



**REGIONAL CENTER OF THE EAST BAY
Board of Directors' Meeting**

Monday, July 22, 2013, 7:00 p.m.
2151 Salvio St, Concord, CA

MINUTES

Approved on September 23, 2013

RCEB BOARD MEMBERS PRESENT:

Anne Struthers, President	Chi Lee
Kathy Hebert, Vice President	Donald Morris
Mike Kuller, Treasurer	Gwen Nash-Butler
Rose Coleman, Secretary	Sister Marygrace Puchac, PVAC
Nyron Battles, CAC Chairperson	Steve Whitgob
Cecilia Corral	

MEMBERS ABSENT:

Ron Clay
Hilda Mariscal
Mike Treppa [excused]

STAFF PRESENT:

Jim Burton, Executive Director
Terri Jones, Director of Human Resources
Lisa Kleinbub, Director of Health and Behavioral Services
Nancy Kubota, Director of Finance & Administration
Pam Thomas, Director of Consumer Services
Ronke Sodipo, Associate Director of Consumer Services
Weihe Huang, Behavior Analyst
Meredith Rosenberg, Case Manager
Dan Seda, Case Manager
Michi Toy, Executive Secretary

GUESTS PRESENT:

Denis Craig, Area Board 5
John Rodriguez, CCDDC
Sandi Soliday, ACDDC
Steve Zolno, ICF DDH Provider

CALL TO ORDER

President, Anne Struthers, called to order the regularly scheduled business meeting of the Regional Center of the East Bay at 7:04 p.m. Quorum was present.

CONSENT AGENDA / MINUTES

M/S/C “The Board moves to approve the minutes of June 24, 2013 as presented.” (Kuller/Morris) Unanimous

M/S/C “The Board moves to approve the agenda of July 22, 2013 as presented.” (Kuller/Morris) Unanimous

PUBLIC COMMENT

Steve Zolno, Executive Director of New Way, LLC distributed a summary of the effects that the Intermediate Care Facilities [ICF’s] are experiencing as a result of the reduced rates imposed by California’s Department of Health Care Services [DHCS]. Mr. Zolno stated that the Intermediate Care Facilities [ICF’s] payment rates have been frozen since 2009, and instead of receiving a 10% increase in rate payments, they have been cut by up to 10%. As a result, 14% of the ICF’s in Northern California have stated that they can no longer continue their services; which will affect roughly 150 severely disabled residents who will have no place to go.

Lisa Kleinbub/Mr. Burton: Informed the board that there are approximately 60 ICF’s in RCEB’s area with roughly 160 residents comprised of adults and children, many of whom have significant medical needs. The rate reduction of up to 10% will have a drastic affect on around a third of the providers. Mr. Burton clarified that it is cuts to the MediCal funding that the ICF’s are being affected by and that this issue is clearly a very serious one that we will be following closely, and providing our ICF’s support of SB640 and AB900 both of which would rescind these cuts.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE: Anne Struthers

Mr. Burton advised the board that the contracts presented tonight were achieved after several months of coordination with consumers, families, DDS and service providers. Basically, it is to transfer the operation one of the SB962 homes developed as part of the closure of Agnews Developmental Center, from one service provider to another. The rates and terms of conditions remain the same.

- Originally, when the homes were first developed under the Bay Area Housing Plan [BAHP] and the Agnews Developmental Center closure plan, the option for

changing the service providers was purposely left open for changes. The previous provider was California MENTOR, and after a few months we came to a mutual agreement that another provider might be better able to service the clients in this home.

- The new provider selected through our Request for Provider [RFP] process and approved by the Department of Developmental Services [DDS] is Elwyn Northern California, a non-profit human services organization that provides SB962 homes accommodating those with specialized health care needs in the service areas of RCEB and San Andreas Regional Center.
- The Chablis home in Livermore is an SB962 home with a capacity for five severely disabled adults with specialized health care and intensive support 24 hours a day 7 days a week. These services go beyond what the Community Care Facilities [CCF's] or Intermediate Care Facilities [ICF's] can provide. The cost for the service is \$20,138.42 per month for each resident.
- The contracts being presented are three agreements that need to be in place by August 1, 2013 in order for the seamless transfer of services to occur. The first of the contracts is the main contract, a Service Agreement between RCEB and Elwyn NC. The other two contracts are the lease assignment for the property and a transfer of a promissory note, as required by the Bay Area Housing Plan [BAHP] board issuance.

