

**Texana Center
Board of Trustees
Minutes
Date: September 23, 2015**

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
Anita Christensen, Secretary
Sue Pagan
J.C. Whitten
Willie Greer
Anita Christensen
Randy Reichardt
May Tape

MEMBERS ABSENT:

Mary Rose Zdunkewicz

STAFF PRESENT:

George Patterson, Chief Executive Officer
Amanda Darr, Chief Financial Officer
Sheena Timberlake, Director, Behavioral Healthcare
Dot Preisler, Director, Human Resources
Tracy Shaw, Director, Development & Community Relations
Sheri Talbot, Director, Authority and Admissions
Kevin Barker, Director, Provider Services
Kate Johnson-Patagon, Director, IDD Specialized Services
Rhonda Hodges, Recording Secretary

GUESTS:

Doris Osei, Fort Bend NAMI
Carol Harris, Fort Bend NAMI

**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. 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 recognized Mary Rose Zdunkewicz as being absent from the meeting.

III. PUBLIC COMMENT

Dianne recognized the guests and mentioned there were no requests for public comment.

IV. APPROVAL OF MINUTES

• August 26, 2015 – Board of Trustees Meeting

Dianne questioned whether the Board had any additions or corrections to the minutes being submitted from the August 26, 2015 Board of Trustees meeting. Anita Christensen asked that a correction be made on page three, section VII correcting a question she had asked regarding the current debt service. The minutes reflect she questioned the “rate” and should state that she questioned the “amount”.

A motion was made by J. C. Whitten to approve the minutes with the correction as discussed by Anita. Anita seconded the motion. *Motion Carried.*

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

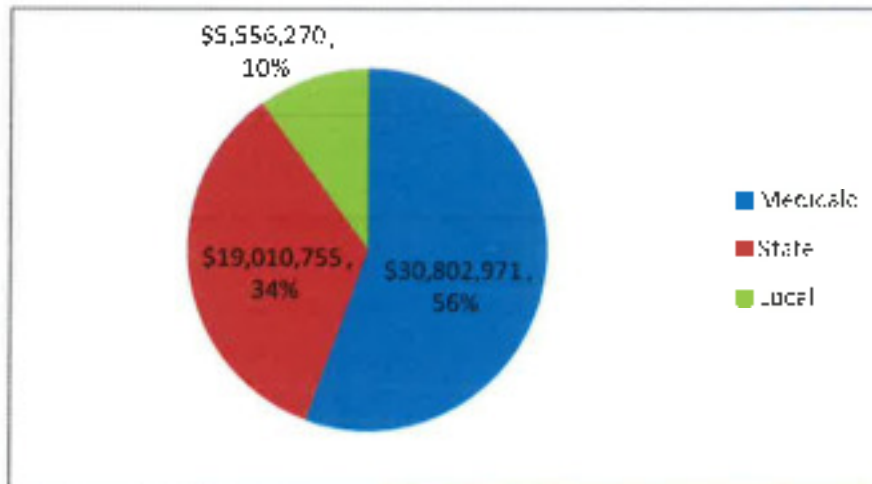
1. Review and Consider Approval of FY 2016 Texoma Center Budget and Salary Classification Plan

Dianne asked the Board members if they had a chance to review the Budget which was submitted and whether or not they needed Amanda to provide a detailed review of the data or if a brief overview would be sufficient. A few Board members mentioned they either did not receive their packet or they received it yesterday. Dianne asked Amanda to provide a brief overview of the Budget.

Amanda provided a brief overview of the following information which was submitted with the FY 2016 Budget:

Quick Facts:

- \$55.5 million dollar budget
- 870 active employees
- 86 cost centers with individual budgets



Behavioral Healthcare:

- The Conference Committee on the State Budget for FY 2016-2017 voted to make a significant investment of nearly **\$128 million** in new funds in the public mental health system including:
 - **\$46.5 million** to increase access to treatment by eliminating waitlists and reducing funding disparities
 - **\$31.3 million** for alternatives to hospitalization
 - **\$50 million** for inpatient psychiatric treatment to purchase local psychiatric inpatient capacity
- DS11S distributed **\$18.5 million** in equity funding and **\$4.7 million** in wait list funding for FY 2016. This is first time the equity distribution has been adjusted by poverty factor. The allocation of the equity funds was based on a poverty adjusted per capita methodology. Per capita calculated based on total population plus population below 200% Federal Poverty Level (FPL). All centers below median moved up to poverty adjusted for median of \$9.81 per capita. **Texana received \$371,272 in new equity funding**, but as we do not have a waitlist for BH services no additional funds were received for this purpose.
- Service targets were adjusted based on the 2015 current average service for the first 3 quarters plus targets for new funding based on average statewide costs for adults (\$4,908/year) and children (\$5,100/year). For Texana this resulted in reduced contract targets. **Adult target reduced from 2,555 to 2,466 and children's target reduced from 764 to 585.**
- The new crisis funds appropriated by the Legislature were allocated by DS11S based on a Needs and Capacity Assessment submitted by each Center. **Texana received new funding to add substance abuse services for those with co-**

