

METROCARE SERVICES

**BOARD OF TRUSTEES
MEETING MINUTES OF**

March 27, 2008

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REGULAR MONTHLY MEETING of the BOARD OF TRUSTEES

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A Regular Meeting of the Board of Trustees of Metrocare Services convened at 1:35 p.m. on Thursday, March 27, 2008 at 1360 River Bend Drive, Dallas, Texas.

I. Call To Order/Roll Call

Mr. Cooper, Chairperson, called the meeting to order at 1:35 pm. A quorum was present.

The following Trustees were present:

Mr. Cooper
Ms. Noble
Ms. Ringle
Ms. Rodriguez
Ms. Walton-Brooks
Dr. North

Board Members not Present: Mr. Orr and Mr. Migl

Staff Present: Dr. Baker, Linda Thompson, Dr. Graves, Kyle Munson, Sandy Stephens and other Metrocare staff.

II. **CITIZENS' COMMENTS:** The procedure for public comments was available at the meeting for those interested. No public comment was received.

III. ISSUES TO BE CONSIDERED:

Approval of the Meeting Minutes of February 28, 2008 – Regular Board Meeting:

Mr. Cooper, Chairperson, said the minutes had been mailed out with page 5 sent out under a separate cover due to a printing problem. He called for any comments or corrections to the meeting minutes of February 28, 2008. There were no comments or corrections presented. Ms. Noble moved to approve, seconded by Ms. Walton-Brooks. The minutes of the previous meeting were approved as presented.

Chairman's Report:

- **Board Liaison Report:** Mr. Keesee said the Mental Health Advisory Committee met last on January 4, 2008. He presented the following recommendations that came out of this meeting:

The MH Advisory Committee recommended the acceptance of the appointment to the MH Advisory Committee of Mr. Glen Billingsley.

Mr. Keesee said there were four recommendations to the Board that came out of the MH Advisory Committee and they are as follows:

To improve compliance with the percentage of hospital discharges seen within seven days and to ensure proper assessment after hospital discharge, the committee recommends that the Center management explore the possibility of utilizing the Liaison and RAP services to transport the consumer from the hospital directly to the clinic for clinic triage.

Based on the informal data presented by Ms. Jennifer Torres suggesting that substance using consumers had a higher return rate to the hospital, the committee recommends that COPS-D dual diagnosis training be provided to intensive services that include RAP, ACT Teams and the Forensic Diversion Team.

In response to adherence data presented to the MH Advisory Committee, they recommend that management review customer flow processes that often lead to long waits for medical staff services.

Based on the informal data presented that disproportionate high volumes of African-Americans are hospitalized, the committee requests that management attempt to obtain demographic information from VO for further review.

There were no questions posed for this item.

❖ **Consideration of Approval of Revision to Board Policy 1.06:** Mr. Cooper asked Ms. Stephens to present the proposed revision to Board Policy 1.06.

Ms. Stephens said that changes made to this policy included proper identification of the officers. The office of Secretary/Treasurer was changed to duties of Secretary and the word Treasurer was removed to be in compliance with board bylaws. The major change was a redesign of the Board committee structure.

In response to a question from Ms. Ringle, Ms. Stephens explained that the changes were made to more closely align the committee organization with the organization of Center management. It is hoped that this will facilitate closer connection between Board members and the activities of this center.

Mr. Cooper said that he had suggested starting a Philanthropy Committee and folding the Audit Committee under the Business and Finance Committee. He said he asked Dr. Baker to come up with a proposal and had already reviewed the proposal. The next step was to present it to the Board.

Ms. Ringle expressed her concern that the Board's members would not be able to commit to attend more meetings as this policy requires would likely require. Ms. Stephens said that not every committee need meet every month, and that there could be a rotation so as not to double the meeting burden for those serving on two committees and/or as a Liaison. Ms. Ringle expressed her concern that the committees could not assure oversight if they did not meet frequently.

Ms. Rodriguez said that the proposed structure is reminiscent of another board on which she served. She said that board changed its structure in order to increase Board member participation. It was left to the committee members and to the senior management to decide upon the matters for discussion and frequency of meetings.

Ms. Ringle asked Mr. Cooper if the Center Board had ever functioned without committee meetings. Mr. Cooper responded that this had indeed been done, but that it had been changed in order to increase Board participation. In the model without committees, the Chair and Vice-chair held all of the authority.

Ms. Ringle said that she wondered if it might work in the opposite manner, with more involvement from the Board if the Board worked together on all issues. Ms. Ringle suggested it would likely require only an additional fifteen minutes of Board meeting each month. Ms. Rodriguez said she was concerned that the Board as a whole could not tackle every issue.

