	1722	132	155	199	<b>2208</b>
<b>SAMHSA Grant Served by County</b>					
SAMHSA CCBHC Served	100	38	4	5	<b>147</b>
SAMHSA CMHC Served	79	3	1	1	<b>84</b>
<b>April Served by County</b>					
Adult Mental Health Services	1763	175	113	234	<b>2285</b>
Child Mental Health Services	870	89	35	114	<b>1108</b>
Intellectual and Developmental Disabilities Services	808	38	52	77	<b>975</b>
<b>Total Served by County</b>	<b>3441</b>	<b>302</b>	<b>200</b>	<b>425</b>	<b>4368</b>
<b>March Served by County</b>					
Adult Mental Health Services	1758	186	130	229	<b>2303</b>
Child Mental Health Services	978	93	37	105	<b>1213</b>
Intellectual and Developmental Disabilities Services	784	44	50	70	<b>948</b>
<b>Total Served by County</b>	<b>3520</b>	<b>323</b>	<b>217</b>	<b>404</b>	<b>4464</b>

<b>Agenda Item:</b> Program Updates  <b>Committee:</b> Program	<b>Board Meeting Date:</b>  May 26, 2022
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Program Updates	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# **Program Updates**

## **April 22, 2022 – May 26, 2022**

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### **Crisis Services**

1. The number of total crisis assessments in April was essentially the same as in the previous month (369), however, we saw an increase in involuntary assessments from 32.9% in March to 40.9% in April.
2. With the CSU closed, we have continued to have high numbers of contract hospital admissions. We have identified additional staff training for crisis intervention skills to improve their ability to lower client risk while avoiding higher level of care, when possible. We are also including our staff psychiatrist in reviews of all clients admitted to contract hospital beds. When appropriate, our psychiatrist can consult with the hospital psychiatrist and be included in the client's hospital treatment team, with a goal of decreasing the client's overall length of stay and successful transition to outpatient services.
3. We are developing a more structured and practiced critical incident training for PETC staff, after an incident in which large amounts of pepper spray were deployed inside the building with both staff and clients present. This incident required the PETC building to be closed for approximately 12 hours until the fumes were no longer causing difficulties for those inside.
4. We continue to have two vacant MCOT positions, one day position and one overnight position. Shift differential was recently added for night and weekend shifts as both recruitment and retention incentives. We also have three new MCOT positions; two developed with SAMHSA funding and the third with a COVID-19 Supplemental Grant. All three of these positions will be community based; responding to crisis needs in homes, schools, and public areas. The third position will be partnered with a Montgomery County Precinct 1 Mental Health Constable in a Community Intervention Team model.

### **MH Adult Services**

1. Adult Outpatient Services participated in an on-site job fair in April. This event brought in multiple job-seekers, who were given the opportunity to speak to hiring managers and participate in on the spot interviews. The program is excited to announce several new additions to the team following this event.
2. Adult mental health intake has returned to a pre-pandemic service delivery model, offering in-person walk-in clinic, which promotes access to care by making available same day assessments for admission. While the number of requests for service decreased with this change, the need for crisis intervention has increased.
3. We currently have one Outpatient Adult Psychiatrist position open in Conroe.

## **MH Child and Youth Services**

1. We are experiencing success in hiring staff for the new C&Y Porter Clinic which opens for all services on June 6, 2022. We have 11 out of the 15 C&Y Mental Health Specialist positions filled and fifty percent of those we have hired so far are bilingual in Spanish, including the Child and Youth Psychiatrist. All staff are very excited about the new building.
2. Unfortunately, we have not had much success in hiring C&Y Mental Health Specialists for our Cleveland office. Thankfully, we still have one MH Specialist acting as the point of contact for all the families needing C&Y services in the Cleveland area. Of course, she is not able to provide them all weekly skills training but she is working diligently to prioritize the needs across the caseload.
3. We are short two C&Y Administrators this summer with one being out on maternity leave and the other resigning to relocate with her family to Round Rock. The positive news is that we gained one energetic and capable Team Lead that will manage the C&Y Porter Clinic.
4. Most staff are grateful they can transport clients again this summer. Summertime is always a challenging time for services and not all of our families have room or a quiet spot for home-based sessions. Taking kids to the park or other community locations for skills training can really help engage them in the activity.

## **Criminal Justice Services**

1. In April, the Outpatient Competency Restoration (OCR) Coordinator participated in a virtual meeting with Health and Human Services Commission (HHSC) to provide feedback on barriers to enrolling individuals in the program and steps being taken to overcome these obstacles, including active marketing and ongoing communication with community stakeholders.
2. The Jail Liaison continues to provide screening and continuity of care to ensure appropriate treatment is provided to address mental health needs. In April, the Jail Liaison provided screening and discharge planning with 303 individuals, and coordinated ongoing care for 23 individuals who were discharged from a hospital, facilitating connections to needed treatment.

## **Substance Use Disorder Services**

1. The Substance Use Disorder Treatment program is expanding, adding individual counseling opportunities in the Huntsville clinic for both adult and youth clients who are experiencing co-occurring psychiatric and substance use disorders. With this addition, program participants residing in Walker County will have the opportunity to receive care in their community that addresses the complex relationship between mental health and substance use, promoting longer term recovery. While funding exists to extend this same treatment to Liberty County, the program continues to seek a candidate to fill the role.
2. Both Adult and Youth programming is participating in a Claims Audit, which focuses on ensuring appropriate billing processes. As this is the first of these audits for the program, we look forward to opportunities for learning and growth at the conclusion of this review.



3. Our prevention team is fully staffed again. In addition to our Prevention Manager, we also employ six prevention specialists.
4. Over the summer, our prevention team is focusing on increasing the number of presentations and activities to engage adults in Substance Use Prevention. The parents and adult family members of children and youth play a critical part of substance use prevention. Youth are less likely to use substances if their parents talk early and often about the risks, establish clear rules, and regularly monitor their activities.
5. The team will also provide positive activities for kids attending various summer programs across our community. These activities are fun while also promoting healthy decision-making and behaviors.

## **IDD Services**

1. IDD Authority Corrective Action Plan (CAP) for the FY22 Survey (Audit) was accepted by HHSC, IDD-BHS on 4/15/22. Corrections to be completed by 5/25/22, with the Self-Assessment tool, which has not been approved by CAO, due by 8/24/22.
2. IDD Authority Data Migration Project Update: On May 1, 2022, HHSC transitioned its Home and Community-based Services (HCS) and Texas Home Living (TxHmL) Interest List activities to the Community Services Interest List (CSIL) application and HCS and TxHmL form submissions to the Texas Medicaid & Healthcare Partnership (TMHP) Long Term Care (LTC) Online Portal.
  - a. IDD Authority received communication from HHSC on 5/1/22 that the CSIL "Contacts Due" tool, which is used to enter Biennial contact information, was temporarily unavailable, as well as the IL Biennial Contacts Summary & IL Biennial Contacts Detail reports.
3. On March 31, 2022, IDD Authority Services, in collaboration with the Training Department filmed two of the three Autism Spectrum Disorder (ASD) informational videos that community members will be able to access through the Tri-County website. The final edits have been completed and both videos are ready to be uploaded to the Center's website (date to be determined).
  - a. Direction for the third video has been decided, and it will describe the IDD-GR services array, Waiver Programs, etc., and will include some IDD program staff.
4. IDD Authority Psychologist, Dr. Jennifer Spillman received certification as an Authorized Provider, Level I, from the HHSC, IDD-BH Program Services Unit, on 5/3/22. The certification is specific to TCBHC, and is not transferrable to another Center. This means that Dr. Spillman can complete Determination of Intellectual Disabilities (DIDs) without the supervision of current staff Psychologist. We are very fortunate to have two staff who are certified to perform these assessments.
5. IDD Provider department is working through the new billing system for HCS services. TMHP Long Term Portal billing process is significantly different than our historical CARE system.
6. Provider Services continues to have significant staffing shortages primarily in Walker and Montgomery counties. We have started to receive a few more applications than we have in the past.

## **Support Services**

### **1. Quality Management (QM):**

- a. Staff reviewed and submitted two charts requested from two different insurance companies for records dating back to January 2020 and January 2021.
- b. Quality Management Staff continue to conduct routine audits of provider documentation for quality assurance purposes. As part of these audits, staff reviewed 89 notes to ensure compliance and followed up with supervisors as deemed necessary.
- c. Staff continued to work in conjunction with the IDD Authority Department to ensure compliance with the IDD Authority Audit Corrective Action Plan items due by May 25, 2022.
- d. The Continuous Quality Improvement Committee met on May 13, 2022 to review data associated with FY 22 goals and discuss next steps.

### **2. Utilization Management (UM):**

- a. Staff reviewed 10% of all Center discharges for April to ensure appropriateness and that proper notifications were provided. Follow up with staff and managers is provided as needed to ensure quality improvement.
- b. The Data Analyst has continued to send regular referrals to the Care Coordination Team using the Centers' Risk Stratification Tool. Assigned Case Managers are also notified when an individual is found to be at high risk.

### **3. Training:**

The Clinical Trainer has begun working with the Diversity Workgroup to develop a series of staff trainings on cultural humility and competence.

### **4. Veteran Services and Veterans Counseling/Crisis:**

- a. The Veterans after hours counseling program continues to be successful; averaging 12-15 Veterans a week.
- b. The team has been asked to participate in the Montgomery County Overdose Prevention Endeavor again this year. We have been specifically tasked with setting up a Veterans section in their "Texas Memorial Walkway."
- c. The team is very excited to report that our first audit with the Be Well Texas (formerly known as University of Texas Health Science Center San Antonio) Grant came back with no findings.

### **5. Planning and Network Advisory Committee(s) (MH and IDD PNACs):**

The MH PNAC met on May 4, 2022 to review and discuss key Center updates, financials, performance measures and community and program highlights. Membership was reviewed at this time as the committee continues to seek additional members.

## **Community Activities**

1. Strategic Development Director presented to ExxonMobil – "Maintaining Mental Health Within Your Personality Type" on May 5, 2022.

2. The department has processed 16 "Temporary Assistance for Needy Families/Pandemic Emergency Assistance Funds" (TANF/PEAF) applications and have paid out over \$20,000 in less than a month. The program has prevented seven families from being evicted, has kept the electricity on for 11 families; and has given out \$11,585 in Wal-Mart gift cards to provide food, clothing, household items, and cleaning products.
3. The department participated in a very successful KidsFest event this month, and had over 500 individuals come by our tables where they received information on mental health first aid, youth substance prevention, and the other C&Y and Adult services offered at Tri-County. In addition, staff played various games with the kids who won cool prizes and candy.