occurring disorders at the BH Crisis Center in the amount of \$186,000 to begin 10/1/15. This service will be added through a contract with the Fort Bend Regional Council.

- ***Texana also received \$1,340,303 in new funding for Rapid Crisis Stabilization.*** This will allow Texana to contract with local psychiatric hospitals (West Oaks and Westpark Springs) to provide local inpatient service to 365 individuals over the next year. This includes 3 dedicated beds totaling 1,095 bed days and 730 as needed bed days for a total capacity of 1,825 local inpatient bed days. There is a 25% match requirement for these funds and we will be able to meet the requirement through an in-kind arrangement. We have confirmed that we can use the difference between the hospital's full rate and our specific contracted rate as a contractual adjustment that can be used as an in-kind contribution to meet the 25% match requirement.
- ***New funds received as a result of equity are being invested in services by the addition of 5 new positions.*** 2 QMII's for the expansion of the YES Waiver for youth, 1 Act Team Leader, 1 peer specialist, and 1 project manager.
- ***\$600,000 identified for the construction of a new building on the property recently acquired on Graeber Road primarily by reallocating \$500,000 of general revenue funds from the operation of the BH Crisis Center to this purpose.*** We had allocated \$1.2 million in general revenue funds for the BH Crisis Center in FY 2014 to ensure that all general revenue funds were expended and are now reallocating to a newly identified need.

IDD Provider:

- The Legislature passed ***DADS Rider 39 that provides HCS rate increases contingent upon the establishment of an accountability system*** that ensures 90% of Medicaid revenues are expended on Medicaid services as captured by cost reports. The total amount funded was \$7.7 million for FY 2016 and the rider directs that the funds may be directed to any service or services determined not fully funded by HHSC analysis. HHSC directed rate increases to Supervised Living, Residential Support Services and Day Habilitation services.
- ***The rates for residential increased approximately \$1/day from \$132.47 to \$133.48 resulting in an increase of \$35,000 across all 25 group homes. Day habilitation rates increased approximately \$1/day from \$24.65 to \$25.65 resulting in an increase of \$43,500 across all 6 learning centers.***
- Enrollment in Home Host Companion Care (foster care) has grown from 141 at the end of FY 2014 to 166 at the end of FY 2015 – an increase of 25 individuals receiving this service. ***With an average annual reimbursement of \$28,418 per client this has resulted in a significant increase of \$736,203 in HCS revenue projected for FY 2016.***

- The Community First Choice (CFC) benefit became effective 6/1/15 and is now included as part of the Medicaid benefit package. ***This is a significant milestone for services to individuals with IDD as it is the first expansion of Medicaid benefit package in Texas in a long time.*** This is not a waiver program which we are most familiar with through HCS and Texas Home Living, but component services of the benefit package for all Medicaid eligible who meet eligibility requirements for the service. The revenue from CFC is reported in Medicaid Professional Services.
- The CFC rules are structured such that a Local IDD Authority (LIDDA) such as ***Texana Center can only be a provider of CFC services for individuals who are in the HCS or Texas Home Living Waiver for which Texana is the provider.*** Thus as a provider we will have a more limited role in the delivery of CFC services.
- Nursing Services in IDD Provider Services continues to be a challenge to meet expectations of the waiver standards and deliver quality services in a waiver program with an underfunded rate structure. ***In an effort to maximize the impact of the nursing staff we are investing in three new RN positions in order to reduce caseload size and allow nursing staff to have more time to focus on client needs in a proactive manner and maximize billing opportunities.***

IDD Authority:

- Community First Choice was implemented statewide on 6/1/15 and the ***rollout has been much slower than anticipated as enrollments continue to be a challenge.***
- New ***Enhanced Community Coordination*** funds were received beginning in FY 2015 and continue for FY 2016 in the amount of \$62,602/year. There are new requirements for the local authority staff to organize and coordinate care across providers and other specialized service systems to fully meet an individual's needs in the community
- DADS is continuing the expansion of HCS and Texas Home Living enrollments which are ***overwhelming the front door to services.***
- Expected HCS slots to be released = 67 (Interest List Start 7/27/2004)
- Expected TxHml. slots to be released = 566 (Interest List Start 1/30/2009)
- ***The growth of the waiting list for GR services continues to outpace the growth of services that can be delivered within available funding resources.***

IDD Specialized:

- At the annual Texas Council conference in June, the Texas Council reported the positive gains in the legislative session (increases in funding for BII and IDD) but mentioned that there were still some "rough edges". ***Funding for***

Early Childhood Intervention (ECI) services is one of those rough edges.

