

**Texana Center
Board of Trustees
Minutes
Date: March 23, 2016**

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 Fagan
May Tape
J.C. Whitten
Willie Greer
Randy Reichardt

MEMBERS ABSENT:

Mary Rose Zdunkewicz

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-Palagoc, Director, IDD Specialized Services
Lori Marcus, Compliance Officer
Rhonda Hodges, Recording Secretary

GUESTS:

Carol Harris, NAMI Fort Bend
Andrew Graesser, Enterprise Holdings Foundation
Larry Davis

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

The meeting was called to order at 9:00 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 Zdunkewicz as being absent from the meeting.

III. PUBLIC COMMENT

Dianne recognized Carol Harris with NAMI Fort Bend as wanting to make a public comment. Carol distributed a letter from Patricia Sumner to the Texana Board regarding NAMI Fort Bend's key issues and concerns for those living with Mental Illness. She briefly read the letter. Dianne thanked Carol for her comment.

IV. CHECK PRESENTATION BY ANDREW GRAESSER WITH ENTERPRISE HOLDINGS FOUNDATION

Dianne introduced Andrew Graesser an associate of Enterprise Holdings Foundation who had a presentation to make to the Board. Andrew mentioned he was with Enterprise Rental Car and briefly discussed his strong relationship with Ron Ewer of Legacy Ford in Rosenberg. He mentioned Ron had introduced him to job placement program at Texana Center in which Enterprise has now employed one of our clients for the next three years. He also wanted to present a check in the amount of \$2,500 to Texana Center which is dedicated to Texana's Behavior Stabilization program. Dianne thanked Andrew and Enterprise for the donation and the hiring of one of Texana's clients to work at Enterprise.

V. APPROVAL OF MINUTES

- January 27, 2016 – Board of Trustees Meeting

Dianne questioned whether the Board had any additions or corrections to the minutes being submitted from the January 27, 2016 Board of Trustees meeting. Dianne mentioned an error on page 3, Section V, Item 1 of the minutes. Paragraph two stated that "J.C Whitten mentioned there was an error on page 54 of the audit report", but it was Dianne Wilson who found the error.

A motion was made by J. C. Whitten to approve the minutes with correction of error on page 3, section V, Item 1 as discussed. Randy Reichardt seconded the motion. *Motion Carried.*

VI. CONSENT AGENDA ITEMS

1. Approval of Leases

Dianne asked Kevin Barker to present to the Board information on the two leases being considered for approval.

Kevin presented lease information to the Board on the following leases;

- o Learning Center in Matagorda County (Bay City) - Effective 2/15/2016 and ending 2/14/2017, \$1,950 per month
- o Group home in Sealy, TX - Effective 4/1/2016 and ending 3/31/2017, \$1,350 per month

Dianne asked if the Board had any questions for Kevin. There were no questions. Dianne called for a motion.

A motion was made by Randy Reichardt to approve the leases as presented. J. C. Whitten seconded the motion. ***Motion Carried.***

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

1. Review and Consider Approval of February 2016 Financial Reports

Dianne asked Amanda to present the February 2016 Financial reports to the Board. Amanda reviewed the following information with the Board. There was a brief discussion regarding the divisions who showed a deficit and actions being taken by Texana to improve those areas;

After the first six months of operations for FY 2016 the Center has achieved an excess of revenues over expenditures of \$3,005,690 primarily as a result of the January DSRIP payment for expenses incurred in previous years for DY 3 DY 4. Removing the \$5,499,207 federal DSRIP payment for expenses incurred in previous fiscal years, provides a more accurate picture of FY 2016 and reflects a more typical pattern of a deficit position of (\$2,493,517).

Highlights include:

The BH Division has an excess of revenues over expenditures of \$129,286 year-to-date. The Department of State Health Services (DSHS) contract amendment for \$1,340,303 in new funding for crisis stabilization beds was effective 11/1/15. These funds have an associated contract measure of serving 365 clients per fiscal year or 30 clients per month. In the 4 month period from 11/1/15 - 2/29/16, an average of 13.25 clients per month have

been provided contracted inpatient services resulting in an unfavorable variance on DSHS General Revenue earned.

