



LAKES REGIONAL COMMUNITY CENTER
REGULAR MEETING OF THE BOARD OF TRUSTEES

You are invited to join the LRCC Board of Trustee's Meeting

Wednesday, August 24, 5:00pm

Location: Rockwall Connections Training Center or Zoom
1525 Airport Road, Rockwall

Start Time: 5:00 PM

Join Meeting by Zoom:

<https://us06web.zoom.us/j/87915550982?pwd=RGtzeGZXNnV3SDdzOEd1Qm1Pc2Vldz09>

Meeting ID: 879 1555 0982

Passcode: 333964

Join Meeting by Phone:

346-248-7799

Meeting ID: 879 1555 0982

Passcode: 333964

BOARD MEMBERS

	<i>Print Full Name</i>		<i>Signature</i>
1	Tom Brown, Chair	Hunt County	
2	Shae Green	Rockwall County	
3	Margaret Webster	Kaufman County	
4	Dana Sills	Hopkins County	
5	Steve Earley	Lamar County	
6	Carrie Hefner	Camp County	
7	Lisa Heine	Ellis County	
8	Frances Neal	Titus County	
9	E. P. Pewitt	Morris County	
10	Marti Shaner	Navarro County	
11	Sheriff Ricky Jones	Franklin County	
12	Jan Brecht-Clark, Ph.D.	Delta County	

EX OFFICIO MEMBERS

13	Sherriff Singleton/Designee	Delta County	<i>Charla Singleton</i>
14	Sherriff Tatum/Designee	Hopkins County	

LAKES REGIONAL STAFF AND GUEST

1	John Delaney	<i>P</i>	
2	Erwin Hancock	<i>P</i>	
3	James Williams	<i>A</i>	<i>- DiDi Thurmon</i>
4	Kellie Walker	<i>P</i>	
5	Jessica Ruiz	<i>P</i>	
6	Laurie White	<i>P</i>	
7	Larry Jonczak	<i>P</i>	
8	Tammie Johnson	<i>P</i>	
9	Judy Dodd	Recording Secretary	<i>P</i>
	GUEST:		

LAKES REGIONAL COMMUNITY CENTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
WEDNESDAY, AUGUST 24, 2022, 5 PM

MEETING TO BE HELD IN PERSON AND VIA ZOOM
AVAILABLE TO THE PUBLIC:

You are invited to the LRCC Board of Trustees Meeting.

Zoom link for Board of Trustees Meeting, Aug., 24th, 2022

Location: Rockwall Connections Training Center
1525 Airport Road, Rockwall

Start Time: 5:00 PM

Join Meeting by Zoom:

<https://us06web.zoom.us/j/87915550982?pwd=RGtXeGZXNnV3SDdzOEd1Qm1Pc2Vldz09>

Meeting ID: 879 1555 0982

Passcode: 333964

Join Meeting by Phone:

[346-248-7799](tel:346-248-7799)

Meeting ID: 879 1555 0982

Passcode: 333964

AGENDA

AGENDA NUMBER	TOPIC
08.01.22	CALL TO ORDER <ul style="list-style-type: none">Roll Call / Introduction of Guest.
08.02.22	APPROVAL OF MINUTES <ul style="list-style-type: none">Regular Board Meeting Minutes of July 27, 2022
08.03.22	COMMENTS FROM CITIZENS <p><i>Presentations are limited to three minutes per person and must pertain to an agenda item. The Board reserves the right to limit the number of speakers and/or the length of comments on any topic. Citizens wishing to address the Board must register prior to the start of the meeting.</i></p>
08.04.22	COMMITTEE MEETING REPORTS <p>Budget Finance and Human Resource Committee Meetings. Scheduled to be held prior to Board Meeting – agenda attached. Meeting was held by Zoom and In-Person (at same location):</p> <ul style="list-style-type: none">Action: Report on recommendation on FY 23 Budget/Finance proposal for consideration of the full Board of Trustees.Action: Report on recommendation on FY 23 Insurance Coverage.

LRCC Board of Trustees Meeting Agenda

- 08.05.22** **RECOMMENDATIONS FOR APPROVAL**
- Review and take possible action on Public Funds Investment Act.
 - Review and take possible action on Charity Care Policy.
 - Motion to approve Resolution Authorizing the Opening of New Bank Account (“PAYPAL”). – Attached
 - Review and take possible action on Budget/Finance Committee recommendation for FY’23 Budget.
 - Review and take possible action on Human Resource Committee recommendation for FY’23 Insurance Coverage.
- 08.06.22** **EXECUTIVE DIRECTOR REPORT** (*John Delaney*)
- 115 Transformation Waiver Update
 - Fiscal Year 2023 Budget Preparation and Board Schedule
 - Texas Council Update
 - HHSC Performance Contracts/Grants
 - East Texas Behavioral Health Network (ETBHN) Update
- 08.07.22** **FISCAL REPORT** (*Erwin Hancock*)
- Letter of Engagement
 - Motion to Accept Center’s Financial Statement for Period(s) Ending: July 2022.
- 08.08.22** **MENTAL HEALTH SERVICES REPORT** (*James Williams*)
- Monthly reports for July and August will be presented at September Board Meeting.
- 08.09.22** **INTELLECTUAL & DEVELOPMENTAL DISABILITIES REPORT** (*Laurie White*)
- Monthly reports for July and August will be presented at September Board Meeting.
- 08.10.22** **QUALITY MANAGEMENT/CONTRACTS REPORT** (*Kellie Walker*)
- Contracts/Network Development
 - Planning
 - Rights Allegations
 - QM MH, NTBHA & Substance Abuse
 - IDD
 - TANF PEAFF
- 08.11.22** **HUMAN RESOURCES REPORT** (*Jessica Ruiz*)
- Staffing Issues
 - Employee Benefits
- 08.12.22** **ADJOURNMENT**

Lakes Regional Community Center
Upcoming Board-Related Meetings & Events
Regular Meeting of the Board of Trustees
400 Airport Road, Terrell, Texas

AGENDA ITEM NO. 08.02.22

Approval of Minutes

RECOMMENDATIONS FOR APPROVAL:

- Motion to approve prior Board of Trustees meeting minutes.

Rationale:

Discussion and Approval of Regular Board Meeting Minutes of July 2022 as presented.

LAKES REGIONAL COMMUNITY CENTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
WEDNESDAY, JULY 27, 2022, 5PM
BOARD MINUTES

AGENDA NUMBER	TOPIC
------------------	-------

07.01.22 CALL TO ORDER

The July 17, 2022 regular meeting of the Lakes Regional Community Center Board of Trustees called to order by Board Chairperson, Tom Brown at 5:00 PM with a quorum present by Zoom. Chairperson asked for Roll Call.

Members Present (In Person/Zoom):

Tom Brown, Hunt County, Chairperson

Margaret Webster, Kaufman County

Steve Earley, Lamar County

Shae Green, Rockwall County

Dana Sills, Hopkins County

Jan Brecht-Clark, Ph.D., Delta County (via Zoom)

Frances Neal, Titus County (via Zoom)

Members Absent: Lisa Heine, Ellis County; E. P. Pewitt, Morris County; Sheriff Ricky Jones, Franklin County; Carrie Hefner, Camp County; Marti Shaner, Navarro County

Vacant Seat(s): NA

Guest(s): NA

Ex Officio Members Present: Angela Price (Representative of Hopkins County)

Ex Officio Members Absent: Sheriff Singleton, Delta County

Management Staff Zoom: John Delaney, Erwin Hancock, Didi Thurman (for James Williams), Jessica Ruiz, Larry Jonczak.

Management Staff Absent: Laurie White; Kellie Walker

Board Liaison/Recording Secretary: Tammie Johnson, CFO Assistant (for Judy Dodd)

07.02.22 APPROVAL OF MINUTES

Recommended Board Action:

➤ **Approval of Minutes of July 27, 2022 meeting.**

Rational:

Chairperson asked members if they had reviewed the minutes and if there were any corrections or additions. Jan Brecht-Clark requested an amendment to the minutes. Sheriff Ricky Jones is shown as both present and absent. This should be amended to show he was present. Amendment will be made. With no further corrections, Chairperson asked for motion to approve. Motion made by Steve Earley to approve minutes as read and seconded by Jan Brecht-Clark. Unanimous approval-motion carries.

