



**STATE OF ARKANSAS**  
OFFICE OF PROCUREMENT  
ARKANSAS DEPARTMENT OF HUMAN SERVICES  
700 Main Street  
Little Rock, Arkansas 72203

***RESPONSE PACKET***  
***710-19-1027***

**CAUTION TO VENDOR**

Vendor's failure to submit required items and/or information as specified in the *Bid Solicitation Document* **shall** result in disqualification.

**SIGNATURE PAGE**

Type or Print the following information.

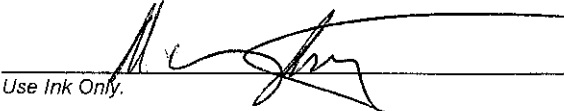
PROSPECTIVE CONTRACTOR'S INFORMATION				
Company:	Southwest Arkansas Counseling and Mental Health Center			
Address:	2904 Arkansas Blvd.			
City:	Texarkana	State:	AR	Zip Code: 71854
Business Designation:	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Partnership	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Corporation	<input type="checkbox"/> Public Service Corp <input type="checkbox"/> Nonprofit	
Minority and Women-Owned Designation*:	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> African American	<input type="checkbox"/> American Indian <input type="checkbox"/> Hispanic American	<input type="checkbox"/> Asian American <input type="checkbox"/> Pacific Islander American	<input type="checkbox"/> Service Disabled Veteran <input type="checkbox"/> Women-Owned
AR Certification #: _____		* See Minority and Women-Owned Business Policy		

PROSPECTIVE CONTRACTOR CONTACT INFORMATION			
<i>Provide contact information to be used for bid solicitation related matters.</i>			
Contact Person:	Van M. Morris	Title:	Assistant Clinical Director
Phone:	870.773.4655, ext. 2247	Alternate Phone:	903.824.5594
Email:	vhall@swacmhc.com		

CONFIRMATION OF REDACTED COPY
<input type="checkbox"/> YES, a redacted copy of submission documents is enclosed. <input type="checkbox"/> NO, a redacted copy of submission documents is <u>not</u> enclosed. I understand a full copy of non-redacted submission documents will be released if requested.
<i>Note: If a redacted copy of the submission documents is not provided with Prospective Contractor's response packet, and neither box is checked, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA). See Bid Solicitation for additional information.</i>
ILLEGAL IMMIGRANT CONFIRMATION
By signing and submitting a response to this <i>Bid Solicitation</i> , a Prospective Contractor agrees and certifies that they do not employ or contract with illegal immigrants. If selected, the Prospective Contractor certifies that they will not employ or contract with illegal immigrants during the aggregate term of a contract.
ISRAEL BOYCOTT RESTRICTION CONFIRMATION
By checking the box below, a Prospective Contractor agrees and certifies that they do not boycott Israel, and if selected, will not boycott Israel during the aggregate term of the contract.
<input type="checkbox"/> Prospective Contractor does not and will not boycott Israel.

**An official authorized to bind the Prospective Contractor to a resultant contract must sign below.**

The signature below signifies agreement that any exception that conflicts with a Requirement of this *Bid Solicitation* will cause the Prospective Contractor's bid to be disqualified:

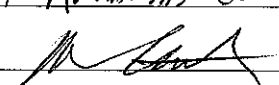
Authorized Signature:  Title: CEO  
Use Ink Only.

Printed/Typed Name: Danny Stanley Date: 4-5-19

## SECTION 1 - VENDOR AGREEMENT AND COMPLIANCE

- Any requested exceptions to items in this section which are NON-mandatory **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.
- Exceptions to Requirements **shall** cause the vendor's proposal to be disqualified.

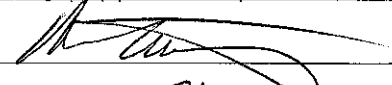
By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation. **Use Ink Only**

<b>Vendor Name:</b>	Southwest Arkansas Counseling Mental Health	<b>Date:</b>	4-5-19
<b>Authorized Signature:</b>		<b>Title:</b>	
<b>Print/Type Name:</b>	Danny Stanley		

## SECTION 2 - VENDOR AGREEMENT AND COMPLIANCE

- Any requested exceptions to items in this section which are NON-mandatory **must** be declared below or as an attachment to this page. Vendor **must** clearly explain the requested exception, and should label the request to reference the specific solicitation item number to which the exception applies.
- Exceptions to Requirements **shall** cause the vendor's proposal to be disqualified.

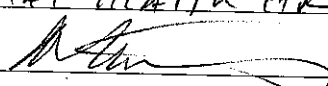
By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation. **Use Ink Only**

Vendor Name:	Southwest Arkansas Counseling & Mental Health Ctr	Date:	4-5-19
Authorized Signature:		Title:	CEO
Print/Type Name:	Danny Stanley		

**SECTION 3,4,5 - VENDOR AGREEMENT AND COMPLIANCE**

- Exceptions to Requirements **shall** cause the vendor's proposal to be disqualified.

By signature below, vendor agrees to and **shall** fully comply with all Requirements as shown in this section of the bid solicitation. **Use Ink Only**

Vendor Name:	Southwest Arkansas Counseling & Mental Health PC	Date:	4-5-19
Authorized Signature:		Title:	CEO
Print/Type Name:	Danny Stanley		

## PROPOSED SUBCONTRACTORS FORM

- Do **not** include additional information relating to subcontractors on this form or as an attachment to this form.

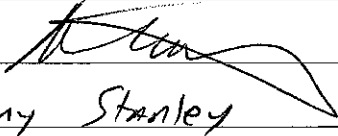
PROSPECTIVE CONTRACTOR PROPOSES TO USE THE FOLLOWING SUBCONTRACTOR(S) TO PROVIDE SERVICES.

Type or Print the following information

Subcontractor's Company Name	Street Address	City, State, ZIP

PROSPECTIVE CONTRACTOR DOES **NOT** PROPOSE TO USE SUBCONTRACTORS TO PERFORM SERVICES.

By signature below, vendor agrees to and shall fully comply with all Requirements related to subcontractors as shown in the bid solicitation.

Vendor Name:	Southwest Arkansas Counseling & Mental Health Center	Date:	4-5-19
Authorized Signature:		Title:	CEO
Print/Type Name:	Danny Stanley		

Attachment G. has the Minimum Qualification Checklist that your RESPONSE will be checked against. You must submit all information requested so that information can be verified. Failure to submit the requested information may cause your response to be disqualified. **Do not complete and return this form with your response.** It is for information only.

## **INFORMATION FOR EVALUATION**

- *Provide a response to each item/question in this section. Vendor may expand the space under each item/question to provide a complete response.*
- **Do not** include additional information if not pertinent to the itemized request.

Attachment G

Attached is the Minimum Qualification Checklist that your RESPONSE will be checked against. You must submit all information requested so the below information can be verified. Failure to submit the requested information may cause your response to be disqualified. **Do not complete and return this form with your response.** It is for information only.

Vendor must submit satisfactory documentation in response to the request below to be considered.

**REQUEST FOR QUALIFICATIONS (RFQ)  
710-19-1027  
THERAPEUTIC FOSTER CARE (TFC)  
MINIMUM QUALIFICATION CHECK LIST**

<b>Vendor:</b>	<i>Southwest Arkansas Counseling and Mental Health Center</i>	
<b>Reviewer:</b>		<b>Date:</b>

<b>MINIMUM QUALIFICATIONS</b>	<b>SUBMITTED</b>		<b>COMMENTS</b>
	<b>YES</b>	<b>NO</b>	
<p>A. Must meet the foster care requirements outlined in <u>Minimum Licensing Standards for Child Welfare Agencies</u>.</p> <p>For verification purposes, Vendor <b>must</b> submit Vendor's Child Welfare Agency license obtained from the Arkansas Department of Human Services (DHS), Division of Child Care and Early Childhood Education (DCCECE).</p>			
<p>B. Must be licensed as a Child Welfare Agency as set out in the <u>Minimum Licensing Standards for Child Welfare Agencies</u>.</p> <p>For verification purposes, Vendor <b>must</b> submit Vendor's Child Welfare Agency license obtained from the Arkansas Department of Human Services (DHS), Division of Child Care and Early Childhood Education (DCCECE).</p>			
<p>C. Must be able to provide trauma informed mental health services for clients placed in the program.</p> <p>For verification purposes, vendor <b>must</b> submit a narrative outlining their ability to provide trauma informed mental health services and the ability to provide twenty-four (24)-hour, seven (7) days a week mobile crisis intervention.</p>			



MINIMUM QUALIFICATIONS	SUBMITTED		COMMENTS
	YES	NO	
<p>D. Must have the ability to provide twenty-four (24)-hour, seven (7) days a week mobile crisis intervention in the home and community setting.</p> <p>For verification purposes, vendor <b>must</b> submit a narrative outlining their ability to provide trauma informed mental health services and the ability to provide twenty-four (24)-hour, seven (7) days a week mobile crisis intervention.</p>			

Passed \_\_\_\_\_

Failed \_\_\_\_\_

State of Arkansas  
DEPARTMENT OF HUMAN SERVICES  
OFFICE OF PROCUREMENT  
700 South Main Street  
P.O. Box 1437 / Slot W345  
Little Rock, AR 72203

**ADDENDUM 1**

**DATE:** March 12, 2019  
**SUBJECT:** 710-19-1027 Therapeutic Foster Care

The following change(s) to the above referenced Competitive Bid for DHS has been made as designated below:

**Change of specification(s)**  
Additional specification(s)  
 **Change of bid submission/opening date and time**  
 Cancellation of bid  
 Other

**BID OPENING DATE AND TIME**

Bid opening date and time has changed to **April 8, 2019, 2:00 PM**

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Revise Section 1.29 Schedule of Events:

Date and time for Opening Bids, April 8, 2019, 2:00 PM CST

The specifications by virtue of this addendum become a permanent addition to the above referenced Invitation for Bid.

FAILURE TO RETURN THIS SIGNED ADDENDUM MAY RESULT IN REJECTION OF YOUR BID.

If you have questions, please contact the buyer [Margurite.ai-uqdah@dhs.arkansas.gov](mailto:Margurite.ai-uqdah@dhs.arkansas.gov)  
or 501-682-8743.

Vendor Signature  Date 4-5-19  
Southwest Ark Counseling & Mental Health  
Company

State of Arkansas  
DEPARTMENT OF HUMAN SERVICES  
OFFICE OF PROCUREMENT  
700 South Main Street  
P.O. Box 1437 / Slot W345  
Little Rock, AR 72203

**ADDENDUM 2**

**DATE:** March 19, 2019  
**SUBJECT:** 710-19-1027 Therapeutic Foster Care

The following change(s) to the above referenced Competitive Bid for DHS has been made as designated below:

- Change of specification(s)**  
 Additional specification(s)  
 **Change of bid submission/opening date and time**  
 Cancellation of bid  
 Other

**BID OPENING DATE AND TIME**

Bid opening date and time

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**CHANGES TO REQUIREMENTS**

**Section 2.2B**

**Delete:** For verification of the requirements specified above (A & B), Vendor **must** submit Vendor's Therapeutic Foster Care Placement Child Welfare Agency license obtained from the Arkansas Department of Human Services (DHS), Division of Child Care and Early Childhood Education (DCCECE).

**Add:** For verification of requirements specified above (A & B), Vendor **must** submit one of the following:

- 1) Vendor's Therapeutic Foster Care Placement Child Welfare Agency License obtained from the Arkansas Department of Human Services (DHS), Division of Child Care and Early Childhood Education (DCCECE), **or**
- 2) A copy of the application for licensure.

Vendor's license **must** be approved by the DCCECE board by June 1, 2019 in order to be awarded a contract.

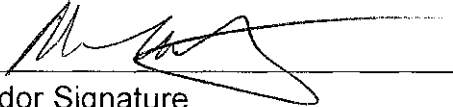
**REVISED ATTACHMENT**

Revised Attachment G

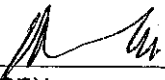
The specifications by virtue of this addendum become a permanent addition to the above referenced Invitation for Bid.

FAILURE TO RETURN THIS SIGNED ADDENDUM MAY RESULT IN REJECTION OF YOUR BID.

If you have questions, please contact the buyer [Margurite.al-ugdah@dhs.arkansas.gov](mailto:Margurite.al-ugdah@dhs.arkansas.gov) or 501-682-8743.

  
\_\_\_\_\_  
Vendor Signature

4-5-19  
\_\_\_\_\_  
Date

 Southwest Ark Counseling + Mental Health Ctr.,  
\_\_\_\_\_  
Company

State of Arkansas  
DEPARTMENT OF HUMAN SERVICES  
OFFICE OF PROCUREMENT  
700 South Main Street  
P.O. Box 1437 / Slot W345  
Little Rock, AR 72203

**ADDENDUM 3**

**DATE:** March 26, 2019  
**SUBJECT:** 710-19-1027 Therapeutic Foster Care

The following change(s) to the above referenced Competitive Bid for DHS has been made as designated below:

- Change of specification(s)**
- Additional specification(s)
- Change of bid submission/opening date and time**
- Cancellation of bid
- Other

**BID OPENING DATE AND TIME**

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**CHANGE SPECIFICATIONS**

**Attachment C: Performance-Based Contracting**

**B. Delivery of Services**

**5.g: Delete:** "A physician and other personnel involved in the client's case will review each plan of care at least every ninety (90) days. The plan of care must be revised to reflect results of the review conducted as required herein."

**Add:** "Contractor shall review the plan at least semi-annually and shall update the plan to reflect the child's progress."

**Insert: #9**

**Service Criteria:**

Contractor shall maintain records of the TFC internal client specific treatment plan of care. This plan may be very similar to or mirror the youth's PCSP.

Documentation shall at a minimum reflect the following:

A. Treatment plan developed in accordance with recommendations made by a physician or other licensed professionals involved in the care of that client

B. Any revisions of the Treatment plan

**Acceptable Performance:**

Acceptable performance is defined as one hundred percent (100%) compliance with Service Criteria and Acceptable Performance Standards at all times throughout the contract term as determined by DHS.

**Damages:**

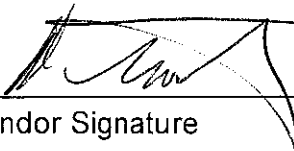
1st Incident: A Corrective Action Plan, acceptable to DHS, will be due to DHS within ten (10) business days of the request.

2nd incident: A ten percent (10%) penalty may be assessed in the following months' payments to the Vendor for each thirty (30) day period the Vendor is not in full compliance with these Service Criteria. The ten percent (10%) penalty shall be calculated from the total payment for the identified month in which the deficiency took place.

The total of all damage credits in any given month shall not exceed one hundred percent (100%) of the monthly invoice unless a third incident occurs for any of the Service Criteria.

3rd incident: DHS reserves the right to impose additional penalties including but not limited to: withholding payment on future invoices until Vendor is in full compliance, a substandard Vendor Performance Report maintained in DHS' Vendor file, and contract termination.

If you have questions, please contact the buyer [Margurite.al-ugdah@dhs.arkansas.gov](mailto:Margurite.al-ugdah@dhs.arkansas.gov) or 501-682-8743.

  
\_\_\_\_\_  
Vendor Signature

4-5-19  
\_\_\_\_\_  
Date

Southwest Ark Counseling & Mental Health Ctr  
\_\_\_\_\_  
Company

# CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM

Failure to complete all of the following information may result in a delay in obtaining a contract, lease, purchase agreement, or grant award with any Arkansas State Agency.

SUBCONTRACTOR NAME:

Yes  No

IS THIS FOR:

Goods?  Services?  Both?

TAXPAYER ID NAME:

YOUR LAST NAME:

FIRST NAME:

M.I.:

ADDRESS:

CITY:

STATE:

ZIP CODE:

COUNTRY:

**AS A CONDITION OF OBTAINING, EXTENDING, AMENDING, OR RENEWING A CONTRACT, LEASE, PURCHASE AGREEMENT, OR GRANT AWARD WITH ANY ARKANSAS STATE AGENCY, THE FOLLOWING INFORMATION MUST BE DISCLOSED:**

## FOR INDIVIDUALS \*

Indicate below if: you, your spouse or the brother, sister, parent, or child of you or your spouse is a current or former: member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee:

Position Held	Mark (✓)		Name of Position of Job Held (senator, representative, name of board/ commission, data entry, etc.)	For How Long?		What is the person(s) name and how are they related to you? (i.e., Jane Q. Public, spouse, John Q. Public, Jr., child, etc.)	Relation
	Current	Former		From MM/YY	To MM/YY		
General Assembly							
Constitutional Officer							
State Board or Commission Member							
State Employee							

None of the above applies

## FOR AN ENTITY (BUSINESS) \*

Indicate below if any of the following persons, current or former, hold any position of control or hold any ownership interest of 10% or greater in the entity: member of the General Assembly, Constitutional Officer, State Board or Commission Member, State Employee, or the spouse, brother, sister, parent, or child of a member of the General Assembly, Constitutional Officer, State Board or Commission Member, or State Employee. Position of control means the power to direct the purchasing policies or influence the management of the entity.

Position Held	Mark (✓)		Name of Position of Job Held (senator, representative, name of board/ commission, data entry, etc.)	For How Long?		What is the person(s) name and what is his/her % of ownership interest and/or what is his/her position of control?		
	Current	Former		From MM/YY	To MM/YY	Person's Name(s)	Ownership Interest (%)	Position of Control
General Assembly								
Constitutional Officer								
State Board or Commission Member	✓		Senator	01/91	current	Larry Teague	0%	Board
State Employee								Member

None of the above applies

## Contract and Grant Disclosure and Certification Form

Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

As an additional condition of obtaining, extending, amending, or renewing a contract with a state agency I agree as follows:

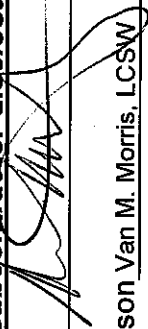
1. Prior to entering into any agreement with any subcontractor, prior or subsequent to the contract date, I will require the subcontractor to complete a **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM**. Subcontractor shall mean any person or entity with whom I enter an agreement whereby I assign or otherwise delegate to the person or entity, for consideration, all, or any part, of the performance required of me under the terms of my contract with the state agency.

2. I will include the following language as a part of any agreement with a subcontractor:

*Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this subcontract. The party who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the contractor.*

3. No later than ten (10) days after entering into any agreement with a subcontractor, whether prior or subsequent to the contract date, I will mail a copy of the **CONTRACT AND GRANT DISCLOSURE AND CERTIFICATION FORM** completed by the subcontractor and a statement containing the dollar amount of the subcontract to the state agency.

I certify under penalty of perjury, to the best of my knowledge and belief, all of the above information is true and correct and that I agree to the subcontractor disclosure conditions stated herein.

