

**Lubbock Regional MHMR Center
Board of Trustees Regular Meeting
July 31, 2006- 4:00 p.m.
1602 10th Street – Staff Development Room**

MINUTES

Members Present: Byron Edwards, Hattie Gipson, Wayne Hollinshead, Bobby Kazee
Harvey Morton, Brian Shannon, Lois Shields, Tina Thompson

Members Absent: Elena Quintanilla

Staff Present: Danette Castle, Cindy Lucas, Cathy Pope, Darla Carrasco, Tim Carroll,
Mary Gerlach, Helga Gongaware, Jean Hardwell, Janet Harvey, Chris
Harwood, JoAnne Harwood, Robyn Johnston, Gary Loftus, Becky Lusk,
Barbara McCann, Beth Moore, Kim Pavlik, Kay Pippin, Leonard
Valderaz, Rebeca Wallace, Mary Watson

Others Present: Monti Booth, Eugene Urrutia,

I. Call to Order

Mr. Shannon called the meeting to order at 4:09 p.m.

A. Chair Rule on Presence of a Quorum

Mr. Shannon declared a quorum with eight (8) members present. Ms. Quintanilla is absent. Ms. Wallace reported that she had spoken with Ms. Quintanilla and that Ms. Quintanilla will not be renewing her term as she had indicted months ago. Ms. Wallace also reported that Ms. Shield's term renewal will be on the LISD agenda on August 10th and the renewal of terms for Mr. Bobby Kazee, Mr. Brian Shannon and Mr. Harvey Morton will be on the City agenda on August 24th. Ms. Castle requested that board members submit recommendations to fill Ms. Quintanilla's vacancy. She suggested that they consider ethnicity so that the board continues to reflect the diversity represented in the community.

B. Approval of Minutes

Board members were presented with minutes from the meeting held June 26, 2006.

Mr. Kazee made the motion to approve minutes as presented. Ms. Gipson seconded the motion. The motion carried unanimously.

Mr. Shannon noted that Ms. Wallace had requested approval of minutes from the meeting held April 24th. She discovered two instances of typographical errors of incorrect dates. Ms. Gipson made the motion to ratify the minutes of the April 24th with the above corrections. Mr. Edwards seconded the motion. The motion carried unanimously.

II. Public Comment

Ms. Wallace reported that no one had registered to provide public comment.

III. CEO Report

Ms. Castle drew the board's attention to a document in their packet that is a reference in statute regarding negotiated rule making process which is now underway. The Texas Department of State Health Services has been authorized by Albert Hawkins to move forward with negotiated rule making relative to provider of last resort. The Texas Council had some concerns regarding the appointment of a convener who worked for State Health Services in spite of the fact that this act requires the convener to be someone who is unbiased. In addition, they selected the Mental Health Substance abuse workgroup as the group to start this negotiating process. Of concern is the fact that this workgroup has already taken a position on several of the issues. It is believed that this would not start this process out in the good faith that was called for in government code and law. A letter was sent to Dr. Sanchez reflecting the concerns. A meeting was held with Dr. Sanchez and he plans to move forward with his decision. There was a group that met with Commissioner Hawkins. Though he did listen very actively, there does not appear to be any change in how this process will proceed. We will of course sit at the table and proceed in this process in good faith, but there question about the achievement of a unanimous decision. Ms. Blanchard from Representative Isett's office has put together a meeting to make sure all the legislative staff know about all of the issues. Ms. Chambers from Senator Duncan's office will be joining that meeting. Ms. Moore or Ms. Lucas may be in attendance at that meeting.

Regarding Medicaid Rehabilitation Provider Qualifications, there have questions raised relative to Medicaid providers who are not community centers. Up to this point in time, the only Medicaid providers of record have been community centers. The criterion for being a provider is quite high. There may be a couple of community providers that may meet these standards. There are concerns should this be allowed, particularly around cost containment and a loss of services to people who are most in need. We are working with other states who have made their way through this process and successfully managed it.

The direction and recommendations from Legislative Communications group, made up of executive directors and board members will allow us to head into the next legislative session a little stronger than in times past. Ms. Castle directed their attention to handouts in their packet regarding legislative issues and how to communicate effectively and make impact, as well as the principles of the Texas Council.