Ms. Walton-Brooks moved to accept the Revision to Board Policy 1.06 on Organizational Structure, Ms. Rodriguez seconded. There were 5 votes in favor. Ms. Ringle opposed.

- **Announcement of Committee Appointments, Appointments of Committee Chairs and Advisory Committee Board Liaison Appointments in Accordance with Board Policy 1.06 and 1.08:** Mr. Cooper said he would table this item until next month to allow him more time to make the Committee appointments and name the Committee Chairs.
- **Next Committee/Board Meeting:** Mr. Cooper announced that the next committee meetings would take place on Thursday, April 17, 2008 starting at 11:30. The next full Board meeting will be on April 24th, 2008 starting at 1:30 pm.

Chief Executive Officer's Report:

Consideration of Acceptance of Chief Executive Officer's Report: Dr. Baker referred to page 10371 of the centerwide benchmarks saying he would present some of the highlights of his report.

In February, mental health services was back on track and made budget although it did so a few weeks behind plan. This was due to a strong performance in pharmacy and due to lapsed salaries. He said the revenues are not where they need to be, but efforts remain focused on achieving our goals.

Developmental disability services continue to be strong because of the ruling allowing the Center to use unspent general revenue dollars to restore the Center's fund balance.

Dr. Baker said that an agreement was reached on a settlement on the old DADS HCS recoupment.

Dr. Baker said a meeting is scheduled in mid-April to begin work on a grant for supported housing in conjunction with Metro Dallas Homeless Alliance and Central Dallas Ministries.

Dr. Baker said that on the last ECI audit the auditors remained uncomfortable with the performance of the Center. Dr. Baker received a visit of one their representatives yesterday to talk about this. Dr. Baker said the Center has really been working hard on quantitative measures, but the auditors focus now was more on qualitative measures. Dr. Baker said the plan at this point is to get leadership from Quality Management and Fiscal together with the ECI representative to develop a plan that is comfortable for them. A conference call has been schedule to discuss this plan. Discussion ensued.

Dr. Baker asked if there were any questions related to his report.

There were no questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Ms. Noble moved to approve the CEO's report. Ms. Ringle seconded, motion carried.

Quarterly Report on Development and Community Education:

Ms. Stephens referred to page 10377 for her report and said this communication gives updates on activities that the Development Department has worked on in the last quarter. She said that the department continues its "friend raising" by going into the community and showcasing the Center, speaking of its programs and services, and offering education and information. The applications that have been submitted for funding are listed on the report, as well as the applications that have been approved.

Mr. Ringle asked if Ms. Stephens had applied for the Attorneys Serving the Community – Charity of Choice Luncheon. Ms. Stephens explained that Metrocare was one of the final eight applicants, and that representatives from the group are conducting site visits and will be visiting the Center. The Center's proposal submitted was a capital improvement for renovations at the Eastside Family Clinic that serves over fifteen hundred children.

On the two pages following her report Ms. Stephens provided current grants for Metrocare Services. In response to Ms. Ringle's request for the dollar values of the grants Dr. Baker said they would be sent to the Board.

Ms. Stephens also noted that the Board's handout packet included information about a project the Center just completed in partnership with several businesses in order to help the children in our foster care program. She also noted that renovations for the Lancaster Kiest Clinic are planned to being the following weekend

There were no other questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Business and Finance Committee

Mr. Cooper asked Mr. Munson to present his report.

Fiscal Management Reports:

Consideration of Approval of Financial Report for February 2008 (unaudited): Mr. Munson referred to his report on page 10381 saying that February showed a positive margin of \$238K. Mental health services accounted for approximately \$47K of this margin. Overall the Center is still behind budget by about \$41K, due almost exclusively to the November through February losses incurred by the MH program directly related to the change to a fee-for-service model with ValueOptions. The Center is running behind on the earned revenues with ValueOptions, but this is offset by under-spending on expenses, so that overall there is a \$1.4 million dollar positive position for the year-to-date ended February.

Ms. Noble said that since the Center did not have all of its positions filled, would filling them give the Center the missing revenues. Mr. Munson said that is the basis for the budget, but that most of the unfilled positions are medical and have proven difficult to fill. Recruitment continues. Discussion ensued.

There were no additional questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Ms. Noble moved to approve the Financial Reports for February 2008. Ms. Ringle seconded, motion carried.

Consideration of Approval of Board Resolution to Authorize CEO Signature of ICF/MR Sales Contract: Mr. Munson said that this resolution authorizes Dr. Baker to sign the purchase agreement with EduCare Community Living for the sale of the ICF/MR licenses and properties. Legal counsel for the Center has had opportunity to review the contract. In response to Mr. Cooper's question, Mr. Munson said that none of these monies would go to the bonds accounts. Mr. Munson said the homes were financed under the 93 bonds series and that the funds provided by the sale of the Inwood property satisfied most of the 93 bonds series. Ms. Ringle asked the balance on the 95 bond series. Mr. Munson said approximately \$4.5 million.