Signature  Title Executive Director Date 04/05/2019  
Vendor Contact Person Van M. Morris, LCSW Title Assistant Clinical Director Phone No. 870.773.4655

*Agency use only*

Agency Number \_\_\_\_\_ Agency Name \_\_\_\_\_ Agency Contact Person \_\_\_\_\_ Contact Phone No. \_\_\_\_\_ Contract or Grant No. \_\_\_\_\_



**SW ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**

<b>Policy Area:</b> <i>Human Resources</i>	<b>Subject:</b> <i>Equal Employment Opportunity</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> <i>HR-1</i>
<b>Revision Date:</b> <i>1-21-16</i>	<b>Page #</b> <i>1 of 1</i>
<b>Additional Authority:</b> <i>CARF 1.1, EEOC</i>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

The Center is an Affirmative Action/Equal Opportunity Employer and its personnel are governed by the following:

- Civil Rights Act of 1964
- Occupational Safety and Health Act of 1970
- The Americans with Disabilities Act of 1990
- Equal Employment Opportunity Act of 1972
- Fair Labor Standards Act, 1974 Amended
- The Age Discrimination in Employment Act of 1967
- An Affirmative Action Plan
- Rehabilitation Act of 1973, Amended 1976
- Vietnam Era Veteran Assistance Act of 1974
- Presidential Executive Order, 1928
- Equal Pay Act of 1963
- Family and Medical Leave Act of 1993

Implicit in the Center's Equal Employment Opportunity Policy is the Center's right to disregard race, color, sex, creed, age, national origin, sexual preference and handicap in requiring employees to meet satisfactory performance standards.

# The Arkansas Child Welfare Agency Review Board

in cooperation with

## Arkansas Department of Human Services Division of Children and Family Services

*Certifies that*

SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.  
2904 Arkansas Boulevard  
Texarkana, TX 75504

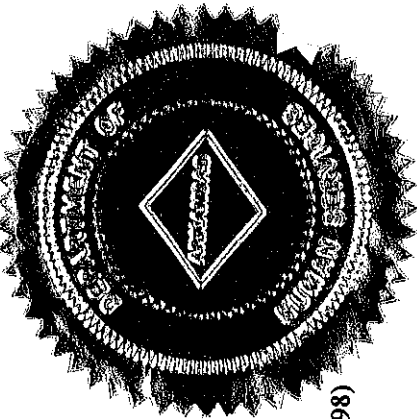
is hereby issued LICENSE # 10131 effective date June 24, 2008

FOR THE PURPOSE OF PROVIDING RESIDENTIAL CARE/PLACEMENT SERVICES IN THE STATE OF ARKANSAS  
THE SPECIFIC SERVICES AUTHORIZED BY THIS LICENSE ARE:

Residential Services: Capacity: \_\_\_\_\_ Ages: \_\_\_\_\_ to \_\_\_\_\_  
 Residential Facility  
 Emergency Shelter  
 Psychiatric Residential Treatment Facility  
 Sexual Offender Program

Placement Services:  
 Adoptive Placement  
 Foster Care Placement  
 Residential Placement  
 Therapeutic Foster Care Placement

THIS IS A REGULAR LICENSE AND WILL REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS CHANGED TO ANOTHER TYPE OF LICENSE OR CLOSED.



In Witness whereof, we have set our hand on this  
June 24, 2008

By \_\_\_\_\_  
Chairman  
Child Welfare Agency Review Board

# THE ARKANSAS CHILD WELFARE AGENCY REVIEW BOARD



In cooperation with

The Arkansas Department of Human Services'  
Division of Child Care and Early Childhood Education



Certifies that

The Southwest Arkansas Counseling and Mental Health Center, Inc.  
Owner

The Southwest Arkansas Counseling and Mental Health Center  
Agency

2904 ARKANSAS BOULEVARD  
TEXARKANA, AR 71854

is hereby issued Child Placement license #: 211

FOR THE PURPOSE OF PROVIDING, IN THE STATE OF ARKANSAS, THE FOLLOWING SERVICES:

- Residential Placement
- Therapeutic Foster Care

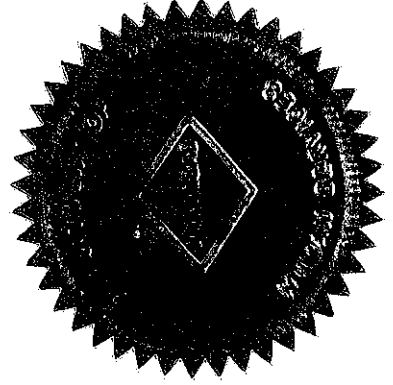
THIS IS A REGULAR LICENSE WITH AN EFFECTIVE DATE OF 02/24/1998 AND WILL REMAIN IN EFFECT UNLESS THERE IS A STATUS CHANGE.

In Witness whereof

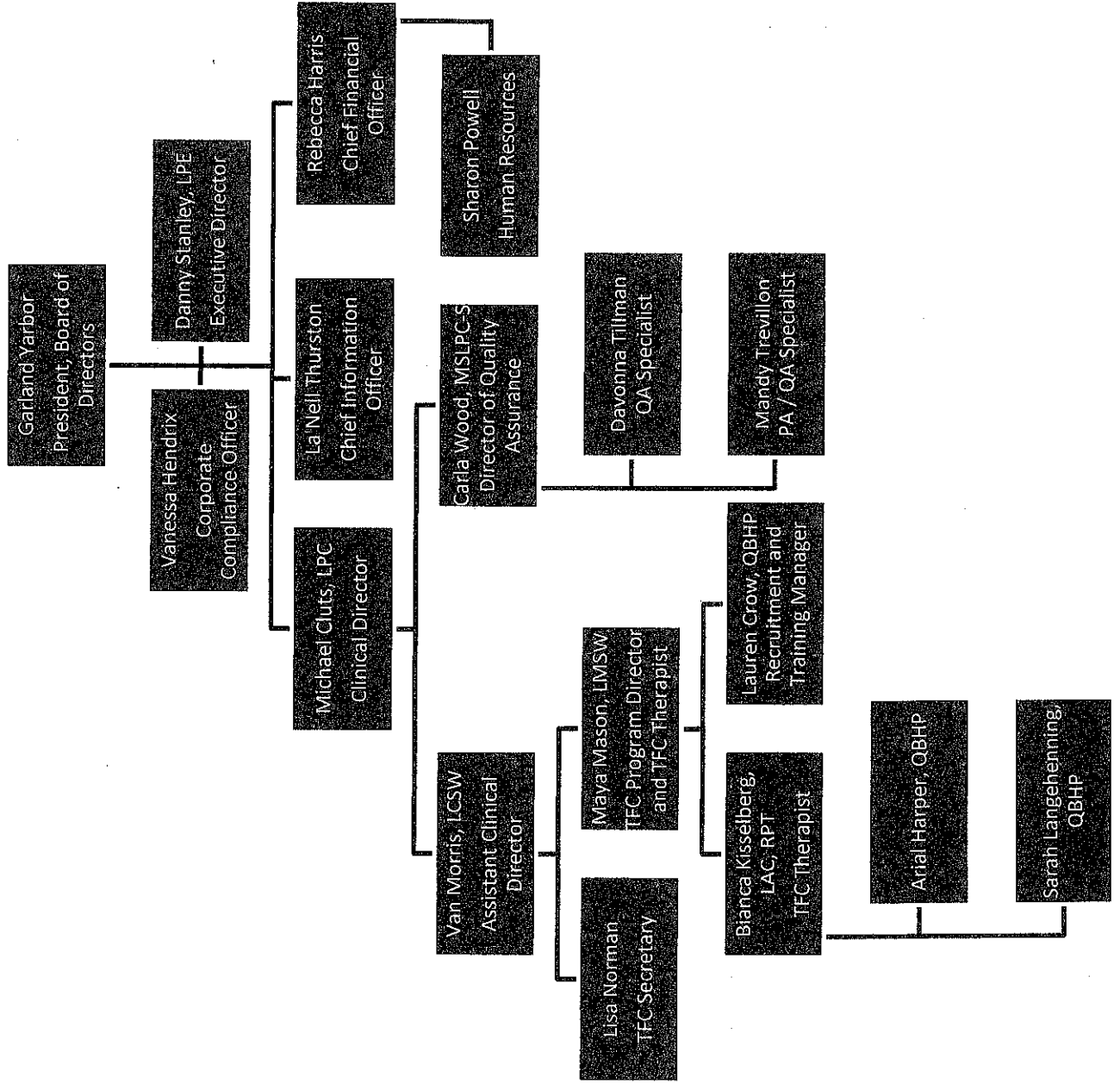


Effective: 02/24/1998

Chairman, Child Welfare Agency Review Board



# Southwest Arkansas Counseling Mental Health Center Organizational Chart for TFC



# Southwest Arkansas Counseling & Mental Health Center, Inc.

## Therapeutic Foster Care

The Therapeutic Foster Care (TFC) Program is part of the Southwest Arkansas Counseling & Mental Health Center (SWACMHC) located in Texarkana, Arkansas. Therapeutic Foster Care provides family-centered, home-based treatment for children in foster care that have been diagnosed by a mental health professional as being severely emotionally disturbed. Therapeutic foster care provides a healthy family environment, normal life experiences, and special interventions which allow children and adolescents to overcome their problems. Our program trains the foster parents to become co-therapists in the home by providing specialized trauma-informed, evidence-based therapeutic training in a home-based setting in order to provide the child in their care with a permanent home. We provide the children placed in our homes a healthy family environment, normal life experiences, and special interventions which allow them to overcome their problems. The foster parents are specially trained to understand the effects abuse and neglect have on children and specific parenting techniques to assist them in learning to form healthy and appropriate attachments. The structure and nurture provided to these children from their foster parents help to foster proper development of the brain, social skills, and improve any developmental delays as the result of neglect / abuse. Our foster parents make sure the child(ren) placed in their care receive proper medical, dental, and vision care. All of the children in our program also receive individualized mental health services designed to meet their unique needs. We work closely with the foster parents, DCFS, and PASSE Care Coordinators to develop treatment plan goals and objectives that are strength-based, client and family focused, and that will help stabilize the children's behavior. Our overall goal with the program is to help stabilize any child(ren) placed to the point they can reach permanency. Our foster parents are involved in family sessions and meet regularly with all members of the treatment team to ensure the child's needs are being met.

Although each case is handled individually, clients remain in therapeutic foster care until they may be placed in a permanent setting. The goal for every client in therapeutic foster care is to be reunited with his or her own family, or be placed in an alternative permanent living arrangement as outlined in their case plan by DCFS. Therapeutic foster parents participate in clients' permanency planning by working with birth/legal families and DCFS, helping clients utilize the trauma skills taught in therapy, and preparing themselves and the client for eventual placement outside the foster home.

Therapeutic foster parents are an integral part of the program's services to clients and their families. They act as part of the client's treatment team and provide interventions in conjunction with mental health and child welfare professional. Therapeutic foster parents receive professional training, consultation and support from the program. They provide treatment to their

clients primarily by allowing them to live in the supportive, "normal" family situation. They teach children and adolescents how to live positively and productively in their home, school and interpersonal relationships. We train our parents to work with each child to increase their daily living skills and to reduce the negative symptoms / behaviors exhibited. In addition, when children reach the age of 14, we enroll them in life skills classes through the assistance of the Department of Children and Family Services (DCFS) to help them learn independent living skills and prepare them for life after graduation. Once the child reaches 18 and is close to graduating, our parents and the child's treatment team work with the child and DCFS in transition planning to help the child plan for college, military, or independent living.

### ***Program Goals***

Our TFC program's mission statement is to provide love nurture, and healing to children in need. Our goal is to assist and help children placed in our program to reach and maintain stability in a home-based setting in order to help them reach a place of permanency. Reunification or placement with the child(ren)'s biological family is always our goal as long as reunification or fictive kin placement remains a case plan goal through DCFS. If parental rights have been terminated and no biological family member is able to care for the child(ren), we focus our goal on adoption. One of the most impactful objectives to reach this goal is the training of our foster parents. We train our foster parents to be co-therapists in the home. Through trauma training, foster parents learn on a therapeutic level why children diagnosed with a Serious Emotional Disturbance (SED) behave the way they do. Our parents are trained to respond to their core emotional needs in order to reduce the child's behavioral and emotional issues so the child can be transitioned to a place of permanency.

We have developed a Parent Assessment tool we will be using twice a year to assess the TFC parent's ability to meet each child's emotional, behavioral, and educational needs. The Parent Assessment tool is in a Likert type scale and provides room for recommendations for further parenting training as well as strengths of the parent(s). In addition to the Parent Assessment tool, we are also in the process of developing an assessment tool for the parents to assess our ability as a program to meet their needs in regards to the children and support the family as a whole. In this way we ensure the child's needs and treatment goals are being met and we as a program are providing the right amount of training to our parents.

In addition to the assessment tools we also use a variety of evidence-based tools to measure each child's progress based on the behaviors observed. Several evidence based measurement tools are used based on the report of symptoms. Based on evidence-based indicators and frequent reviews of treatment plan goals, we are able to measure the functioning level of the children in our care. Specific evidence-based measurement tools are used to obtain a baseline of the child's behavior. A minimum of every three to six months we meet with the child and foster family and review the treatment plan goals and objectives and their progress thus far. All measurement tools gathered at the beginning of treatment are re-administered to determine any progress. If no progress is made or if behavior has regressed, the treatment team and foster family re-evaluate and make changes to the treatment plan. Changes could include increasing family and individual therapy, changing their goals to a more obtainable goal, changing medication, changing therapeutic

techniques, or educating foster parents on specific parenting techniques to improve overall stability.

### ***Services***

The services we provide for the children placed in our program are designed to increase and maintain stability. Treatment for the children is provided within a structured home environment by trained therapeutic foster parents, who are supervised by the Clinical Director and the TFC Program Director. SWACMHC'S TFC program currently has 19 Therapeutic homes and 20 children placed with the capacity to house 36 children.

Each child placed in SWACMHC's TFC program is provided the following services:

- Mental Health Initial Diagnostic Evaluation
- Treatment Planning
- Psychiatric Evaluation
- Therapeutic Services (including individual therapy, family therapy, multi-family therapy, group therapy, and psychoeducation)
- Paraprofessional services
- Crisis Interventions and Crisis Stabilizations as needed
- 24 hour / 7 day a week crisis services

In addition, each child will also be offered the following additional services as outlined in their individual treatment plan:

- Medication Management
- Summer Programs
- Spiritual Activities
- Transportation
- Court Attendance
- Extracurricular Activities
- Medical Appointments (as needed and required)
- Community Activities
- Parent Support Group
- Respite
- Psycho-educational Testing

Staff delivering services to TFC children will work closely with the foster families and schedule appointments convenient for the child and the family. We provide services in the clinic, in the home, and in the school. In addition our staff work very closely with DCFS, CASA, Attorney Ad-Litem, and PASSE Care Coordinators to ensure our children receive the best care possible. We are committed to working as a team and believe everyone needs to work together to help the children and their families stabilize. Our goal is to wrap services around each child to improve the support structure available to the child and all those who are impacted by the experience.

Every child and foster family in our program has access to our staff 24 hours a day, 7 days a week. Every parent is provided with the SWACMHC after hours hotline number as well as their QBHP's cell phone number, therapist cell phone number, TFC Program Director's cell phone number, and the TFC Clinical Director's cell phone number. Every employee within the TFC program is available to answer the phone 24/7. Parents are trained to call their QBHP first. If they cannot reach their QBHP, they then call their therapist or the TFC Program Director. If the parent cannot reach their therapist they then call the TFC Clinical Director. If any family is experiencing an emergency they can call their QBHP, Therapist, TFC Program Director, TFC Clinical Director, or access our agency's emergency after hours hotline. Therapists are on call 24/7 to respond to any emergency needs of the child and family. In addition, foster families have the care coordinator's number for their child they can also reach out to if needed. Our QBHPs and Therapists are trained to respond to emergencies immediately. Our first goal is to keep the child(ren) safe. We attempt to de-escalate the situation to keep the child in the home and prevent any psychiatric hospitalization. If we feel the child or family may need more time to stabilize, we will arrange respite for the night with another one of our TFC families. Following an emergency situation, we will always make sure to see the child in a follow up session within 24 hours. We keep psychiatric hospitalization as an absolute last resort. All crisis assessments will be done in the home of the child unless it is deemed to be unsafe for the child. In that case, the TFC QBHP will transport the child to the nearest SWACMHC clinic for an assessment by one of the trained TFC Therapists or on-call SWACMHC Therapist. Primary and secondary DCFS workers will be notified of any potential hospitalizations immediately and will receive written notification within 24 hours.

### ***Trauma-Informed Care***

All of our TFC therapists, QBHPs, and TFC parents are trained in trauma-informed practices, intervention techniques, and parenting techniques. All staff and TFC parents are required to complete 32 hours of the Pressley Ridge Treatment Parent Training Curriculum as well as training in attachment and brain-building techniques. The Pressley Ridge Training is a competency-based program designed to ensure a high standard of excellence in services for children in foster care. It is one of the most comprehensive trainings for TFC parents and is currently listed on California Evidence Based Clearing House. In addition, all staff and parents receive trauma-specific training. Staff and parents are trained by the TFC Clinical Director or TFC Program Director in trauma informed care. We provide in-house training 6 times a year totaling 18 hours of CEUs for each TFC parent. Some examples of our training topics include: Managing Sexual Behaviors in Children, How Trauma Impacts the Development of the Brain, Positive Discipline, Love and Logic, Special Time with your Child, Brain Building Techniques, and Six Core Strengths for Healthy Child Development, and Psychological Trauma.

SWACMHC believes in training therapists in evidence-based therapies and all therapists working in the TFC program are required to be trained in evidence-based therapies and trauma therapies. Our TFC Clinical Director, Van Morris, LCSW, is trained in EMDR (Eye-Movement Desensitization Reprocessing), Theraplay, TF-CBT (Trauma Focused Cognitive Behavioral Therapy), and has completed training in Sexual Abuse Management Team Training. In addition, she is a SAFE home study certified and certified as a SAFE home study Supervisor. She has



worked with the agency for 11 years and served as the TFC Program Director for five years from 2011-2016.

Our current TFC Program Director and TFC therapist, Maya Mason, LMSW, is an Infant Mental Health certified therapist. She is also trained in EMDR (Eye-Movement Desensitization Reprocessing), Theraplay, TF-CBT (Trauma Focused Cognitive Behavioral Therapy), and PCIT (Parent-Child Interaction Therapy). Maya is also SAFE certified and is trained as a SAFE home study Supervisor. She has been with the agency for the past two years and previously worked as a school-based therapist. Bianca Kisselburg, LAC, RIST, is our programs TFC Therapist. She is a certified Infant Mental Health therapist and is trained in Theraplay, CPP (Child Parent Psychotherapy) and is a registered integrated sandtray therapist. She is currently undergoing training to be certified in TF-CBT (Trauma Focused Cognitive Behavioral Therapy). She has worked for our agency since January of 2017.

In addition, we have two full-time QBHPs (Qualified Behavioral Health Providers) and one part-time QBHP. Each QBHP is trained in our Pressley Ridge TFC Training Curriculum. They also receive trauma and attachment training prior to working with our children and families. Our QBHPs receive weekly supervision from the TFC Therapist or TFC Program Director and are observed monthly in an interaction with a child / family in order to ensure they are utilizing proper trauma-informed techniques. The QBHPs are expected to receive 24 hours a year of continuing education and we send our QBHPs to conferences such as the ATTACH conference so they can learn specific trauma-informed and evidence-based techniques. In addition all QBHPs are expected to complete the DVD training series on TBRI (Trust-Based Relational Intervention) and complete training in either Love and Logic Parenting Techniques or Positive Discipline.

