

METROCARE SERVICES

**BOARD OF TRUSTEES
MEETING MINUTES OF**

February 26, 2009

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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 1:30 p.m. on Thursday, February 26, 2009 at 1360 River Bend Drive, Dallas, Texas 75247

I. Call To Order/Roll Call

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

The following Trustees were present:

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

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

II. EXECUTIVE SESSION: Mr. Cooper said the first item on the agenda is the Executive Session. Mr. Cooper said that Mr. Orr had requested that the Executive Session be moved to the end of the meeting to accommodate his schedule. Mr. Allbright objected. On the advise of Counsel, the motion was put to vote. Mr. Orr moved to approve moving the Executive Session to later in the Board session, Ms. Noble seconded. Discussion ensued.

Ms. Ringle said that Mr. Allbright had requested this item be placed at the beginning of the agenda when the Special Called meeting was cancelled and she asked that his request be honored. Mr. Allbright said that he wanted to reiterate that the reason he asked that the Executive Session be placed at the first of the meeting was so that people would be fresh as these are issues that are important. He said that he was not the only one who had requested that the agenda be first.

Mr. Orr said that that an Executive Session is listed in both places and there was nothing wrong with moving it to the end, after the Board was finished with its regular business.

The Chairman called a vote on the motion. Mr Cooper, Mr. Orr, Ms. Noble, Ms. Walton-Brooks and Ms. Rodriguez voted "yes." Mr. Allbright, Ms. Ringle, Mr. Jeffery and Dr. North voted "no." Motion carried.

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

IV. ISSUES TO BE CONSIDERED:

Approval of the Meeting Minutes of January 22, 2009 – Regular Board Meeting: Mr. Cooper called for comments or corrections to the meeting minutes of January 22, 2009. Ms. Noble referred to page 011010 the fourth sentence of the fourth paragraph and said that should read, "The Executive Committee will have one representative elected from each of the center size-groups."

Ms. Ringle referred to the same page, seventh paragraph, fourth sentence under "CEO Search Committee" and said she was not sure that correct notice for a Board committee meeting had been provided, and so she was not sure that the committee had actually met. She asked Mr. Barnes for his opinion.

Mr. Barnes said that a group of people who were working on the subject did come together. Mr. Allbright said that since only three Board members were assigned to this subcommittee, perhaps this did not require notice. Mr. Orr said what had occurred was a working session.

Ms. Ringle suggested the minutes be corrected to read: "The human resources department developed a draft of a job posting and Mr. Munson then posted it in the major newspapers around the state. Mr. Munson met with Ms. Noble and Mr. Orr to develop a process to narrow down the applicants."

Mr. Cooper moved to approve the minutes as corrected. All were in favor. Motion carried.

Chairman's Report:

Board Liaison Report: Ms. Sifuentez presented a summary of the Intellectual and Developmental Disability Planning/Network Advisory Committee (IDD PNAC) meeting.

Ms. Sifuentez said that the IDD PNAC met on Tuesday, February 10th. At that time, Ms. Thompson presented the Quality Management report and said Home and Community Based Services (HCS) enrollment activities continue for HCS individuals residing in the community. Two hundred and sixty five slots have been authorized for Dallas County residents.

An overview of the Aging and Disability Resource Connection was presented, along with initial advertising material for the project.

Mr. Thompson presented critical incident data for the provider network.

Ms Sifuentez told the Board that the subcommittee reviewing the need for a group home option as part of Metrocare's HCS program presented their proposal to the full committee. There was extensive discussion regarding the cost and the center's ability to operate within the rate. The PAC recommended sending the proposal to Dr. Baker for his review.

For Board training, the PAC recommended that Board members shadow a service provider to gain a better understanding of consumer needs.

There were no questions posed for Ms. Sifuentez.

Annual Election of Officers in Accordance with Board Policy 1.06: Mr. Cooper asked Mr. Barnes when did the newly elected officers take their seats. Mr. Barnes responded that they do so when they are elected.

Mr. Cooper opened the floor for nominations for Chair, Vice-Chair, and Secretary.

