



EASTERN LOS ANGELES REGIONAL CENTER

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**Minutes of Board of Directors Meeting
July 10, 2012
Approved as Recorded 9/11/12**

Present:

Terry Munoz, President
Felicitas, Navera, Secretary
Robert Hazard, Treasurer
Olga Sarabia
Elton Luis
Deborah Gallardo
Marvin Brown
Theresa Chen
Tammy Bachrach
Joe Utar
Jiang Guo

Staff Present:

Gloria Wong, Executive Director
Felipe Hernandez, Chief of Consumer Svs.
Rosalie Estrada, Executive Assistant

Absent:

Pat Gomez (excused)
Miguel Lugo (excused)

Guests:

Refer to Sign-In Sheet

Terry Munoz, President, called the meeting to order at 6:05 P.M.

I Welcome and Roll Call

Terry Munoz, President, welcomed all present. Roll call was taken and a quorum was present in order to conduct business.

**II Introductions &
III Opening Round**

Terry Munoz asked the Board of Directors to introduce themselves and share a positive experience.

Theresa Chen thanked the Regional Center for the opportunity which allowed her to attend a workshop on communication. She indicated there were three other ELARC parents who attended the workshop.

Elton Lui shared he has not been able to attend board meetings due to the passing of his son, Stephen, as the result of a car accident. Elton thanked Gloria and the Board of Directors for the flowers and the mass which is going to be said in his son's honor. A thank you note from Mrs. Lui was shared which the Board.

Felicitas shared her son turned 43 yrs old on Sunday, July 8. She stated he has been an inspiration to her and her children and thanked Regional Center for all the assistance and support.

Terry Munoz announced she became a new grandma on Monday to a little girl and indicated she is her 5th grandchild.

Terry also shared the Special Needs Committee for the South Pasadena PTA had their first entry in the local So. Pasadena Festival of Balloons parade. A good number of special needs individuals, their parents and grandparents marched in the parade for the first time. Terri reported the children with special needs received the best cheers and a standing ovation as they marched pass the spectators. Terry stated unfortunately there are many times our children with special needs are invisible so it was nice to see how they were acknowledged. Olga Sarabia suggested the ELARC newsletter highlight this event.

Olga Sarabia reported her daughter who spent three years in Syria was been home for two months and is now going to Africa.

Robert Hazard shared his experience in Washington D.C.. He reported he is the California State Coordinator for the VOR (Voice of the Developmentally Disabled). The purpose of his visit was to educate new staff on the special population and the terminology while advocating for the developmentally disabled.

Tammy Bachrach reported her second son is graduating from high school and is very excited he will be attending Biola University.

Gloria Wong announced Tammy Bachrach has submitted her letter of resignation from the Board. She is making a change in her professional life and will be going back to the school district. She will be leaving CAPC, vendor, but will remain closely associated with CAPC through the Whittier School District. Gloria and the Board thanked Tammy and being part of the ELARC Board of Directors.

IV Community Input

A parent in the audience addressed the Board of Directors. Mr. Fong indicated they have been with ELARC for at least three years and have gone through several vendors and reported his wife monitors each session as it is provided. Mr. Fong stated they currently have a vendor who began providing services for their child in December 2011. In January 2012, his son's provider missed ½ hr., in February 5.5 hrs. of therapy was missed, March 3.5 hrs. missed, April 3 hrs., May 6 hrs missed, June 3 hrs. missed. The vendor did not make up the hours missed. Just recently the supervisor for the therapist informed the parents they were going to request that the Regional Center cut back 5 hrs per week of therapy for their son. Parents would like to know if there is some sort of oversight to question these vendors? Would like to know why this is happening.

Gloria Wong stated this information was shared at the last board meeting and the information was shared with the Chief of Consumer Services for follow-up with the respective supervisor. As it relates to quality assurance there is follow-up. Vendors have standards which they must meet. When issues arise information must be shared with the service coordinator who in turn passes on the information to the Quality Services Division. The regional center also needs to determine if we are paying for services which are not being rendered.