Questions were raised by the board members regarding the services provided in SB962 homes, the needs of the residents, and Elwyn's history, which were subsequently answered by Mr. Burton.

M/S/C "The Board moves to approve the contract with Elwyn Northern California and the Lease Agreement and Promissory Note as presented." (Kuller/Morris) Unanimous

BUDGET AND FINANCE COMMITTEE: Mike Kuller

Mr. Kuller distributed the financial status report which reflects 12 months of expenditures through June 2013. Staff members are still in the process of year-end close for accounting purposes; therefore, not all POS and operations expenses are fully reflected in the expended year to date column as we continue to receive and pay late bills for the prior fiscal year.

Purchase of Services

- There is a small change in our Fiscal Year 2012-13 POS budget projections since last month. Our mid-range projections went up from \$7.5M to \$7.6M. We have worked closely with the Department in reporting our POS insufficiency. As reported to the Board previously, the Department has stated that they believe that there will be sufficient funds statewide to fund deficiencies in Fiscal Year 2012-13 POS funding for Regional Centers, although the budget is still very tight. DDS asked for and received a current year deficiency appropriation in the May Revise. At this point in time, 19 of the 21 regional centers are still projecting insufficiencies in their prior year POS projections. Note that although we are ending the year with a large insufficiency in POS, our agency was in the same position last year. The Department kept its commitment to fund POS insufficiencies for both Fiscal years 2010-11 and 2011-12, and our POS budgets in those years are very nearly balanced. We expect the same to occur in for Fiscal Year 2012-13.

We will keep the board apprised of the status of our 2012-13 POS expenditures and allocations.

Operations

- Because we are in the process of completing year-end work for operations, some late bills and journal entries are not reflected in our financial report under expended year-to date totals. However, we are happy to report that we ended the fiscal year with a balanced operations budget.

Status of Fiscal Year Allocation

- As reported last month, RCEB received the preliminary Fiscal Year 2013-14 contract and budget allocation in mid-June. Staff is currently assessing the 2013-14 budget needs but since this is only the preliminary contract, we will need to wait until we receive the D-1 contract amendment, which is expected to be released by August 15th, to provide the board with this year's operations budget and projections.
- The Sufficiency of Allocation report (SOAR) is typically completed and due to the State in October or November of each year. Staff will provide the Board with our Purchase of Services projections for Fiscal Year 2013-14 after our completion of the SOAR report.

Cash Flow and Line of Credit

- The timely passage and approval of the Fiscal Year 2013-14 California State Budget was good news for our system. Most Regional Centers were borrowing against their lines of credit, or close to running out of cash, including our regional center. DDS made great efforts to expedite the cash advances for Fiscal Year 2013-14 and the Regional Centers received the 1st cash advance on July 8, 2013.

We subsequently received the 2nd cash on July 16th and we expect to receive the 3rd cash advance on August 1, 2013. On July 8th, we paid off the remaining \$2.5M of the funds we borrowed from our line of credit. At this time, we have no remaining funds to repay on our line, nor is there an immediate need to borrow since we should have sufficient cash going forward and contingent upon the receipt of the 3rd cash advance and timely receipts of our state claim warrants. As of June 30, 2013, the agency's cost for borrowing was \$9,883 in interest fees. This does not include the interest fees for July.

- We have made inquiries to Union Bank about a line of credit for Fiscal Year 2013-14 in the event State warrants are delayed for any reason. Our current line of credit expires at the end of September. As of this date, the bank has made no decision regarding the establishment of a Fiscal Year 2013-14 line of credit for their Regional Center account holders. However, there are indications they may extend the current line of credit. We will keep the Board apprised on the agency's cash flow and any developments regarding a Fiscal Year 2013-14 line of credit.

Questions

Ms. Struthers inquired about the feasibility of the Department covering our insufficiencies for F/Y 2012/2013.

Mr. Burton informed the board that historically for the past couple of years; RCEB has started the fiscal year around \$18-22M short of what we had spent the prior year because of the State's allocation methodology. RCEB dutifully reports our monthly expenditures to the State, and DDS continues to confirm that there are sufficient funds in the system. Mr. Burton states that the good news is that we finished the fiscal year just \$7.5M short. This was not due to a change in projections, but because the State gave us \$11.7M [D-5 amendment] at the end of the fiscal year.

