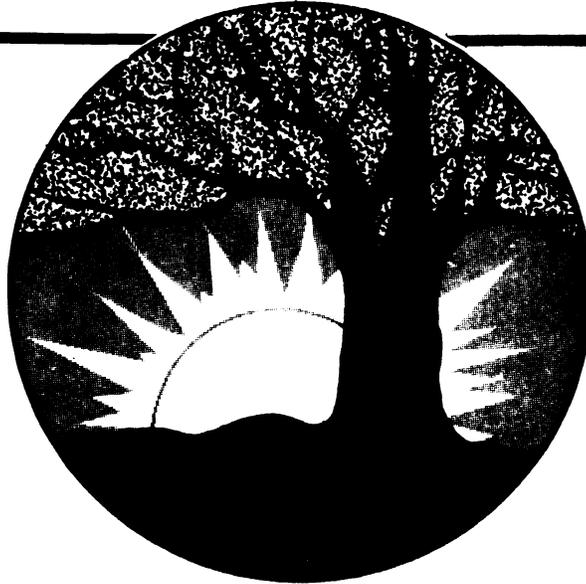


# PERFORMANCE AUDIT

## Eastern Tennessee Community Services Agencies

East Tennessee Community Services Agency  
Hamilton County Community Services Agency  
Knox County Community Services Agency  
Northeast Community Services Agency  
Southeast Community Services Agency

May 2006



John G. Morgan  
Comptroller of the Treasury



State of Tennessee  
Comptroller of the Treasury  
Department of Audit  
Division of State Audit

*Arthur A. Hayes, Jr., CPA, JD, CFE*  
Director

*Deborah V. Loveless, CPA*  
Assistant Director

*Dena Winningham, CGFM*  
Audit Manager

*Lisa Williams, CGFM, CFE*  
In-Charge Auditor

*Amy Abbott, CFE*  
Staff Auditors

*Amy Brack*  
Editor

Comptroller of the Treasury, Division of State Audit  
1500 James K. Polk Building, Nashville, TN 37243-0264  
(615) 401-7897

Performance audits are available on-line at [www.comptroller.state.tn.us/sa/reports/index.html](http://www.comptroller.state.tn.us/sa/reports/index.html).  
For more information about the Comptroller of the Treasury, please visit our Web site at  
[www.comptroller.state.tn.us](http://www.comptroller.state.tn.us).



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**

State Capitol  
Nashville, Tennessee 37243-0260  
(615) 741-2501

**John G. Morgan**  
Comptroller

May 18, 2006

The Honorable John S. Wilder  
Speaker of the Senate  
The Honorable Jimmy Naifeh  
Speaker of the House of Representatives  
The Honorable Thelma M. Harper, Chair  
Senate Committee on Government Operations  
The Honorable Mike Kernell, Chair  
House Committee on Government Operations  
and  
Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the performance audit of the five Eastern Tennessee Community Services Agencies (CSAs) – East Tennessee CSA, Hamilton County CSA, Knox County CSA, Northeast CSA, and Southeast CSA. This audit was conducted pursuant to the requirements of Section 4-29-111, *Tennessee Code Annotated*, the Tennessee Governmental Entity Review Law.

This report is intended to aid the Joint Government Operations Committee in its review to determine whether these three CSAs should be continued, restructured, or terminated.

Sincerely,

John G. Morgan  
Comptroller of the Treasury

JGM/DWW  
[06-035]

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Performance Audit

## Eastern Tennessee Community Services Agencies

East Tennessee Community Services Agency  
Hamilton County Community Services Agency  
Knox County Community Services Agency  
Northeast Community Services Agency  
Southeast Community Services Agency

May 2006

---

### AUDIT OBJECTIVES

The objectives of the audit were to determine the responsibilities of the remaining three active Eastern Tennessee Community Services Agencies (East Tennessee CSA, Northeast CSA, Southeast CSA) as required by contracts with the Tennessee departments of Finance and Administration and Health and various TennCare Managed Care and Behavioral Health Organizations (MCOs and BHOs); to determine compliance with Title VI of the Civil Rights Act of 1964; to analyze board absenteeism, quorums, and the status of conflict-of-interest forms; to determine the extent of contract compliance with requirements to monitor TennCare transportation providers; to determine the extent of external oversight and contract performance monitoring by the departments of Finance and Administration and Health, MCOs and BHOs; and to recommend possible alternatives for legislative or administrative action that may result in more efficient and effective operation of the agencies.

### FINDINGS

#### **Board Members Are Not Filing Annual Conflict-of-Interest Statements**

The boards for all three active CSAs (East Tennessee, Northeast, and Southeast) do not have a policy requiring annual signed conflict-of-interest disclosure statements and have members currently serving who have not signed conflict-of-interest statements in

several years, in some cases not since 1997. Annual written disclosures of financial interests, prior employment, employment of immediate family members, and other matters that may influence decisions or could give the appearance of influencing decisions help ensure the board is acting on the state's behalf and that board members are recusing

themselves from decision-making as needed (page 20).

### **Board Policies Regarding Vacancies and Quorums Should Be Adhered to and/or Revised**

All three active CSAs (East Tennessee, Northeast, and Southeast) have one or more board vacancies, some officially vacant through resignation or death and others de facto vacant through the non-attendance of the members. Many of these have been vacant for more than two years. This has resulted in East Tennessee's and Northeast's boards conducting business at times without a quorum, which is against the boards' policies. Only East Tennessee CSA's board policy specifically provides for board member participation by telephone. Southeast CSA board's quorum policy is inadequate in that it only requires 3 of the 11 members to be present. East Tennessee's and Northeast's board policy makes no provision for the removal of a board member because of absence or failure to perform the duties of office. Also, the terms of most of the currently serving board members have expired, requiring reappointments or new appointments by the Governor's office (page 22).

### **The CSAs Should Ensure That They Have Effective Policies and Procedures for Monitoring Their Vendors for Compliance With Title VI**

Neither East Tennessee, Northeast, nor Southeast CSA has formal policies and procedures in place for monitoring vendors, with whom they contract for services, for compliance with Title VI. Currently, these agencies have no vendor contracts due to the decision of the Department of Children's Services to provide Child and Family Services programs in-house statewide effective December 1, 2005. In the future,

though, the new programs for housing assistance for Hurricane Katrina evacuees and case management for the Division of Mental Retardation Services, as well as any other programs taken up by the agencies, may result in the agencies entering into contracts for services (page 27).

### **The TennCare Transportation Program Vendor Files Do Not Contain Necessary Documentation as Required by Contract and Internal Policy**

At all three CSAs (East Tennessee, Northeast, and Southeast), some vendor files did not contain documentation of driving and criminal background checks, driver performance evaluations, current valid drivers' licenses, business/EMS licenses, and liability insurance. Without complete documentation, the CSAs cannot properly oversee the operations of the TennCare Transportation program and safeguard the program's clients (page 29).

### **The Eastern Tennessee CSAs—East Tennessee, Northeast, and Southeast—Do Not Conduct Customer Satisfaction Surveys of Their Clients for the TennCare Transportation Program as Required by Contract and Program Guidelines**

The three Eastern Tennessee CSAs do not conduct any type of customer satisfaction surveys as required by contract and program guidelines to determine if TennCare enrollees are satisfied with the services they are receiving and if there are any areas of concern that need to be addressed. The other six CSAs (Northwest, Southwest, Mid-Cumberland, Upper Cumberland, South Central, and Memphis/Shelby County) all conduct regular customer satisfaction surveys that address a number of factors that could affect the level of service that is being provided (page 32).

## **OBSERVATIONS AND COMMENTS**

The audit also discusses the following issues: (1) the Department of Finance and Administration's commissioner serving on the agencies' boards, (2) conflicts between annual report and financial statement requirements, (3) new programs and future viability, and (4) the results of additional audit work (page 13).

## **ISSUES FOR LEGISLATIVE CONSIDERATION**

The General Assembly may wish to consider (1) amending state law to provide for the removal of board members with excessive or consecutive absences and (2) amending Section 37-5-305(b), *Tennessee Code Annotated*, based upon the advice of the Attorney General, to remove the Commissioner of the Department of Finance and Administration or the commissioner's representative from serving as a voting member on rural CSA boards. Section 37-5-305(j), *Tennessee Code Annotated*, would limit the commissioner's participation in the majority of CSA business (page 34).

**Performance Audit**  
**Eastern Tennessee Community Services Agencies**

East Tennessee Community Services Agency  
Hamilton County Community Services Agency  
Knox County Community Services Agency  
Northeast Community Services Agency  
Southeast Community Services Agency

---

**TABLE OF CONTENTS**

---

	<u>Page</u>
<b>INTRODUCTION</b>	1
Purpose and Authority for the Audit	1
Objectives of the Audit	1
Scope and Methodology of the Audit	2
History and Statutory Responsibilities	2
Organization, Revenues, and Expenditures	3
<b>OBSERVATIONS AND COMMENTS</b>	13
Department of Finance and Administration Commissioner on the Board	13
Conflicts Between Annual Report and Financial Statement Requirements	14
New Programs and Future Viability	15
Results of Additional Audit Work	16
<b>FINDINGS AND RECOMMENDATIONS</b>	20
1. Board members are not filing annual conflict-of-interest statements	20
2. Board policies regarding vacancies and quorums should be adhered to and/or revised	22
3. The CSAs should ensure that they have effective policies and procedures for monitoring their vendors for compliance with Title VI	27
4. The TennCare Transportation program vendor files do not contain necessary documentation as required by contract and internal policy	29
5. The Eastern Tennessee CSAs—East Tennessee, Northeast, and Southeast—do not conduct customer satisfaction surveys of their clients for the TennCare Transportation Program as required by contract and program guidelines	32

---

**TABLE OF CONTENTS (CONT.)**

---

<b>RECOMMENDATIONS</b>	<u>Page</u> 34
Legislative	34
Administrative	34
<b>APPENDIX</b>	37
Title VI Information	37

# **Performance Audit**

## **Eastern Tennessee Community Services Agencies**

East Tennessee Community Services Agency  
Hamilton County Community Services Agency  
Knox County Community Services Agency  
Northeast Community Services Agency  
Southeast Community Services Agency

---

### **INTRODUCTION**

---

#### **PURPOSE AND AUTHORITY FOR THE AUDIT**

This performance audit of East Tennessee Community Services Agency (CSA), Hamilton County CSA, Knox County CSA, Northeast CSA, and Southeast CSA was conducted pursuant to the Tennessee Governmental Entity Review Law, *Tennessee Code Annotated*, Title 4, Chapter 29. Under Section 4-29-228, these five agencies are scheduled to terminate June 30, 2007. The Comptroller of the Treasury is authorized under Section 4-29-111 to conduct a limited program review audit of the agencies and to report to the Joint Government Operations Committee of the General Assembly. The audit is intended to aid the committee in determining whether these five agencies should be continued, restructured, or terminated.