CLOSURE

07.03.22 COMMENTS FROM CITIZENS

➤ NA

CLOSURE

07.04.22 COMMITTEE MEETING REPORT

➤ NA

CLOSURE

07.05.22

RECOMMENDATIONS FOR APPROVAL

Following to be presented by Erwin Hancock:

- Resolution Authorizing the Opening of New Bank Account
"Cash Management Trust"
- Resolution Authorizing Membership in The Local Government Purchasing Cooperative.
- Motion to discuss and take possible action to approve Companywide Good Will Appreciation Payment.

Following to be presented by Kellie Walker:

- Motion to discuss and take possible action to approve Utilization Management Plan.

Rationale:

Erwin Hancock presented the following for approval:

- **Resolution Authorizing the Opening of New Bank Account
"Cash Management Trust"**

Notes: Opportunity to move funds within the bank. Investment will earn approximately a half percent of what we are getting. There will be no change in liquidity.

- ❖ Chairperson then asked for any questions; if not, motion to approve.

Motion to Approve: Dana Sills

Seconded: Steve Earley

Unanimous Approval – Motion carries

- **Resolution Authorizing Membership in The Local Government Purchasing Cooperative.**

Notes: This is a government group leveraging better purchasing rates through procurement contractors. No fees involved.

- ❖ Chairperson then asked for any questions; if not, motion to approve.

Motion to Approve: Jan-Brecht-Clark

Seconded: Shae Green

Unanimous Approval – Motion carries

- **Motion to discuss and take possible action to approve Companywide Good Will Appreciation Payment.**

Notes: This is a follow up to the incentive given in March. We are very limited in the way we use the ARPS funds; however, we are able to use it for employee recruitment and retention. We would like to give our employees a \$750 payment during the first pay period in August due to the excess revenue over expenditures.

- ❖ Chairperson then asked for any questions; if not, motion to approve.

Motion to Approve: Steve Earley

Seconded: Margaret Webster

Unanimous Approval – Motion carries

- **Motion to discuss and take possible action to approve Utilization Management Plan.**

Notes: We are required to update the Utilization Management Plan on an annual basis.

- ❖ Chairperson then asked for any questions; if not motion to approve.

Motion to Approve: Dana Sills

Seconded: Shae Green

Unanimous Approval – Motion carries

CLOSURE

07.06.22

EXECUTIVE DIRECTOR REPORT (*John Delaney*)

Recommended Board Action:

None: Information only

Rationale:

Discussion on the following:

- **Annual Board Training Review**
 - Information for Training of the Roles and Responsibilities of the Trustees were included in the packet and reviewed by John Delaney.
 - All Board Members received Annual Training Packets.
 - A copy of the budget, audit, and salaries by job code to our counties and judges. If there are any questions, please let John Delaney know.
- **Lakes Regional IDD Authority Services – NCQA Accreditation Summary**
 - John Delaney highlighted the achievement of Clara and her staff on becoming accredited with the NCQA. There are only seven other Texas Community Centers who hold this distinction, and we re the most recent to achieve this 3-year accreditation from the NCQA with a scoring of 100%. There is no monetary gain; however, Managed Care Organizations recognize the designation in their provider system. Cas Management services approximately 1,400 people.
- **1115 Transformation Waiver Update:**
 - We have been wrestling with the payment strategies of the 1115 Waiver. With our cost report estimates, Charity Care and DPP will replace the bulk of the 1115. Looks like it will be a swap, if not more.
- **Fiscal Year 2023 Budget Preparation and Board Schedule:**
 - At the August meeting, the Human Resource and Budget/Finance Committees will have a tandem meeting to review the budget and proposed benefit package and recommend to the full board. The August meeting will be held in Rockwall. Some assumptions based on the two prior years to determine what this next year will be. Do not expect that general revenue will change too much.
 - Status of ARPA and COVID Relief Health Care Grants: American Rescue Plan for long-term and nursing homes. An enhanced rate adjustment for every TxHmL and ICF, upping the federal share of what the state receives. Approximately \$61,000 a month from March through August. Funds can carry over into a couple of months.
 - Question: Jan Brecht-Clark asked whether the monthly bonuses were paid through separate checks as she recommends keeping it separate from the employee payroll checks. Confirmed that the bonuses are paid separate.
- **Texas Council Update:**
 - The state is rolling out the national 988 Suicide & Crisis Lifeline. It is out there and live. There will be a lot more press on it. July 16th it spiked. There are four lifeline centers in Texas, and they are looking at the rural centers to be back-up.
- **HHSC Performance Contracts/Grants**
 - ECI Contract Budget has been submitted. It contains additional ARPA funding, which will require an amendment be completed in October.
 - Other HHSC contracts are still pending.

CLOSURE

07.07.22

FISCAL REPORT (*Erwin Hancock*)

Recommended Board Action:

- Motion to Accept Center's Financial Statement for Period(s) Ending: May and June 2022

Rationale:

- Erwin presented the Center's financial reports for the month(s) of May and June 2022.
 - Noted: On page 9, of the Quarterly Investment Report, it should show "For the 9 Months Ending May 31, 2022" and the dates in the center column need to be corrected. (Corrected copy attached)
 - Record changes at the beginning. An interest rates go up; our investments should go up as will.
- ❖ Chairperson asked if any questions. With no further discussion, Chairperson asked for motion to approve financials for the month of May and June 2022.
 Motion to Approve: Frances Neal
 Seconded: Steve Earley
 Unanimous Approval – Motion carries

CLOSURE

07.08.22

MENTAL HEALTH SERVICES REPORT (James Williams)

Recommended by Board Action:

None: Information only

Rationale: Didi Thurman presented report due to absence of James Williams.

- **Child and Adolescent Service**
 - We were able to hire one of our former employees for the vacancy at or Education Region VIII. In August will be providing training to the school district to connect them to services.
 - Uvalde – Summit in response to the Uvalde tragedy
 - ETBHN – Writing services; working with the school districts
- **Active Shooter**
 - Texas Risk fund has Active Shooter training available. All of our MH clinics are signed up for a session on office safety, and they will do an assessment of the office set up. The training will be through September.
- **SAMHSA Grant**
 - We do have an application for continuing the grant for CBHC.
- **MH State Audit**
 - We received notification of a comprehensive state audit to be conducted in September. The last audit was conducted in 2020. They will not be onsite, but doing everything virtually.
- **Adult Empowerment**
 - Invitation handed out to the board members to join our staff and the individuals receiving empowerment money. There were 151 applications and 23 winners. This event will be catered by Bodacious BBQ.
- **All Texas Access Project**
 - We continue to reach out and work with Franklin County. A data meeting has been scheduled to review arrest records for the last year.

CLOSURE

07.09.22

INTELLECTUAL & DEVELOPMENTAL DISABILITIES REPORT (Laurie White)

Recommended by Board Action:

None: Information only

Rationale: Report given by John Delaney

- **Training Centers/Individual Skills and Socialization (ISS):**
 - Several providers are not licensed.
 - Need to obtain seven licenses.
- **Home and Community-based Services (HCS)**
 - Day Hab – individual skills service, more skills intensive.
 - State – less aggregate and more community-based activities.
- **Intermediate Care Facilities (ICF)**
 - Retirement of Marie Autry to Elkins, WV.
- **TMHP**
 - IDD new billing system has had a very hectic start.
 - Billing is being corrected from May to present day.
 - Training from the state level for Provider and LIDDA has been minimal.
- **Outpatient Biopsychosocial Intervention (OBI):**
 - OBI waiting list being maintained.
 - MOU with ARC of Texas 15K to assist in Toolkit Development received.
- **Staff Needs:**
 - Due to the coverage issue, John offers to buy out any excess vacation.

CLOSURE

07.10.22

QUALITY MANAGEMENT/CONTRACTS REPORT (Kellie Walker)

Recommended by Board Action:

None: Information Only

Rationale:

- **Contracts/Network Development**
 - All expenditure contract renewals for FY 23 have been sent out except for IDDP PAS/HAB. Pending information on the program.
 - Amendment received to extend our disaster crisis counseling program contract through FY24.
 - Amendment received to extend our IDD contact through FY23.
- **Planning**
 - Local Planning & Network Development (LPND) and Consolidated Local Service Plan (CLSP) templates to be distributed within the next two weeks.
 - Local PNAC meeting is scheduled for August 25, 2022
 - Regional PNAC meeting is scheduled for September 21, 2022
- **Rights / Abuse, Neglect, & Exploitation Allegations**
 - Rights Violation Allegations
 - GR: 3 – Unconfirmed
 - IDD: 3 - Unconfirmed
 - NTBHA: 1 - Unconfirmed
 - A,N, & E Allegations
 - a. APS Investigations: Open APS Investigations: 3
- **QM MH, NTBHA & Substance Abuse**
 - Measures with the state are held harmless due to COVID. We are still in good shape and meeting targets.