Mr. Orr nominated Ms. Noble for Board Chair, Mr. Jeffery nominated Ms. Ringle for Board Chair.

Mr. Cooper asked for a vote. Mr. Orr, Ms. Rodriguez, Ms. Walton-Brooks, Ms. Noble and Mr. Cooper voted for Ms. Noble. Mr. Jeffery, Mr. Allbright, Ms. Ringle and Dr. North voted for Ms. Ringle. Mr. Cooper announced Ms. Noble had the majority of the votes.

Ms. Noble nominated Ms. Rodriguez for Vice-Chair. There were no other nominations. Mr. Cooper called for a vote. The vote was unanimous for Ms. Rodriguez as Vice-Chair, with Mr. Allbright and Ms. Rodriguez abstaining.

Ms. Rodriguez nominated Ms. Walton-Brooks for the Secretary position. There were no other nominations. Mr. Cooper called for a vote. The vote was unanimous for Ms. Walton-Brooks as Secretary of the Board, with Mr. Allbright and Ms. Walton-Brooks abstaining.

At this time Mr. Cooper presented Ms. Noble, the newly elected Madame Chair, with the gavel.

Announcement of Committee Appointments in Accordance with Board Policy 1.06: Ms. Noble tabled this item until next month.

Announcement of Advisory Committee Board Liaison Appointments in Accordance with Board Policy 1.08: Ms. Noble tabled this item until next month.

Announcement of Appointment of Committee Chairs in Accordance with Board Policy 1.06: Ms. Noble tabled this item until next month.

Chief Executive Officer's Report:

Consideration of Acceptance of Chief Executive Officer's Report: Dr. Baker referred to page 11018 saying that the center's primary struggle over the last month continued to be meeting budget. Metrocare continues to work on building a relationship with the managed care organization (MCO). A couple of concessions were received in February around fees for pharmacy services for name-brands retroactive to the first of January. A verbal concession was received around the rates the MCO pays for group-based services. Metrocare has signed the contract amendment with V/O, we are still waiting on V/O to sign it.

Dr. Baker said the center has seen improvement in the managed care funded service performance revenue in the last month on a per-day basis, with an increase of 17% since the first of the fiscal year. The per-FTE revenue has increased approximately 20% over the first of the year, consequently the deficit on these services has been diminishing by approximately 60% in each of the last two months after the deficit peaked in November.

Dr. Baker said he had met with the MCO the day before yesterday and they requested a return to a capitated financing model, as the center had operated under for approximately eighteen months until last year. Metrocare suggested that the MCO ask DSHS about this. It had been the State that was not comfortable with this when it was used before.

Dr. Baker said that management wants to be good partners with the MCO, as long as we are able to do so in a way that protects the Center and also the consumers we are here to serve.

Dr. Baker referred to Ms. Sifuentez report regarding the idea that the IDD PNAC would like for this center to have a provider of last resort, HCS group home. He said that HCS is in the process of responding to a national requirement that it unbundled its rates and in doing so they are cost shifting a lot of dollars into group homes. The Center is running a model based on this, and will present it for Board approval at next month's meeting.

There were no questions posed for this item.

Ms. Noble entertained a motion to accept the centerwide benchmark report. Mr. Cooper moved to approve, seconded by Ms. Rodriguez. All were in favor, motion carried.

Finance and Administration Committee

Mr. Orr said that the committee met last week and asked Mr. Munson to present the Financial Report for January.

Consideration of Approval of Financial Report for January 2009 (unaudited):
Mr. Munson referred to page 11027 the summary of the current months Statement of Revenues and Expenses and said that as Dr. Baker previously mentioned the center has seen a remarkable improvement in revenues. Productivity from staff out in the field over the last couple of months has shown remarkable improvement. For the current month the center exceeded its target for earned revenues. Year-to-date there is still a shortfall.

For the current month the center showed a lost of (\$135K) combine for the agency.

Mr. Munson referred to the Salary and Fringe Benefits column and said the negative variance this month is the result of a prior month accrual.

