



FINANCE COMMITTEE MEETING

Integral Care's mission is to improve the lives of people affected by behavioral health and developmental and/or intellectual challenges.

DATE: Monday, September 25, 2017
TIME: 12:00 p.m.
PLACE: 1430 Collier St. – Board Room
Austin, Texas 78704

AGENDA

- I. Citizens' Comments** (Presentations are limited to 3 minutes)
- II. Approval of Finance Committee Minutes for August 28, 2017** – pages 1-4
- III. Discuss and Take Appropriate Action on Cash & Investment Report – August, 2017**
(Weden) – pages 5-7
- IV. Discuss and Take Appropriate Action on Financial Statements and Amendments (if applicable) for the Period Ending August 31, 2017 (Subject to Audit)** (Weden, Thompson) – pages 8-18
- V. Discuss and Take Appropriate Action Regarding Authorizing the Chief Executive Officer and/or his designee to Accept, if Awarded, the Federal Emergency Management Agency (FEMA) Immediate Services Program (ISP) Grant** (Weden) – pages 19-20
- VI. Discuss and Take Appropriate Action on Board Policy "Investment and Cash Management – 04.17" Including Authorized Broker/Dealer List** (Weden) – pages 21-33
- VII. Recommendation to Approve, (if Awarded), HHSC Funded Community Hospital Capacity** (Goal 2 – P&O Item) – (Lynch) – pages 34-42
- VIII. Recommendation to Approve Revised Board Policy 08.06 Restraint and Seclusion** (Goal 2- P&O Item) - (Franke) - pages 43-47
- IX. Recommendation to Approve Authorizing Chief Executive Officer to Accept, (if Awarded) Funds Associated with SB 292 Planning** – (Goal 3-P&O Item) - (Richards) – To be distributed at meeting - pages 48
- X. Discussion of 4th Quarter FY2017 Business Plan** (Weden) – Verbal Report – page 49
- XI. Accounts Receivable Report** (Thompson) – pages 50-52
- XII. Update on Transformation 1115 Waiver** – (Weden, Macakiage) – Verbal Report – page 53

- XIII. Announcements** – page 54
- XIV. New Business** – page 55
 - Identify Consent/Non-Consent Agenda Items
- XV. Citizens' Comments** (Presentations are limited to 3 minutes) – page 56

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FINANCE COMMITTEE MINUTES

DATE: August 28, 2017
TIME: 12:00 p.m.
PLACE: 1430 Collier St. – Board Room
Austin, Texas 78704

MEMBERS PRESENT: Tom Young, Robert Chapa, Vince Torres (via phone)

MEMBER ABSENT: Luanne Southern

Center staff were in attendance.

The meeting was called to order by Mr. Young at 12:00 p.m.

I. CITIZENS' COMMENTS

None.

II. APPROVAL OF FINANCE COMMITTEE MINUTES

No changes were noted to the minutes of the July 24, 2017 meeting. They stand approved as submitted.

III. DISCUSS AND TAKE APPROPRIATE ACTION ON CASH & INVESTMENT REPORT FOR JULY, 2017

Mr. Young made a motion to recommend to the Board the acceptance of the Cash and Investment Report for July, 2017.

Mr. Chapa seconded.

Mr. Weden reviewed the Cash and Investment Report for July, 2017 stating the interest earned in 7/2017 was \$12,593 and total market and book value at end of month was \$28,068,047. He also stated there were no significant changes for the month. A comparison of FY 2016 vs. FY 2017 cash and investment amounts was reviewed. Discussion followed.

All were in favor. Motion carried.

**IV. DISCUSS AND TAKE APPROPRIATE ACTION ON FINANCIAL STATEMENTS AND AMENDMENTS
(IF APPLICABLE) FOR THE PERIOD ENDING JULY 31, 2017 (SUBJECT TO AUDIT)**

Mr. Young made a motion to recommend to the Board the acceptance of the Financial Statements and amendments (if applicable) for the period ending July 31, 2017 subject to audit.

Mr. Chapa seconded.

Mr. Weden and Ms. Thompson discussed the following information from the schedules found in the packet: Financial Summary, Balance Sheet General Operating Fund and Notes (Schedule N2), Combined (Schedule C1), Statement of Revenue and Expenditures and Notes (Schedule C2), Waiver (Schedule C3), and Capital Projects (Schedule C4). Ms. Thompson discussed in detail the information on the Summary page including: Total Annual Budget; YTD Net; Fund Balance; and Capital Projects. Discussion followed.

All were in favor. Motion carried.

V. DISCUSS AND TAKE APPROPRIATE ACTION TO APPROVE FY 2018 BUDGET

Mr. Chapa made a motion to recommend to the Board approval of the FY 2018 Budget.

Mr. Young seconded.

Mr. Weden stated the Board held a Budget Work Session on August 10, 2017. He then discussed the following highlights of the FY 2018 budget:

1. Addressing staff salaries which are currently set at the 2010 State Classification Compensation levels.
2. When funding levels from Health and Human Services Commission will be determined once state budget from 85th Legislative Session is finalized.
3. Determining most appropriate transition to address 1115 Waiver from a provider measure perspective as opposed to the current project perspective.
4. When funding levels from HHSC will be determined regarding the State Version of the Certified Community Behavioral Health Clinic and the feasibility of implementing based on proposed rates.
5. Preparing for any changes that may occur regarding Medicaid as changes are proposed regarding the Affordable Care Act.
6. Timely completion of capital projects to help ensure maximum utilization of resources.

7. Demand on human resources during an Electronic Health Record conversion.
8. Potential impact on local funding agreements that may occur due to any unfunded mandates or revenue limitations from the 85th legislative session.

Discussion followed.

All were in favor. Motion carried.

VI. DISCUSS AND TAKE APPROPRIATE ACTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND/OR HIS DESIGNEE TO SIGN A PROMISSORY NOTE BETWEEN HOUSING FIRST OAK SPRINGS, LP AND AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER (DBA INTEGRAL CARE)

Mr. Young made a motion to recommend to the Board authorizing the Chief Executive Officer and/or his designee to sign a promissory note between Housing First Oak Springs, LP and Austin-Travis County Mental Health and Mental Retardation Center (dba Integral Care)

Mr. Chapa seconded.

Mr. Weden stated the Housing First Oak Springs will be located at 3000 Oak Springs Drive, Austin, TX and will include 50 fully-furnished single occupancy efficiency apartments, an integrated health clinic offering primary care and behavioral health services, a community room, parking garage, and retail space. He stated that as part of the financing structure, funds received from the Texas Health and Human Services Commission are loaned to the Limited Partnership in order to make the financing available for construction. Staff recommends the Board authorize the Chief Executive Officer and/or his designee, to sign a Promissory Note between Housing First Oak Springs, LP and Austin-Travis County Mental Health and Mental Retardation Center (dba Integral Care) in an amount not to exceed \$1,458,049. Discussion followed.

All were in favor. Motion carried.

VII. DISCUSS AND TAKE APPROPRIATE ACTION TO APPROVE CONSTRUCTION CONTRACTOR FOR TENANT FINISH-OUT AT 1700 S. LAMAR, SUITE 332

Mr. Chapa made a motion to recommend to the Board the approval of the construction contractor for the tenant finish-out at 1700 S. Lamar, Suite 332.

Mr. Young seconded.

Ms. Spencer stated that the Center issued a Request for Proposal (RFP) for the Construction of Suite 332 at 1700 S. Lamar on July 5, 2017. The RFP closed July 31, 2017. There were five (5) proposals received in response to the RFP. Proposals were reviewed and evaluated by the Director of Facilities and the architectural team of BSA Life Structures. Staff recommends awarding a contract for the finish-out at 1700 S. Lamar, Suite 332 to DKC Construction. Discussion followed.

All were in favor. Motion carried.

VIII. UPDATE ON RESOURCE DEVELOPMENT

Ms. Eldridge reviewed the information found in the "Resource Development Quarterly Report". She discussed each Foundation; what phase they are in, i.e. awarded, pending, in development, and remaining pledge; the amount requested; and which initiative it was for, i.e. Housing First Oak Springs, Zero Suicide Initiative, CTAAFSC, Healthy Behaviors for Community First! Village. Discussion followed.

IX. ANNOUNCEMENTS

Mr. Weden updated members on the effects of Hurricane Harvey, staffing efforts at shelters, and the emergency response team from Integral Care. Discussion followed.

X. NEW BUSINESS

- Non-Consent: Item IV, V
- Consent: Items III, VI, VII

XI. CITIZENS' COMMENTS

None.

There being no further business, the meeting adjourned at 12:35 p.m.

Tom Young, Chair
Finance Committee

Date

Libby Worsham

Libby Worsham,
Executive Assistant



CASH AND INVESTMENT REPORT

For the month ended August 31, 2017

<u>Cash and Cash Equivalents</u>	<u>Investments Market Value</u>	<u>Investments Book Value</u>	<u>Percentage of Portfolio</u>	<u>Monthly Interest</u>	<u>Interest Rates</u>	<u>Stated Maturity Term</u>	<u>Average Days to Maturity</u>
<u>Chase Bank of Texas</u>							
Deposit Account	8,999,401	8,999,401	38.79%	2,984	0.35%	1	1
<u>Frost Bank</u>							
Deposit Account	11,965,648	11,965,648	51.58%	8,844	1.07%	1	1
<u>Short-term Investments:</u>							
TexPool Fund - Operating	1,920,354	1,920,354	8.28%	1,628	1.00%	1	1
TexPool Fund - Midelburg Trust	312,800	312,800	1.35%	265	1.00%	1	1
Totals and Averages, current month	<u>23,198,203</u>	<u>23,198,203</u>	<u>100.00%</u>	<u>13,721</u>	<u>0.78%</u>	<u>1</u>	<u>1</u>
Totals and Averages, previous month	\$ 28,068,047	\$ 28,068,047	100.00%	\$ 12,593	0.64%	1	1
Totals and Averages, previous year	\$ 17,935,632	\$ 17,935,632	100.00%	4,669	0.36%	10	2

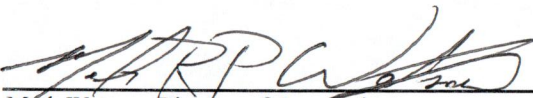
Benchmark: 90-day T-bill rate at 8/31/17 - 1.01%

This report is in full compliance with the investment policy as established for the Investment Portfolio, the Public Funds Investment Act (Chapter 2256.023 and Generally Accepted Accounting Principles (GAAP).

(1) - The period change is the result of changes in cash position and not fluctuations in market value of investments.

