

**Lubbock Regional MHMR Center
Board of Trustees Regular Meeting
June 25, 2007- 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, Tina Thompson, Lois Shields

Members Absent: Mike Arismendez

Staff Present: Danette Castle, Cindy Lucas, Cathy Pope, David Allen, Kent Beistle, Sharon Boles, Darla Carrasco, Sandra Douglas, Helga Gongaware, Jean Hardwell, Beth Lawson, Becky Lusk, Barbara McCann, Terry McEldowney, Kim Pavlik, Debra Shepherd, Karen Smart, Leonard Valderaz, Rebeca Wallace, Mary Watson,

Others Present: Monti Booth, Eugene Urrutia

I. Call to Order

Mr. Shannon called the meeting to order at approximately 4:10 pm.

A. Chair Rule on Presence of a Quorum

Mr. Shannon declared a quorum with eight members (8) members present. Mr. Arismendez had advised Ms. Wallace that he would not be present at today's meeting.

B. Minutes

The minutes from the board meeting held April 30, 2007 were presented to the members for approval. Mr. Morton made the motion to approve the minutes as presented. Ms. Shields seconded the motion. The motion carried unanimously.

II. Public Comment

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

III. Customer Service Star Award

Ms. Helga Gongaware introduced this quarter's recipient of the Customer Service Star Award, Sandra Douglas. Ms. Gongaware stated that Ms. Douglas serves many families in her capacity as case manager in the Child and Adolescence Program. Sandra knows that she must involve the whole family to ensure that the child has a supportive environment. She challenges herself to find resources that address family needs and is always willing to extend a helping hand. Sandra is very conscious of the impact she makes in the community and represents our Center in a most positive way. Everyone present extended their appreciation for Ms. Douglas' commitment to those she serves.

IV. Texas Council of Community MHMR Centers Board of Director's Report

Mr. Hollinshead described the legislative session and its results as amazing. He was very appreciative of everyone's dedication and commitment to the process. He believes that this has been the smoothest, most productive session we have ever had. The lobbyists from the Texas Council were part of a tremendous team. He commended those that worked so hard for the outcomes that were realized. He turned the floor over to Ms. Castle for a more comprehensive review.

V. CEO Report

Legislative Update

Ms. Castle began her discussion of the legislative session by informing everyone that there would be improvements to the Children's Health Insurance Plan (CHIP) that focused on better access and program eligibility processes.

She directed the board to page three of a document that was included in their packet. The item next discussed was the reductions in the number of people on waiting list. This should have the most impact on community based services. Although we are unsure as to the specific number of individuals in our area that will be impacted, we do know there will be an impact. The impact will perhaps not be as significant as that realized at other Centers. This is due to the fact that we had participated in a pilot project that had allocated 75 slots for people on waiting lists.

The most amazing outcome of this last legislative session was the \$82 million that was allocated by the legislative body for mental health services and the improvement of the crisis response system. Ms. Castle reported that in her opinion this was the most significant single source of new funds seen in a very long time. She indicated that what was requested was authorized. There will be various strategies for distributing funds. It is anticipated that the distribution of funds will be based on equity, per capita calculations and responses to an RFP (request for proposals) from various state centers. Ms. Castle indicated that there were many champions including Senator Duncan, Representative Isett, Representative John Davis and Representative Gattis. There was a recognition that our communities were better served by putting monies into early interventions and on the front line rather than hospitals or prison system. During debates, Representative Isett made legislative intent very clear in that he believed funding that should be directed to local mental health authorities as per HB 2439.

Ms. Castle referred board members to a summary developed by the Texas Council around crisis services and the core services that would be anticipated including crisis hotline and psychiatric emergency services at local level. An additional \$10 million will be going to TCOOMMI (Texas Correctional Office on Offenders with Medical and Mental Impairments) for mental health services and continuity of care. At the moment the method for the allocation of the TCCOOMI funds is not known, nor do we know the exact impact for us specifically. The funding that is being directed to treatment and treatment related services may be recognition that treatment may matter more than incarceration.

