

**Lubbock Regional MHMR Center  
Board of Trustees Regular Meeting  
August 28, 2007- 4:00 p.m.  
1602 10<sup>th</sup> Street – Staff Development Room**

**MINUTES**

**Members Present:** Mike Arismendez, Byron Edwards, Hattie Gipson, Wayne Hollinshead (arrived at 4:14 pm), Bobby Kazee, Harvey Morton, Brian Shannon, Lois Shields, Tina Thompson

**Members Absent:** Wayne Hollinshead (arrived at 4:14 pm),

**Staff Present:** Danette Castle, Cindy Lucas, Cathy Pope, Kent Beistle, Sharon Boles, Tim Carroll, Eileen Coonrod, Mary Gerlach, Helga Gongaware, Jean Hardwell, Robyn Johnston, Beth Lawson, Becky Lusk, Terry McEldowney, Debie Martin, Kay Pippin, Karen Smart, Barbara Trevino, Leonard Valderaz, Rebeca Wallace

**Others Present:** Monti Booth, Eugene Urrutia

**I. Call to Order**

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

**A. Chair Rule on Presence of a Quorum**

Mr. Shannon declared a quorum with eight members (8) members present. Mr. Hollinshead arrived at 4: 14 pm.

**B. Minutes**

The minutes from the board meeting held July 30, 2007, were presented to the members for approval. Mr. Morton made the motion to approve the minutes with the correction of a typo on page 4, changing the word “scare” to “scarce”. Mr. Edwards seconded the motion. The motion carried unanimously.

**C. Membership Appointment**

Ms. Castle stated that we had received word from the County and from LISD regarding appointments and reappointments. The County reappointed Mr. Hollinshead for another term and appointed Judge Drue Farmer to fill the vacancy created by Ms. Thompson’s expired term. We are also very excited and grateful that both Ms. Gipson and Ms. Thompson agreed to serve another term. LISD has reappointed Ms. Gipson. Due to term restrictions imposed by the county, Ms. Thompson was unable to be reappointed by the County, but LISD has agreed to appoint her for another term

**D. Attendance Review**

Mr. Shannon noted that the board bylaws require that an automatic review of Mr. Arismendez’ attendance be conducted due to his not being able to attend two (2) successive Board meetings. Ms. Castle commented that this process allows the board not to have to

make a decision regarding issues related to excused versus unexcused absences. She reported that Mr. Arismendez had missed a rescheduled meeting in June which he had clearly stated that he would not be able to attend. He also missed the July meeting due to his being with family on vacation. Ms. Castle had spoken to Mr. Arismendez and she wants everyone to know that he is very committed to continuing to serve on the board. Ms. Shannon noted the same from his discussion with Mr. Arismendez. No further action was required.

#### **E. Nominations Committee**

Mr. Shannon requested volunteers to serve on the Nominations Committee. The committee will be responsible for recommending a slate of officers for the board at the next board meeting. Election and installation of new officers will occur at the September meeting.

Ms. Gipson, Mr. Morton and Mr. Kazee agreed to serve on the Nominations Committee. Ms. Wallace will assist them in this process.

#### **F. Texas Council Risk Management Fund Elections**

Mr. Morton reported that the terms for three members of the Texas Council Risk Management Fund will expire January 1<sup>st</sup>. The trustees currently holding these positions are: Place 1-Ms. Mary Lou Flynn-DuPart, Place 2-Ms. Jackie Walker, and Place 3 Judge Dorothy Morgan. Mr. Morton made the motion to endorse the current trustees for re-appointment. Mr. Kazee seconded the motion. The motion carried unanimously.

#### **G. Mr. Edwards Farewell**

Mr. Shannon presented Mr. Edwards with a framed certificate of appreciation for the many years of service on the Lubbock Regional MHMR Center Board of Trustees. Ms. Castle expressed her appreciation of Mr. Edwards' contributions and stated that he will be leaving us in a better place than when he first started with the Center.