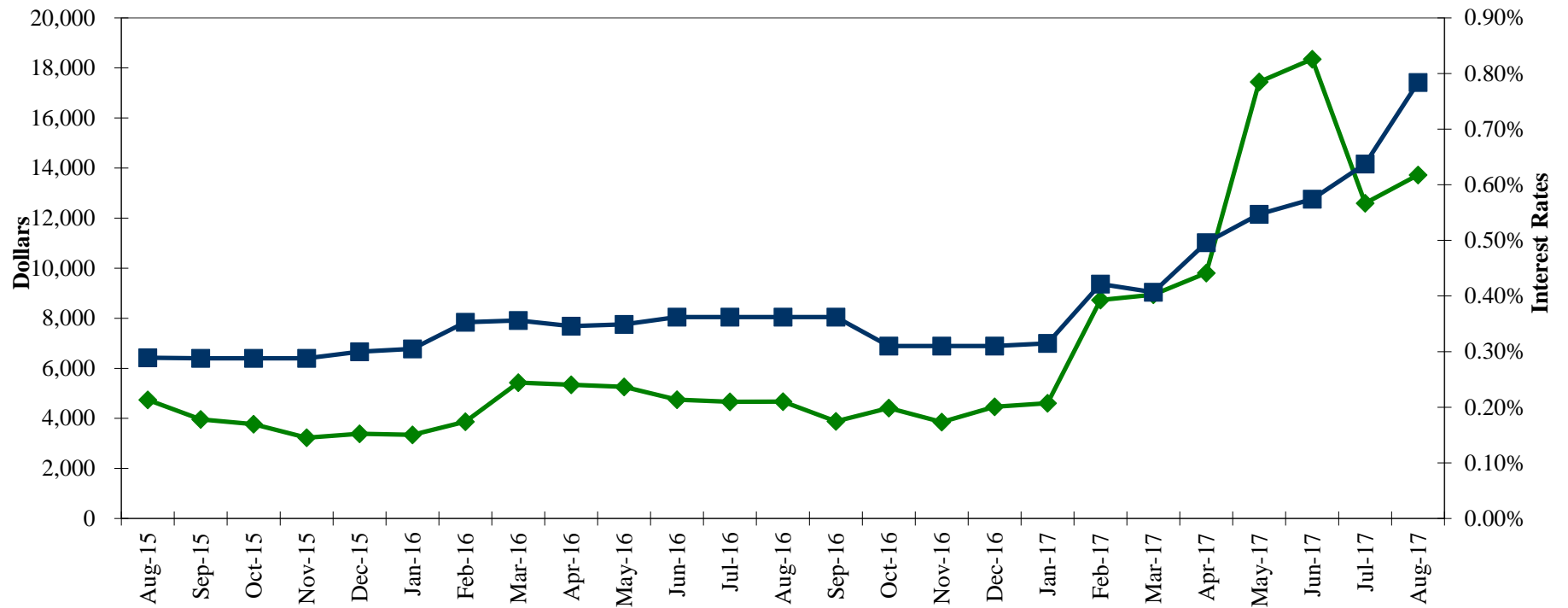

David A. Weden, CAO/CFO

9/19/17


Mark Watson, Director of Accounting

09/19/2017

Interest Rates and Earnings Comparison



Interest Rate
Earnings

August'15
0.29%
4,744

August'16
0.36%
4,669

August'17
0.78%
13,721



LIST OF SECURITIES
For the month ended August 31, 2017

Cash and Cash Equivalents	Purchase Dates	Investments Book Values	Interest Rates	Maturity Dates	Average Days to Maturity
<u>Chase Bank of Texas</u>					
Chase Bank Depository Account	6/1/2007	8,999,401	0.35%		1
<u>Frost Bank</u>					
Frost Bank Depository Account	2/1/2017	11,965,648	1.07%		1
<u>Short-term Investments:</u>					
TexPool Fund - Operating	6/1/2007	1,920,354	1.00%		1
TexPool Fund - Midelburg Trust	6/1/2007	312,800	1.00%		1
Total		\$ 23,198,203	0.78%		1

Integral Care
Financial Summary Period Ending August 31, 2017, YEAR-END NOT FINAL

	Sub-Total Operations &				
	Operations	Waiver	Waiver	Capital Projects	Total
Total Annual Budget - Current	\$ 76,048,853	\$ 17,378,996	\$ 93,427,849	\$ 27,217,025	\$ 120,644,874
Total Annual Budget - Original	\$ 74,299,518	\$ 17,313,179	\$ 91,612,697	\$ 26,352,978	\$ 117,965,675
Total Budget Amendments	\$ 1,749,335	\$ 65,817	\$ 1,815,152	\$ 864,047	\$ 2,679,199
Year-to-Date (YTD) Net	\$ 786,541	\$ 4,861,266	\$ 5,647,806	\$ (3,295,159)	\$ 2,352,647
Year-to-Date Planned Fund Balance Exp	\$ (326,064)		\$ (326,064)	\$ (3,292,829)	\$ (3,618,893)
Year-to-Date Net (without FB planned loss)	\$ 1,112,605	\$ 4,861,266	\$ 5,973,870	\$ (2,330)	\$ 5,971,540

Note: Settlement & Interest on outstanding FFS claims and Interest late claims pmt, \$83,486

Notes:

1) Fund Balance	Fund Balance Category	2016 Ending Fund Balance	FY2017 YTD Net Operations	FY2017 YTD Fund Balance		Fund Balance Days of Operation
Operations	Unassigned	\$ 9,854,862	\$ (330,928)	\$ 9,523,934	\$ 9,523,934	Total Unrestricted / Waiver FB \$ 21,058,445
Midelberg	Restricted	6,653	-	\$ 6,653		FY17 Fund Balance Budget-Bal (1,610,514)
Waiver	Assigned	6,673,245	4,861,266	\$ 11,534,511	\$ 11,534,511	FY2017 YTD Adj Fund Balance \$ 19,447,931
Sale of NLJ/Purchase Renovation 1165 Airport	Assigned	4,281,431	(2,177,690)	\$ 2,103,741		YTD Average Operations Expense \$ 231,647
Total Fund Balance		\$ 20,816,191	\$ 2,352,647	\$ 23,168,838	\$ 21,058,445	YTD Unrestricted Days of Operation 84

2017 Fund Balance Budget	Annual Budget	Used to Date	Budget Balance
Unrestricted:			
IT Project Plan Future EMR	\$ (1,000,000)	\$ -	\$ (1,000,000)
Collier Facility Roof Replacement	(600,000)	-	(600,000)
The Herman Center Facility Construction	(659,139)	(1,115,139)	-
Early Child Intervention (ECI) Program	(137,478)	(126,964)	(10,514)
Unallowable Type Expenses (recurring type expenses)	(150,000)	(199,099)	-
Total Unrestricted Fund Balance Budget	\$ (2,546,617)	\$ (1,441,202)	\$ (1,610,514)
Airport Facility Renovation (restricted sale of NLJ Property)	(4,500,000)	(2,177,690)	(2,322,310)
Total FY2017 Fund Balance	\$ (7,046,617)	\$ (3,618,893)	\$ (3,932,823)

Allocated MAC Revenues

2) Capital Projects Include:

	Budget	YTD Revenue	YTD Expense	YTD Net
IT Project Plan Future EMR	\$ 1,000,000	\$ 320,943	\$ 320,942	\$ 0
Collier Facility Roof Replacement	600,000	-	-	-
The Herman Center Facility Construction	4,331,821	2,549,096	3,664,235	(1,115,139)
HCC Oaksprings Facility	15,921,157	2,989,290	2,989,290	-
Airport Facility Renovation	4,500,000	-	2,177,690	(2,177,690)
S. Lamar New Lease Build-Out	-	49,000	51,331	(2,331)
Total Capital Projects	\$ 26,352,978	\$ 5,908,328	\$ 9,203,487	\$ (3,295,159)

Allocated MAC Revenues

Balance Sheet - General Operating Fund - Schedule N2
As of 8/31/2017

	Beginning Balance 9/01/2016	Prior Period Balance 7/31/2017	Current Period Balance 8/31/2017	Notes	Current Period % Change	Year To Date % Change
Schedule N2 Balance Sheet Gen. Op. Fund						
Assets						
Current Assets						
Cash	\$ 17,689,459	\$ 28,073,934	\$ 23,302,885		(16.99%)	31.73%
Accounts Receivable	16,032,605	8,073,247	9,080,098	(1)	12.47%	(43.36%)
Deposits and Prepaids	599,366	357,567	586,755		64.10%	(2.10%)
Inventory	0	0	0			
Total Current Assets	\$ 34,321,430	\$ 36,504,748	\$ 32,969,738		(9.68%)	(3.94%)
Noncurrent Assets						
Investment in Tejas	\$ -	\$ -	\$ -			
Investment in NMF	128,649	128,649	128,649		0.00%	0.00%
Investment in Housing First Oak Springs	0	0	0			
Total Noncurrent Assets	\$ 128,649	\$ 128,649	\$ 128,649		0.00%	0.00%
Total Assets	\$ 34,450,079	\$ 36,633,397	\$ 33,098,387		(9.65%)	(3.92%)
Liabilities						
Current Liabilities						
Interfund Payables	\$ 436,571	\$ 423,614	\$ 416,549		(1.67%)	(4.59%)
Accounts Payable	4,480,801	2,208,499	3,708,972	(2)	67.94%	(17.23%)
Deferred Revenue	4,631,854	6,712,235	1,073,198	(3)	(84.01%)	(76.83%)
Fringe Payables	2,506,735	2,592,546	3,041,628		17.32%	21.34%
Total Current Liabilities	\$ 12,055,961	\$ 11,936,894	\$ 8,240,348		(30.97%)	(31.65%)
Noncurrent Liabilities						
Accrued Compensated Absences	\$ 1,577,927	\$ 1,755,099	\$ 1,689,201		(3.75%)	7.05%
Total Noncurrent Liabilities	\$ 1,577,927	\$ 1,755,099	\$ 1,689,201		(3.75%)	7.05%
Total Liabilities	\$ 13,633,888	\$ 13,691,993	\$ 9,929,549		(27.48%)	(27.17%)
Fund Equity						
Fund Balance - Operations						
Fund Balance - Operations	\$ 9,861,515	\$ 9,861,515	\$ 9,861,515		0.00%	0.00%
Net Income - Operations	0	493,455	786,541		59.39%	
Net Income - Capital Projects (excluding Airport)	0	(1,093,332)	(1,117,469)		7.70%	
Total Fund Balance - Operations	\$ 9,861,515	\$ 9,261,638	\$ 9,530,587	(4)	2.26%	(3.96%)
Fund Balance - 1115 Waiver						
Fund Balance - 1115 Waiver	\$ 6,673,245	\$ 6,673,245	\$ 6,673,245		0.00%	0.00%
Net Income - 1115 Waiver	0	4,289,647	4,861,266		13.33%	
Total Fund Balance - 1115 Waiver	\$ 6,673,245	\$ 10,962,892	\$ 11,534,511	(5)	5.21%	72.85%
Fund Balance - Airport Building Capital Project						
Fund Balance - Airport Building Capital Project	\$ 4,281,431	\$ 4,281,431	\$ 4,281,431		0.00%	0.00%
Net Income - Airport Building Capital Project	0	(1,564,558)	(2,177,690)		35.35%	
Total Fund Balance - Airport Building Capital Project	\$ 4,281,431	\$ 2,716,874	\$ 2,103,741	(6)	(20.36%)	(49.46%)
Total Fund Equity	\$ 20,816,192	\$ 22,941,404	\$ 23,168,839		0.99%	11.30%
Total Liabilities and Fund Equity	\$ 34,450,079	\$ 36,633,397	\$ 33,098,388		(9.65%)	(3.92%)