#### **OBJECTIVES OF THE AUDIT**

The objectives of the audit were

1. to determine the responsibilities of the entities as required by contracts with the departments of Finance and Administration and Health, BlueCross and Preferred Health Partnership (PHP) (two TennCare Managed Care Organizations), and Magellan (a TennCare Behavioral Health Organization);
2. to determine compliance with Title VI of the Civil Rights Act of 1964;
3. to analyze board absenteeism, quorums, and the status of conflict-of-interest forms;
4. to determine the extent of contract compliance with requirements to monitor TennCare transportation providers;
5. to determine the extent of external oversight and contract performance monitoring by the departments of Finance and Administration and Health, BlueCross, PHP, and Magellan; and
6. to recommend possible alternatives for legislative or administrative action that may result in more efficient and effective operation of the agencies.

## **SCOPE AND METHODOLOGY OF THE AUDIT**

The activities of East Tennessee CSA, Northeast CSA, and Southeast CSA were reviewed for the period July 2003 through December 2005. No audit work was performed on Hamilton County CSA and Knox County CSA as they have ceased operations; however, their boards still technically exist and certain activities are being undertaken for them by their previous employees, now Department of Children's Services' (DCS) employees, until the financial arrangements between DCS and the CSAs are settled. The audit was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and included:

1. review of applicable legislation and internal, personnel, and program policies and procedures;
2. examination of board policies and minutes;
3. examination of the entity's contracts, records, reports, and information summaries; and
4. interviews with department staff and staff of other state agencies that interact with the agency.

## **HISTORY AND STATUTORY RESPONSIBILITIES**

The Community Services Agency Act of 1996 replaced the 12 community health agencies that were assisting the Tennessee Department of Health with delivery of health care to the state's indigent citizens with community services agencies (CSAs). The purpose of these agencies was to coordinate funds and programs designated for care of children and other citizens in the state. The mission of CSAs also broadened to include a range of services that were needed by families and children, designed with the overall purpose of keeping children and youth from entering state custody. In keeping with this change of emphasis, the CSAs began reporting to the Department of Children's Services (DCS) instead of the Department of Health.

An additional change resulted from a study conducted in 1999 by the Child Welfare League of America (CWLA) under contract with DCS. CWLA conducted an assessment of the foster care system in Tennessee and recommended that the roles and responsibilities of DCS and the CSAs be separated. It became apparent that the strength of DCS was working with children in state custody and the strength of the CSAs was to provide diversion, intervention, and prevention services for children at risk of entering state custody. The CSA structure, as a political subdivision of the state, enabled the agencies to serve children and families in crisis and secure in-home and community services quickly, thereby delaying or preventing a child's placement in state custody. In 2001, DCS transferred non-custodial (i.e., diversion, intervention, and prevention) services to CSAs throughout the state.

In 2005, DCS made the decision to provide these non-custodial services in-house and cease contracting with the 12 CSAs. This transfer of services and staff from 12 CSAs was

accomplished in stages during 2005, with completion of the last transfer occurring on December 1, 2005. Most of the CSA staff associated with DCS programs were transferred into DCS. Three CSAs (Davidson County, Knox County, and Hamilton County) ceased operations due to the loss of the DCS contract. At the same time, in keeping with this change of emphasis, statute was revised to have the nine remaining CSAs report to the Department of Finance and Administration (F&A) rather than DCS.

## **ORGANIZATION, REVENUES, AND EXPENDITURES**

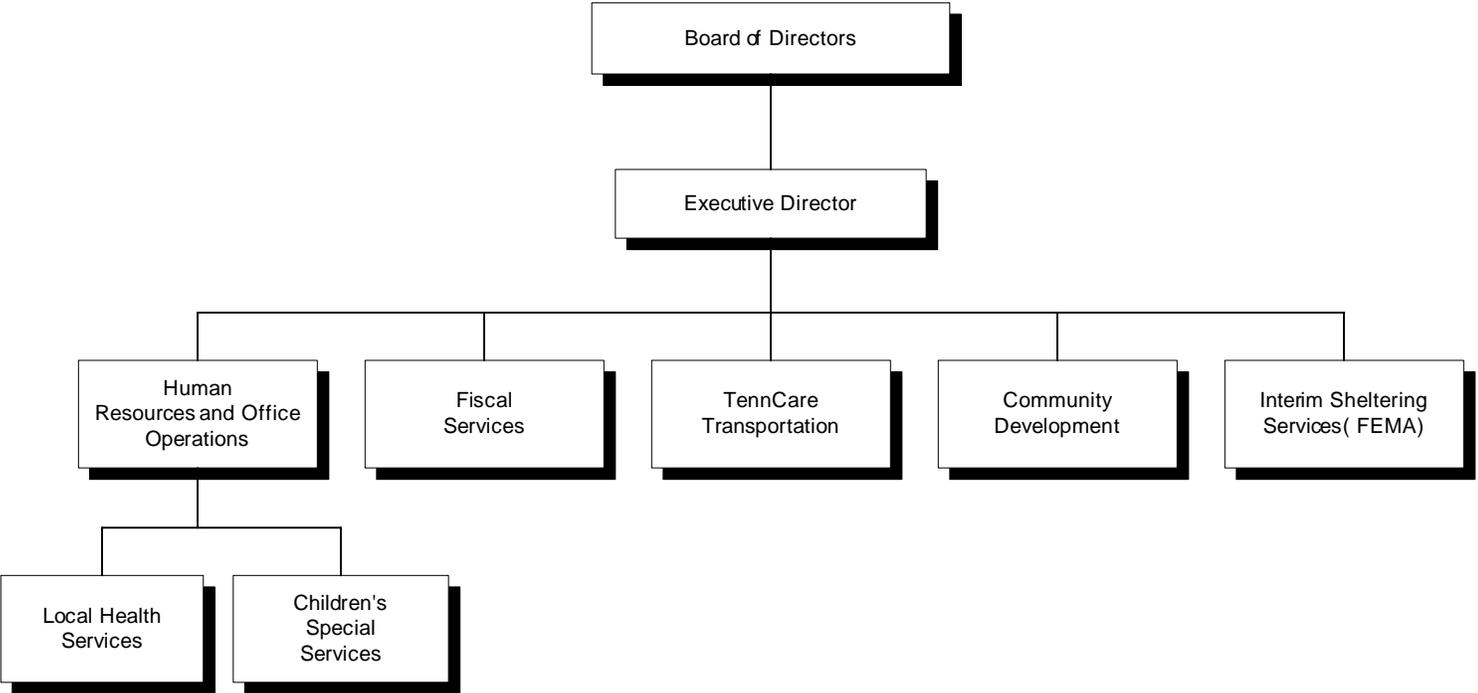
### East Tennessee CSA

East Tennessee CSA, a private non-profit organization that is also a political subdivision and instrumentality of the state, serves 15 counties: Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Loudon, Monroe, Morgan, Roane, Scott, Sevier, and Union. East Tennessee CSA also covers Knox County for the TennCare Transportation Program and the Hurricane Katrina Interim Sheltering Program. During the audit period, its administrative office was in Clinton, Tennessee, with satellite offices in LaFollette and Knoxville; in early 2006, all offices were consolidated into the Knoxville office. East Tennessee CSA is governed by a 16-member board of directors, 15 of whom are appointed by the Governor. The 16<sup>th</sup> member was the Commissioner of the Department of Children's Services (DCS) until July 1, 2005, when the Commissioner of Finance and Administration (F&A) assumed the position. Statute states that "members of each board shall be appointed with a conscious intention of reflecting a diverse mixture with respect to race and gender." At East Tennessee CSA, there is no minority representation on the board. Six are female; seven, male. Based on information from the 2000 U.S. Census, the 15 counties served by East Tennessee CSA have a combined average minority population of 2%. The agency's programs are carried out by approximately 25 staff under the supervision of the executive director, who was appointed by the Commissioner of DCS and now F&A, subject to the approval of the board. Employees and board members are considered state employees, though not covered by civil service provisions, and are eligible for certain state benefits such as state liability coverage, legal representation, and participation in state retirement and health plans. (See organization chart on the following page.)

The agency's programs operating between July 1, 2003, and June 30, 2005, were as follows.

Child and Family Services. This DCS program, which was fully integrated back into DCS and out of East Tennessee CSA on December 1, 2005, delivered services to children who had been in state custody and who could return home with post-custody services or who were presently deemed to be at imminent risk of entering state custody. The goals of the program were to keep children and communities safe while providing supportive services that allow these children to maintain significant relationships with family, school, and community. Children who received these services were referred by DCS or the local court system.

**East Tennessee CSA  
Organization Chart  
December 2005**



Mountain View Youth Development Center Program. This DCS program, which was fully integrated back into DCS and out of East Tennessee CSA on December 1, 2005, provided health care services at Mountain View Youth Development Center. These services included health appraisal and physical examination of new commitments; infirmary services; and dental, optical, speech, and hearing services. The program also provided health services to DCS staff and visitors as well as coordinated services for hospitalization, ambulance transportation, and medical specialists as needed.

