

**Lubbock Regional MHMR Center
Board of Trustees Regular Meeting
September 25, 2006- 4:00 p.m.
1602 10th Street – Staff Development Room**

MINUTES

Members Present: Byron Edwards, Hattie Gipson (arrived at 4:13), Wayne Hollinshead, Bobby Kazee Harvey Morton, Brian Shannon, Lois Shields

Members Absent: Hattie Gipson (arrived at 4:13), Tina Thompson

Staff Present: Danette Castle, Cindy Lucas, Elizabeth Davidson, Kent Beistle, Sharon Boles, Tim Carroll, Darla Carrasco, Laura Ford, Helga Gongaware, Gary Loftus, Barbara McCann, Beth Moore, Kay Pippin, Glenda Sanders, Debra Shepherd, Becky Sutton, Leonard Valderaz, Rebeca Wallace

Others Present: Eugene Urrutia,

I. Call to Order

Mr. Shannon called the meeting to order at 4:08 p.m.

A. Chair Rule on Presence of a Quorum

Mr. Shannon declared a quorum with seven (7) members present. Ms. Thompson had notified Ms. Wallace that she would not be attending the meeting. Ms. Wallace stated that she believed Ms. Gipson would be in attendance at today's meeting and may be running behind schedule.

Ms. Wallace reported to the board that the County Commissioners approved the appointment of Mike Arismendez to the Center's Board of Trustees. We will be forwarding him a congratulatory letter and making arrangements for his orientation training.

B. Minutes

The minutes from the board meetings held July 31, 2006 and August 31, 2006 as well as the Audit Committee minutes from August 28, 2006 were presented to the members for approval. Mr. Kazee made the motion to approve the minutes from the three meetings with the changes noted to the July minutes by Ms. Shields. Mr. Edwards seconded the motion. The motion carried unanimously.

C. Board Officers Nominations Committee Report

Mr. Edwards reported on behalf of the Nominations Committee. The committee recommended the following appointments: Mr. Brian Shannon-Chair, Lois Shields-Vice Chair and Tina Thompson-Secretary. All three of these individuals have agreed to serve another term. He and Ms. Castle thanked them for their service to the Center. Mr.

Hollinshead was particularly appreciative of the continuity that their on-going service provides to the Center.

D. Nominations for Texas Council Risk Management Fund

Mr. Morton reported that the Risk Management Fund will be holding elections on November 17th to fill the positions of trustees in places 7, 8 and 9. The fund is seeking nominations to fill the vacancies. Mr. Morton indicated that would be willing to serve another term and recommends that we nominate Mr. Pitts for Place 8. Mr. Hollinshead made the motion that the Center nominate Mr. Morton for Place 7 and Mr. Pitts for Place 8. Ms. Shields seconded the motion. The motion carried unanimously.

Ms. Wallace will assure that the ballot from the Center is submitted.

E. Heroes in the Fight Nomination

Ms. Wallace informed the board that The National Alliance for the Mentally Ill of Texas and the Mental Health Association of Texas had nominated Ms. Castle for outstanding work in the mental health community. She received a lovely medallion in appreciation of her service. All present congratulated Ms. Castle on her nomination. It was later learned that Mr. Shannon had nominated Ms. Castle.

F. Certificates of Appreciation

Ms. Castle reported that she had recently attended a luncheon where she and the Center were presented with certificates of appreciation from the City Health Department in recognition of contributions to the Lubbock Health/Medical Hurricane Relief Efforts in September 2005. They had a very nice speech that was read about our organization.

II. Public Comment

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

III. CEO Report

Ms. Castle reported that we had received official notice in the form of a letter dated September 18th from DSHS that we were deemed ineligible to bid for the HIV procurement contract based on their interpretation of chapter 534 of the Health and Safety Code. We are currently in negotiations with DSHS regarding this issue. We have sent them a letter requesting information regarding the appeal process. Should this decision be made final it could have serious consequences for us. We believe we do have statutory authority to provide these services. Monti Booth and Carvin Adkins, an attorney from Tarrant County, both feel strongly about our position in this debate. We have been providing HIV services since 1988 and we have included these services in our governmental plan since 1996. We are hoping they will reverse this decision but we are prepared to go the next step if necessary and feel that we would have legislative support to do so. We are prepared to go to court if necessary. The final decision could impact many centers.