BALANCE SHEET NOTES

Period Ending 8/31/2017

Note 1 Accounts Receivable, \$9,080,098

3rd Party FFS A/R	\$ 1,098,000
3rd Party FFS A/R - Allowance	(282,846)
Sub-Total 3rd Party FFS A/R	815,154
Contracts Receivable	5,152,961
Contracts Receivable - Accrued Revenue (DSHS HCC, MAC, etc.)	2,480,756
Employee Advances - Payroll Pay Period Conversion	459,225
Employee Insurance Receivable	162,858
Rental Operations	9,144
Total Accounts Receivable	\$ 9,080,098

Note 2 Accounts Payable, \$3,708,972:

Accrued Accounts Payable (mainly Contract Provider Exp and DSHS/DADS 2016 unspent cost reimb advances)	\$ 2,398,311
Other	1,310,661
Total Accounts Payable	\$ 3,708,972

Note 3 Deferred Revenue, \$1,073,198:

DSHS (10% withhold (\$900,476); match (\$851,083); deferred \$43,975)	\$ (1,707,583)
St. David's EOU, MHFA, OakSprings Construction	1,197,421
DADS	124,919
City of Austin Interlocal	161,847
DSHS Match - Rehab/CM Match	526,428
HCC MATCH (NMF, DACC, Lola Wright)	581,205
All Other	188,961
Total Deferred Revenue	\$ 1,073,198

Note 4 Fund Balance Operations, \$9,530,587 (includes Midelberg):

Fund Balance Ending 8/31/2016 (includes operations & Midelberg)	\$ 9,861,515
FY2017 YTD Net Operations	786,541
FY2017 Capital Projects Net (excluding Airport Facility)	(1,117,469)
Fund Balance Ending (Operations & Midelberg)	\$ 9,530,587

Note 5 Fund Balance Waiver, \$11,534,511:

Fund Balance Ending 8/31/2016	\$ 6,673,245
FY2017 YTD Net Waiver	4,861,266
Total Waiver Fund Balance	\$ 11,534,511

Note 6 Fund Balance Airport Building Sale/Purchase/Renovation, \$2,103,741:

Fund Balance Ending 8/31/2016	\$ 4,281,431
2017 Renovation Airport Building	(2,177,690)
Total Building Sale/Purchase Fund Balance	\$ 2,103,741

Statement of Revenues and Expenditures - Schedule C1 - Combined
From 8/01/2017 Through 8/31/2017

	Original Budget	Budget Revisions	Revised Budget	Current Month Actual	YTD Actual	YTD Budget	YTD Variance	Percent Variance
Schedule C1 - Combined								
REVENUES								
Local Funds								
City of Austin	\$ 8,101,521	\$ 110,494	\$ 8,212,015	\$ 447,355	\$ 4,825,268	\$ 8,212,015	\$ (3,386,747)	(41.24%)
Travis County	5,454,161	512,008	5,966,169	535,173	4,946,729	5,966,169	(1,019,440)	(17.09%)
Central Health	10,085,269	-	10,085,269	782,746	10,009,415	10,085,269	(75,854)	(0.75%)
Other Local	19,522,655	235,103	19,757,758	584,562	5,941,191	19,757,758	(13,816,567)	(69.93%)
Total Local Funds	\$ 43,163,606	\$ 857,605	\$ 44,021,211	\$ 2,349,836	\$ 25,722,603	\$ 44,021,211	\$ (18,298,608)	(41.57%)
State Funds								
DSHS Mental Health	\$ 27,473,901	\$ 1,261,193	\$ 28,735,094	\$ 5,222,764	\$ 28,570,621	\$ 28,735,094	\$ (164,473)	(0.57%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	203,789	2,324,594	2,229,371	95,223	4.27%
DADS	4,226,581	169,957	4,396,538	365,945	3,930,948	4,396,538	(465,590)	(10.59%)
TCOOMMI	1,821,958	37,072	1,859,030	142,101	1,749,021	1,859,030	(110,009)	(5.92%)
DARS (Early Childhood Intervention)	636,610	16,714	653,324	53,316	651,788	653,324	(1,536)	(0.24%)
Other State	351,286	(96,808)	254,478	9,933	192,234	254,478	(62,244)	(24.46%)
Total State Funds	\$ 36,930,738	\$ 1,197,097	\$ 38,127,835	\$ 5,997,846	\$ 37,419,207	\$ 38,127,835	\$ (708,628)	(1.86%)
Federal Funds								
Medicare/Medicaid/HMO	\$ 10,738,243	\$ 374,375	\$ 11,112,618	\$ 878,017	\$ 10,068,925	\$ 11,112,618	\$ (1,043,693)	(9.39%)
HCS/Tx Hm Lvg Waiver	297,273	-	297,273	25,405	252,473	297,273	(44,800)	(15.07%)
Other Federal	3,747,123	137,960	3,885,083	338,301	3,677,075	3,885,083	(208,008)	(5.35%)
Total Federal Funds	\$ 14,782,639	\$ 512,335	\$ 15,294,974	\$ 1,241,723	\$ 13,998,472	\$ 15,294,974	\$ (1,296,502)	(8.48%)
Waiver Funds								
1115 Waiver	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 1,674,148	\$ 18,966,498	\$ 16,571,998	\$ 2,394,500	14.45%
Total Waiver Funds	\$ 16,571,998	\$ -	\$ 16,571,998	\$ 1,674,148	\$ 18,966,498	\$ 16,571,998	\$ 2,394,500	14.45%
Total REVENUES	\$ 111,448,981	\$ 2,567,037	\$ 114,016,018	\$ 11,263,555	\$ 96,106,781	\$ 114,016,018	\$ (17,909,237)	(15.71%)
EXPENDITURES								
Operating expenditures								
Salaries	\$ 46,222,643	\$ 710,222	\$ 46,932,865	\$ 3,646,384	\$ 42,994,204	\$ 46,932,865	\$ 3,938,661	8.39%
Fringe benefits	12,844,427	3,272	12,847,699	923,294	10,861,673	12,847,699	1,986,026	15.46%
Travel/Workshop	892,265	59,461	951,726	87,332	885,511	951,726	66,215	6.96%
Prescription Drugs & Medicine	1,857,310	(38,767)	1,818,543	41,286	482,891	1,818,543	1,335,652	73.45%
Consumable Supplies	282,159	19,343	301,502	43,919	329,581	301,502	(28,079)	(9.31%)
Contracts & Consultants	21,586,868	509,351	22,096,219	4,366,576	21,644,282	22,096,219	451,937	2.05%
Capital Outlay	23,259,798	866,347	24,126,145	658,239	5,665,851	24,126,145	18,460,294	76.52%
Furniture & Equipment	1,063,383	80,065	1,143,448	344,686	1,432,761	1,143,448	(289,313)	(25.30%)
Facility/Telephone/Utility	5,199,584	215,764	5,415,348	555,574	5,723,361	5,415,348	(308,013)	(5.69%)
Insurance Costs	310,529	1,636	312,165	29,960	301,812	312,165	10,353	3.32%
Transportation Costs	120,270	-	120,270	9,563	86,297	120,270	33,973	28.25%
Professional Fees	651,427	-	651,427	97,061	1,043,201	651,427	(391,774)	(60.14%)
Other Operating Costs	2,442,398	62,885	2,505,283	87,721	812,176	2,505,283	1,693,107	67.58%
Client Support Costs	1,232,614	189,620	1,422,234	144,531	1,490,985	1,422,234	(68,751)	(4.83%)
Total Operating expenditures	\$ 117,965,675	\$ 2,679,199	\$ 120,644,874	\$ 11,036,125	\$ 93,754,586	\$ 120,644,874	\$ 26,890,288	22.29%
Total EXPENDITURES	\$ 117,965,675	\$ 2,679,199	\$ 120,644,874	\$ 11,036,125	\$ 93,754,586	\$ 120,644,874	\$ 26,890,288	22.29%
Total Gain/Loss Operating before FB	\$ (6,516,694)	\$ (112,162)	\$ (6,628,856)	\$ 227,429	\$ 2,352,195	\$ (6,628,856)	\$ 8,981,051	(135.48%)
Fund Balance								
Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 5	\$ 452	\$ 6,628,856	\$ (6,628,404)	(99.99%)
Total Fund Balance	\$ 6,516,694	\$ 112,162	\$ 6,628,856	\$ 5	\$ 452	\$ 6,628,856	\$ (6,628,404)	(99.99%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 227,435	\$ 2,352,647	\$ -	\$ 2,352,647	

(1)

Statement of Revenues and Expenditures - Schedule C2 - Operations
From 8/01/2017 Through 8/31/2017

