

**Lubbock Regional MHMR Center
Board of Trustees Regular Meeting
January 29, 2007- 4:00 p.m.
1602 10th Street – Staff Development Room**

MINUTES

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

Members Absent: none

Staff Present: Cindy Lucas, Cathy Pope, Tim Carroll, Elizabeth Davidson, Sally Ellis, Mary Gerlach, Chris Harwood, Joanne Harwood, Robyn Johnston, Barbara McCann, Terry McEldowney, Beth Moore, Debie Martin, Kay Pippin, Debra Shepherd, Barbara Trevino, Adam Tungate, Leonard Valderaz, Rebeca Wallace, Mary Watson, Becky Lusk

Others Present: Eugene Urrutia, Monti Booth, Marcus Smith. Adam Tungate's wife and children.

I. Call to Order

Mr. Shannon called the meeting to order at 4:07 p.m.

A. Chair Rule on Presence of a Quorum

Mr. Shannon declared a quorum with nine (9) members present.

B. Minutes

The minutes from the board meeting held November 13, 2006 were presented to the members for approval. Mr. Hollinshead made the motion to approve the minutes as presented. Mr. Kazee seconded the motion. The motion carried unanimously.

II. Public Comment

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

Ms. Pope announced that Ms. Castle would not be present at today's meeting because her father was very ill and she had gone to Iowa to be with him.

Ms. Pope also welcomed Mr. Marcus Smith from the Planning Network Advisory Committee to today's meeting.

III. Customer Service Award

Helga Gongaware presented the Customer Service Star Award for the quarter to Adam Tungate from the Screening & Assessment Unit. She described him as someone who knows how to listen to and is always there to help those in need.

IV. External Audit Report-Scott, Singleton, Fincher & Co.

Ms. Lucas introduced Mr. Tommy Nelson from Scott, Singleton, Fincher & Co. Lois Shields, chair of the Audit Committee, requested that Ms. Lucas speak on her behalf because she had laryngitis.

Ms. Lucas reminded everyone that it had been our intent to hold an audit committee meeting with Mr. Nelson regarding the audit results. However, weather conditions prevented this from occurring. Board members; however, should have received a copy of the management letter prior to today's meeting. Ms. Lucas introduced Mr. Nelson and requested he provide members with his findings.

Mr. Nelson thanked the staff for their assistance in completing the audit. Mr. Nelson began his report by highlighting the findings from the Summary of Auditor's Results (page 9 of the Single Audit Reports packet) which included the following:

1. We have issued an unqualified opinion in our report on the financial statements of Lubbock Regional Mental Health and Mental Retardation Center (LRMHMR) as of and for the year ending August 31, 2006.
2. We reported no material weaknesses or reportable conditions in internal control related to the financial statements
3. We reported no instances of noncompliance with laws, regulations, contracts and grants that would be material to the financial statement of LRMHMR.
4. We reported no material weaknesses or reportable conditions in internal control over major federal and state programs.
5. An unqualified opinion was issued on compliance with major federal and state programs.
6. Our audit procedures did not disclose any additional audit findings which would be required to be reported under OMB Circular A-133, paragraph .510(a) or the State of Texas Single Audit Circular.
7. The following programs were audited as major programs:
 - o State General Revenue-Mental Health/Inpatient passed through the Texas Department of State Health Services (CFDA number does not apply)
 - o State General Revenue-Mental Retardation passed through the Texas Department of Aging and Disability Services(CFDA number does not apply)
 - o Projects for Assistance in Transition from Homelessness (PATH) originating with the U.S .Department of Health and Human Services-CFDA 93.150 and state general revenue passed through the Texas Department of State Health Services.
 - o Block Grants for community Mental Health Services originating with the U.S. Department of Health and Human Services-CFDA 93. passed through the Texas Department of State Health Service.
 - o Housing Opportunities for Persons With AIDS (HIV/HOPWA) originating with the U.S. department of Housing and Urban Development-CFDA 14241 passed through the Texas Department of State Health Services.
 - o Crisis Counseling Program originating with the U.S. Department of Homeland Security-CFDA 97.032 passed through the Texas Department of State Health Services.

