

**Texana Center
Board of Trustees
Minutes
Date: August 27, 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
Sue Fagan
Carolyn Bilski
J.C. Whitten
Willie Greer
Anita Christensen
May Tape
Mary Rose Zdunkewicz

MEMBERS ABSENT:

STAFF PRESENT:

George Patterson, Chief Executive Officer
Amanda Dart, Chief Financial Officer
Shana 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-Patagon, Director, IDD Specialized Services
Lori Marcus, Compliance Officer
Rhonda Hodges, Recording Secretary

GUESTS:

Larry Davis, Fort Bend NAMI
Melody Lin, Fort Bend NAMI
Doris Osei, Fort Bend NAMI
Lela & Ray Royster, Fort Bend NAMI

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

The meeting was called to order at 9:05 A.M. by Dianne Wilson, Chair. Dennis Young 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 announced there were no absences for the meeting.

III. PUBLIC COMMENT

Dianne recognized Larry Davis and Lela Royster as wanting to make a public comment. Larry recognized Rhonda Hodges for the great job she does in setting up the Board meetings each week. He also wanted to thank Shena Timberlake and the Board for the work done in bringing in more services to BH. Lela thanked everyone and mentioned she was at the meeting to learn everything she could in relations to behavioral healthcare services.

Carolyn Bilski announced that she was not seeking re-election after serving 5 terms as the Austin County Judge. She also announced she would no longer be serving on the Texana Center Board of Trustees and that this would be her last meeting. Dianne and members of the Board and Senior Leadership team thanked Carolyn for her service.

IV. APPROVAL OF MINUTES

- July 23, 2014 – Board of Trustees Meeting
- August 19, 2014 – Board of Trustees Budget Workshop Meeting

Dianne questioned whether the Board had any additions or corrections to the minutes being submitted from the July 23, 2014 Board of Trustees meeting and the August 19, 2014 Board of Trustees Budget Workshop meeting.

A motion was made by J. C. Whitten to approve both the July 23rd and the August 19th minutes as submitted. May Tape seconded the motion. ***Motion Carried.***

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

A. Review and Consider Approval of Change to Longevity Awards

Dianne asked George to present information on the change to the longevity awards.

George began with a brief review of the May 26, 2010 meeting of the Board, where the members approved a change in the longevity award process by moving the cap from 10 to 15 years of service with the caveat that if the Center's financial picture changed the Board would consider lowering the cap to fewer years.

He next reviewed the July 27, 2011 meeting of the Board, where at the request of the SLT, the Board invoked the caveat and approved reducing the cap to 11 years due to the Center's tenuous financial position at that time.

George ended his discussion by mentioning the Center's present financial picture which is once again much more positive and that the SLT now recommends returning to the May 26, 2010 decision to increase the cap to 15 years. He also mentioned retention of staff being a key to keeping a qualified and effective workforce. The annual longevity award, especially as staff accrues more years of employment, has shown to be an effective incentive to remain with the Center rather than seeking work elsewhere.

A motion was made by Carolyn Bilski to approve the change to longevity awards that will cap the award at 15 years of service. May Tape seconded the motion. *Motion Carried.*

B. Review and Consider Approval of July 2014 Financial Report

Dianne asked Amanda Darr to present the July 2014 Financial report.

Amanda began her review by stating Texana would be ending the year with a large surplus of revenue over expenses. She mentioned as the year closes the SLT would be developing a list of priority needs and bringing their recommendations to the Board, hopefully at the September meeting, to evaluate and determine where it is best to spend those dollars. She discussed the possibility of some of the money being used for some of the recommendations of the Long Range Planning and Needs Assessment Committee which will be discussed later in the meeting. This ended Amanda's review of the financial report. Dianne called for a motion.