### ***Collaborations***

SWACMHC's Therapeutic Foster Care Program collaborates with multiple other organizations including the Department of Health and Human Services (DHS) DCFS Division, Court Appointed Special Advocates (CASA), Children's Advocacy Center (CAC), area schools, and court officials as appropriate. Our goal is always permanency placement for the child and reunification with their family if possible.

While we work with DHS all over the state, we collaborate closely with those in our surrounding counties (Miller, Little River, Sevier, Hempstead, Howard, and Lafayette). These counties serve as either primary caseworkers for our kids or secondary caseworkers if the child is referred outside the catchment area. We send monthly treatment progress notes to the primary and secondary counties of each child placed in our program informing them of the treatment they have received and any improvements or regression observed. In addition, our case managers meet with each child's caseworker monthly for home visits and we meet quarterly to discuss each child's case plan and any issues of concern. The individuals with DHS play an integral part to our program and the stabilization of each child. They assist us in transportation to family visits, court, and doctor appointments as necessary. They also assist in supervision of family visits, staffings, and provide clothing vouchers for the children. DHS provides valuable information on the child's background and serve as the main contact between us, the child, and

the biological family.

In addition to DHS, we also work closely with CASA and Children's Advocacy Center (CAC). Most of the children in our program are assigned a CASA worker by the court. Our program works with the CASA workers to schedule monthly home visits and collaborate before court about the progress and needs of each child. Many of the children in our homes have been victims of abuse. Unfortunately due to the trauma they have encountered, not all disclose the details of their abuse. Once they have adjusted to the structure and routine of the therapeutic foster home and have gone through trauma specific therapy, many disclose the abuse they have encountered. We then make a referral to CAC and work with their counselors and forensic interviewers to make sure each child receives the best possible care.

SWACMHC TFC Program has and will continue to work in conjunction with the Provider-Led Arkansas Shared Savings Entity (PASSE) Care Coordinators to ensure services are put in place based on the needs of the child(ren). TFC Program Therapists will meet with the child's assigned Care Coordinator to help develop the Person-Centered Service Plan (PCSP) and incorporate aspects into the child's treatment plan. In addition, the Care Coordinator will have access to the child's therapist at any time and be given

We coordinate our care with the area schools. The emotional and behavioral problems exhibited by the children in our program affect their performance in school. Due to the lack of proper structure and support in their biological home, these children not only have developmental delays but are delayed academically as well. Many have Individualized Education Plans (IEP), a 504 plan, or are in need of special education classes or self-contained classroom. Ensuring success in the school is extremely important as it will boost a child's self-esteem and confidence which will reduce negative behavior and outbursts. It also provides them the skills they will need to be successful later in life. We work very closely with the schools to ensure the child's educational needs are being met and assist school personnel in learning basic skills to help reduce disruptions in the classroom. We have offered trauma-based trainings to school personnel to help them understand how trauma impacts the brain development of children and provided them with specific techniques to make their classrooms more trauma-sensitive and informed. Over the past year we have provided free trainings to the area schools on the brain and trauma, attachment, and interventions to use to reduce challenging behaviors in children. In addition, all of our foster parents are trained in understanding the different educational opportunities and aides for children with disabilities so they can advocate on the child's behalf. The child's individual treatment team works closely with the child, foster parents, and school to ensure each child receives the right education to help them be successful.

Our program also works with numerous court officials including attorney ad litem, adoption specialists, judges, and the biological parents' attorneys as appropriate. We feel it is best for each child that all individuals involved in their care collaborate and discuss concerns so all are on the same page. We attend quarterly staffings with DHS personnel, attorneys, biological families of the children, CASA, and the child's treatment team to discuss the child's progress and the progress of the family. All of these agencies are an integral part to the sustainment of the TFC program and the stabilization of the child(ren).

## ***Administrative Structure***

Southwest Arkansas Counseling and Mental Health Center, Inc. is governed by a board of directors. The Board of Directors make the final decisions regarding policy and procedures of SWACMHC and its programs. There are currently 17 members on the board of directors including 2 members from each of the 6 counties that SWACMHC serves. Danny Stanley, the Executive Director of SWACMHC, is directly supervised by the board of directors. The board is updated at monthly meetings of program goals and objectives including Therapeutic Foster Care.

SWACMHC's Assistant Clinical Director, Van Morris, serves as the TFC Clinical Director. She is responsible for overseeing the implementation of the TFC program including, but not limited to, billing, implementation of treatment planning and service delivery, training of staff, and placement of the children. She has over 10 years of experience working with children and families in an outpatient setting and 5 years experience of working in TFC. Van is directly supervised by SWACMHC's Clinical Director, Michael Cluts.

The TFC program is run daily by the TFC Program Director, Maya Mason. Maya is responsible for maintaining licensing compliance, overseeing foster home recruitment and retention, and ongoing collaboration with various community agencies. The Therapeutic Foster Care Program Director is responsible for providing targeted therapeutic intervention services to children in the program that is family-driven and client-guided. She provides therapeutic and outpatient services to children and families in the program and is responsible for the supervision of the QBHPs in the program. Responsible for organizing and implementing a plan for staff development and in-service training and provides supervision and training of the therapeutic foster parents. Maya is directly supervised by the TFC Clinical Director / Assistant Clinical Director.

The TFC program also has a part-time QBHP, Lauren Crow, who also serves as the program's Recruitment and Training Manager. In addition to the QBHP duties, Lauren is responsible for working with the Program Director in overseeing the recruitment and training of new therapeutic foster care parents. She works alongside the Director to assist in the placement of children within the homes, and is responsible for maintaining documentation of foster home records, child's files, and written reports with assistance from the Program Director. Lauren is directly supervised by the TFC Program Director.

The TFC program has two full time QBHPs: Ariel Harper and Sarah Langehenning. Their job duties include but are not limited to: responsible for monitoring the direct implementation of the foster care child's treatment plan goals and services and is responsible for providing SED clients with appropriate therapeutic services. Ariel and Sarah are directly supervised by the TFC Program Director.

Lisa Norman is our TFC Secretary. She performs varied and complex assistive tasks and is considered the liaison between the Center and State agencies for the purposes of reporting mandatory documentation and statistical information. Duties may include data entry and clerical functions for Children's Services Staff as well as recruitment, training and support of Therapeutic Foster Parents and the TFC program. She is directly supervised by the Assistant Clinical Director / TFC Clinical Director.

In addition we have an in depth quality assurance structure and process as well as electronic record keeping. *See additional pages for details about these two programs.*

There are two main therapists that see the children placed in the TFC program. They are each assigned to specific families within the program. In this way, the therapist is familiar with the parents, their style of parenting, and their strengths / weaknesses. In addition, the parents are familiar with the therapist's therapeutic approach and expectations. The therapists travel to four different clinics and see the children in the clinic, the school, and in the home. In this way, we get a good picture of the child's behavior and interaction with the community. There is one psychiatrist and two nurse practitioners that see the children for medication and evaluations. If any of our children need further psychological testing to determine intellectual functioning, academic issues, or other behavioral problems, we will refer them to a psychologist in the Texarkana SWACMHC clinic that will test them. In addition we have a secretary and administrator that overlook the program.

We have three highly trained QBHPs (Qualified Behavioral Health Providers) that are assigned a specific family. The QBHPs work with each family and the child(ren) in their home to support the child(ren) and the family in their treatment. They work in the schools, home, and community as well as attend all court hearings, help with training, and intervene in crisis situations. Our QBHPs never have more than 12 children on their caseload so they can devote the time and attention needed to these children. At a minimum they must pass all background checks, go through two weeks of on-the-job training, complete 32 hours of the Pressly Ridge curriculum training, and complete 24 hours a year of specialized continuing education training. In addition they are specially trained in Crisis Prevention Intervention techniques, certified in First Aid and CPR, and educated about the effects abuse and neglect have on the development of the brain and subsequent behavior issues. All of our QBHPs receive weekly supervision and are sent to special trainings to further their knowledge of working with high-risk children. Our QBHPs are trained in the same therapeutic techniques as the therapist so they can understand the why and how these children behave the way they do and they can assist the therapist and parents in stabilization of the children.

The key leaders of our program are our highly trained foster parents. Our foster parents go through numerous background checks, both state and federal, and must complete 40 hours of the Pressly Ridge treatment training before a child is placed in their home. In addition, they are required to complete 24 hours a year of continuing education training that specifically focuses on helping them understand / handle children diagnosed with serious emotional disturbances and parenting skills. For the past 10 years our TFC program has been awarded a grant through United Way of Greater Texarkana. This grant is specifically to pay for the training of our TFC parents. We have used this grant to send several of our parents to nationally-recognized trainings such as the ATTACH Conference, FFTA (Foster Family Treatment Association) National Conference, Arkansas Conference on Child Abuse and Neglect, and others. All parents are trained in Crisis Prevention Intervention techniques and certified in First Aid and CPR. Our TFC parents are a part of a large support network and often provide respite care to one another. Our TFC program strongly believes in offering support to our TFC parents. Our parents are key to the success of our program and as such, we offer a TFC parent support group that is facilitated by our Family

Support Partner. The love and structured homes provide the children with a safe environment which allows the child(ren) to heal.

## ***Quality Assurance***

Southwest Arkansas Counseling and Mental Health Center, Inc. has a Director of Quality Assurance and two Quality Assurance Specialists.

The Director of Quality Assurance is responsible for the primary administration of the Center's Quality Assurance system by coordinating and implementing specific standards of conduct regarding the services provided, as well as other general administrative duties, as assigned. The position requires licensure as a mental health professional in the State of Arkansas and at least five years of direct service delivery.

Specific duties include the following:

1. Serves as the primary administrator for the Center's Quality Assurance procedures by implementing, monitoring, updated and reporting on quality assurance initiatives.
2. Performs implementation duties, including but not limited to: (a) disseminating policy, (b) receiving and maintaining quality assurance acknowledgement records of employees, (c) ensuring that clinical, financial and medical records personnel are aware of general quality assurance requirements, (d) coordinating the Center's response to *Inspection of Care Reviews and Corrective Action Plans/Implementation*, and (e) recommending internal changes as needed.
3. Recommends to and develops for the Executive Director an ongoing quality assurance training program for all employees and representatives of the Center, the specific level of technical training being determined by an individual's specific responsibilities – Board Member, clinical provider, billing and records employee, contractor or general staff.
4. Monitors quality assurance by performing the following duties: (a) conducting periodic, scheduled and unscheduled quality assurance reviews of service tickets, billings, medical charts, computer records, logs, etc. (b) evaluate adequacy of internal quality assurance controls, (c) review and approve all Initial Evaluations and Initial Evaluation updates (d) report a summary of quality assurance monitoring at least quarterly to the CQI/QA committee through the Executive Director.
5. Represents the Center as assigned by the Executive Director when external quality assurance auditors, accreditation entities, regulators, or others review the policies, procedures and practices of the Center.
6. Chairs the Center's Utilization Review Committee, monitoring quality assurance of medical records by performing the following duties: (a) assign peer to peer reviews of medical records, (b) review the individual reports of each review, (c) address any quality assurance issues that arise from the review, (d) maintain documentation of such reviews, (e) report a summary of the Utilization Review findings at least quarterly to the CQI/QA committee through the Executive Director.
7. Advocates reasonable interpretations of quality assurance requirements, and assists the Center in the resolution of quality assurance ambiguities and apparent conflicts with other laws, regulations and accreditation standards.

8. Performs other duties as assigned by the Executive Director and/or the Clinical Director.
9. Assists the Clinical Director in accreditation efforts.
10. Compliance with all relevant laws, rules, policies and standards of conduct.

The Center also employs two Quality Assurance Specialists who serve on the Quality Assurance team to ensure service documentation meets all national, state and Center standards for quality documentation. The Specialist can be a qualified behavioral health professional with a minimum of one year experience. A bachelor's degree is preferred but not required. Specific duties include the following:

- (1) Help to ensure the medical necessity is demonstrated in service documentation.
- (2) Work to ensure accuracy and completeness of service documentation.
- (3) Maintain an accounting of documents found to be in need of improvement in order to demonstrate conformance to all standards and policies.
- (4) Maintain contact with service providers and appropriate supervisors regarding current quality assurance issues.
- (5) Participate in Quality Assurance team meetings on a regular basis.
- (6) Perform other quality assurance duties as assigned.

The Southwest Arkansas Counseling and Mental Health Center, Inc. is committed to a formal process to develop annual goals and objectives and to ensure continuity of services throughout the catchment area. To this end, the Center collects data from a variety of sources, including persons served, staff members, referral sources, community members, and other stakeholders.

### **Procedure**

1. Data collected by the Center is utilized in a way that targets information identifying:
  - a) the needs of persons served;
  - b) the needs of other stakeholders (staff, community members and others); and
  - c) the business needs of the Center. The data is in a format that lends itself to comparative analysis internally, using a variety of parameters and variables, as well as statewide and nationally.
2. The Center strives to ensure that the data upon which it relies is reliable, valid, complete and accurate. This is accomplished in a variety of ways:
  - a) The Center has made considerable investment in an information management system and continuously updates the products to make sure that it is up-to-date, accurate, reliable and secure;
  - b) The Center works to ensure that as large a sample as possible is collected from persons served;
  - c) The mailing list for the Community Survey is updated annually to provide for the most complete coverage of the Center's service area; and
  - d) The Center subscribes to a nationally recognized information management service to provide for a consultative data review and analysis on an ongoing basis. This same system is also utilized by the Mental Health Council of Arkansas, of which the Center is a member, and the Arkansas Department of Health and Human Services, Division of Behavioral Health Services. The Center is an active participant in both of these efforts. The same data system is utilized by a

large number of similar organizations across the United States and readily lends itself to comparative analysis on that level, as well.

3. In order to track progress, identify trends, establish meaningful budgetary plans, provide for appropriate allocation of resources and meet the needs of the communities it serves, Center management engages in a series of exercises designed for business function improvement. As part of this process, the Center:
  - a. Establishes performance goals for the Center, as a whole and for specific programs.
  - b. Measures performance indicators related to the goals, as well as other pertinent indicators that lend themselves to broader performance analysis.
  - c. Collects and analyzes data from:
    - (1) Financial information
    - (2) Accessibility status reports
    - (3) Resource allocation
    - (4) Surveys
    - (5) Risk analysis reports
    - (6) Governance reports (maintained confidentially by the Executive Director and the governing board)
    - (7) Human resource reports
    - (8) Technology analysis report
  
    - (9) Environmental health and safety reports
    - (10) Field trends
    - (11) Service delivery system

The Center incorporates the data from the sources into the strategic planning and annual budget analysis and preparation process. The result is the annual budget, the Strategic Plan and Performance Review, and the Basic Services Plan, all three of which are submitted to the Board of Directors for review, final input and subsequent adoption.

The Strategic Plan and Performance Review includes a review of business functions and service delivery. Included in the review is an assessment of effectiveness, efficiency, service access and satisfaction, as described in the section above. The review also addresses areas needing improvement, action plans to implement needed improvements and to reach goals, and changes made to improve performance. The information that is accumulated, and plans that are subsequently developed, are used to:

- a. Affirm that the Center's mission and core values are being addressed and implemented.
- b. Improve the quality of programs and services.
- c. Facilitate decision making and strategic planning by the Center.



Information from the Strategic Plan and Performance Review is prepared in a way that is meaningful for persons served, staff, and other stakeholders, and is made available to each of these groups.

Management works together to ensure that the information regarding performance improvement is accurate.

4. A variety of information is collected through the Center's system.
  - a. Data collected includes characteristics of the persons served.
  - b. Data is collected at various times, depending on the program. Data is collected:
    - (1) at the initiation of services.
    - (2) at program-specific intervals during service provision.
    - (3) at the termination of services.
    - (4) at approximately 90 days after termination of services.
  - c. Data collected provides measures of:
    - (1) the effectiveness of services.
    - (2) the efficiency of service provision.
    - (3) service access.
    - (4) Satisfaction and other feedback from persons served and other stakeholders.
  - d. The Center's data collection system addresses the following information relative to the indicators, as described below:
    - (1) to whom the indicator will be applied.
    - (2) the method of data collection.
    - (3) Performance goals based on the Center's history, contractual performance indicators, and industry benchmarks provided through the contracted data analysis system and others.
    - (4) Extenuating/influencing factors are considered, and are generally incorporated into the Strategic Plan and Performance Review.

The Center's outcomes management system uses a "plain language" outcomes management questionnaire to gather outcomes data from clients in all programs. More critically, the outcomes questionnaire was specifically designed with the Center's clientele in mind, with questions phrased in such a way as to eliminate confusion for clients and ensure more accurate and valid responses. The system allows for comparative analysis of behavioral change and/or functional improvement over time and is standardized in the sense that all programs use the same basic outcomes management questionnaires. Each program attempts to administer outcomes management questionnaires at a minimum of four times during and after treatment; the measurement "points" for collection of outcomes data vary from program to program and are described as follows:

- All clients complete an outcomes questionnaire at intake, establishing a baseline for the measure

- The second data collection takes place at varying times, depending on the program in which each client is being served:
  - ◆ Mental Health Outpatient and Substance Abuse Outpatient clients will be asked to fill out a questionnaire during specified weeks, during which all clients appearing for service are asked to complete the questionnaire;
  - ◆ Psychosocial Rehabilitation clients will be asked to fill out a questionnaire 6 months into treatment, and every six months thereafter
  - ◆ Substance Abuse residential clients are asked to complete questionnaires two weeks into residential treatment.
- Another data collection episode occurs when the client's case is inactivated;
- The last data collection time is ninety days after closure in the MHOP and Psychosocial Rehabilitation programs and sixty days after closure for the Substance Abuse Residential program (River Ridge).
- Data regarding the Crisis Intervention program services are collected through input from the Community Needs Assessment questionnaire, billing and event data, documentation of crisis services provided, and statewide reporting data collected through the Division of Behavioral Health Services.

As previously described, data collection is achieved primarily through completion of outcomes management questionnaires. The historical experience of the Center has been that clients generally do not want to be contacted by phone and/or in person and, therefore, the Center's system relies heavily on the completion of questionnaires that are mailed to clients and former clients. The organization recognizes that the return mail rate for outcomes management questionnaires is "sub-optimal" and, therefore, considers the return rate as an "extenuating factor" when analyzing/compiling aggregate outcomes management data acquired after termination of services.

The Center also participates in data collection through the Arkansas Department of Human Services (DHS) and the Division of Aging, Adult and Behavioral Health Services (DAABHS). Representatives of DAABHS contact persons served and their families, accumulate their data and generate an annual "Report Card".

In order to optimize the Center's human and fiscal resources, the outcomes management system also serves as a practical mechanism for conducting an ongoing Community Needs Assessment. The Center also conducts a bi-annual Staff Quality of Life Survey, which gathers input from the perspective of the employees and provides management with a broader view of the operations of the Center and its services. Results of this survey are considered by management as part of the strategic planning/budget planning process. Management analyzes and evaluates information gathered during the staff quality of life survey and, whenever possible, implements changes in the organization's human resource practices, personnel policies, and employee compensation packages, as well as policies and procedures pertaining to effective and efficient service provision.

The Center's outcomes management system has been standardized across all program lines in order to facilitate data collection, analysis and dissemination. The system assesses the following effectiveness measures:

- Quality of Life
- Symptomology
- Functional Status

The system evaluates the following:

- productivity as an efficiency measure;
- client perception of waiting time before appointments as the access measure and;
- client responses to questions regarding their satisfaction with services as the satisfaction measure.