Children's Special Services Care Coordination. This Department of Health program provides care coordination to families with handicapped and/or chronically ill children to enable the family to obtain needed services as close to home as possible. The program works to develop liaisons with medical providers and other community agencies and provide integration of continuing medical care and non-medical services, such as psycho-social and educational activities. This program is expected to be transitioned back into the Department of Health by June 30, 2006.

Local Health Services. This Department of Health program works with regional and local health departments to provide public health services as well as educational services on topics of public health concern. The program provides services in areas such as family planning, nutrition education, communicable disease education and prevention, and adolescent pregnancy initiatives. This program is expected to be transitioned back into the Department of Health by June 30, 2006.

TennCare Transportation. Through contractual arrangements with BlueCross and Preferred Health Partnership (PHP), the TennCare MCOs, East Tennessee CSA provides administrative services for a program designed to provide non-emergency transportation services for TennCare recipients to and from covered health and behavioral services. East Tennessee CSA organizes a network of providers, performs eligibility determinations, schedules transportation services, and verifies contractual rates and submits invoices for transportation vendors. (The MCO actually pays the vendor.) In return for these services, BlueCross and PHP pay East Tennessee CSA a monthly administrative fee for each of their TennCare enrollees.

Community Services. The Community Services program is funded through local grants as well as dollars from the fund balance. The program works to improve and enhance access to products and services such as essential health care, needs of at-risk children and families, and mental health services. The agency also works to expand and coordinate community-based resources as well as fill identified gaps in services.

**East Tennessee CSA  
Revenues by Source  
For the Fiscal Year Ending June 30, 2005**

<i>Source</i>	<i>Amount</i>	<i>% of Total</i>
Department of Children's Services	\$ 5,888,457.77	88.68%
TennCare MCO/BHOs	414,305.26	6.24%
Department of Health	301,884.01	4.55%
Interest income	25,467.76	0.38%
Fees	1,500.00	0.02%
Donations	8,322.82	0.13%
<b>Total Revenues</b>	<b>\$6,639,937.62</b>	<b>100.00%</b>

Source: Unaudited fiscal year 2005 financial statement, East Tennessee CSA.

**East Tennessee CSA  
Expenditures by Account  
For the Fiscal Year Ending June 30, 2005**

<i>Account</i>	<i>Amount</i>	<i>% of Total</i>
Administration	\$ 489,177.57	7.29%
Child and Family Case Management	2,715,148.18	40.45%
Child and Family Services	2,264,877.00	33.74%
Mountain View Youth Development Center	499,935.23	7.45%
TennCare Transportation	404,591.70	6.03%
Children's Special Services	149,183.36	2.22%
Local Health	133,969.52	1.99%
Community Services	55,506.18	0.83%
<b>Total Expenditures</b>	<b>\$6,712,388.74</b>	<b>100.00%</b>

Source: Unaudited fiscal year 2005 financial statement, East Tennessee CSA.

**East Tennessee CSA  
Changes in Fund Balance**

	Fiscal Year 2004	Fiscal Year 2005
Fund Balance, June 30	\$1,622,408.52	\$1,549,937.40

Source: Unaudited fiscal year 2005 financial statement, East Tennessee CSA.

## Northeast CSA

Northeast CSA, a private non-profit organization that is also a political subdivision and instrumentality of the state, serves eight counties: Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington. Its administrative office is in Johnson City, Tennessee. Northeast CSA is governed by a nine-member board of directors, eight of whom are appointed by the Governor. The ninth member was the Commissioner of the Department of Children's Services until July 1, 2005, when the Commissioner of Finance and Administration assumed the position. At Northeast CSA, there is no minority representation on the board. Five are female; three, male. Based on information from the 2000 U.S. Census, the eight counties served by Northeast CSA have a combined average minority population of 2%. The agency's programs are carried out by approximately 23 staff under the supervision of the executive director, who was appointed by the Commissioner of DCS and now by F&A, subject to the approval of the board. Employees and board members are considered state employees, though not covered by civil service provisions, and are eligible for certain state benefits such as state liability coverage, legal representation, and participation in state retirement and health plans. (See organization chart on the following page.)

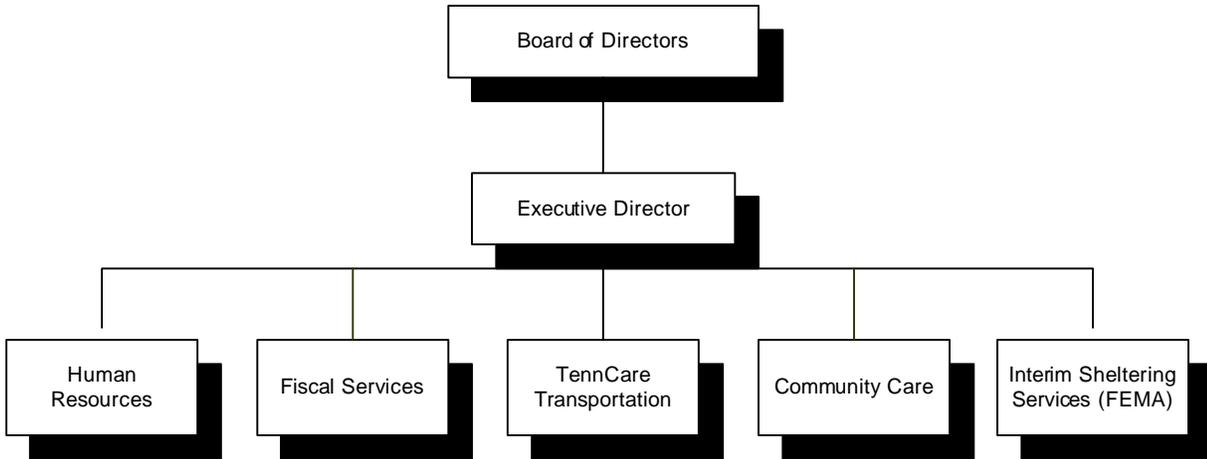
The agency's programs operating between July 1, 2003, and June 30, 2005, were as follows.

Child and Family Services. This DCS program, which was fully integrated back into DCS and out of Northeast CSA on December 1, 2005, delivered services to children who had been in state custody and who could return home with post-custody services or who were presently deemed to be at imminent risk of entering state custody. The goals of the program were to keep children and communities safe while providing supportive services that allowed these children to maintain significant relationships with family, school, and community. Children who received these services were referred by DCS or the local court system.

Northeast Correctional Complex Health Services. The contract for this program with the Department of Correction was not renewed with Northeast CSA, and the CSA was no longer involved with this program as of June 30, 2005. The program provided medical services—including general health services, infirmary services, dental services, and pharmaceutical services—to the inmates of the Northeast Correctional Complex and the Carter County Annex. The services were provided by qualified medical professionals that offered care 24 hours a day, 7 days a week.

TennCare Transportation. Through contractual arrangements with BlueCross, PHP, and Magellan (TennCare MCO/BHOs), Northeast CSA provides administrative services for a program designed to provide non-emergency transportation services for TennCare recipients to and from covered health and behavioral services. Northeast CSA organizes a network of providers, performs eligibility determinations, schedules transportation services, and verifies contractual rates and submits invoices for transportation vendors. (The MCO or BHO actually pays the vendor.) In return for these services, BlueCross, PHP, and Magellan pay Northeast CSA a monthly administrative fee for each of their TennCare enrollees.

**Northeast CSA  
Organization Chart  
December 2005**



Community Care Program. Northeast CSA operates a Community Care program that works to improve and enhance access to products and services such as essential health care, needs of at-risk children and families, and mental health services. The agency operates multiple programs and services within the Community Care program that work to expand and coordinate community-based resources as well as fill identified gaps in services. The funding for this program is largely provided by Northeast CSA's fund balance. One of the programs that operates under the umbrella of the Community Care program is a treatment program for adolescent sex offenders. The funding for the program is provided by a Byrne Grant that is administered through the Department of Finance and Administration. Northeast CSA subcontracts with Counseling and Consultation Services, Inc., in Limestone, Tennessee, to provide the services for this program.

**Northeast CSA  
Revenues by Source  
For the Fiscal Year Ending June 30, 2005**

<i>Source</i>	<i>Amount</i>	<i>% of Total</i>
Department of Children's Services	\$3,722,203.94	59.6%
TennCare MCO/BHOs	\$315,791.26	5.1%
Department of Corrections	\$1,961,220.38	31.4%
Department of F&A	\$151,774.10	2.4%
Local Grants and Contracts	\$86,639.18	1.4%
Interest Income	\$8,346.76	0.1%
<b>Total Revenues</b>	<b>\$6,245,975.62</b>	<b>100.0%</b>

Source: Unaudited fiscal year 2005 financial statement, Northeast CSA.

**Northeast CSA  
Expenditures by Account  
For the Fiscal Year Ending June 30, 2005**

<i>Account</i>	<i>Amount</i>	<i>% of Total</i>
Administration	\$ 411,736.65	6.5%
Child and Family Case Management	2,183,976.05	34.6%
Child and Family Services	1,269,363.89	20.1%
Community Services	222,109.63	3.5%
TennCare Transportation	307,115.35	4.9%
Prison Health Services	1,835,800.22	29.0%
AmeriCorp Promise Fellows/Trainer	89,702.81	1.4%
<b>Total Expenditures</b>	<b>\$6,319,804.60</b>	<b>100.0%</b>

Source: Unaudited fiscal year 2005 financial statement, Northeast CSA.

**Northeast CSA  
Changes in Fund Balance**

	Fiscal Year 2004	Fiscal Year 2005
Fund Balance, June 30	\$613,755.48	\$ 539,930.51

Source: Unaudited fiscal year 2005 financial statement, Northeast CSA.