<b>Agenda Item:</b> Personnel Report for April 2022  <b>Committee:</b> Executive	<b>Board Meeting Date:</b>  May 26, 2022
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Personnel Report for April 2022	
<b>Recommended Action:</b>  <b>For Information Only</b>	

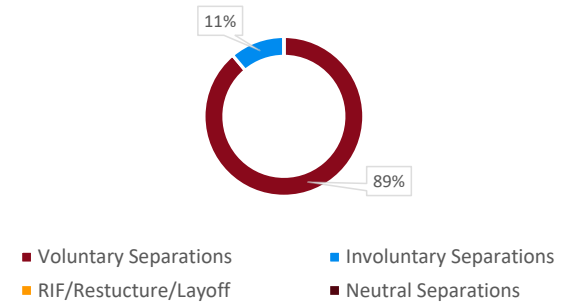
## Personnel Report April 2022

Total Applications received in April = 248
Total New Hires for April = 8
Total New Hires Year to Date = 63
Total Budgeted FTE Positions = 458.95
Vacant FTE Positions = 147.47

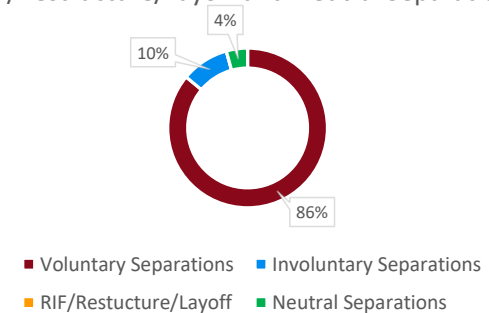
April Turnover - FY22 compared to FY21	FY22	FY21
Number of Active Employees	324	366
Number of Monthly Separations	9	18
Number of Separations YTD	93	76
Year to Date Turnover Rate	29%	21%
April Turnover Rate	3%	5%

Separations by Reason	April Separations	FY22 YTD
Better Pay	0	10
Commute	0	3
Death	0	0
Dissatisfaction with Supervisor/Job	0	0
Family	1	6
Another job	4	30
Lack of Opportunity for Advancement	0	1
Relocating	1	7
Retirement	1	2
Return to School	0	7
Schedule	0	4
Uncomfortable with Job Duties	0	1
Health	1	10
RIF/Restructure/Layoff	0	0
Neutral Termination	0	4
Involuntarily Terminated	1	8
<b>Total Separations</b>	<b>9</b>	<b>93</b>

April Voluntary, Involuntary, RIF/Restructure/Layoff and Neutral Separations



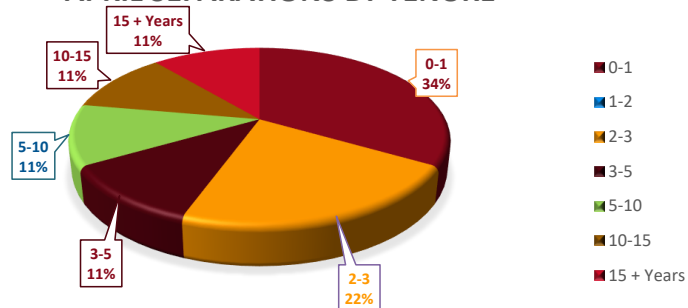
Year to Date Voluntary, Involuntary, RIF/Restructure/Layoff and Neutral Separations



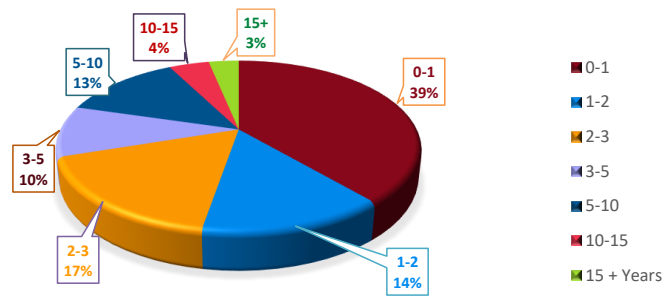
Management Team	# of Employees	April Separations	Year to Date Separations	% April	% Year to Date
Evan Roberson	39	1	7	3%	18%
Millie McDuffey	32	0	4	0%	13%
Amy Foerster	5	0	1	0%	20%
Tanya Bryant	9	0	2	0%	22%
Sara Bradfield	81	2	17	2%	21%
Melissa Zemencsik	61	5	25	8%	41%
Catherine Prestigiovanni	6	0	8	0%	133%
PETC	26	0	18	0%	69%
Yolanda Gude	34	1	7	3%	21%
Kathy Foster	23	0	4	0%	17%
Kenneth Barfield	8	0	0	0%	0%
<b>Total</b>	<b>324</b>	<b>9</b>	<b>93</b>		

Separation by EEO Category	# of Employees	April Separations	Year to Date Separations	% April	% Year to Date
Supervisors & Managers	24	0	6	0%	25%
Medical (MD,DO, PA, Psychologist)	8	0	1	0%	13%
Nursing (LVN, RN, APN)	25	1	14	4%	56%
Professionals (QMHP)	91	6	38	7%	42%
Professionals (QIDP)	25	1	7	4%	28%
Licensed Staff (LCDC, LPC...)	33	0	4	0%	12%
Business Services (Accounting)	12	0	1	0%	8%
Central Administration (HR, IT, Executive Director)	18	0	1	0%	6%
Program Support (Financial Counselors, QA, Training, Med. Records)	54	1	13	2%	24%
Nurse Technicians/Aides	11	0	6	0%	55%
Service/Maintenance	7	0	0	0%	0%
Direct Care (HCS, Respite, Life Skills)	16	0	2	0%	13%
<b>Total</b>	<b>324</b>	<b>9</b>	<b>93</b>		

**APRIL SEPARATIONS BY TENURE**

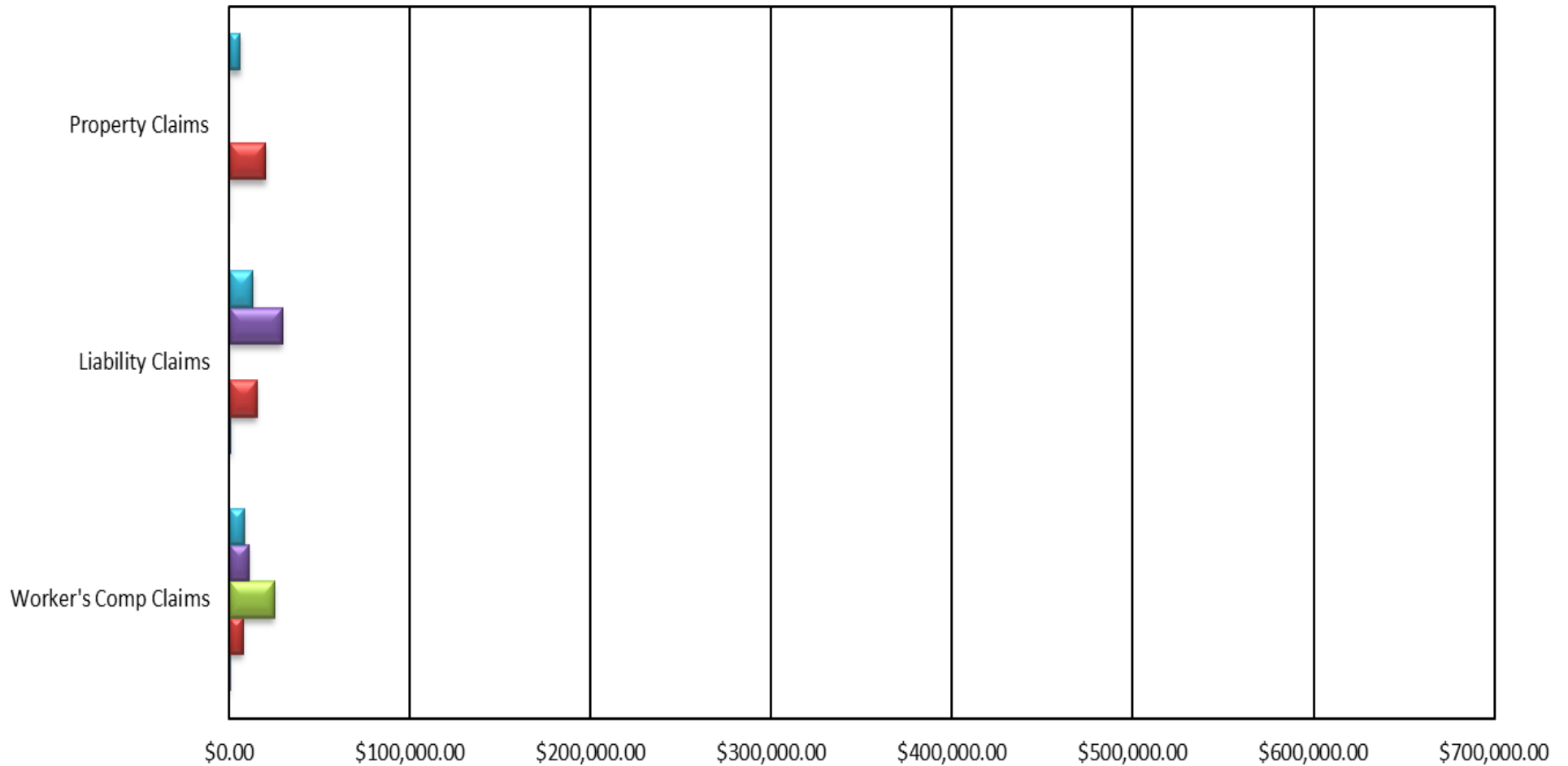


**YEAR TO DATE SEPARATIONS BY TENURE**



<b>Agenda Item:</b> Texas Council Risk Management Fund Claims Summary as of April 2022  <b>Committee:</b> Executive	<b>Board Meeting Date:</b>  May 26, 2022
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  Texas Council Risk Management Fund Claims Summary as of April 2022	
<b>Recommended Action:</b>  <b>For Information Only</b>	

## TCRMF Claims Summary April 2022



	Worker's Comp Claims	Liability Claims	Property Claims
2018	\$8,202.00	\$13,108.00	\$6,126.00
2019	\$10,826.00	\$29,330.00	\$0.00
2020	\$24,847.00	\$0.00	\$0.00
2021	\$7,520.00	\$15,468.00	\$20,074.00
2022	\$551.00	\$1,069.00	\$0.00



<b>Agenda Item:</b> Texas Council Quarterly Board Meeting Update  <b>Committee:</b> Executive	<b>Board Meeting Date</b>  May 26, 2022
<b>Background Information:</b>  The Texas Council has requested that Center representatives give updates to Trustees regarding their quarterly Board meeting. A verbal update will be given by Sharon Walker.	
<b>Supporting Documentation:</b>  Texas Council Staff Report	
<b>Recommended Action:</b>  <b>For Information Only</b>	

<b>Agenda Item:</b> Approve April 2022 Financial Statements  <b>Committee:</b> Business	<b>Board Meeting Date</b>  May 26, 2022
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  April 2022 Financial Statements	
<b>Recommended Action:</b>  <b>Approve April 2022 Financial Statements</b>	

## April 2022 Financial Summary

Revenues for April 2022 were \$3,342,019 and operating expenses were \$3,119,948 resulting in a gain in operation of \$222,071. Capital Expenditures and Extraordinary Expenses for April were \$191,962 resulting in a gain of \$30,108. Total revenues were 92.32% of the monthly budgeted revenues and total expenses were 94.78% of the monthly budgeted expenses (difference of -2.46%).

Year to date revenues are \$25,492,548 and operating expenses are \$23,253,568 leaving excess operating revenues of \$2,238,980. YTD Capital Expenditures and Extraordinary Expenses are \$1,637,150 resulting in a gain YTD of \$601,830. Total revenues are 98.54% of the YTD budgeted revenues and total expenses are 95.95% of the YTD budgeted expenses (difference of 2.59%).