The outcomes "benchmarks" – as well as performance goals established for each program and for the Center as a whole – are established by the staff and approved by the organization's management.

Although they are established locally, the outcomes benchmarks and performance goals are based on historical precedent and, more important, are consistent with those used nationally in the behavioral health field.

The Center performs three types of record reviews: Service-to-Billing Audits, Medical Records Audits and Utilization Review. Service-to-Billing Audits are performed in conjunction with the Center's Corporate Compliance. They are as follows:

### ***1. MEDICAL RECORDS AUDIT***

The Medical Records Audit is an ongoing process through which the auditor reviews approximately 10% of the Center's medical records each year. Audits are completed monthly at each site, with a report prepared and presented to the Clinical Director and the CQI/QA Committee on a quarterly basis. The audit targets documentation of services and seeks to determine if required documentation is present and meets Center, accreditation, provider and other applicable standards and requirements. Records are generally chosen at random, unless a problem area or particular area of interest has been identified and specific areas, locations, or personnel are targeted for closer scrutiny.

Reviews are performed by the Medical Records Auditor, who selects a random sample of records from each mental health professional's caseload, on a quarterly basis. The auditor completes the Medical Records Audit checklist for each record reviewed and provides a summary of the results to the primary therapists, who then correct the deficiencies.

Results of these reviews are used to confirm that services are being documented consistently, to identify problem areas in documentation, to provide feedback for supervision, and to identify training needs. This information can be viewed as a broad representation of the Center's

performance, or it can be broken down to represent specific locations, professional groups or individual performance.

## **2. UTILIZATION REVIEW**

The Center implements a Utilization Review Plan for mental health and related service programs. The plan has been approved and adopted by both professional staff and the Board of Directors.

The Utilization Review Committee is charged with responsibility for the overall monitoring of:

- a. Quality of services as documented in the medical record.
- b. Appropriateness of services rendered by the Center.
- c. Patterns of service utilization that might affect quality of services, utilization of Center resources, or that would impact the Strategic Plan of the Center in terms of programming.

All cases of individuals receiving mental health services are subject to review. It is the policy of the Center that all clients receive services that reflect appropriate and effective utilization of staff and facilities to best meet the needs of the clients.

The Chair of the Utilization Review Committee (URC) is delegated responsibility for the implementation of the Utilization Review Plan.

The Utilization Review Committee meets at least quarterly. The Committee is composed of the Medical Director (or his/her designee) and six (6) non-medical clinicians representing the various disciplines employed by the Center (Psychologists and Psychological Examiners, Master Social Workers, Licensed Professional Counselors, Nurses and Substance Abuse Counselors). The Chair is selected by the Committee or may be appointed by the Clinical Director if requested by the Committee. Non-medical committee members serve for two (2) years, with three (3) members rotating off the Committee each year. Members may be re-appointed with the approval of the Committee Chair and the member in question.

The Data Coordinator attends the meeting and serves in an ex-officio capacity as secretary of the Committee.

A staff member is never the sole reviewer of the services for which he/she is responsible.

### Method of Review

This is accomplished through review and evaluation of client records. All primary therapists participate in monthly reviews of records, as assigned by the committee. Each clinician reviews one record per month, completes the review form, and submits the form to the Data Coordinator. The Utilization Review Committee then reviews the reports in the quarterly meetings. Staff members do not review records that involve their own assigned clients.

1. Records are selected for review based on the following criteria:
  - a. Records by random selection of outpatient clients who:
    - 1) Initiated treatment during the past six months; or
    - 2) Have been receiving services for over two years; or
    - 3) Are classified as "substance abuse" clients; or

- 4) Are Youth Services clients who have received mental health services within the last six (6) months (two cases).
  - b. (Up to twenty-nine cases are reviewed in this category.)
  - c. Records by random selection of clients who have received inpatient services within the past six months (three cases).
  - d. Records by random selection of clients who have been in Psychosocial Rehabilitation/Community-based Rehabilitation for a period of 30 days (visits), and who have not been previously reviewed within the last two years (four cases).
  - e. Records by random selection of clients who have been seen on a one-time-only or emergency/walk-in basis within the last six months (four cases).
  - f. Records by random selections that have been closed within the previous six months (nine cases)
2. Records are chosen without prior knowledge of the primary therapist and placed in charge of the data coordinator until such time as the committee member is able to review the content. This action is intended provide a more accurate representation of chart content than to allow the primary therapist to make corrections prior to the review. Upon review, the record is then returned to the director of medical records to be secured until the scheduled committee meeting.

It is the goal of the Center to review 200 records per year in this manner.

#### Factors to be Considered

1. Admission (Intake) Justified:
  - a. Could a more appropriate service be provided by another existing community source?
  - b. If a person is found to be ineligible for services:
    - (1) Was the person informed as to the reasons?
    - (2) Was the referral source informed as to the reasons?
    - (3) Were recommendations made for alternative services?
  - c. Was screening adequate to warrant admission to a Center program for additional services?
  - d. Was there undue delay in scheduling a return for service following screening?
  - e. Was assessment thorough, complete and timely?
2. Utilization Justified:
  - a. Length of Treatment (Service)
    - (1) Was status assigned appropriately?
    - (2) Was length of treatment appropriate to the problem and treatment course?
    - (3) Was length of treatment prolonged or shortened because of third party or any other payment factor?
    - (4) Was client participation based on truly informed consent?
  - b. Evaluation/Staffing
    - (1) Were all evaluations and staffings necessary?
    - (2) Were reports of results prompt?
    - (3) Do evaluations identify the problems to justify an adequate client (treatment) plan and to insure optimal utilization of staff skills?

c. Treatment Plan

- (1) Does the Treatment Plan include a statement of the problem(s) and need(s) of the individual, both immediate and long-term, describing intact functions which can serve as assets for therapeutic exploitations?
  - (2) Are treatment plan goals created utilizing informed and active client input based on history of symptoms and client expectations of treatment?
  - (3) Are treatment plan goals quantitative and measurable, with a realistic time frame to accomplish objectives?
  - (4) Does the Treatment Plan include a program of specific modalities, psychotherapy, pharmacotherapy, vocational training and/or rehabilitation potentials?
  - (5) Does the Treatment Plan include a program that encourages involvement of the client's significant other(s)?
  - (6) Does the Treatment Plan include, when indicated, referral for additional services through other agencies?
  
  - (7) Does the Treatment Plan include a description of the staff's involvement and any expected response(s) to the services to be rendered?
  - (8) Does the Treatment Plan reflect or include a discharge/aftercare plan?
  - (9) Are the goals and objectives of the Treatment Plan based on the assessment that was performed when program services were initiated?
  - (10) Are the services that have been offered based on the goals and objectives that are specified in the Treatment Plan?
  - (11) Was the client offered/provided a copy of the treatment plan?
  - (12) Was the treatment plan reviewed and updated in accordance with Center policy?
- d. Does the use of any pharmacotherapy reflect appropriate prescriptions, dosages and required laboratory studies?
- e. Is the diagnosis/clinical impression appropriate, with regard to logical substantiation and accuracy?
- f. Do progress notes effectively document the course of treatment, demonstrating treatment compatible with diagnosis, consideration of prior treatment, progress toward achievement of treatment goals, and active involvement of the client?
- g. Were transition issues addressed with the client prior to a change in level of care or change in programs?
- h. Is the quality of documentation in accordance with adopted standards (sufficiently informative to reflect client progress)?
- i. Is follow-up performed according to Center policy, including follow-up for missed appointments and follow-up to referral source (when appropriate)?

Operational Procedures for Utilization Review Functions

Records are chosen without prior knowledge of the primary therapist and placed in charge of the Data Coordinator until such time as the committee member is able to review the content. This action is intended provide a more accurate representation of chart content than to allow the primary therapist to make corrections prior to the review. Upon review, the record is then returned to the director of medical records to be secured until the scheduled committee meeting.

- a. Records are distributed to the reviewing members of the Utilization Review Committee. Reviewers should have access to the records at least seven (7) days prior to the scheduled URC meeting.
- b. The data coordinator completes Utilization Review Committee Worksheets for each record, to assure that each step in the process is completed in a timely fashion.
- c. Utilization Review Committee recommendations and conclusions are reflected in writing on the Utilization Review Report, and serve as the basis for Committee minutes and/or reports.
- d. The Utilization Review Summary Sheet is completed by the data coordinator and returned for filing in client's record.
- e. The URC secretary insures that photocopies of each completed URC Worksheet are distributed to the primary therapist/case manager and his/her immediate clinical supervisor for indicated action, if any.
- f. Each primary therapist/case manager communicates in writing to the URC, a report of actions accomplished to rectify any documentation or clinical service deficiencies found. Such written report is provided to the URC to insure completion of "old business" during the next scheduled meeting.
- g. Comments are recorded, in writing, in the space provided on the URC Worksheet to serve as a permanent record. Such review and comment serves as the focus of attention for full committee discussion.

### Reports and Minutes

Minutes of all Committee meetings are prepared by the secretary, signed by the URC Chair, and forwarded to the Continuous Quality Improvement/Quality Assurance (CQI/QA) Committee, Clinical Director, Medical Director and Executive Director. Minutes are structured as follows:

- a. Date, time, location, names of persons attending (members, others);
- b. Approval of minutes (prior meeting);
- c. Old Business (status of previous client record/service deficiencies);
- d. New Business:
  - 1) Number and types of records reviewed according to URC procedure; description of cases reviewed in which utilization was questioned, recommendations were made, or actions were taken by the Committee. (Cases/clients are referred to by identifying number only.)
  - 2) Documentation of any other pertinent discussions, recommendations, or actions.
- e. Adjournment; and
- f. Signature of the Chair.

Results are quantified, and this information is incorporated into the report. The CQI/QA Committee uses the results in the evaluation and planning process, and to identify training needs.

### Disciplinary Action

Failure of any Committee member to perform his/her assigned duties may result in suspension and/or loss of employment in accordance with Center Personnel Policies and Procedures.

Failure of staff to comply with the recommendations of the Utilization Review Committee within ten working days will result in a letter of reprimand being issued to the primary therapist, copied to his/her personnel file and the program supervisor. If corrections are not adequately addressed within ten additional days the Clinical Director and the Executive Director will be notified to take corrective action. A second letter of reprimand from the URC chair will be issued to the primary therapist, program supervisor, and the personnel file. The primary therapist has ten working days from the second disciplinary action to make the necessary record corrections or be suspended without pay from professional activities at the Center for three working days. The primary therapist will be subject to termination if the chart corrections are not adequately accomplished within ten days of completing the suspension.

The Center has adopted a Corporate Compliance Policy as defined below. The Board of Directors reviews the policy and plan annually, and authorizes management to implement the plan through a resolution each year. The Center designates a staff member to serve as the Corporate Compliance Officer, serving as the primary point of contact regarding corporate compliance issues.

### **CORPORATE COMPLIANCE PROGRAM AND PLAN**

**PURPOSE:** To establish and publish the official policy of Southwest Arkansas Counseling and Mental Health Center, Inc., regarding the organization's corporate compliance program/plan and, assign responsibility for implementation of that plan.

**POLICY:** Southwest Arkansas Counseling and Mental Health Center, Inc. is dedicated to the delivery of behavioral health care in an environment characterized by strict conformance with the highest standards of accountability for administration, clinical, business, marketing and financial management. The organization's leadership is fully committed to the need to prevent and detect fraud, waste and abuse, fiscal mismanagement and misappropriation of funds and therefore, to the development of a formal corporate compliance program to ensure ongoing monitoring and conformance with all legal and regulatory requirements. Further, the organization is committed to the establishment, implementation and maintenance of a corporate compliance program that emphasizes: (1) prevention of wrong doing - whether intentional or unintentional; (2) immediate reporting and investigation of questionable activities and practices without consequences to the reporting party; and (3) timely correction of any situation which puts the organization, its leadership or staff, funding sources or patients at risk. By formal resolution and in accordance with this policy, the governance authority has delegated overall responsibility for the Corporate Compliance Program to the Executive Director.

**PROCEDURE:** The following procedures/guidelines will govern the design and implementation of the organization's corporate compliance program:

#### **Designation of a Corporate Compliance Officer**

The Executive Director will formally designate a Corporate Compliance Officer (CCO), monitor the organization's corporate compliance program and ensure that the governance authority is fully informed at all times on matters pertaining to corporate compliance.



### **Responsibilities of the Corporate Compliance Officer**

In the performance of her/his duties, the CCO shall: (1) serve as the organization's primary point of contact for all corporate compliance issues; (2) develop, implement and monitor the organization's corporate compliance plan, including all internal and external monitoring, auditing, investigative and reporting processes, procedures and systems; and (3) prepare, submit and present periodic reports on corporate compliance issues to the Executive Director as requested and/or as may be required. In

the performance of his/her duties, the CCO shall report to the Executive Director, the Board's Corporate Compliance Committee, and the organization's accounting firm and/or legal counsel, on an "as needed" basis, for matters and questions pertaining to corporate compliance. For clarification, this provision does not relieve the CCO of keeping the Executive Director fully informed of any and all matters that might necessitate direct contact with the, the Board's Corporate Compliance Committee, the organization's accounting firm and/or legal counsel.

### **Annual Corporate Compliance Report**

The CCO shall submit an annual corporate compliance report to the Executive Director. Annual reports will, include at a minimum: (1) a summary of all allegations, investigations and/or complaints processed in the preceding 12 months in conjunction with the corporate compliance program; (2) a complete description of all corrective action(s) taken; and (3) any recommendations for changes to the organization's policies and/or procedures.

### **Risk Management Assessment**

As part of corporate compliance program, the CCO shall schedule and coordinate periodic risk management assessments and/or audits to identify potential problem areas and "threats" that could put the organization at risk for unusual liability, i.e., billing and cash handling procedures, diversion control practices, medication management policies, etc. Such assessments will augment the organization's annual audit of its accounting system and provide an additional, internal measure of operational accountability in a variety of areas. (Additional details pertaining to the risk management process are contained in the organization's "Policy on Risk Management". The CCO's risk management assessment - along with annual strategic planning and development of the organization's Strategic Plan - represents the organization's mechanism for conducting an environmental scan.)

### **Corporate Compliance Plan Elements**

The corporate compliance program for Southwest Arkansas Counseling and Mental Health Center, Inc. is designed to afford the organization with a number of protections afforded under the U.S. Federal Sentencing Reform Act and consists of:

1. A formal resolution on corporate compliance that has been adopted by the governance authority as a way to document the effective date of program implementation;
2. Written designation of a Corporate Compliance Officer (CCO) responsible for monitoring and reporting on matters pertaining to corporate compliance;
3. A corporate code of ethics regarding professional conduct, personal behavior, business practices, marketing practices, clinical practices and potential conflicts of interest;

4. A "no reprisal" system for employees to use in reporting waste, fraud, abuse or other questionable activities and practices;
5. Written procedures contained herein for:
  - a. Timely investigation of allegations of waste, fraud, abuse and/or other wrongdoing;
  - b. Dealing with violators of the organization's code of ethics in a fair and consistent manner; and
  - c. Dealing with violators of the organization's corporate compliance program/plan in a fair and consistent manner; and
6. Policies and procedures to guide staff members in responding to subpoenas, search warrants, investigations and other legal actions; and
7. Initial and ongoing training for staff, board members and contractors concerning corporate compliance issues including, but not limited to, the following: billing and coding procedures; documentation; fraud and abuse laws; federal whistleblower provisions and rights; and the agency's policies and procedures for detecting and/or preventing fraud, abuse and waste.

### **Organizational Code of Conduct**

Since Southwest Arkansas Counseling and Mental Health Center, Inc. employs providers and practitioners from a variety of disciplines, it is the expectation of the organization that every service provider will act and operate in a manner consistent with the Code of Ethics of his/her respective discipline. In the event that a service provider is not legally, ethically or otherwise bound by a specific code of ethics, Southwest Arkansas Counseling and Mental Health Center, Inc. will expect that he/she will provide treatment services and in strict accordance with the following guiding principles:

- Hold him/herself responsible for the delivery of the highest quality care to persons served;
- Adhere to all applicable federal, state and local regulations for the delivery and administration of behavioral healthcare services;
- Seek guidance from the appropriate Center supervisor before acting in situations not clearly covered by organizational or professional codes of ethics
- Support the principle that competent job performance requires continuing professional growth, development and education, and toward that end, avail themselves of all appropriate opportunities for workforce development training; and
- Periodically review the ethical standards established for their respective professions and discuss ethical issues, questions and concerns as a matter of routine clinical supervision.
- Refrain from approaching clients concerning personal fund raising or selling items on behalf of an organization.
- Refrain from approaching other employees concerning personal fund raising or selling items on behalf of an organization during working hours;
- Demonstrate respect for and safeguard the personal property of the persons served, visitors, and personnel in addition to the property owned by the Center.

- Refrain from developing a dating relationship with other personnel where a supervisory relationship exists or any clients, maintaining appropriate professional boundaries at all times.
- Refrain from witnessing any legal documents presented by a client or a client's representative. Such documents would include powers of attorney, guardianship, and advance directives.

In business, marketing, service delivery, performance of professional responsibilities and human resource practices, all employees of Southwest Arkansas Counseling and Mental Health Center, Inc. will be guided by the following corporate philosophy: Honesty, integrity, respect and fairness constitute the key components of all of our dealings with patients, vendors/suppliers, potential customers, employees and our communities. In all business and marketing activities, all employees are hereby enjoined to represent the Center and its programs and services in an honest manner and

to accurately portray the capabilities of the organization and its employees. A critical part of the organization's corporate compliance program is the expectation that each employee will fully comply with all applicable statutes, laws, rules and regulations at all times.

No business code of ethics/conduct can cover every conceivable scenario that might arise in the course of business conduct and marketing. Therefore, all employees are enjoined to abide by these guiding principles and to seek assistance and clarification from the Executive Director or Corporate Compliance Officer in the event that any situation or scenario arises that might challenge the application of these principles. As a related matter, situations and circumstances occasionally arise that may represent a potential conflict of interest. As a general principle, no employee of Southwest Arkansas Counseling and Mental Health Center, Inc. will make any decision on behalf of the company that would represent, result in or give the appearance of personal gain or benefit, however slight. In such cases, employees are enjoined to discuss the situation with the Executive Director or Corporate Compliance Officer prior to making any decision that would represent a commitment of the Center's assets, obligate the company in any way and/or have the potential to give the appearance of impropriety or conflict of interest.

All new employees will be briefed on the organization's expectations regarding ethical conduct as part of new employee orientation. Additionally, refresher training on corporate compliance is provided on an annual basis to each employee of the Center.

### **No-Reprisal Reporting System**

An integral part of the organization's Corporate Compliance Program is a non-retaliatory system that employees can use to report suspected waste, fraud, abuse and other questionable activities and practices. The Federal False Claims Act prohibits the discharge or harassment of a whistleblower who makes disclosures or files a suit. A *qui tam* provision in the act permits individuals to file suit on behalf of the United States to recover damages incurred by the federal government as a result of contractor fraud or other false claims. In return for filing the suit, the whistleblower is entitled to a significant portion of the proceeds, should they prevail. Reports can be submitted to the Corporate Compliance Officer in four ways: (1) by mail; (2) by telephone; (3) by fax; and (4) by e-mail. Program Directors are responsible for posting a "Corporate

Compliance Notice" in each clinic as a way to inform patients, employees and other interested stakeholders about the organization's Corporate Compliance program and the system - including contact information - for reporting suspicious activities.