Felipe Hernandez, Chief of Consumer Services, spoke to Arturo De La Torre, Supervisor, and he took the concern also to the Martin Cogan, Supervisor of Quality Assurance, who will intervene to see what the issues are and determine if the clinical staff should get involved. In terms of the hours the vendor is proposing to reduce the consumers hours in the Fall. There is criteria as to the amount of hours which the clinical team feel are appropriate for some children.

Gloria Wong requested that Arturo De La Torre follow-up directly with the family.

V Approval of Board of Directors Meeting Minutes

A. Minutes of BOD Meeting of May 8, 2012

Page 3, 2nd paragraph, correct spelling: "Nancy **Bargmann**";

Page 4, 3rd paragraph, 2nd sentence, add "a" to read "over **a** year to complete."

Page 5: 2nd paragraph, eliminate "s" from CERTS" should read "**CERT**".

Page 5: Item "C", 2nd paragraph from bottom, title for Frances Jacobs should read "**Manager**".

Page 6: 3rd paragraph, Agnew should read "**Agnews**".

Page 7: 1st line add **(843 homes)** following (ARFPSHN).

M/S/C (Olga Sarabia/Felicitas Navera) To approve the BOD Minutes of May 8, 2012 as corrected. Unanimous.

B. Minutes of BOD Meeting of June 12, 2012

A minor typographical error on page 7 was corrected.

M/S/C (Joe Utar/Theresa Chen) To approve the BOD Minutes of June 12, 2012 as corrected. Unanimous.

C. Minutes of Special Board Session of June 19, 2012

M/S/C (Tammy Bachrach/Jiang Guo) To approve the Minutes of the Special Board Session of June 19, 2012 as recorded. Unanimous.

VI Executive Director's Report

A. Budget Status 2011-12

1. POS Monthly SOAR Report

The POS Sufficiency of Allocation Report was submitted to DDS. ELARC is currently reporting a deficit of approximately \$6.0 million. The last allocation, C-6, was received from DDS which was for \$8 million and helped in partially reducing the deficit.

The New Purchases Comparison graph was reviewed. The last three months of the fiscal year show a substantial decrease in the purchase of services. DDS has indicated they feel there is sufficient money within the system (21 regional centers) some of whom have deficits and others who are reporting a surplus. DDS feels the surplus will be enough to eliminate the deficits being reported by the regional centers. In August DDS will collect the surplus and redistribute to regional centers in deficit.

**2. Contract Amendment
(a) C-6 (2011-12 FY)**

The C-6 allocation was received from DDS in the amount of \$8 million which helped to reduce the deficit.

3. Budget Performance Report: Operations

The Budget Performance Report for FY 2011-12 was shared with the Board and was reviewed.

4. Cash Flow Update

To date ELARC still has a cash flow issue since it is still short \$6 million.

Regional Center's normally would receive a preliminary allocation which is 25% of the total budget. DDS has changed the disbursement of the preliminary allocation by dividing it into three installments. On July 2nd ELARC received the first installment of approximately \$10 million which was used to carry the Regional Center for the deficit of \$6 million. The second installment is expected approximately on August 10th. The third installment of the preliminary allocation will be received in September. For now, based on the first allocation received for 2012-13, the regional center will be able to make the July payments and the first payment in August.

To date ELARC has not had to draw on its line of credit. In August we may have to borrow some money unless the modified contract for FY 2011-12 is received.

B. 2012-13 Governor's Proposed Budget

1. Budget Update

The State of California budget was passed and signed on time for the new fiscal year.

Revenues again are reported down and the legislature has instituted another Trigger Bill for a \$200 million reduction. The Regional Center system will receive an additional \$50 million reduction to the allocation on January 1, 2013 if revenues continue to decline.

The long-standing 4 ¼% reduction to vendors and regional center operations was amended for the current fiscal year (2012-'13) to a 1 ¼% reduction. The partial restoration of the original reduction is a welcomed relief to service providers and regional centers.

2. Preliminary Allocation

Refer to item #4, Cash Flow Update .

