North Los Angeles County Regional Center

Administrative Affairs Committee Meeting Minutes

August 27, 2014

Present: Jenean Glover, Dawn Hamilton, and Debra Newman – Committee Members
Tavia Wooley – Board Member
Tim DePriest – Chapman Insurance
Ken Lane – Vendor Advisory Committee Representative
Diane Ambrose, Lucy Gezalyan, Jennifer Kaiser, Michele Marra, Vini Montague, Kim Rolfes, and George Stevens – Staff Members

Absent: Dan Becerra

I. Call to Order & Introductions

Jenean called the meeting to order, in Dan's absence, at 6:02 p.m. Introductions were made.

II. Public Input - There was no public input.

III. Consent Items

A. Approval of Revised Agenda

M/S/C (D. Hamilton/J. Glover) To approve the revised agenda as presented.

B. Approval of Minutes from July 30th Meeting

M/S/C (D. Hamilton/J. Glover) To approve the minutes as presented.

IV. Committee Business

A. Insurance Coverage for FY 2014-15

NLACRC utilizes 2 insurance brokers to secure insurance for the Center: Chapman Insurance and Brown and Brown. This committee is given a presentation on the center's insurance coverage in August of each year. Kim introduced Tim DePriest, managing director of Chapman Insurance, who first presented an overview of his company and then reviewed a summary of the insurance coverage that his company provides. The summary covered the type of policy, the company that provides the coverage, policy term, limits, deductibles, and premiums. The summary also included a history of the insurance premiums the center has paid for the last 3 fiscal years. The premiums in some categories have dropped while others have increased. Tim ended his presentation by saying that he believes that the center's current insurance coverage is adequate, competitive, adequately covers exposure, and meets the center's contract requirements.

Kim described the other types of insurance coverage the center has, including worker's compensation insurance, medical professional liability, earthquake and flood, and bond insurance. Workers' compensation insurance continues to be an issue for the center. Our broker, Brown and Brown, struggles to find an insurance company who will provide us with workers compensation due to our history of claims.

The total amount of premiums due for this fiscal year is $1,106,583.07, an increase of $119,388.68 (or 12.09%) since last fiscal year.

B. Financial Report

The operations budget is $37,882,000, the POS budget is $281,747,942, and the family resource center budget is $115,413, for a total budget of $319,745,355. We won't know what our deficit will be until we complete our first Sufficiency of Allocation Report (SOAR) which is due to the Department of Developmental Services (DDS) on December 10th. The financial report also included information about the center's administrative and direct operating expenses; For July, our operating expenses are at 16.9%, which is above the 15% administrative cost cap. This is typical for July because we have a lot of expenses that have to be paid at the beginning of the fiscal year, such as maintenance fees and insurance. However, the cost cap is for the whole year and the percentage will drop as the next several months go by.

1. Status Report on Cash Flow and Credit Line

NLACRC currently has received all 3 of its cash advances. We currently have sufficient cash resources to pay our claims and operating expenses. NLACRC does not anticipate needing to use our credit line. Currently, the center is still carrying a FY 2013-14 POS deficit in the amount of $15.8 million. DDS has reported that an E-6 amendment should be forthcoming soon, which we hope will address the POS shortfall and allow the center to receive cash reimbursements for the POS expenditures that have currently exceeded our FY 2013-14 POS allocation.

2. 4th Quarter Financial Graph

The graph showed no surplus or deficit in the beginning of the fiscal year because DDS had not provided centers with their POS allocations yet. Starting in October, the projected POS deficit was between $40.9 and $46.0 million. That deficit has been steadily decreasing and for the 4th quarter, the graphs reflected a projected POS deficit between $15.5 and $15.8 million.

3. DDS A-1 Amendment & Allocation Methodology

We received our A-1 allocation which gave us 100% of our operations budget, 100% of our operations budget for Lanterman Developmental Center closure, and about 75% of our operations budget for our Community Placement Plan (CPP). The A-1 also included an increase for our family resource centers allocation by $2,220. Additionally, the A-1 included a POS allocation of $272.5 million and a POS-CPP allocation of $1.3 million. Copies of the A-1 amendment were provided.

DDS is now allocating POS dollars based on a previous allocation methodology which bases a center's POS budget on their previous year expenses and growth. This is good news for our center. Currently, we anticipate that we will have a POS deficit due to our growth, further we project that our initial POS deficit for FY 2014-15 will be much lower than it has been during the past few years.

4. FY 2011-12 Summary

FY 2011-12 closed at the end for June 2014 and any funds that were not spent must be reverted back to DDS. NLACRC returned a total of $85,677.07 ($1,821.32 in operations and $83,855.75 in POS) to DDS from FY 2011-12.

C. 4th Quarter Report on PRMT U.S. Bank Transactions

During the 4th quarter of FY 2013-14, the center paid $6,323.04 in ongoing fees and $14,998.22 in investment management fees for a total of $21,321.26. For the whole fiscal year, the center has paid a total of $76,967.67 in fees to maintain the trust. Attached to the report was an explanation of the trust fees and how they are calculated.

D. Ensure Personnel Policies are in Compliance with the DDS Contract

Michele reported that the personnel policies are in compliance, including the conflict of interest policy and the drug-free workplace policy.