### **Investigation Process**

Corporate compliance "complaints", "allegations" or "violations" may be submitted directly to the Corporate Compliance Officer, the Executive Director or the employee's supervisor. Generally, a complaint should be reported within three (3) days of its occurrence, or within three (3) days of learning of the occurrence. Reports may be submitted anonymously, though the reporter should keep a copy of the report as proof of action and for tracking purposes. Reports must be in writing. No specific format is required. However, specificity of allegations is critical to a successful investigation.

Cryptic or anonymous reports may not be actionable by the CCO if lack of specificity prevents a reasonable investigation of charges.

Upon receipt of any report of suspected wrongdoing (including an alleged violation of the company's Code of Ethics), the Corporate Compliance Officer will contact the Executive Director, and initiate an immediate investigation. Investigations of corporate compliance matters will be conducted as expeditiously as possible with results - including recommendations for any disciplinary and/or corrective action - provided in writing to the Executive Director. The Corporate Compliance Officer is authorized direct and unimpeded access to all staff members as a way to expedite corporate compliance investigations.

All corporate compliance investigations will be completed as quickly as possible but not later than 30 calendar days from the time of "discovery". In the event that an investigation cannot be completed within 30 days, the Corporate Compliance Officer shall promptly notify the Executive Director.

### **Violations Procedure**

Substantiated violations of the organization's corporate compliance program and/or code of ethics are serious matters and have potential legal ramifications for both Southwest Arkansas Counseling and Mental Health Center, Inc. and its employees. Violators are subject to and will be handled in accordance with the organization's disciplinary policies outlined in the company's personnel policies.

### **Search Warrants, Subpoenas, Investigations and Other Legal Actions**

In the event that any employee of Southwest Arkansas Counseling and Mental Health Center, Inc. receives or is notified of any search warrant, subpoena, investigation, inquiry or other legal action involving the company, the Executive Director and/or Corporate Compliance Officer will be immediately contacted by the most expedient means, i.e., telephone, e-mail, cell phone, fax, etc. Copies of all legal documents served against Southwest Arkansas Counseling and Mental Health Center, Inc. and/or its employees will be immediately copied and faxed to the Executive Director and Corporate Compliance Officer. Under no circumstances will any records, files, receipts, or other forms of documentation be released without authorization from the Executive Director of Southwest Arkansas Counseling and Mental Health Center, Inc.

This policy recognizes that employees might well find themselves in a situation in which they could potentially be threatened or coerced into releasing documentation without following this policy. All employees must fully recognize and understand that: (1) "due process" includes the opportunity to follow the established procedures of Southwest Arkansas Counseling and Mental Health Center, Inc. regarding search warrants, subpoenas, investigations and other legal actions; and (2) these procedures include immediate notification to the Executive Director and/or Corporate Compliance Officer in all cases and without delay.

### **Contractual Relationships**

As a matter of policy, the Center will enter into contractual relationships only with individuals and entities with similar values and, who have signed Business Associate Agreements as required by the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Further, the organization specifically prohibits contracts that might pose a conflict of interest for either party and/or which might ultimately result in a violation of the Center's ethical standards. As a way to insure that all contracts are appropriate and consistent with the spirit and intent of this policy, all proposed contracts must be approved by the Executive Director.

At any time that a legal process is initiated against the Center, management receiving notice of the action will immediately instruct Center staff that no records are to be destroyed, and that any such process that has already been initiated will be terminated immediately.

### **Corporate Citizenship**

The leadership of Southwest Arkansas Counseling and Mental Health Center, Inc. is committed to being a good corporate citizen in those communities in which the Center operates clinics. As a manifestation of this commitment, Southwest Arkansas Counseling and Mental Health Center, Inc. will support and participate in recognized community activities that advocate for services for persons suffering from the effect of mental illness and/or behavioral health disorders. Further, the organization is committed to using the corporate compliance program, when appropriate, to support advocacy efforts for the Center's clients. Specifically, the organization supports participation on local boards and agencies, sponsorship of local programs promoting good health and citizenship, and participation in various service clubs and organizations in order to support the communities served by the Center.

### **Legal Conformance**

Southwest Arkansas Counseling and Mental Health Center, Inc. will comply with all legal and regulatory requirements including but not limited to: (a) rights of persons served, (b) confidentiality requirements, (c) reporting requirements, (d) contractual agreements, (e) licensing requirements, (f) corporate status, (g) employment practices, (h) mandatory employee testing; and (i) privacy of clients.

### **Responsibility for conformance**

All employees are responsible for strict conformance with this policy. New employees receive a copy of the Corporate Compliance Program and Plan as part of their orientation. They sign an "Acknowledgement of Receipt of Corporate Compliance Policy". The original is retained in the personnel file and a copy is sent to the Corporate Compliance Officer. New board members also receive a copy of the Corporate Compliance Program and Plan as well as sign an

“Acknowledgement of Receipt of Corporate Compliance Policy.” Each employee signs a “Performance Evaluation Acknowledgement of Compliance Obligations” form as part of his/her yearly employee evaluation. Board members complete yearly acknowledgements also at the beginning of each fiscal year.

At least annually, the Corporate Compliance Officer will ensure that all employees receive a "refresher orientation" on the organization's corporate compliance program with an emphasis on the employee's responsibilities pertaining thereto.

As part of the new client orientation, clients are informed of the organization's code of ethics as it pertains to clinical practice and treatment issues. In the event that any client or other interested “stakeholder” requests a copy of the organization's code of ethics, a copy of this policy will be immediately provided to them by the responsible Program Director.

## *Electronic Medical Records*

Southwest Arkansas Counseling and Mental Health Center, Inc. has utilized an electronic health record (EHR) since 2012. Credible Behavioral Health Software is a HIPAA-compliant, Meaningful Use Stage III-certified Electronic Health Record provider. It adheres to MIPS, the Merit Based Incentive Payment System, that adjusts payments based on performance in four performance categories: quality, cost, promoting interoperability, and improvement activities.

All medical records are either created electronically or scanned and stored electronically in the Credible software. Implementation of this software greatly reduced the Center's risk and increased its compliance rate due to various features within the software program such as not allowing services to be billed unless appropriately documented. Its search capabilities are robust enough to identify every progress note which contains a certain string of characters (i.e., suicidal).

Credible has worked with the Arkansas DAABHS in order to assist its member organizations in reporting data to DHS in the DHS-approved format and timeframe. SWACMHC is, thus, able to respond to any reporting request in a timely manner and is able to provide state auditors with requested client records electronically within minutes.

Since 2012, client records have been cloud-based with Credible, existing on Credible servers with back-up servers located on the west coast and the east coast, thus allowing the Center to demonstrate an excellent disaster recovery plan.

The Center's policies regarding the following are attached:

- Records of the Persons Served-General Policies and Procedures
- Transporting Medical Records
- Medical Record Storage
- Use and Disclosure of Records Without Required Consent
- Forms Authorizing Release of Information

**SW ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**

<b>Policy Area:</b> <i>Records of the Persons Served</i>	<b>Subject:</b> <i>Records of the Persons Served-General Policies and Procedures</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> <i>REC-1</i>
<b>Revision Date:</b> <i>1-21-16, 9-21-17</i>	<b>Page #</b> <i>1 of 2</i>
<b>Additional Authority:</b> <i>CARF 2.G., HIPAA</i>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

1. Center staff members strive to communicate information in the client record in a manner that is organized, clear, complete, current and legible. The Center strives to ensure that all staff members have access to up-to-date electronic equipment. The Center currently maintains an electronic record of all services, with few exceptions.
2. All documentation is signed by the provider. Electronic documentation is signed electronically; paper documentation is signed manually before it is scanned into the electronic medical record. Signatures on clinical documentation include the name and credentials of the provider.
3. The individual client record includes:
  - a. Date of admission.
  - b. Name, address and telephone number of the client's legal guardian or representative (when applicable).
  - c. Name, address and telephone number of an emergency contact person.
  - d. Name of the person coordinating services (primary therapist).
  - e. The location of any other records that may exist on the client.
  - f. Name, address and telephone number of the client's primary care physician (when applicable).
  - g. Healthcare reimbursement information.
  - h. The client's:
    - (1) Health history.
    - (2) Current medications (if any).
    - (3) Basic demographic data required for state and national statistical reporting (e.g., race).
    - (4) Documentation of client orientation.
    - (5) Assessments (Diagnostic Assessment, evaluations, and screenings).
    - (6) Master Treatment Plan and Master Treatment Plan Reviews
    - (7) Transition/discharge plan, when applicable.
  - i. A discharge summary for all clients who have terminated services with the Center.
  - j. Copies of any correspondence.
  - k. Appropriate information release forms.
  - l. Documentation of internal and external referrals (when applicable).
4. It is the policy of the Center that the Master Treatment Plan is completed by the primary therapist and signed by the psychiatrist within fourteen days after the initial service, and the Master Treatment Plan Review is signed by the staff psychiatrist within fourteen days of completion.



<b>Policy Area:</b> <i>Records of the Persons Served</i>	<b>Subject:</b> <i>Records of the Persons Served-General Policies and Procedures</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> <i>REC-1</i>
<b>Revision Date:</b> <i>1-21-16, 9-21-17</i>	<b>Page #</b> <i>2 of 2</i>
<b>Additional Authority:</b> <i>CARF 2.G., HIPAA</i>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

5. Duplicate files are not maintained at Center service sites. Case managers may maintain copies of the client's Master Treatment Plan as a tool to ensure they are providing needed services. The copies of the Master Treatment Plan are secondary documents that are used for information only. Case managers have been trained in confidentiality and are required to maintain the information in a manner that protects confidentiality.

6. The Center contracts with a national software vendor which specializes in electronic records for behavioral health providers. On August 1, 2012, any new client records were stored only in the electronic record. All client medical records are stored on the software vendor's servers which can be accessed via the internet with appropriate knowledge of the server name and the appropriate password. The software vendor is able to provide the Center with assurances of compliance with state and federal regulations concerning privacy, portability, accountability and security. In addition, the Center employs a Privacy Officer. The software has a security matrix which allows the Privacy Officer to control access to the point that employees are given the right to view only the portions of the records on a "need to know" basis. The Center has strict measures in place to ensure confidentiality when records are accessed electronically and maintains a security log for access to any part of a client medical record.

7. Client records prior to August 1, 2012 either kept in locked storage units with appropriate indexing, kept on microfilm or stored by case number on one of the Center's private servers which is backed up nightly.

9. The confidentiality of client records is provided by safeguards for the physical integrity of the record, and by releasing client records only with the consent of the client (or the client's legal representative), or pursuant to a court order. Applicable state and federal laws govern the release of confidential client information. This policy specifically includes required compliance with the Health Insurance Portability and Accountability Act and all other applicable laws, statutes, codes and regulations.

10. Every service provided to a client is documented. Diagnostic Assessments, psychological reports, Single Point of Entry screenings, Master Treatment Plans and Reviews and other services have specific reporting formats. Progress notes are generated for each therapy session, collateral effort or other activity that is billed and not otherwise documented. Progress notes are also generated when significant events transpire that warrant documentation.

11. All services must be documented in the electronic medical record by the end of the next working business day. Providers are unable to bill for any billable service until the service is appropriately completed and approved in the electronic medical record.

**SW ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**

<b>Policy Area:</b> <i>Rights of Persons Served</i>	<b>Subject:</b> <i>Transporting Medical Records</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> <i>R-4</i>
<b>Revision Date:</b> <i>1-21-16</i>	<b>Page #</b> <i>1 of 1</i>
<b>Additional Authority:</b>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

**Policy**

It is the policy of the Center that records containing protected health information (PHI) are transported in securely sealed containers to protect the confidentiality of the records and the persons served. A “chain of custody” plan shall be used in describing accurately and completely all the steps in the records custody chain during the movement of records from one site to another. Safeguards for transporting records include, but are not limited to the following procedures:

- **Originating Site Information** – The sender shall provide information as to the current location of the records and the contact person responsible for the transportation arrangements. The sender shall notify the receiver that the records will be transported and coordinate arrangements prior to actually transporting records from one facility to another.
- **Records Category** – The reason for the transfer will be clearly indicated for all medical records transported between facilities, (i.e., transfer of active case, administrative review, to be scanned and archived, off-site storage).
- **Transportation and Chain of Custody Information** – The sender shall complete a *Medical Records Transport Form* identifying the destination office, quantity of records/boxes being transported, and a complete description or inventory of the records being transported. The staff member transporting the records will verify the inventory and sign and date a copy of the inventory for the sender. A copy of the Transport form will also be provided to the receiver. The final destination of the records will be identified on both the Transport Form and the container(s) used to transport the records.
- **Destination Certification** – All records and boxes transported will be verified against the *Medical Records Transport Form* at the destination or receiving office. The receiver shall sign and date a copy of the *Transport Form* for the sender.
- **Originating Site Confirmation** – The sender will sign, date and file the original *Medical Records Transport Form* after the “chain of custody” has been completed.

Client records are stored in areas that allow for protection from fire and water damage, and from other hazards.

**SW ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**

<b>Policy Area:</b> <i>Rights of Persons Served</i>	<b>Subject:</b> <i>Medical Record Storage</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> <i>R-5</i>
<b>Revision Date:</b> <i>1-21-16</i>	<b>Page #</b> <i>1 of 1</i>
<b>Additional Authority:</b>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

- a. Records of closed cases are kept on the premises of the offices in which services were delivered. After two years (1 year) of inactivity, the records are sent to the designated office for archiving. Older records are stored on microfilm or optical storage media; new records are stored in the Center's Electronic Medical Record (EMR). Microfilm records and optical media are stored in the client records room in the Texarkana office. Electronic clinical and administrative records are maintained on the network for rapid retrieval. Closed records are also maintained in an archived format. Data is password protected and only authorized personnel are given access to these files. The Center utilizes a multi-level password security system to protect data access.

The Center has terminated the use of optical storage as of Fiscal Year 2008. All records are now maintained in the Center's EMR. Documents requiring a physical signature are stored in the paper version of the record and, upon closure, are stored in a secured storage locations maintained by the Center.

Records backed up through the optical storage system are copied in triplicate, with each copy stored in a separate, secure location.

- b. All electronic data files are archived daily by authorized personnel and back-up files are maintained offsite. A ten-day rotation is utilized to insure the retrieval of 10 business days of data.

Network profiles of individuals who have system access are also maintained offsite and attempted security breaches are monitored. Remote access is limited and provided on an as-needed basis. Remote access to files, folders, documents and libraries is also monitored.

- (1) Client records that have been backed up through the optical storage system described above are routinely shredded after successful backup is confirmed.
- (2) The Center takes measures to protect electronic records from destruction in the event of litigation by securing the data on alternative types of electronic media, (i.e. compact discs accessible via appropriate authorizations). No clinical record stored on electronic media is ever intentionally destroyed. A complete history of each electronic record is maintained. Should litigation be initiated prior to the archiving of the record, the archiving process may still be completed, but the physical record will not be destroyed until litigation is completed.
- (3) All records are maintained and stored in accordance with applicable state and federal standards.

SW ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.

<b>Policy Area:</b> <i>Rights of Persons Served</i>	<b>Subject:</b> <i>Use and Disclosure of Records Without Required Consent</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> R-6
<b>Revision Date:</b> <i>1-21-16</i>	<b>Page #</b> <i>1 of 1</i>
<b>Additional Authority:</b>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

No authorization is required to release routine information in the following circumstances:

- Health care emergencies where the need to know outweighs privacy and confidentiality considerations (information will be limited to that strictly needed for the emergency).
- Rare circumstances where serving the common good outweighs privacy and confidentiality considerations (i.e., to avert a serious threat to health or safety). These situations will be referred to the Executive Director; the requests will not be processed by the Medical Records Department and such situations will always be handled by the Executive Director or designee.
- Referrals made for continuity of care to outreach clinics
- Court officer in the course of legal proceedings relating to voluntary or involuntary commitment
- When required by law and for purposes consistent with that law
- Arkansas State Hospital
- Mandated reports to state agencies for child abuse, elder or patient/client abuse; knife and gunshot wounds, birth and death statistics, coroner's or medical examiner's cases, communicable diseases.
- State licensure and accrediting agencies and peer review organizations
- Non-patient identifiable clinical or statistical data collected by this facility

SW ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.

<b>Policy Area:</b> <i>Rights of Persons Served</i>	<b>Subject:</b> <i>Forms Authorizing Release of Information</i>
<b>Effective Date:</b> <i>1-21-16</i>	<b>Policy #:</b> <i>R-7</i>
<b>Revision Date:</b> <i>1-21-16</i>	<b>Page #</b> <i>1 of 1</i>
<b>Additional Authority:</b>	<b>Review Date:</b> <i>1-21-16, 9-21-17</i>

- (1) All forms authorizing release of confidential information shall comply with applicable state and federal laws, including, but not limited to, those listed above.
- (2) Written authorization shall contain detailed, specific information directing the release of information. Authorizations shall specifically include the following:
  - Name and address of facility
  - Name of the person served
  - Person or organization/company to whom the information is being released.
  - Purpose of the disclosure (i.e., support information for an insurance claim) *Release of information that is not essential to the stated purpose of the request is specifically prohibited.*
  - Signature of the person served or duly authorized representative.
  - Date signed (date cannot precede the time period of the treatment dates for which information is to be released; date shall be reasonably current).
  - Date and/or conditions under which the authorization expires (not to exceed one year, except in special circumstances, such as parole, probation requirements).
  - Information to be released (i.e., episode of care covered, treatment and/or procedure, specific test results, summary of most recent hospitalization, summary of all inpatient and outpatient care) *Authorizations specifying "any and all information" or other such broadly inclusive statements may not be honored unless accompanied by subpoena or court order. Authorizations that do not specifically identify the agency, type of information and purpose of release, "blanket releases", are strictly prohibited.*
  - Form in which information is to be released (i.e., written, verbal, audio, video, electronic, etc.).
  - Information as to how and when the authorization can be revoked.
  - The signature of a witness to the person served or duly authorized representative is required.

To assist in obtaining the necessary information, an approved authorization form shall be used as far as possible. Letters and alternative forms for any and all information shall be honored provided the required elements are included. The Southwest Arkansas Counseling & Mental Health Center, Inc. will correspond with the person making the request to obtain a listing of the specific information desired.

**SOUTHWEST ARKANSAS COUNSELING AND  
MENTAL HEALTH CENTER, INC.**

**FINANCIAL STATEMENTS AND SUPPLEMENTAL  
INFORMATION**

**JUNE 30, 2018 AND 2017**

**(WITH INDEPENDENT AUDITOR'S REPORTS THEREON)**

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.  
Texarkana, Arkansas

### Report on the Financial Statements

We have audited the accompanying financial statements of Southwest Arkansas Counseling and Mental Health Center, Inc. (the Center), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, cash flows, program costs (by cost center), mental health program costs (by program) for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Arkansas Counseling and Mental Health Center, Inc. as of June 30, 2018 and 2017, and the changes in its net assets, cash flows, program costs (by cost center) and mental health program costs (by program) for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.