### **REVENUES**

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

<b>Revenue Source</b>	<b>YTD Revenue</b>	<b>YTD Budget</b>	<b>% of Budget</b>	<b>\$ Variance</b>
Title XIX Case Management MH	299,597	320,597	93.45%	21,000
Title XIX Case Management IDD	788,088	830,742	94.87%	42,654
SAMHSA CCBHC-E	617,176	736,138	83.84%	119,012
DSHS Gen Rev Crisis-PESC	971,159	1,257,285	77.24%	286,126
HHSC-COPSD	8,098	24,089	33.62%	15,991
DSHS SA Prevention	137,319	151,975	90.36%	14,656
HHSC – HB13 – SA Admin	27,310	41,320	66.09%	14,010
UTSA – Veterans Services Program	173,005	195,906	88.31%	22,901

Title XIX Case Management MH & IDD – Staffing shortages continue to cause a reduced number of services provided in these categories. We don't anticipate that this will change before sometime in the next fiscal year.

SAMHSA CCBHC-E – This program continues to ramp up but as with the above areas has been slower than expected due to staffing issues. This is a cost reimbursement program, so expenses are also down.

DSHS Gen Rev Crisis – PESC - This line item is under booked based on the CSU being closed since November. We are in talks with HHSC to determine if these funds can

be transferred over to supplement contract hospital costs for the remainder of this fiscal year.

HHSC – COPSD – This is a face to face service and is slowly getting back to a normal service delivery process.

DSHS SA Prevention – We had vacancies for a short time this fiscal year that caused revenues to drop but it is a cost reimbursement program so expenses fell also.

HHSA – HB13 – Position turnover has caused a reduction in this cost reimbursement program to lag behind where we expected to be at this point.

UTSA – Veterans Service Program – We received new funding to provide after hour care and this service is still ramping up. In addition, there have been some position vacancies. It is a cost reimbursement program so expenses are down also.

## **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>
Contract Clinical	570,773	527,703	108.16%	43,070
Fixed Asset – Furniture & Equip	146,675	121,368	120.85%	25,307
Vehicle – Repair & Maintenance	31,188	14,696	212.22%	16,492

Contract Hospital – Adult – This line item has been trending up all year based on the CSU being closed. We have received ARPA funds from Montgomery County as well as a small increase in the Private Psychiatric Bedday (PPB) funding from HHSC. In addition, we have requested that the PESC funds be transferred over to cover the bedday cost through the end of this fiscal year as mentioned above.

Fixed Asset – Furniture & Equipment – This line is the amount paid for the furniture that we purchased for the additional offices that have been added with the Liberty Clinic renovation. This will be adjusted with the next budget revision.

Vehicle – Repair & Maintenance – This line shows the costs of repairs to our mobile clinic unit. We anticipate that we will see more of this as the mobile clinic ages.

**TRI-COUNTY BEHAVIORAL HEALTHCARE  
CONSOLIDATED BALANCE SHEET  
For the Month Ended April 2022**

	<b>TOTALS COMBINED FUNDS April 2022</b>	<b>TOTALS COMBINED FUNDS March 2022</b>	<b>Increase (Decrease)</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Imprest Cash Funds	1,750	1,750	-
Cash on Deposit - General Fund	8,315,832	10,357,106	(2,041,274)
Cash on Deposit - Debt Fund	-	-	-
Accounts Receivable	5,925,739	5,783,040	142,699
Inventory	2,611	2,843	(232)
<b>TOTAL CURRENT ASSETS</b>	<b>14,245,931</b>	<b>16,144,738</b>	<b>(1,898,807)</b>
<b>FIXED ASSETS</b>	<b>18,541,959</b>	<b>18,541,959</b>	<b>-</b>
<b>OTHER ASSETS</b>	<b>136,051</b>	<b>177,696</b>	<b>(41,645)</b>
<b>TOTAL ASSETS</b>	<b>\$ 32,923,942</b>	<b>\$ 34,864,393</b>	<b>\$ (1,940,451)</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>	1,492,115	1,640,804	(148,689)
<b>NOTES PAYABLE</b>	738,448	738,448	-
<b>DEFERRED REVENUE</b>	3,172,372	4,944,879	(1,772,507)
<b>LONG-TERM LIABILITIES FOR</b>			
First Financial Conroe Building Loan	10,372,749	10,414,623	(41,874)
Guaranty Bank & Trust Loan	1,822,804	1,828,224	(5,419)
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>			
General Fund	601,830	592,622	9,208
<b>FUND EQUITY</b>			
<b>RESTRICTED</b>			
Net Assets Reserved for Debt Service	(12,195,553)	(12,242,847)	47,293
Reserved for Debt Retirement			-
<b>COMMITTED</b>			
Net Assets - Property and Equipment	18,541,959	18,541,959	-
Reserved for Vehicles & Equipment Replacement	613,712	613,712	-
Reserved for Facility Improvement & Acquisitions	1,764,850	1,820,381	(55,531)
Reserved for Board Initiatives	1,500,000	1,500,000	-
Reserved for 1115 Waiver Programs	502,677	502,677	-
<b>ASSIGNED</b>			
Reserved for Workers' Compensation	274,409	274,409	-
Reserved for Current Year Budgeted Reserve	49,336	43,169	6,167
Reserved for Insurance Deductibles	100,000	100,000	-
Reserved for Accrued Paid Time Off	(738,448)	(738,448)	-
<b>UNASSIGNED</b>			
Unrestricted and Undesignated	4,310,682	4,289,782	20,900
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 32,923,942</b>	<b>\$ 34,864,393</b>	<b>\$ (1,940,452)</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**CONSOLIDATED BALANCE SHEET**  
For the Month Ended April 2022

	General Operating Funds	Memorandum Only  Final August 2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Imprest Cash Funds	1,750	2,850
Cash on Deposit - General Fund	8,315,832	8,111,466
Cash on Deposit - Debt Fund	-	-
Accounts Receivable	5,925,739	3,656,102
Inventory	2,611	2,918
<b>TOTAL CURRENT ASSETS</b>	<b>14,245,931</b>	<b>11,773,337</b>
<b>FIXED ASSETS</b>	18,541,959	18,541,959
<b>OTHER ASSETS</b>	136,051	164,343
	<b>\$ 32,923,942</b>	<b>\$ 30,479,639</b>
<b>LIABILITIES, DEFERRED REVENUE, FUND BALANCES</b>		
<b>CURRENT LIABILITIES</b>	1,492,115	1,489,380
<b>NOTES PAYABLE</b>	738,448	738,448
<b>DEFERRED REVENUE</b>	3,172,372	646,820
<b>LONG-TERM LIABILITIES FOR</b>		
First Financial Conroe Building Loan	10,372,749	10,709,095
Guaranty Bank & Trust Loan	1,822,804	-
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES FOR</b>		
General Fund	601,830	(188,629)
<b>FUND EQUITY</b>		
<b>RESTRICTED</b>		
Net Assets Reserved for Debt Service - Restricted	(12,195,553)	(10,709,095)
Reserved for Debt Retirement	-	-
<b>COMMITTED</b>		
Net Assets - Property and Equipment - Committed	18,541,959	18,541,959
Reserved for Vehicles & Equipment Replacement	613,712	613,712
Reserved for Facility Improvement & Acquisitions	1,764,850	2,500,000
Reserved for Board Initiatives	1,500,000	1,500,000
Reserved for 1115 Waiver Programs	502,677	502,677
<b>ASSIGNED</b>		
Reserved for Workers' Compensation - Assigned	274,409	274,409
Reserved for Current Year Budgeted Reserve - Assigned	49,336	-
Reserved for Insurance Deductibles - Assigned	100,000	100,000
Reserved for Accrued Paid Time Off	(738,448)	(738,448)
<b>UNASSIGNED</b>		
Unrestricted and Undesignated	4,310,682	4,499,309
<b>TOTAL LIABILITIES/FUND BALANCE</b>	<b>\$ 32,923,942</b>	<b>\$ 30,479,638</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**For the Month Ended April 2022**  
**and Year To Date as of April 2022**

<b>INCOME:</b>	<b>MONTH OF April 2022</b>	<b>YTD April 2022</b>
Local Revenue Sources	328,769	1,728,282
Earned Income	1,502,522	10,407,742
General Revenue - Contract	1,510,729	13,356,525
<b>TOTAL INCOME</b>	<b>\$ 3,342,019</b>	<b>\$ 25,492,548</b>
<b>EXPENSES:</b>		
Salaries	1,837,642	13,349,018
Employee Benefits	253,451	2,519,275
Medication Expense	45,893	382,054
Travel - Board/Staff	29,144	162,417
Building Rent/Maintenance	7,938	150,999
Consultants/Contracts	681,373	4,972,226
Other Operating Expenses	264,507	1,717,580
<b>TOTAL EXPENSES</b>	<b>\$ 3,119,948</b>	<b>\$ 23,253,568</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 222,071</b>	<b>\$ 2,238,980</b>
<b>CAPITAL EXPENDITURES</b>		
Capital Outlay - FF&E, Automobiles, Building	111,910	1,048,655
Capital Outlay - Debt Service	80,053	588,495
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 191,962</b>	<b>\$ 1,637,150</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 3,311,911</b>	<b>\$ 24,890,718</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 30,108</b>	<b>\$ 601,830</b>

<b>Debt Service and Fixed Asset Fund:</b>		
Debt Service	80,053	588,495
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>80,053</b>	<b>588,495</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**Year to Date as of April 2022**

	YTD April 2022	APPROVED BUDGET	Increase (Decrease)
<b>INCOME:</b>			
Local Revenue Sources	1,728,282	1,667,164	61,118
Earned Income	10,407,742	10,535,925	(128,183)
	13,356,525	13,667,595	(311,070)
<b>TOTAL INCOME</b>	<b>\$ 25,492,548</b>	<b>\$ 25,870,684</b>	<b>\$ (378,135)</b>
<b>EXPENSES:</b>			
Salaries	13,349,018	14,271,709	(922,691)
Employee Benefits	2,519,275	2,601,157	(81,882)
Medication Expense	382,054	393,832	(11,778)
Travel - Board/Staff	162,417	199,840	(37,423)
Building Rent/Maintenance	150,999	152,222	(1,223)
Consultants/Contracts	4,972,226	4,989,538	(17,312)
Other Operating Expenses	1,717,580	1,703,872	13,708
<b>TOTAL EXPENSES</b>	<b>\$ 23,253,568</b>	<b>\$ 24,312,170</b>	<b>\$ (1,058,602)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 2,238,980</b>	<b>\$ 1,558,514</b>	<b>\$ 680,467</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay - FF&E, Automobiles, Building	1,048,655	1,040,708	7,947
Capital Outlay - Debt Service	588,495	588,509	(14)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 1,637,150</b>	<b>\$ 1,629,217</b>	<b>\$ 7,933</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 24,890,718</b>	<b>\$ 25,941,387</b>	<b>\$ (1,050,669)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 601,830</b>	<b>\$ (70,703)</b>	<b>\$ 672,534</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Debt Service	588,495	588,509	(14)
<b>Excess(Deficiency) of Revenues over Expenses</b>	<b>588,495</b>	<b>588,509</b>	<b>(14)</b>



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**Compared to Budget**  
**For the Month Ended April 2022**