- Mystery Caller: Corrective action plan was submitted to HHSC.
- Contract Audit: QM completed a contract audit with a 100% score.
- TDCJ Audit Results: A plan of correction is due to TDCJ by July 20, 2002.
- HHSC MH Audit: Conducting a comprehensive audit from September 12, 2022 through September 16, 2022. Documentation will be submitted to HHSC by August 12, 2022.
- Approval of FY22 MH Utilization Management Plan
- **IDD**
 - IDD Service Target: Held harmless for performance measures and outcomes until further notice due to COVID-19.
 - HHSC ICF RFA: Lakes submitted RFA applications for 4 ICF homes.
 - HHSC LIDDA Audit: HHSC will be conducting annual audit August 15-18, 2022.
- **TANF PEAR**
 - Program being used for client and family services. Pushing for the next two months. These funds can be used for housing, respite, school materials, Walmart gift cards, food, transportation for treatment, etc. We have spent almost \$100K, and we are running about \$38K per month. This covers anyone who has a child 18 years or younger with disabilities. Allowed to get a certain amount of assistance.
 - Communication regarding this program have been sent out to all of our employees. Crystal Coffey intersects with everyone. Anybody who has a needed expense due to COVID. We can get referrals from judges.
 - **Shae Green requested information on this program (John Delaney said he will get Crystal Coffey to send her the one-pager).**

CLOSURE

07.11.22 HUMAN RESOURCES REPORT (Jessica Ruiz)

Recommended by Board Action:

None: Information only

Rationale:

- **Staffing issues**
 - 394 employees in the month of May and 395 employees for June.
 - Twelve positions were filled in May (six were new hires and six were internal transfers).
 - Filled 11 positions in June and they were all new hires.
 - Supervisor training in June to train on hiring practices, interviewing, and performance evaluations. A second session will be held next month.
 - COVID cases are coming back.
 - May - 7 employees exposed and 3 tested positive.
 - June - 18 employees exposed and 15 tested positive.
 - A requirement of 5 days before returning to work and the employee must be fever-free for 24 hours and their health improving.
- **Employee Compensation and Benefits:**
 - Nine claims with four of them exceeding the stop loss limit.

CLOSURE

07.12.22 ADJOURNMENT

Chairperson ask for any other matter to discuss if not for motion to adjourn. Steve Earley made motion to adjourn and seconded by Shae Green. With no further discussion motion carried unanimously by a sign of aye.

ATTEST:

Margaret Webster

Margaret Webster, Board Secretary

Judy Dodd

Judy Dodd, Board Liaison/Transcriptionist Page | 3 8/12/22

8/24/22

DATE:

8/24/22

AGENDA ITEM NO. 08.03.22

Citizens' Comments

RECOMMENDATIONS FOR APPROVAL:

Public comment(s) may be addressed to the Board of Trustees by community members and/or any interested parties.

Rationale:

Presentations are limited to three (3) minutes per person. The Board reserves the right to limit the number of speakers and/or the length of comment on any topic. Citizens wishing to address the Board must register prior to the start of the meeting and any comments should pertain to an agenda item.

AGENDA ITEM NO. 08.04.22

Committee Meeting Reports

RECOMMENDATIONS FOR APPROVAL:

- Budget/Finance Committee Meeting to be held prior to Board Meeting.
- Human Resources Committee Meeting to be held prior to Board Meeting.

Rationale:

Report of the following committees of the Board of Trustees, if applicable:

- Budget/Finance Committee: Margaret Webster, Chair
 - Motion to present FY'23 Budget to Board of Trustees to review and take possible action.
- Human Resources: Shae Green, Chair
 - Motion to present to Board of Trustees to review and take possible action on FY'23 Employee Insurance Benefits.
- Programs: Dana Sills, Chair
 - No Meeting Posted

AGENDA ITEM NO. 08.05.22

Recommendations for Approval:

- Motion to approve Resolution Authorizing the Opening of New Bank Account "PAYPAL". (Attached)
- 2. ➤ Review and take possible action on Charity Care Policy.
- Review and take possible action on Budget/Finance Committee recommendation for FY'23 Budget.
- Review and take possible action on Human Resource Committee recommendation for FY'23 Insurance Coverage.

Rationale:

Handouts

Erwin Hancock to give overall review for the following item(s):

- Review and take action to approve:
 - ❖ Motion to approve Resolution Authorizing the Opening of New Bank Account - "PAYPAL".
 - 2. ❖ Review and take possible action on Charity Care Policy.
 - ❖ Motion to approve Budget/Finance Committee recommendation for FY'23 Budget.
 - ❖ Motion to approve Human Resource Committee recommendation for FY'23 Insurance Coverage.

August 15, 2022

Lakes Regional Community Center
Attention: Erwin L. Hancock
400 Airport Rd.
Terrell, Texas 75160

Board of Trustees and Chief Financial Officer:

You have requested that we audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lakes Regional Community Center (Center), as of September 30, 2022, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In addition, we will audit the Center's compliance over major federal and state award programs for the period ended September 30, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the Center's major federal and state award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the Center complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Budgetary Schedule – General Fund.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Certificate of Board
- List of Principal Officials
- Schedule of Revenue and Expenditures by Source of Funds - General Fund
- Reconciliation of Total Revenue to Fourth Quarter Financial Report
- Reconciliation of Fourth Quarter Financial Report to Audited Expenditures
- Schedule of Indirect Costs
- Schedule of Lease and Rental Commitments
- Schedule of Insurance in Effect
- Schedule of Bonded Employees
- Schedule of Space Occupied in a State-Owned Facility
- Schedule of Professional and Consulting Services
- Schedule of Legal Services.

Schedule of Expenditures of Federal and State Awards

We will subject the schedule of expenditures of federal and state awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal and state awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the *Texas Grant Management Standards* (TxGMS); and the *Guidelines for Annual Financial and Compliance Audits of Community MHMR Centers* (Guidelines), issued by the Texas Health and Human Services Commission.

As part of an audit of financial statements in accordance with GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective, and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Center's basic financial statements. Our report will be addressed to those charged with governance of the Center. Circumstances may

arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Center's major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended, the Uniform Guidance, and TxGMS, which will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and TxGMS and other procedures we consider necessary to enable us to express such an opinion on major federal and state award programs compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and TxGMS require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal and state award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the Center's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of the federal and state programs as a whole.

As part of a compliance audit in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal and state programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* and TxGMS for the types of compliance requirements that could have a direct and material effect on each of the Center's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the Center's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and TxGMS.

Also, as required by the Uniform Guidance and TxGMS, we will obtain an understanding of the Center's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Center's major federal and state award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Center's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and state programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally and state funded activities;
5. For preparing the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and TxGMS;
6. For designing, implementing, and maintaining effective internal control over federal and state awards that provides reasonable assurance that the Center is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
7. For identifying and ensuring that the Center complies with federal and state laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal and state award programs, and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, and the terms and conditions of federal and state award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal and state award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;

11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit;
 - c. Unrestricted access to persons within the Center from whom we determine it necessary to obtain audit evidence;
 - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report, if one is issued. This document would include more than an annual comprehensive financial report (ACFR) or annual financial report (AFR) and;
 - e. If applicable, a final version of the annual report, (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of non-attest services, including identifying the proper party to oversee non-attest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the Center involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and

22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding the supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

With regard to the schedule of expenditures of federal and state awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and TxGMS, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal and state awards, (c) to include our report on the schedule of expenditures of federal and state awards in any document that contains the schedule of expenditures of federal and state awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal and state awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal and state awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Non-attest Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the Center in conformity with U.S. generally accepted accounting principles, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and TxGMS based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. These services are limited to preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the Center as previously outlined.

We will not assume management responsibilities on behalf of the Center. However, we will provide advice and recommendations to assist management of the Center in performing its responsibilities.