**Other Matters**

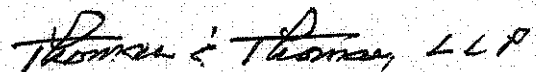
*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statement of financial position, combining schedule of activities by program, and schedules of revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by the Arkansas Department of Human Services Audit Guidelines and is also not a required part of the basic financial statements.

The combining statement of financial position, combining statement of activities by program, schedules of revenues and expenses, schedule of expenditures of federal awards and schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of financial position, combining statement of activities by program, schedules of revenues and expenses, schedule of expenditures of federal awards and schedule of expenditures of state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2018, on our consideration of Southwest Arkansas Counseling and Mental Health Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwest Arkansas Counseling and Mental Health Center, Inc.'s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas  
September 21, 2018

**FINANCIAL STATEMENTS**

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,701,159	\$ 1,444,842
Investments - Other	1,022,624	1,213,725
Investments at Cost	100,000	-
Accounts Receivable, Net	822,693	741,359
Due from Related Parties	15,828	28,796
Prepaid Expenses	41,269	83,462
Accrued Interest and Other	1,391	350
Intangible Assets	3,279	-
Land, Buildings and Equipment - Net	<u>1,797,316</u>	<u>1,499,829</u>
<b>Total Assets</b>	<u>5,505,559</u>	<u>5,012,363</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	499,434	507,886
Accrued Payroll Items	747,856	669,821
Leases Payable	-	706
Notes Payable - Current	11,062	-
Notes Payable - Long-Term	326,117	-
Deferred Revenue	<u>18,015</u>	<u>18,015</u>
<b>Total Liabilities</b>	<u>1,602,484</u>	<u>1,196,428</u>
<b>Net Assets</b>		
Unrestricted	3,885,869	3,774,884
Temporarily Restricted	<u>17,206</u>	<u>41,051</u>
<b>Total Net Assets</b>	<u>3,903,075</u>	<u>3,815,935</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,505,559</u>	<u>\$ 5,012,363</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>Changes in Unrestricted Net Assets:</b>		
<b>Unrestricted Revenues and Other Support:</b>		
Service Fees	\$ 12,271,236	\$ 11,334,763
Less: Charitable Allowances	(76,589)	(66,133)
Service Fees - Net	12,194,647	11,268,630
Investment Income	18,347	12,445
Gain on Disposal of Fixed Assets	4,250	-
Rental Income	33,660	36,400
Other	104,449	68,633
<b>Total Unrestricted Revenues</b>	12,355,353	11,386,108
<b>Net Assets Released from Restrictions:</b>		
Satisfaction of Program Restrictions	598,753	822,182
Expiration of Time Restrictions	23,845	24,587
<b>Total Net Assets Released from Restrictions</b>	622,598	846,769
<b>Total Unrestricted Revenues and Other Support</b>	12,977,951	12,232,877
<b>Expenses:</b>		
<b>Program Services:</b>		
Mental Health	5,205,316	4,969,096
Split Rail Mental Health Treatment Program	2,440,565	2,481,124
Horizon Mental Health Treatment Program	1,662,855	1,737,848
Youth Services	1,011,576	838,476
Foster Care	854,868	770,097
Acute Care	140,745	190,085
Substance Abuse	738,979	603,044
River Ridge Treatment Program	654,894	690,884
County Heights	157,168	178,470
<b>Total Program Services</b>	12,866,966	12,459,124
<b>Increase (Decrease) in Unrestricted Net Assets</b>	110,985	(226,247)
<b>Changes in Temporarily Restricted Net Assets:</b>		
Federal, State and Local Grants	598,753	842,354
Net Assets Released from Restrictions	(622,598)	(846,769)
<b>Decrease in Temporarily Restricted Net Assets</b>	(23,845)	(4,415)
<b>Increase (Decrease) in Net Assets</b>	87,140	(230,662)
<b>Net Assets - Beginning of Year</b>	3,815,935	4,046,597
<b>Net Assets - End of Year</b>	\$ 3,903,075	\$ 3,815,935

The accompanying notes are an integral part of these financial statements.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

<b>Increase (Decrease) in Cash Equivalents:</b>	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities:</b>		
Cash Received for Services Provided	\$ 12,854,425	\$ 12,046,723
Other Operating Cash Receipts	12,968	-
Cash Paid to Employees and Suppliers	(12,598,304)	(12,094,426)
Interest Paid	(9,073)	-
Interest Received	17,306	12,445
Net Cash Provided (Used) by Operating Activities	277,322	(35,258)
<b>Cash Flows from Investing Activities:</b>		
Sales of Investments - Other	191,101	389,653
Purchases of Investments	(100,000)	-
Sale of Property and Equipment	4,250	197
Purchases of Property and Equipment	(452,829)	-
Net Cash Provided (Used) by Investing Activities	(357,478)	389,850
<b>Cash Flows from Financing Activities:</b>		
Proceeds from Issuance of Notes Payable	343,400	-
Payments on Notes Payable	(6,221)	-
Payments on Lease Agreements	(706)	(10,418)
Net Cash Provided (Used) by Financing Activities	336,473	(10,418)
Net Increase in Cash and Cash Equivalents	256,317	344,174
Cash and Cash Equivalents at Beginning of Year	1,444,842	1,100,668
Cash and Cash Equivalents at End of Year	1,701,159	1,444,842
<b>Reconciliation of Decrease in Net Assets to Net Cash Provided (Used) by Operating Activities:</b>		
Increase (Decrease) in Net Assets	87,140	(230,662)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	152,063	176,672
Non Cash Contribution of Equipment	-	(20,172)
Gain on Disposal of Fixed Assets	(4,250)	-
Bad Debts	799,387	754,326
Charitable Allowance	76,589	66,133
<b>Changes in Assets and Liabilities:</b>		
(Increase) Decrease in Accounts Receivable	(957,310)	(933,125)
(Increase) Decrease in Due from Related Party	12,968	(28,796)
(Increase) Decrease in Accrued Interest	(1,041)	-
(Increase) Decrease in Prepaid Expense	42,193	54,246
Increase (Decrease) in Deferred Revenues	-	(36,456)
Increase (Decrease) in Accounts Payable	(8,452)	338,848
Increase (Decrease) in Due to Related Party	-	(25,474)
Increase (Decrease) in Accrued Payroll Items	78,035	(150,798)
Net Cash Provided by Operating Activities	\$ 277,322	\$ (35,258)

**NONCASH INVESTING ACTIVITIES:**

In 2016, a grant was received in the amount of \$20,172 from the Arkansas Highway and Transportation Department for the purchase of vans.

The accompanying notes are an integral part of these financial statements.

**SOUTHWEST ARKANSAS COUNSELLING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF PROGRAM COSTS (BY COST CENTER)**  
**YEAR ENDED JUNE 30, 2018**

Cost Category	Mental Health		Mental Health		Youth Services	Foster Care	Acute Care	Substance Abuse	River Ridge	County Heights	Total Costs
	Mental Health	Program	Program	Program							
Acute Care	\$ 3,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,745
Auto Expense	319,060	6,549	5,558	1,110	-	-	-	-	677	1,518	19,007
Bad Debt Expense	9,695	195,412	231,560	282	-	-	-	18,906	34,167	-	799,387
Board Expense	2,379	-	-	-	-	-	-	-	-	-	9,695
Client Medical Expense	-	30,634	24,997	-	-	167	-	-	8	-	58,185
Client Services	-	-	-	15	-	-	-	-	54	-	69
Clinical Expense	1,747	14	94	-	-	26	-	-	-	-	1,881
Conference and Registration	16,950	1,170	360	1,040	-	1,215	-	95	325	724	21,879
Data Processing Expense	69,701	19,051	12,001	6,317	-	2,312	-	5,056	5,054	1,264	120,756
Depreciation	106,346	8,036	5,160	42	-	-	-	2,126	20,644	9,709	152,063
Drug Expense	1,438	4,770	2,838	2,371	-	12	-	4,541	2,217	-	18,187
Dues and Publications	28,834	-	373	40	-	950	-	1,305	500	-	32,002
Food	12,412	16,110	34,589	491	-	2,410	-	786	45,475	68	112,341
Fringe Benefits	599,297	243,847	216,503	144,706	-	33,351	-	95,630	72,240	20,782	1,426,356
Insurance	75,333	43,224	27,456	14,453	-	1,322	-	5,276	6,610	1,859	175,533
Interest Expense	9,073	-	-	-	-	-	-	-	-	-	9,073
Janitorial Services and Supplies	98,749	8,088	7,407	200	-	-	-	250	17,787	3,014	134,495
Joint-Venture Disbursement	-	12,968	-	-	-	-	-	-	-	-	12,968
Legal and Accounting Fees	56,565	11,202	7,127	2,240	-	747	-	1,750	1,251	560	81,442
Miscellaneous	35,211	1,381	1,039	571	-	10,592	-	68	182	1,278	50,322
Office Supplies	19,987	1,861	2,350	5,900	-	836	-	2,760	1,765	493	35,932
Other Purchased Services	510,321	240,316	44,296	44,927	-	530,412	-	-	74,275	-	1,444,547
Postage	22,649	255	636	682	-	-	-	605	30	-	24,857
Recreation and Resocialization	3,327	7,463	3,930	10	-	2,016	-	175	1,678	5,202	23,801
Recruitment and Training	44,212	2,145	1,034	745	-	1,325	-	504	490	147	50,602
Rent-Lease Payments	52,561	3,763	4,490	26,752	-	-	-	22,109	2,312	-	111,987
Repairs and Maintenance	47,634	2,516	2,552	399	-	-	-	453	11,218	271	65,043
Salaries	2,672,605	1,423,222	920,706	686,877	-	211,579	-	545,139	308,365	92,814	6,861,307
Small Furniture and Appliances	15,375	4,348	626	1,378	-	26	-	11	2,263	13	24,040
Telephone	222,460	87,622	39,370	33,637	-	3,540	-	7,657	11,613	5,272	411,171
Travel	78,722	8,164	13,504	27,785	-	52,030	-	22,041	5,185	2,940	210,371
Utilities	52,794	57,434	52,319	8,606	-	-	-	1,736	28,509	9,240	210,638
Wraparound Services	16,284	-	-	-	-	-	-	-	-	-	16,284
<b>Total Program Costs</b>	<b>\$5,205,316</b>	<b>\$ 2,440,565</b>	<b>\$ 1,652,855</b>	<b>\$1,011,576</b>	<b>\$ 834,868</b>	<b>\$140,745</b>	<b>\$ 738,979</b>	<b>\$ 654,894</b>	<b>\$ 157,168</b>	<b>\$12,866,966</b>	

The accompanying notes are an integral part of these financial statements.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF PROGRAM COSTS (BY COST CENTER)**  
**YEAR ENDED JUNE 30, 2017**

Cost Category	Mental Health		Mental Health		Youth Services	Post-Care	Acute Care	Substance Abuse	River Ridge	County Heights	Total Costs
	Mental Health	Split Rail Mental Health Treatment Program	Horizon Mental Health Treatment Program	Mental Health Treatment Program							
Acute Care	\$ 4,820	\$ 5,552	\$ 3,831	\$ 1,858	\$ -	\$ -	\$ 190,085	\$ -	\$ 1,103	\$ 771	\$ 190,085
Auto Expense	269,862	180,431	265,649	407	-	-	-	16,617	21,360	-	754,326
Bad Debt Expense	10,182	-	-	-	-	100	-	-	-	8	10,182
Board Expense	5,227	32,044	29,977	-	-	-	-	-	-	-	67,356
Client Medical Expense	-	-	-	-	-	-	-	-	-	122	122
Client Services	1,265	-	342	-	-	3,249	-	-	-	-	4,856
Clinical Expense	9,026	1,690	1,365	490	-	1,465	-	-	360	650	15,046
Conference and Registration	46,341	31,864	20,315	10,918	-	3,575	-	8,734	8,734	2,183	132,664
Data Processing Expense	119,964	10,773	8,784	386	-	-	-	1,852	21,724	13,189	176,672
Depreciation	1,030	6,368	3,342	1,202	-	45	-	3,202	874	874	16,063
Drug Expense	32,984	356	371	520	-	950	-	100	500	-	35,781
Dues and Publications	11,123	15,644	35,036	866	-	1,148	-	192	44,049	-	108,094
Food	540,651	251,330	211,841	122,809	-	35,591	-	81,067	68,385	21,663	1,333,337
Fringe Benefits	70,159	37,855	22,735	13,317	-	1,535	-	3,937	9,824	2,477	161,839
Insurance	63,415	11,568	10,742	702	-	122	-	697	16,800	1,978	106,024
Janitorial Services and Supplies	-	111,791	-	-	-	-	-	-	-	-	111,791
Joint-Venture Disbursement	-	-	-	-	-	-	-	-	-	-	-
Legal and Accounting Fees	21,286	15,086	10,540	3,017	-	1,006	-	2,182	1,685	754	55,556
Miscellaneous	53,251	1,485	449	159	-	16,372	-	93	340	1,578	73,727
Office Supplies	16,899	2,513	2,982	2,935	-	1,091	-	2,189	1,618	409	30,636
Other Purchased Services	501,014	214,660	46,134	38,474	-	491,848	-	678	94,380	54	1,387,242
Postage	25,171	348	898	337	-	-	-	721	-	-	27,475
Recreation and Resocialization	3,711	2,875	3,895	228	-	1,315	-	-	1,488	4,476	17,988
Recruitment and Training	20,592	293	293	124	-	552	-	54	1,395	15	23,318
Rent-Lease Payments	36,017	2,041	3,081	12,719	-	-	-	24,780	2,373	-	81,011
Repairs and Maintenance	42,596	4,964	3,653	1,375	-	-	-	404	11,057	1,890	65,939
Salaries	2,595,718	1,365,486	935,093	561,014	-	161,920	-	424,059	335,745	107,872	6,486,907
Small Furniture and Appliances	14,827	1,334	473	532	-	1,659	-	815	986	-	20,626
Telephone	290,579	114,982	56,826	35,766	-	3,695	-	6,588	12,630	5,364	526,430
Travel	88,702	5,599	11,740	19,843	-	42,859	-	22,371	8,072	4,144	203,330
Utilities	44,117	52,192	47,461	8,478	-	-	-	1,712	25,272	8,967	188,199
Wraparound Services	28,567	-	-	-	-	-	-	-	-	-	28,567
Total Program Costs	\$4,969,096	\$ 2,481,124	\$ 1,737,848	\$ 838,476	\$ 770,097	\$190,085	\$ 603,044	\$ 690,884	\$ 178,470	\$12,459,124	

The accompanying notes are an integral part of these financial statements.



**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF MENTAL HEALTH PROGRAM COSTS (BY PROGRAM)**  
**YEAR ENDED JUNE 30, 2018**

Cost Category	Total Mental Health Costs	Outpatient	Rehabilitative	
			Day Services	Emergency
Auto Expense	\$ 3,595	\$ 3,442	\$ 147	\$ 6
Bad Debt Expense	319,060	305,495	13,050	515
Board Expense	9,695	9,282	397	16
Client Medical Expense	2,379	2,278	97	4
Clinical Expense	1,747	1,673	71	3
Conference and Registration	16,950	16,230	693	27
Data Processing	69,701	66,738	2,851	112
Depreciation	106,346	101,824	4,350	172
Drug Expense	1,438	1,377	59	2
Dues and Publications	28,834	27,608	1,179	47
Food	12,412	11,884	508	20
Fringe Benefits	599,297	573,818	24,512	967
Insurance	75,333	72,131	3,081	121
Interest Expense	9,073	8,688	371	15
Janitorial Services and Supplies	98,749	94,551	4,039	159
Legal and Accounting Fees	56,565	54,160	2,314	91
Miscellaneous	35,211	33,714	1,440	57
Office Supplies	19,987	19,138	817	32
Other Purchased Services	510,321	488,626	20,872	823
Postage	22,649	21,686	926	37
Recreation and Resocialization	3,327	3,186	136	5
Recruitment and Training	44,212	42,333	1,808	71
Rent-Lease Payments	52,561	50,326	2,150	85
Repairs and Maintenance	47,634	45,609	1,948	77
Salaries	2,672,605	2,558,984	109,311	4,310
Small Furniture and Appliances	15,375	14,721	629	25
Telephone	222,460	213,002	9,099	359
Travel	78,722	75,375	3,220	127
Utilities	52,794	50,550	2,159	85
Wraparound Services	16,284	15,592	666	26
<b>Total Program Costs</b>	<b>\$ 5,205,316</b>	<b>\$ 4,984,021</b>	<b>\$ 212,900</b>	<b>\$ 8,396</b>
	<b>100.00%</b>	<b>95.75%</b>	<b>4.09%</b>	<b>0.16%</b>
<b>Units of Service Provided (In Quarter Hours)</b>	<b>171,367</b>	<b>97,140</b>	<b>72,627</b>	<b>1,600</b>
<b>Cost Per Unit of Service</b>	<b>\$ 30.38</b>	<b>\$ 51.31</b>	<b>\$ 2.93</b>	<b>\$ 5.25</b>

The accompanying notes are an integral part of these financial statements.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**STATEMENT OF MENTAL HEALTH PROGRAM COSTS (BY PROGRAM)**  
**YEAR ENDED JUNE 30, 2017**

Cost Category	Total Mental Health Costs	Outpatient	Rehabilitative	
			Day Services	Emergency
Auto Expense	\$ 4,820	\$ 4,523	\$ 283	\$ 14
Bad Debt Expense	269,862	253,255	15,840	767
Board Expense	10,182	9,555	598	29
Client Medical Expense	5,227	4,905	307	15
Clinical Expense	1,265	1,187	74	4
Conference and Registration	9,026	8,470	530	26
Data Processing	46,341	43,489	2,720	132
Depreciation	119,964	112,582	7,041	341
Drug Expense	1,030	967	60	3
Dues and Publications	32,984	30,954	1,936	94
Food	11,123	10,438	653	32
Fringe Benefits	540,651	507,380	31,734	1,537
Insurance	70,159	65,842	4,118	199
Janitorial Services and Supplies	63,415	59,513	3,722	180
Legal and Accounting Fees	21,286	19,977	1,249	60
Miscellaneous	53,251	49,974	3,126	151
Office Supplies	16,899	15,859	992	48
Other Purchased Services	501,014	470,182	29,408	1,424
Postage	25,171	23,622	1,477	72
Recreation and Resocialization	3,711	3,482	218	11
Recruitment and Training	20,592	19,324	1,209	59
Rent-Lease Payments	36,017	33,801	2,114	102
Repairs and Maintenance	42,596	39,975	2,500	121
Salaries	2,595,718	2,435,982	152,359	7,377
Small Furniture and Appliances	14,827	13,915	870	42
Telephone	290,579	272,697	17,056	826
Travel	88,702	83,244	5,206	252
Utilities	44,117	41,403	2,589	125
Wraparound Services	28,567	26,809	1,677	81
<b>Total Program Costs</b>	<b>\$ 4,969,096</b>	<b>\$ 4,663,306</b>	<b>\$ 291,666</b>	<b>\$ 14,124</b>
	<b>100.00%</b>	<b>93.85%</b>	<b>5.87%</b>	<b>0.28%</b>
<b>Units of Service Provided (In Quarter Hours)</b>	<b>188,620</b>	<b>95,914</b>	<b>91,075</b>	<b>1,631</b>
<b>Cost Per Unit of Service</b>	<b>\$ 26.34</b>	<b>\$ 48.62</b>	<b>\$ 3.20</b>	<b>\$ 8.66</b>

The accompanying notes are an integral part of these financial statements.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

1. **Nature of the Organization** - Southwest Arkansas Counseling and Mental Health Center, Inc. (the Center) is a not-for-profit organization that provides counseling and mental health services to residents of Southwest Arkansas. As a not-for-profit organization, the Center is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation.
2. **Financial Statement Presentation** - The Center has adopted the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958-205, which requires the Center to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Center had no permanently restricted net assets as of June 30, 2018 or 2017.
3. **Restricted Revenues** - The Center recognizes donor restricted revenues whose restrictions are met in the same reporting period as temporarily restricted net assets and as net assets released from restrictions on the statements of activities.
4. **Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.
5. **Land, Buildings and Equipment** - Land, buildings and equipment are stated at historical cost. Acquisitions of land, buildings and equipment in excess of \$1,000 are capitalized.
6. **Depreciation** - The Center computes depreciation on the straight-line method over the estimated service lives of the assets, which range from 3 years to 40 years.
7. **Accrued Compensated Absences** - The Center records the cost of employee compensated absences in the period in which the benefits are earned. The Center allows each employee to carry forward 200 hours each year past their anniversary date.
8. **Bad Debt Expense and Contractual Adjustment** - Revenue is recorded at the Center's standard rate, with contractual adjustments deducted pursuant to an agreement with third-party payer sources to arrive at total revenue. The Center provides an allowance for doubtful accounts based on an aged analysis of accounts receivable and historical collection data. Bad debts are recorded as program costs for patients who are self-pay or covered by private insurance. Accounts are charged off only after all collection efforts have been exhausted. Of the Center's accounts receivable, \$409,535 and \$376,388 were over 90 days old as of June 30, 2018 and 2017, respectively.
9. **Program Cost Allocation Methods** - Direct classification of costs is utilized when costs can be specifically identified with a cost center.