<b>INCOME:</b>	<b>MONTH OF April 2022</b>	<b>APPROVED BUDGET</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	328,769	313,535	15,234
Earned Income	1,502,522	1,644,967	(142,445)
General Revenue-Contract	1,510,729	1,661,605	(150,876)
<b>TOTAL INCOME</b>	<b>\$ 3,342,019</b>	<b>\$ 3,620,107</b>	<b>\$ (278,087)</b>
<b>EXPENSES:</b>			
Salaries	1,837,642	1,979,171	(141,529)
Employee Benefits	253,451	284,811	(31,360)
Medication Expense	45,893	51,198	(5,305)
Travel - Board/Staff	29,144	36,894	(7,750)
Building Rent/Maintenance	7,938	18,849	(10,911)
Consultants/Contracts	681,373	712,520	(31,147)
Other Operating Expenses	264,507	217,944	46,563
<b>TOTAL EXPENSES</b>	<b>\$ 3,119,948</b>	<b>\$ 3,301,387</b>	<b>\$ (181,438)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 222,071</b>	<b>\$ 318,720</b>	<b>\$ (96,649)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay - FF&E, Automobiles, Building	111,910	112,859	(949)
Capital Outlay - Debt Service	80,053	80,055	(2)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 191,962</b>	<b>\$ 192,914</b>	<b>\$ (952)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 3,311,911</b>	<b>\$ 3,494,301</b>	<b>\$ (182,390)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 30,108</b>	<b>\$ 125,806</b>	<b>\$ (95,698)</b>

<b>Debt Service and Fixed Asset Fund:</b>			
Debt Service	80,053	80,055	(2)
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>80,053</b>	<b>80,055</b>	<b>(2)</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With YTD April 2021 Comparative Data**  
**Year to Date as of April 2022**

<b>INCOME:</b>	<b>YTD April 2022</b>	<b>YTD April 2021</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	1,728,282	1,581,137	147,145
Earned Income	10,407,742	8,713,867	1,693,875
General Revenue-Contract	13,356,525	12,728,339	628,186
<b>TOTAL INCOME</b>	<b>\$ 25,492,548</b>	<b>\$ 23,023,343</b>	<b>\$ 2,469,205</b>
<b>EXPENSES:</b>			
Salaries	13,349,018	13,232,521	116,497
Employee Benefits	2,519,275	2,797,341	(278,066)
Medication Expense	382,054	492,698	(110,644)
Travel - Board/Staff	162,417	94,998	67,419
Building Rent/Maintenance	150,999	150,799	200
Consultants/Contracts	4,972,226	3,263,889	1,708,337
Other Operating Expenses	1,717,580	1,607,052	110,528
<b>TOTAL EXPENSES</b>	<b>\$ 23,253,568</b>	<b>\$ 21,639,296</b>	<b>\$ 1,614,270</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 2,238,980</b>	<b>\$ 1,384,047</b>	<b>\$ 854,935</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay - FF&E, Automobiles, Building	1,048,655	521,661	526,994
Capital Outlay - Debt Service	588,495	557,352	31,143
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 1,637,150</b>	<b>\$ 1,079,013</b>	<b>\$ 558,137</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 24,890,718</b>	<b>\$ 22,718,309</b>	<b>\$ 2,172,409</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 601,830</b>	<b>\$ 305,031</b>	<b>\$ 296,798</b>

**Debt Service and Fixed Asset Fund:**

Debt Service	588,495	557,352	31,143
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>588,495</b>	<b>557,352</b>	<b>31,143</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With April 2021 Comparative Data**  
**For the Month ending April 2022**

<b>INCOME:</b>	<b>MONTH OF April 2022</b>	<b>MONTH OF April 2021</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	328,769	78,795	249,974
Earned Income	1,502,522	1,155,636	346,886
General Revenue-Contract	1,510,729	1,851,692	(340,963)
<b>TOTAL INCOME</b>	<b>\$ 3,342,019</b>	<b>\$ 3,086,123</b>	<b>\$ 255,896</b>
Salaries	1,837,642	1,892,873	(55,231)
Employee Benefits	253,451	376,645	(123,194)
Medication Expense	45,893	58,719	(12,826)
Travel - Board/Staff	29,144	21,044	8,100
Building Rent/Maintenance	7,938	16,033	(8,095)
Consultants/Contracts	681,373	420,177	261,196
Other Operating Expenses	264,507	192,884	71,623
<b>TOTAL EXPENSES</b>	<b>\$ 3,119,948</b>	<b>\$ 2,978,373</b>	<b>\$ 141,573</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 222,071</b>	<b>\$ 107,750</b>	<b>\$ 114,323</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay - FF&E, Automobiles, Building	111,910	2,147	109,763
Capital Outlay - Debt Service	80,053	69,667	10,386
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 191,962</b>	<b>\$ 71,814</b>	<b>\$ 120,148</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 3,311,911</b>	<b>\$ 3,050,187</b>	<b>\$ 261,724</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 30,108</b>	<b>\$ 35,933</b>	<b>\$ (5,826)</b>

**Debt Service and Fixed Asset Fund:**

Debt Service	80,053	69,667	10,386
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>80,053</b>	<b>69,667</b>	<b>10,386</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary**  
**With March 2022 Comparative Data**  
**For the Month Ended April 2022**

<b>INCOME:</b>	<b>MONTH OF April 2022</b>	<b>MONTH OF March 2022</b>	<b>Increase (Decrease)</b>
Local Revenue Sources	328,769	135,134	193,635
Earned Income	1,502,522	1,707,132	(204,610)
General Revenue-Contract	1,510,729	1,460,683	50,046
<b>TOTAL INCOME</b>	<b>\$ 3,342,019</b>	<b>\$ 3,302,948</b>	<b>\$ 39,071</b>
<b>EXPENSES:</b>			
Salaries	1,837,642	1,726,612	111,030
Employee Benefits	253,451	330,232	(76,781)
Medication Expense	45,893	50,031	(4,137)
Travel - Board/Staff	29,144	25,557	3,587
Building Rent/Maintenance	7,938	14,158	(6,220)
Consultants/Contracts	681,373	594,375	86,997
Other Operating Expenses	264,507	258,971	5,537
<b>TOTAL EXPENSES</b>	<b>\$ 3,119,948</b>	<b>\$ 2,999,937</b>	<b>\$ 120,012</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 222,071</b>	<b>\$ 303,012</b>	<b>\$ (80,941)</b>
<b>CAPITAL EXPENDITURES</b>			
Capital Outlay - FF&E, Automobiles, Building	111,910	230,314	(118,404)
Capital Outlay - Debt Service	80,053	80,053	-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 191,962</b>	<b>\$ 310,366</b>	<b>\$ (118,404)</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 3,311,911</b>	<b>\$ 3,310,303</b>	<b>\$ 1,608</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 30,108</b>	<b>\$ (7,354)</b>	<b>\$ 37,463</b>

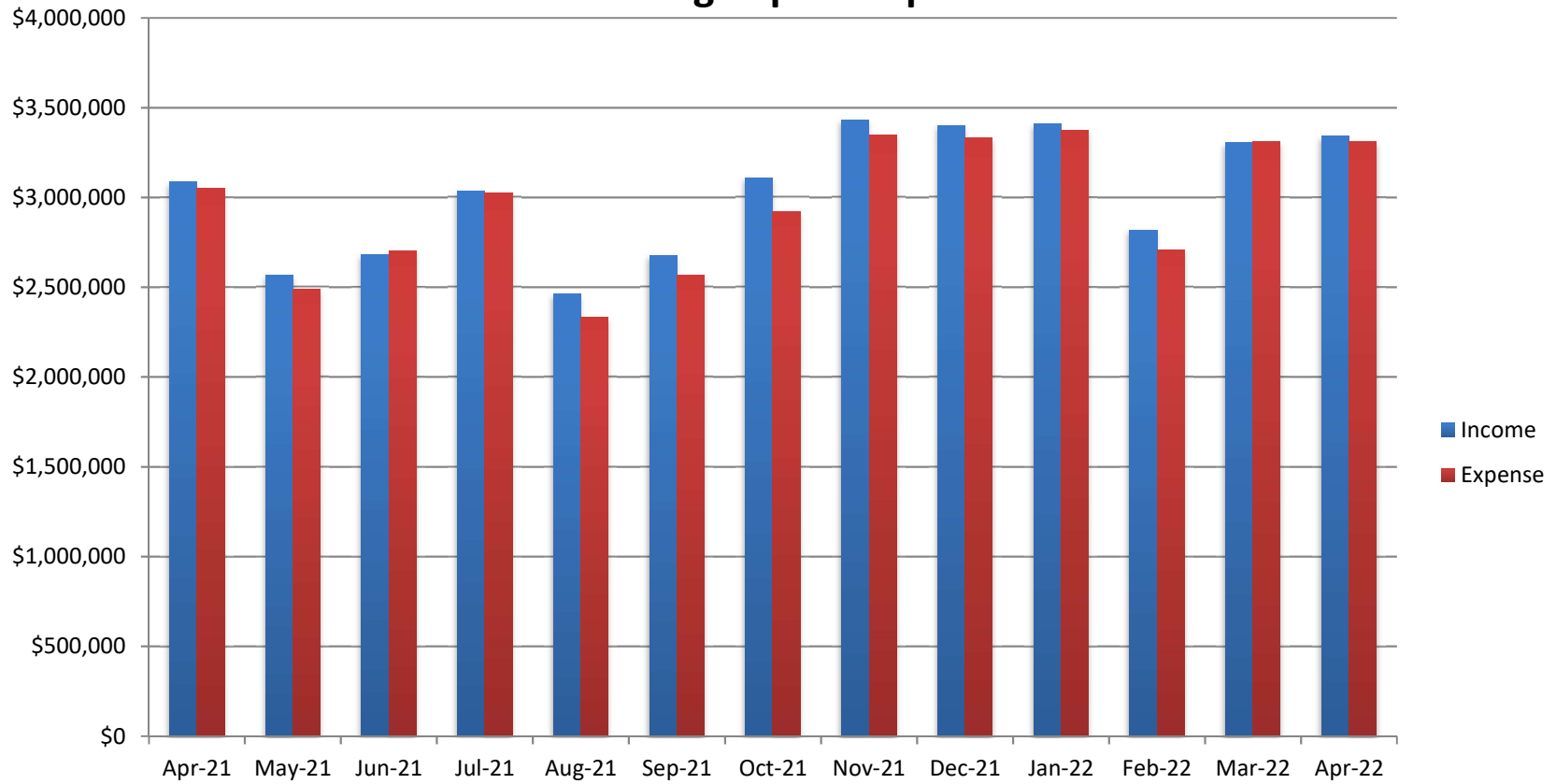
<b>Debt Service and Fixed Asset Fund:</b>			
Debt Service	80,053	80,053	-
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>80,053</b>	<b>80,053</b>	<b>-</b>

**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Revenue and Expense Summary by Service Type**  
**Compared to Budget**  
**Year To Date as of April 2022**