The Center's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for

the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the engagement is limited to our preparation of the financial statements and related note disclosures and the schedule of expenditures of federal and state awards previously outlined. Our firm in its sole professional judgment, reserves the right to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries. Our firm will advise with regard to financial reporting, but the Center must make all decisions with regard to those matters.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Engagement Administration, Fees and Timing

We will schedule the engagement based in part on deadlines, working condition, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If for whatever reason your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The timing of our audit will be scheduled for performance and completion as follows:

Document internal control and preliminary tests	September 2022
Perform year-end audit procedures	October - November 2022
Issue audit reports	January 2023

Todd Pruitt is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pattillo, Brown & Hill, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees for these services will be at our standard hourly rates plus out-of-pocket cost (such as reports reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$37,840. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional cost.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or email, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications. In addition to fax and email, our firm also exchanges data over the internet using other methods (such as portals) or store electronic data via software applications hosted remotely through a third-party vendor's secured portal and/or cloud.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not be limited to investment information to verify valuation. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

The audit documentation for this engagement is the property of Pattillo, Brown & Hill, LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to federal or state agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Pattillo, Brown & Hill's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

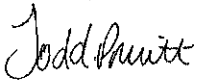
- Our view about the qualitative aspects of the Center's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, compliance over major federal and state award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,
Pattillo, Brown & Hill, L.L.P.



Todd Pruitt, CPA
Waco, Texas

August 15, 2022

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Lakes Regional Community Center:

Management signature: 

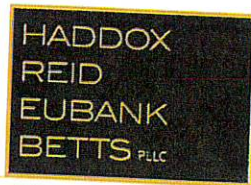
Title: Chief Financial Officer

Date: 8/18/22

Governance signature: 

Title: Board Chair

Date: 8/24/22



CPAs & Advisors

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 25, 2019

To the Partners of
Pattillo Brown & Hill, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Pattillo Brown & Hill, LLP (the firm) in effect for the year ended May 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, an audit performed under FDICIA, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Pattillo Brown & Hill, LLP in effect for the year ended May 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Pattillo Brown & Hill, LLP has received a peer review rating of *pass*.

Haddox Reid Eubank Betts PLLC

LAKES REGIONAL MHMR CENTER

Policy of the Board of Trustees

Policy Area: Reimbursement / Billing Management	Effective Date: 10/1/2022
	Revised Date:
	Revised Date:
	Revised Date:
Subject: Charity Care Policy 4.08	Page <u>1</u> of <u>7</u>

Purpose:

To establish a method to provide care to consumers in need of financial assistance.

Policy: It is the policy of the Board of Trustees that Lakes Regional MHMR (the Center) provide financial assistance through Charity Care to persons who have healthcare needs and are uninsured, underinsured, or otherwise unable to pay, for medically necessary care based on their individual financial situation. The Center strives to ensure that the financial capacity of consumers who need quality healthcare services does not prevent them from seeking or receiving care.

This policy includes:

- Eligibility criteria for financial assistance – free and discounted (partial charity care)
- Describes the basis for calculating amounts charged to consumers served eligible for financial assistance under this policy
- Describes the method by which consumers served may apply for financial assistance
- Describes how the Center will widely publicize the policy to the Community
- Limits the amounts that the Center will charge for eligible services provided to consumers qualifying for financial assistance to the amount generally billed (received by) the Center for private and public insurance (Medicaid, Medicare, etc.).

Consumers are expected to cooperate with the Center's procedures for obtaining charity care or other forms of payment or financial assistance, and to contribute to the cost of their care based on their individual ability to pay subject to the rules, regulations, and contractual requirements of the Center's various funding agencies.

To manage its resources responsibly and to allow the Center to provide the appropriate level of assistance to the greatest number of people in need, the Board of Trustees establishes the following guidelines for the provision of consumer charity care.

Definitions:

LAKES REGIONAL MHMR CENTER

Policy of the Board of Trustees

Policy Area: Reimbursement / Billing Management

Effective Date: 10/1/2022

Revised Date:

Revised Date:

Revised Date:

Subject: Charity Care Policy 4.08

Page 2 of 7

Charity Care: Healthcare services that have been or will be provided but are never expected to result in cash inflows. Charity care results from the Center's policy to provide healthcare services free or at a discount to consumers who meet the established criteria.

Bad Debt: Healthcare services that have been or will be provided and cash inflow is anticipated for all or a portion of the charge. Includes the monthly Sliding Scale Fee Schedule charges not collected for consumers above 150% of FPL. Bad Debt is not eligible for reimbursement from federal charity care programs

Family: According to the Census Bureau, a group of two (2) or more people who reside together and who are related by birth, marriage, or adoption. In addition, according to Internal Revenue Service rules, if a consumer claims someone as a dependent on his/her income tax return, that person may be considered a dependent for purposes of the provision of financial assistance.

Family Income: Family Income is determined using the Census Bureau definition, which uses the following income when computing federal poverty guidelines:

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.
- Noncash benefits (such as food stamps and housing subsidies) do not count.
- Determined on a before-tax basis.
- Excludes capital gains or losses; and
- If a person lives with a family, includes the income of all family members (non-relatives, such as housemates, do not count).

Uninsured: A person who has no level of insurance or third-party assistance with meeting his/her payment obligations.

Underinsured: A person who has some level of insurance or third-party assistance but still has out-of-pocket expenses that exceed his/her financial abilities.

Gross charges: Total charges at the Center's full-established rates for the provision of consumer care services before deductions from revenue are applied.

LAKES REGIONAL MHMR CENTER

Policy of the Board of Trustees

Policy Area: Reimbursement / Billing Management	Effective Date: 10/1/2022
	Revised Date:
	Revised Date:
	Revised Date:
Subject: Charity Care Policy 4.08	Page <u>3</u> of <u>7</u>

Sliding Scale Fee Schedules: Consumer financial share calculated utilizing rules, regulations, and contractual requirements of the Center's various funding agencies

PROCEDURES:

- A. **Services Eligible Under This Policy.** For purposes of this policy, "charity care" or "financial assistance" refers to healthcare services provided by the Center without charge or at a discount to qualifying consumers. The following healthcare services are eligible for charity care:
1. Behavioral health services
 2. Immunizations
 3. Public health services
 4. Other preventative services
- B. **Eligibility for Charity Care.** Eligibility for charity care will be considered for those consumers who are uninsured, underinsured, and who are unable to pay for their care, based upon a determination of financial need in accordance with this Policy. The granting of charity care is based on an individualized determination of financial need, and does not consider age, gender, race, social or immigrant status, sexual orientation, or religious affiliation.
- C. **Method by Which Consumers May Apply or be Assessed for Charity Care.**
1. Financial need is determined in accordance with procedures that involve an individual assessment of financial need; and may
 - a. Include an application or assessment process, in which the consumer or the consumer's Legally Authorized Representative (LAR) are required to cooperate and supply personal financial and other information and documentation relevant to making a determination of financial need.
 - b. Include the use of external publicly available data sources that provide information on a consumer's or LAR's ability to pay (such as credit scoring).
 - c. Include reasonable efforts by the Center to explore appropriate alternative sources of payment and coverage from public and private payment programs, and to assist consumers to apply for such programs.
 - d. Consider the consumer's available assets, and all other financial resources available to the consumer.

LAKES REGIONAL MHMR CENTER

Policy of the Board of Trustees

Policy Area: Reimbursement / Billing Management	Effective Date: 10/1/2022
	Revised Date:
	Revised Date:
	Revised Date:
Subject: Charity Care Policy 4.08	Page 4 of 7

- e. Include a review of the consumer's outstanding accounts receivable for prior services rendered and the consumer's payment history.
 2. A request or assessment for charity care and a determination of financial need can be done at any point in the collection cycle but is preferred to be completed within the first 30 days of treatment. The need for financial assistance is re-evaluated annually and whenever a significant change has occurred which affects the consumer's or LAR's eligibility for charity care.
 3. The Center's values of human dignity and stewardship shall be reflected in the application, financial need determination and granting of charity care. Requests for charity care shall be processed promptly with notification to the consumer or LAR in writing within 30 days of receipt of a completed application or assessment.
- D. **Presumptive Financial Assistance Eligibility.** There are instances when a consumer may appear eligible for charity care discounts, but there is no financial assistance form on file due to a lack of supporting documentation. Often there is adequate information provided by the consumer served or through other sources, which provide sufficient evidence to provide the consumer with charity care assistance. In the event there is no evidence to support a consumer's eligibility for charity care, the Center can use outside agencies in determining estimated income amounts for the basis of determining charity care eligibility and potential discount amounts. Once determined, due to the inherent nature of the presumptive circumstances, the only discount that can be granted is a 100% write-off of the account balance. Presumptive eligibility may be determined based on individual life circumstances that may include:
1. State-funded prescription programs.
 2. Homeless or received care from a homeless clinic.
 3. Participation in Women, Infants and Children programs (WIC).
 4. Food stamp eligibility.
 5. Subsidized school lunch program eligibility.
 6. Eligibility for other state or local assistance programs that are unfunded (e.g., Medicaid spend-down).
 7. Low income/subsidized housing is provided as a valid address; and
 8. Consumer is deceased with no known estate.