There was a misalignment between legislative intent and ECI contract expectations in 2014/2015 which came back to impact decisions made by the legislature for 2016/2017. Last legislature session ECI was funded based on an average of 2.9 delivered hours per child/month. ECI leadership at the state agency set the contractual requirement at 2.6 average hours. Thus, when ECI contractors achieved 2.68 average hours, the Legislature perceived this as not meeting legislative target and reduced FY 2016/2017 funding level.

- On the day before the last day of the session general revenue funding for ECI was cut with no opportunity to provide comment. The DARS ECI Legislative Appropriations Request (LAR) for 2014/2015 was \$338 million based on expectations of 2.9 average hours delivered. The Legislature funded a base LAR of \$283 million (based on 2.75 average hours) and an additional \$20 million for caseload growth for a total of \$303 million. ***This resulted in a \$30 million dollar loss of GR funds to the ECI provider system as well as increases in targets for the number of children served.*** In addition, there is a rider in appropriations bill to recoup \$5.9 million if statewide target of 2.75 average hours is not met.
- For Texas's ECI program this resulted in ***a loss of \$150,927 in state funds and an increase in the contract number of children to be served from 369 to 409.*** With a 9.2% reduction in funding and a 10.8% increase in the performance target, the expectation from DARS ECI is that the provider would collect more from third party payments including Medicaid, private insurance and family cost share. The projections used by DARS ECI reflected a \$194,691 increase in funding from these other sources.
- In addition, ***the Legislature instructed HHSC to find a way to save \$350 million on Medicaid expenditures for speech, occupational and physical therapy over the next two years.*** HHSC posted proposed rate cuts at the end of July that would cut Medicaid reimbursement rates by 18 – 20% for OT and PT and up to 30% for speech. A lawsuit was filed by several providers and families and a judge was set to decide on 8/26/15 whether to impose a temporary restraining order to stop the cuts from going into effect on September 1st when HHSC representatives arrived in court and announced plans to throw out its rate reduction proposal and start over. Then on Friday before the Labor Day weekend 9/4/15, HHSC published new proposed rates that will be effective 10/1/15. The new rates will reduce reimbursement rates over 25% for initial evaluations and re-evaluations and almost 3.5% for therapy services. These rate cuts have a ***double whammy*** effect on our budget in that our state funding was reduced based on the assumption that we could collect more from Medicaid and projections were based on the previously

higher reimbursement rates and now we must deal with significantly reduced reimbursement rates.

- **DARS Autism services were competitively bid for FY 2016** and the approach of the state is continuing to move from a comprehensive to focused service delivery model. Texana is expanding its collaboration with the University of Houston – Clear Lake and will be contracting with the University for the delivery of service under the DARS Autism contract.
- Texana was selected in June as the regional hub for DADS implementation of Medical, Behavioral and Psychiatric Services for a 12 county area. **This is funded by a 3 year federal grant Money Follows the Person (MFP)**. Though the grant was approved by the Center for Medicaid and Medicare Services (CMS) for 3 years, DADS is required to get approval for year year's budget. The funding for FY 2016 has not yet been approved by CMS but is expected by 10/1/15. The funding level is expected to remain the same or increase from the contract amount for FY 2015 (\$555,532).
- DADS was appropriated \$18.6 million in new funds by the Legislature to **expand crisis response through the Local IDD Authorities**. They have stated that they want to fund both new and existing programs across the state. This is a potential opportunity to secure funding to support our Behavior Stabilization Team (BeST) that is already established through DSRIP. Funding will likely be determined through a request for proposal (RFP) later in the year.