The negative variance in the purchase services is primarily the funds that are being spent in the Center For Children with Autism. The funds being used for the purchase of outside consultants is creating a negative variance here. This was not originally part of the budget.

There were no questions posed for this item. (Please refer to the February 26, 2009 Board packet for a detailed account of this report).

Mr. Orr said this was a committee recommendation. Ms. Noble said a second is not required coming from a committee. Motion carried.

Review of Activities of CEO Search Committee: Mr. Munson said that a working session occurred with members of the search committee and they formalized the job posting for the CEO position. Several ads were placed in the *Dallas Morning News*, *Forth Worth Star Telegram*, and the *Austin American Statesman*. A total of 314 applications were received. At this point activities are suspended pending guidance from the Board.

Ms. Ringle asked for clarification on Mr. Munson's report where it read, "In addition, the search committee has received input from various resources and contacts." Mr. Munson said this refers to e-mails received, one of them being from Dr. Jim McDermott from Tarrant County MHMR. Mr. Munson offered to forward this e-mail to Ms. Ringle.

There were no questions posed for this item. (Please refer to the February 26, 2009 Board packet for a detailed account).

Review of Center Compensation Plan, with Specific Reference to Compensation of Managers: Mr. Munson said that this is an overview of the methodology on how the center manages compensation for its Chief Executive Officer, the senior staff and for direct-reports to senior staff. Both the board policy that ties to this, as well as an administrative procedure that outlines the process, are included in the report.

There were no questions posed for this item. (Please refer to the February 26, 2009 Board packet for a detailed account).

Update on Hillside Campus Sale Inquiry: Mr. Munson said that last month the center presented the Board with an appraisal as requested for the Hillside campus. An on-site analysis of the programs at the Hillside campus is being performed as part of an evaluation of space needs for programs located there.

Mr. Munson said the plan is to determine the kind of space needed, whether it is clinical or office space, the best area for the program in the community, and a true replacement cost for Metrocare associated with the move. The intent is to have the evaluation of the space needs completed within the next thirty days.

Conversations with INCAP continue.

Mr. Munson said he did not have an ETA yet, but the center is expecting that study.

There were no questions posed for this item. (Please refer to the February 26, 2009 Board packet for a detailed account).

Report of the Provider Services Committee

Ms. Noble asked Ms. Rodriguez to present the Provider Services Committee report.

Ms. Rodriguez said that the committee had met the prior Thursday. She asked Mr. Clark to present a summary of his report.

Consideration of Acceptance of Service Delivery Report for January 2009: Mr. Clark said his report for mental health services remains the same as when he presented last Thursday. He provided a summary of the same.

Mr. Clark said that MH revenues have steadily increased since January and this trend continues through February. He said a couple of factors helping this is the workforce appears to be stabilizing. At the moment there are 4 Qualified Mental Health Professional vacancies (QMHP's). All the rest are filled across the center. The speculation around this is that the general economy is affecting this in some degree. An additional week of new employee training providing our vocabulary, progress note writing and treatment plan development has also been added to expose staff to what is expected of them at their units. This additional training has provided staff confidence and they appear comfortable when they report to their units. Before this training staff were leaving before they became establish.

The center received a grant in the amount of \$750K from the W.W. Caruth Jr. Foundation at the Communities Foundation of Texas to assist homeless people presently residing at the Bridge, Dallas' new homeless center with housing assistance and intensive case management. It is projected that this will be operational by early March. Seven people have already moved into the apartments identified for this program. Staff members are completing the paperwork to move an additional 3 to make it a total of 10 individuals.

There were no other questions posed for this item. (Please refer to the February 26, 2009 Board packet for a detailed account of this report).

Ms. Noble said this was a committee recommendation and does not require a second. All were in favor. Motion carried.

Developmental Disabilities Provider Services: Ms. Cosens said her report was presented last Thursday at the committee. She provided a summary of the same.

Ms. Cosens said there were three minor modifications to last weeks' committee report for Developmental Disability Provider Services.