LAKES REGIONAL MHMR CENTER

Policy of the Board of Trustees

Policy Area: Reimbursement / Billing Management

Effective Date: 10/1/2022

Revised Date:

Revised Date:

Revised Date:

Subject: Charity Care Policy 4.08

Page 5 of 7

- E. **Eligibility Criteria and Amounts Charged to Consumers.** Services eligible under this Policy are made available to consumers on Sliding Scale Fee Schedules, in accordance with financial need, as determined in reference to Federal Poverty Levels (FPL) in effect at the time of the determination. The basis for the amounts charged to consumers served who qualify for financial assistance is as follows:
1. Consumers whose family income is at or below 150% of the FPL are eligible to receive services at a discount of 100%.
 2. Consumers whose family income is above 150% but not more than 200% of the FPL are eligible to receive services at a discount (partial charity care) at rates discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.
 3. Consumers whose family income exceeds 200% of the FPL may be eligible to receive discounted rates on a case-by-case basis based on their specific circumstances, such as catastrophic illness or medical indigence, at the discretion of the Center; however, the discounted rates shall not be greater than the amounts generally billed to private or public insurance and discounted using Sliding Scale Fee Schedules. Uncollected fees assessed are Bad Debt and ineligible for reimbursement under federal charity care programs.
- F. **Communication of the Charity Care Program to Consumers and Within the Community.** Notification about charity care available from the Center, includes a contact number, and is disseminated by various means, which includes, but are not limited to, the publication of notices in monthly statements and by posting notices in clinics, waiting areas, intake and assessment, business offices, and financial services that are located in Center facilities, and other public places as elected. The Center widely publicizes a summary of this charity care policy on the Center website, in brochures available in consumer access sites and at other places within the community served by the Center. Such notices and summary information are provided in accordance with the Center's Cultural and Linguistic Competency Plan.
- G. **Relationship to Collection Policies.** The Center develops policies and procedures for internal and external collection practices that take into account the extent to which the consumer qualifies for charity care, a consumer's good faith effort to apply for charity care from the Center, and a consumer's good faith effort to comply with his or her payment agreements with the Center. For consumers who qualify for charity care and who are

LAKES REGIONAL MHMR CENTER

Policy of the Board of Trustees

Policy Area: Reimbursement / Billing Management

Effective Date: 10/1/2022

Revised Date:

Revised Date:

Revised Date:

Subject: Charity Care Policy 4.08

Page 6 of 7


cooperating in good faith to resolve their discounted bills, the Center may offer extended payment plans, will not send unpaid bills to outside collection agencies, and will cease all collection efforts. The Center will not impose extraordinary collections actions such as wage garnishments; liens on primary residences, or other legal actions for any consumer without first making reasonable efforts to determine whether that consumer is eligible for charity care under this financial assistance policy. Reasonable efforts shall include:

1. Validating that the consumer owes the unpaid charges and that all sources of third-party payment have been identified and billed by the Center.
2. Documentation that the Center has attempted to offer the consumer the opportunity to apply or be assessed for charity care pursuant to this policy and that the consumer has not complied with the Center's financial assessment requirements.
3. Documentation that the consumer does not qualify for financial assistance on a presumptive basis.
4. Documentation that the consumer has been offered a payment plan but has not honored the terms of that plan.

H. **Regulatory Requirements.** Implementation of this Policy does not negate or supersede compliance with all other federal, state, and local laws, rules, and regulations applicable to the services outlined herein.

I. **Staff Training Requirements.** Staff will adhere to parameters outlined in TAC Rule §355.8215 and Healthcare Financial Management Association guidance found in the June, 2019 Statement 15: "Valuation and Financial Statement Presentation of Charity Care, Implicit Price Concessions and Bad Debts by Institutional Health Care Providers" in relation Charity Care.

APPROVED:


Tom Brown, Chairperson

Date of Approval: 8/24/22

Resolution
Authorizing the Opening of New Bank Account

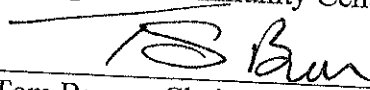
Whereas, Lakes Regional MHMR Center dba Lakes Regional Community Center (Lakes) is an agency of the State of Texas, a governmental unit and a unit of local government as defined by Chapters 101 and 102, Civil Practice and Remedy Code, and a local government as defined by Section 3, Article 4413 (32c) of the Inter-local Cooperation Act, Vernon's Texas Civil statute, and is empowered to open bank accounts in the counties where it is authorized to consummate business.

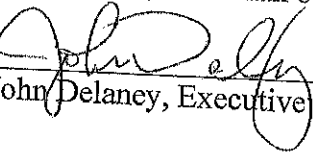
NOW THEREFORE, be it resolved as follows:

- A. That Lakes shall agree to open a new bank account entitled "PAYPAL" to use as the repository of donation payments with The American National Bank of Texas, Terrell, Texas, and accordingly authorizes Erwin L. Hancock, Chief Financial Officer to open said bank account.
- B. This resolution and its authorization shall continue in full force and effect until amended by the Board of Trustees of Lakes, and until said designated local banks (per attached list) receives a copy of any such amendment or resolution.

This resolution is hereby adopted by the Board of Trustees of Lakes Regional Community Center at its regular meeting held on this 24th day of August, 2022.

Lakes Regional Community Center

By: 
Tom Brown, Chairman of the Board

By: 
John Delaney, Executive Director

AGENDA Item No: 08.06.22
Executive Director's Report:

Recommended Board Action:
None: For Information Only

Rational:

Executive Director Report:

1. 1115 Transformation Waiver Update:

We received our final DSRIP payment earlier this month. From now on we will be utilizing two new 1115 Waiver funding strategies: the Behavior Health Directed Payment Program (BHS-DPP) and the Public Healthcare Provider – Charity Care Pool (PHP-CCP) to replace as much of the DSRIP program funding as possible.

The PHP-CCP is the program to provide uncompensated care reimbursement to help cover our costs for services to uninsured and indigent clients. It follows the federal fiscal year calendar of October 1 through September 30th. It requires that the Board adopt a Charity Care policy similar to that used by hospitals. The first cost report for this program is due on November 14th. It will cover costs incurred in the previous 12-month period.

2. Fiscal Year 2023 Budget Preparation and Board Schedule:

The Board's Human Resource and the Budget and Finance Committees will meet prior to the main Board meeting to review the proposed benefit package and budget for this coming year. As we have done in past years, we will schedule the committees to meet at an earlier time on the same date as the regular Board meeting. Aside from the major changes in the 1115 financing strategies, our other revenue streams will be much like this year. We will be preparing an RFP later in the upcoming fiscal year for a new Electronic Health Record system. This will be a major effort, but any implementation of a new system will be in FY-24.

3. Texas Council Update:

The Council's Health Opportunities Workgroup (HOW) is proceeding with materials to assist with Center implementation of the Public Healthcare Provider – Charity Care Pool, and the Behavioral Health Directed Payment Programs. As we end the first fiscal year implementation of the BHS-DPP program, Council staff are reviewing Center data on payments and whether HHSC will be requesting any regional reconciliation based on service utilization patterns.

The HOW and the TX. Council are gearing up for the upcoming legislative session. It appears that state agencies' initial budget instructions may include exceptional items in their requests to the legislature. This is due to the strong unusually high comptroller biennial state revenue estimate released last month to the legislative budget board. There will be more information on this after the upcoming E.D. Consortium later this month.

4. HHSC Performance Contracts/Grants

We have not received any updated amendments to our current agency performance contracts during this month.

5. ETBHN Update:

Member Centers are going to host a summit in early September to review the current state of services provided to our child and adolescent population. This will be at Tri-County Community Center in Conroe and will include speakers from the Meadows Foundation on Mental Health and a panel of service presentations by member Center staff.

AGENDA ITEM NO. 08.07.22
Fiscal Reports

RECOMMENDATIONS FOR APPROVAL:

- Center's financial statement for the month(s) of July 2022.

Rationale:

- Review and discussion of the Center's financial statement for the month(s) of July 2022 for approval.