Mr. Edwards thanked everyone for their support and for allowing him to serve on the board. Mr. Edwards will be missed by all.

## **II. Public Comment**

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

## **III. Texas Council of Community MHMR Center Board of Director's Report**

Before turning the meeting over to Mr. Morton, Mr. Shannon reported that he had spoken with Dr. Tom McGovern recently. Dr. McGovern wants to publicly thank the MHMR staff for their assistance with a young man in crisis and in need of hospitalization.

A brief discussion ensued regarding the past and present interactions between MHMR staff, police and sheriff's deputies when responding to psychiatric emergencies. Ms. Castle indicated that she has met with the City manager and Sheriff Gutierrez in the past and hopes to be engaged in future discussions with both parties.

Mr. Morton indicated that he had attended the Texas Council Board of Director's meeting during Mr. Hollinshead's illness. He reported that many at the meeting expressed concern for Mr. Hollinshead. Ms. Castle assisted Mr. Morton with the Texas Council report.

Ms. Castle reported that a reception was held for Representative Truitt recognizing her support this last legislative session.

Ms. Castle also reported on the retirement reception held for Sandy Skelton. She noted that The Vision of the Future, a board exercise, is an attempt to keep centers with varying opinions to remain involved and engaged in dialogue with one another.

Ms. Castle continued this portion of the meeting by reporting that the search for the new Executive Director of Texas Council continues. The search has been narrowed down to four. One of the finalists is Danette herself.

Mr. Hollinshead suggested that the board sign a letter supporting Danette for the vacant position of Executive Director of the Texas Council. It was agreed that proceeding with this recommendation would be require action for an item not on the posted agenda. Mr. Shannon did, however suggest that Mr. Hollinshead, he or any other member of the board could independently write a letter in support of Ms. Castle. Other board members agreed that this would be a better course of action.

#### **IV. CEO Report**

Ms. Castle reminded those present of the Destination Dignity celebration scheduled for September 13<sup>th</sup>. The awards program is scheduled to begin at 6 pm.

The Lion's Club has agreed to let us host a meeting at the Civic Center on October 16<sup>th</sup> from 11:30 – 1 pm for the purpose of providing information about our services and to thank legislators for their support this last legislative session. If anyone is interested in attending, they should notify Ms. Wallace.

#### **IV. Network Management**

##### **A. Sunrise Canyon Hospital**

##### **1. Hospital Statistics**

Ms. Pope informed the board about organization changes effective September 1<sup>st</sup>, with the new fiscal year. These changes include moving the operation of SRC Hospital from the provider division to Network Management, with Mr. Valderaz being named the new Hospital Administrator. Ms. Gerlach will be providing a much greater focus on forensics and the partnerships with the new County jail.

Mr. Valderaz provided the board with information regarding the July hospital statistics. He noted that in July Sunrise Canyon had a 57% occupancy rate, down from 74% the previous month. The average length of stay for July was 14.27 days, down from 16.6 days in June. The 30 day readmission rate was down to 7.30%, down from 12.5% in June. Mr. Valderaz also reviewed July admissions by Service Packages.

Mr. Valderaz provided the board with a brief review of the 16 incidents that occurred during the month of July.

##### **2. SRC Bylaws**

Mr. Valderaz reviewed the changes made to the Sunrise Canyon Hospital Bylaws. Mr. Morton raised questions regarding recommended changes to the section related to Clinical Privileges. Ms. Booth, the Center attorney addressed the changes and provided needed clarification. It was agreed that ultimately a decision to grant, deny, revise or revoke clinical privileges, lies with the Executive Director and not the consulting attorney.

Mr. Hollinshead made the motion to approve the minutes as submitted. Ms. Shields seconded the motion. The motion carried unanimously.