Ms. Struthers commended the Director of Finance and her staff for their continued impeccable work that has kept RCEB on budget with accurate projections, as well as acknowledging the RCEB staff for their commitment to the consumers during the difficult times. Mr. Burton stated that the current allocation methodology that the regional centers are required to use puts half of all the regional centers in the same predicament. We are hoping that a new allocation methodology that will support the law, which states for regional centers to spend funds according to Individual Program Plans [IPP's], will be developed soon.

MEMBERSHIP DEVELOPMENT COMMITTEE: Anne Struthers

- Ms. Struthers announced that board member Rose Coleman will complete her first term in September 2013. Since the board will not be meeting in August, a ballot election was conducted in order to have a seamless transition into her second term. The votes were tallied by board member Kathy Hebert and Ms.

Struthers reported that Ms. Coleman was unanimously elected to serve her second term [3 years] as a board member.

PROVIDER/VENDOR ADVISORY COMMITTEE: Sister Marygrace

- The last meeting was on June 12th which was very well attended, and the topic of discussion was on what people were good at doing. Sister Marygrace stated the responses were very diverse and exciting.
- Sister Marygrace reported on the importance for service providers to turn in their annual audit reports if they have not done so already.
- Another topic discussed at the meeting was the intricate system involved in completing the DS 1891 provider disclosure forms.
- The next PVAC meeting will be on Friday, August 9th where the main topic will be on Special Incident Reports [SIR's].

CONSUMER ADVISORY COMMITTEE: Nyron Battles/Rose Coleman

- Ms. Coleman stated that a majority of the meeting was reviewing the Rules of Conduct, since there were incidents that warrant the members to review them.
- Mr. Battles stated that Nancy Kubota presented the Director's Report at the CAC meeting, and Lisa Kleinbub informed the members and answered questions about how they will be affected by the healthcare reform; specifically in the areas of Medicare, co-pays, deductibles, dual coverage, and competitive bidding,
- The next CAC meeting will be Monday, August 12th.

DIVERSITY AND EQUITY COMMITTEE: Cecilia Corral/Anne Struthers

- This is a new committee that we are forming to discuss the information reflected in the Purchase of Service [POS] Data report. The purpose of the report was to see what differences exist in POS authorization and expenditures as it relates to consumer age, ethnicity, primary language spoken, and type of developmental disability. We at RCEB feel that it is very important to continue to discuss those differences in a public forum.
- Ms. Corral advised the board that the first meeting of the Diversity and Equity Committee will be 30 minutes before our next board meeting on September 23rd. Those who are interested in joining the committee can write down their information on the sign-in sheet.

EXECUTIVE DIRECTOR'S REPORT: Jim Burton

State Budget

- As Mr. Burton stated last month, the legislature completed their work and the budget was submitted on time. The Governor received what he had wanted with very little restoration to our budget and that it looks exactly like the May Revise Budget which was presented to our board in May.
- The agreement that the Governor received on the budget restricted the revenue projection made by the State, perceived by some to be under projected, which meant that it did not leave any room for the legislature to propose new programs or the restoration of programs.

Mr. Burton proceeded to list out the positive and negative points of the budget as it relates to our service systems:

- A positive point is the sunset date of July 1st for the Governor's proposal for the restoration of the 1.25% in payment reduction to service providers and regional centers. Mr. Burton thanked Nancy Kubota and her staff for diligently adjusting the payment rates to all our service providers, to make sure that they received the rate increase on time.
- A major positive point is that there were no new cuts and the budget was done on time. If the budget had not been signed, the regional centers would have been in a worrisome predicament with no cash flow or letter of credit assistance from the banks.
- Although there was a great deal of effort put forth by many organizations, such as the Association of Regional Center Agencies [ARCA] to restore Early Start eligibility requirements and to stop some of the cuts that were made to services for infants and toddlers, the proposal unfortunately did not pass. As a result, the legislators have made it a high priority for the next fiscal year.