V. Network Management

A. Sunrise Canyon Hospital

1. Hospital Statistics

Mr. Leonard Valderaz, the chief operations officer of Sunrise Canyon Hospital, provided the Sunrise Canyon Hospital Report. He informed the Board that their packets contained the following:

- June 2006 Statistics
- Comparative Discharge Diagnoses
- Readmission Tracking
- May Incidents
- Medical Executive Committee Reports

Mr. Valderaz noted that the hospital occupancy rate for June was 73%, down from 78% the month before. There were 62 admissions in June compared to 49 in May. The average length of stay for June was 11.95 days compared to 20.81 day in May. Thirty day readmissions in June were 8.06% compared to 10.2% in May. There were no other notable changes.

Mr. Valderaz noted that there was an increase in the number of incidents in May. There were 34 incidents compared to 19 in the previous month. There were seven medication incidents, six of which were medication errors resulting in no harm to the patient. One nurse made two of the errors otherwise no nurse was involved in more than one error. Three of the errors were related to transcription. There were ten instances of aggression and five patients were transferred to UMC for medical evaluations. There were eight incidents that did not involve patients.

2. Medical Professional Executive Committee Report

a. Review of Policy Statements

Mr. Valderaz informed the board that they had been sent a hard copy of the SRCH Manual policy statements along with an overview of the statements. It is required that the policy statements be reviewed as frequently as necessary and minimally every three years.

Mr. Morton made the motion to approve the policy statements, and requested they be notified of a requested change to the Consent to Treatment with Psychoactive Medication policy, to include a reference to statute. Ms. Shields seconded the motion. The motion carried unanimously.

Ms. Pope informed the board that the Center is in the process of a major revision to policy statements which will be more global and more in line with JCAHO. These are interim statements. We are anticipating completion later this year.

b. Amendments to SRCH Bylaws, Rules and Regulations

Mr. Valderaz requested approval of the recommended amendment to Article III regarding the definition of licensed Independent Practitioner. Mr. Kazee made the motion to approve the amendment. Ms. Shields seconded the motion. The motion carried unanimously.

Approval was also requested of revisions to the Expedited Credentialing & Privileging Process. It was suggested that the board identify 3-4 members that would be interested in serving on the credentialing committee. Ms. Gipson and Mr. Edwards agreed to serve as alternates for Mr. Kazee and Ms. Shields. Mr. Edwards made a motion to approve the revisions to the bylaws with the requested changes. Ms. Gipson seconded the motion. The motion carried unanimously.

Mr. Valderaz also requested approval of the revision to the Locum Tenens statement. Ms. Shields made the motion to approve the statement as revised. Mr. Morton seconded the motion. The motion carried unanimously.

c. Privileging

Mr. Valderaz reported that the Medical Staff Executive Committee is recommending that Dr. Alice Park appointment status be changed from Courtesy Staff to Active Staff. Mr. Morton made the motion to approve the recommendation. Mr. Edwards seconded the motion. The motion was unanimously approved.

The board was also informed that Dr. Weiss had submitted her resignation effective 6/30/06. A request for voluntary resignation of staff membership and privileges was sent to Nancy Mitchell following her separation of employment and relocation. Dr. Orr concluded his locum tenens temporary appointment in July and Dr. Anderson extended his locum tenens temporary privileges until August 31, 2006.

B. Goal 1-Individual and Organizational Outcomes

Focus Area 1-Enhancements of Services and Supports

1. Recruitment of Psychiatrists

Ms. Pope noted that we have continued to be in conversation with Dr. Eli Anderson who has been with us for three months. We are very pleased with his practice, he relates well with consumers and staff. We would really like to recruit him.

We are also in conversation with Dr. Edgar Hine who is from Roswell, New Mexico. He has worked at the community mental health center in El Paso. He would be available to work beginning September 1st. All is looking very positively right now.