	Original Budget	Budget Revisions	Revised Budget	Current Month Actual	YTD Actual	YTD Budget	YTD Variance	Notes	Percent Variance
Schedule C2 - Operations									
REVENUES									
Local Funds									
City of Austin	\$ 5,101,521	\$ 110,494	\$ 5,212,015	\$ 447,355	\$ 4,825,268	\$ 5,212,015	\$ (386,747)	(1)	(7.42%)
Travis County	5,454,161	512,008	5,966,169	535,173	4,946,729	5,966,169	(1,019,440)	(2)	(17.09%)
Central Health	10,085,269	0	10,085,269	745,546	9,869,015	10,085,269	(216,254)	(3)	(2.14%)
Other Local	3,061,625	363,600	3,425,225	561,693	3,286,404	3,425,225	(138,821)	(4)	(4.05%)
Total Local Funds	\$ 23,702,576	\$ 986,102	\$ 24,688,678	\$ 2,289,768	\$ 22,927,416	\$ 24,688,678	\$ (1,761,262)		(7.13%)
State Funds									
DSHS Mental Health	\$ 25,394,036	\$ 397,146	\$ 25,791,182	\$ 3,726,311	\$ 25,626,709	\$ 25,791,182	\$ (164,473)	(5)	(0.64%)
DSHS Substance Abuse	2,420,402	(191,031)	2,229,371	203,789	2,324,594	2,229,371	95,223	(6)	4.27%
DADS	4,226,581	169,957	4,396,538	365,945	3,930,948	4,396,538	(465,590)	(7)	(10.59%)
TCOOMMI	1,821,958	37,072	1,859,030	142,101	1,749,021	1,859,030	(110,009)	(8)	(5.92%)
DARS (Early Childhood Intervention)	636,610	16,714	653,324	53,316	651,788	653,324	(1,536)		(0.24%)
Other State	351,286	(96,808)	254,478	9,933	192,234	254,478	(62,244)	(9)	(24.46%)
Total State Funds	\$ 34,850,873	\$ 333,050	\$ 35,183,923	\$ 4,501,393	\$ 34,475,295	\$ 35,183,923	\$ (708,628)		(2.01%)
Federal Funds									
Medicare/Medicaid/HMO	\$ 9,373,702	\$ 245,878	\$ 9,619,580	\$ 760,800	\$ 8,709,980	\$ 9,619,580	\$ (909,600)	(10)	(9.46%)
HCS/Tx Hm Lvg Waiver	297,273	0	297,273	25,405	252,473	297,273	(44,800)		(15.07%)
Other Federal	3,747,123	137,960	3,885,083	246,380	3,307,132	3,885,083	(577,951)	(11)	(14.88%)
Total Federal Funds	\$ 13,418,098	\$ 383,838	\$ 13,801,936	\$ 1,032,585	\$ 12,269,585	\$ 13,801,936	\$ (1,532,351)		(11.10%)
Waiver Funds									
1115 Waiver	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 97,978	\$ 1,718,468	\$ 2,086,838	\$ (368,370)	(12)	(17.65%)
Total Waiver Funds	\$ 2,040,493	\$ 46,345	\$ 2,086,838	\$ 97,978	\$ 1,718,468	\$ 2,086,838	\$ (368,370)		17.65%
Total REVENUES	\$ 74,012,040	\$ 1,749,335	\$ 75,761,375	\$ 7,921,724	\$ 71,390,765	\$ 75,761,375	\$ (4,370,610)		(5.77%)
EXPENDITURES									
Operating expenditures									
Salaries	\$ 36,708,192	\$ 504,166	\$ 37,212,358	\$ 2,967,383	\$ 34,418,246	\$ 37,212,358	\$ 2,794,112	(14)	7.51%
Fringe benefits	10,273,827	5,672	10,279,499	751,487	8,741,335	10,279,499	1,538,164		14.96%
Travel/Workshop	716,647	59,461	776,108	78,523	749,756	776,108	26,352		3.40%
Prescription Drugs & Medicine	446,567	(38,767)	407,800	32,938	422,716	407,800	(14,916)		(3.66%)
Consumable Supplies	237,512	19,343	256,855	39,430	278,338	256,855	(21,483)		(8.36%)
Contracts & Consultants	18,152,171	645,783	18,797,954	2,706,204	17,447,531	18,797,954	1,350,423	(15)	7.18%
Capital Outlay	111,362	2,300	113,662	539	40,219	113,662	73,443	(16)	64.62%
Furniture & Equipment	838,310	81,472	919,782	289,246	1,164,648	919,782	(244,866)	(17)	(26.62%)
Facility/Telephone/Utility	4,232,434	215,764	4,448,198	467,833	4,609,096	4,448,198	(160,898)	(18)	(3.62%)
Insurance Costs	244,544	1,636	246,180	24,807	245,080	246,180	1,100		0.45%
Transportation Costs	100,150	0	100,150	7,786	68,370	100,150	31,780		31.73%
Professional Fees	182,480	0	182,480	39,598	209,671	182,480	(27,191)		(14.90%)
Other Operating Costs	888,598	62,885	951,483	80,118	741,268	951,483	210,215	(19)	22.09%
Client Support Costs	1,166,724	189,620	1,356,344	142,753	1,468,402	1,356,344	(112,058)	(20)	(8.26%)
Total Operating expenditures	\$ 74,299,518	\$ 1,749,335	\$ 76,048,853	\$ 7,628,644	\$ 70,604,676	\$ 76,048,853	\$ 5,444,177		7.16%
Total EXPENDITURES	\$ 74,299,518	\$ 1,749,335	\$ 76,048,853	\$ 7,628,644	\$ 70,604,676	\$ 76,048,853	\$ 5,444,177		7.16%
Total Gain/Loss Operating before FB	\$ (287,478)	\$ -	\$ (287,478)	\$ 293,081	\$ 786,089	\$ (287,478)	\$ 1,073,567		(373.44%)
Fund Balance									
Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 5	\$ 452	\$ 287,478	\$ (287,026)	(13)	(99.84%)
Total Fund Balance	\$ 287,478	\$ -	\$ 287,478	\$ 5	\$ 452	\$ 287,478	\$ (287,026)		(99.84%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ 293,086	\$ 786,541	\$ -	\$ 786,541		

REVENUE BUDGET VARIANCE NOTES - OPERATIONS

Period Ending 8/31/2017

Note 1: City of Austin - YTD Budget Variance (\$386,747):

City HCC Bond Operations	(121,049)
City HOST	(147,992)
City of Austin Interlocal	(21,756)
City of Austin ACT (City's 1115 project)	(72,523)
Other (4 cost reimbursement type contracts)	(23,427)
Total City of Austin Budget Variance	(386,747)

Will Expend full contract \$600K by end of September
New Contract
Will Expend full contract by end of September

Note 2: Travis County - YTD Budget Variance (\$1,019,440):

Travis County Substance Use Contracts (2)	(67,714)
Child System of Care	(177,466)
Travis County - Families With Voice (FWV)	(229,330)
Travis County Correctional Complex	(465,512)
All Other (3 contracts)	(79,418)
Total Travis County Budget Variance	(1,019,440)

Contract Increase beg Feb, adding prescriber, full yr contract in Budget

Note 3: Central Health - YTD Budget Variance (\$216,254):

In-Patient	(237,896)
CommUnity Care- EMERGE Program	21,642
Total Central Health Budget Variance	(216,254)

Cost Reimbursement, contract end 9/30 spend DSHS 1st
Anticipate contract increase

Note 4: Other Local -YTD Budget Variance (\$138,821):

St. David's Herman Center (EOU)	(665,979)
St. David's Mental Health First Aid	(296,167)
Seton In-School	(98,136)
Cost Reimbursement - Contra Budget on Est Unearned Contract	803,260
All Other (19 line items)	118,201
Total Other Local Budget Variance	(138,821)

Contract recently executed, variance based on ytd months of fiscal year

Cost Reimbursement contracts that may not spend total contract

Note 5: DSHS MH - YTD Budget Variance (\$164,473):

DSHS - Resident Program	(70,000)
DSHS - RA1SE	(36,677)
DSHS - OCR & Crisis Respite	(39,096)
DSHS - Mental Health Firsr Aid	(18,700)
Total DSHS MH Budget Variance	(164,473)

Note 6: DSHS Substance Abuse - YTD Budget Variance \$95,223:

TRM Contract (OP Clinic, Methadone, Ambulatory Detox)	(343,662)
COPSD	(127,305)
HIV Programs	(67,215)
Opiod Program, Youth Prevention, Money Follows the Person	(133,416)
Budget Reserve (anticipated unearned FFS contract Max)	766,821
Total DSHS Substance Abuse Budget Variance	95,223

Note 7: DADS - YTD Budget Variance (\$465,590):

Transitional Support (HUB)	(338,654)
Crisis Intervention Specialist	(108,314)
Enhanced Community Coordination	(46,206)
CLOIP (approved to use 2016 unspent funds \$44,190)	27,584
Total DADS Budget Variance	(465,590)

Note 8: TCOOMMI - YTD Budget Variance (\$110,009):

Adult	(84,512)
Juvenile	(25,497)
Total TCOOMMI Budget Variance	(110,009)

Note 9: Other State - YTD Budget Variance (\$62,244):

CPRIT	(62,244)
Total Other State Budget Variance	(62,244)

Note 10: Medicare/Medicaid/HMO - YTD Budget Variance (\$909,600):

MH - HMO & Medicaid	(5,904)
SUD - HMO & Medicaid	26,725
Case Management - HMO & Medicaid	(84,887)
Rehab - HMO & Medicaid	(900,224)
Medicare	(85,498)
IDD Service Coordination	(71,312)
Reserve - Unearned FFS contra budget	211,500
Total Medicare/Medicaid/HMO Budget Variance	(909,600)

Note 11: Other Federal - (\$577,951):

VA Safehaven	(130,784)
HUD Lifeworks	(56,458)
HUD Supported Housing	(140,848)
MAC	(192,599)
All Other, 3 programs	(57,262)
Total Other Federal Budget Variance	(577,951)

Note 12: Waiver - (\$368,370):

Admin-Less funds recognized than bud & Prog Ind rev match exp	(368,370)
Total Waiver Budget Variance	(368,370)

Note 13: Fund Balance - (\$287,026):

Total Annual Fund Balance Budget Unallowable \$150,000, no rev, ytd budget is variance	(150,000)
Total Annual Fund Balance Budget ECI \$137,478, no rev, ytd budget is variance	(137,478)
Midelberg Interest Income	452
Total Fund Balance Budget Variance	(287,026)

EXPENSE BUDGET VARIANCE NOTES - OPERATIONS

Period Ending 8/31/2017

		<u>Note 14:</u>	<u>Note 15:</u>	<u>Note 16:</u>	<u>Note 17:</u>	<u>Note 18:</u>	<u>Note 19:</u>	<u>Note 20:</u>
	Major Funding Types:	Salaries & Fringe Benefits	Contracts & Consultants	Capital Outlay	Furniture & Equipment	Facility / Telephone / Utility	Other Operating Cost	Client Support Cost
1.)	Cost Reimbursement	\$ 2,567,364	\$ 1,288,025	\$ 79,303	\$ (187,677)	\$ (62,293)	\$ 48,539	\$ 14,189
2.)	FFS Contract Max	387,400	(220,894)	-	(6,241)	1,859	5,949	(61,110)
3.)	DSHS Adult & Child / Housing	\$ 463,774	(25,715)	(509)	(59,652)	32,893	12,052	2,225
4.)	DADS	252,531	134,710	3,600	291	3,260	(4,464)	(6,048)
5.)	TxHmLvg	31,188	(14,258)	-	(1,791)	(1,701)	(418)	(4,637)
6.)	Program Support & Community Collaboratives	85,278	25,244	(209)	(9,480)	(40,877)	132,857	(57,066)
7.)	Admin / Authority	544,741	163,311	(8,742)	19,684	(94,039)	15,700	389
	Total Expense (over)/under YTD Budget	\$ 4,332,276	\$ 1,350,423	\$ 73,443	\$ (244,866)	\$ (160,898)	\$ 210,215	\$ (112,058)

General Note: All contracts are budgeted at contract amount. In some instances we will budget a contra budget if we believe that we do not have the capacity to earn all funds, ie some DSHS SUD contracts.