The 2007 and 2008 ICFR/MR audit has been completed over the past several months. They did an on-site visit last week and finished out two days this week. A summarization hearing will be received within the next month. This will be presented to the Board when it is received.

The Texas Home Living Survey and Certification team entered today to perform its annual survey.

Home and Community Based Services (HCS) program received a recoupment request for a billing and payment audit performed in January for \$24K. An arbitration request is being made.

Ms. Cosens said the rest of her report stands as presented at the committee.

Ms. Rodriguez spoke of a visit she paid the Pathways Clinic a couple of weeks ago and encouraged all fellow Board members, as time permits, to visit one of the clinics. She said they would gain great appreciation from the work done by staff. She said the work staff do is a lifeline for many people.

There were no other questions posed for this item. (Please refer to the February 26, 2009 Board packet for a detailed account of this report).

Ms. Noble said this was a committee recommendation and does not require a second. All were in favor. Motion carried.

Report of the Quality and Authority Services Committee

Ms. Noble asked Ms. Walton-Brooks to present the Quality and Authority Services Committee report. Ms. Walton-Brooks said that the committee had met the prior week and asked Ms. Thompson to present her report.

Consideration of Acceptance of Quality Management Report for January 2009:

Ms. Thompson said Quality Management staff worked with staff from the Homeless Services Program to develop a Corrective Action Plan (CAP) to increase the number of individuals being screened for this program. In the month of December the City of Irving expressed concern on the low number of individuals being admitted to this program. To date the City of Irving is satisfied with the outcome of this marketing strategy to increase the census.

Ms. Thompson referred to the second page of her report, HCS Enrollments to date and said the issues impacting the enrollments for the individuals identified are several; 1) the delayed response from families to identify a provider of services 2) checking that the individual has Medicaid, if not processing the application to get it in place, 3) whether staff succeeded in making contact with the individual. As the enrollment process continues Ms. Thompson will continue to provide this report.

There were no questions posed for this item.

Overview of Current Board Policies: Ms. Thompson said this information was provided in full at the committee and at the request of committee members a Board Policy manual with updated policies was provided.

Ms. Ringle asked if these were state statutes. Ms. Thompson said yes. Ms. Ringle referred to page 11062 last sentence of the last paragraph and said she did not know which commissioner this was referring to. Ms. Thompson said most of our regulations are from the Texas Administrative Code and the Texas Health and Safety Code. She said most of the rules around mental health centers are found under Section 534 of the Texas Health and Safety Code.

Ms. Ringle said these are guidelines, but our Board policies don't have to absolutely reflect this. Mr. Allbright said they just can't be in conflict with.

There were no additional questions posed for this item.

Ms. Noble said this was a committee recommendation and does not require a second. All were in favor. Motion carried.

Report of the Philanthropy Committee

Ms. Noble asked Ms. Ringle to present the Philanthropy Committee report. Ms. Ringle said that the committee had met the prior week and thanked Ms. Stephens for the thank you notes she provided. Ms. Ringle encouraged the rest of the Board to

send out the thank you notes if they had not already done so.

Consideration of Acceptance of Development and Community Education Report for January 2009: Ms. Stephens thanked the Board members for their calls and their acknowledgements. She said she knew quite a few had already written their thank you notes and thanked them on behalf of Metrocare.

Ms. Stephens said her report presents all the applications that have been mailed out to different foundations or organizations. She said many of their portfolios are down, but by law they have to continue giving out money.

Ms. Stephens said her report always includes current grants the development team is currently implementing and how they are doing with those, as well as a calendar with the activities of the development team and the meetings they've attended during the month.

Ms. Stephens said they are very excited with the opportunity to start an Auxiliary to help with activities at Metrocare. She spoke of the event coming up on March 5, where a friend of Metrocare has opened her home for a tour and the first Auxiliary meeting. She said this is a great opportunity to provide information on who Metrocare is and what it does. To date 55 reservations have been received. This Auxiliary will not only be for women, but for men as well.

Mr. Allbright thanked Ms. Stephens and staff for their help with his birthday party fund raiser. He said the goal is to raise \$10K for the Eastside Family Clinic to purchase play therapy equipment.