Southeast CSA

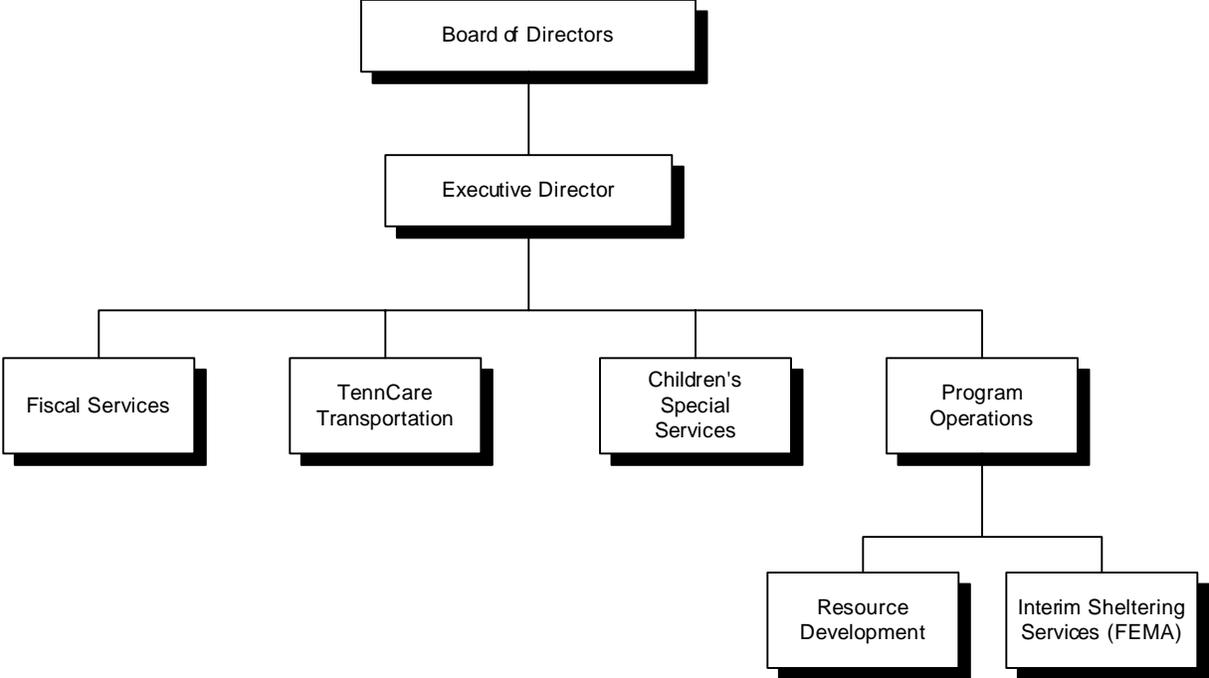
Southeast CSA, a private non-profit organization that is also a political subdivision and instrumentality of the state, serves ten counties: Bledsoe, Bradley, Franklin, Grundy, McMinn, Marion, Meigs, Polk, Rhea, and Sequatchie. Southeast CSA also covers Hamilton County for the TennCare Transportation Program and the Hurricane Katrina Interim Sheltering Program. Its administrative office is in Chattanooga, Tennessee. Southeast CSA is governed by an 11-member board of directors, 10 of whom are appointed by the Governor. The 11th member was the Commissioner of DCS until July 1, 2005, when the Commissioner of F&A assumed the position. At Southeast CSA, there is one black member on the board. Five are female; four male. Based on information from the 2000 U.S. Census, the ten counties served by Southeast CSA have a combined average minority population of 3%. The agency’s programs are carried out by approximately 28 staff under the supervision of the executive director, who is appointed by the Commissioner of DCS and now F&A, subject to the approval of the board. Employees and board members are considered state employees, though not covered by civil service provisions, and are eligible for certain state benefits such as state liability coverage, legal representation, and participation in state retirement and health plans. (See organization chart on the following page.)

The agency’s programs operating between July 1, 2003, and June 30, 2005, were as follows.

Child and Family Services. This DCS program, which was fully integrated back into DCS and out of Southeast CSA on September 30, 2005, delivered services to children who had been in state custody and who could return home with post-custody services or who were deemed to be at imminent risk of entering state custody. The goals of the program were to keep children and communities safe while providing supportive services that allowed these children to maintain significant relationships with family, school, and community. Children who received these services were referred by DCS or the local court system.

Children’s Special Services Care Coordination. This Department of Health program provides care coordination to families with handicapped and/or chronically ill children to enable the family to obtain needed services as close to home as possible. The program works to develop liaisons with medical providers and other community agencies and provide integration of continuing medical care and non-medical services, such as psycho-social and educational

**Southeast CSA  
Organization Chart  
December 2005**



activities. This program is expected to be transitioned back into the Department of Health by June 30, 2006.

Resource Development Program. The Resource Development Program serves the agency as a means of providing multiple community services programs as the need arises. Southeast CSA uses current services revenue and dollars from the fund balance to provide these services as needed. One of the programs offered through Resource Development is the Teen Institute, which is funded by the Department of Health. The Teen Institute is a one-week camp in the summer that brings together youth and community leaders. The camp participants develop programs and initiatives that they can implement in their local communities which address issues of at-risk teens. The Resource Development program has recently received a grant from the Tennessee Commission on Children and Youth; however, the services related to this grant have not yet become operational.

TennCare Transportation. Through contractual arrangements with BlueCross, PHP, and Magellan (TennCare MCO/BHOs), Southeast CSA provides administrative services for a program designed to provide non-emergency transportation services for TennCare recipients to and from covered health and behavioral services. Southeast CSA organizes a network of providers, performs eligibility determinations, schedules transportation services, and verifies contractual rates and submits invoices for transportation vendors. (The MCO or BHO actually pays the vendor.) In return for these services, BlueCross, PHP, and Magellan pay Southeast CSA a monthly administrative fee for each of their TennCare enrollees.

**Southeast CSA  
Revenues by Source  
For the Fiscal Year Ending June 30, 2005**

<i>Source</i>	<i>Amount</i>	<i>% of Total</i>
Department of Children's Services	\$2,707,830.12	82.2%
TennCare MCOs/BHOs	\$392,726.86	11.9%
Department of Health	\$151,480.84	4.6%
Current Services Revenue	\$10,200.00	0.3%
Community Services Agencies	\$15,000.00	0.5%
Interest Revenue	\$16,721.81	0.5%
<b>Total Revenues</b>	<b>\$3,293,959.63</b>	<b>100.0%</b>

Source: Unaudited fiscal year 2005 financial statement, Southeast CSA.

**Southeast CSA  
Expenditures by Account  
For the Fiscal Year Ending June 30, 2005**

<i>Account</i>	<i>Amount</i>	<i>% of Total</i>
Administration	\$388,647.16	11.7%
Child and Family Case Management	\$1,549,696.18	46.9%
Child and Family Services	\$823,981.26	24.9%
TennCare Transportation	\$294,868.75	8.9%
Children's Special Services	\$76,867.17	2.3%
Resource Development	\$176,735.85	5.3%
<b>Total Expenditures</b>	<b>\$3,310,796.37</b>	<b>100.0%</b>

Source: Unaudited fiscal year 2005 financial statement, Southeast CSA.

**Southeast CSA  
Changes in Fund Balance**

	Fiscal Year 2004	Fiscal Year 2005
Fund Balance, June 30	\$899,034.67	\$885,673.87

Source: Unaudited fiscal year 2005 financial statement, Southeast CSA.

---

**OBSERVATIONS AND COMMENTS**

---

The topics discussed below did not warrant a finding but are included in this report because of their effect on the operations of East Tennessee CSA, Northeast CSA, and/or Southeast CSA and on the citizens of Tennessee.

**DEPARTMENT OF FINANCE AND ADMINISTRATION COMMISSIONER ON THE BOARD**

By law, East Tennessee CSA's board consists of 16 voting members; Northeast's, 9; and Southeast's, 11. All but one of the persons on each board represent the counties served by the respective CSA. The final member is the Commissioner of the Department of Finance and Administration (F&A) or the commissioner's designee.

The duties of the commissioner as either a CSA board member or the chief executive of F&A are frequently interrelated. As a board member, the commissioner can vote on all CSA business including the adoption of policies and procedures governing the CSA's internal operations; the making and executing of contracts; and the receiving, administering, allocating, and disbursing of funds made available under any federal or state assistance program. As the chief executive, the commissioner appoints the CSA's executive director with the approval of the CSA's board of directors. The commissioner also approves any CSA policies, procedures, or rules and regulations proposed by the board of directors, as well as all contracts for the purchase of services or the acquisition or improvement of real property. Furthermore, the commissioner is responsible for the review and approval of the CSA's plan of operation submitted in accordance with Section 37-5-310, *Tennessee Code Annotated*.

Because F&A is the primary funding source of the agencies, many of the issues and decisions brought to the CSA boards of directors relate to F&A. It appears that the commissioner's or designee's participation in these discussions or voting on matters relating to F&A services violates Section 37-5-305(j), *Tennessee Code Annotated*, which states,

If any matter before the board involves a project, transaction or relationship in which a member or the member's associated institution, business or board has a direct or a conflicting interest, the member shall make known to the board that interest and shall be prohibited from participating in discussions and voting on that matter.

The Commissioner of F&A should require his representatives to recuse themselves from CSA board votes. The Commissioner of F&A and the CSAs should seek the advice of the Attorney General regarding the commissioner's role on the board of directors. The General Assembly may wish to consider amending Section 37-5-305(b), *Tennessee Code Annotated*, based upon the advice of the Attorney General, to remove the Commissioner of F&A or the commissioner's representative from serving as voting members on rural CSA boards as this appears inconsistent with Section 37-5-305(j), *Tennessee Code Annotated*, which would limit the commissioner's participation in the majority of CSA business.