Administrative and indirect costs are allocated on a monthly basis to cost centers based on estimated utilization. Depreciation is allocated to cost centers based on fixed asset utilization.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

10. **Mental Health Program Cost Allocation Methods** - Allocation of mental health costs to each program is based on time studies.
11. **Fund Type** - The Center operates under a single fund structure. Separate program accounts are maintained for all federal and state grant proceeds in order to facilitate compliance with reporting requirements. Costs are recorded by program for direct expenses when costs can be specifically identified with a program. Other costs are allocated to programs as indicated above. Transfers of general revenues to various program accounts are made to cover any excess of expenses over revenues in those programs. In addition, excess revenues over expenses from performance-based contracts are transferred to the general operating accounts upon completion of the terms of the contract.
12. **Cash and Cash Equivalents** - For purposes of presentation in the statements of cash flows, the Center considers restricted and unrestricted demand deposit accounts and certificates of deposit with original maturities of three months or less to be cash equivalents.
13. **Investments - Other** - The Center's investments included certificates of deposit with maturities greater than three months totaling \$1,022,624 and \$1,213,725 as of June 30, 2018 and 2017, respectively.
14. **Investments at Cost** - During the year ended June 30, 2018, the Center purchased shares in a Provider-led Arkansas Shared Savings Entity (PASSE). The PASSE is a new model of organized care that will address the needs of certain Medicaid beneficiaries who have complex behavioral health and intellectual and developmental disabilities service needs. The Center purchased 1 B-unit share at a value of \$100,000, representing 1.83% ownership of the PASSE.

The Center's investment in the PASSE is accounted for using the cost method. The aggregate cost of the Company's cost-method investments totaled \$100,000 as of June 30, 2018. There were no cost-method investments held at June 30, 2017. This investment was not evaluated for impairment because (a) it is not practicable to estimate its fair value due to insufficient information being available and (b) management did not identify any events or changes in circumstances that might have a significant adverse effect on the fair value of the PASSE.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE B - ACCOUNTS RECEIVABLE**

Accounts receivable are reported at their estimated net realizable value. Details of accounts receivable as of June 30, 2018 and 2017, are as follows:

	<u>2018</u>		<u>2017</u>
Medicare (Net)	\$ 8,937		\$ 5,869
Medicaid ARKids First	41,510		26,981
Medicaid Horizon	65,207		61,941
Medicaid Rehab	56,563		56,072
Reserve for Medicaid	<u>(200,000)</u>	(143,437)	<u>(200,000)</u>
Forensic	7,000		4,500
State Appropriations	-		23,572
DWI	12,027		35,472
Youth Services	91,476		85,476
Substance Abuse Contract	127,149		65,442
Post-Adoptive	32,747		65,876
Other	198,232		106,933
USAC	319,977		302,608
Reserve for USAC	<u>(302,608)</u>	17,369	<u>(302,608)</u>
River Ridge Assessment Fees	31,814		43,076
Split Rail Medicaid	82,792		90,875
Self-Pay and Insurance Patients	529,965		471,380
Less Allowance for Doubtful Accounts	<u>(284,803)</u>	245,162	<u>(202,106)</u>
Net Accounts Receivable	<u>\$ 822,693</u>		<u>\$ 741,359</u>

**NOTE C - TEMPORARILY RESTRICTED NET ASSETS**

As of June 30, 2018 and 2017, temporarily restricted net assets consisted of State Highway and Transportation Department grants in the amount of \$17,206 and \$41,051, respectively.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE D - LAND, BUILDINGS AND EQUIPMENT**

The following is a summary of the cost and estimated lives of the property, land, buildings and equipment by category at June 30,

	<u>2018</u>	<u>2017</u>	<u>Estimated Useful Life</u>
Buildings	\$ 2,933,526	2,634,527	18-25 Yrs.
Computer Equipment	905,363	898,539	3-10 Yrs.
Computer Software	646,617	641,617	3-10 Yrs.
Furniture and Equipment	616,912	606,042	3-10 Yrs.
Automobiles	359,470	407,171	3 Yrs.
Building Improvements	473,328	445,977	10 Yrs.
	<u>5,935,216</u>	<u>5,633,873</u>	
Accumulated Depreciation	(4,560,260)	(4,456,404)	
	<u>1,374,956</u>	<u>1,177,469</u>	
Land	422,360	322,360	
Land, Buildings and Equipment (Net)	<u>\$ 1,797,316</u>	<u>\$ 1,499,829</u>	

**NOTE E - CAPITAL LEASES**

The Center has capital leases with IBM and Toshiba for equipment and software which are recorded in land, buildings and equipment. The net book value of the equipment and software was \$798 June 30, 2017. The equipment and software became fully depreciated during the year ended June 30, 2018.

Future minimum lease payments and the present value of net minimum lease payments under the capital leases were \$706 and \$728, respectively, as of June 30, 2017. There were no minimum lease payments remaining as of June 30, 2018.

**NOTE F - CONCENTRATION OF CREDIT RISK**

The Center provides mental health services to residents of Southwest Arkansas. Payment for these services is made by the clients or through funding agreements with the State. The Center could sustain losses to the extent that the parties fail to perform as contracted through those agreements.

The Center maintains its cash balances at several different financial institutions in Southwest Arkansas. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2018 and 2017, the Center's cash balances were underinsured by approximately \$1,293,000 and \$988,000, respectively.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE G - JOINT-VENTURE**

In 1998, the Center and South Arkansas Regional Health Center, Inc. (SARHC) entered into an agreement for the provision of mental health services to the clients of the Split Rail Mental Health Treatment Program (Split Rail) located in Prescott, Arkansas. The accounting and administrative function is performed by the Center, and, pursuant to the terms of the agreement, the net change in the net assets of the facility each year will be divided equally between both centers after 25% of the total direct costs, including fixed asset purchases, is allocated to the Center as an administrative fee. The operation of Split Rail is reported as a separate cost center in the Center's financial statements with SARHC's share of the increase in net assets of the joint-venture reported as a separate item within the cost center. As of June 30, 2018 and 2017, the Center recorded a receivable of \$15,828 and \$28,796 from SARHC for split rail operational results. The settlement of amounts due to SARHC are made on the basis of cash receipts and cash disbursements, while the amounts shown on the financial statements of the joint venture are accounted for on the accrual basis which is in accordance with U.S. GAAP. The June 30, 2018 and 2017, summary operating information of the joint-venture for distribution purposes is as follows:

	<b>2018</b>	<b>2017</b>
Total Revenues	\$ 2,690,661	\$ 2,873,178
Total Direct Expenses	2,131,780	2,119,677
Administrative Fee	532,945	529,919
Total Expenses	2,664,725	2,649,596
Increase in Net Assets	25,936	223,582
SARHC Share	12,968	111,791
SWAC&MHC Share	\$ 12,968	\$ 111,791

**NOTE H - RETIREMENT PLAN**

The Center participates in a deferred tax annuity program and has matched up to 3% of the contributions made by employees electing to participate in the Plan. The Center's matching contributions were \$136,202 and \$117,111 for 2018 and 2017, respectively.

**NOTE I - SUBSEQUENT EVENTS**

The Center has evaluated subsequent events through September 21, 2018, the date on which the financial statements were available to be issued.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

**NOTE J – INCOME TAXES**

U.S. GAAP requires the Center's management to evaluate tax positions taken by the Center and recognize a tax liability if the Center has taken an uncertain tax position that more likely than not would not be sustained upon examination. The Center has analyzed the tax positions taken, and has concluded that there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Center believes it is no longer subject to income tax examinations for years prior to 2015.

**NOTE K – LINE OF CREDIT**

In a prior year, the Center obtained a \$400,000 line of credit from Farmers Bank. This line of credit is secured by the certificate of deposit and interest is payable monthly on outstanding balances at 3.99%. As of June 30, 2018 and 2017, no borrowings had occurred.

**NOTE L – NOTES PAYABLE**

During the year ended June 30, 2018, the Center purchased a building and financed \$343,400 of the purchase. The note has a term of five years, an interest rate of 4.5%, and a monthly payment of \$2,185. The amount of required principal payments as of June 30, 2018, is as follows:

<b>Year Ended:</b>	
June 30, 2019	\$ 11,062
June 30, 2020	11,537
June 30, 2021	12,115
June 30, 2022	12,680
June 30, 2023	<u>289,785</u>
 Total payments	 337,179
 Less current portion	 (11,062)
 Total long-term debt	 <u><u>\$ 326,117</u></u>



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**INTERNAL CONTROL AND COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwest Arkansas Counseling and Mental Health Center, Inc. (the Center) which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, cash flows, program costs (by cost center), and mental health program costs (by program) for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

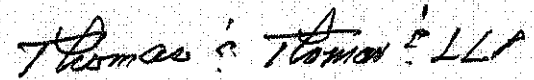
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas  
September 21, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY UNIFORM GUIDANCE**

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Southwest Arkansas Counseling and Mental Health Center, Inc.'s (the Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2018. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.

Report on Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thomas & Thomas, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas  
September 21, 2018

## **INDEPENDENT AUDITOR'S REPORT ON STATISTICAL SYSTEM**

### **Board of Directors**

**Southwest Arkansas Counseling and Mental Health Center, Inc.**

We have audited the financial statements of Southwest Arkansas Counseling and Mental Health Center, Inc. (the Center) for the year ended June 30, 2018, and have issued our report thereon dated September 21, 2018.

We have also audited the Center's statements of program costs (by cost center), mental health program costs (by program), statistical system and related internal control measures for documenting and appropriate reporting of data regarding: staff activities, units of service and recipients of services for the year ended June 30, 2018. We conducted our audit in accordance with generally accepted auditing standards and specific auditing standards promulgated by the Division of Behavioral Health Services, Department of Human Services and the State of Arkansas, and included such other tests of the accounting and statistical records and other auditing procedures as we considered necessary in the circumstances.

The specific auditing standards adopted by the Division of Behavioral Health Services apply to the audit of statistical systems of mental health organizations. Under these auditing standards, the purpose of such an audit is to determine the:

- consistency between the definitions of units of services prescribed by the Division of Behavioral Health Services and those reported by the Center, and
- statistical system's reliability for accurately and completely documenting and reporting client and community services data as required by the Division of Behavioral Health Services. Such reliability is dependent upon the adoption and utilization of appropriate internal control measures within the statistical system.

The principal internal control issues regarding reliable reporting of client and community services data by the Division of Behavioral Health Services are:

- promotion of accurate and complete documentation of client admissions and discharge, and
- promotion of accurate and appropriate documentation of services rendered to clients and the community.

Our audit of the Center's statistical system was centered on these issues and specifically focused upon the degree to which appropriate internal control measures were utilized.

Board of Directors  
Southwest Arkansas Counseling and Mental Health Center, Inc.

The management of the Center is responsible for establishing and maintaining a system of statistical internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the statistical system are to provide management with reasonable, but not absolute, assurance that client and community services are provided and documented in accordance with management's authorization.

Because of inherent limitations in any system of statistical internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

In our opinion, Southwest Arkansas Counseling and Mental Health Center, Inc. has for the year ended June 30, 2018,

- fairly reported client and community services to the Behavioral Health Services Division consistent with definitions and unitizations prescribed by such division; and
- incorporated and utilized appropriate measures of statistical internal control to promote reliable documentation and reporting of data regarding
  - .. staff activities,
  - .. units of service and
  - .. recipients of services.

Further, in our opinion, Southwest Arkansas Counseling and Mental Health Center, Inc.'s representations of the:

- number of clients served,
- units of direct client services and consultation and education services provided and
- cost-per-unit of services

contained in the statements of program costs (by cost center) and mental health program costs (by program) are fair with respect to accuracy and completeness.

*Thomas & Thomas, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas  
September 21, 2018



**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

**Summary of Audit Results -**

*Financial Statements*

Type of auditor's report issued on the financial statements.	Unmodified
Internal control over financial reporting: Material weaknesses identified.	None Reported
Significant Deficiencies identified that are not considered to be material weaknesses.	None Reported
Noncompliance material to the financial statements.	None Reported

*Federal Awards*

Internal control over major programs: Material weaknesses identified	None Reported
Significant Deficiencies identified that are not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs.	Unmodified
Findings disclosed in the audit which are required to be reported in Government Auditing Standards.	None Reported
Findings disclosed in the audit which are required to be reported in Accordance with 2 CFR 200.516(a).	None Reported
Programs audited as major: Alcohol Treatment Drug Treatment	CFDA #93.959 CFDA #93.959
Threshold used to distinguish between Type A and Type B programs.	\$750,000
Southwest Arkansas Counseling and Mental Health Center, Inc. qualified as a low risk entity.	

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**SUPPLEMENTAL INFORMATION**

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor\Pass-Through Grantor\ Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Program Revenues</u>	<u>Total Program Expenditures</u>
<b>Department of Health and Human Services:</b>			
<b>Grants Passed Through the Arkansas Department of Human Services:</b>			
Therapeutic Foster Care	93.658	\$ 208,249	\$ 208,249
Community Mental Health Services Block Grant	93.958	119,552	119,552
Crisis Services	93.958	88,371	88,371
Money Follows the Person Rebalancing Demonstration	93.791	425	425
Social Services Block Grant			
Alcohol and Drug	93.667	8,866	8,866
Social Services Block Grant Title XX			
Mental Health	93.667	50,074	50,074
Children's Health Insurance Program	93.767	195,546	195,546
Alcohol and Drug Treatment	93.959	820,667	820,667
<b>Total Passed Through the Arkansas Department of Human Services</b>		<u>1,491,750</u>	<u>1,491,750</u>
<b>Total Department of Health and Human Services</b>		<u>1,491,750</u>	<u>1,491,750</u>
<b>Total Federal Financial Assistance</b>		<u>\$ 1,491,750</u>	<u>\$ 1,491,750</u>

**Notes to Schedule of Expenditures of Federal Awards:**

This schedule is prepared on the accrual basis of accounting.

The Center did elect to use the 10% de minimis indirect cost rate.

In 2018, the Center received Medicare funds of \$138,008 and Medicaid funds of \$6,147,674 under fee for service service contracts, which are not considered federal awards since they are direct federal cash assistance to individuals.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR YEAR ENDED JUNE 30, 2018**

State Grantor/Program Title	Grant Period	Total Program Revenues	Total Program Expenditures
<b>Arkansas Department of Human Services:</b>			
Acute Inpatient	7/1/17 - 6/30/18	\$ 143,681	\$ 143,681
CSP - A	7/1/17 - 6/30/18	193,210	193,210
CSP - B	7/1/17 - 6/30/18	61,842	61,842
CASSP	7/1/17 - 6/30/18	83,607	83,607
Forensic	7/1/17 - 6/30/18	55,000	55,000
State Appropriation-General	7/1/17 - 6/30/18	165,001	165,001
Youth Services - JDC	7/1/17 - 6/30/18	1,079,689	1,079,689
Youth Services - Sanctions	7/1/17 - 6/30/18	192,210	192,210
System of Care	7/1/17 - 6/30/18	94,237	94,237
Drug and Alcohol Safety Education Program	7/1/17 - 6/30/18	256,276	256,276
Treatment Services State General Revenue	7/1/17 - 6/30/18	57,667	57,667
Foster Care (Title IV)	7/1/17 - 6/30/18	594,491	594,491
Lewisville Wilderness	7/1/17 - 6/30/18	116,480	116,480
Children's Health Insurance Program	7/1/17 - 6/30/18	10,500	10,500
Client & Community Services	7/1/17 - 6/30/18	300,038	300,038
Crisis Services	7/1/17 - 6/30/18	99,652	99,652
Money Follows the Person Rebalancing Demonstration	7/1/17 - 6/30/18	75	75
Regional Alcohol Detention and Detoxification	7/1/17 - 6/30/18	73,788	73,788
<b>Total Arkansas Department of Human Services</b>		<u>3,577,444</u>	<u>3,577,444</u>
<b>Total State Awards</b>		<u>\$ 3,577,444</u>	<u>\$ 3,577,444</u>

**Note to Schedule of Expenditures of State Awards:**

This schedule is prepared on the accrual basis of accounting.