Ms. Castle drew the board's attention to the Conveners Report dated August 28th. She indicated that the process for negotiated rule making is clearly going forward. They have identified names committee members that have been appointed and include Sandy Skelton and Cindy Sill representing the Mental Health Authorities, Judges Van York who serves on the West Texas Center board of trustees and Judge Lee who was very supportive of centers during the last legislative session. Ms. Castle stated that she will be

serving in an advisory capacity to our members that are serving on the committee. She shared her concern about the committee's ability to reach consensus during its decision making.

Ms. Castle informed the board that a recent report from the State Auditor's Office regarding the financial review of selected centers confirmed that centers were spending general revenue as intended. However, the media has obtained this report and is casting a negative light particularly on the Austin Travis County Center.

IV. 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:

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

Mr. Valderaz noted that the hospital occupancy rate for August was 62%, up from 54% the month before. There were 51 admissions in June compared to 48 in July. The average length of stay for August was 13.6 days compared to 9.1 day in July. Thirty day readmissions in August were 15.7% compared to 10.4% in July. Staff are currently evaluating the possible factors related to the increase in readmissions. Mr. Valderaz drew the board's attention to the fact that there are 51 individuals served in service package 4, only 4 admissions and no readmissions. Staff continue to work very hard to reduce the number of admissions and readmissions from this area. There were no other notable changes.

Mr. Valderaz noted that there were twelve incidents for the month of August, but of particular interest is the fact that there were no medication incidents. There was one incident of aggression, one elopement, two patient falls and four minor injuries.

2. Medical Professional Executive Committee Report

a. By-Laws

Mr. Valderaz reminded the board that he had sent them recommended changes to the SRCH By-Laws. The recommended changes were specific to the Status and Categories of the Medical Staff and the Organization of the Medical Staff. Upon review and discussion of the recommended changes, Mr. Morton made the motion to approve the recommended changes to the By-Laws. Mr. Edwards seconded the motion. The motion carried unanimously.

Ms. Castle formally welcomed Dr. Davidson to her first board meeting as Medical Director. She stated that she had a letter dated September 13th congratulating Dr. Davidson on being recertified in the medical specialty of psychiatry. All present

congratulated Dr. Davidson. Ms. Castle thanked her for taking the time in attending today's meeting.

Ms. Castle and Ms. Lucas summarized some of the activities that have been taking place to obtain feedback regarding proposed changes to employee benefits and health insurance. It is anticipated that once all the feedback is obtained we will report our findings and recommendations to the board. Mr. Kazee has offered to help us with these issues.

B. Goal 2-Financial Resources and Risk Management

Focus Area 1-Resources and Risk Management

1. Audit Report

Ms. Moore provided the Audit report in Ms. Johnston's absence. Ms. Moore detailed the findings related to the Financial Compliance Review of the Billy Meeks Center held on August 10th for the months of March, April and May conducted by the Texas Department of Criminal Justice.

Below is a summary of findings related to the review:

Summary of Findings	
On-site visit to assess compliance with:	
<ul style="list-style-type: none">• Billing	<ul style="list-style-type: none">• Inaccuracies with arrival dates• Services not billed• Incomplete service logs
<ul style="list-style-type: none">• Assessments	<ul style="list-style-type: none">• Not consistently collected
<ul style="list-style-type: none">• Outpatient Co-payments	<ul style="list-style-type: none">• Not consistently completed
<ul style="list-style-type: none">• Mileage Reimbursements	<ul style="list-style-type: none">• Mileage reimbursement inaccuracies
<ul style="list-style-type: none">• Telecommunicatons / Vending Revenue	<ul style="list-style-type: none">• Requirement regarding the submission of vending machine, payphone and laundry revenues

We are scheduled to send back \$2,500 related to deficiencies in the area of assessments and co-pays and we are expecting payment of approximately \$1,000 for billing that was not in the original invoice. Our concerns lie in the fact that these are repeat deficiencies and may trigger a full scope review of the entire year. We will submit our plan of correction in the hope that a full scope review will not be warranted.

2. PACE Update

Ms. Moore provided the PACE report in Ms. Pavlik's absence. She reminded the board that we are currently looking for locations to provide PACE services. One of the considerations is the 38th St. location and determining how much it would take to renovate the site. In order to determine that we published a formal request for proposals for a two phase process: design and schematics and sealed cost bid. We have requested sealed cost bids from the top two proposals. During the RFP process we were presented with a unique possibility that we had not anticipated. One of the firms submitted a separate bid for an option that is to build to suit, lease to own option. The committee is going to compare the bids with this option and determine if we should expand our bidding process.

