

**Texana Center  
Board of Trustees  
Minutes  
Date: May 21, 2014**

On the above date the regular meeting of the Texana Center Board of Trustees was held in the Auditorium in Building G at 4910 Airport Avenue in Rosenberg, Texas.

**MEMBERS PRESENT:**

Dianne Wilson, Board Chair  
Dennis W. Young, Vice Chair  
Ann Davis, Secretary  
J.C. Whitten  
May Tape  
Mary Rose Zdunkewicz  
Willie Greer

**MEMBERS ABSENT:**

Carolyn Bilski  
Anita Christensen

**STAFF PRESENT:**

George Patterson, Chief Executive Officer  
Amanda Darr, Chief Financial Officer  
Shena Timberlake, Director, Behavioral Healthcare  
Dot Preisler, Director, Human Resources  
Tracey Shaw, Director, Development & Community Relations  
Sheri Talbot, Director, Authority and Admissions  
Kevin Barker, Director, Provider Services  
Kate Johnson-Patagoc, Director, IDD Specialized Services  
Rhonda Hodges, Recording Secretary  
Lori Marcus, Compliance Officer  
Kristen McDowell, Secretary

**GUESTS:**

Melody Lin, Fort Bend NAMI  
Larry Davis, Fort Bend NAMI  
Doris Osei, President of Fort Bend NAMI  
Kip Hasselmeier, Staff Member  
Pam Beach, Legal

I. CALL TO ORDER, INVOCATION, DETERMINATION OF QUORUM, RECOGNITION OF GUESTS, AND CORRESPONDENCE

The meeting was called to order at 9:02 A.M. by Dianne Wilson, Chair. Willie Greer said the invocation. The Board Chair determined there was a quorum present to conduct the meeting. Dianne welcomed guests who were in attendance. There was no correspondence to discuss.

II. RECOGNITION OF ABSENCES

Dianne recognized Carolyn Bilski and Anita Christensen as being absent from the meeting.

III. PUBLIC COMMENT

Dianne recognized Melody Lin as wanting to make a public comment.

Melody mentioned she was having problems in determining when Texana Center had their Board meetings. She asked if there was a better way of finding out this information. She also mentioned there was not a formalized collaboration for Texana staff to communicate with families and which would allow people to bring up their concerns to Texana. She would like to bridge some gaps with Texana to improve this process.

Dianne asked Melody to provide Rhonda Hodges with her email address so she can be notified of Board meetings. She also mentioned there would not be a meeting in June due to the conference and that the next meeting was scheduled for July 23, 2014. In regards to the other problem Melody mentioned, Dianne stated that she was sure the Senior Leadership Team took note her issues.

Dianne recognized Larry Davis as wanting to make a public comment.

Larry provided information on Mental Health. He asked that Texana use all funds that are not utilized to increase services for mental health issues. He also asked that we share the information in news papers that we are available. He thanked Texana for the good work and asked that we spend the money on services.

Dianne thanked him for his comment.

Dianne recognized Doris Osei as wanting to make a public comment.

Doris mentioned she was a member and president of NAMI. She provided a brief description of her involvement and the problems in getting services for her son's mental health problems. She would like to have access to our Crisis Center but can't due to her particular insurance. She discussed problems associated with her taking her son to various emergency rooms. She feels

everyone deserves respect and asked that Texana re-think who we take in and make changes to include everyone.

#### IV. HEROES PRESENTATION

Dianne asked Kip Hasselmeier to join her at the front of the room. Dianne read the HEROES nomination form which was submitted by Larry Davis. Larry wanted to recognize Kip for his drive, management skills, and maintenance engineering knowledge that makes him an invaluable member and leader of the Texana team. He thanked Kip for all of the work he did in making sure Crossroads Villas was in top shape prior to the completion of the construction. Dianne thanked Kip and asked if he wanted to say anything. Kip thanked the Board, Amanda and the entire SLT for their support. George also thanked Kip for his service on behalf of the entire SLT.

#### V. APPROVAL OF MINUTES

- January 22, 2014 – Board of Trustees Meeting

Dianne questioned whether the Board had any additions or corrections to the minutes being submitted from the January 22, 2014 Board of Trustees meeting.

A motion was made by J. C. Whitten to approve the minutes as submitted. Mary Zdunkewicz seconded the motion. **Motion Carried.**

#### VI. CONSENT AGENDA ITEMS

- Approve Leases (Att.VI)

Dianne presented the Lease which was for the Learning Center of Wharton located at 1017 ½ Alabama Road, Wharton, TX 77488. The Landlord for this lease is the Arc of Wharton. The rent for the space is \$400 per month. Dianne asked if the Board had any questions. There were no questions, so Dianne called for a motion.