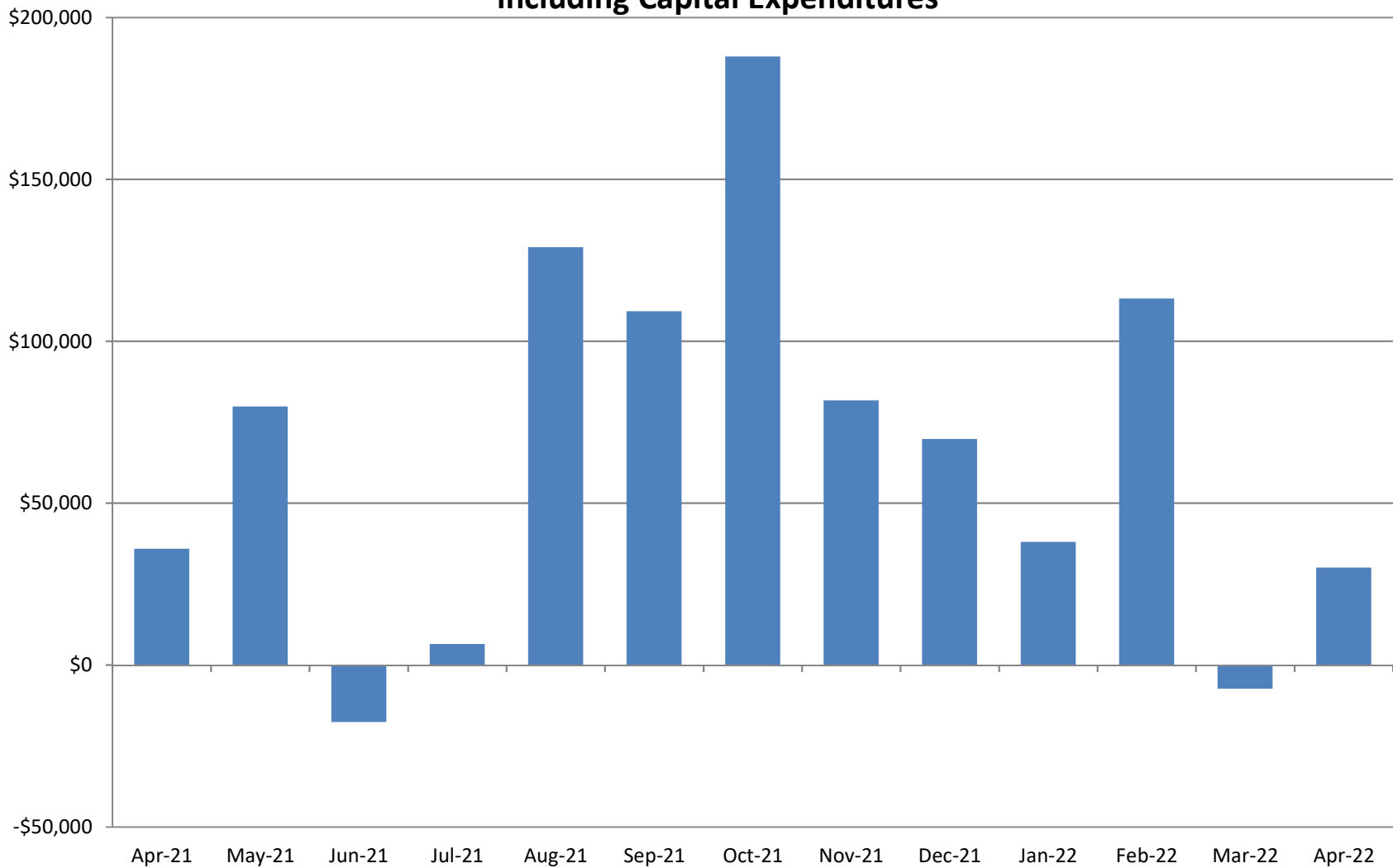
	YTD Mental Health April 2022	YTD IDD April 2022	YTD Other Services April 2022	YTD Agency Total April 2022	YTD Approved Budget April 2022	Increase (Decrease)
<b>INCOME:</b>						
Local Revenue Sources	1,328,869	(165,877)	565,291	1,728,282	1,667,164	61,118
Earned Income	2,928,120	2,410,028	5,069,594	10,407,742	10,535,925	(128,183)
General Revenue-Contract	11,396,920	1,119,263	840,343	13,356,525	13,667,595	(311,070)
<b>TOTAL INCOME</b>	<b>\$ 15,653,909</b>	<b>\$ 3,363,414</b>	<b>\$ 6,475,228</b>	<b>\$ 25,492,549</b>	<b>\$ 25,870,684</b>	<b>\$ (378,135)</b>
<b>EXPENSES:</b>						
Salaries	7,706,851	1,917,159	3,725,007	13,349,017	14,271,709	(922,692)
Employee Benefits	1,517,588	370,727	630,960	2,519,276	2,601,157	(81,881)
Medication Expense	323,923	-	58,131	382,054	393,832	(11,778)
Travel - Board/Staff	82,012	46,039	34,366	162,417	199,840	(37,423)
Building Rent/Maintenance	112,552	9,280	29,167	150,999	152,222	(1,223)
Consultants/Contracts	3,037,871	633,246	1,301,109	4,972,225	4,989,538	(17,313)
Other Operating Expenses	981,822	383,127	352,630	1,717,580	1,703,872	13,708
<b>TOTAL EXPENSES</b>	<b>\$ 13,762,619</b>	<b>\$ 3,359,578</b>	<b>\$ 6,131,370</b>	<b>\$ 23,253,567</b>	<b>\$ 24,312,170</b>	<b>\$ (1,058,602)</b>
<b>Excess(Deficiency) of Revenues over Expenses before Capital Expenditures</b>	<b>\$ 1,891,290</b>	<b>\$ 3,836</b>	<b>\$ 343,858</b>	<b>\$ 2,238,982</b>	<b>\$ 1,558,514</b>	<b>\$ 680,467</b>
<b>CAPITAL EXPENDITURES</b>						
Capital Outlay - FF&E, Automobiles, Building	833,741	76,412	138,502	1,048,655	1,040,708	7,947
Capital Outlay - Debt Service	358,982	82,389	147,124	588,495	588,509	(14)
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 1,192,723</b>	<b>\$ 158,801</b>	<b>\$ 285,626</b>	<b>\$ 1,637,151</b>	<b>\$ 1,629,217</b>	<b>\$ 7,933</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 14,955,342</b>	<b>\$ 3,518,379</b>	<b>\$ 6,416,996</b>	<b>\$ 24,890,718</b>	<b>\$ 25,941,387</b>	<b>\$ (1,050,669)</b>
<b>Excess (Deficiency) of Revenues and Expenses</b>	<b>\$ 698,567</b>	<b>\$ (154,965)</b>	<b>\$ 58,232</b>	<b>\$ 601,831</b>	<b>\$ (70,703)</b>	<b>\$ 672,534</b>
<b>Debt Service and Fixed Asset Fund:</b>						
Debt Service	358,982	82,389	147,124	588,495	588,509	(229,527)
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>358,982</b>	<b>82,389</b>	<b>147,124</b>	<b>588,495</b>	<b>588,509</b>	<b>(229,527)</b>

# TRI-COUNTY BEHAVIORAL HEALTHCARE

## Income and Expense including Capital Expenditures



**TRI-COUNTY BEHAVIORAL HEALTHCARE**  
**Income after Expense**  
**including Capital Expenditures**



<b>Agenda Item:</b> Approve FY 2022 Auditor Engagement Letter  <b>Committee:</b> Business	<b>Board Meeting Date</b>  May 26, 2022
<b>Background Information:</b>  At the April 21st Board meeting, the Board selected Eide Bailly, LLP as the FY 2022 Independent Financial Auditor. The Board directed staff to solicit the engagement letter from Eide Bailly, LLP for their review and approval.	
<b>Supporting Documentation:</b>  Copy of Engagement Letter from Eide Bailly, LLP	
<b>Recommended Action:</b>  <b>Approve the Engagement Letter from Eide Bailly, LLP for the FY 2022 Independent Financial Audit</b>	





April 27, 2022

To the Board of Trustees of  
**Tri-County Behavioral HealthCare**  
C/O Mr. Evan Roberson  
P.O. Box 3067  
Conroe, Tx. 77305

You have requested that we audit the financial statements of the governmental activities, the aggregate discretely presented component units, the major fund, and the aggregate remaining fund information of **Tri-County Behavioral HealthCare (TCBH)** as of August 31, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise **TCBH's** basic financial statements.

In addition, we will audit the entity's compliance over major federal and state award programs for the period ended August 31, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB), require that certain information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budgetary Comparison Information

### **Schedule of Expenditures of Federal and State Awards**

We will subject the schedule of expenditures of federal and state awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal and state awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Supplementary Schedules

### **Data Collection Form**

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

### **Audit of the Financial Statements**

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the State of Texas Uniform Grant Management Standards (UGMS), the Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers promulgated by THHSC; and the State of Texas Single Audit Circular (TSAC).

As part of an audit of financial statements in accordance with GAAS and in accordance with *Government Auditing Standards*, Uniform Guidance and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **TCBH's** ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and/or state or regulatory audit requirements.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of **TCBH's** basic financial statements. Our report will be addressed to the governing body of **TCBH**. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement.

If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

## Audit of Major Program Compliance

Our audit of TCBH's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and, in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* and TSAC for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance and TSAC, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

## Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and TSAC;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the entity is managing federal and state awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely, the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;

18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal and state awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and TSAC, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal and state awards, (c) to include our report on the schedule of expenditures of federal and state awards in any document that contains the schedule of expenditures of federal and state awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal and state awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal and state awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

**TCBH** will be responsible for ensuring that the audit report is received by the Texas Health and Human Services Commission by February 1, 2023. **TCBH** is further responsible for ensuring that other appropriate governmental agencies receive copies of the audit report according to instructions in the current *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

### **Nonattest Services**

With respect to any nonattest services we perform, we agree to perform the following:

- Prepare the Form 990 for **TCBH**.
- Assist with preparing financial statements, schedule of expenditures of federal and state awards, and related notes of the Organization in conformity with U.S. generally accepted accounting principles and Uniform Guidance and the State of Texas Single Audit Circular based on information provided by you.
- Completion of the auditee's portion of the Data Collection Form.
- Propose and prepare year end adjusting entries related to accruing MAC accounts receivable and deferred inflows of resources, reclassing accounts payable and accrued expenses out of cash, and to reclass accounts receivable out of unearned/deferred revenue.
- Preparing GASB 34 adjusting journal entries.



We will not assume management responsibilities on behalf of **TCBH**. **TCBH**'s management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

**TCBH**'s management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities. Our firm will advise **TCBH** with regard to tax positions taken in the preparation of the tax return, but **TCBH** must make all decisions with regard to those matters.

### **Fees and Timing**

L. Diane Terrell is the engagement partner for the audit services specified in this letter. Responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. We expect to begin our interim audit procedures in approximately August 2022 and our final audit procedures in approximately October 2022.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, including administrative charges. Invoices are payable upon presentation. We estimate that our fee for the audit will be \$40,500 and our fee for the Form 990 will be \$2,800. This fee assumes the audit will be conducted remotely (no travel expenses). This fee also includes testing for one major federal and two state programs. This is the number of federal and state programs we typically test in a given year. However, it is possible you may have more than one major federal and two state programs due to additional funding obtained. The selections of major programs is a risk based process that we will not be able to conduct until we have more information from you and these agencies later in the year. For each additional major federal or state audit program we are required to test, we will increase the fee by \$3,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use **TCBH**'s personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

The Center is required to implement Governmental Accounting Standards Board Statement No. 87, Leases, for its fiscal year ended August 31, 2022. Depending on the number of leases that the Center has, the implementation of GASB 87 could require a significant amount of time and expertise, from both Center personnel and Eide Bailly personnel.