Mr. Munson noted that none of the employees working at these homes was displaced. EduCare made job offers to most of the staff already working in these homes, and the remainder were offered positions available at Metrocare.

Dr. Baker said that if this sale goes through as planned it will mark the first time that Metrocare will have positive unrestricted net assets since the beginning of NorthSTAR.

Mr. Drew Dixon of the Arc of Dallas asked for permission and then presented the story of one of the consumers for whom EduCare has shown no hint of hesitation to accommodate his needs. Mr. Dixon said they are very pleased that Metrocare is staying involved because these kinds of oversight do need to take place. Discussion ensued.

There were no questions posed for this item.

Ms. Noble moved to approve the Board Resolution to Authorize CEO Signature of ICF/MR Sales Contract to execute the same. Ms. Walton-Brooks seconded, motion carried.

Consideration of Acceptance of FY 08 Second Quarter Reports on Finance, Human Resources and Information Services:

Mr. Munson summarized the following areas in his report:

- Financial Investments:
Securities Investments up from previous quarter by almost \$330K
- Salary Adjustments > \$5,000:
This period there were no reportable salary adjustments.
- Community Services Contracts > \$100,000:
These are primarily the contracts paid to the general revenue providers. The Center has spent over \$2.1 million on the external service providers for the six months ending February.
- Non-Community Services Contracts > \$25,000:
The only item that applies to the non-community services contracts is the contract with the firm of Scott, Singleton and Fincher for the external audit. The final payment of the FY 07 audit was \$39,500.
- Leases > \$25,000:
Metrocare has one lease whose value exceeds \$25,000. This lease is the Planet, our data center location. This cost approximately \$7,200 a month.
- Legal Expenses: These were consistent with prior quarters
- Goods, Supplies, Equipment and Capital Assets > \$15,000:
 - Renovations to L/K Facility \$78,102.39
 - A/C and heat repair – Replace heating units at Zang \$18,481.23

- A/C and heat repair \$20,720.00
- Participation by Historically Underutilized Businesses (HUB):
This was consistent with previous quarters.
- Human Resources:
Three primary metrics of quality are followed:
 - Employee turnover
 - Time-to-hire
 - Employee training - Employee training is non-compliant due to the high number of new hires in the last 3-4 months. This is expected to go up in the next 35 to 60 days as part of the merit process.
- Information Technology Project Update:
Mr. Munson presented a quarterly status summary report of critical Information Technology projects for software development and integration, as well as network management projects and initiatives. He said this is only 1% of the projects the new IT Director, Mr. Jeff Griffin is working on.

There were no questions posed for this item. (Please refer to the March 27, 2007 Board packet for a detailed account of this report).

Ms Noble moved to accept the FY 08 Second Quarter Fiscal Reports. Ms. Ringle seconded, motion carried.

Consideration of Approval of Revision to Board Policy 5.01 on Human Resources Management and Development: Mr. Munson referred to page 10405 of his report and said that the modifications to this board policy reflect the current name of the Center and verification of references to current statutes in the Texas Health and Safety Code, Texas Government Code, Texas Local Government, and the Texas Administrative Code and language change to the Mission Statement.

There were no questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Consideration of Approval of Revision to Board Policy 4.10 on Contributions to the Center: Mr. Munson referred to page 10410 of his report and said that there were no substantive changes to this board policy. The modifications to this policy reflect the current name of the Center and the language of the mission statement of the organization. There were no changes to the body of the policy or the references to current statutes in the Texas Health and Safety Code and the Texas Administrative Code.

There were no questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Ms. Ringle moved to accept the Revision to Board Policies 4.08 on Lease Property and Revision to Board Policy 5.01 on Human Resources Management and Development. Ms. Rodriguez seconded, motion carried.

Service and Program Committee

Ms. Noble said that the Service and Program Committee did not meet last Thursday. Ms. Noble asked Dr. Graves to present his report.

Consideration of Acceptance of Service Delivery Report for February 2008: Dr. Graves said that, as previously reported, there are six vacant advanced practice nurse positions that have been difficult to fill. An evaluation is underway of current salaries versus market salary. Some innovations are being proposed regarding staff incentives and clinic flow problems that result in long waits and consumers being turned away are also being addressed. Discussion ensued.

A focus on clinical outcomes continues. There has been an aggressive follow up of hospitalizations. A daily report is received from ValueOptions with information on consumers that have been hospitalized and this results in a very thorough review from the team level through Dr. Graves. These are reviewed on a daily basis.