A motion was made by Dennis W. Young to approve the July 2014 Financial Report as submitted. Mary Dzurkewicz seconded the motion. *Motion Carried.*

C. Review and Consider Approval of Texana Center Organizational Chart

Dianne mentioned Amanda had presented some information using the Texana Center Organizational Chart with regards to the total number of clients at the Budget meeting which was very useful. It was noted that this information was detailed in the minutes for the Budget meeting. George explained that this was the current organizational chart which was being presented to the Board for their annual review and approval. Dianne called for a motion.

A motion was made by J. C. Whitten to approve the Texana Center Organization Chart as submitted. Anita Christensen seconded the motion. *Motion Carried.*

D. Review and Consider Approval of Minutes and Recommendations from the Facility Long Range Planning & Needs Assessment Committee

Dianne began with a discussion of the Facility Long Range Planning and Needs Assessment meeting where it was determined that there was a need for having a regional multi-functional facility with room for future growth.

George briefly discussed looking at areas as regions rather than specific locations. He mentioned the possible regional areas as being, a northern area which would include Austin, Colorado, and Walter Counties, a southern area which would include Matagorda and Wharton Counties, an east Fort Bend area and a west Fort Bend area. George briefly discussed the problems we are experiencing with the Bellville property and the need for a multipurpose center in the Northern area which could provide services for Autism, IDD and possibly BH. George discussed the need for consideration of the demands and waiting lists and future growth of specific areas when identifying new facilities or building a new one. George ended his discussion by asking the Board to buy off on a plan to move forward with the concept of combining facilities or building new facilities to bring more people in for services.

Dianne asked the Board to take some extra time to read the report from the Facility Long Range Planning and Needs Assessment meeting and getting some feedback or recommendations to George on what you like or don't like or if you have any suggestions. There was a brief discussion of current needs and problems encountered by various programs where we have future growth to consider. Dianne asked if Board members knew of anyone or a developer who has property or buildings we should consider to notify George.

A motion was made by J. C. Whitten to approve August 6, 2014 Facility Long Range Planning and Needs Committee minutes and the recommendations from the committee as submitted. Sue Pagan seconded the motion, *Motion Carried.*

E. Review and Consider Approval of FY 2015 Budget

Dianne referred to Amanda to present the FY 2015 Budget to the Board. Amanda briefly discussed the recent Budget meeting where there she provided the Board with the number of clients served by various departments/contracts/projects. She provided the following overview of the budget being submitted by the SLT which was included in the Board packet:

FY 2015 revenues for the Center decreased \$1.7M from the previous year due to the timing of the earning of the Medicaid – DSRIP funding. This is described in greater detail below.

Increases in budgeted revenues include:

- Increase in budgeted county funds due to the discontinuation of in-kind fuel contribution from Fort Bend County. This is not an increase in contribution from the county, just a shifting from an in-kind contribution to a cash contribution
- Increase in private pay fees due to increased number of children served in the Children Center for Autism private pay program
- Increase in Medicaid Service Coordination due to increase in number of clients served from case load growth through IDD Authority Services and the implementation of the YES Waiver in the BH Division which will serve a target of 40 children
- Increase in Medicaid Administrative Claiming due to an increased number of staff participating in the time study due to a focused attention to ensure all eligible participants are identified
- Increase in contract with Early Childhood Intervention with an increase in the number of children to be served monthly from 340 to 369

FY 2015 expenses for the Center remain fairly constant from the previous year, decreasing only slightly by \$147,000. The largest increase was in employee salaries primarily due to the full implementation of the DSRIP projects. This line item also includes the increase to a living wage of \$10.10 for all Texana positions which was approved by the Board of Trustees effective 6/1/14.

Decreases in budgeted expenses associated with the build-out of facilities for the DSRIP projects are reflected for Program/Training Expenses, Equipment/Furniture Purchase and Building Operations - Maintenance/Repair. The B11 Crisis Center and CCA Sugar Land were completed in FY 2014 and the IDD Crisis Respite Center will be completed in November.

With the exception of the DSRIP projects, all divisions the budgets of all divisions are presented in a balanced position. A \$36,000 contingency is budgeted in the Specialized Services Division for the Early Childhood Intervention program due to the ramp up of services associated with the new child count targets.