Lakes Regional Community Center
Financial Report
For the Month of July 2022

Erwin Hancock
Chief Financial Officer

August 17, 2022

**Lakes Regional Community Center
Financial Report Outline**

I. Financial Summary	Page 1
II. Balance Sheet	Page 2
III. Income Recap by Division	Page 3
Comparative Income Statement	Pages 4-5
Statement of Revenues & Expenditures	Page 6
IV. Related Data	Pages 7-8
V. Auditor Letter of Engagement	Pages 9-21

Lakes Regional Community Center
 Financial Summary for the Month Ending July 31, 2022

Profit and Loss Summary

	Current Month	Year to Date
Revenues	\$3,350,813	\$38,238,124
Expenses	\$4,106,461	\$36,308,992
Net Income	(\$755,647)	\$1,929,132

Balance Sheet Summary

	Current YTD as of July 31, 2022	Last YTD as of July 31, 2021	Year to Year Change
Total Assets	\$39,107,546	\$32,643,050	\$ 6,464,496
Total Liabilities	\$12,165,349	\$7,233,627	\$ 4,931,722
Fund Balance	\$26,942,197	\$25,409,423	\$ 1,532,774

Lakes Regional Community Center
Balance Sheet

	As of <u>7/31/2022</u>	As of <u>7/31/2021</u>	Net Change
Current Assets			
Cash	\$ 10,694,724	\$ 16,972,876	\$ (6,278,152)
Accounts Receivable	note1 15,785,492	3,027,272	12,758,220
Other Current Assets	1,553,794	765,917	787,877
Total Current Assets	\$ 28,034,010	\$ 20,766,065	\$ 7,267,945
Long-Term Assets			
Fixed Assets (net of depreciation)	\$ 8,091,172	\$ 8,173,410	\$ (82,238)
Other Long-Term Assets	2,982,364	3,703,575	(721,211)
Total Long-Term Assets	\$ 11,073,536	\$ 11,876,985	\$ (803,449)
Total Assets	\$ 39,107,546	\$ 32,643,050	\$ 6,464,496
Current Liabilities			
Accounts Payable	\$ 1,070,493	\$ 654,870	\$ 415,623
Accrued Expenses	730,117	830,169	(\$100,052)
Short-term Debt	note2 7,382,375	2,045,013	5,337,362
Total Current Liabilities	\$ 9,182,985	\$ 3,530,052	\$ 5,652,933
Long-term Debt	\$ 2,982,364	\$ 3,703,575	\$ (721,211)
Total Long-Term Debt	\$ 2,982,364	\$ 3,703,575	\$ (721,211)
Total Liabilities	\$ 12,165,349	\$ 7,233,627	\$ 4,931,722
Investment In General Fund Assets	\$ 8,091,172	\$ 8,173,410	\$ (82,238)
Fund Balance at Beginning of Year	18,851,025	17,236,013	1,615,012
Total Equities and other Credits	\$ 26,942,197	\$ 25,409,423	\$ 1,532,774
Total Liabilities, Equities and other Credits	\$ 39,107,546	\$ 32,643,050	\$ 6,464,496

note1 Includes \$8,084,551 Accounts Receivable for 1115 IGT Payment - due July, received August.

note2 Includes \$5,416,649 Deferred Federal Share revenue for 1115 IGT Payment - due July, received August.

Lakes Regional Community Center
Income Statement Recap by Division
As of July 31, 2022

<u>Division</u>	<u>Current Month</u>	<u>Year to Date</u>
MH	\$ (382,518)	456,888
Mental Health First Aid & Outreach	(4,238)	(1,822)
Hospitality House	1,331	14,361
IDDD	(362,327)	376,550
ECI	(1,433)	5,704
Administration	(4,913)	36,240
Expanding Fundraising	1,133	3,048
Telemedicine Services (All locations)	113,112	1,244,591
Medical Prescriber Services	(88,681)	(171,343)
CCBHC/CMHC SAMSHA Grants	(35,954)	(101,170)
Collaborative Grant	0	8,715
Education Services Pittsburgh	0	0
House Bill 133	(4)	31,155
note1 TANF Pandemic Emergency Assistance	8,844	26,215
Total Lakes	\$ (755,647)	\$ 1,929,132

note1 Does not include salary and benefit expense billed to contract for this program. Expense to be allocated in August financials, which will reduce the YTD revenue over expenses to actual.

Lakes Regional Community Center
Comparative Income Statement for the Month ended July 31, 2022

Revenues	<u>7/31/2022</u>	<u>7/31/2021</u>	Variance	Var %
General Revenue IDD	\$215,213	\$200,224	\$14,989	7%
General Revenue MH	\$724,232	\$689,480	\$34,752	5%
Early Childhood Intervention Revenue	\$211,664	\$176,632	\$35,032	20%
1115b Waiver Revenue	\$562,353	\$1,598,715	(\$1,036,362)	-65%
NTBHA Revenue	\$205,117	\$220,489	(\$15,372)	-7%
Medicaid Revenue	\$275,733	\$276,057	(\$324)	0%
Medicare Revenue	\$4,909	\$7,409	(\$2,500)	-34%
HCS Revenue	\$326,596	\$408,351	(\$81,755)	-20%
Managed Care Revenue	\$106,903	\$93,074	\$13,829	15%
Private Insurance	\$15,543	\$22,558	(\$7,015)	-31%
Client Fees	\$7,076	\$4,157	\$2,919	70%
Other Revenue	\$695,475	\$735,081	(\$39,606)	-5%
Total Revenues	\$3,350,813	\$4,432,227	(\$1,081,414)	-24%
Expenses				
Salaries and Wages	note1 \$2,346,968	\$1,658,107	\$688,861	42%
Employee Benefits	\$629,640	\$578,029	\$51,611	9%
Staff Training	\$3,407	\$2,312	\$1,095	47%
Furniture and Equipment	\$980	\$3,150	(\$2,170)	-69%
Maintenance and Repairs	\$46,621	\$3,627	\$42,994	1185%
Utilities	\$41,631	\$44,274	(\$2,643)	-6%
Client Support	\$43,154	\$4,451	\$38,703	870%
Supplies	\$27,105	\$28,636	(\$1,531)	-5%
Vehicle Maintenance	\$11,702	\$10,100	\$1,602	16%
Insurance Costs	\$26,572	\$29,327	(\$2,755)	-9%
Debt Service	\$32,084	\$55,862	(\$23,778)	-43%
Other Expenses	\$896,595	\$1,055,011	(\$158,416)	-15%
Total Expenses	\$4,106,461	\$3,472,886	\$633,575	18%
Net Surplus/(Deficit)	(\$755,647)	\$959,341	(\$1,714,988)	-179%

note1 July 2022 includes 3 payroll cycles due to biweekly payroll schedule

Lakes Regional Community Center
Comparative Income Statement for the period ended July 31, 2022

Revenues	YTD ended 07/31/2022	YTD ended 07/31/2021	Variance	Var %
General Revenue IDD	\$2,343,665	\$2,566,819	(\$223,154)	-9%
General Revenue MH	\$7,722,341	\$7,402,467	\$319,874	4%
Early Childhood Intervention Revenue	\$1,408,156	\$1,075,836	\$332,320	31%
1115b Waiver Revenue	\$6,223,275	\$7,757,079	(\$1,533,804)	-20%
NTBHA Revenue	\$2,280,136	\$2,394,798	(\$114,662)	-5%
Medicaid Revenue	\$3,003,326	\$3,195,690	(\$192,364)	-6%
Medicare Revenue	\$47,178	\$31,147	\$16,031	51%
HCS Revenue	\$4,525,715	\$4,361,425	\$164,290	4%
Managed Care Revenue	\$1,150,966	\$1,142,596	\$8,370	1%
Private Insurance	\$166,440	\$77,425	\$89,015	115%
Client Fees	\$59,498	\$39,657	\$19,841	50%
Other Revenue	\$9,307,429	\$7,516,877	\$1,790,552	24%
Total Revenues	\$38,238,124	\$37,561,816	\$676,308	2%
Expenses				
Salaries and Wages	\$18,577,848	\$16,722,880	\$1,854,968	11%
Employee Benefits	\$6,135,499	\$5,801,313	\$334,186	6%
Staff Training	\$51,129	\$37,423	\$13,706	37%
Furniture and Equipment	\$33,494	\$47,125	(\$13,631)	-29%
Maintenance and Repairs	\$336,216	\$166,843	\$169,373	102%
Utilities	\$379,809	\$370,250	\$9,559	3%
Client Support	\$145,188	\$59,605	\$85,583	144%
Supplies	\$320,168	\$278,983	\$41,185	15%
Vehicle Maintenance	\$54,012	\$46,254	\$7,758	17%
Insurance Costs	\$296,190	\$324,028	(\$27,838)	-9%
Debt Service	\$319,803	\$600,315	(\$280,512)	-47%
Other Expenses	\$9,659,637	\$9,171,387	\$488,250	5%
Total Expenses	\$36,308,992	\$33,626,406	\$2,682,586	8%
Net Surplus/(Deficit)	\$1,929,132	\$3,935,410	(\$2,006,278)	-51%