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**COMBINING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**

Assets	General Operating	Fixed Asset	Forensics	Foster Care	Youth Services	Medicare	Medicaid Rehab	Split Rail Mental Health Treatment Program	Horizon Mental Health Treatment Program	River Ridge and Substance Abuse	Total
Cash and Cash Equivalents	\$ 2,011,445	\$ -	\$ (7,000)	\$ (32,747)	\$ (91,476)	\$ (8,937)	\$ 143,437	\$ (82,792)	\$ (65,207)	\$ (165,564)	\$ 1,701,159
Investments - Other	1,022,624	-	-	-	-	-	-	-	-	-	1,022,624
Investments at Cost	100,000	-	-	-	-	-	-	-	-	-	100,000
Accounts Receivable, Net	506,981	-	-	32,747	91,476	8,937	(143,437)	82,792	65,207	170,990	822,693
Due from Related Party	15,828	-	7,000	-	-	-	-	-	-	-	15,828
Prepaid Expenses	41,269	-	-	-	-	-	-	-	-	-	41,269
Accrued Interest and Other	1,391	-	-	-	-	-	-	-	-	-	1,391
Intangible Assets	3,279	-	-	-	-	-	-	-	-	-	3,279
Land, Buildings and Equipment, Net	-	1,797,316	-	-	-	-	-	-	-	-	1,797,316
<b>Total Assets</b>	<b>3,702,817</b>	<b>1,797,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,426</b>	<b>5,505,559</b>
<b>Liabilities and Net Assets</b>											
<b>Liabilities</b>											
Accounts Payable	499,434	-	-	-	-	-	-	-	-	-	499,434
Accrued Payroll Items	747,856	-	-	-	-	-	-	-	-	-	747,856
Notes Payable - Current	11,062	-	-	-	-	-	-	-	-	-	11,062
Notes Payable - Long-Term	326,117	-	-	-	-	-	-	-	-	-	326,117
Deferred Revenue	12,589	-	-	-	-	-	-	-	-	5,426	18,015
<b>Total Liabilities</b>	<b>1,597,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,426</b>	<b>1,602,484</b>
<b>Net Assets</b>											
Unrestricted	2,088,553	1,797,316	-	-	-	-	-	-	-	-	3,885,869
Temporarily Restricted	17,206	-	-	-	-	-	-	-	-	-	17,206
<b>Total Net Assets</b>	<b>2,105,759</b>	<b>1,797,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,903,075</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,702,817</b>	<b>\$ 1,797,316</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,426</b>	<b>\$ 5,505,559</b>

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**COMBINING SCHEDULE OF ACTIVITIES BY PROGRAM**  
**YEAR ENDED JUNE 30, 2018**

	Mental Health Treatment Program	Youth Services	Acute Care	CASSP Program	Foster Care	Split Rail Mental Health Treatment Program
<b>Revenues</b>						
Program Revenue	\$ 255,052	\$ 1,508,030	\$ 143,681	\$ 51,606	\$ 970,740	\$ -
State General Appropriation	165,001	-	-	-	-	-
Forensics	55,000	-	-	-	-	-
Client & Community Services	300,038	-	-	-	-	-
Crisis Services	188,023	-	-	-	-	-
Medicaid	1,599,718	-	-	169,501	101,155	2,608,286
Medicare	139,172	-	-	-	-	12,302
Mental Health Block Grant	85,892	-	-	33,660	-	-
Title XX	48,841	-	-	-	-	-
Patient Fees Self Pay	138,741	58	-	15,097	(97)	114,181
Patient Fees Insurance	439,823	-	-	8,166	23	5,316
USAC	25,802	-	-	-	-	29,394
Meaningful Use	-	-	-	110,503	-	-
Other Contracts	36,782	-	-	83,607	-	-
Less: Charitable Allowance	(71,196)	-	-	(3,597)	66	-
Gain on Disposal of Fixed Assets	4,250	-	-	-	-	-
Investment Income	18,347	-	-	-	-	-
Miscellaneous Income	92,054	-	-	-	10,625	1,770
Rental Income	-	-	-	-	-	-
Transfers of Unrestricted Funds	1,246,398	(496,512)	(2,936)	56,175	(227,644)	(330,684)
<b>Total Revenues</b>	<b>4,767,738</b>	<b>1,011,576</b>	<b>140,745</b>	<b>524,718</b>	<b>854,868</b>	<b>2,440,565</b>
<b>Expenses</b>						
Acute Care	-	-	140,745	-	-	-
Auto Expense	3,595	1,110	-	-	-	6,549
Bad Debt Expense	276,143	282	-	42,917	-	195,412
Board Expense	9,695	-	-	-	-	-
Client Medical Expense	2,379	-	-	-	167	30,634
Client Transportation	-	15	-	-	-	-
Clinical Expense	1,030	-	-	717	26	14
Conference and Registration	16,710	1,040	-	240	1,215	1,170
Data Processing	66,650	6,317	-	3,051	2,312	19,051
Depreciation	105,986	42	-	360	-	8,036
Drug Expense	1,438	2,371	-	-	12	4,770
Dues and Publications	28,834	40	-	-	950	-
Food	12,270	491	-	142	2,410	16,110
Fringe Benefits	541,362	144,706	-	57,935	33,351	243,847
Insurance	56,689	14,453	-	18,644	1,322	43,224
Interest Expense	9,073	-	-	-	-	-
Janitorial Services and Supplies	98,741	200	-	8	-	7,088
Joint-Venture Disbursement	-	-	-	-	-	12,968
Legal and Accounting Fees	55,358	2,240	-	1,207	747	11,202
Miscellaneous	17,782	571	-	17,429	10,592	1,381
Office Supplies	19,707	5,900	-	280	836	1,861
Other Purchased Services	509,933	44,927	-	388	530,412	240,316
Postage	22,649	682	-	-	-	255
Recreation and Resocialization	3,248	10	-	79	2,016	7,463
Recruitment and Training	43,886	745	-	326	1,325	2,145
Rent-Lease Payments	31,811	26,752	-	20,750.00	-	3,763
Repairs and Maintenance	46,377	399	-	1,257.00	-	2,516
Salaries	2,347,954	686,877	-	324,651	211,579	1,423,222
Small Furniture and Appliances	15,030	1,378	-	345.00	26	4,348
Telephone	219,565	33,637	-	2,895	3,540	87,622
Travel	63,909	27,785	-	14,813	52,030	8,164
Utilities	52,794	8,606	-	-	-	57,434
Wraparound Services	-	-	-	16,284	-	-
<b>Total Expenses</b>	<b>4,680,598</b>	<b>1,011,576</b>	<b>140,745</b>	<b>524,718</b>	<b>854,868</b>	<b>2,440,565</b>
<b>Decrease in Net Assets</b>	<b>\$ 87,140</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**COMBINING SCHEDULE OF ACTIVITIES BY PROGRAM (CONTINUED)**  
**YEAR ENDED JUNE 30, 2018**

	Horizon Mental Health Treatment Program	DWI	Substance Abuse	River Ridge	County Heights	Total
<b>Revenues</b>						
Program Revenue	\$ -	\$ 306,472	\$ 258,411	\$ 576,112	\$ -	\$ 4,070,104
State General Appropriation	-	-	-	-	-	165,001
Forensics	-	-	-	-	-	55,000
Client & Community Services	-	-	-	-	-	300,038
Crisis Services	-	-	-	-	-	188,023
Medicaid	1,921,188	-	269	60	-	6,400,177
Medicare	13,837	-	-	-	-	165,311
Mental Health Block Grant	-	-	-	-	-	119,552
Title XX	-	-	-	-	-	48,841
Patient Fees Self Pay	177,907	-	46,276	25,509	-	517,672
Patient Fees Insurance	3,600	-	44	-	-	456,972
USAC	12,901	-	-	-	-	68,097
Meaningful Use	-	-	-	-	-	110,503
Other Contracts	-	-	59,577	24,732	-	204,698
Less: Charitable Allowance	-	-	(1,862)	-	-	(76,589)
Gain on Disposal of Fixed Assets	-	-	-	-	-	4,250
Investment Income	-	-	-	-	-	18,347
Miscellaneous Income	-	-	-	-	-	104,449
Rental Income	-	-	-	-	33,660	33,660
Transfers of Unrestricted Funds	(466,578)	13,117	56,675	28,481	123,508	-
<b>Total Revenues</b>	<b>1,662,855</b>	<b>319,589</b>	<b>419,390</b>	<b>654,894</b>	<b>157,168</b>	<b>12,954,106</b>
<b>Expenses</b>						
Acute Care	-	-	-	-	-	140,745
Auto Expense	5,558	-	-	677	1,518	19,007
Bad Debt Expense	231,560	-	18,906	34,167	-	799,387
Board Expense	-	-	-	-	-	9,695
Client Medical Expense	24,997	-	-	8	-	58,185
Client Transportation	-	-	-	54	-	69
Clinical Expense	94	-	-	-	-	1,881
Conference and Registration	360	-	95	325	724	21,879
Data Processing	12,001	3,053	2,003	5,054	1,264	170,756
Depreciation	5,160	1,852	274	20,644	9,709	152,063
Drug Expense	2,838	-	4,541	2,217	-	18,187
Dues and Publications	373	560	745	500	-	32,002
Food	34,589	47	739	45,475	68	112,341
Fringe Benefits	216,503	47,839	47,791	72,240	20,782	1,426,356
Insurance	27,456	3,954	1,322	6,610	1,859	175,533
Interest Expense	-	-	-	-	-	9,073
Janitorial Services and Supplies	7,407	250	-	17,787	3,014	134,495
Joint-Venture Disbursement	-	-	-	-	-	12,968
Legal and Accounting Fees	7,127	773	977	1,251	560	81,442
Miscellaneous	1,039	-	68	182	1,278	50,322
Office Supplies	2,330	1,635	1,125	1,765	493	35,932
Other Purchased Services	44,296	-	-	74,275	-	1,444,547
Postage	636	605	-	30	-	24,857
Recreation and Resocialization	3,930	-	175	1,678	5,202	23,801
Recruitment and Training	1,034	358	146	490	147	50,602
Rent-Lease Payments	4,490	12,654	9,455	2,312	-	111,987
Repairs and Maintenance	2,552	382	71	11,218	271	65,043
Salaries	920,706	223,480	321,659	308,365	92,814	6,861,307
Small Furniture and Appliances	626	11	-	2,263	13	24,040
Telephone	39,370	7,407	250	11,613	5,272	411,171
Travel	13,504	13,861	8,180	5,185	2,940	210,371
Utilities	52,319	868	868	28,509	9,240	210,638
Wraparound Services	-	-	-	-	-	16,284
<b>Total Expenses</b>	<b>1,662,855</b>	<b>319,589</b>	<b>419,390</b>	<b>654,894</b>	<b>157,168</b>	<b>12,866,966</b>
<b>Decrease in Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,140</b>



**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES AND EXPENSES (CONTRACT BASIS)**  
**SPLIT RAIL MENTAL HEALTH TREATMENT PROGRAM**  
**YEAR ENDED JUNE 30, 2018**

<b>Revenues and Other Financing Sources</b>	
Service Fees	\$ 2,856,679
Grant Revenues	29,394
Bad Debt Expense	(195,412)
<b>Total Revenues and Other Financing Sources</b>	<u>2,690,661</u>
<b>Direct Expenses</b>	
Auto Expense	6,549
Client Medical Expense	30,634
Clinical Expense	14
Conference and Registration	1,170
Data Processing	19,051
Depreciation	8,036
Drug Expenses	4,770
Food	16,110
Fringe Benefits	232,349
Insurance	43,224
Janitorial Services and Supplies	7,088
Legal and Accounting Fees	11,202
Miscellaneous	1,381
Office Supplies	1,861
Other Purchased Services	240,316
Postage	255
Recreation and Re-socialization	7,463
Recruitment and Training	2,145
Rent-Lease Payments	3,763
Repairs and Maintenance	2,516
Salaries	1,334,315
Small Furniture and Appliances	4,348
Telephone	87,622
Travel	8,164
Utilities	57,434
<b>Total Direct Expenses</b>	<u>2,131,780</u>
<b>Administrative Fee (25%)</b>	532,945
<b>Total Expenses</b>	<u>2,664,725</u>
<b>Excess of Revenues and Other Financing Sources</b>	
<b>Over Expenses</b>	<u>\$ 25,936</u>

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**HORIZON MENTAL HEALTH TREATMENT PROGRAM**  
**YEAR ENDED JUNE 30, 2018**

**Revenues and Other Financing Sources**

Service Fees \$ 2,129,433

**Total Revenues and Other Financing Sources** 2,129,433

**Expenses**

Auto Expense 5,558

Bad Debt Expense 231,560

Client Medical Expense 24,997

Clinical Supplies 94

Conference and Registration 360

Data Processing 12,001

Depreciation 5,160

Drug Expenses 2,838

Dues and Publications 373

Food 34,589

Fringe Benefits 216,503

Insurance 27,456

Janitorial Services and Supplies 7,407

Legal and Accounting 7,127

Miscellaneous 1,039

Office Supplies 2,330

Other Purchased Services 44,296

Postage 636

Recreation and Re-socialization 3,930

Recruitment and Training 1,034

Rent-Lease Payments 4,490

Repairs and Maintenance 2,552

Salaries 920,706

Small Furniture and Fixtures 626

Telephone 39,370

Travel 13,504

Utilities 52,319

**Total Expenses** 1,662,855

**Excess of Revenues and Other Financing Sources**

**Over Expenses** \$ 466,578

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES AND EXPENSES**  
**RIVER RIDGE RESIDENTIAL SUBSTANCE ABUSE TREATMENT PROGRAM**  
**YEAR ENDED JUNE 30, 2018**

**Revenues and Other Financing Sources**

Service Fees and Other Revenue	\$ 626,413
<b>Total Revenues and Other Financing Sources</b>	<b>626,413</b>

**Expenses**

Auto Expense	677
Bad Debt Expense	34,167
Client Medical Expense	8
Client Transportation	54
Conference and Registration	325
Data Processing	5,054
Depreciation	20,644
Drug Expense	2,217
Dues and Publications	500
Food	45,475
Fringe Benefits	72,240
Insurance	6,610
Janitorial Services and Supplies	17,787
Legal and Accounting Fees	1,251
Miscellaneous	182
Office Supplies	1,765
Other Purchased Services	74,275
Postage	30
Recreation and Re-socialization	1,678
Recruitment and Training	490
Rent-Lease Payments	2,312
Repairs and Maintenance	11,218
Salaries	308,365
Small Furniture and Appliances	2,263
Telephone	11,613
Travel	5,185
Utilities	28,509
	<b>654,894</b>

**Deficit of Revenues and Other Financing Sources  
Over Expenses**

**\$ (28,481)**

**SCHEDULE OF REVENUES, EXPENSES AND UNITS OF SERVICE -  
BUDGET AND ACTUAL**

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES, EXPENSES AND UNITS OF SERVICE -**  
**BUDGET AND ACTUAL**  
**COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT**  
**YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>
<b>Revenues and Other Financing Sources</b>		
Federal Revenue	\$ 119,552	\$ 119,552
<b>Total Revenues and Other Financing Sources</b>	119,552	119,552
<b>Expenses</b>		
Salaries - CSP	85,892	85,892
Salaries - CASSP	33,660	33,660
<b>Total Expenses</b>	119,552	119,552
<b>Excess of Revenues and Other Financing Sources Over Expenses</b>	\$ -	\$ -
<b>Units of Service</b>	N/A	N/A

**SOUTHWEST ARKANSAS COUNSELING AND MENTAL HEALTH CENTER, INC.**  
**SCHEDULE OF REVENUES, EXPENSES AND UNITS OF SERVICE -**  
**BUDGET AND ACTUAL**  
**DWI**  
**YEAR ENDED JUNE 30, 2018**

	<u>Budget</u>	<u>Actual</u>
<b>Revenues and Other Financing Sources</b>		
State Revenue	\$ 340,604	\$ 306,472
Transfers In of Unrestricted Funds	-	13,117
<b>Total Revenues and Other Financing Sources</b>	<u>340,604</u>	<u>319,589</u>
<b>Expenses</b>		
Conference and Registration	250	-
Data Processing	-	3,053
Depreciation	720	1,852
Dues and Publications	-	560
Food	-	47
Fringe Benefits	50,000	47,839
Insurance	1,800	3,954
Janitorial Services and Supplies	900	250
Legal and Accounting	1,000	773
Office Supplies	2,500	1,635
Postage	900	605
Recruitment and Training	100	358
Rent - Lease Payments	17,400	12,654
Repairs and Maintenance	600	382
Salaries	203,500	223,480
Small Furniture and Appliances	1,000	11
Telephone	9,454	7,407
Travel	15,524	13,861
Utilities	950	868
Indirect Costs	34,006	-
<b>Total Expenses</b>	<u>340,604</u>	<u>319,589</u>
<b>Excess of Revenues and Other Financing Sources Over Expenses</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Units of Service</b>	<u>N/A</u>	<u>N/A</u>

**Southwest Arkansas Counseling and Mental Health Center, Inc**  
**Therapeutic Foster Care - 2017-2018**

Breakdown of days in TFC by month

Client Name	Total Days in TFC	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Alexander, Donterrius	365	31	31	30	31	30	31	31	28	31	30	31	30
Anderson, Larry	234	0	0	0	0	22	31	31	28	31	30	31	30
Anderson, Montavious	358	31	31	30	31	30	27	28	28	31	30	31	30
Arispuro, Justin	365	31	31	30	31	30	31	31	28	31	30	31	30
Green, Naomi	125	31	31	30	31	2	0	0	0	0	0	0	0
Harwood, Ricky	114	0	0	0	0	0	0	0	0	23	30	31	30
Himes, Evan	365	31	31	30	31	30	31	31	28	31	30	31	30
Joiner, Kadarrius	365	31	31	30	31	30	31	31	28	31	30	31	30
Joiner, Ketavion	21	21	0	0	0	0	0	0	0	0	0	0	0
Joiner, Kevontre	20	20	0	0	0	0	0	0	0	0	0	0	0
Lashley, Jerry	365	31	31	30	31	30	31	31	28	31	30	31	30
Lashley, Jerry Jr.	365	31	31	30	31	30	31	31	28	31	30	31	30
Lashley, Joelle	365	31	31	30	31	30	31	31	28	31	30	31	30
Lewellen, Ikeast	230	31	31	30	31	30	31	31	15	0	0	0	0
London, Will	159	31	31	30	31	30	6	0	0	0	0	0	0
Lunsford, Jeremy	236	13	31	30	31	30	31	31	28	11	0	0	0
Mallet, Alton III	139	0	0	0	7	30	31	31	28	12	0	0	0
Mallet, Elizabeth	139	0	0	0	7	30	31	31	28	12	0	0	0
Mallett, Samuel	135	0	0	0	6	30	31	31	25	12	0	0	0
Manley, Nathan	167	31	31	30	31	30	14	0	0	0	0	0	0
Martin, Jimmy	194	0	0	0	0	0	13	31	28	31	30	31	30
Martin, Savannah	135	0	0	0	0	0	0	0	13	31	30	31	30
McCormack, Patrick	365	31	31	30	31	30	31	31	28	31	30	31	30
McDaniel, Connor	365	31	31	30	31	30	31	31	28	31	30	31	30
Monreal, Nathaniel	5	5	0	0	0	0	0	0	0	0	0	0	0
Noble, Raven	365	31	31	30	31	30	31	31	28	31	30	31	30
Reeves, Kayla	51	0	0	0	0	0	5	31	15	0	0	0	0
Rhodes, Earl	293	31	31	30	31	30	31	31	28	31	19	0	0
Robinson, Brandon	365	31	31	30	31	30	31	31	28	31	30	31	30

**Southwest Arkansas Counseling and Mental Health Center, Inc**  
**Therapeutic Foster Care - 2017-2018**

Breakdown of days in TFC by month

Client Name	Total Days in TFC	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Robinson, Michael	365	31	31	30	31	30	31	31	28	31	30	31	30
Rogers, Myia	48	0	0	0	0	0	0	0	0	0	0	18	30
Rogers, Mylasha	26	26	0	0	0	0	0	0	0	0	0	0	0
Seals, Dakota	216	0	0	0	0	14	31	31	28	31	30	31	20
Sharp, Makiah	277	31	31	30	31	30	31	31	28	31	3	0	0
Tong, George	16	16	0	0	0	0	0	0	0	0	0	0	0
Vazquez, Mackenzie	32	0	0	0	0	0	0	0	0	0	0	2	30
Velasco, Miguel	365	31	31	30	31	30	31	31	28	31	30	31	30