The Texas Home Living Program received its annual audit by the Department of Aging and Disability Services (DADS) and was recertified. Two Intermediate Care Facilities for Mental Retardation (ICF/MR) homes were also recommended for recertification, Community Living Residence III and IV (CLR III & CLR IV).

Ms. Noble noted the deficiency regarding dental services and asked if the Center is trying to get improve healthcare access for consumers. Dr. Baker said the Center is working on an agreement with local doctors who would like to offer physical health care at one of the clinics. Mr. Munson said a contract was sent to the Center's legal counsel earlier this week for review and submitted back to the interested parties with changes. An agreement is expected to be in place within a couple of days.

There were no other questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Ms. Noble moved to approve the Service Delivery Report for February 2008. Ms. Rodriguez seconded, motion carried.

Consideration of Acceptance of Revision to Board Policy 1.09 on Policy on Support of Families and Consumers Serving on Center Committees: Dr. Graves said that there were no major changes to this policy. Updates to this policy include changes to reflect its relationship to the current mission and values statement of the Center, changes to reflect the current name of the Center, refinement of statutory references, a change in form from "shall" to "may" in Section 2, so that it is consistent with state statute, and a revision to quality indicators to reflect current practice.

There were no questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Ms. Noble moved the adoption of the Revision to Board Policy 1.09 on Support of Families and Consumers Serving on Center Committees. Ms. Walton-Brooks seconded, motion carried.

Consideration of Acceptance of FY-08 Second Quarter Report on Service Delivery: Ms. Thompson said that a round table was held in October involving the Local Regional DADS office and the Agency on Aging to talk about making the front door services easier to access for all consumers coming through the various program front doors. One of the agreements was that Metrocare would create a shared screening tool. Training on the tool is scheduled for May. Evercare will also participate in the training. It provides the care management for people with Medicare and Medicaid benefits.

The Center's IT department is in the process of working on making the screening tool electronic. They are presently looking at cost.

There were no questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Consideration of Acceptance of Quality Management Report for February 2008: Ms. Thompson said that Quality Management activities continue on enrollment activities for HCS services.

Quality Management has also focused on ValueOptions (VO) audits. She said VO has implemented weekly visits to verify the accuracy of the Medicaid billing. Metrocare continues to work with the staff identified with the issues that surface around these audits.

During the month of February DADS conducted a review of the encounter data submitted over the last year to the department. Out of the twenty-eight areas reviewed, Metrocare was cited on four. The Center will be working on a corrective action plan addressing those areas. Ms. Thompson said a number of these issues relate to incorrect reporting by some of the providers in the network. There is also a problem with billing of Medicaid for individuals in waiver services. Instead of billing for Medicaid they are billing general revenue. Staff is working internally to get this corrected. She said DADS wants staff to start splitting the services instead of placing everything under one single code. They need more accurate data when they go in front of the Legislature.

There were no other questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Consideration of Acceptance of FY 08 Second Quarter Reports on Quality Management and Research: Ms. Thompson said that this report presents Joint Commission activities. The areas in the performance improvement standards requiring work have been identified.

There were no specific research activities during the last quarter.

Referring to page 10432 of the DADS Performance Measures, Ms. Thompson said the State added the interest list measure to the performance reporting. Every individual on this list must be contacted over the year regarding continued interest on remaining on this list. At the time this report was developed staff had exceed target at 73% (outcome target 2nd Qtr 50%).

Compliance Activities focused on issues with Medicaid requirements. Staff continue to work on this particular issues.

There were no other questions posed for this item. (Please refer to the March 27, 2008 Board packet for a detailed account of this report).

Ms. Noble moved the acceptance of the Quarterly reports presented by Ms. Thompson. Ms. Rodriguez seconded, motion carried.

EXECUTIVE SESSION: There were no issues requiring an executive session.

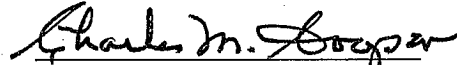
Mr Cooper asked if there were any other issues. Ms. Ringle expressed her concern about the outcome of last month's officer elections, held in her absence. She noted her understanding that ours was the only large Center in Texas without minority (including both race and

gender) representation among its Chair and Vice-Chair.

Ms Noble reminded the Board of March for Respect, scheduled for Saturday.

- IV. **MEETING ADJOURNMENT:** There being no further business to come before the Board, on motion duly made, seconded and carried, the meeting adjourned at 3:00 pm.

Minutes approved by:


Charles M. Cooper, Chairperson

Minutes recorded, transcribed and distributed by:
Martha L. Toscano
Assistant to the CEO and Metrocare Board of Trustees