C. Board Composition

The resignation letter from Tammy Bachrach was shared with the Board of Directors. Armando Villegas, the Vice-Chair will represent the VAC beginning in September 2012 through December 2013.

DDS is ensuring that there are ethnic balances on all the Regional Center's Board of Directors. Gloria reported she shared with DDS that the vendor representative on any board should not be part of the composition of ethnic makeup. She also reported there is a need to look for legal representation on the board of directors. Recruitment efforts are underway.

D. Senate Bill 946: Private Health Insurance

1. Correspondence to Families

Gloria Wong shared a copy of the letter sent to families with individuals with Autism regarding the new statutory requirement to use private health insurance for behavior services.

2. Co-Pays: Legal Opinion

Regional Centers have been struggling with the implementation of SB 946, use of private health insurance as of July 1, 2012. The bill is mandating that health care plans fund behavior health services for individuals with Autism, PDD (Pervasive Developmental Disorder) and Asperger's Syndrome. ELARC families that have private insurance must apply for behavior services funding through their insurance plan before coming to the regional center for funding approval.

There are issues on deductibles, co-pay, and the smooth transition of services from regional centers to health providers, who may not have access to the preferred family provider. The regional centers main concern has to do with the projected savings with the implementation of SB 946. The expected savings is approximately \$80 million. As of July 1st health care providers are to begin funding for behavioral services. Regional center began to question as to whether co-pay, share of cost were taken into account on the projected \$80 million savings. It was established that the estimated savings does not account for co-pays, share-of-cost, and deductibles. The assumption in passing SB 946 is that 100% of funding for behavioral services from health providers would take effect on 7/1/12, and regional centers would only pay a portion of the services (i.e. co-pay).

Regional Centers as an Association (ARCA) have gone back to the Department of Developmental Services (DDS) and the legislature, and the author of SB 946 requesting a modification be made before the passage of SB 946. They would not contemplate

this request. The twenty-one regional centers are individually interpreting how the plan will be interpreted and instituted.

3. ELARC Implementation Plan

Families have been notified of the new requirements under SB 946 and ELARC is hosting a training session scheduled for Monday, July 16th. There will be two sessions, one in Alhambra on July 16th and the other in the Whittier area on July 18th. The speaker approached the Family Advisory Committee sometime back with grant money and wanted to speak on subject matters of interest to the family advisory group, and SB 946 was one of the topics identified.

The Regional Centers have obtained legal counsel and a copy of the legal opinion was distributed in the Board packets. Ultimately on the co-pay issue, ELARC can not have a disruption of services to families, particularly those who may not be able to afford the co-pay, ELARC feels the co-pay is our obligation under the Lanterman Act. Felipe Hernandez reported approximately 200 letters were sent in early June to ELARC families who have a family member with autism, PPD or Aspergers. The first letter informed the family of the passage of SB 946 and it would be effective July 1, 2012. The letter was sent in three language, English, Chinese and Spanish. There was a delay in the information being received and the letter indicated they would receive an update in approximately 30 days.

The second letter was sent on July 2, 2012 and was sent to families who we know have insurance of some form and are asking them to provide the information to their service coordinator with the name of their insurance company and plan number. If families are currently receiving behavior services they were asked to request these services from their family physician. There are two carriers who have started providing behavior services to three families.

Training was provided to staff on June 27th and will continue to be updated as information is received. Staff were informed ELARC will provide funding for the share of cost/co-pay, deductibles will not be paid. It is also being anticipated the providers may only authorize therapy 3 or 4 times per week with several hours but maybe only for a year or two then the benefits may end. Parents are being asked to provide their service coordinators with information when coverage will cease with their insurance providers to avoid any gaps in service. Should services be terminated by their plans families will be asked to appeal the reduction or termination of the services. Regional Center will continue funding during the appeal process.

SB 946 only affects those families who have private insurance and CalPers, consumers with Medi-cal are excluded.

As clarification to the Board of ELARC's guidelines, Gloria stated on the issue of co-pay, ELARC will pay the co-pay for our consumers and will not be applying means testing, therefore it will not be based on hardships. For those consumers who are covered under a PPO where they may be a share of cost and a co-pay, ELARC will pay for the share of cost. When it comes to deductibles ELARC will not pay as this normally covers the entire family.