Beginning 12/1/15 we began separating on the general ledger the Medicaid payments received from the Managed Care Organizations (MCOs) from those received for traditional Medicaid through TMHP. This was done to facilitate ease of reporting to the state which distinguishes between the two types of Medicaid (managed care vs. traditional). The budgeted amounts for the MCO type Medicaid accounts are reported as zero as these budgeted amounts are included in the associated non-MCO Medicaid accounts.

IDD Provider Services Division has an excess of expenditures over revenues of \$149,412 year to date. Residential and respite services both have over a 50% negative budget variance in year to date net position which is driving the deficit situation in Provider Services. The deficit in residential services is impacted by reduced HCBS billing due to Medicaid eligibility issues. The deficit in respite services is impacted by the delivery of fewer respite service for Texas Home Living and General Revenue clients.

IDD Authority Services Division has an excess of revenues over expenditures of \$66,042 year to date. The Medicaid IDD Service Coordination billing for February is at its highest level this fiscal year which has improved the negative budget variance year to date from 12% in December to less than 9% in February. Lower than anticipated Medicaid billing continues to be partially offset by reduced employee salary and benefit expenses.

IDD Specialized Services has an excess of revenues over expenditures of \$100,109 year to date. All programs with the exception of the Children's Center for Autism (CCA) are in a positive budget position. The CCA is in a deficit position of \$166,796 year to date. Services in the DARS – Autism have not ramped up as expected through this point in the year and are \$75,000 below projections. The private pay census at the CCA is budgeted to increase each month as the year progresses – from \$204,000 per month in September to \$333,000 per month on August. For February, the CCA achieved 70% of the budget target of \$265,000 per month indicating that it is unlikely to achieve budgeted revenue projections by year end. Approximately 30% of this reduced revenue is partially offset by reduced employee expenses.

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

A motion was made by May Tape to accept the financial report as presented. Dennis Young seconded the motion. ***Motion Carried.***

2. Review and Consider Approval of PNAC Recommendation

George asked that the Board consider approval of change in structure and operating procedures for Texana Local Planning and Network Advisory Committee. He presented the following background information:

Both the DSHS and DADS performance contracts contain specific provisions that describe the purpose and composition of each center's PNAC. The provisions relevant to this document are as follows:

- o Through its local board, appoint, charge and support one or more PNACs necessary to perform the committee's advisory functions
- o The PNAC shall be composed of at least nine members, 50% of whom shall be clients or family members of clients, including family members of children or youth
- o PNAC members shall be objective and avoid even the appearance of conflicts of interest in performing the responsibilities of the committee
- o Contractor (Texana) shall ensure that the PNAC has access to and reports to Contractor's Board of Trustees at least quarterly on issues related to: the needs and priorities of the LSA (*Local Service Area*); implementation of plans and contracts; and the PNAC's actions that respond to special assignments given to the PNAC by the local board.
- o Contractor may develop alliances with other LMIAs/IDDAs to form regional PNACs
- o Contractor may develop a combined mental health and IDD PNAC. If contractor develops such a PNAC, the 50% client and family member representation shall consist of equal members of mental health and IDD clients and family members.

Consistent with these provisions and as a result of experience with the current PNAC process, the Texana Center staff and Board Liaison to the committee recommend the following:

- o Although there have been members of the community who have applied for membership on the PNAC, to do so would expand the membership beyond the current nine. It is recommended that committee membership remains at nine. Most boards and committees find that a nine member composition is the right size as, for example, is our Board of Trustees and most other centers.
- o It is recommended that attendance at meetings be limited to the nine committee members, Texana Center staff, and the Board Liaison(s). The only exception is that from time to time the committee may invite non-members to attend to provide education or consultation to the committee on matters under consideration. There is no legal requirement that PNAC meetings be open to the public or to allow uninvited visitors to attend and comment. The recent practice of

allowing visitors to participate in discussion has caused the committee to deviate from its mission (see above) and change the focus from the needs and priorities of the entire LSA (which includes all six counties served by Texana) to more narrowly focused issues related to a specific interest group. That is not the purpose of the committee. Visitors will be able to attend Board of Trustees meetings and make their issues known via public comment.