Delivery System Reform Incentive Payments - DSRIP

Revenues associated with the Medicaid Health Care Transformation Waiver Delivery System Reform Incentive Payments (DSRIP) declined 53.7M from the previous year. The revenues earned in FY 2014 included the full funds associated with the DY 2 metrics which related primarily to planning and development activities as well as partial funds associated with the DY 3 metrics which were related to getting the projects up and running. In the FY 2015 budget the DSRIP funds included are the remainder of the DY 3 metrics which will either be met by the end of September for October reporting or carried over into the next DY and completed by the end of March for April reporting. The metrics associated with DY 4 funds are tied to annual number of clients to be served in each project. As these are totals for the year we expect to be able to meet the metrics by the end of the DY with is 9/30/2015 which will be in FY 2016.

As we have discussed with the Board over the past two years, the funding received from the 1115 waiver is unlike any we have dealt with before. It is neither a fee for service, cost reimbursement or contract allocation payment methodology. Rather, the funding is an incentive payment based on the achievement of metrics/milestones which are defined in the approved project plan. The metrics are annual metrics, but there is an opportunity twice a year to report on progress and request payment. However, in many cases since the metrics are based on annual encounters, payment may be made only on an annual basis. According to governmental accounting rules we may recognize revenue once we have met the eligibility requirements associated with the funding. In this case, we earn the revenue once we have achieved the metrics/milestones. This causes a "mismatch" between our budgeted revenues and expenses and in our projects and results in a negative budgeted position (expenses in excess of revenues). We will be incurring expenses in FY 2015 and the projects which are funded on the federal fiscal year (October 1 – September 30) will be achieving the metric and earning the associated incentive payment in FY 2016. We have added a line on each project budget to show the amount of unearned DY 4 payments that will be received in FY 2016.

SB 58 - Behavioral Health Care In

While Medicaid managed care in Texas is not new, the integration of targeted case management (TCM) and mental health rehabilitative services (MH Rehab) into the managed care benefit package beginning 9/1/14 will result in a significant shift for the center. Claims previously paid by TMHP (Texas Medicaid Health Partnership) will be authorized and paid by one of seven MCO's (managed care organizations) that operate in our six county area. We have been planning and preparing our systems for this transition for the last year focusing on contract issues, credentialing, updates to billing systems, claims testing and the implementation of the authorization process with the MCO's around the level of care determined by the clinical assessments of the CANS/ANSA. We expect the 1st quarter to be challenging as we transition to a new system of payment and anticipate that our payment cycle to slow down due to the new systems and complexities.

Since the inception of TCM and MH Rehab into the Texas Medicaid Plan, local mental health authorities (LMHAs) such as Texana Center have been designated as the exclusive providers of these services across the state. For 20+ years LMHA's have been the only providers that could be paid for these services by Medicaid. With the transition of these services to managed care the MCO's can contract with any comprehensive service provider to provide these services. The monopoly situation which has existed will be replaced with a business model where we begin to compete with private providers that may choose to contract with the MCO's in our area.

Dianne questioned why the advertising on page 49 of the packet showed an increase of 503.3%. Shena mentioned this was employment advertising for her doctors. Dianne questioned whether this could be broken down by type of advertisement on the report. Amanda replied that there is a breakdown by type in the system and a report could be produced with this detail, but on the budget report it all rolls up into one combined total for advertisement. Dianne also questioned the risks of us not meeting our targets for the DSRIP projects. Amanda provided a brief review of the projects and potential risks involved. George and Shena briefly discussed problems

Texana has encountered with getting beds at the Austin State Hospital and steps the Center has taken in filing a patient's rights complaint with the Department of State Health Services. Texana continues to work with the local Sheriff and police departments to ensure they have a better understanding of how this process works. J.C and Amanda discuss Texana's current fund balance and although it is healthy now, the need to continue keeping an eye on it due to the shifting to Medicaid Managed Care in the various departments and it's impact of potential delayed payments to the Center.