Ms. Castle added that the hard work of the Texas Council also resulted in Medicaid rate increases for areas such as Home and Community Based Services and Medicaid Card Services for mental health outpatient psychiatric services.

SB 1870 related to community living options and state schools did not receive funds for its implementation. However, Commissioners Hawkins and Horn are committed to finding a way to make it happen.

On another note, Ms. Castle reported that the Center for Health Care Services in San Antonio has sent a letter to the Texas Council indicating that they will not be renewing their membership to the Texas Council. This is a serious loss for the system. There have been conversations regarding that center's discontent. Ms. Castle went to visit the CEO, Leon Evans two weeks ago and they talked through some of their concerns. It was a good conversation, a good day but she could not predict the outcome of the meeting either way. Upon leaving Ms. Castle felt they would be further consideration of the issues. They are concerned that the Texas Council has not been representing issues of urban centers adequately. There will need to be more active engagement around the issues.

IV. Network Management

A. Sunrise Canyon Hospital

1. Hospital Statistics

Mr. Valderaz provided the board with information regarding the May hospital statistics. He noted that in May, Sunrise Canyon had a 75% occupancy rate, up from 72% the previous month. The average length of stay for May was 11.08 days, down from 13.17 days in April. The 30 day readmission rate was down to 8.77%, down from 11.76% in April. Mr. Valderaz attributes this change to the work that Dr. Davidson is doing in improving communications between inpatient and outpatient service personnel.

Mr. Valderaz provided the board with a brief summary of the 16 incidents that occurred during the month of May. It was noted that there was an error in the calculations made in the falls category. The document should reflect that there were four patient falls.

2. Medical Executive Committee

a. Privileging

Mr. Valderaz informed the board that Dr. Davidson is recommending the continuation of Dr. Shiraj Vahora's full appointment to the medical staff of Sunrise Canyon Hospital. Mr. Morton made the motion to approve Dr. Davidson's recommendation. Mr. Edwards seconded the motion. The motion was approved unanimously.

Mr. Valderaz also informed the board that Dr. Davidson is recommending the continuation of Don Settle's advancement to continue his full appointment. Mr. Kazee made the motion to approve Dr. Davidson's recommendation. Mr. Morton seconded the motion. The motion was approved unanimously.

b. SRC Infection Control Program 2006

Mr. Valderaz summarized the outcomes related to the 2006 Infection Control Program. SRC had established three goals related to infection control. All three identified goals were met.

c. SRC Infection Control Plan-2007

Mr. Valderaz briefly reviewed the 2007 Infection control plan that includes three new goals. He explained that the goals are based on recommendations provided by JCAHO and selected by the Program Assessment Committee.

B. Goal 1-Individual and Organizational Outcomes
Focus Area 1-Enhancement of Services and Supports

1. Physician Recruitment

Mr. Valderaz announced that Dr. Christina Golden, currently a locum tenens, has accepted a full time position and will begin her employment on July 9th. She comes to us from San Antonio and had had multiple other offers including one from California.

We have also made an offer to Dr. Sabater. She is currently a locum tenens and is taking some time to consider our offer.

Ms. Castle noted that recent rate increases will not come close to cover some of the costs that we are incurring. It becomes increasingly difficult to compete on the basis of salary.

2. PACE Update

Ms. Castle began this portion of the meeting by stating that the PACE program is one of the Center's primary focuses. She noted that the State is continuing to support our development of this. We are in the process of determining a site location and the funding that is necessary for that. The challenge comes with the fact that everyone wants to see somebody else provide the initial funding. Back some months ago we received bids from architects on what it would take to renovate the location at 38th street facility. One of those architects threw in what it would take to build to suit. We looked at renovation options closely, but it became clear that we needed to look more closely at building a facility as opposed to renovating. One of the main challenges became finding alternate sites for the services currently being offered at that location. We have funds to sustain the project but our challenges have been in trying to get our start up funds.