A motion was made by J. C. Whitten to authorize the Chief Executive Officer to execute the lease for real property as presented. Ann Davis seconded the motion. **Motion Carried.**

#### VII. THE BOARD WILL CONSIDER AND TAKE ACTION ON THE FOLLOWING ITEMS:

1. Review and Consider Approval of 2<sup>nd</sup> Qtr 2014 Financial Report

Dianne asked Amanda Darr to present the 2<sup>nd</sup> Qtr 2014 Financial Report. Amanda provided a detailed review of the following information:

After the first seven months of operations for FY 2014 the Center has achieved an excess of revenues over expenditures of \$3,717,950. The BH Division has an excess of revenue over expenditures of \$1,223,218 after the first seven months. As discussed during the presentation of the FY 2014 Budget, Texana Center received almost \$2.4 million in new funding from DSHS. The time associated with "ramping up" programs and staff is reflected in this large surplus. It will be important to monitor this ramp up to ensure that we are able to expend all the allocated state funds. The 2nd quarter reports to DSHS reflect \$798,362 in unspent state funds. Amanda does expect these funds to get spent by the end of the year.

IDD Provider Services Division has an excess of revenues over expenditures of \$131,616 year to date. This places them just about on target of their budgeted surplus of \$415,800 to allow the division to "repay" the \$385,704 deficit that was incurred at the end of FY 2013.

IDD Authority Services Division has a surplus of \$82,166 year to date. This is primarily due to staff turnover and lapse in salary and benefit costs. Amanda does expect us to look at the salary in the upcoming budget to see if anything needs to be done to keep staff.

IDD Specialized Services Division has an excess of revenues over expenditures of \$15,076 year to date. There continues to be a large concern about the Medicaid accounts receivable associated with the BTTC. As of 3/31/14 the outstanding receivable is \$1,209,251. In March we made a change to begin booking the Medicaid revenue only when we have secured an authorization to bill for a child's stay at the BTTC. In March, of the 12 children being served, we were only able to secure an authorization to bill on one of the children. It has historically taken us 1 – 6 month to secure an authorization due to the cumbersome Medicaid eligibility process necessary when a child is admitted, but we are now experiencing an even longer time reaching up to 12 months in which we are not able to get an authorization for payment. The staff at the BTTC continues to work diligently to resolve these issues and we are reaching out to DADS and HHSC for assistance. Amanda mentioned they sent a letter to Gary Jessee for assistance and asked that the Board members also bring this up to officials since it affects the entire state of Texas. Amanda also discussed problems with SB7 and said we need to send a letter asking for Texana to be exempt from that Bill. Dianne asked if Amanda could send a copy of the letter she sent to Gary Jessee to all Board members. Dianne said it may need to be brought up to Kyle Janek. Dianne also asked if we could have a legislative meeting here to discuss these issues. George agreed to work on having a meeting. Dianne also suggested we put something in the paper discussing this

problem. Amanda agreed to send the letter to Rhonda Hodges so it could be sent to the Board members.

Amanda continued with her review of the financial report. She mentioned the DSRIP Projects have a surplus of \$2,078,809 year to date after the use of \$946,332 of fund balance which was committed at the end of FY 2013 for the renovation of the BH Crisis Center Building. As discussed in detail when the budget was presented, there will be a "mismatch" between the revenues and expenses that will result in either a deficit or surplus position depending on the timing of the semi-annual reporting and IGT transfers. Though we are incurring expenses to operate these new projects, we only have the opportunity to be paid twice a year once we have met our metrics. We reported to HHSC and CMS on the completion of our DY 2 metrics (for the period ended 9/30/13) in October and received payment in January. Approximately \$1.2 million of the year to date surplus is for construction of the CCA Sugarland location which will be completed in June and the IDD Crisis Respite Facility which will be completed in the fall. The remainder of the surplus has to do with projects beginning operations later than anticipated in the fiscal year resulting in lapsed salaries and operating costs. Dianne asked if the Board had any questions concerning the report. There were no questions, so she called for a motion.