As a result, it is difficult to estimate the amount of time and expertise that will be required to audit the Center's implementation of this standard. If the Center is prepared for this implementation and no adjustments are required to the Center's listing of leases and journal entries required to record the leases to its financial statements, the estimate to audit the lease implementation could be as low as \$1,500. However, if the Center's lease documents appear to be incomplete, incorrect, or not prepared in accordance with the GASB standard, more time and expertise will be required, which cannot be estimated at this time. Further, it should be emphasized that our proposed audit fee(s) stated above does not include assistance with the implementation of the lease standard. Should assistance with the implementation of the lease standard be required, please contact us immediately to discuss planning, scheduling, the scope of assistance requested, etc. We would like to review your status of the lease implementation during the week scheduled for interim/Single Audit testing. If the Center is not prepared for the implementation of the lease standard by the week of final fieldwork, an extension of the original due date is likely warranted with HHSC for the submission of the audit.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information required to perform our engagement, as well as a planned timeline for the engagement. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

#### **Other Matters**

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.



Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to “read only” to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, “service providers”) in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

Neither of us may use or disclose the other’s confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly’s confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor’s report but before the date your financial statements are issued.

At the conclusion of our audit engagement, we will communicate to the Board of Trustees the following significant findings from the audit:

- Our view about the qualitative aspects of the entity’s significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;

- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

*Government Auditing Standards* require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, a copy of our most recent peer review report accompanies this letter.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, ("HLB"). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance Network, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

## **MEDIATION**

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand.

The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Abilene, Texas. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

## **LIMITED INDEMNITY**

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements and tax return that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

#### **LIMITATION OF LIABILITY**

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

#### **TIME LIMITATION**

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit and tax return services. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

#### **GOVERNING LAW AND VENUE**

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Texas law. Any unresolved Dispute shall be submitted to a federal or state court located in Abilene, Texas.

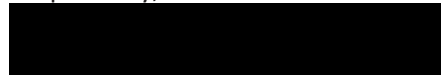
#### **ASSIGNMENTS PROHIBITED**

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



L. Diane Terrell  
Partner

\*\*\*\*\*

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of management of **Tri-County Behavioral HealthCare** by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Acknowledged and agreed on behalf of the Board of Trustees of **Tri-County Behavioral HealthCare** by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

## Report on the Firm's System of Quality Control

January 20, 2021

To the Partners of Eide Bailly LLP and the  
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker dealer, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.



Cherry Bekaert LLP

<p><b>Agenda Item:</b> Approve the FY 2022 Kingwood Pines Inpatient Hospital Contract Addendum</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>May 26, 2022</p>
<p><b>Background Information:</b></p> <p>Tri-County Behavioral Healthcare utilizes Kingwood Pines Hospital in Kingwood for inpatient psychiatric services. Kingwood Pines Hospital serves adults, youth (13-17) and children (8-13). Kingwood Pines is our only local option for children at this time.</p> <p>The Kingwood Pines contract for FY 2022 inpatient hospital beds is \$900,000, but needs to be increased to \$1,300,000 based on anticipated utilization since the Crisis Stabilization Unit is closed.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review.</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the FY 2022 Kingwood Pines Inpatient Hospital Contract Addendum for up to \$1,300,000</b></p>	

<p><b>Agenda Item:</b> Approve the FY 2022 Aspire Inpatient Hospital Contract Addendum</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>May 26, 2022</p>
<p><b>Background Information:</b></p> <p>Tri-County Behavioral Healthcare utilizes Aspire Hospital in Conroe for inpatient psychiatric services. Aspire is also licensed as a medical hospital and specializes in serving persons with complicated medical needs in addition to psychiatric needs.</p> <p>The Aspire Hospital contract for FY 2022 inpatient hospital beds is \$40,000, but needs to be increased to \$75,000 based on anticipated utilization.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review.</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the FY 2022 Aspire Inpatient Hospital Contract Addendum for up to \$75,000</b></p>	

<p><b>Agenda Item:</b> Approve the FY 2022 Woodland Springs Inpatient Hospital Contract Addendum</p> <p><b>Committee:</b> Business</p>	<p><b>Board Meeting Date</b></p> <p>May 26, 2022</p>
<p><b>Background Information:</b></p> <p>Tri-County Behavioral Healthcare utilizes Woodland Springs Hospital in Conroe for inpatient psychiatric services. Woodland Springs Hospital serves adults and youth over the age of 13.</p> <p>The Woodland Springs contract for FY 2022 inpatient hospital beds is \$900,000, but needs to be increased to \$1,300,000 based on anticipated utilization since the Crisis Stabilization Unit is closed.</p>	
<p><b>Supporting Documentation:</b></p> <p>Contract Available for Review.</p>	
<p><b>Recommended Action:</b></p> <p><b>Approve the FY 2022 Woodland Springs Inpatient Hospital Contract Addendum for up to \$1,300,000</b></p>	



<b>Agenda Item:</b> Approve the FY 2022 Cypress Creek Inpatient Hospital Contract Addendum  <b>Committee:</b> Business	<b>Board Meeting Date</b>  May 26, 2022
<b>Background Information:</b>  Tri-County Behavioral Healthcare utilizes Cypress Creek Hospital in North Houston for inpatient psychiatric services. Cypress Creek Hospital serves adults and youth over the age of 13.  The Cypress Creek contract for FY 2022 inpatient hospital beds is \$900,000, but needs to be increased to \$1,300,000 based on anticipated utilization since the Crisis Stabilization Unit is closed.	
<b>Supporting Documentation:</b>  Contract Available for Review.	
<b>Recommended Action:</b>  <b>Approve the FY 2022 Cypress Creek Inpatient Hospital Contract Addendum for up to \$1,300,000</b>	

<b>Agenda Item:</b> Approve Sale of 2014 Buick Encore  <b>Committee:</b> Business	<b>Board Meeting Date:</b>  May 26, 2022
<b>Background Information:</b>  Staff are requesting that the following vehicle with significant mechanical issues be removed from the Tri-County fleet and sold at auction. <ul style="list-style-type: none"> <li>• 2014 Buick Encore (DTS-0509) - 87,663 - This vehicle has required significant repairs throughout its life including multiple engine repairs while the vehicle was under warranty. It is currently in need of a new air conditioner, serpentine belt and associated repairs which are estimated to cost \$2,800.</li> </ul> Staff recommend sale of this vehicle at auction to the highest bidder.	
<b>Supporting Documentation:</b>  None	
<b>Recommended Action:</b>  <b>Approve the Sale of 2014 Buick Encore at Auction to the highest bidder.</b>	

<b>Agenda Item:</b> Decision Making Regarding Ongoing Operations of the Crisis Stabilization Unit  <b>Committee:</b> Business	<b>Board Meeting Date</b>  May 26, 2022
<b>Background Information:</b>  <p>Tri-County's Crisis Stabilization Unit was opened on May 13, 2011. It is one of only two freestanding CSUs in the state and the only facility built specifically as a CSU. It has been used to treat indigent persons in need of crisis stabilization in our community. In November of 2021, Tri-County had to shut down our CSU because we were no longer able to compete in our region for Psychiatric Nurse and Psychiatric Nursing Assistant (Tech) staffs' salaries.</p> <p>After researching salaries and 'testing' the salary market, we have developed a budget proposal to reopen the CSU which would cost the Center approximately \$1,866,913 per year more than our current state allocation and match (\$1,435,297 + PESC 'local' match of \$431,616). We have funding in the form of Montgomery County ARPA funds to get the facility back open this Fiscal Year, but I cannot in good conscious open the facility without putting an operational plan together for FY 2023 and beyond.</p> <p>Staff met with the Texas Health and Human Services Commission to request additional operational funds for the CSU, and on May 6, 2022 HHSC indicated that they would not be able to provide the required funding.</p> <p>Permanent closure of the CSU would require Tri-County to relinquish our license to the Department of State Health Services, and if the Board decided to reopen a licensed unit, the Center would need to meet new facility licensing standards.</p> <p>This closure may impact a small number of staff, so this item will be reserved for discussion in Board Executive Session.</p> <p>If the Board elects to close the Crisis Stabilization Unit, the Executive Director would form a committee of staff to reimagine crisis stabilization for our communities and to develop a plan for reopening some type of crisis intervention service in the future.</p>	
<b>Supporting Documentation:</b>  CSU Summary	
<b>Recommended Action:</b>  <b>Approve Closure of the Crisis Stabilization Unit or Recommend Alternate Plan</b>	

# Crisis Stabilization Unit Operations Summary

## Request Summary:

COVID-19 has put an additional strain on the crisis services system at Tri-County which was already experiencing year over year growth in requests for assessment of approximately 18%. In addition to more individuals needing assessments year after year, the number of children and youth requesting assessments and the complexity of persons screened are also increasing. This complexity includes an 18% year over year increase in law enforcement involved crises with approximately 80% of these individuals being brought in involuntarily in the last two years.

At the same time that Tri-County has been managing an increasing number and complexity of persons in crisis, nearly every Emergency Department, Law Enforcement Entity and area psychiatric hospital is seeing similar growth in the number of persons seeking, or in need of, psychiatric care.

Tri-County's Crisis Stabilization Unit, one of only four in the state and one of only two free-standing facilities, has been used to treat indigent persons in need of crisis stabilization in our community. In November of 2021, Tri-County had to shut down our CSU because we could no longer compete with Psychiatric Nurse and Psychiatric Nursing Assistant (Tech) salaries.

After researching salaries and 'testing' the salary market, we have developed a proposal to open our CSU that will cost the Center approximately 1.4 million dollars per year more than our current state allocation and match. We have the funding, thanks to Montgomery County ARPA funds, to get the facility back open this Fiscal Year but cannot, in good conscious, open the facility without putting a plan together for FY 2023 and beyond. We do not believe any local ARPA funds will be available after December of 2022.

After closing the CSU, Tri-County accelerated utilization of indigent crisis hospitalization funds. At the end of February, we surpassed total private hospitalization funds used in all of FY 2021. If there are no additional dollars available to fund the CSU, we would like to request that existing PESC and Community Hospital Funds be permitted for use for this reason. With the PESC, Community Hospital and Montgomery County ARPA funds, we believe we will be able to cover the estimated 4.6 million dollars in indigent hospitalization for FY 2022.

## Background:

In our ten years of running a free-standing Crisis Stabilization Unit, we have learned a lot about operations. In 2007, our proposed budget for the CSU was just under \$2.2 Million, but in our first full year of operations the costs were actually \$2,806,325 (29% over budget) and costs have increased each year after. Total state funding (PESC), until late 2020 when Community Hospital funds were added, was \$1,726,464 (+ required match of \$431,616 for a total of \$2,158,080). Initially the community provided this required local match, but all local match sources were lost by the end of FY 2012. For FY 2013 on, 'local match' was made up of eligible dollars that were previously funding adult outpatient services.

Some of the unrealized assumptions of the budget included minimal administrative oversight, minimal overtime, low facility costs, billed revenue expectations, minimal staffing plans, among many others.

At the end of FY 2020, we were pleased to receive \$435,274 in Community Hospital funds bringing total funds available (with PESC 'local match') up to \$2,594,703. Actual costs in FY 2021 were \$3,386,719.