Major Funding Category Notes YTD Budget Variances \$50,000 & >:

Note 15	Contracts & Consultants - Cost Reimbursement	\$ 1,288,025	Central Health \$485K; DSHS HCC \$132K; Travis County Family with Voices \$177K; Travis County System of Care \$255K; Travis County SAMSO \$117K; Extended Observation Program \$108K; St. David's MHFA \$91K; Community Care (\$128K); All Other 25 programs \$53K under budget
	Contracts & Consultants - FFS Contract Max	\$ (220,894)	YES Waiver (\$244K); 5 Other programs \$23K under budget
	Contracts & Consultants - DADS	\$ 134,710	Respite Out of Home \$150K under budget; 17 Other Programs total (\$15K) over budget
	Contracts & Consultants - Admin / Auth	\$ 163,311	17 Programs in this category no one program with large variances
Note 16	Capital Outlay - Cost Reimbursement	\$ 79,303	EOU \$90K; Crisis Respite (\$23K); 4 Other Programs \$12K under budget
Note 17	Furniture & Equipment - Cost Reimbursement	\$ (187,677)	The Herman Center (EOU) (\$132K); All other 31 programs (\$56K) over budget
	Furniture & Equipment - DSHS Adult & Child / Housing	\$ (59,652)	21 Programs in this category, no one program with large variances
Note 18	Facility/Telephone/Utility - Cost Reimbursement	\$ (62,293)	32 Programs in this category, no one program with large variances
	Facility/Telephone/Utility - Admin/Authority	\$ (94,039)	Mainly over rent at S.Lamar facility
Note 19	Other Operating - Program Support & Comm	\$ 132,857	9 programs in the category, main program under budget Central Texas African American Conference (CTA AFC)
Note 20	Client Support Cost - FFS Contract Max	\$ (61,110)	YES Waiver (\$44K); 3 Other programs (\$17K) over budgt
	Client Support Cost - Program Support & Comm	\$ (57,066)	Unallowable Expense unit



Statement of Revenues and Expenditures - Schedule C3 - Waiver
From 8/01/2017 Through 8/31/2017

Schedule C3 - Waiver

REVENUES

Local Funds

Central Health	\$ -	\$ -	\$ -	\$ 37,200	\$ 140,400	\$ -	\$ 140,400	0.00%
Other Local	1,947,056	(128,497)	1,818,559	7,491	60,313	1,818,559	(1,758,246)	(96.68%)
Total Local Funds	\$ 1,947,056	\$ (128,497)	\$ 1,818,559	\$ 44,691	\$ 200,713	\$ 1,818,559	\$ (1,617,846)	(88.96%)

Federal Funds

Medicare/Medicaid/HMO	1,364,541	128,497	1,493,038	117,217	1,358,945	1,493,038	(134,093)	(8.98%)
Total Federal Funds	\$ 1,364,541	\$ 128,497	\$ 1,493,038	\$ 117,217	\$ 1,358,945	\$ 1,493,038	\$ (134,093)	(8.98%)

Waiver Funds

1115 Waiver	\$ 14,531,505	\$ (46,345)	\$ 14,485,160	\$ 1,576,170	\$ 17,248,030	\$ 14,485,160	\$ 2,762,870	19.07%
Total Waiver Funds	\$ 14,531,505	\$ (46,345)	\$ 14,485,160	\$ 1,576,170	\$ 17,248,030	\$ 14,485,160	\$ 2,762,870	19.07%
Total REVENUES	\$ 17,843,102	\$ (46,345)	\$ 17,796,757	\$ 1,738,079	\$ 18,807,688	\$ 17,796,757	\$ 1,010,931	5.68%

EXPENDITURES

Operating expenditures

Salaries	\$ 9,514,451	\$ 206,056	\$ 9,720,507	\$ 679,002	\$ 8,575,958	\$ 9,720,507	\$ 1,144,549	11.77%
Fringe benefits	2,570,600	(2,400)	2,568,200	171,807	2,120,339	2,568,200	447,862	17.44%
Travel/Workshop	175,618	-	175,618	8,809	135,755	175,618	39,863	22.70%
Prescription Drugs & Medicine	1,410,743	-	1,410,743	8,348	60,175	1,410,743	1,350,568	95.73%
Consumable Supplies	44,647	-	44,647	4,489	51,242	44,647	(6,595)	(14.77%)
Contracts & Consultants	2,161,170	(136,432)	2,024,738	150,351	1,585,889	2,024,738	438,849	21.67%
Furniture & Equipment	225,073	(1,407)	223,666	43,718	251,699	223,666	(28,033)	(12.53%)
Facility/Telephone/Utility	967,150	-	967,150	83,269	943,107	967,150	24,043	2.49%
Insurance Costs	65,985	-	65,985	5,153	56,732	65,985	9,253	14.02%
Transportation Costs	20,120	-	20,120	1,777	17,927	20,120	2,193	10.90%
Professional Fees	237	-	237	358	55,294	237	(55,057)	(23230.89%)
Other Operating Costs	91,495	-	91,495	7,603	69,722	91,495	21,773	23.80%
Client Support Costs	65,890	-	65,890	1,778	22,583	65,890	43,307	65.73%
Total Operating expenditures	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,166,460	\$ 13,946,422	\$ 17,378,996	\$ 3,432,574	19.75%
Total EXPENDITURES	\$ 17,313,179	\$ 65,817	\$ 17,378,996	\$ 1,166,460	\$ 13,946,422	\$ 17,378,996	\$ 3,432,574	19.75%

Total Gain/Loss Operating

529,923	(112,162)	417,761	571,618	4,861,266	417,761	4,443,505
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Fund Balance

Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (417,761)	\$ 417,761	(100.00%)
Total Fund Balance	\$ (529,923)	\$ 112,162	\$ (417,761)	\$ -	\$ -	\$ (417,761)	\$ 417,761	(100.00%)

Total Gain/Loss Operating With FB

\$ -	\$ -	\$ -	\$ 571,618	\$ 4,861,266	\$ -	\$ 4,861,266
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Statement of Revenues and Expenditures - Schedule C4 - Capital Projects
From 8/01/2017 Through 8/31/2017

Schedule C4 - Capital Projects

REVENUES

Local Funds

City of Austin	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000	\$ (3,000,000)	(100.00%)
Other Local	14,513,974	-	14,513,974	15,378	2,594,473	14,513,974	(11,919,501)	(82.12%)
Total Local Funds	\$ 17,513,974	\$ -	\$ 17,513,974	\$ 15,378	\$ 2,594,473	\$ 17,513,974	\$ (14,919,501)	(85.19%)
State Funds								
DSHS Mental Health	\$ 2,079,865	\$ 864,047	\$ 2,943,912	\$ 1,496,453	\$ 2,943,912	\$ 2,943,912	\$ -	0.00%
Total State Funds	\$ 2,079,865	\$ 864,047	\$ 2,943,912	\$ 1,496,453	\$ 2,943,912	\$ 2,943,912	\$ -	0.00%
Federal Funds								
Other Federal	\$ -	\$ -	\$ -	\$ 91,921	\$ 369,943	\$ -	\$ 369,943	0.00%
Total Federal Funds	\$ -	\$ -	\$ -	\$ 91,921	\$ 369,943	\$ -	\$ 369,943	#DIV/0!
Total REVENUES	\$ 19,593,839	\$ 864,047	\$ 20,457,886	\$ 1,603,752	\$ 5,908,328	\$ 20,457,886	\$ (14,549,558)	(71.12%)

EXPENDITURES

Operating expenditures

Contracts & Consultants	\$ 1,273,527	\$ -	\$ 1,273,527	\$ 1,510,021	\$ 2,610,863	\$ 1,273,527	\$ (1,337,336)	(105.01%)
Capital Outlay	23,148,436	864,047	24,012,483	657,701	5,625,632	24,012,483	18,386,851	76.57%
Furniture & Equipment	-	-	-	11,723	16,414	-	(16,414)	0.00%
Facility/Telephone/Utility	-	-	-	4,472	171,158	-	(171,158)	0.00%
Professional Fees	468,710	-	468,710	57,105	778,236	468,710	(309,526)	(66.04%)
Other Operating Costs	1,462,305	-	1,462,305	-	1,185	1,462,305	1,461,120	99.92%
Total Operating expenditures	\$ 26,352,978	\$ 864,047	\$ 27,217,025	\$ 2,241,021	\$ 9,203,487	\$ 27,217,025	\$ 18,013,538	66.18%
Total EXPENDITURES	\$ 26,352,978	\$ 864,047	\$ 27,217,025	\$ 2,241,021	\$ 9,203,487	\$ 27,217,025	\$ 18,013,538	66.18%
Total Gain/Loss Operating	(6,759,139)	-	(6,759,139)	(637,270)	(3,295,159)	(6,759,139)	3,463,980	
Fund Balance								
Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 6,759,139	\$ (6,759,139)	(100.00%)
Total Fund Balance	\$ 6,759,139	\$ -	\$ 6,759,139	\$ -	\$ -	\$ 6,759,139	\$ (6,759,139)	(100.00%)
Total Gain/Loss Operating With FB	\$ -	\$ -	\$ -	\$ (637,270)	\$ (3,295,159)	\$ -	\$ (3,295,159)	

FUND BALANCE NOTE	Balance	Actual	YTD Actual	to Balance Sheet
FY2017 Renovation Airport Blvd Building	(1,564,558)	(613,133)	(2,177,690)	- Fund Balance Airport Building Sale/Purchase/Renovation
FY2017 Capital Projects (excluding Airport Facility)	(1,093,332)	(24,137)	(1,117,469)	- Fund Balance Operations
Capital Projects Total	(2,657,890)	(637,270)	(3,295,159)	

V. Discuss and Take Appropriate Action Regarding Authorizing the Chief Executive Officer and/or his designee to Accept, if Awarded, the Federal Emergency Management Agency (FEMA) Immediate Services Program (ISP) Grant

David Weden

Background:

Hurricane Harvey made initial landfall in Texas on Friday, August 25th and Integral Care staffed a local evacuation shelter to provide behavioral health services for guests from the coast.