E. Late Bill Reports

1. FY 2013-14: The late bills for June, 2014 were at 14%, the lowest percentage of the fiscal year.

2. FY 2014-15: There are no late bills to report because July is the first month of the fiscal year.

F. Intermediate Care Facility State Plan Amendment (ICF/SPA) Summary

By fiscal year, the amount of cash disbursed by NLACRC, but not reimbursed by ICF providers, is:

1. FY 2014-15: $ 694,323.23
2. FY 2013-14: $1,599,689.00
3. FY 2012-13: $ 128,845.35

The amount owed to us for FY 2012-13 needs to be addressed because we will be closing out that fiscal year in May 2015. We have asked DDS to offset the ICFs' Medi-Cal payment, but so far they have not taken this action to collect the outstanding funds due. As such, the center has come up with its own solution which we will propose to DDS. A draft letter to Santi Rogers, director of DDS, was provided to the committee for their review. The letter states that NLACRC intends to reclassify all outstanding FY 2012-13 ICF/SPA receivables to regular POS during our January 2015 state claim. After reviewing the letter the committee members suggested some minor changes including moving the deadline to the beginning of the letter and splitting the first paragraph into two. George will sign the letter, as modified, and it will be mailed to DDS tomorrow.

G. Approval of Contracts

Summaries of the contracts were provided to the committee but Kim had the full contracts available if the committee members wanted to see them.

1. Modern Support Services, LLC

Kim presented a revised Contract Summary and Board Resolution for the development of a supported living services program using FY 2013-14 CPP start-up funds. The original Board Resolution approved by the

Board of Trustees incorrectly reported the start-up funds as $100,000 rather than $150,000 and Kim asked the committee to recommend that the Executive Committee approve the revised Board Resolution so that the contract could be executed at the appropriate amount of start-up funds awarded.

M/S/C (D. Newman/D. Hamilton) To recommend to the Executive Committee to approve the contract with Modern Support Services, LLC, and the related Board Resolution, on behalf of the Board of Trustees.

2. Harbor Regional Center

M/S/C (D. Hamilton/D. Newman) To recommend to the Board of Trustees to approve the contract with Harbor Regional Center, as presented.

3. Southern California Integrated Health & Living Project (SCIHLP)

M/S/C (D. Hamilton/D. Newman) To recommend to the Board of Trustees to approve the contract with the SCIHLP, as presented.

4. Brilliant Corners fka West Bay Housing Corporation

M/S/C (D. Newman/D. Hamilton) To recommend to the Board of Trustees to approve the contract with Brilliant Corners, as presented.

5. Care Meridian, LLC

Kim noted that Care Meridian is a congregate living health facility, located in Chatsworth, which charges a "usual and customary rate" for their residential services. The Tri-Counties Regional Center (TCRC) has requested NLACRC to vendor Care Meridian for one of their consumers. Title 17 regulations require that regional centers seek DDS's approval to pay usual and customary rates for residential service providers. TCRC sent a letter to DDS requesting authorization to pay the usual and customary rate charged by Care Meridian. DDS sent an e-mail to both TCRC and NLACRC reporting that the regional center did not need DDS's approval to authorize the usual and customary rate for this type of facility. We contacted DDS to seek clarification and DDS confirmed that no DDS approval was necessary. NLACRC sent a letter to DDS confirming our understanding. TCRC is in need of the service for their consumer. Kim asked the committee to recommend that the Executive Committee approve the contract so that the resource would be available to the TCRC consumer.

M/S/C (D. Hamilton/D. Newman) To recommend to the Executive Committee to approve the contract with Care Meridian, LLC, as presented, on behalf of the Board of Trustees

6. Multiple In-Home Respite Agencies

M/S/C (D. Newman/D. Hamilton; Abstention: J. Glover) To recommend to the Board of Trustees to approve the execution of the payment agreements as presented.

H. Human Resources Report

Copies of the summary were distributed and reviewed. The summary included the following information:

1.	FY 2014-15 authorized positions	414
2.	Open positions on hold	-6
3.	Open positions vacant	-30
4.	Separations	-9
5.	Sub-total	369
6.	New hires	6
7.	Positions filled	375

The current annual turnover rate is 0.22%. We have had the highest number of separations in August than Michele has seen in 10 years, but there is not particular trend in the separations. They range from retirement, time of year, to relocations, choosing to go back to school, etc.

I. Summary of Audits Performed in FY 2013-14 and Schedule of Recoveries

Copies of a letter that Vini sent to DDS were provided to the committee. The letter outlines the audits the center performed last fiscal year. NLACRC was required to complete 10 audits, but actually completed 15 audits and recovered $38,283.46 in overpayments.

V. Items for the Next Board Meeting Agenda

The following items were identified for the committee's section of the September 10th board meeting agenda:

A. Minutes of August 27th Meeting
B. Financial Report for July 2014
C. 4th Quarter Financial Graphs
* D. Approval of Contracts
   1. Harbor Regional Center
   2. Southern California Integrated Health & Living Project (SCIHLP)
   3. Brilliant Corners f/k/a West Bay Housing Corporation
   4. Multiple In-Home Respite Agencies

VI. Announcements / Information

A. Complete Meeting Evaluations

Jenean asked the committee members to please complete evaluation forms after the meeting and submit them to her with any comments.

B. Next Meeting: ***Tuesday***, September 23rd, at 6:00 p.m.

VII. Adjournment

Jenean adjourned the meeting at 7:34 p.m.

Submitted by,

Jennifer Kaiser

Jennifer Kaiser
Executive Assistant

[aamin.aug27.2014]

*Action Item