Mr. Nelson reported that we are considered as a low-risk auditee under OMB Circular A-133 and the State of Texas Single Audit Circular.

Mr. Nelson next drew the board's attention to the Statement of Revenues, Expenditures and Changes in Fund Balance- Governmental Funds (page 26). He noted that total revenues for the year ending August 31st were \$23,228,537. Total expenditures inclusive of capital outlay were \$23,251,801. This left us with a deficit of \$23,264.

The net change in fund balance was \$23,264. At the end of the year, Mr. Nelson reported a fund balance of \$3,911,067. He noted that in comparative analysis of the Fund Financial Statements from FY05 to FY06 there was a decrease in the total revenue of \$134,905 (.6%) and a commensurate decrease in total expenditures of \$320,485 (1.4%). He said this indicated lots of effort in keeping expenses down.

The Balance Sheet Governmental Funds on page 25 reflects where the Center is now and does not include any long term debt. Total assets through August 31st were \$5,692,295 and total liabilities were \$1,781,228 and total fund balance was \$3,911,067. The unreserved and undesignated fund balance of \$3,756,298 is important because it reflects the Center's days of operation available. This Center's available days of operation are 58 days. In comparison to the other nine centers his firm works with, our Center lies close to the middle, either 5th or 6th relative to days of operation. The fund balance of the Governmental Funds Balance Sheet on page 25 has been reconciled to the net assets on the Statement of Net Assets on page 23. The Statement of Net Assets more closely resembles the balance sheet of a for profit organization.

The revenues variance with the final budget indicated that revenues were under budget \$140,780 and the expenditures variance with the final budget revealed expenditures were under budget by \$311,807. The bottom line for FY06 was a positive variance in the amount of \$86,027 (pages 41 & 42).

He concluded his report by reviewing the Management Letter. He addressed the on-going issue facing centers regarding program income and its use to reduce the amount of expenses charged to the state. Mr. Nelson recommends that staff to continue to monitor development in this area. Mr. Nelson encouraged management to establish an internal service fund as a means of accounting for infrastructure funding. Mr. Nelson also encouraged management to continue to make improvements related to loss of revenue in adult mental health services. He congratulated the Center on the remarkable progress that has been done in this area. Mr. Nelson reminded board members of a reduction of \$667,145 in last year's net assets due to a restatement of prior year's accumulated depreciation of property on 38th Street required by the GASB 34 reporting requirements. He indicated that no adjustments were needed this year regarding this issue. He thanked everyone, particularly Ms. Lusk for all her efforts involved in the auditing process.

Ms. Lucas also acknowledged the many others that were involved in the process, including Kay Pippin, Camille Walker, Cathy Pope and her staff.

Mr. Kazee made the motion to approve the audit report. Ms. Shields seconded the motion. The motion passed unanimously.

V. Texas Council of Community MHMR Centers Board of Directors Report

Mr. Hollinshead spent a few minutes providing those in attendance with a historical review of the challenges encountered during the last legislative session. He believes that community centers are going into this legislative session in a much stronger position, with more allies and good representation.

VI. CEO Report

Ms. Pope reminded the board of Ms. Castle's efforts to provide consultation to those working on the Provider of Last Resort. She indicated that the Preamble to the proposed Provider of Last Resort rule provides clarity and structure for the future implementation in September. The Texas Council is supportive of the proposed rule. Ms. Pope detailed the six circumstances laid out in the proposed rule by which a community center could serve as a provider. These include:

- Every reasonable attempt has been made to develop a provider base
- There is no willing provider in the area
- External providers are unable to offer services that are equivalent or better than the current
- The providers is unable to procure 100% of the service capacity
- There is a need to protect the infrastructure to ensure continuous provision of services
- Existing agreements impose restrictions on an LMHA's ability to contract with external providers or circumstances would result in the loss of substantial source of revenue

Ms. Pope stated that the implementation of HB 2377 provided the Center with a structure that will support us during the implementation of the new rule.