A motion was made by Ann Davis to accept the 2<sup>nd</sup> Qtr FY 2014 Financial report as presented. Mary Zdunkewicz seconded the motion. ***Motion Carried.***

2. Review and Consider Approval of FY2015 Texana Center Employee Benefits Renewal

Amanda provided a detailed review of the following FY2015 Benefits information with the Board:

**Medical**

January 1, 2014 marked the implementation of certain health care reform fees and taxes associated with the Accountable Care Act (ACA). Per our contract with Blue Cross Blue Shield these fees and taxes were passed on to Texana Center beginning 1/1/14. The costs included:

- Reinsurance Fee of \$63 per member per year.
- Patient Centered Outcomes Research Institute Fee (PCORI) of \$12 per member per year.
- Insurer Fee imposed on health insurance providers based on their market share. \$8 billion estimated to be collected for 2014 from all carriers.

These ACA fees and taxes were incorporated into our rate beginning in January which resulted in a 3.63% increase from \$394.88 to \$409.20 per employee per month. This results in an annual increase of Texana's contribution of \$86,436.

Blue Cross Blue Shield (BCBS) has agreed to continue with the current rates. As was the case in last year's renewal, the renewal rates include the ACA taxes and fees as currently predicted by BCBS. If an increase in fees is required by the ACA, BCBS will provide a revised rate which would go into effect January 1, 2015. The recommendation is to continue with Blue Cross Blue Shield.

### **Dental**

Delta Dental has agreed to continue with the current rates with a two year rate guarantee through 8/31/16. The recommendation is to continue with Delta Dental.

### **Short-Term Disability**

CIGNA has agreed to a 5% rate decrease with a two year rate guarantee through 8/31/16. The recommendation is to continue with CIGNA.

### **Long-Term Disability**

CIGNA has agreed to a 5% rate decrease with a two year rate guarantee through 8/31/16. The recommendation is to continue with CIGNA.

### **Basic Life / AD&D (Employer Paid)**

Group Life & Health/Ft. Dearborn has agreed to continue with the current rates with a two year rate guarantee through 8/31/16. The recommendation is to continue with Group Life & Health/Ft. Dearborn.

### **Voluntary Life**

Group Life & Health/Ft. Dearborn has agreed to continue with the current rates with a two year rate guarantee through 8/31/16. The recommendation is to continue with Group Life & Health/Ft. Dearborn.

### **Voluntary AD&D**

Group Life & Health/Ft. Dearborn has agreed to continue with the current rates with a two year rate guarantee through 8/31/16. The recommendation is to continue with Group Life & Health/Ft. Dearborn.

### Vision

National Vision Administrators is in the third year of a three year rate guarantee through 8/31/2015. The recommendation is to continue with National Vision Administrators.

### Section 125 Administration

Blue Cross Blue Shield/ Pay Flex has agreed to continue with the current rates with no increase. The recommendation is to continue with Blue Cross Blue Shield/Pay Flex.

### COBRA Administration

The recommendation is to continue with Benefit Management Administrators, Inc. The costs vary depending upon how many COBRA events occur at Texana and how many employees actually elect COBRA coverage when they leave.

### Employee Assistance Program

MH Net has agreed to continue with the current rates with no increase. The recommendation is to continue with MH Net.

Amanda completed her review and asked that the Board approve the following employee benefit plans as presented and authorize the Chief Financial Officer to execute necessary agreements with vendors for coverage effective 9/1/14.

Dianne thanked Amanda for her review and asked the Board if they had any questions. There were no questions, so Dianne called for a motion.

A motion was made by J. C. Whitten to approve including these benefits in the FY 2015 Budget as presented. Dennis W. Young seconded the motion.  
***Motion Carried.***

### 3. Review and Consider Approval of Plan to Establish and Implement a Living Wage

Dianne asked Amanda to present the plan to establish and implement a Living Wage. Amanda provided the following background information:

As a large provider of Medicaid waiver services through HCS and Texas Home Living, the hourly rates paid by Texana Center to the staff working in these programs has been heavily influenced by the Medicaid rates paid to

the center and the rate assumptions that those Medicaid rates are built on in terms of staff pay and benefits. The current Medicaid rates for residential and day habilitation are based on a direct service worker hourly rate of \$8.60 and a benefits factor of 16.29% (including required taxes and workers compensation).