2. Resource Development-Grant/Foundation Report

Mr. Gary Loftus informed the board that we continue to wait for the response to our submission of a competitive grant submitted to the Texas Department of Criminal Justice for the operation of the Billy Meeks Center. In addition, Mr. Loftus informed the board of the Center's plan to submit a grant to serve as the administrative agent for HIV services in the Lubbock area as well as the El Paso area. The grant is due August 15th and we should be notified by December 15th regarding the status. The Center has had five years of experience in serving as the administrative agent for the Pan-West services.

3. PACE Status Report

Ms. Pavlik provided a status report regarding recent PACE related activities. She reported that we continue to be in the process of revising the application and accompanying attachments.

Ms. Castle stated that her contacts inform her that this project is about a year from ever coming to fruition. On the fund raising front, we received notification from the CH Foundation that we would not be funded. We have had good conversations with them and they are very interested in funding the project and encouraged us to reapply during their next cycle. There were two issues for them: 1). We asked for too much money, in spite of the fact that other funders told us to "shoot for the moon". 2). They wanted to see a monetary commitment from our board.

We also sent out an RFP to architects to submit proposals about making the kinds of changes we would need to make at 38th and J. Hopefully by the next meeting we should have some feedback from architectural firms.

Regarding a steering committee, Ms. Castle stated that a list of potential steering committee members had been created and that she wanted to send that list to the board members for the review and comment. Ms. Shields and Ms. Gipson have both expressed interest in being involved in this project.

C. Goal 2-Financial Resources and Risk Management

Focus Area 1-Resources and Risk Management

1. Audit Report

Ms. Robyn Johnston provided the results of several audits that were conducted through out the Center. Her report included the date of the review, the name of the reviewing entity, review findings and review status. The chart below is a summary of the discussion.

Date	Reviewer	Type	Summary	Status
June 28, 2006	Texas Department of Criminal Justice Rehabilitation & Reentry Division	Annual Audit Substance Abuse Treatment Program (SATP) Billy Meeks Center	<ul style="list-style-type: none"> • Offender treatment file documentation missing; • Self-monitoring is not adequate; • Required training not occurring within required timelines; • No written justification for counselor caseload size; • Offender discharge files missing documentation; • Did not have all required posting readily posted. 	Plan of Correction Submitted July 27, 2006
June 29, 2006	Department of Health and Human Services	Annual Recertification Survey 3105 29th Street ICF-MR Home	<ul style="list-style-type: none"> • Consents from guardians to use psychoactive medication to control aggressive behaviors not current. • Physical restraint not authorized by a physician's order. • Zero life safety code deficiencies were issued. 	Plan of Correction Submitted July 18, 2006
July 20, 2006	Texas Department of State Health Services Mental Health Services Contract	Notice of Alleged Non-Compliance FY06 3rd Quarter Performance Penalty	<ul style="list-style-type: none"> • Adult mental health minimum service hours target was not met. • Service target is 85%, percentage delivered was 84.4% • \$628.00 penalty assessed. 	Closed
July 27, 2006	Texas Department of Aging and Disability Services	Medicaid Administrative Claiming (MAC)	<ul style="list-style-type: none"> • Plan of Correction and evidence of correction approved. • Recommended for a two (2) year certification period: April 13, 2006 – April 12, 2008 	Closed

Ms. Johnston noted that the audit related to Billy Meeks Center was a positive one in spite of the six areas that needed corrections. The Billy Meeks Center has made many positive changes over the last several years.

In addition, Ms Johnston noted that the ICF-MR facility has implemented some checkpoints to assure that consents related to the use of psychoactive medications are obtained.

2. Service Targets

Ms. Johnston provided the board with the third quarter performance target data. The target for client percentage meeting minimum hour requirements is 85%. In adults services the target achieved in service package 2 was 48%, in service package 3 was 83% and in service package 4 the target achieved was 98%, for a total percentage of 84%. All service packages in children and adolescent services achieved a 92% or greater, for a total percentage of 95%.

In the area of appropriateness of service authorized both adult and children and adolescent service exceeded the 85% target, with 90% and 93% respectively. In the area of uniform completion rate both areas also exceed the 95% target with scores of 99%.