### **3. Medical Executive Committee**

#### **a. Privileging**

Mr. Valderaz informed the board that Medical Staff Executive Committee is recommending a one year Provisional Appointment, Active Status, Category I as an attending physician to Sunrise Canyon Hospital for Dr. Marsha Spalding. Mr. Kazee made the motion to approve the committee's recommendation. Ms. Shields seconded the motion. The motion was approved unanimously.

### **B. Goal 1-Individual and Organizational Outcomes**

#### **Focus Area 1-Enhancement of Services and Supports**

##### **1. Physician Recruitment**

Ms. Pope was very happy to report that all vacancies have been filled. In addition to Dr. Davidson, we have Dr. Spalding and Dr. Golden. Dr. Vahora will be working half time for us. We also have two physician assistants, one full time and one part time; one doctor of pharmacy. Children's Services has Dr. Kallepalli on contract and Dr. Robertson from the Med School. We are no longer recruiting physicians.

A break took place from 5:15 to 5:30 pm.

### **C. Goal 2-Financial Resources and Risk Management**

#### **1. Board of Trustees Audit Committee Report**

Ms. Shields provided a summary from the most recent meeting of the Audit Committee, first going over the budget and then PACE. She was happy to report that we ended the fiscal year in the black. She also recommended that the Center move forward with the PACE program and hiring a PACE director and a contracting with an architect. Ms. Lucas noted that the committee reviewed the contracts and associated costs and that the committee wanted to close the RFP and move forward with McCormick, a contractor with experience in designing PACE sites. The Committee would like staff to go ahead to contact McCormick and update him on the status of the project.

Mr. Shannon noted that this is a motion from the Audit Committee and needs no second. Ms. Castle noted that this just allows us to put things in motion but we will not go out and borrow funds. There would need to be much further discussion with the board before that happened. A call for questions solicited many regarding funding and start-up date. Mr. Morton inquired about the previously proposed completion date of September 2008. This start date was contingent on a specific construction start date. Ms. Pope reported that we have submitted a recommendation for a PACE Director to Ms. Castle and that we must notify the Feds four months prior to becoming operational. She anticipates that when the building is ready we will be ready to become operational. We will be looking for funding for initial operations from a variety of sources, including grants. The City's conveyance of land will also be considered a donation. We could then go to the CH Foundation and others and show the conveyance of land as a donation that could be matched.

Ms. Lawson reported that the Audit Committee discussed the use of up to \$100,000 fund balance to pay for the salary of the PACE Director and associated costs as there are no revenue sources in the start up year. Ms. Lucas informed the board that since we are developing a Medicaid service, it is reimbursable at 50% through Medicaid Administrative

Claiming (MAC). Ms. Lawson reported that the request for a land donation is on the City agenda for September 13<sup>th</sup>. It was agreed that there would need to be much further discussion in the near future with the board when we lay out the various funding options.

Ms. Lawson drew the board's attention to the architectural figures and noted that there should be an annotation indicating that this figure is indexed for the Lubbock area at 88% of the national average.

Mr. Shannon reminded the board that a motion had been made. All voted in favor of closing the RFP, contacting McCormick and moving forward with the PACE Director position.

## **2. External Review Summary**

Ms. Johnston reported that the Center's appeal to Department of State Health Services regarding the non-compliance sanction had been denied. It was suggested that another letter be submitted noting that we are not appealing the sanction, but requesting a waiver on the sanction.

The Center is awaiting a decision from the Department of State Health Services regarding our request to expend C & A General Revenue on Adult Services.

Ms. Johnston noted that a review of the Texas Home Living Waiver Program by the Texas Department of Aging and Disability Services resulted in no citations. However, a Quality Assurance review of consumer records revealed five elements of non-compliance. A Plan of Correction is due September 4<sup>th</sup>.

## **3. Performance Contracts**

Ms. Johnston reviewed the Mental Health Services Performance Contract for FY 2008 and the Mental Retardation Services Contract for FY 2008-2009. She reviewed service targets, required services and sanctions and penalties that may be imposed.