Ms. Pope also provided the board members with the critical items that were included in the DADS Exceptional Items Request to the Legislature. They include:

1. Restore Base Funding-\$241,988,768
2. Maintain Waiver Caseloads-\$213,436,475
3. Rate Restoration to 2003-\$27,236,354
4. MR Community Center Equity Funds-\$22,000,000

The Exceptional Items Request for DSHS includes:

1. Restoration of Base Funding-\$294,762,523
2. Mental Health Hospital Capacity-\$8,589,800
3. Mental Health Community Services-\$82,336,430

Members were informed members that this year's Texas Community MHMR Centers Staff and Trustee Training Conference will be held in Houston June 27-29th. Ms. Pope encouraged board members to look at their calendars to see if they would be able to attend the conference. Their interest in attending could be relayed to Ms. Wallace.

Network Management

A. Sunrise Canyon Hospital

1. Hospital Statistics

Mr. Valderaz provided the board with information regarding the December hospital statistics. He indicated that the average length of stay in December was 12.82 days, up from 11.4 days in November. The 30 day readmission rate was 18.40%, up from 9.10% in November. Contributing factors include the fact that 8 patients were readmitted in December and 3 admissions were attributed to one person. Co-morbid medical conditions also contributed to the number of re-admissions. Mr. Valderaz added that 16 of the December admissions were from individuals being served in service package 1, 11 of the admissions were individuals receiving services in service package 3, and 3 of the individuals admitted were receiving services in service package 4. Staff is very involved in evaluating the admission and readmission data for trending purposes.

2. Hospital Incidents

Mr. Valderaz provided the board with a brief summary of the 18 incidents that occurred in the month of December. He answered questions regarding an attempted suicide that took place in December. As a result of the near miss incident, staff have removed all the bathroom doors and replaced them with curtains.

3. JCAHO Survey

Mr. Valderaz reported that during December 11th-14th, Sunrise Canyon Hospital underwent a JCAHO survey. He was proud to report that the surveyors have recommended they receive full accreditation. Mr. Valderaz thanked Ms. Shields for her participation on the Medical Executive Committee.

Ms. Pope complimented the staff for all the work involved in the successful accreditation. A formal report is forthcoming.

B. Goal 1-Individual and Organizational Outcomes

Focus Area 1-Enhancement of Services and Supports

1. PACE Report

Ms. Mary Watson provided the board members with a status report regarding the PACE program. She indicated that the PACE application was completed and submitted to the Department of Aging & Disability Services on December 15th. From there the application was submitted to the Health and Human Services Commission. The final application process will require approval from the Centers for Medicare and Medicaid Services which could take about nine months. Ms. Pope expressed pleasure with how rapidly the process is moving along. If all goes as planned, anticipated start up would be February of 2008.

2. Christmas Activities

Ms. Kim Pavlik informed the board members \$2,425 was raised to support Christmas activities. Although we did not serve as many individuals this year as last, we were able to serve 145 families. In total 298 people received gifts. The Salvation Army served 89 children under the age of 15.

Ms. Pope thanked everyone and their generosity for helping with this year's Christmas efforts.

3. Center Wide Policy Statement

Ms. Pope reviewed a set of twelve policy statements that the Center is recommending replace the many policy statements that currently exist. She explained that these new statements are more in line with JACHO and will provide the Center with more structure.

Discussion ensued around the inclusion of the word “healthcare” in the introductory statement regarding policies. It was agreed that the word should not be stricken but remain in the paragraph.

Mr. Morton made the motion to approve the new policy statement with the correction noted above. Mr. Hollinshead seconded the motion. The motion carried unanimously.

4. Resource Development/Grant Foundation Report

Ms. Pope summarized the grant applications that had recently been submitted and were still pending. Chart below depicts items that were discussed.

Organization	Amount	Purpose	Type	Submission Date
APPLICATIONS PENDING				
Meadows Foundation	\$750,000	PACE	New	Submitted 11.27.06
Abell-Hanger Foundation	\$750,000	PACE	New	Submitted 1.22.07
Texas Department of State Health Services	\$10,000,000 Available Statewide	Competitive RFP for HIV Prevention Projects	New	To be submitted by 3.5.07

Ms. Pope noted that the monies available for the HIV prevention projects were available statewide.