## **CONFLICTS BETWEEN ANNUAL REPORT AND FINANCIAL STATEMENT REQUIREMENTS**

By contract with the Department of Children's Services (DCS), the CSAs were supposed to submit to the Commissioner of DCS an annual report with audited financial statements within nine months after the close of the fiscal year. However, a DCS rule dating from 2002 requires CSAs to submit an annual report on the preceding fiscal year's activities and financial transactions within 60 days of receipt of a final audit report by the Comptroller of the Treasury. This rule has resulted in extremely late issuance of annual reports by some CSAs. As of December 7, 2005, the latest annual report available for Northeast CSA is for fiscal year 2002 (released December 2003), even though the Comptroller's financial and compliance audit for fiscal year 2003 has been released. The latest annual report available for Southeast CSA is for

fiscal year 2003 (unknown release date); the Comptroller's financial and compliance audit of fiscal year 2003 has been released. East Tennessee CSA did not wait for the Comptroller's financial and compliance audit to release its latest annual report for fiscal year 2004 (released September 2004).

Since DCS has not been monitoring CSA compliance with annual report and audited financial statement requirements, the purpose of these requirements by DCS is unclear. Timely submission of annual reports and audited financial statements is essential to good oversight, fiscal stewardship, and strategic planning by the agency's staff and board as well as contracting entities.

As of July 1, 2005, the CSAs no longer reported administratively to DCS but to the Department of F&A. As of December 1, 2005, DCS no longer has contracts with the CSAs. Therefore, F&A should determine what information should be included in CSA annual reports, determine the reports' due date, and revise Rule 0250-7-6-.05(8) to reflect F&A requirements in its grant contract with the CSAs. F&A should also ensure that its liaison with the CSAs has a monitoring tool to determine whether CSAs submit annual reports in a timely fashion and with the necessary information.

## **NEW PROGRAMS AND FUTURE VIABILITY**

On July 1, 2005, the Department of Children's Services (DCS) began the process of transitioning services back into DCS that had been contracted out to the CSAs. This 4-stage process was completed December 1, 2005. The DCS contract accounted for 50-90% of funding for the three remaining Eastern Tennessee CSAs. With the loss of this funding, all nine currently active CSAs have been pursuing other potential sources of funding and as a group have hired The Ingram Group, a consulting firm, at \$6,000 a month, to assist them in marketing themselves to private and other government agencies. Since three of the four urban CSAs have ceased operations because their only funding came from DCS, it is uncertain whether the remaining nine CSAs will be stable and financially viable entities in the future.

### Interim Sheltering Services

The August 2005 devastation caused by Hurricane Katrina and the arrival of evacuees in Tennessee created an immediate need for adequate food and sheltering. Beyond the immediate needs resulting from this crisis, evacuees required continued support, commitment, and services to address the long-term issue of rebuilding their lives. Acting on behalf of the state, the nine CSAs became the state point of contact to aid evacuees in obtaining interim sheltering and associated services. The Office of Criminal Justice Programs in the Department of Finance and Administration (F&A) established grant contracts for case management with the nine CSAs for one year beginning August 29, 2005, which are 100% federally reimbursable as a result of President Bush's provision of an emergency declaration for the state following Hurricane Katrina.

Evacuees will receive assistance securing stable interim housing, household furnishings, and case management services to support their interim sheltering needs. The CSAs will provide a coordinated system of assessment, case management, and procurement of goods and services to support individual/family placement in interim sheltering for individuals evacuated from the coastal areas of Louisiana, Mississippi, and Alabama. For those individuals/families who do not choose to establish interim sheltering in Tennessee, assistance will be provided in relocating families to other communities in other states. In the spring of 2006 FEMA plans to move hurricane evacuees into another federal housing program in which state and local governments do not participate.

### TennCare Transportation Services

Various MCOs and BHOs contract with all nine of the CSAs to oversee the TennCare Transportation program in their regions. TennCare plans to consolidate its non-emergency transportation services into a single vendor system. A request for proposal (RFP) is under development and the state expects to open the bidding process as early as May 2006. Non-emergency transportation services include picking-up TennCare members with no other transportation option to meet their scheduled doctor appointments. Currently, non-emergency transportation is provided by the TennCare Bureau's nine different managed care and behavioral healthcare organizations, all with varying transportation delivery systems. Under the new transportation broker system, the MCOs and BHOs would contract with one company to provide total system oversight including eligibility screening, vehicle inspections, driver certifications, scheduling, a centralized transportation call center, and billing to ensure uniform, quality service delivery. According to TennCare Bureau officials, this single vendor system will improve the TennCare program's ability to audit transportation services, eliminate fragmentation, and provide easier access to important utilization data.

### Division of Mental Retardation Services Case Management

Eight of the nine CSAs (Northeast, East, Southeast, South Central, Upper Cumberland, Northwest, Southwest, and Mid-Cumberland) have contracted with or are in the process of applying and contracting with F&A's Division of Mental Retardation Services (DMRS) to provide case management services for mentally retarded individuals under the Medicaid waiver. The program is a result of a contract between TennCare and DMRS and is designed to assist individuals with mental retardation to live as independently as possible within their communities.

## **RESULTS OF ADDITIONAL AUDIT WORK**

### External Oversight of CSA Programs

TennCare Transportation. The Eastern Tennessee CSAs (East Tennessee, Northeast, Southeast) receive state and federal funds in order to operate the TennCare Transportation program. The TennCare Transportation program was designed to provide non-emergency transportation services for TennCare recipients to and from health-related appointments.

Through contracts with BlueCross, Preferred Health Partnership (PHP), and Magellan, the CSAs provide administrative services for the program. The CSAs are responsible for organizing and overseeing a network of conventional automobile and non-emergency ambulance vendors, performing eligibility determinations for TennCare recipients interested in using the program, and approving payments to transportation vendors. BlueCross, PHP, and Magellan are responsible for making the actual payments to the vendors. The CSAs receive a monthly fee for service from BlueCross, PHP, and Magellan that is based upon the number of TennCare enrollees in their designated region. The CSAs are responsible for maintaining the necessary documentation for each vendor according to the contract. However, the CSAs are not required to conduct on-site reviews of the vendors.

The CSAs are required to submit quarterly reports to BlueCross with statistical information such as the number of trips scheduled, trips by vendor, and the number of cancellations. In addition, BlueCross conducts a yearly audit of the TennCare Transportation program. The audit tools that will be used are provided to the CSA prior to the commencement of the audit. Magellan also conducts a regular yearly audit, and the audit tools are provided to the CSA prior to the commencement of the audit. PHP does not conduct a regular yearly audit and does not require the CSA to provide any monthly or quarterly reporting information.

The 2005 BlueCross audit of *East Tennessee CSA* recognized the program as 100% compliant with no recommendations or suggestions. The agency was required to send copies of its vendor files to PHP in 2004; however, the agency never heard back from PHP.

The 2005 BlueCross audit of *Northeast CSA* found the program noncompliant, with a score of 65 out of 100. While the list of findings was extensive, the following is a summary of the areas noted as noncompliant in the audit report:

- missing documentation for drivers including valid and legible drivers' licenses, pre-service/in-service training, performance evaluations, and vehicle operator's list including hire dates;
- missing documentation for vendors including valid business and/or EMS licenses, insurance certificates, and signed confidentiality, code-of-conduct, and conflict-of-interest statements for each vehicle operator; and
- missing documentation for vehicles including mechanical inspections that include inspection of safety restraints and/or child restraints.

The audit report also noted that the files that were missing some form of documentation had no record to show that action was taken to suspend the vendor until the information required was received.

The 2005 Magellan audit of *Northeast CSA* noted the following noncompliant issues:

- missing documentation for drivers including motor vehicle background checks, criminal background checks, pre-service/in-service training, valid and current drivers' licenses, and vehicle operator's list including hire dates;
- missing documentation for vendors including copies of contracts, liability insurance certificates, evidence of photo identification tags being issued, and policies and procedures that address reporting member fraud and abuse, hazardous travel conditions, and a disaster recovery plan; and
- missing documentation for vehicles including mechanical inspections and maintenance.

The 2005 BlueCross audit of *Southeast CSA* disclosed the program as noncompliant with a score of 70 out of 100. While the actual audit findings were not made available, the following is a summary of areas of concern that were noted in the audit report:

- obtain documentation for drivers including criminal background checks, driver's record verification reports, pre-service/in-service training, and annual evaluations;
- obtain documentation for vendors including current business and/or EMS licenses, liability insurance certificates, current vehicle operator lists that include hire dates, and signed confidentiality, code-of-conduct, and conflict-of-interest statements for each vehicle operator;
- obtain documentation for vehicles including mechanical inspections to include inspection of seat belts and/or child restraints; and
- take immediate action to suspend trips for any vendor and/or vehicle operator that is noncompliant with the contract terms.

Southeast CSA received a letter from Magellan in November 2005 that stated the most recent audit conducted showed the program was 100% compliant with no recommendations or suggestions.

Department of Health. The Department of Health provides funding to East Tennessee CSA and Southeast CSA to operate the Children's Special Services Care Coordination Program, which works with families who have handicapped or chronically ill children to help them obtain needed medical and non-medical services as close to their home as possible. According to the Department of Health, the Children's Special Services program is being slowly transitioned back into the Department of Health. As positions are becoming vacant with the CSAs, they are not being filled by CSA employees, but the positions are being transferred to the Department of Health. The current contracts for both East Tennessee CSA and Southeast CSA with the Department of Health are through June 30, 2006, and will likely not be renewed. East Tennessee CSA currently has four positions with the program and Southeast CSA, two. The Unit Coordinator for Southeast CSA has one CSA employee working under her supervision for the program; the remainder of the program staff she supervises are Department of Health employees. The Department of Health does not require any type of regular monthly and/or quarterly report to be submitted for the program. The program is also not assessed annually by the department.

The Department of Health also provides funding to East Tennessee CSA for a Local Health Services program. The CSA employees who work with this program are assigned to a local health department where they are supervised by someone within the health department. While program staff are still technically employed by the CSA, they work with and report to a health department supervisor. According to the Department of Health, the CSA positions for this program will likely be transitioned back into the department when the contract ends for the Children's Special Services program in June 2006.