Ms. Johnston also reviewed FY 08 Substance Abuse Services and respective funding allocations, as well as FY 08 Grant Funding for TCOOMMI, PATH, the Billy Meeks Center, The CYD Grant and HIV Administrative Agency Grant.

## **4. Board Member Affidavits**

A copy of the performance contract, the board member affidavit and associated statutes were made available to each board member. Both Ms. Johnston and Ms. Wallace suggested that they review these materials in anticipation of signing the affidavit at next month's board meeting. Ms. Booth, the Center attorney, has also received a copy and will be available to answer any related questions next month.

## **5. Financial Report-June FY 2007**

Ms. Lucas reviewed the July 2007 financial statements. She dedicated them to Mr. Edwards. The July Balance Sheet reflects Cash and Investments totaling \$4,637,061. Included in Total Assets are Investments in the amount of \$114,545, Receivables in the amount of \$2,081,468 and Other Assets in the amount of \$812,335. Total Assets for June are \$7,645,409.

Liabilities totaled \$1,780,805 with the center's health insurance plan showing a positive balance in the amount of \$73,769 at this time. It was noted that we had a positive margin of

\$72,432 in the fund balance. There is also \$1,822,997 in Deferred Revenues. Total Liabilities and Fund Balance in June was \$7,645,409.

Overall Revenues are below projections by 2.6%. Local Income is over projections by 9.93% or \$121,877. Earned Income is under projection by 6.1% or \$728,735. General Revenue reflects being over projection by .59% or \$50,113.

The Statement of Expense reflects that we are under budget in all areas except in Consumables and Contracts and Consultants. Salaries & Fringe are under budget by \$817,169, Travel is under by \$52,180, Capital Outlay is under budget by \$140,140, Building Expenses are under budget by \$21,441 and All Other Expenses is under by \$13,204. Consumables are over budget by \$31,742, and Contracts/Consultants are over budget by \$340,332.

The Program Financials for July reflect a positive variance for Essential Services in the amount of \$87,065. Adult Mental Health Services indicate that expenses are over income by \$293,576. This continues to reflect the inability of current rates to sustain services. Child and Adolescent Services had \$25,108 revenue over expenses, Mental Retardation Services had \$174,733 revenue over expenditures and Substance Abuse Services has \$95,957 revenue over expenditures. In total, Provider Services has \$2,222 of revenues over expenses. Fiscal Agent Grants had \$16,855 of expenses over revenues. Overall, in July the Center had \$72,432 of revenue over expenditures. At the end of June the days of operation was approximately 66 days.

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

#### **6. Proposed Budget FY 08**

Ms. Lawson provided the board with a review of the proposed FY 08 budget, comparing it to the final FY 07 budget. The proposed budget shows a 40% increase in Local Income, a 3% increase in earned income, a 4% increase in revenues and a 4% increase in expenses. Major expenses that are proposed in FY 08 include: \$14,500 furniture and equipment expense; \$28,026 in computer expense; \$40,000 in vehicle expense and \$49,400 in expenses related to land, buildings and building renovations.

Ms. Shields made the motion to approve the proposed FY 08 budget as presented. Ms. Gipson seconded the motion. The motion carried unanimously.

**VI. Executive Session for the purposes as follows:**  
**Consultation with Legal Counsel regarding pending or contemplated litigation (under Authority of Texas Open Meeting Act Sec. 551.071);**  
**Personnel matter regarding the hospital privileges of Dr. Eli Anderson (Texas Open Meeting Act Sec.551.074)**

Mr. Shannon recessed the regular meeting at 6:28 p.m. The Executive Session was convened by Mr. Shannon at 6:32 p.m.

The Executive Session was concluded at 6:50 pm and the regular meeting was reconvened at 6:50 pm. Mr. Kazez made the motion to revoke SRC Hospital privileges for Dr. Eli Anderson. Mr. Morton seconded the motion. The motion carried unanimously.

**V. Adjourn**

The meeting adjourned at 6:53 p.m.

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Approved by

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Date