Ms. Stephens thanked Mr. Allbright for his efforts in friend-raising for Metrocare.

Ms. Stephens spoke of the upcoming event with Brooks Bros., where Metrocare will receive 10% of all that night's proceeds. She said this is another opportunity for a different circle of influence, a different group of people to hear about us.

Ms. Stephens said other initiatives include revitalizing services in Grand Prairie. Twenty three hundred cards were mailed out to people residing in that vicinity informing them of our services.

There were no questions posed for this item.

Ms. Noble said this was a committee recommendation and does not require a second. All were in favor. Motion carried.

Mr. Orr requested to speak to the Board, Ms. Noble granted him the floor.

Matter of personal privilege: Mr. Fred Orr

Mr. Orr commended each of the Board members for their services, saying this was his "Swan Song," as he had exceeded/served out his unexpired term and two others. He said his replacement would likely come next time and he wanted this opportunity to put something on the record.

TDMHMR (Texas Department of Mental Health and Mental Retardation) appointed a management team to assume control of the Center beginning in early 2002.

He was appointed soon thereafter, due in part, to his experience in the Texas Legislature. He was in the Texas House when the inaugural legislation was drafted and became laws. Subsequently, he served as VC of the public health committee.

The agency was in dire circumstances. The highlights of our conditions at the time are as follows:

- Old debt of \$5.3mm
- Delinquent taxes (including withholding taxes) and pension match - \$1.5mm
- \$800K IRS penalties
- \$700K overpayment to ValueOptions. A total of (\$8.3mm) negative on the balance sheet.

Not a pretty site. Not a place one would choose from community services.

He was informed of the conditions of DMS and was requested to come and serve as we began the mammoth job of turning it around. I accepted, not fore the job characteristics, but for what it means to our citizens who need help/assistance not generally available otherwise.

The state management team with my concurrence appointed Dr. Baker as an on-site CEO in July 2002 and hired Kyle Munson as CFO in September 2002. We began the process of recovery.

In less than a year (March 2003) the debt was to \$2.7mm, representing only overpayments to VO, and a loan from TDMHMR of \$1.5mm that we use to pay delinquent taxes and pension matches.

BY THIS TIME THERE WAS \$1.2MM IN THE BANK AND THE CENTER SERVED OVER 9,000 CUSTOMERS IN THAT QUARTER. (LESS THAN A YEAR).

One year later (Spring 2004) all debt was paid off. Except the \$1mm due TDMHMR and that was paid off by the end of fiscal 2004 all the while the balance sheet reserves were at 42 days and while unduplicated served was up to 12,000 in the last quarter of 2004.

Since that time, the Center has had positive net income in each year and its unrestricted net assets, which were \$4. Fiscal year 2008, almost 22,000 MHMR consumers were served in addition to the number of developmental disability consumers served has tripled to almost 6000 last year.

Mr. Orr said he was proud to have been a part of this outstanding agency and what it is all about. It is complex and multifaceted. A fact validated recently by Jim McDermott at a breakfast meeting.

Mr. Orr wanted to publicly thank Dr. Baker for his steadfast/dedicated/outstanding job during this critical time.

Ms. Noble thanked Mr. Orr for his speech.

V. **EXECUTIVE SESSION:** At a duly posted meeting of the Board of Trustees of Metrocare Services, wherein a Quorum of the Board of Trustees first convened in Open

Session, a portion of the meeting was closed after the presiding officer announce that a Closed Session would be held and identified the section(s) 551.074 and 551.075 of the Open Meeting Law under which the closed meeting was to be held. The Board went into closed session at 2:35 pm.

- VI. OPEN SESSION RECONVENED:** The Board Meeting reconvened at 3:45 p.m. The Madame Chair reported that there was no action taken during Executive Session.
- VII. MEETING ADJOURNMENT:** There being no further business to come before the Board, on motion duly made, seconded and carried, the meeting adjourned at 3:47 pm.

Minutes approved by:



Verlean Walton-Brooks, Secretary

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