Southeast CSA is provided funding from the Department of Health to operate the East Tennessee Teen Institute. The Teen Institute is a one-week summer camp that brings together adults and youth in the community. The adults and youth work together on teams to develop programs and initiatives that they can implement in their community to address issues of at-risk teens and other community concerns. According to Southeast CSA's executive director, the Department of Health has not been clear as to what type of information it would like reported. The agency does submit a quarterly report as well as an annual report that summarizes the participation and activity of the Teen Institute.

Department of Finance and Administration. The Department of Finance and Administration (F&A) provides funding in the form of a Byrne Grant to Northeast CSA for the operation of a treatment program that offers counseling and rehabilitation services to adolescent sex offenders. Northeast CSA subcontracts the treatment services to Counseling and Consultation Services, Inc., located in Limestone, Tennessee. F&A requires Northeast CSA to report an annual income summary report and an equipment summary report for any equipment purchases made related to the operation of the program. The program was assessed in 2004 by the Office of Criminal Justice Programs Monitoring Unit. The objectives were to test the reliability of internal controls, to verify that program objectives were being met, to verify that civil rights requirements were being met, to test the reliability of the financial and programmatic reporting, to test if costs and service were allowable and eligible, and to verify contractual compliance. The report had no findings. The program was not assessed in 2005.

---

## FINDINGS AND RECOMMENDATIONS

---

### 1. Board members are not filing annual conflict-of-interest statements

#### Finding

Board policy for the three CSAs reviewed in this audit states

If any matter before the Governing Board involves a project, transaction or relationship in which: a) a Board member personally; or, b) a Board member's associated institution, business or board; or, c) a Board member's family member; or, d) where there may be a reasonable expectation that circumstances might construe the appearance of a direct or conflicting interest with such project, transaction or relationship, the member shall then make known that interest to the Board immediately when such interest is recognized. The Board member will be prohibited from engaging in any discussion, vote, or other action relative to any matter where such direct or conflicting interest exists and is disclosed.

However, there are no policies requiring annually signed conflict-of-interest statements, and such forms are not being signed on a yearly basis.

At East Tennessee CSA, of the 17 board members (excluding the DCS representative) serving in fiscal years 2003 through 2005, one never signed a conflict-of-interest statement. Twelve of the 17 board members signed statements between 1997 and 1999; nine are still on the board. The remaining four board members, who are still on the board, signed conflict-of-interest statements between 2001 and 2004. One of the two DCS representatives signed a conflict-of-interest statement in 1997 but did not declare the inherent conflict.

At Northeast CSA, of the nine board members (excluding the DCS representative) serving in fiscal years 2003 through 2005, three last signed conflict-of-interest statements in 1999; two of these board members are still on the board. The other six board members last signed statements in November 2005, following a six-year gap for all but two. The DCS representative signed a conflict-of-interest statement in 1997 and 1999 but did not declare the inherent conflict.

At Southeast CSA, of the ten board members (excluding the DCS representative) serving in fiscal years 2003 through 2005, eight first signed a conflict-of-interest statement in 2001; the other two signed when subsequently appointed. Nine of ten signed statements again in 2004. The DCS representative has never signed a conflict-of-interest statement.

Regarding the commissioner or commissioner's representative as a voting member of the board, see Observations and Comments on page 13.

Conflict-of-interest disclosures are designed to ensure that the public's interest is protected, and the current Governor's administration has made this a priority. Governor Bredesen's Executive Order No. 3 states that "persons should avoid any action, whether or not specifically prohibited by statute or regulation, which might result in or create the appearance of: (1) using public office for private gain; (2) giving preferential treatment to any person; (3) impeding government efficiency or economy; (4) losing complete independence or impartiality; (5) making a government decision outside of official channels; or (6) adversely affecting the confidence of the public in the integrity of the government."

Annual written disclosures of financial interests, prior employment, employment of immediate family members, and other matters that may influence decisions or could give the appearance of influencing decisions help ensure that the board is acting on the state's behalf and that board members recuse themselves from decision-making as needed.

### **Recommendation**

The boards for East Tennessee CSA, Northeast CSA, and Southeast CSA should revise their conflict-of-interest policy to require annually signed conflict-of-interest statements that list financial interests, prior employment, employment of immediate family members, and other matters that may influence decisions or could give the appearance of influencing decisions.

The three executive directors should ensure that comprehensive conflict-of-interest statements are received from board members in a timely manner, and board chairs should ensure that members recuse themselves when conflicts arise.

### **Managements' Comments**

#### East Tennessee CSA

We concur. Although the agency has a policy that stipulates that board members make known any conflict of interest, we did not require annual signatures on a statement. We will follow the Comptroller's recommendations to require Board Members to sign conflict of interest statements annually, and as of March 15, 2006, the Board has revised the Agency procedure to include completion of the Conflict of Interest Form on an annual basis. In addition, the community services agencies currently have policy revisions pending approval by the Department of Finance and Administration incorporating this specific requirement in their Governance Policies.

The agency accepts and understands that board members should avoid any action, which might result in or create the appearance of impropriety. The agency believes that a procedure

requiring an annual review and the signing of a conflict of interest form will assist in reminding board members of their obligation to disclose any conflicts and will result in a positive situation.

### Northeast CSA

We concur. In previous years our agency has not been advised to obtain an annual or renewed conflict-of-interest statement. Per the Comptroller's recommendation, we are obtaining appropriate conflict-of-interest acknowledgment statements from all board members on an annual basis. Furthermore, the Executive Director will ensure that the conflict-of-interest statements are received from the board members in a timely manner. Additionally, the community services agencies have compiled and submitted proposed policy revisions to the Department of Finance and Administration for their approval. These proposed policies specifically incorporate the annual acknowledgment requirement contained within the Governance Policies.

### Southeast CSA

We concur. Although the agency has a policy which stipulates that board members must make known any actual or perceived conflict of interest and that requires a signed statement of acknowledgment of this policy, we have not previously been advised or required to obtain an annual renewal of these statements. Per the Comptroller's recommendation, as of March 2005 we are obtaining appropriate conflict of interest acknowledgment statements from all board members on an annual basis. Further, the community services agencies currently have a proposed body of policy revisions pending approval by the Department of Finance and Administration that would specifically incorporate this annual acknowledgment requirement within a set of uniform Governance Policies.

---

## **2. Board policies regarding vacancies and quorums should be adhered to and/or revised**

### **Finding**

Section 37-5-305, *Tennessee Code Annotated*, requires the membership of each board serving a rural CSA to be appointed by the Governor and to consist of a representative of each county within the agency boundary and the Commissioner of the Department of Finance and Administration (F&A) or the commissioner's designee. Officially, board positions may only be vacated by death, the Governor's removal of the holder, or a letter of resignation. A board member's complete failure to attend board meetings may only be considered a de facto vacancy and not an official vacancy. When board members regularly fail to attend board meetings, the effectiveness of the board is adversely affected. In effect, chronic absences from board meetings have the effect of vacancies. East Tennessee CSA serves Anderson, Blount, Campbell, Claiborne, Cocke, Grainger, Hamblen, Jefferson, Loudon, Monroe, Morgan, Roane, Scott, Sevier, and Union counties. Northeast CSA serves Carter, Greene, Hancock, Hawkins, Johnson,

Sullivan, Unicoi, and Washington counties. Southeast CSA serves Bledsoe, Bradley, Franklin, Grundy, McMinn, Marion, Meigs, Polk, Rhea, and Sequatchie counties.

At East Tennessee CSA, statutory requirements result in a board with 16 members, one of whom is the Commissioner of Finance and Administration or his representative. As of November 2005, there were five de facto and official vacancies—three counties' positions (Campbell, Loudon, Monroe) had de facto vacancies because members were not attending; one county position (Scott) had a de facto vacancy during all of fiscal years 2003 through 2005 that became an official vacancy at the death of the board member in August 2005; another county position (Morgan) experienced a vacancy in March 2005 upon the death of that board member. All but three current board members' terms have expired, necessitating reappointments or new appointments. According to the executive director, during the summer of 2004, DCS and the Governor's office requested updated board information and nominations. The executive director also stated that he submitted nominations for each vacancy or board member whose term had expired; however, he could only produce documentation (dated October 12, 2004) of nominations for two counties being sent to DCS, which acted as liaison between the CSAs and the Governor's office. Also, of the 18 directors (including the DCS representative) serving in fiscal years 2003 through 2005 eligible to attend more than two meetings, eight attended 50% or less of the roughly monthly meetings. Absenteeism has resulted in the lack of a quorum on five occasions during fiscal years 2003 through 2005. On two of the five occasions without a quorum, the board conducted business by having the board members present proceed with voting, and then the absent members were contacted individually by phone after the meeting and polled on the various items of business. Also, on 14 occasions, board members conducted business but did not physically meet. CSA staff polled the board members individually by phone; however, staff did not make actual contact with every board member. Conducting business in this fashion may have legal ramifications if challenged. There is no board policy allowing for participation by teleconferencing or the phone polling of members. Nor is there a policy regarding board action against members with excessive absences or those who fail to perform the duties of office.

Board policy states that the board will reach no decision or take action on any issue at its meetings unless there is a quorum of its membership present. Quorum policy states that a quorum for a regular board meeting is 40% of membership and attendance must be in person. Although there is no precise definition of "quorum" in state law, the State of Tennessee Attorney General's Office has opined that a quorum ordinarily means a majority of all entitled to vote. A 16-member board conducting business with as few as six members present is unwise as the actions are not necessarily the intentions of a majority of those representing the counties served by the agency.