C. Goal 2-Financial Resources and Risk Management

Focus Area 1-Compliance

1. Audit Report

Ms. Pope reviewed those audits the Center had experienced since September of 2006 for which we had since received formal reports. That information is depicted in graph format below:

Date	Reviewer	Type	Summary	Status
September 26, 2006	Department of State Health Services Quality Management Unit	"Mystery Caller" Review	The purpose and scope of this review was to elevate compliance with arranging routine mental health services for consumers within 14 calendar days of request. LRMHMRC was found to be non-compliant as evidenced when a fictional consumer (Mystery Caller) seeking routine services for an adolescent, telephoned the LMHA and did not receive an appointment within 14 days.	POC Submitted 12/19/2006
October 3, 2006	Department of Health & Human Services Centers for Medicare & Medicaid Services	Annual Recertification Survey 6304 34th St. ICF/MR	Facility failed to ensure: <ul style="list-style-type: none"> informed consent was obtained preventative and general care as ordered by the physician; health status was reviewed by nursing services quarterly; IDT followed up on dentist's recommendations medications were administered without error. <p>No Life Safety Code Violations.</p>	POC Submitted Deficiencies Cleared Closed

Ms. Pavlik noted that when ICF/MR facilities are reviewed, surveyors are required to return within 45 days.

Date	Reviewer	Type	Summary	Status
October 3- 5, 2006	Department of Health & Human Services Centers for Medicare & Medicaid Services	Annual Recertification Survey 8405 19th St. ICF/MR	Facility failed to ensure: <ul style="list-style-type: none"> consent was obtained for medications follow-up on a recommendation to obtain a surrogate decision maker; new self-administration of medication assessment was completed; Human Rights Committee reviewed and approved restrictive measures; nurses quarterly assessments were conducted quarterly; include procedures to follow in the event of a disaster in disaster plan. <p>No Life Safety Code Violations.</p>	POC Submitted 10/26/2006 Deficiencies Cleared Closed
November 15, 2006	Department of Health & Human Services Centers for Medicare & Medicaid Services	Annual Recertification Survey 1711 30th St. ICF/MR	Facility failed to ensure: <ul style="list-style-type: none"> IDT recommendations were incorporated into plans; present professional recommendations to the IDT; preventative and general care as ordered by the physician; health status was reviewed by nursing services quarterly; IDT followed recommendations made by the dentist; all medications were administered without error. <p>No Life Safety Code Violations.</p>	POC Submitted 12/30/06 Deficiencies Cleared Closed

Ms. Pope noted that the review by the Centers for Medicare & Medicaid of Sunrise Canyon Hospital found them to be in substantial compliance.

Date	Reviewer	Type	Summary	Status
November 16, 2006	Department of Health & Human Services Centers for Medicare & Medicaid Services	Sunrise Canyon Hospital Conditions of Participation Recertification Survey	Surveyors reported facility was in substantial compliance with the two special Conditions of Participation for psychiatric hospitals. Therefore, eligibility for Medicare participation remains in effect. The deficiencies which required a Plan of Correction. Facility failed to: <ul style="list-style-type: none"> • document a physical examination for 7 of 8 sample clients; • assure the reporting of orientation and memory findings for 5 of 8 sample patients; • develop a comprehensive treatment plan for 8 of 8 sample patients; • individualize long-term and short-term goals for 7 of 8 sample patients; • to ensure that the name and discipline of staff persons responsible for specific aspects of care were listed on treatment plans of 8 of 8 active sample patients. 	POC Submitted 12/26/06

All Plans for correction of deficiencies have been submitted and cleared and audits formally closed.

Focus Area 2-Fiscal Accountability
1. Financial Report-December 2006

Ms. Moore briefly reviewed the December 2006 financial report. The December Balance sheet reflects Cash and Investments totaling \$5,935,306. Included in Total Assets are Investments in the amount of \$113341, Receivables in the amount of \$2,037,933 and Other Assets in the amount of \$878,588. Total Assets for December are \$8,965,168.