Lakes Regional Community Center
 FY22 Aged Accounts Receivable
 JULY

Accounts Receivable Description	Amount	Jul Current	Jun 30 Days	May 60 Days	Apr 90 Days	Mar & prior 120 +
MAC Adm Claim	962,580.56	77,169	77,169	77,169	77,169	653,905
FY22 1st Qt (Oct-Dec) - \$422,398 (billed)						
FY22 2nd Qtr (Jan-Mar) - \$231,507 (accrual)						
FY22 3rd Qtr (Apr-Jun) - \$231,507 (accrual)						
FY22 4th Qtr (Jul-Sep) - \$ 77,169 (accrual)						
NTBHA: \$3,060.85						
Substance Abuse - GVL	2,092.39	2,092	-	-	-	-
Substance Abuse - RWL	-	-	-	-	-	-
Medicaid	-	-	-	-	-	-
Medicare **	324,357.71	251,116	5,612	5,804	5,047	56,779
Private Insurance **	2,867.30	2,839	28	-	-	-
Chip **	7,596.18	6,871	381	226	62	-
MANAGED CARE:	455.25	418	-	-	-	56
Amerigroup	-	-	-	-	-	38
Superior (Cenpatico)	26,350.61	26,331	19	-	-	-
Optum	30,229.55	29,768	243	218	-	-
Cigna	18,817.98	18,818	-	-	-	-
Texas Childrens Plan	460.62	194	35	217	14	-
Beacon	985.64	986	-	-	-	-
Molina	13,953.30	11,241	2,020	246	278	169
Aetna Better Health	22,872.97	22,593	156	124	-	-
Texas Home Living - North	1,319.24	1,319	-	-	-	-
Texas Home Living - South	34,557.39	32,523	-	-	-	-
HCS - North	28,154.56	11,265	4,785	2,034	-	-
HCS - South	385,802.98	203,772	59,932	122,099	-	-
Reimbursable Svcs-TxHmL North & South	226,993.09	41,533	6,404	179,056	-	-
Reimbursable Svcs-HCS North	8,062.04	1,731	3,686	-	259	2,386
Reimbursable Svcs-HCS South	52,238.26	8,825	7,445	3,241	7,312	25,416
HCS Rm/Brd	4,337.64	539	2,958	597	-	243
ICF Residential Homes	-	-	-	-	-	-
ARPA - HCS & TxHmL	173,870.08	126,271	9,968	6,099	3,671	27,861
ARPA - ICF	100,971.61	47,534	53,437	-	-	-
Block Grant/TANF-Title XX Gen Revenue	26,537.23	13,643	12,895	-	-	-
BG/TANF PEAf	47,398.78	23,702	23,697	-	-	-
MCOT-Hotline ARPA	97,535.65	48,723	48,813	-	-	-
Block Grant Supp Housing	16,075.88	16,076	-	-	-	-
CMHC Samsa Grant (798)	-	-	-	-	-	-
GR HB133-Outpatient Cap Activity	65,000.00	65,000	-	-	-	-
Supported Employment	33,015.58	19,392	13,623	-	-	-
Day Hab Billings (Private Providers)	184.00	-	184	-	-	-
1048 IDD Billed Svcs	24,652.09	11,683	7,351	4,445	919	253
ECI Grant Revenue	9,724.05	4,705	4,837	183	-	-
ECI Respite	178,526.95	178,527	-	-	-	-
ECI Priv Ins	420.00	420	-	-	-	-
ECI Medicaid	18,455.17	5,677	5,244	3,056	2,028	2,451
ECI Managed Care	33,218.42	32,764	336	119	-	-
ECI Chip	47,126.51	34,073	3,447	4,604	1,405	3,598
A/R Other Employees	250.85	-	-	30	-	221
A/R Employee Insurance (Cobra)	1,189.35	1,189	-	-	-	-
TCOOMMI GRANT	412.18	-	-	-	-	-
TDCJ Contract-Greenville	39,481.23	16,000	22,005	847	629	412
TDCJ - Sherman/Bonham/Paris	3,413.42	1,927	1,486	-	-	-
Fannin County Drug Court	10,396.78	5,296	5,101	-	-	-
Grayson County Drug Court	2,500.00	2,500	-	-	-	-
Titus County Drug Court	-	-	-	-	-	-
DSHS Region 3	450.00	450	-	-	-	-
DSHS Region 4	10,536.67	10,537	-	-	-	-
DSHS MHFA Outreach	12,635.48	12,635	-	-	-	-
ICF Upper Payment Limit	11,494.19	3,005	8,490	-	-	-
SAC Prog -Hunt County	123,580.00	30,895	30,895	30,895	30,895	-
ECC - (Enhanced Comm Coord) ** Contract Maxed	1,874.23	1,874	-	-	-	-
Pharmacy Rental Income	15,057.29	2,204	12,854	-	-	-
Comm Education (Curt Pitton)	-	-	-	-	-	-
1115 Waiver Fed Share **accrual	12,869.20	6,180	6,689	-	-	-
	12,502,275.90	8,646,904	562,353	562,353	562,353	2,168,313

Misc Revenue - 1370-1200 - \$9,278.45								
**Vela Pyrl overpayment	1,964.93	-	-	-	-	1,965	-	
**Spectrum/TW Book Credits - Grnvl	160.21	-	-	-	-	-	-	
**12/30 Pyrl adjust	7,153.31	-	-	7,153	-	-	-	160

FY22

	Balance Due	GL bal	bal ck
	15,785,492.48	15,785,492.48	-
Jun Balance Due	6,824,810.71	8,960,681.77	
May Balance Due	5,828,909.26	9,956,583.22	
Apr Balance Due	5,718,056.03	10,067,436.45	
Mar Balance Due	368,835.76	15,416,656.73	
Feb Balance Due	1,035,815.44	14,749,677.05	
Jan Balance Due	3,503,057.43	12,282,435.05	
Dec Balance Due	5,195,181.23	10,590,311.25	
Nov Balance Due	4,575,016.72	11,210,475.76	
Oct Balance Due	3,695,473.34	12,090,019.14	
Sep Balance Due	3,295,481.89	12,490,010.59	

	Aug Balance Due	2,849,661.22	12,935,831.26
	Jul Balance Due	3,027,271.97	12,758,220.51
	Jun Balance Due	6,517,005.39	9,268,487.09
	May Balance Due	5,787,236.69	9,998,255.79
	Apr Balance Due	4,191,244.93	11,594,247.55
	Mar Balance Due	4,191,244.93	11,594,247.55
	Feb Balance Due	3,505,346.09	12,280,146.39
	Jan Balance Due	3,136,893.13	12,648,599.35
	Dec Balance Due	4,825,281.48	10,960,211.00
	Nov Balance Due	4,379,915.08	11,405,577.40
	Oct Balance Due	4,110,911.88	11,674,580.60
	Sep Balance Due	3,465,064.05	12,320,428.43
FY21	Aug Balance Due	2,590,621.62	13,194,870.86
FY20	Jul Balance Due	2,163,708.17	13,621,784.31
	Jun Balance Due	4,250,475.75	11,535,016.73
	May Balance Due	4,344,360.19	11,441,132.29
	Apr Balance Due	4,678,182.25	11,107,310.23
	Mar Balance Due	3,866,748.23	11,918,744.25
	Feb Balance Due	3,381,352.87	12,404,139.61
	Jan Balance Due	3,024,731.51	12,760,760.97
	Dec Balance Due	4,487,991.29	11,297,501.19

AGENDA ITEM NO. 08.08.22
Mental Health Services Report

RECOMMENDATIONS FOR APPROVAL:

None: Information purposes only.

Rationale:

Update on Mental Health Programs for the months of July and August will be presented at the September Board meeting.