DSRIP:

- The budget imbalance due to the timing of the DSRIP payments continues in FY 2016, but is somewhat improved from previous years as **4 of the 5 projects are on track to achieve metrics within the demonstration year (DY)**.
- All projects are achieving metrics in identified demonstration year, except for BH Crisis Center. **The BH Crisis Center will not achieve the DY 4 metric of 624 individuals served by the end of the DY 9/30/15 and thus will have to carryover achievement of the metric to DY 5. If the metric is achieved by the first reporting period that end 3/31/16 then we can expect the DY 4 payment of \$2,044,151 in FY 2016. If not, then payment will not occur until FY 2017.**
- **The timing of DSRIP payments is causing an extreme cash flow situation,** especially with the carryover situation with the BH Crisis Center.
- The 5 year 1115 Healthcare Demonstration Waiver ends 9/30/16. Will receive final payment for DY 5 payment in FY 2017. **Over the 5 years of the waiver Texana will have received \$23 million dollars in new federal funds and hired 123 new staff.**
- All projects will be in a positive position after receipt the receipt of the final payment.

- ***CMS has made clear to HHSC that DSRIP is not something that they plan to fund indefinitely.***
- There are many unknowns about waiver 2.0 and what the waiver renewal will look like, but the ***extension principles include:***
 - Strengthen healthcare systems
 - Maintain program flexibility
 - Further integrate with Texas Medicaid managed care organizations (MCOs)
 - Streamline administrative requirements by sustaining/replicating best practices
- The future looks to include regional performance pools or bonuses based on outcomes. May see 5 – 10% of the DSRIP funding for a region converted to a performance bonus pool. State generated data vs provider generated data will be used for performance bonus pools. ***HHSC will send the extension request to CMS by 9/30/15*** and proposes to continue funding at the DY 5 funding level of \$3.1 billion statewide.
- ***Sustainability needs to be our focus moving forward.*** We need to begin aligning with the health plans and Medicaid benefit package for our DSRIP projects. We are working with Tejas Health Management – which is a collaborative of 12 centers – to identify opportunities.
- Health plans contracted with HHSC have portions of their funding tied to health outcomes. HHSC is asking health plans to do collaborative plans with DSRIP providers to inform the Medicaid benefits and align with the quality outcomes derived from DSRIP. Plans have annual ***Performance Improvement Projects (PIPs)*** that address population health issues based on regional data derived from their external quality review organization. We are looking at an opportunity to submit a proposal to work with the Texas Children's Health Plan to address an improvement on a special population, babies 0 -3, through our ED and PCJ programs. ***We need to find ways to introduce/educate health plans on how we can assist them in meeting their goals of improved patient outcomes in the region*** so that they may see it as an advantage to include us in their planning and funding.
- HHSC also wants to see the DSRIP projects inform the Medicaid benefit on a going forward basis. Another opportunity we are exploring with Tejas is to participate in a ***demonstration project with United Healthcare (UHC) to increase access to Behavior Analysis (BA) Services.*** UHC is the intermediary for Tri-Care in the western region of the United States and is very familiar with the impact of BA services through Tricare's Autism Care Demonstration. This has the potential to afford coverage of BA services to Medicaid eligible enrolled in the UHC health plan and provide further evidence of the positive impact of these services on health outcomes. ***Our***

ultimate goal is to see Behavior Analysis as a Medicaid covered service included in the state Medicaid plan.

Dianne thanked Amanda for her review and following a brief discussion of the Budget, called for a motion from the Board.

A motion was made by J. C. Whitten to approve the FY 2016 Texana Center Budget and Salary Classification Plan as submitted. Dennis W. Young seconded the motion. ***Motion Carried.***

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

The Board entered into Executive session at 10:15 A.M. to discuss the following:

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

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

The Board returned from closed session and entered into Regular session at 10:20 A.M.

- Deliberation Regarding Current, Pending, or Anticipated Litigation

There was no action to take regarding Current, Pending or Anticipated Litigation.

VIII. OTHER BUSINESS

Dennis mentioned he would not be in attendance at the Board meeting scheduled for December 9th as he will be out of town. Dianne reminded the Board members to be sure and add the Board meetings dates to their calendars so they can work their schedules around the dates. Dianne asked Rhonda to email the schedule out to Board members in case they don't have a copy. There was a brief discussion of the possible need for Emergency meetings and protocol which will be followed if one is needed.

IX. NEXT BOARD OF TRUSTEES MEETING

Dianne reminded the Board that the next Board meeting was scheduled for December 9, 2016. She also mentioned that Board pictures would be taken at this meeting for Randy, May and Mary.

X. ANNOUNCEMENTS

There were no announcements.

XI. ADJOURN

The meeting adjourned at 10:27 A.M.

Respectfully submitted,



Rhonda Hodges
Recording Secretary

Approved:



Dianne Wilson Date
Board Chair