At Northeast CSA, statutory requirements result in a board with nine members, one of whom is the Commissioner of Finance and Administration or his representative. As of November 2005, there was one county position (Hancock) with a de facto vacancy, in which the member has not attended a board meeting since August 2002; in addition, all but one board members' term has expired, necessitating reappointments or new appointments. We reviewed board files and found requests from DCS and the Governor's office in July-September 2004 for

updated information but no documentation of actions by Northeast CSA to convey vacancy notifications and subsequent nominations and reappointment requests. Of the ten directors serving in fiscal years 2003 through 2005 eligible to attend more than two meetings, two attended 39% or less of the roughly monthly meetings. Absenteeism has resulted in the lack of a quorum on two occasions during fiscal years 2003-2005. On these two occasions, the board conducted business, an action prohibited by policy that may have legal ramifications if challenged. Board policies are silent on whether meeting attendance must be in person or if teleconferencing is permissible. Policies also do not address the actions the board should take toward a member for excessive absences or for the failure to perform the duties of office.

At Southeast CSA, statutory requirements result in a board with 11 members, one of whom is the Commissioner of Finance and Administration or his representative. According to board policy, the board is to meet every other month, which would result in six meetings a year. However, the board has met only 4 or 5 times in each of the last three years. As of November 2005, there was one official vacancy created when Grundy County's board member officially resigned in June 2005. All but one current board member's term has expired, necessitating reappointments or new appointments. According to the executive director, the agency did not maintain documentation of notices of vacancies to DCS and F&A (which act as liaison between the CSAs and the Governor's office) and actual nominations submitted. The executive director states that attempts were made to obtain potential nominees from various sources, but the majority of those identified declined to apply or did not complete the application process. Also, of the 11 directors (including the commissioner's representative) serving in fiscal years 2003 through 2005 eligible to attend more than two meetings, three attended 50% or less of the four to six meetings a year. Southeast CSA board policy states that the board may elect to recommend to the Governor and to the commissioner that the member's appointed position be declared vacant due to the member's lack of participation if that member has missed a majority of meetings within any given 12-month period. While there were no instances where the board met and conducted business without a quorum, the board's quorum policy is inadequate. Board policy states that the board will reach no decision or take action on any issue at its meetings unless there is a quorum of its membership present. However, quorum policy states that a quorum for a regular board meeting is any three or more board members present. Although there is no precise definition of "quorum" in state law, the State of Tennessee Attorney General's Office has opined that a quorum ordinarily means a majority of all entitled to vote. An 11-member board conducting business with as few as three members present is unacceptable as the actions are not necessarily the intentions of a majority of those representing the counties served by the agency.

### **Recommendation**

The boards for East Tennessee CSA, Northeast CSA, and Southeast CSA should design and develop written policies defining how many consecutive absences may occur before that constitutes excessive absences and that the board chair notify the Department of Finance and Administration and the Governor in writing and in a timely manner of board members who vacate their positions officially by a letter of resignation or create de facto vacancies through

excessive or consecutive absences. The board should work with the Governor's office to ensure that the Governor has sufficient notice of upcoming term expirations and any other additional information he might need to make timely appointments.

The board chairs and executive directors of all three CSAs should ensure that they counsel their board members regarding the requirements for vacating a board position. When a board chair notes that a board member has not attended for some time, he or she should direct the executive director to contact that member, ascertain whether that member has any intention of regularly attending board meetings, and assist the board member in drafting a letter of resignation if necessary in a timely manner.

The boards for East Tennessee CSA and Southeast CSA should also revise board policy to require a majority of the membership for a quorum and specify how that quorum must be achieved—through personal attendance or teleconferencing. These two boards, in addition to the board of Northeast CSA, also should not conduct business requiring board approval through individual polling of board members by phone as it does not permit open and considered debate on issues. As all three boards have an executive committee, which they did not use during fiscal years 2003 through 2005, the boards should consider the use of the executive committee to conduct business between regular board meetings.

### **Managements' Comments**

#### East Tennessee CSA

We concur. The agency's board policies did not address board member vacancies since board appointments are the responsibility of the Governor's Office in accordance with Section 37-5-305, *Tennessee Code Annotated*. Revised Governance Policies currently being reviewed by the Department of Finance and Administration have been written to state that the CSA Board will notify the Governor's Office when members fail to fulfill their obligations as board members with the understanding that any action taken to remove a board member will be at the sole discretion of the Governor.

As to a quorum and conducting business through telephone polls, the agency believed that it was operating within established guidelines that have been in place in the agency since almost the beginning of the agency. As stated in the finding, there is no precise definition of a quorum in state law but the agency does agree with the opinion of the Tennessee Attorney General that a quorum ordinarily means a majority of all entitled to vote. Revised Governance Policies currently being reviewed by the Department of Finance and Administration will address the definition of a quorum. The agency will also address the possibility of board member participation in board meetings through teleconferencing or a remote type situation.

We understand that board members should take an active role in the governance of the agency through regular attendance at meetings and believe that a policy outlining the process for notifying the Governor of a member's inability to fulfill their obligations through regular

attendance is both valuable and feasible. It could also assist the agency in insuring that there are always enough members present for a quorum and to conduct the business of the agency.

The board should also revise board policy to require a majority of the membership for a quorum and specify how that quorum must be achieved either through personal attendance or teleconferencing.

We understand the issue regarding definition of a quorum, and a majority of the membership assures a majority support for all action and decision-making of the board. The board controls the action of the agency, and a majority of members attending and conducting business is a positive situation.

#### Northeast CSA

We concur. The Agency has always held the understanding that the policies and processes regarding appointments to its Board are under the sole authority and responsibility of the Governor per Section 37-5-305, *Tennessee Code Annotated*. The agency did submit information in 2004 to the Department of Children's Services for nominations and received no response. We have not been advised nor been aware of a policy mandate to provide similar notice of a de facto vacancy due to chronic absences. However, in the past the executive director has repeatedly stressed to the board members the importance of their regular attendance and kept them apprised of news relating to updating vacancies and reappointments.

Per the Comptroller's recommendation, we will begin immediately to advise the Governor's office in the event that any board member fails to attend the majority of the board's regular meetings in any given twelve month period or any three of four consecutive meetings. If a board member does not express the intention to resume active participation, such notices will include the recommendation that the board member's position be declared vacant. Additionally, the community services agencies have compiled and submitted proposed policy revisions to the Department of Finance and Administration for their approval. The set of proposed uniform Governance Policies incorporates a requirement that would require notice of a board member's position be declared vacant due to insufficient attendance.

#### Southeast CSA

We concur. The agency has always held the understanding that the policies and processes regarding appointments to its board are under the sole authority and responsibility of the Governor per Section 37-5-305, *Tennessee Code Annotated*. While we have provided notice to the Governor's office in the event of a board vacancy arising from resignation or death, we have not been advised nor have had a policy mandate to provide similar notice of de facto vacancy due to chronic absences. However, at the direction of the agency's board, the executive director has in the past assisted non-participating board members with the preparation and submission of their written resignations. Also, the board chair and the executive director have repeatedly stressed to the board members the importance of their regular attendance and advised them of the proper procedures to be observed should they no longer be able or willing to serve. Per the

Comptroller's recommendation, beginning immediately we will henceforth advise the Governor's office in the event that any board member fails to attend either the majority of the board's regular meetings in any given twelve month period or any three of four consecutive meetings and, where such board member does not express the intention to resume active participation, such notices will also include the recommendation that such board member's position be declared vacant. Further, the combined community services agencies currently have a proposed body of policy revisions pending approval by the Department of Finance and Administration that specifically incorporates a requirement for notice of a Board member's insufficient attendance within a set of uniform Governance Policies.

Also per the Comptroller's recommendation, the combined community services agencies currently have a proposed body of policy revisions pending approval by the Department of Finance and Administration that specifically incorporates a requirement that the quorum for all board meetings be established as, at a minimum, a majority of the board's appointed membership, excluding official vacancies, as a part of our Governance policies.

---

**3. The CSAs should ensure that they have effective policies and procedures for monitoring their vendors for compliance with Title VI**

**Finding**

All programs or activities receiving federal financial assistance are prohibited by Title VI of the Civil Rights Act of 1964 from discriminating against participants or clients on the basis of race, color, or national origin. Neither East Tennessee, Northeast, nor Southeast CSA has formal policies and procedures in place for monitoring vendors, with whom they contract for services, for compliance with Title VI. Currently, these agencies have no vendor contracts due to the decision of the Department of Children's Services (DCS) to provide Child and Family Services programs in-house statewide effective December 1, 2005. In the future, though, the new programs for housing assistance for Hurricane Katrina evacuees and case management for the Division of Mental Retardation Services, as well as any other programs taken up by the agencies, may result in the agencies entering into contracts for services. (See page 15 regarding these new programs.)

Without effective monitoring policies and procedures, the CSAs cannot ensure that they and their contractors are in compliance with Title VI.

**Recommendation**

East Tennessee CSA, Northeast CSA, and Southeast CSA should develop formal, written Title VI policies and procedures for monitoring themselves and the vendors with whom they do business for compliance with Title VI.

## **Managements' Comments**

### East Tennessee CSA

We concur. The agency will develop and implement formal, written Title VI policies and procedures for monitoring of the agency and the vendors with whom they do business for compliance with Title VI. As in the case of Findings #1 and #2 above, this issue is also specifically addressed in the revised Governance Policies currently pending approval by the Department of Finance and Administration.

The implementation of written Title VI Policies and Procedures for the agency and all related contract vendors will assure compliance and create a positive environment for all parties.

### Northeast CSA

We concur. The agency has made available Title VI information to all of its clients. The agency includes in the notification the reporting processes our clients should follow in the event that they believe they have been the subject of any prohibited discriminatory action on the part of the agency and/or its vendors acting on the agency's behalf. However, by July 2006 the agency will implement vendor training concerning Title VI compliance. Additionally, the community services agencies have compiled proposed and submitted policy revisions to the Department of Finance and Administration for their approval. These proposed policies specifically incorporate monitoring standards and requirements for all applicable vendors and sub-contractors within our Internal Operations policies in relation to Title VI contract compliance.