Shortly after the budget was signed, it was announced that the State had reached a wage agreement with their union. The State employees will be receiving a 4.5% cost-of-living [COLA] wage increase effective July 1, 2014. The next day, it was announced that the legislator's salaries would be increased by 5% as well. When the Governor was asked for the reason for the increases, he answered that "It is the fair thing to do." Mr. Burton added that if he felt that it was fair to do this for those State employees, it should also be the case for all who are doing the work of the State, such as our direct-care, State service provider, and regional center staff who have struggled without salary increases for many years.

Trailer Bills

- Mr. Burton reminded everyone of the unusually extensive trailer bills that were presented, and elaborated on a particularly one that is causing a great deal of difficulty for families.

Regional Centers Payment of Co-pays/Deductibles

- This particular trailer bill came directly from the Department of Developmental Services [DDS] and the governor, which states that Regional centers now have a threshold for being able to fund co-pays or co-insurance only to those families whose income falls below the 400% Federal poverty level [ex. \$94K/year for a family of four or \$62K/year for single mother with two children].
- The regional centers are now prohibited from funding deductibles, which will be costly for those families who needed to purchase an affordable health insurance with lower monthly payments but with a high deductible.

State Developmental Centers

<http://www.bsa.ca.gov/pdfs/reports/2012-107.pdf>

- Mr. Burton advised that the developmental center closures continues to be an increasingly hot topic among news reporters. The Bureau of State Audits [BSA] issued a report regarding resident safety at the State developmental centers titled, "Poor Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk".
- As reported last month, the Sonoma Developmental Center Task Force headed by Diana Dooley, Agency Secretary of California Health and Human Services [CHHS] met in June, and will continually meet until their work is completed in November.

POS Diversity and Equity

- Mr. Burton expressed his thanks to Cecilia Corral and Anne Struthers for starting this committee to review these issues. RCEB has been working on this data and Ms. Kubota will be putting together the additional demographic information that was requested last month and will be posting/e-mailing the information once it is completed.

RCEB will also be preparing and posting a comprehensive report required by DDS including summaries/strategies on this important issue.

Case Management Caseloads

- Mr. Burton stated that since the June board meeting, we have hired 8 more staff, which makes it 40 new staff employees since December 2012; a majority of them in case management. We will be updating our caseload report and will be presenting this at our next board meeting.

QUESTION/ANSWER

Anne Struthers: Regarding the funding of co-pays and deductibles, Ms. Struther's inquired about the SB946 [State law that took effect on July 2012 requiring private health insurance carriers to cover behavioral health treatment services for autism] and how there are quite a few families that the law did not help. Ms. Struthers inquired about what percentage RCEB is able to assist families with their co-pays/deductibles.

Jim Burton: Mr. Burton stated that the implementation of SB946 had reduced RCEB expenditures by roughly \$4.3M for behavioral services this year.

Events

Mr. Burton advised the board of one of the most important, well attended conferences of the year:

- On August 10th at Chabot College, Congreso Familiar will hold its yearly day-long conference to bring education, information and sharing in a way that reflects its value and culture to the participants. The goal is to give Spanish speaking families the opportunity to learn about services and resources to better serve their families.

PUBLIC COMMENTS

- Cecilia Corral publically thanked Lisa Kleinbub and her staff for their assistance with an issue that was close to her family.
- Sandi Soliday from the Alameda County Developmental Disabilities Council reported that there are no announcements other than their annual July planning meeting which generated much discussion, and the following upcoming activities:
 - Tri Valley Information Night led by the city of Pleasanton on October 2nd at the Pleasanton Senior Center.
 - "Going to College with a Disability Conference" on October 5th at the Ed Roberts Campus in Berkeley.
- John Rodriguez from the Contra Costa County Developmental Disabilities Council reported that the next meeting will be after summer at their annual planning meeting on 9/25/13.
- Denis Craig from Area Board 5 stated that at their June board meeting, Gabriel Rogin was nominated and subsequently approved in July, by the State Council meeting as the new Executive Director of Area Board 5, starting in October, 2013.

ARCA REPORT: Anne Struthers

- Fernando Gomez, Board Chairman for Westside Regional Center, had been elected the new president for ARCA.
- ARCA will be meeting August 15/16th in San Diego.

MEETING ADJOURNED

The board meeting adjourned at 8:16 p.m.

The next board meeting will be on September 23, 2013
--

Respectfully submitted,

Rose Coleman
Secretary
RCEB Board of Directors