Current Status:

As of September 11, 60 county disaster declarations were made by the state and 43 counties have received federal disaster declarations. In addition, over 675,000 individuals in Texas have registered with FEMA for assistance.

Due to the assistance Travis County is providing in sheltering evacuees, Travis County is one of four counties eligible for public assistance through FEMA even though individual assistance is not available.

Funding for the FEMA ISP is requested through Health and Human Services Commission (HHSC). Integral Care submitted an estimated budget of \$487,410 for potential award. The budget includes costs for personnel (salaries and benefits), interpreters, staff travel, equipment, and supplies. The grant period covers 60 days and any amount awarded will be drawn down based on a cost reimbursement basis.

HHSC has submitted the request to FEMA as part of an overall state-wide request and is awaiting word regarding awarding of funding.

Recommendation:

Staff recommends the Board approve the Chief Executive Officer and/or his designee to accept, if awarded, the Federal Emergency Management Agency (FEMA) Immediate Services Program (ISP) Grant.

VI. Discuss and Take Appropriate Action on Board Policy “Investment and Cash Management – 04.17” including Authorized Broker/Dealer List

David Weden

Background:

The Texas Public Funds Investment Act (Sec.2256.005(e)) requires that the governing body of an investing entity shall review its investment policy and investment strategies not less than annually.

Current Status:

Integral Care's Investment and Cash Management Policy was last reviewed by Integral Care's Finance Committee and Board of Trustees on September 26, 2016. Proposed changes to the policy are redlined on the version in your packet and reflect the following in order to align with the most recent changes in the Texas Public Funds Investment Act:

- The \$1 Net Asset Value (NAV) pools and money fund add language that they are in compliance with Security and Exchange Commission (SEC) Rule 2a-7
- Only Pools are now required to certify a copy of the Investment and Cash Management Policy. Other entities will receive copies of the policy but are not required to certify the policy.

The proposed changes have been reviewed by both internal legal counsel as well as by Linda Patterson of Patterson and Associates in order to ensure compliance with the Texas Public Funds Investment Act.

Recommendation:

Staff recommends the Finance Committee and Board approve the proposed changes to Integral Care's Investment and Cash Management Policy.



04.17 BOARD OF TRUSTEES

Title: Investment and Cash Management

Section: Fiscal

Cross Reference: OP 04.31 – Banking Services Procedure

PURPOSE

The purpose of this investment policy is to comply with all laws and statutes governing the investment of public funds, including but not by way of limitation Chapter 2256 of the Texas Government Code (“Public Funds Investment Act” or “PFIA”), which require Integral Care to adopt a written investment policy regarding the investment of its funds and funds under its control. This Investment and Cash Management Policy (“Policy”) addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of Integral Care funds.

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POLICY

It is Integral Care policy to administer and invest its funds as its highest public trust. Investments will provide the maximum security of principal invested through limitations and diversification while meeting Integral Care daily cash flow needs.

The receipt of a market rate of return will be consistent with the requirements for safety, diversification, liquidity and yield. Integral Care will comply with the Public Funds Investment Act and, as appropriate, with the Public Funds Collateral Act, Chapter 2257 of the Texas Government Code (“PFCA”).

Investments shall be made with the primary objectives of:

- **Safety** and preservation of principal
- Maintenance of sufficient **liquidity** to meet operating needs
- **Public trust** from prudent investment activities
- Optimization of **interest earnings** on the portfolio

SCOPE

This Policy applies to all Integral Care funds, except pension and retirement funds. Integral Care may commingle funds into one or more pooled investment portfolios for efficiency and maximum investment opportunity while recognizing the unique needs of individual funds.

In addition to this Policy, fund investments will be governed by the requirements of any applicable trust indentures or contracts. Any new funds created by Integral Care, unless specifically

exempted by the Integral Care Board of Trustees (“Board”), will be managed in accordance with this Policy.

OBJECTIVES AND STRATEGY

Integral Care shall manage and invest its cash with five primary objectives, listed in order of priority: **safety, liquidity, public trust, diversification, and yield (expressed as optimization of interest earnings)**. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with applicable state, federal and local law.

Integral Care shall maintain a comprehensive cash management program, which includes collection of account receivables, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and maximum earnings on short-term investment of idle cash.

Safety /PFIA 2256.005(b) (2)/

Safety of principal is the foremost objective of Integral Care. Integral Care investments shall be undertaken in a manner that seeks to ensure the preservation of capital in Integral Care’s overall investment portfolio (“Portfolio”). Funds will be invested in accordance with this Policy on a “buy and hold” basis. The authorized securities chosen, or pool(s) utilized, will be of the highest credit quality and marketability. The objective will be to mitigate credit and interest rate risk.

- Credit Risk – Integral Care will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
 - Limiting investments to the safest types of investments.
 - Pre-qualifying the financial institutions and broker/dealers with which Integral Care will do business.
 - Diversifying the Portfolio so that potential losses on individual issuers will be minimized.
- Interest Rate Risk – Integral Care will minimize the risk that the interest earnings and the market value of investments in the Portfolio will fall due to changes in general interest rates, by:
 - Structuring the Portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
 - Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
 - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

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Liquidity [PFIA 2256.005(b)(2)]

The Portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements with a maximum weighted average maturity of no more than twelve (12) months to protect liquidity. This is accomplished by structuring the Portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the Portfolio will be maintained in interest bearing accounts or local government investment pools that offer same-day liquidity.

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Public Trust

All participants in Integral Care investment process shall seek to act responsibly as custodians of the public trust. Integral Care's Chief Financial Officer and the Accounting Services Director have been designated as Investment Officers. Investment Officers shall avoid any transaction that might impair public confidence in Integral Care's ability to govern effectively.

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Diversification [PFIA 2256.005(b)(3)]

Portfolio diversification includes maturity and market sector diversification. This also entails the utilization of a number of brokers and dealers to ensure access to balanced information. The Portfolio shall be diversified to protect against market and credit risk in any one sector. Diversification requirements can be met by utilizing an authorized investment pool.

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Yield [PFIA 2256.005(b)(3)]

The Portfolio shall be designed with the objective of attaining a reasonable market yield throughout budgetary and economic cycles, taking into account Integral Care risks and Portfolio cash flow. Since the historical cash flow allows a weighted average maturity for the Portfolio of twelve (12) months, the Portfolio will use a benchmark of the one (1) year Treasury Bills to measure risk and performance levels. The maximum stated maturity for any individual security in the Portfolio shall not exceed three (3) years.

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RESPONSIBILITY AND CONTROL

Delegation of Authority [PFIA 2256.005(f)]

Integral Care may utilize a registered investment adviser to assist in the investment program. The Investment Officers are responsible for all the aspects of the investment program and investment management decisions and activities. They will develop and maintain written procedures for the operation of the investment program that are consistent with this Policy. The Investment Officers are authorized to engage in investment transactions, deposit, withdraw, wire funds for investments, transfer and manage funds on behalf of Integral Care.

Moved up [1]: Integral Care Chief Financial Officer and the Accounting Services Director have been designated as Investment Officers.

The Investment Officers may provide written authorization for one of Integral Care accounting employees to execute electronic fund transfers between Integral Care financial institution accounts. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

Quality and Capability of Investment Management [PFIA 2256.005(b)(3)]

Integral Care shall provide periodic training in investments for the Investment Officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to ensure the quality and capability of investment management in compliance with the Public Funds Investment Act. An Investment Officer shall attend a training session not less than once each fiscal biennium (begins the first day of Integral Care fiscal year, September 1) from an independent source approved by the Finance Committee of the Board.

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Training Requirement [PFIA 2256.008]

In accordance with Integral Care practice and the Public Funds Investment Act, designated Investment Officers shall attend an investment training session no less often than once every two years and shall receive not less than 10 hours of instruction relating to investment responsibilities. A newly appointed Investment Officer must attend a training session of at least 10 hours of instruction within twelve months of the date the officer took office or assumed the officer's duties.

The investment training session shall be provided by an independent source approved by the Finance Committee of the Board. For purposes of this Policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom Integral Care may engage in an investment transaction.

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Ethics and Conflicts of Interest [PFIA 2256.005(i)]

Investment Officers shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions.

Investment Officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the Portfolio.

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An Investment Officer who has a personal business relationship with an organization seeking to sell an investment to Integral Care shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Government Code, to an individual seeking to sell an investment to Integral Care shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission, the Board and the Chief Executive Officer.

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PRUDENCE [PFIA 2256.006]

The standard of prudence to be applied by the Investment Officer shall be the “prudent investor” rule. This rule states that “Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probably safety of capital and the probably income to be derived.” In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under Integral Care control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written approved investment policy of Integral Care.

LIMITATION OF PERSONAL LIABILITY

The Investment Officers, when acting in accordance with the written procedures and this Policy and in accordance with the PFIA’s quoted requirement of prudence, shall be relieved of personal liability in the management of the Portfolio provided that deviations from expectations for a specific security’s risk or market price change or Portfolio shifts are reported in a timely manner and appropriate action is taken to control adverse market effects.

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INTERNAL CONTROLS

The Investment Officers shall establish a system of written internal controls which will be reviewed annually with the independent auditor of Integral Care. The Investment Officers will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. The Investment Officers and any Integral Care investment adviser shall perform an annual review to assure compliance with the PFIA and this Policy.

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The Investment Officers or investment adviser, if applicable, shall monitor no less frequently than weekly, the credit rating on all authorized investments in the Portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officers shall notify the Board of the loss of rating, conditions affecting the rating and possible loss of principal and the liquidation options available.

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The Investment Officers or investment adviser, if applicable, shall monitor on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by Integral Care based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officers shall immediately liquidate any brokered CD which is above the FDIC insurance level.

AUTHORIZED INVESTMENTS [PFIA 2256.005(b)(4)(A)]

Acceptable investments under this Policy shall be limited to the instruments listed below. The investments are to be obtained in a manner which promotes diversity of market sector and maturity. The choice of high-grade government investments and high-grade money market instruments are designed to assure the marketability of those investments should liquidity needs arise. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by Integral Care until this Policy has been amended and the Board adopts the amended version.