Ms. Lucas informed the board that the application process with CMS is progressing as planned. However, before they approve the application CMS will have to come out and meet the actual PACE staff. Reconstruction costs are being projected at about \$2.8 million and we believe contain much more uncertainty regarding final costs when compared to building a new site.

Ms. Lucas requested approval from the board to approach the City for land that is by Sunrise Canyon Hospital. Ms. Pope indicated that the land east of Aspen Avenue is part of the water district and it is believed that it can be used for this purpose. There are many advantages to adding to the SRC campus such as a shared kitchen, medical records, vehicle fleet and other ancillary services.

Ms. Castle noted that one of the important things to remember is that we would be responsible for providing transportation to the site. The loop provides easy access to the site. In addition, it does meet the 45 minute requirement that has been established for accessing the service site.

Ms. Pope reminded everyone that obtaining the land did not come with any attached strings but that the State had to own that land. However in this case we would be requesting that it be dedicated to Lubbock MHMR's purpose. It is zoned so that it could be used for this purpose.

The board was reminded that funds for these services come from Medicaid and Medicare (Federal and State funds). The State has already committed funds for two sites. We would

need start-up costs of about \$700,000. Ms. Pope reminded everyone that to date no PACE site has failed. It appears that rates are adequate and that in a short time we could make up our debt. We also know that a previous study shows that this is a good deal because through PACE they would be paying less than what they are currently paying in Medicaid and Medicare. Former Comptroller Strayhorn and the Comptroller's Office recommended these services because of the cost savings that could be gained.

Ms. Castle stated that she has not seen any signals that this would not be a good venture or that there would be a pull out. Fee for service models are very expensive, but this is a model in which providers are wanting to keep people well.

Ms. Castle stated she wanted the audit committee, which has looked at other financial issues to work with us over the next several months to provide the full board with recommendations so that whatever risk we take, we take together. We want the board fully engaged in the decision making process. An example would be the review of second year assumptions and hard case scenarios. Ms. Castle reviewed a document that depicted the historical debt incurred by the Center.

Ms. Lucas added that if we borrowed \$3 million in 2007 then our debt, including what is owed for 10th St. and 19th St. would be \$3.1 million. We would need \$700,000 for start up and in year one we would break even (if we paid a \$25,000 monthly payment). Year two we would project having \$1 million dollars in surplus. We would have it all paid back within five years.

There are several possibilities for fund raising efforts; however we have not been very successful with some of the foundations that we have applied to. We still have possibilities available through the Osteopathic fund and with the Meadows Foundation. We would like your approval for moving forward with an idea to host an Americana Musical Series with the Sweet Adelines helping in this benefit concert in January 2008. We anticipate we could make about \$20,000 through that one concert by selling 1,400 tickets.

Another fund raising option that was reviewed by Ms. Castle is the \$25,000 from the Osteopathic fund. At the time of the original award of \$25,000, we withdrew the application when we were delayed with regard to the CH Foundation. We anticipate that we will be submitting another funding request in August. Ms. Castle stated that she had authorized the letting of the RFP so we could get more information about potential architectural firms.

Mr. Hollinshead made the recommendation that the Center pursue obtaining the land from the City and that the Center bring together the members of the Audit Committee to review the data related to the financial aspects of PACE in more detail. Ms. Gipson seconded the motion. The motion carried unanimously.

Staff and board members discussed once again the issue of transportation. Ms. Pope informed the board that PACE would require us to provide transportation as part of treatment.

Other discussion included the clarification that if we build a PACE site, the availability of funds from grants would go down considerably. However, monies could be obtained for vehicles, medical equipment, etc. No one wants to fund bricks and mortar.

Ms. Pope believes that we would consider a request of 4-8 acres. It behooves us to look at the long term possibilities.

Mr. Hollinshead made the motion that the Center be allowed to move forward in its fund raising effort, specifically the Americana Music Series. Ms. Gipson seconded the motion. The motion carried unanimously.