I have been advising other Centers since early on that ‘free-standing’ was a very expensive way to operate a Crisis Stabilization Unit and have advised against similar designs. Many of the costs would be exactly the same for a much larger psychiatric facility. (Our facility cannot be expanded because of property size limitations.) A licensed free-standing unit must overstaff to account for minimum license staffing requirements because if, for example, you only had one registered nurse on the unit (technically permissible) and they called in, got sick, etc. the unit might have to shut down if you can’t staff it quickly.

Some of our cost projections may seem high, but they are based on experience with the complexities of running this unit over multiple years.

## Evaluation of Options - CSU



### Pros:

- 10 years of operational experience.
- Locally popular (“We need 3 more”).
- The physical plant is designed as a CSU (even though we would make lots of changes to the design if we started over).
- Can control over LOS.
- Shorter LOS than psychiatric hospitals.
- Quick access to treatment.
- MI access to Detox.
- Much of the time, better care.
- Locked unit that can accept complex patients.
- Potential for step-downs from hospitals and ERs.

### Cons:

- Cost and financial loss.
- No economy of scale.
- Medical Model with Medical Director and DON.
- Heavy indirect cost.
- Heavy administrative cost.
- Availability of Psych RNs in this area.
- Increasing competition for 24/7 staff.
- License Regulations.
- Low Medicaid percentage.
- Free standing facility.
- Limitations with commitment processes in Montgomery County.
- Cost per bed day was high.
- No appreciable revenue.

## Budget Summary

### HHSC Funding for the CSU:

- Psychiatric Emergency Service Centers (PESC) – \$1,726,464 (2009)
    - Required Local Match \$431,616 (Tri-County funded since FY 2012)
  - Community Hospital Funds - \$435,274 (Became available in 2020)
- Total Funding – \$2,594,703**

### Operating costs for the CSU:

- Best year, FY 2012 – \$2,806,325 (First full year of operations – 29% over budget.)
  - FY 2021 – \$3,386,719.
- Total Loss, FY 2021 – \$792,016** (plus ‘local match’ = \$1,223,632)

Operating Costs in FY 2023 without change in current design - \$ 4,489,498

**Operating Cost with design changes (FY 2023) – \$4,030,000**

**Anticipated annual loss (FY 2023 and beyond) – \$1,435,297** (+ 'local match' = \$1,866,913)

#### **Budget Assumptions:**

- RN's paid \$50-\$60 dollars per hour (based on research and 'testing' the market).
  - Working 3-12s/4-12s with overtime.
- 2 RNs, 3 Techs per shift on days, 2 Techs on nights.
- Techs to \$18 (with shift differential, up to \$24 per hour on weekend nights).
  - Working 3-12s/4-12s with planned overtime.
- Two additional caseworkers.
- Filled shifts which do not result in significant overtime.
- Other costs level except for the addition of a Pyxis unit (which allows us to eliminate LVNs).
- No extraordinary building costs.
  - **Anticipated loss** does not include 'ripple effect' for like outpatient positions, sign on bonuses for staff or increased costs for contracts, etc.

## Conversations with Other Centers

Community Healthcare: Not freestanding. Just reopening their only remaining CSU that has been closed for four months. In their area, they are having to pay \$60-\$63 per hour for Registered Nurses working 3-12s/4-12s. In their area, Techs are almost harder to find and they may have to pay up to \$30 an hour for certain shifts. Planning for 1 RN and 2 techs per shift with a limit of 7 voluntary admits, but currently capped at 3 clients. No longer running a CSU, now running a CRU.

Hill Country: Freestanding on the State Hospital campus. 1 RN and 1 LVN per shift working 3-12s/4-12s. Have seen, like most persons with these environments, nursing turnover every couple of years. Include involuntary on their unit. Have the census limited due to COVID-19. They have kept nursing salaries lower but nurses are getting restless. They are concerned about competition with the new State Hospital positions which will open soon.

## Other Models and Internal Discussions:

Tri-County staff have reviewed the standards for a Crisis Residential Unit and Crisis Respite and have eliminated these models for consideration because of two primary reasons 1) our current facility does not support a voluntary model and 2) serving voluntary only will not reduce our hospital costs.

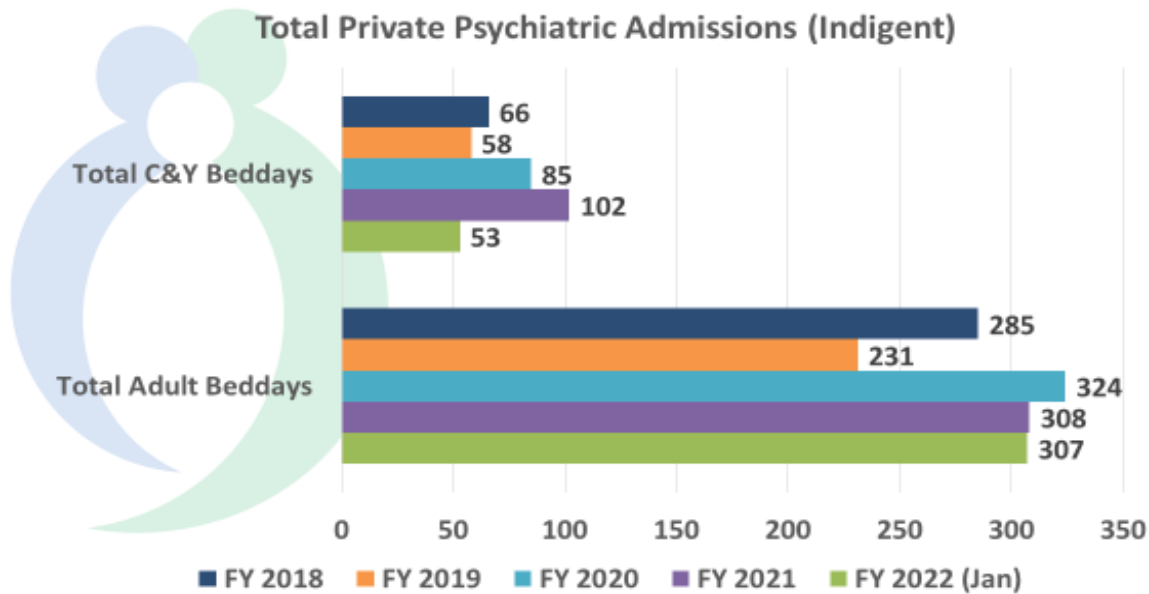
An Extended Observation Unit does fit our current facility, perhaps at a lower cost, but many of the existing costs, specifically nursing, would remain and there would be additional costs associated with LPHA requirements and medical screening. Other potential issues:

- We would not be "co-located with a hospital or in close proximity," so it is unclear if we meet code.
- We are not sure if we would continue to qualify for the \$435,274 in Community Hospital funds.
- The estimated cost to run an EOU is \$3,984,207, but if we lose the Community Hospital funds, it would still cost an estimated 1.82 million dollars more than our state funding. This is equivalent to the cost of the CSU with the community hospital funding.

What can we do with available funds? I can bring up a unit that mimics Community Healthcare's model, but this really doesn't defer our hospitalization cost and doesn't meet our needs.

Importantly, while the CSU has been closed, we have been on a noteworthy pace of hospitalization and by the end of February we have already surpassed all of FY 2021's Adult Hospitalization beddays (part of this is increased length of stay (LOS) over the CSU).

# Hospitalizations Way Up

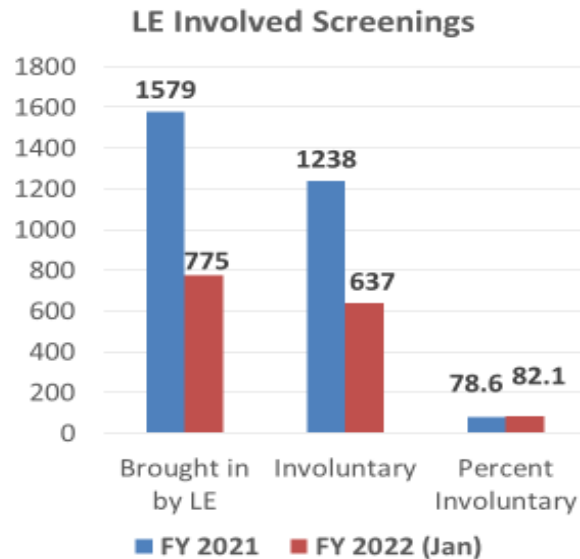


And while some of these folks have always been involved with Law Enforcement, this number is increasing each year.

# Crisis Services and LE



- Since opening, approximately 40% of the persons admitted to the Crisis Stabilization Unit have been brought in by Ambulance or LE.
  - The majority of these folks have come in via Law Enforcement.
- Overall, numbers brought in by LE to be screened are growing significantly.



Overall, we have seen approximately 18% year over year growth in persons screened for needed crisis services. An increasing percentage of the total screenings are law enforcement involved (an increasing number of these are also children).

## Our Request

With Montgomery County ARPA funds, I can get the CSU open in FY 2022 – although it may take a few months to do so. However, the County ARPA funds will likely not be available after FY 2022. I will need ongoing funding prior to committing to ongoing operations.

Either:

- Help us secure new funds, approximately \$1.4 million per year to run the CSU in FY 2023 (this is in addition to PESC/Center match and Community Hospital Funds), **or**
- Let us keep the PESC funds (and our match) to fund our growing hospitalization costs, with the plans to 'restart' the CSU once salaries drop and/or reevaluate going forward.



<b>Agenda Item:</b> Board of Trustees Unit Financial Statement as of April 2022  <b>Committee:</b> Business	<b>Board Meeting Date</b>  May 26, 2022
<b>Background Information:</b>  None	
<b>Supporting Documentation:</b>  April 2022 Board of Trustees Unit Financial Statement	
<b>Recommended Action:</b>  <b>For Information Only</b>	

# Unit Financial Statement

FY 2022

April 30, 2022

	April 2022 Actuals	April 2022 Budgeted	Variance	YTD Actual	YTD Budget	Variance	Percent	Budget
Revenues								
Allocated Revenue	\$ 2,029.00	\$ 2,029.00	\$ -	\$ 16,232.00	\$ 16,232.00	\$ -	100.00%	\$ 24,350.00
Total Revenue	\$ 2,029.00	\$ 2,029.00	\$ -	\$ 16,232.00	\$ 16,232.00	\$ -	100.00%	\$ 24,350.00
Expenses								
Insurance-Worker Compensation	\$ 2.45	\$ 13.00	\$ (10.55)	\$ 21.12	\$ 104.00	\$ (82.88)	20.31%	\$ 150.00
Legal Fees	\$ 1,500.00	\$ 1,500.00	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	100.00%	\$ 18,000.00
Travel - Local	\$ -	\$ 42.00	\$ (42.00)	\$ -	\$ 336.00	\$ (336.00)	0.00%	\$ 500.00
Travel - Non-local mileage	\$ -	\$ 208.00	\$ (208.00)	\$ -	\$ 1,664.00	\$ (1,664.00)	0.00%	\$ 2,500.00
Travel - Non-local Hotel	\$ 2,053.20	\$ 667.00	\$ 1,386.20	\$ 2,737.60	\$ 1,836.00	\$ 901.60	0.00%	\$ 2,000.00
Travel - Meals	\$ 550.26	\$ 100.00	\$ 450.26	\$ 550.26	\$ 800.00	\$ (249.74)	0.00%	\$ 1,200.00
Total Expenses	\$ 4,105.91	\$ 2,530.00	\$ 1,575.91	\$ 15,308.98	\$ 16,740.00	\$ (1,431.02)	91.45%	\$ 24,350.00
Total Revenue minus Expenses	\$ (2,076.91)	\$ (501.00)	\$ (1,575.91)	\$ 923.02	\$ (508.00)	\$ 1,431.02	8.55%	\$ -