Liabilities totaled \$1,356,476 with the center's health insurance plan showing a positive balance in the amount of \$136,679 at this time. She expressed caution regarding this figure as the Center was just starting a new insurance year. She also noted that we had a positive margin of \$115,012 in the fund balance. There is also \$3,524,505 in Deferred Revenues. Total Liabilities and Fund Balance in December was \$8,965,168

Overall revenues are below projections by 5.07%. Local Income is over projections by 6 %, or \$26,639. Earned Income is under projection by 9.8% or \$426,439. General Revenue reflects being under projection by .03% or \$1,084.

The Statement of Expense reflects that we are under budget in all areas except in Building expenses. Salaries & Fringe are under budget by \$252,403, Travel is under by \$26,226, Consumables is under budget by \$96,044, Capital Outlay is under budget by \$35,278, Contracts/Consultants are under budget by \$97,494 and All Other Expenses is under by \$15,655. Building Expenses are over budget by \$9,372.

Ms. Pope concluded this portion of the financial report by stating that it has been a long year and everyone has worked very hard within very tight budgeting constraints.

Mr. Edwards made a motion to approve the December Financial Report. Mr. Kazee seconded the motion. The motion carried unanimously.

2. Investment Report

Ms. Moore provided a summary of interest earned as of December 31, 2006 for the Elite Savings Account and the Premier Savings Account.

The interest earned for the Elite account (at 4.75%) was \$32,443, for a total account balance of \$3,533,189. The Premier account earned \$3,941 (at 3.50%) for an account balance of \$816,153. The Lubbock Area Foundation account earned \$1,214 for an account balance of \$113,341.

The Certificates of Deposit at the Lubbock National Bank earned \$15,935 in interest at a rate of 5.5% for an account balance of \$1,178,132.

In summary, the investment earnings for the first quarter of FY 07 were \$59,680.

Ms. Shields made the motion to approve the investment report. Mr. Morton seconded the motion. The motion carried unanimously.

**D. Goal 3-Human Resources
Focus Area1-Recoupment and Retention
1. Staff Turnover**

Ms. Lucas provided board members with staff turnover data related to the first quarter and provided annualized projections. She compared the quarter's data with that of previous years.

	Total Center-wide Positions	Total Center-wide Separations	Center-wide Turnover	Human Service Tech Turnover	Nursing Staff Turnover
Qtr.1 FY 07	457	39	39/457 8.53%	21/197 10.65%	2/27 7.40%
Annualized Projection FY 07			156/457 34%	84/197 43%	8/27 30%
FY 2006	459	113	113/459 25%	68/198 34%	5/18 28%
FY 2005	453	94	21%	28%	29%
FY 2004	482	102	21%	25%	39%
FY 2003	590	169	29%	33%	44%
FY 2002	606	207	34%	43%	55%
FY 2001	641	209	33%	54%	39%

Ms. Lucas summarized factors involved in the 39 staff separations. Factors included relocating, going back to school or loss of benefits resulting from job changes. One individual retired at age 82. Ms. Pope is pleased with the stability we are experiencing within the nursing area. Annette Gary is

providing good leadership and doing a good job. Ms. Lucas reported that we are still challenged with recruiting staff in direct service positions, especially in the mental retardation program.

VIII. Executive Session for the purpose of consultation with Legal Counsel regarding pending or contemplated litigation (Under Authority of Texas Open Meeting Act Sec. 551.071)

Mr. Shannon recessed the regular meeting at 6:12 p.m. The Executive Session was convened at 6:13 p.m. for the purpose of consultation with Legal Counsel regarding pending or contemplated litigation (Under Authority of Texas Open Meeting Act Sec. 551.071).

The Executive Session was concluded at 6:17 pm and the regular meeting was reconvened at 6:18pm.

No action was taken. The meeting was adjourned.

Adjourn

The meeting adjourned at 6:33 p.m.

Approved by

Date