The benefits factor for Texana Center averages 30% and can be in excess of 50% for many direct care positions. For many years we set as our goal to get our programs to operate within the rate. We reconfigured services, restructured programmatic support functions, eliminated positions, increased client/staff ratios and spans of supervision. We deferred critical improvements in our infrastructure such as vehicles and buildings improvements and salary increases were few and far in between. Along this journey we did experience positive outcomes such as increasing staff productivity, increasing service capacity, serving more individuals in our programs and reducing waiting lists. But on the flip side, we experienced a very large negative consequence in terms of staff recruitment and retention. As a provider of human services we are in the "people" business. A foundation of our business is built on those interactions between our direct care staff in the group homes and learning centers with the individuals/families we serve, yet these positions are paid at less than what has been documented as a living wage for our area.

In the summer of 2012, we came to the realization that if we continued to press toward our goal of operating within the rate that we were going to experience quality and safety issues that could place the entire program at risk of decertification. We recognized that while moving toward one goal that we were moving further away from other strategic issues such as delivering life changing care and building the highest quality staff throughout the organization. We had bought into the collective thinking of community centers that the only two options for waiver services was to either get to the rate so that the services were financially viable or discontinue providing waiver services all together. There are two community centers that have made the decision to discontinue being a Texas Home Living provider in their service area. Our Board and staff leadership came to the realization that a third option existed. That option was to use local center funds that were not restricted in how they were to be spent to supplement the waiver programs.

In our FY 2013 and 2014 budgets we began to allocate these local dollars to support our waiver programs including county contributions, unrestricted donations and Medicaid Administrative Claim (MAC) funding. This has allowed the IDD Provider Division to operate in a positive financial position year to date with the expectation to "pay back" to the Center's fund balance the deficit from last fiscal year and establish a positive operating position going into the FY 2015 budget in order to have available funds to invest in needed infrastructure. This plan is still in effect but has been accelerated



due to some focused attention on our MAC claim and an increase in available dollars that was experienced with our last MAC claim submitted in April.

As additional background on MAC it is a program that reimburses providers for those administrative activities associated with the delivery of Medicaid services such as outreach, eligibility, provider relations and referral, coordination and monitoring of Medicaid services. The method to determine the amount of time spent in these activities changed at the direction of the Center for Medicaid and Medicare Services (CMS) in FY 2012 from a time study methodology to a random moment time study (RMTS). This change resulted in a significant and unexpected reduction of almost \$8 million per year to the community centers and Texana saw our MAC claim drop from \$500,000/year to less than \$200,000/year. Based on the steep losses in revenue to the community center system the Texas Council Revenue Maximization committee began an in depth analysis of MAC claims and in August 2013, developed a survey tool to assist centers in determining positions to include in the Participant List for MAC. Based on changes made as a result of this initiative claims for Centers have now rebounded and in some cases exceeded previous claim levels prior to the change. For Texana Center, we saw our quarterly claim submitted in April increase from \$60,000 to \$245,000.

This large infusion of funding into our Center provides a unique opportunity to invest these dollars into our longstanding priority of increasing the salaries of our direct care employees. With this funding we are in a position to be able to establish a living wage of \$10.10 per hour as the base rate for all positions at Texana Center. Currently Texana Center employs 216 staff at an hourly rate of less than \$10.10/hour. The annual cost to increase these staff to a rate of \$10.10 is \$482,509. As the increase in MAC funding is available now based on claims submitted in April, we have the funding available to implement this living wage effective 6/1/14 at a cost of \$120,627 for the remainder of the fiscal year.

Amanda completed her review by thanking the Board for their leadership which assisted them in getting to this point. She asked that the Board approve a base hourly rate of \$10.10 for all hourly positions to be effective 6/1/2014. She also asked that they approve incorporating this base rate as needed into the Texana Salary Schedule and Classification Plan to be presented to the Texana Board of Trustees as a component of the FY 2015 Budget.

Dianne thanked Amanda for this information.

A motion was made by J. C. Whitten to approve a base hourly rate of \$10.10 for all hourly positions to be effective 6/1/2014 and also they approve incorporating this base rate as needed into the Texana Salary

Schedule and Classification Plan to be presented to the Texana Board of Trustees as a component of the FY 2015 Budget as presented. The entire Board seconded the motion. **Motion Carried.**

VIII. THE BOARD WILL DISCUSS THE FOLLOWING ITEMS WITH NO ACTION REQUIRED:

A. Board of Trustees Annual Training

Dianne introduced Pam Beach to the Board and mentioned she would be doing Board training.