- A. Obligations of the United States Government, its agencies and instrumentalities excluding all mortgage-backed securities and not to exceed three years to stated maturity;
- B. Fully insured or collateralized **depository** certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank and in compliance with the collateral provisions of this Policy.
- C. FDIC insured brokered Certificates of Deposit purchased from a broker or a bank in Texas, delivered versus payment to the Integral Care safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officers must verify the FDIC Status of the bank (on www.2fdic.gov/idasp/main_bankfind.asp or equivalent) to assure that the bank is FDIC insured.
- D. AAA-rated, no-load, U.S. Securities and Exchange Commission ("SEC") registered money market funds, restricted to investments authorized by the PFIA which strive to maintain a \$1 Net Asset Value (NAV), **in compliance with SEC Rule 2a-7.**
- E. AAA-rated, constant-dollar Texas Local Government Investment Pools as defined by the PFIA and which strive to maintain a \$1 NAV, **in compliance with SEC Rule 2a-7.**
- F. Interest bearing accounts of banks doing business in Texas insured or collateralized in accordance with this Policy.
- G. General debt obligations of any US state or locality rated AA or higher by at least one nationally recognized rating agency and not to exceed two years to stated maturity.

Competitive Bidding Requirement [PFIA 2256.005(c)]

All securities, including certificates of deposit, will be purchased or sold only after three (3) offers or bids verify that Integral Care is receiving fair market price for the investment. Bids may be solicited orally, in writing, electronically, or in any combination of the above methods.

Delivery versus Payment [PFIA 2256.005(b)(4)(e)]

All security transactions, including collateral for repurchase agreements entered into by Integral Care shall be conducted on a delivery versus payment ("**DVP**") basis.

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AUTHORIZED DEALERS AND INSTITUTIONS [PFIA 2256.025]

All investments made by Integral Care will be made through an Integral Care-approved broker or bank. The Board shall approve a list of brokers or dealers authorized to provide investment services to Integral Care. The list shall be **approved by the Board** ~~updated~~ on an annual basis and a current year's list is attached to this Policy as Exhibit B. Integral Care shall maintain a list of authorized financial institutions to provide time and demand deposits but this list need not be approved by the Board.

The following criteria must be met by each authorized broker or dealer:

- Provision of an annual audited financial statement;
- Proof of certification by the Financial Industry Regulatory Authority (FINRA) including the firm's FINRA Central Registry Depository (CRD) number; and
- Proof of current registration with the Texas State Securities Board.

A copy of the Policy will be sent to every authorized broker/dealer.

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Each ~~counter party (bank, broker or~~ pool with which Integral Care transacts business ("Pool") will be provided a copy of this Policy to assure that ~~it is~~ familiar with the goals and objectives of the investment program. ~~Each Pool counter parties~~ will be required to return a signed copy of the Certification Form substantially in the form required by the PFIA (attached to this Policy as Exhibit A) certifying that the Policy has been received and reviewed and ~~that the Pool has put~~ controls ~~into~~ place to prevent securities which are not Policy-compliant from being sold to Integral Care. Major changes ~~to the Policy~~ will require re-certification of the Policy ~~by each Pool~~. [PFIA 2256.005(k-1)]

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DIVERSIFICATION AND MATURITY LIMITATIONS [PFIA 2256.005(b)(4)(B)]

It is Integral Care policy to diversify its ~~Portfolio~~ to minimize risk or loss resulting from over-concentration of assets in a specific maturity, issuer, or class of securities. Diversification strategies shall be established and periodically reviewed. The Investment Officers shall be required to diversify maturities and, to the extent possible, to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk.

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The longer the maturity of investments, the greater their price volatility. Therefore, it is Integral Care policy to concentrate its ~~Portfolio in shorter-term securities in order to limit principal risk~~ caused by changes in interest rates.

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Integral Care attempts to match its investments with anticipated cash flow requirements. Integral Care will not directly invest in securities maturing more than three (3) years from the date of purchase; however, the above described obligations, certificates, or agreements may be collateralized using longer dated investments.

SAFEKEEPING OF SECURITIES AND COLLATERAL

Securities Owned by Integral Care

State laws and prudent treasury management require that all Integral Care-owned securities be held in safekeeping by either a third party financial institution independent from the purchase or an Integral Care-designated depository. All securities will be settled DVP. To perfect DVP, the Integral Care depository used as the custodian will not be used as a broker for any transaction.

Deleted: delivery versus payment ("DVP")

The Investment Officers shall authorize all safekeeping arrangements and an agreement of the terms executed in writing. The custodian shall be required to issue original safekeeping receipts to Integral Care describing each specific security, rate, description, maturity, CUSIP number, and other pertinent information.

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Pledged Securities

All securities pledged to Integral Care for certificates of deposit or demand deposits shall be held by an independent bank outside the holding company of the pledging bank. The custodian shall be required to issue original safekeeping receipts to Integral Care describing each specific security, including market value. Each safekeeping receipt will be clearly marked that the security is pledged to Integral Care.

Collateral *[PFCA 2257.023]*

Securities pledged as collateral for time and demand deposits shall be limited to:

- Obligations of the U.S. Government, its agencies and instrumentalities including, but not limited to, mortgage-backed securities which pass the Federal Reserve's bank test, and
- Municipal obligations of any state or public entity rated A or equivalent by at least two (2) nationally recognized rating agencies.

All pledged securities will be held by an independent bank approved by Integral Care. An executed collateral agreement shall be executed under terms of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as it may be amended from time to time ("FIRREA"). In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. The pledging bank shall be liable for monitoring and maintaining the collateral and margins daily. The custodian of the collateral shall provide a monthly report of all holdings directly to Integral Care.

Under state law, banks are authorized to propose a voluntary pooling of collateral for their collateral pledged to all public entities. Integral Care is authorized to utilize such pooling and the Board authorized their use, but the Investment Officers must evaluate the costs and risks of such a collateralization relationship. Integral Care is not required to utilize a collateral pool.

All collateral shall be subject to inspection and audit by the Investment Officers or Integral Care independent auditors.

PERFORMANCE EVALUATION AND REPORTING [PFIA 2256.023]

The Investment Officers shall submit a report to the Board no less frequently than quarterly, which complies with the PFIA, contains sufficient informant to permit an informed outside reader to evaluate the performance of the investment program and contains, at a minimum:

- Beginning and ending market value of the Portfolio by market sector and total Portfolio;
- Beginning and ending book value of the Portfolio by market sector and total Portfolio;
- Change in market value;
- Detail reporting on each asset (book, market, and stated maturity dates at a minimum);
- Average yield of the Portfolio for the period;
- Average yield of the Portfolio's benchmark for the period;
- Total earnings for the period; and
- Overall weighted average maturity of the Portfolio.

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Integral Care or, as applicable, its investment adviser will obtain market prices from an independent source for all securities for reporting purposes.

The report will be prepared jointly by the Investment Officers and signed by the Investment Officers and all others involved in the investment activity.

DEPOSITORIES

Not less than every five (5) years, the Investment Officers will competitively bid the banking services of Integral Care. Services will be solicited from Integral Care's current financial institution and at least two other qualified institutions.

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The banking services institution will be used for normal banking services including disbursements, deposits, custody, and safekeeping of securities. Other banking institutions from which Integral Care may purchase certificates of deposit will also be designated as a depository after they provide their last audited financial statements to Integral Care.

All depositories will execute a depository contract including terms for collateralization of funds above FDIC insured levels.

INVESTMENT POLICY ADOPTION BY Integral Care BOARD [PFIA 2256.005(e)]

This Policy containing Integral Care Investment Policy and Strategy shall be reviewed and adopted annually by the Board.

Initial Effective Date: November 30, 1996

Last Revised Date: ~~September 25, 2014, October 29, 2015, SOctover24, 2016, September 28, 2017~~

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Approved: Matt Snapp

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Signature: _____

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EXHIBIT A

INVESTMENT POLICY CERTIFICATION FORM
As required by Texas Government Code 2256.005(k)

Integral Care

_____ (the “**Pool Firm**”)

I, as registered principal or authorized representative for the Pool **Firm** named above, do hereby certify that I, ~~and the broker covering this account,~~ have received and **I both** have thoroughly reviewed the Investment and Cash Management Policy (“Policy”) of Integral Care most recently revised on _____.

I acknowledge and hereby certify that this **Pool firm** has implemented reasonable internal procedures and controls in an effort to preclude investment transactions conducted between this **Pool Firm** and Integral Care that are not authorized by the Policy, except to the extent that this authorization is dependent on an analysis of the makeup of Integral Care entire portfolio or requires an interpretation of subjective investment standards.

Firm: ~~Pool~~ _____

Signature: _____

Printed Name: _____

Title: _____

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EXHIBIT B

Integral Care

Authorized Broker/Dealer List

The authorized broker/dealer list for Integral Care is shown below. Each of these firms, and the individual with each firm who is responsible for covering the account, ~~is was~~ given Integral Care's current Investment and Cash Management Policy ("Policy"). ~~In accordance with the Public Funds Investment Act (Tex. Gov't Code 2256.005 (c)), before any broker/dealer transacts business with Integral Care it will certify that it has reviewed Integral Care current Policy and that it has adequate procedures in place to ensure compliance with that Policy.~~ Either Integral Care's Investment Officers or, as applicable, its investment ~~advisor, consultants,~~ shall maintain the broker files for Integral Care.

When any material changes are made to the Policy, Integral Care will provide each authorized broker/dealer with a copy of the revised Policy. ~~and require a new certification from each authorized broker/dealer as to the revised Policy.~~

- J.P. Morgan Chase
- ~~Patterson & Associates~~
- Frost Bank
- Bank of America
- Merrill Lynch
- Mizuho Securities
- Morgan Stanley
- Nomura Securities
- Raymond James
- Stifel Nicolaus
- Edward D. Jones & Co.

VII. Recommendation to Approve, (if Awarded), HHSC Funded Community Hospital Capacity (P&O Item)

Louise Lynch

Recommendation for Approval, if awarded, HHSC funded Community Hospital Capacity (Goal 2)

Louise F. Lynch, MSSW, LMSW-AP, Provider Network Authority Officer

Lesa Brown-Valades, LPCS, Director Utilization Management

Background

The 85th Legislature appropriated additional bed capacity for FY18

Integral Care was awarded a grant of \$1.8 million in FY 16

This proposal is based upon unmet need of 238 (down from 568 in FY 14)

Awards will be granted based upon: 1.) no previous project and 2.) areas with current projects

Increasing Inpatient Capacity

Unit:	468
Fundor:	Health & Human Services Commission
Total Funds:	\$2,600,000
Match Required:	None
Length of Grant:	One year
Renewal Possible:	Yes
Program Category:	Crisis/Inpatient

Increasing Inpatient Capacity

Services Provided Through: The inpatient services will be provided through the existing network of four hospital providers

Impact on Services: This program would reduce the unmet need and wait time for inpatient care.