3. Lonnie Gary House

Ms. Lawson reminded the board that several months ago we had a purchaser for the Lonnie Gary House. We were in a lease to own type of a situation; however, they are now in the process of defaulting on the contract. The purchaser did not receive the funding they believed would allow them to operate a program for aged individuals. However, we have received \$8,000 in lease payments to date, thus offsetting some maintenance and upkeep fees. The commitment the purchaser did make regarding the 66th St. property is still moving forward. The Center is currently looking at options about what to do with the Lonnie Gary property and will keep the board apprised.

C. Goal 2-Financial Resources and Risk Management

Focus Area 1-Compliance

1. Audit Report

Ms. Pope provided a summary of recent audit findings, substituting for Ms. Johnston. She reported that the Plan of Correction for the Annual Quality Management Review of HIV, OSAR, COPSD and Methadone program has been approved

She indicated that the Department of Family and Protective services conducted a review of the CYD grant (Community Youth Development) April 2-6. There were four findings and the Plan of Correction is due July 2nd. We are preparing to send that off.

The Department of State Health Services also conducted a desk review of ATR (Access to Recovery) services. There were four findings. The Plan of Improvement was submitted and accepted. Of the thousands of standards that were reviewed there were only 19 items cited. Ms. Lawson noted that the auditors were very complimentary of the Billy Meeks Center.

Focus Area 2-Fiscal Accountability

1. Financial Report-May FY 2007

Ms. Lawson reviewed the May 2007 financial report. The May Balance Sheet reflects Cash and Investments totaling \$4,334,435. Included in Total Assets are Investments in the amount of \$114,545, Receivables in the amount of \$1,905,932 and Other Assets in the amount of \$801,741. Total Assets for May are \$7,156,653.

Liabilities totaled \$1,662,433 with the center's health insurance plan showing a positive balance in the amount of \$146,347 at this time. It was noted that we had a positive margin of \$78,727 in the fund balance. There is also \$1,437,318 in Deferred Revenues. Total Liabilities and Fund Balance in May was \$7,156,653.

Overall Revenues are below projections by 4.03%. Local Income is over projections by 8.74% or \$88,006. Earned Income is under projection by 8.91% or \$869,908. General Revenue reflects being over projection by .98% or \$68,396.

The Statement of Expense reflects that we are under budget in all areas except in Building expenses and Contracts and Consultants. Salaries & Fringe are under budget by \$728,523, Travel is under by \$56,509, Consumables is under budget by \$80,508, Capital Outlay is under budget by \$85,464, and All Other Expenses is under by \$14,351. Building Expenses are over budget by \$5,634 and Contracts/Consultants are over budget by \$158,489. This expense will continue to grow as we continue to use locum tenems.

The Program Financials for May reflect a positive variance for Essential Services in the amount of \$71,711. Adult Mental Health Services indicate that expenses are over income by \$174,124. This continues to reflect the inability of current rates to sustain services. Child and Adolescent Services had \$4,249 expenses over revenues, Mental Retardation Services had \$134,648 revenue over expenditures and Substance Abuse Services has \$80,896 revenue over expenditures. In total, Provider Services has \$37,171 of revenues over expenses. Fiscal Agent Grants also had \$21,155 of expenses over revenues. Overall, in May the Center had \$87,727 of revenue over expenditures.

Mr. Morton made the motion to approve the May Financial Report as presented. Mr. Edwards seconded the motion. The motion carried unanimously.

D. Goal 3-Human Resources
Focus Area 1-Recoupment and Retention

1. Staff Turnover-3rd Qtr

Ms.Castle informed the board that we were still needing to get additional information regarding turnover data and requested that we bring that to them at the next board meeting.

E. Goal 4-Public Accountability

1. Lubbock: Rugged Past, Thriving Future

Ms. Pope presented to the board the opportunity to purchase the insertion of a historical perspective of the Center for \$13,500. After much discussion of the costs and benefits of the offer, it was agreed that this would not be a way we would invest these funds at this time.

VI. Adjourn

The meeting adjourned at 6:05 p.m.

Approved by

Date