AGENDA ITEM NO. 08.09.22
Mental Health Services Report

RECOMMENDATIONS FOR APPROVAL:

None: Information purposes only.

Rationale:

Update on IDD Programs for the months of July and August will be presented at the September Board meeting.

AGENDA ITEM NO. 08.10.22

Contracts & Quality Management Report

Recommended Board Action

None. Information only.

Rationale:

1. CONTRACTS

- Contract renewals for FY23 are nearly complete with 28 contracts left to renew (as of 8/15/22).
- We received an amendment for Outpatient Biopsychosocial Approach for IDD Service Contract. The amendment added extended the contract and added \$300,000 for FY23.
- We are starting the process of developing a RFP for an Electronic Health Record (EHR).

2. PLANNING

- The next Local PNAC meeting is scheduled for August 25, 2022.
- The next Regional PNAC meeting is scheduled for September 21, 2022.

3. RIGHTS/ABUSE, NEGLECT, & EXPLOITATION ALLEGATIONS

Rights Violations Allegations

- **NTBHA:** 4 (2 – Unconfirmed – Greenville MH; 2- Confirmed – Terrell MH)
- **IDD:** 3-Unconfirmed (1-IDD Provider; 2-IDD Authority)
- **SUD:** 1-Unconfirmed (Sherman SUD)

A, N, & E Allegations

- Open APS Investigations: 2
 - 1 – Terrell Group Home (Pending from October 2021)
 - 1 – Paris Group Home (Pending from May 2022)

4. QM MH, NTBHA & SUBSTANCE ABUSE

- MH & SUD Performance Measures: Lakes will be held harmless for performance measures and outcomes until further notice due to COVID-19.
- HHSC MH Q1&2 Measures: Received notification from HHSC on July 19, 2022 that Lakes did not meet the minimum target on the following measures: Family Partner Support Services, Adult Monthly Service Provision, and Child and Youth Monthly Service Provision. Due to the COVID-19 pandemic, HHSC will not recoup for failure to achieve service targets, outcomes, and performance measures.
- HHSC Mystery Caller FY22Q4: Lakes did not receive any findings during HHSC's mystery calls in Q4. HHSC stated "your team members assisted our caller, and the caller was informed about accessing services."
- HHSC MH Audit: HHSC will be conducting a comprehensive audit from September 12, 2022 through September 16, 2022 via desk review. All requested documentation was submitted to HHSC on August 10, 2022.

5. IDD

- IDD Service Target: Lakes will be held harmless for performance measures and outcomes until further notice due to COVID-19.
- HHSC ICF RFA: Lakes submitted an application for each of the ICF facilities on July 15, 2022.
- HHSC Non-CDS Community Attendant RFA: HHSC posted an RFA for Non-CDS Community Attendants for COVID-19 relief. This will include the HCS & TxHmL programs. Lakes is submitting a RFA for these funds.
- Priority Population Audit: QM conducted a priority population audit as required during the HHSC annual audit. All charts scored 100%.
- HHSC Annual Audit: HHSC is conducting their annual audit between August 15-19, 2022 via desk review.
- LIDDA CAP:

- PASRR: 0 charts scored below 70%, overall score was 97%
- HCS: 0 charts scored below 70%, overall score was 100%.

6. TANF PFAF

- As of 8/11/2022 we have expended all funds.
- Funds were used to help families with the following needs:
 - Rental assistance, utility bills, personal care items, food, household items, school clothes, and school supplies.
- We were able to help 56 families in getting their needs met.

AGENDA ITEM NO. 08.11.22

Human Resources Report

Recommended Board Action:

None; information only.

1. Staffing Issues

➤ Headcount

We had a total of 464 authorized FTEs and 391 employees in the month of July. During this month, three positions were filled, all with new hires. The amount of vacancies on July was 48.

➤ Separations

We had four separations in July; four of them were voluntary, and one due to job abandonment. Reasons for separation this month were; higher pay, closer to home job, retirement and dealing with personal issues.

➤ Recruitment

Sources used to advertise our openings were Indeed, Newspapers, Colleges and Universities website, Facebook, Texas Workforce Commission website and Chambers of Commerce.

➤ Training and Development

During the month of July, we had 12 classes with a total of 53 participants. Trainings for both months were ASIST (*Applied Suicide Intervention Skills Training*), CPR (*Cardio Pulmonary Resuscitation*), and SAMA (*Satori Alternatives for Managing Aggression*). These trainings were for both current and new employees. We also had a Youth Mental Health First Aid class in the Community.

2. Compensation & Benefits

➤ COVID exposures during July were very similar to June, 15 employees reported exposure of which 12 tested positive. All employees who were exposed and/or tested positive were able to return to work and did not require hospitalization.

➤ Year to date we have eleven large claims; four of them exceeded the stop loss limit.

HR Monthly Report
FY2021

8/17/2022

I. Head Count (end of mo)	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD
Overall Total													
# Positions	455	462	457	441	453	452	453	456	455	439	439	439	451.09
# FTE	451.45	459.35	463.35	463.35	465.35	464.35	464.35	464.35	464.35	464.35	464.35	464.35	462.54
# Employees	382	394	393	395	396	396	399	393	394	395	391	391	393.45455
# Vacant Positions	73	69	64	46	57	56	54	57	57	46	48	48	57
# Full-Time Vacancies	69	66	57	39	51	50	46	49	47	40	41	41	50
# Part-Time Vacancies	4	3	7	7	6	6	8	8	9	7	7	7	7
General Administration													
# Positions	39	39	39	39	39	38	39	39	39	39	39	39	38.909091
# FTE	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39
# Employees	37	37	37	38	37	35	37	37	38	38	38	38	37.181818
# Vacant Positions	2	2	2	1	2	3	2	2	1	1	1	1	1.7272727
# Full-Time Vacancies	2	2	2	1	2	3	2	2	2	2	2	2	1.7272727
# Part-Time Vacancies	0	0	0	0	0	0	0	0	0	0	0	0	0
ECI Services													
# Positions	24	24	24	24	24	24	24	24	24	24	24	24	24
# FTE	23.9	23.9	23.9	23.9	23.9	24	24	24	24.0	24	24	24	23.954545
# Employees	22	22	22	22	23	23	23	23	22	22	22	22	22.363636
# Vacant Positions	2	2	2	2	1	2	1	2	2	2	2	2	1.8181818
# Full-Time Vacancies	2	2	2	2	1	2	0	1	2	2	2	2	1.6363636
# Part-Time Vacancies	0	0	0	0	0	0	1	1	0	0	0	0	0.1818182
IDD Authority Services													
# Positions	61	61	61	61	61	61	61	61	61	61	61	61	61
# FTE	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8	60.8
# Employees	51	52	53	54	55	54	56	53	56	58	57	57	54.454545
# Vacant Positions	10	9	8	7	6	7	5	8	5	3	4	4	6.5454545
# Full-Time Vacancies	10	9	8	7	6	7	5	8	5	3	4	4	6.5454545
# Part-Time Vacancies	0	0	0	0	0	0	0	0	0	0	0	0	0
IDD Provider Services													
# Positions	102	103	103	103	103	103	103	103	103	103	113	113	103.81818
# FTE	101.60	102.5	102.5	102.5	102.5	102.5	102.5	102.5	103	103	113	113	103.46364
# Employees	91	93	92	90	87	90	88	90	94	100	98	98	92.090909
# Vacant Positions	11	10	11	13	16	13	15	17	18	12	15	15	13.727273
# Full-Time Vacancies	9	9	7	8	12	9	11	13	13	9	11	11	10.090909
# Part-Time Vacancies	2	1	4	5	4	4	4	4	5	3	4	4	3.6363636
Medical Prescriber Services													
# Positions	17	17	17	17	17	18	18	18	18	18	18	18	17.545455
# FTE	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
# Employees	15	15	15	15	15	15	14	14	14	14	14	14	14.545455
# Vacant Positions	2	2	2	2	2	3	4	4	4	4	4	4	3
# Full-Time Vacancies	0	0	0	0	0	1	1	1	1	1	1	1	0.5454545
# Part-Time Vacancies	2	2	2	2	2	2	3	3	3	3	3	3	2.4545455
Mental Health Adult Services													
# Positions	174	181	158	158	158	172	175	178	181	181	181	181	172.45455
# FTE	174	180.25	180.25	180.25	180.25	180.25	180.25	180.25	180.25	180.25	180.25	180.25	179.68182
# Employees	138	144	143	142	135	160	162	164	161	161	161	161	151.90909