- o It is recommended that the current membership be evaluated to ensure that the committee has the required mix of members, and if not that steps be taken to comply with the contract requirements.

George ended his review by asking that the Board of Trustees approve the changes detailed above for realignment and amending membership of the Local Planning and Network Advisory Committee (PNAC) to meet the requirements established in the performance contracts with the Texas Department of State Health Services (DSHS) and the Texas Department of Aging and Disabilities Services (DADS).

Dianne thanked George for his information and asked the Board if they had any questions. There were no questions. Dianne called for a motion.

A motion was made by Randy Reichardt to approve the change in structure and operating procedures for the Texana Local Planning and Network Advisory Committee (PNAC) as presented. Sue Fagan seconded the motion. ***Motion Carried.***

3. Review and Consider Engagement of Independent Auditor for year ended August 31, 2016

Amanda began her review by providing the following background information.

The Center is required to obtain a comprehensive financial and compliance audit each year in accordance with the Texas Health and Safety Code Section 534 and the Health and Human Services Commission's *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers*. The Center can engage the same audit firm for no more than any six consecutive years. The firm of Sandersen Knox & CO, L.L.P. has completed the financial audit for Texana for the past 6 years and new audit firm must be engaged for the 2016 audit.

Davis Kinard & Co performed the audits of the Center for the six year period between 2004 and 2009 before reaching the six year limit and are very familiar with Texana Center and the audit requirements of our funding sources. The attached audit engagement letter is for a one year engagement.

Pursuant to Texas Government Code, Chapter 2254, Subchapter A, professional services including financial auditing are subject to bidding requirements and a sole source method of procurement may be used.

Amanda completed her review by asking that the Board of Trustees approve the Audit Engagement of Davis Kinard & Co, PC to provide the Annual Financial Audit for the year ended August 31, 2016 for an amount not to exceed \$31,500.

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

A motion was made by J. C. Whitten to approve Engagement of Davis Kinard & Co, PC to provide the Annual Financial Audit for the year ended August 31, 2016 for an amount not to exceed \$31,500 of as presented. Sue Fagan seconded the motion. *Motion Carried.*

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

- Update on DSHS Financial Review

Amanda provided a brief review of the Department of State and Health Services financial review which was recently completed. There were no findings as a result of the audit.

Dianne thanked Amanda and her staff for having a great audit.

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

The Board entered into Executive session at 9:52 A.M. to discuss the following:

- Deliberation Regarding Current, Pending, or Anticipated Litigation
 - Madhu Rao v. Texana Center
 - Pulco v. Texana Center

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

The Board exited Executive session at 10:00 A.M.

- Deliberation Regarding Current, Pending, or Anticipated Litigation

There was no action taken by the Board on the current, pending or anticipated litigation.

- XI. OTHER BUSINESS
- XII. NEXT BOARD OF TRUSTEES MEETING – May 25, 2016
- XIII. ANNOUNCEMENTS

- Texana Tee Off – Weston Lakes Country Club, Monday, April 4, 2016
- Annual Texas Council Conference – Grand Hyatt, San Antonio – June 22-24, 2016. Diane mentioned there would be a Board/S.I.J. dinner on the 23rd and that there was a Trustee's breakfast on the morning of the 24th. Rhonda Hodges mentioned hotel information would be available at the end of this month.

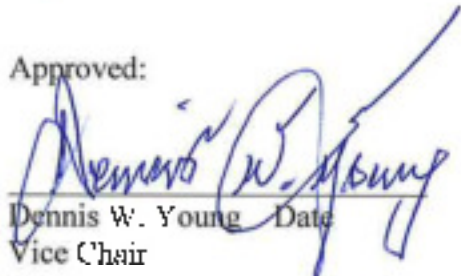
- XIV. ADJOURN

The meeting adjourned at 10:05 A.M.

Respectfully submitted,


Rhonda Hodges
Recording Secretary

Approved:


Dennis W. Young Date
Vice Chair