Legislative/Regulatory Imperative: 85th Legislature, Regular Session, appropriations

Increasing Inpatient Capacity

Individuals Served: 238

New Staff Positions: None

Cooperating Agencies/Stakeholders: Central Health, Seton Shoal Creek, Austin Lakes, Austin Oaks, Cross Creek Hospitals

Increasing Inpatient Capacity

- Continuing use of unfunded community beds
- Ongoing county court demand for ASH beds leading to increased lengths-of stay in contracted beds
- Populations growth
- Providing crisis care to individuals who do not reside in Travis County

PNAC Recommendation

The Planning and Network Advisory Committee met on September 14, 2017 and recommended that the Board of Trustees approve the proposal for Inpatient Psychiatric Beds.

Comments/Questions

VIII. Recommendation to Approve Revised Board Policy 08.06 Restraint and Seclusion (P&O Item)

Dr. Craig Franke

PURPOSE

To provide guidelines on approved preventative approaches and restraints for behavioral emergencies. Only approved preventative approaches and restraints may be used when there is an imminent risk of harm to self or others as a result of a behavioral emergency.

DEFINITIONS

Behavioral Emergency (IDD Division)

A situation in which severely aggressive, destructive, violent, or self-injurious behavior exhibited by an individual receiving services from Integral Care's Intellectual and Developmental Disabilities ("IDD") Division:

- Poses a substantial risk of imminent probable death of, or substantial bodily harm to, the individual or others;
- Has not abated in response to attempted preventive de-escalatory or redirection techniques;
- Is not addressed in a written Behavior Support Plan; and
- Does not occur during a medical or dental procedure.

Behavioral Emergency (adult behavioral health and child and family services divisions All Behavioral Health~~Non-IDD~~ Divisions)

A situation involving an individual receiving behavioral health services at ~~The Herman Center program operated by~~ Integral Care who is behaving in a violent or self-destructive manner and in which preventive, de-escalative, or verbal techniques have been determined to be ineffective and it is immediately necessary to restrain or seclude the individual to prevent:

- Imminent probable death or substantial bodily harm to the individual because the individual is attempting to commit suicide or inflict serious bodily harm; or
- Imminent physical harm to others because of acts the individual commits.

Behavior Support Plan – A behavior intervention plan that authorizes and details a Personal Restraint.

Chemical Restraint

The use of any chemical, including pharmaceuticals, through topical application, oral administration, injection, or other means, for purposes of restraining an individual and which is not a standard treatment for the individual's medical or psychiatric condition.

Mechanical Restraint

Any device, material, or equipment that immobilizes or reduces the ability of the individual to move his or her arms, legs, body, or head freely, as described in §415.253 of Title 25, Part 1, Chapter 415, Subchapter F of the Texas Administrative Code.

Personal Restraint

Any manual method by which a person holds or otherwise bodily applies physical pressure that immobilizes or reduces the ability of the individual to move his or her body or a portion of his or her body.

Seclusion

The involuntary separation of an individual from other individuals for any period of time and or the placement of the individual alone in an area from which the individual is prevented from leaving.

POLICY

General Prohibition of Use of Seclusion and Restraints

It is Integral Care's policy that the use of Seclusion, Chemical Restraints and Mechanical Restraints are prohibited in all programs. The use of Personal Restraints is prohibited with respect to individuals receiving services from Integral Care, except as otherwise permitted in this Policy.

Any type of intervention or Personal Restraint used on an individual receiving services from Integral Care must be the least restrictive intervention necessary in order to protect the individual and others from harm, and must be discontinued at the earliest possible time, regardless of the length of time identified in a physician's order.

Use of Personal Restraints ~~in All Behavioral Health Divisions~~ adult behavioral health and child and family services divisions ~~at The Herman Center~~

Personal Restraints may be used with respect to individuals receiving services in any of Integral Care's ~~services~~ behavioral health divisions ~~Herman Center~~ during a Behavioral Emergency (adult behavioral health and child and family services ~~All Behavioral Health~~ ~~Non-IDD Divisions~~), to the extent provided by Integral Care Operating Procedures and applicable laws, rules and regulations.

Use of Personal Restraints in the IDD Division

Personal Restraints may only be used with respect to individuals receiving services in the IDD Division, to the extent provided by Integral Care Operating Procedures and applicable laws, rules and regulations. A Behavior Support Plan must be current for any individual receiving services from the IDD Division who is the subject of a Personal Restraint and must authorize any type of Personal Restraint that is used with respect to the individual, except in a Behavioral Emergency (IDD Division) or in accordance with an order for the Personal Restraint from a physician, dentist, occupational therapist, or physical therapist.

Training and Demonstrated Competence

All Integral Care employees and third parties who work in direct contact with individuals receiving services from Integral Care must receive and successfully complete training approved by Integral Care on non-physical interventions for problem behaviors and accepted practices for intervening with persons receiving services from Integral Care who are at imminent risk of harm to self or others, and demonstrate competence in those interventions and accepted practices. This training must occur prior to providing services to any individuals, and at least annually thereafter.

All Integral Care employees and third parties who work in direct contact with individuals receiving services ~~from Integral Care at The Herman Center~~ must successfully complete training and demonstrate competence in Personal Restraints prior to providing services to any individual ~~at The Herman Center~~, and on at least an annual basis thereafter.

~~All Integral Care employees and third parties who work in direct contact with individuals receiving services in the IDD Division must successfully complete training and demonstrate competence in Personal Restraints prior to providing services to any individual in the IDD Division, and on at least an annual basis thereafter.~~

Integral Care will adopt, implement and enforce the training programs described above, which will meet the requirements of all applicable laws, rules and regulations.

Operating Procedures

The Chief Executive Officer, or his designee, will develop appropriate operating procedures to implement this Policy.

Effective Date: March 25, 2010

Revised Date: December 8, 2011 _____, 2017

Approved: Matthew Snapp, Ph.D.

Signature: _____

Questions/Comments?

IX. Recommendation to Approve Authorizing Chief Executive Officer to Accept, (if Awarded) Funds Associated with SB 292 Planning (P&O Item)

(To Be distributed at meeting)

Ellen Richards

X. Discussion of 4th Quarter FY 2017 Business Plan (Verbal Report)

David Weden

XI. Accounts Receivable Report

Della Thompson

INTEGRAL CARE

ACCOUNTS RECEIVABLE DETAIL LISTING, PERIOD ENDED: AUGUST 2017 (PRELIMINARY)

Contracts:	Total A/R	Allowance	Unapplied Payments	Net Total A/R	Over 90 Days	% Over 90 Days
Central Healthcare District	854,500			854,500		
CITY 1115 ACT	221,728			221,728		
City - HIV Wellness	9,453			9,453		
City - Project Recovery	137,557			137,557		
City - Ryan White I & III	56,508			56,508		
City - YFAC	7,735			7,735		
City - HOST	72,973			72,973		
City Interlocal	50,000			50,000		
City -MSO/Provider Claims	27,646			27,646		
City - Housing First Programs	478,951			478,951		
CommUnity Care Clinics	354,545			354,545		
CPRIT	19,467			19,467		
DADS HUB & ECC	117,827			117,827	47,250	40%
DSHS - PATH	109,349			109,349		
DSHS - SA - Cost Reimb Contracts	70,934			70,934		
DSHS-HCC	165,945			165,945		
DSHS MHFA	9,400			9,400		
DSHS - YPI	47,694			47,694		
Early Childhood Intervention	16,714			16,714		
ECI MAC	24,511			24,511	11,274	46%
Front Step - MOU	3,589			3,589		
HHSC - MAC	1,064,784			1,064,784	563,923	53%
HUD - Lifeworks	15,100			15,100		
Lubbock Region MHMR	700			700		
Money Follows the Person	7,176			7,176		
People's Community Clinic	5,580			5,580		
Project ECHO	3,349			3,349		
SAFEPLACE	3,264			3,264		
SAMSHA - Project Aware	16,643			16,643		
Seton In-School Waiver	210,034			210,034		
TCOOMMI	207,233			207,233		
Tejas - Scott & White	1,150			1,150	1,150	100%
Travis County - Family With Voices	167,806			167,806		
Travis County - Interlocal	235,176			235,176		
Travis County - Juvenile Probation	7,263			7,263		
Travis County - MSO/Provider Claims	84,794			84,794		
Travis County - System of Care	182,233			182,233		
Travis County OJJDP	37,289			37,289		
VA-SafeHaven	46,364			46,364		
Total Contracts Receivable	5,152,961	-	-	5,152,961	623,596	12.10%

<i>Contracts:</i>	Total A/R	Allowance	Unapplied Payments	Net Total A/R	Over 90 Days	% Over 90 Days
<i>Fee For Service:</i>						
Medicaid	307,744	(37,974)	(15,922)	253,847	57,351	19%
STAR & STAR + Services	192,231	(85,796)	(1,607)	104,827	47,799	25%
CHIP Services	23,738	(4,525)	(919)	18,294	6,393	27%
JC FPP	(199)	0	0	(199)	(199)	100%
Medicare	23,283	(811)	960	23,432	1,171	5%
Veteran's Administrations	22,314	(4,730)	(592)	16,992	8,169	37%
YES Waiver	44,784	(1,703)	0	43,081	1,636	4%
Private Payer Contracts	70,554	(62,678)	(3,189)	4,688	59,723	85%
Ryan White	1,428	(936)	0	492	1,428	100%
HMO SUD	19,307	(8,705)	(154)	10,449	7,130	37%
HMO Rehab & Case Mgmt	300,743	(73,399)	3,892	231,237	37,922	13%
TAIP	11,210	0	(217)	10,993	0	0%
DSHS SUD	100,263	(1,589)	(1,653)	97,021	(774)	-1%
Reserve for revenue earned over YTD Contract		0	0	0	0	
<i>Total Fee For Service Receivable</i>	1,117,399	(282,846)	(19,399)	815,153	227,750	20%
<i>Accrued Receivables:</i>						
Accrue Rental Operations	9,144			9,144		
Accrue - Insurance Refund	162,858			162,858		
Accrue - Misc. Contracts	187,514			187,514		
Accrue - HCC	1,600,716			1,600,716		
Accrue - MAC	574,684			574,684		
Accrue - TCOMMII	117,842			117,842		
Accounts Receivable - Staff P/R conversion	459,225			459,225		
<i>Total Accrued Receivables</i>	3,111,983	-	-	3,111,983		
<i>Total Accounts Receivable</i>	8,447,694	(282,846)	(19,399)	9,080,098	851,347	10%

XII. Update on Transformation 1115 Waiver (Verbal Report)

**David Weden
Kimberly Macakiage**

XIII. Announcements

XIV. New Business

- **Identify Consent/Non-Consent Agenda Items**
 - **Consent: Items III, V, VI, VII**
 - **Non-Consent: Items IV, VIII, IX**
 - **Item X - Discussion of Business Plan (Information item for full Board Meeting)**

XV. Citizens' Comments