There were no further questions by the Board, so Dianne called for a motion.

A motion was made by J. C. Whitten to approve the FY2015 Budget as presented. Mary Drunkewicz seconded the motion. *Motion Carried.*

VI. THE BOARD WILL DISCUSS THE FOLLOWING ITEMS WITH NO ACTION REQUIRED;

- Update on HCS Audit and Recertification

Dianne asked Kevin Barker for an update on the recent HCS Audit. Kevin mentioned they had a very good HCS Audit and that they were recertified. He briefly discussed the audit and provided a few examples of some of the deficiencies received. He ended his review by thanking his staff/team and the other departments who were instrumental in ensuring Texana had a great audit.

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

Executive Session began at 10:05 A.M.

- A. Evaluation of CEO and Consider Taking Action Regarding Compensation and Benefits
- B. Deliberation Regarding Current, Pending, or Anticipated Litigation
 - Madhu Rao v. Texana Center
 - Puleo v. Texana Center
 - Jessica Spencer and Shalaina James v. Texana Center

VIII. RETURN TO OPEN SESSION AND CONSIDER TAKING ACTION ON THE FOLLOWING;

Executive Session ended at 11:12 A.M. (Open Session Resumed)

- A. Evaluation of CEO and Consider Taking Action Regarding Compensation and Benefits

Dianne opened the regular session. She mentioned there was an evaluation of the CEO and the report was that the CEO exceeded expectations. Dianne called for action regarding the compensation and benefits for the CEO.

A motion was made by J. C. Whitten to approve a 5% increase in base salary along with a 5% bonus effective immediately for the Chief Executive Officer (CEO). May Tape seconded the motion. **Motion Carried.**

B. Deliberation Regarding Current, Pending, or Anticipated Litigation

There was no further discussion or action regarding current, pending or anticipated litigation.

IX. OTHER BUSINESS

X. NEXT BOARD OF TRUSTEES MEETING

Dianne mentioned she would not be able to attend the next board meeting which is scheduled for September 24, 2014. Several other board members mentioned they would also not be able to make the meeting. There was a discussion of moving the meeting to another date in September. Dianne asked all Board members to notify Rhonda of any dates in September in which they could not make a meeting. Based on feedback received, Rhonda will notify the Board of the new date selected for the next Board meeting.

XI. ANNOUNCEMENTS

Dianne announced the following upcoming events for Texana Center and asked that the Board members attempt to make an appearance at as many as possible. There was also a discussion of the October 22nd Board retreat.

- **Children's Center for Autism at Sugar Land Opening Celebration**
130 Industrial Blvd, Suite 200, Sugar Land
Thursday September 4, 2014 from 4:30 to 7:00 PM
- **A Taste of Mexico (Benefiting Texana Center)**
Legacy Ford Showroom, 27225 SW Freeway, Rosenberg
Tuesday, September 18, 2014 from 5:00 to 8:00 PM
- **Texana Trot 3K Fun Walk**
Saturday, October 11, 2014 at the West Campus
- **GEMS of Fort Bend County (Genuinely Enthusiastic Men Serving)**
The Lodge at Safari Texas Ranch
Thursday, October 23, 2014 from 6:30 to 10:00 PM
- **Board/SLT Retreat**


Del Webb – Blue Bell Ballroom
9:00 A.M. – 4:00 P.M.
October 22, 2014

There was a discussion of the Board/SLT retreat and material the Board would like to have presented. Many of the Board members requested the SLT present an overview on services provided and needs for their specific programs. It was also suggested a good PowerPoint be presented which captures and pictures all of the facilities and locations. Dianne agreed this could be done this year and that possibly next year a more structured retreat could be done. George agreed the SLT could put together this PowerPoint for the upcoming retreat and that it would be an informal event.


XII. ADJOURN

The meeting adjourned at 11:27 A.M.

Respectfully submitted,


Rhonda Hodges
Recording Secretary

Approved:



Dianne Wilson Date
Board Chair