3. Board Member Training

Ms. Wallace informed the board about Open Government Training that is required of all appointed officials. She provided the information from the Attorney General's office related to the Open Meetings Act training and the Public Information Act training as well as with instructions on how to access this training on the internet. She added that she would provide whatever assistance was needed so that members could complete this requirement.

She requested that they view these training videos and submit their certificates of completion by mid November.

Ms. Wallace also provided the board members with mandatory video training entitled "What Every Non-Profit Board Member Needs to Know" as required by the Department of State Health Services.

Focus Area 2-Fiscal Accountability

1. Financial Report-August 2006

Ms. Lucas reviewed the August 2006 financial report. The July Balance sheet reflects Cash and Investments totaling \$3,123,297. Included in Total Assets are Investments in the amount of \$111,732, Receivables in the amount of \$2,500,200 and Other Assets in the amount of \$858,081. Total Assets for July are \$6,593,310.

Liabilities totaled \$1,600,261 with the center's health insurance plan showing a negative balance in the amount of \$27,275 at this time. This is much closer to the break even point.

There is \$1,082,610 in Deferred Revenues. The current Undesignated Fund Balance totals \$3,883,147 reflecting a increase in the amount of \$27,292.

Overall revenues are below projections by 1.4%. Local Income is over projections by 2.2%, or \$26,038. Earned Income is under projection by 2.6% or \$333,761. General Revenue reflects being under projection by .02% or \$16,013.

The Statement of Expense reflects that we are under budget in all areas except in Capital Contracts/Consultants. Salaries & Fringe are under budget by \$230,105, Travel is under by \$39,497, Consumables is under budget by \$30,947, Capital Outlay is under budget

by\$801, Building is under budget by \$28,063, and All Other Expenses is under by \$107,045. Contracts/consultants are over by \$85,430 due to the hiring of locum tenens.

The July Program Financial reflects that Provider Services is experiencing a negative margin of \$145,172. Essential Services are reflecting a positive margin of \$39,043. Program Facility/Operations also reflects a positive margin of \$46,914. Central Administration and Network Management are showing a positive margin of \$91,961. Fiscal Agent Contracts reflect a negative margin of \$2,924 Overall, the Center is showing a positive margin of \$27,292.

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

2. Budget Revision FY 07

Ms. Lucas presented a summary of revisions to FY 07 budget. Revenue changes to Local Income and Medicaid Funds. The changes are depicted below.

REVENUES

	FY 2007 Original	FY 2007 Revised	Percent Change
Local Income	\$142,154	\$146,822	3.3%
Medicaid Funds	\$5,936,803	\$6,135,120	3.3%
Total Budget	\$23,374,672	\$23,577,161	.87%

Revisions to the expenses are depicted below:

	FY 2007 Original	FY 2007 Revised	Percent Change
Salaries	\$ 11,294,403	\$ 11,322,025	0.20%
Fringe Benefits	\$ 3,476,412	\$ 3,461,592	0.43%
Travel	\$ 470,551	\$ 489,195	4.00%
Consumables	\$ 2,152,931	\$ 2,188,529	1.67%
Capital Outlay	\$ 262,446	\$ 387,667	47.71%
Building Expense	\$ 368,209	\$ 312,955	(15.01%)
Contracts/Consult.	\$ 3,942,360	\$ 3,858,875	2.12%
All Other Expenses	\$ 1,407,360	\$ 1,556,322	10.58%
TOTAL	\$ 23,374,672	\$ 23,577,161	0.87%

Revisions to planned Capital Improvements and Major Expenses are depicted below:

Furniture and Equipment	\$132,171
Computer Equipment	\$105,292
Vehicles	\$125,331
Building Renovations	\$24,873

Capital Outlay totals are \$387,667.

Mr. Edwards made the motion to approve the revisions to the budget as presented. Mr. Kazee seconded the motion. The motion carried unanimously.

Ms. Castle requested the opportunity to include a farewell to Mr. Gary Loftus. She wished him well in his plan to join the seminary. She thanked him for the key role that he played in the budgeting process.

C. Goal 4-Public Accountability
1. Advisory Committee Update

Ms. Moore presented the Advisory Committee Update. The Advisory Committee requests the appointment of Marcus Smith to the committee. Mr. Smith will serve a three year term. Mr. Edwards made the motion to approve Mr. Smith's appointment. Mr. Morton seconded the motion. The motion carried unanimously.

V. Adjourn

The meeting adjourned at 5:55 p.m.

Approved by

Date