Gloria reported a meeting has been scheduled with the various health plan providers at Harbor Regional Center. Additionally there is an ARCA task force which is meeting periodically with the author of SB 946 to share issues of concern. The task force is developing recommendations and conclude functioning in December 2012.

The ELARC Board of Directors supports the actions being taken with respect to SB 946.

Gloria Wong requested that the legal opinion contains privileged information and requested the letter from Enright & Ocheltree be collected.

E. "Way Forward" Update

Gloria reported there is no new information to report. A scheduled meeting was changed and is now scheduled for July 23rd. Both Gloria and Olga Sarabia will be attending. An update will be provided at the September meeting,

VII Consumer Services Report (Felipe Hernandez)

Refer to the SB 946 report.

VIII Committee Reports

A. Vendor Advisory Committee (Tammy Bachrach)

Tammy reported she was unable to attend the last VAC meeting and indicated Armando Villegas attended the meeting. He indicated all went well and they are actively working on the ethics training. They also discussed electronic media for keeping records. They are also looking at new nominations for next year.

Olga requested information on the vendors participating on the VAC. Gloria reported there are approximately 40 to 50 vendors who attend the meetings. The majority are day program and supported living vendors. Also there are a few residential providers and currently no transportation vendors.

B. Consumer Advisory Committee (Miguel Lugo)

There was no report since Miguel Lugo was not present.

C. Family Advisory Committee (Felicitas Navera)

Felicitas indicated she was unable to attend the last FAC meeting due to a death in the family.

The joint ELARC Family Resource Center/Family Advisory Committee training was held in Santa Fe Springs. Over fifty families attended the workshop entitled "Changes in the California Budget and How They Impact Services to Families Served by the Regional Center.

Terry Munoz and Deborah Gallardo reported they will be attending the next FAC meeting.

The next FAC meeting is scheduled for tomorrow, July 11th, from 4:00 P.M. to 6:00 P.M. There will be a presentation regarding SB 946.

D. Finance Committee (Terry Munoz)

The Finance Committee met on June 13, 2012. Information shared at the Finance Committee Meeting was distributed to the full Board of Directors.

The Principal Investment agency is the agency who administers the employee pension plan for ELARC. Once a year Rosemary Martinez (from the L.A. Office) and Russ Heinzerling (from the Ohio office) Principal representatives meet to review the current portfolio of the pension plan with the Board Finance Committee.

As a result of the meeting there were two suggestions. (1) close Fidelity and Westwood Account; (2) add Edge Asset Management, Inc. (Item c). This is all part of the process of fiduciary responsibility of the agency as well as the co-fiduciary, The Principal. The Principal has a vested interest to ensure that performance is maintained at a high level. There were some issues of concern with the two that are being replaced by Edge and Principal Global Investors.

Additionally, Gloria is also requesting the Boards endorsement of a co-fiduciary being added, Investment Fiduciary Services Provided by Wilshire Associates". There is no cost for the service and it would serve as an extra layer of protection in reviewing the investment portfolio.

Changes will be effective August 15th. Notice also must be given to staff regarding the changes being made.

Once the Board gives its endorsement the paperwork will be sent to Principal so that they can institute the above noted changes.

M/S/C (Jiang Guo/Joe Utar) To approve the changes to the portfolio as outlined in item 12 “C” and on 12 “D” to approve the addition of the Investment Fiduciary Services Provided by Wilshire Associates. Unanimous.

IX Miscellaneous Announcements

Gloria Wong reminded the Board there will be no meeting in August. Additionally Terry Munoz will not be present at the September Board Meeting as she will be on a Mediterranean cruise celebrating her 40th wedding anniversary!

X Adjournment

There being no further business to discuss the meeting was adjourned at 7:35 P.M.

Respectfully submitted by:

Felicitas Navera, Secretary
ELARC Board of Directors

Recorded by: Rosalie Estrada, Executive Assistant

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