Focus Area 2-Fiscal Accountability

1. Financial Report-June 2006

Ms. Moore reviewed the June 2006 financial report. The June Balance sheet reflects Cash and Investments totaling \$4,370,085. Also included in Total Assets are Receivables in the amount of \$2,163,652 and Other Assets in the amount of 860,862. Total Assets for June are \$7,505,404.

Liabilities totaled \$1,072,602 with the center's health insurance plan continuing to show a negative balance in the amount of \$206,275 at this time. It appears that we are making up ground related to our health insurance balance. There is \$12,574,931 in Deferred Revenues. The current Undesignated Fund Balance totals \$3,883,147 reflecting a decrease in the amount of \$25,636.

Overall revenues are below projections by 1%. Local Income is over projections by 1%, or \$2,892. Earned Income is under projection by 1.6% or \$165,912. General Revenue reflects being under projection by .7% or \$53,670.

The Statement of Expense reflects that we are under budget in all areas except in Consumables and Capital Outlay. Salaries & Fringe are under budget by \$105,544, Travel is under by \$28,884, Building is under budget by \$18,794, Contracts/Consultants is under by \$3,581, and All Other Expenses is under by \$76,151. Consumables are over by \$20,288 and Capital expenses are over by \$14,451.

The June Program Financial reflects that Provider Services is experiencing a negative margin of \$113,121. Essential Services are reflecting a positive margin of \$27,989. Program Facility/Operations also reflects a positive margin of \$41,184. Central Administration and Network Management are showing a positive margin of \$27,310. Fiscal Agent Contracts reflect a negative margin of \$8,998, largely due to hurricane activities for which we were not reimbursed. Overall, at this time, the Center is showing a negative margin of \$25,636.

Ms. Shields made a motion to approve the June Financial Report. Mr. Kazee seconded the motion. The motion carried unanimously.

Investment Report

Ms. Moore provided the board with the June investment report. The balance in Elite savings account is \$2,527,621. The interest rate for this account is 4.31%. The Premier savings account earned \$299,512 at an interest rate of 3.03%.

Monies allocated to the Lubbock Area Foundation total \$110,945 at an interest rate of 4.25%. The balance in the certificates of deposit account is \$1,146,190 at an interest rate of 3.5%. In conclusion, the Center's investment earnings for the third quarter of FY 06 totaled \$41,432.

In anticipation of providing the board with the FY 07 budget next month, Ms. Moore used this time to inform the board with information that will impact the budget. The first of these factors is the health insurance account. It is anticipated that by the end of August we have a deficit of \$44,048.22. This final projection is much less than that which we experienced in March. At that time we were at a deficit greater than \$390,000. Ms. Moore demonstrated the savings incurred by having discounts with JI and FirstCare. Without the discounts, the Center would be projecting a health insurance deficit of \$1,889,749.82.

Other factors impacting the budget were the failure to sell assets as projected and the need to set aside \$417,637 for purposes of Rehab settle-up. The amount set aside for this settle up is greater than originally projected by \$193,166 because of an error that made by the State in the amount of settle-up they calculated coming back to the center for FY04.

The challenge of providing medications to our customers was minimized by accessing Patient Assistance Programs to a greater degree. We also accessed Medicaid reimbursement through IMD billing and saved approximately \$60,000.

In summary, the potential deficit we may realize at the end of the fiscal year is \$202,636.

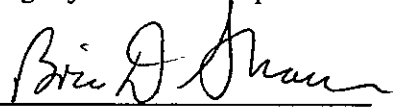
Ms. Castle stated that we were involved in a very in-depth analysis for purposes of developing next year's budget. We will want to meet with the Audit Committee possibly twice to assist us in this endeavor. She indicated that there have been very few rate increases when the cost of operations has increased, adding to our budgeting challenges.

Mr. Edwards made a motion to adjourn the meeting. Ms. Shields seconded the motion. The motion carried unanimously.

Mr. Kazee provided a brief report regarding the one bid that was submitted Scott, Singleton, Fincher & Co. for consideration as the Center's auditing firm. The bid is 10% higher in cost due to increases in travel costs. Mr. Kazee made the motion to accept the bid. Mr. Edwards seconded the motion. The motion carried unanimously.

Adjourn

The meeting adjourned at 6:20 p.m.



Approved by

9-25-06
Date