Pam mentioned she was an attorney for the Texas Council Risk Management Fund. She began her training by asking if the new Board member, May Tape listened to the on-line Open Meetings Act. May responded that she did listen to the information. Pam congratulated May for listening to the information. She reminded the Center that this is a requirement for all new Board members. Pam provided the Board members with their required annual training. She ended her discussion recommending that all Board members sign a disclosure form which would provide Texana with their specific wants as far as disclosing personal information to individuals who ask. Dot distributed the form to all Board members to sign and return to Rhonda Hodges. Rhonda agreed to send the form to the two missing Board members so we have them all on record. This completed Pam's training with the Board. Dianne thanked Pam for coming out and conducting the training.

B. Update of the 2nd Qtr FY 2014 Operating Plan

Dianne asked George to present the 2<sup>nd</sup> Qtr FY 2014 Operating Plan. George presented the operating plan and asked the Board if they had any questions on the information listed on the report. There were no questions from the Board.

C. Annual Update on Crossroads Villas

Dianne asked Larry Davis to present an update on the Crossroads Villas. Larry presented everyone with a paper report which detailed past and recent history on the Crossroads Villas. He mentioned the Crossroads Villas became open for occupancy on February 24, 2014 and by the end of March, they were filled to capacity. They now have a waiting list for the units. Following Larry's update, he mentioned there was a Wish List for the Community room, Villa units and the Manager's unit. He asked everyone to look it over and let him know if anyone has any of the items to donate. This concluded the update on Crossroads Villas. Dianne thanked Larry for the update.

**IX. AN EXECUTIVE (CLOSED) SESSION WILL BE HELD FOR THE FOLLOWING PURPOSES:**

The Board went into Executive session at 10:45 A.M.

- Deliberation Regarding Current, Pending, or Anticipated Litigation
  - Madhu Rao v. Texana Center
  - Mendoza v. Matagorda County and Texana Center
  - Puleo v. Texana Center
  - Jessica Spencer and Shalaina James v. Texana Center

**X. EXECUTIVE SESSION RETURN TO OPEN SESSION AND CONSIDER TAKING ACTION ON THE FOLLOWING:**

- Deliberation Regarding Current, Pending, or Anticipated Litigation

There was no action taken following the Executive Session which ended at 11:07 A.M.

**XI. OTHER BUSINESS**

George mentioned there was an update to the Administrative offices next door and invited the Board to come over and check it out. George also announced that the Texana Autism program had received a \$20,000 grant from Fort Bend Cares.

**XII. NEXT BOARD OF TRUSTEES MEETING – July 23, 2014**

**XIII. ANNOUNCEMENTS**

Dianne reminded the Board members of the following events which are coming up and asked that they add the events to their calendars and ensure they attempt to go to as many of them as they can.

- Texana 5<sup>th</sup> Annual Awards Ceremony – Thursday, May 22, 2014 at Hampton Inn & Suites, Missouri City. 6:30 P.M.
- Texana Night at the Sugar Land Skeeters – Friday, June 13, 2014 at Constellation Field, A percentage of tickets will be donated to Texana. A Texana client will throw out the first pitch. Manuel is conducting tryouts.
- Texas Council Annual Conference – June 18-20, 2014, Grand Hyatt, San Antonio
- Pay It Forward – Friday, June 20, 2014 at Ruggles Green, Sugar Land Town Square from 6 to 9 P.M.

**Texana Center Board of Trustees  
Meeting Guest Sign-In Sheet**

Date: 7-23-14

<u>Name:</u>		<u>Public Comment</u>
<u>LARRY DAVIS</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No
<u>PATTY TRISTAN</u>	<u>NAMI</u>	Yes <input checked="" type="radio"/> No
<u>Doris Osei</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No
<u>Ruby Cabell</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / <input checked="" type="radio"/> No
<u>Melody Lin</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No
<u>BEV DAVIS</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No
<u>Dalia AKshar</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No
<u>Kenny Sumner</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No
<u>Dana Martin</u>	<u>NAMI</u>	<input checked="" type="radio"/> Yes / No <i>attorney</i>

**Instructions:**

Each Agenda of meetings of the Board will include the item "Public Comment" immediately after "Determination of a Quorum". The time for this will be limited to 30 minutes and any member of the public may speak by signing a roster at least 10 minutes prior to the meeting. The comments of each speaker are limited to 3 minutes. No action may be taken on any issue brought to the Board's attention during these comments until that issue is included on the posted Agenda.

- Texana Trot and 3K Fun Walk – Saturday, October 11, 2014 at West Campus


XIV. ADJOURN

The meeting adjourned at 11:12 A.M.

Respectfully submitted,

  
Rhonda Hodges  
Recording Secretary

Approved:

 7/23/14  
Dianne Wilson      Date  
Board Chair