# UPCOMING MEETINGS

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## **June 2022 – No Board Meeting**

### **July 28, 2022 – Board Meeting**

- Approve Minutes from May 26, 2022 Board Meeting
- Community Resources Report
- Consumer Services Report for May and June 2022
- Program Updates
- FY 2022 Year to Date Goals & Objectives Progress Report
- 3<sup>rd</sup> Quarter FY 2022 Corporate Compliance & Quality Management Report
- 4<sup>th</sup> Quarter FY 2022 Corporate Compliance Training
- Appoint Nominating Committee for FY 2023 Board Officers
- Appoint Executive Director Evaluation Committee
- Personnel Report for May and June 2022
- Texas Council Risk Management Fund Claims Summary for May and June 2022
- Approve Financial Statements for May and June 2022
- Approve Recommendation for Tri-County Employee Health Insurance & Ancillary Plans
- Approve Participation in TCRMF Minimum Contribution Plan for Worker's Compensation Coverage
- Review Tri-County's FY 2020 990 Tax Return Prepared by Eide Bailly LLP
- 3<sup>rd</sup> Quarter FY 2022 Investment Report
- Board of Trustees Unit Financial Statement as of May and June 2022
- Tri-County Consumer Foundation Board Update
- HUD 811 – Cleveland, Montgomery & Huntsville Updates

### **August 25, 2022 – Board Meeting**

- Approve Minutes from July 28, 2022 Board Meeting
- Approve Goals and Objectives for FY 2023
- Community Resources Report
- Consumer Services Report for July 2022
- Program Updates
- Annual Election of FY 2023 Board Officers
- Executive Director's Evaluation, Compensation & Contract for FY 2023
- Nominations for the Texas Council Risk Management Fund's Board of Trustees
- Personnel Report for July 2022
- Texas Council Risk Management Fund Claims Summary for July 2022
- Texas Council Quarterly Board Meeting Verbal Update
- Approve July 2022 Financial Statements
- Approve FY 2022 Year End Budget Revision
- Approve Proposed FY 2023 Operating Budget
- Approve FY 2023 Dues Commitment & Payment Schedule for the Texas Council
- Board of Trustees Unit Financial Statement for July 2022

### Tri-County Behavioral Healthcare Acronyms

Acronym	Name
1115	Medicaid 1115 Transformation Waiver
AAIDD	American Association on Intellectual and Developmental Disabilities
AAS	American Association of Suicidology
ABA	Applied Behavioral Analysis
ACT	Assertive Community Treatment
ADA	Americans with Disabilities Act
ADD	Attention Deficit Disorder
ADHD	Attention Deficit Hyperactivity Disorder
ADL	Activities of Daily Living
ADRC	Aging and Disability Resource Center
AMH	Adult Mental Health
ANSA	Adult Needs and Strengths Assessment
AOP	Adult Outpatient
APM	Alternative Payment Model
APRN	Advanced Practice Registered Nurse
APS	Adult Protective Services
ARDS	Assignment Registration and Dismissal Services
ASH	Austin State Hospital
BCBA	Board Certified Behavior Analyst
BJA	Bureau of Justice Administration
BMI	Body Mass Index
C&Y	Child & Youth Services
CAM	Cost Accounting Methodology
CANS	Child and Adolescent Needs and Strengths Assessment
CARE	Client Assignment Registration & Enrollment
CBT	Computer Based Training & Cognitive Based Therapy
CC	Corporate Compliance
CCBHC	Certified Community Behavioral Health Clinic
CCP	Crisis Counseling Program
CDBG	Community Development Block Grant
CFC	Community First Choice
CFRT	Child Fatality Review Team
CHIP	Children's Health Insurance Program
CIRT	Crisis Intervention Response Team
CISM	Critical Incident Stress Management
CMH	Child Mental Health
CNA	Comprehensive Nursing Assessment
COC	Continuity of Care
COPSD	Co-Occurring Psychiatric and Substance Use Disorders
COVID-19	Novel Corona Virus Disease - 2019
CPS	Child Protective Services
CPT	Cognitive Processing Therapy
CRCG	Community Resource Coordination Group
CSC	Coordinated Specialty Care
CSHI	Cleveland Supported Housing, Inc.
CSU	Crisis Stabilization Unit
DADS	Department of Aging and Disability Services
DARS	Department of Assistive & Rehabilitation Services
DCP	Direct Care Provider
DEA	Drug Enforcement Agency
DFPS	Department of Family and Protective Services
DO	Doctor of Osteopathic Medicine
DOB	Date of Birth
DPP-BHS	Directed Payment Program - Behavioral Health Services
DRC	Disaster Recovery Center

DRPS	Department of Protective and Regulatory Services
DSHS	Department of State Health Services
DSM	Diagnostic and Statistical Manual of Mental Disorders
DSRIP	Delivery System Reform Incentive Payments
DUA	Data Use Agreement
Dx	Diagnosis
EBP	Evidence Based Practice
ECI	Early Childhood Intervention
EHR	Electronic Health Record
EOU	Extended Observation Unit
ETBHN	East Texas Behavioral Healthcare Network
EVV	Electronic Visit Verification
FDA	Federal Drug Enforcement Agency
FEMA	Federal Emergency Management Assistance
FEP	First Episode Psychosis
FLSA	Fair Labor Standards Act
FMLA	Family Medical Leave Act
FTH	From the Heart
FY	Fiscal Year
HCBS-AMH	Home and Community Based Services - Adult Mental Health
HCS	Home and Community-based Services
HHSC	Health & Human Services Commission
HIPAA	Health Insurance Portability & Accountability Act
HR	Human Resources
HUD	Housing and Urban Development
ICAP	Inventory for Client and Agency Planning
ICF-IID	Intermediate Care Facility - for Individuals w/Intellectual Disabilities
ICI	Independence Communities, Inc.
ICM	Intensive Case Management
IDD	Intellectual and Developmental Disabilities
IDD PNAC	Intellectual and Developmental Disabilities Planning Network Advisory Committee
IHP	Individual Habilitation Plan
IMR	Illness Management and Recovery
IP	Implementation Plan
IPE	Initial Psychiatric Evaluation
IPP	Individual Program Plan
ITP	Individual Transition Planning (schools)
JDC	Juvenile Detention Center
JUM	Junior Utilization Management Committee
LAR	Legally Authorized Representative
LBHA	Local Behavioral Health Authority
LCDC	Licensed Chemical Dependency Counselor
LCSW	Licensed Clinical Social Worker
LIDDA	Local Intellectual & Developmental Disabilities Authority
LMC	Leadership Montgomery County
LMHA	Local Mental Health Authority
LMSW	Licensed Master Social Worker
LMFT	Licensed Marriage and Family Therapist
LOC	Level of Care (MH)
LOC-TAY	Level of Care - Transition Age Youth
LON	Level Of Need (IDD)
LOSS	Local Outreach for Suicide Survivors
LPHA	Licensed Practitioner of the Healing Arts
LPC	Licensed Professional Counselor
LPC-S	Licensed Professional Counselor-Supervisor
LPND	Local Planning and Network Development
LSFHC	Lone Star Family Health Center
LTD	Long Term Disability

LVN	Licensed Vocational Nurse
MAC	Medicaid Administrative Claiming
MAT	Medication Assisted Treatment
MCHC	Montgomery County Homeless Coalition
MCHD	Montgomery County Hospital District
MCO	Managed Care Organizations
MCOT	Mobile Crisis Outreach Team
MD	Medical Director/Doctor
MDCD	Medicaid
MDD	Major Depressive Disorder
MHFA	Mental Health First Aid
MIS	Management Information Services
MOU	Memorandum of Understanding
MSHI	Montgomery Supported Housing, Inc.
MTP	Master Treatment Plan
MVPN	Military Veteran Peer Network
NAMI	National Alliance on Mental Illness
NASW	National Association of Social Workers
NEO	New Employee Orientation
NGM	New Generation Medication
NGRI	Not Guilty by Reason of Insanity
NP	Nurse Practitioner
OCR	Outpatient Competency Restoration
OIG	Office of the Inspector General
OSAR	Outreach, Screening, Assessment and Referral (Substance Use Disorders)
PA	Physician's Assistant
PAP	Patient Assistance Program
PASRR	Pre-Admission Screening and Resident Review
PATH	Projects for Assistance in Transition from Homelessness (PATH)
PCIT	Parent Child Interaction Therapy
PCP	Primary Care Physician
PCRP	Person Centered Recovery Plan
PDP	Person Directed Plan
PETC	Psychiatric Emergency Treatment Center
PFA	Psychological First Aid
PHI	Protected Health Information
PHP-CCP	Public Health Providers - Charity Care Pool
PNAC	Planning Network Advisory Committee
PPB	Private Psychiatric Bed
PRS	Psychosocial Rehab Specialist
QIDP	Qualified Intellectual Disabilities Professional
QM	Quality Management
QMHP	Qualified Mental Health Professional
RAC	Routine Assessment and Counseling
RCF	Residential Care Facility
RCM	Routine Case Management
RFP	Request for Proposal
RN	Registered Nurse
ROC	Regional Oversight Committee - ETBHN Board
RPNAC	Regional Planning & Network Advisory Committee
RSH	Rusk State Hospital
RTC	Residential Treatment Center
SAMA	Satori Alternatives to Managing Aggression
SAMHSA	Substance Abuse and Mental Health Services Administration
SASH	San Antonio State Hospital
SH	Supported Housing
SHAC	School Health Advisory Committee
SOAR	SSI Outreach, Access and Recovery

SSA	Social Security Administration
SSDI	Social Security Disability Income
SSI	Supplemental Security Income
SSLC	State Supported Living Center
STAR Kids	State of Texas Reform-Kids (Managed Medicaid)
SUD	Substance Use Disorder
SUMP	Substance Use and Misuse Prevention
TAC	Texas Administrative Code
TANF	Temporary Assistance for Needy Families
TAY	Transition Aged Youth
TCBHC	Tri-County Behavioral Healthcare
TF-CBT	Trauma Focused CBT - Cognitive Behavioral Therapy
TCCF	Tri-County Consumer Foundation
TCOOMMI	Texas Correction Office on Offenders with Medical & Mental Impairments
TCRMF	Texas Council Risk Management Fund
TDCJ	Texas Department of Criminal Justice
TEA	Texas Education Agency
TIC/TOC	Trauma Informed Care-Time for Organizational Change
TP	Treatment Plan
TRA	Treatment Adult Services (Substance Abuse)
TRR	Texas Resilience and Recovery
TxHmL	Texas Home Living
TRY	Treatment Youth Services (Substance Abuse)
TVC	Texas Veterans Commission
TWC	Texas Workforce Commission
UM	Utilization Management
UW	United Way of Greater Houston
WCHD	Walker County Hospital District
WSC	Waiver Survey & Certification
YES	Youth Empowerment Services
YMHFA	Youth Mental Health First Aid
YPS	Youth Prevention Services
YPU	Youth Prevention Selective

Updated 6/28/21