### Southeast CSA

We concur. The agency has consistently provided all its clients a clear written statement of explanation concerning their Title VI rights as recipients of federal funds. The agency's notification includes the reporting processes our clients should follow in the event that they believe they have been the subject of any prohibited discriminatory action on the part of the agency and/or its vendors acting on the agency's behalf. All clients are required to sign their acknowledgment of this Title VI notice and their documented understanding is included in the client's file records. By means of this procedure, the agency has held the belief that its client complaint processes adequately monitor its own and its vendors' compliance to Title VI requirements. However, by July 2005 the agency will establish specific policies and procedures related to contract vendor monitoring specific to the vendor's Title VI compliance. Further, the combined community services agencies currently have a proposed body of policy revisions pending approval by the Department of Finance and Administration that specifically incorporates monitoring standards and requirements for all applicable vendors and sub-contractors within our Internal Operations policies.

#### **4. The TennCare Transportation program vendor files do not contain necessary documentation as required by contract and internal policy**

##### **Finding**

Through contracts with Managed Care Organizations and Behavioral Health Organizations (MCOs and BHOs), the East Tennessee CSAs—East Tennessee, Northeast, and Southeast—offer administrative services for a program designed to provide non-emergency transportation services for eligible TennCare recipients to and from health-related services. The agencies are responsible for organizing and maintaining a network of conventional automobile and ambulance service vendors that can provide the needed transportation service in their designated area. The agencies facilitate and schedule transportation for eligible TennCare enrollees for various medical appointments the enrollees may have.

In accordance with the TennCare Transportation MCO and BHO contracts and program guidelines, the agencies are responsible for maintaining documentation for each vendor used in the program. In addition to the CSAs' contractual obligations, the vendors that contract directly with the MCOs and BHOs to provide the transportation services are required to provide the CSAs with certain required information. The files for the transportation vendors were reviewed at each agency to determine if the following required documentation was present:

- comprehensive background checks for all drivers, including the individual's driving and criminal record;
- copies of valid and current drivers' licenses with the appropriate commercial endorsements;
- evidence of both a performance evaluation and pre-service/in-service training for each driver;
- a valid state business license or ambulance service license; and
- a copy of a current certificate of liability insurance.

If a vendor fails to comply with their contractual responsibilities by providing the CSA with required documentation, it is the CSA's responsibility to suspend the vendor from providing services to the program until they are in compliance. The results of the review are summarized below.

##### East Tennessee CSA

East Tennessee CSA maintains a network of 12 conventional automobile vendors and 16 ambulance vendors. Of the 11 conventional vendors we reviewed:

- one of 11 conventional vendors had an expired liability insurance policy,
- 10 of 11 conventional vendors had drivers who lacked driving and/or criminal background checks, and

- 2 of 11 conventional vendors had drivers with expired driver's licenses.

Of the 16 ambulance vendors we reviewed:

- 6 of 16 ambulance vendors had an expired business license, and
- 4 of 16 ambulance vendors had an expired liability insurance policy.

### Northeast CSA

Northeast CSA maintains a network of 14 conventional automobile vendors and 10 ambulance vendors. Of the 13 conventional vendors we reviewed:

- 9 of 13 conventional vendors had drivers with no driving and/or criminal background check,
- 4 of 13 conventional vendors had drivers with no performance evaluations,
- one of 13 conventional vendors was missing a copy of a driver's license,
- one of 13 conventional vendors had drivers with expired driver's licenses, and
- one of 13 conventional vendors had drivers with no record of pre-service/in-service training.

Of the ten ambulance vendors we reviewed, we found no problems.

### Southeast CSA

Southeast CSA maintains a network of 14 conventional automobile vendors and 16 ambulance vendors. Of the 12 conventional vendors reviewed:

- one of 12 conventional vendors did not have valid business licenses,
- one of 12 conventional vendors had an expired liability insurance policy,
- 3 of 12 conventional vendors had drivers with no driving and/or criminal background checks,
- 9 of 12 conventional vendors had drivers with no performance evaluation,
- 7 of 12 conventional vendors had drivers with expired driver's licenses, and
- 4 of 12 conventional vendors had drivers with no record of pre-service/in-service training.

Of the 16 ambulance vendors reviewed:

- 5 of 16 ambulance vendors had an expired business license, and
- 2 of 16 ambulance vendors had an expired liability insurance policy.

The maintenance and verification of documentation such as performance evaluations and full motor vehicle and criminal background checks for all transportation drivers is crucial to maintaining the safety and quality of the service received by the TennCare recipients of all ages who choose to use the program. The CSAs must take every action available to ensure that transportation vendors comply with contract requirements and immediately suspend any services for a vendor who is not in compliance.

### **Recommendation**

East Tennessee CSA, Northeast CSA, and Southeast CSA should obtain, and keep updated, all necessary documentation from transportation vendors to ensure vendors are able to safely meet the needs of the TennCare population. When CSA staff determine that a vendor is not in compliance with contract requirements, they should take appropriate action as outlined in the contract, including the immediate suspension of the vendor if necessary.

### **Managements' Comments**

#### East Tennessee CSA

We concur. Even though the program received the highest score possible of 100% on its most recent audit by its only MCO that performs annual audits, the agency will review the system of records maintenance to insure that all necessary documentation is tracked, obtained from affected parties, and kept current in the vendor files. When it is determined that a vendor is not in compliance with contract requirements, appropriate action as outlined in the contract will be taken.

The agency makes a considerable and dedicated effort to meet this contractual requirement. We believe that it is valuable and feasible to attempt to always insure that these records are current and up to date. The agency will always strive to meet this standard.

#### Northeast CSA

We concur. The Executive Director has reviewed the operation of the TennCare Transportation program and has determined current program management has failed to comply with maintaining needed information in vendor files. As a result of this review, the Executive Director is in the process of implementing program changes to oversee its TennCare Transportation program, and we have focused additional efforts and controls on transportation vendor contract compliance to insure that all necessary documentation is obtained and kept current in the vendor files.

## Southeast CSA

We concur. The agency has historically scored very high on contract compliance issues in prior year audits conducted by the MCOs and BHOs. However, our minimally compliant scores resulting from our Blue Cross Blue Shield of Tennessee annual performance audit for 2005 illustrated a clear need for the agency to review our management oversight and our systems' effectiveness regarding vendor monitoring and records maintenance. As a result of this review, in December 2005 the agency appointed new management staff to oversee its TennCare Transportation program, and we have focused additional efforts and controls on transportation vendor contract compliance to insure that all necessary documentation is obtained and kept current in the vendor files.

---

### **5. The Eastern Tennessee CSAs—East Tennessee, Northeast, and Southeast—do not conduct customer satisfaction surveys of their clients for the TennCare Transportation Program as required by contract and program guidelines**

#### **Finding**

The three Eastern Tennessee CSAs—East Tennessee, Northeast, and Southeast—provide administrative services for the TennCare Transportation program. The CSAs organize a network of providers, perform eligibility determinations, arrange transportation services, and approve payments to transportation vendors. Since the CSAs only administer and oversee the program, the MCO/BHOs contract directly with outside vendors to transport their TennCare enrollees.

According to the CSAs' contract with BlueCross, the agencies have a responsibility to:

identify and define such other policies, procedures, processes, routines, documents and requirements necessary to assure the TennCare Enrollee's safety and satisfaction, the quality, effectiveness and efficiency of services provided.

The TennCare Transportation program guidelines, which were developed by the CSAs and incorporated into their existing MCO contractual agreements, state that "transporter abuse will not be tolerated. As a part of the CSA quality assurance program, the clients will be polled from time to time on the quality of service they received from the Transporters."

The three Eastern Tennessee CSAs do not conduct any type of customer satisfaction surveys to determine if TennCare enrollees are satisfied with the services they are receiving and if there are any areas of concern that need to be addressed. Rather, the CSAs are depending on those clients utilizing the program to contact the agency if a problem or concern arises that causes dissatisfaction with the services being provided. The other six CSAs (Northwest, Southwest, Mid-Cumberland, Upper Cumberland, South Central, and Memphis/Shelby County) all conduct regular customer satisfaction surveys that address a number of factors that could affect the level of service that is being provided.

The Eastern Tennessee CSAs should take a more proactive role in making sure TennCare enrollees using the program are receiving the highest level of service available and that issues are being addressed in a timely, responsible, and effective manner. The CSAs should not depend solely upon the program participants' efforts to contact them as the only means of discovering problem areas.

### **Recommendation**

The three Eastern Tennessee CSAs—East Tennessee, Northeast, and Southeast—should take a more proactive role in assuring customer satisfaction by conducting regular client surveys of TennCare enrollees utilizing the transportation program. The surveys should be used to address any areas of concern and help the CSAs take a positive step toward ensuring that the program is providing a quality service.

### **Managements' Comments**

#### East Tennessee CSA

We concur. A customer satisfaction survey and procedural guidelines regarding customer satisfaction surveys of clientele in the TennCare Transportation Program will be developed and implemented. This procedure will be in place by July 1, 2006.

The agency believes that this is a positive direction and will be valuable in assuring quality service for enrollees.

#### Northeast CSA

We concur. In review of the TennCare Transportation program, the Executive Director found the current program director failed to implement and carry through this contract guideline. The Executive Director is in the process of implementing a customer satisfaction survey for clients of the TennCare Program.

#### Southeast CSA

We concur. The agency erroneously believed that such customer satisfaction surveys were not required either by contract or program guidelines due to conflicting information from the MCOs and BHOs and the failure of the program's former manager to obtain appropriate clarification. Under the program's new management the agency will now conduct appropriate customer satisfaction surveys of its clients on a monthly sampling basis beginning in April 2006.

---

## RECOMMENDATIONS

---

### LEGISLATIVE

This performance audit identified areas in which the General Assembly may wish to consider statutory changes to improve the efficiency and effectiveness of East Tennessee CSA, Northeast CSA, and Southeast CSA's operations.

The General Assembly may wish to consider (1) amending state law to provide for the removal of board members with excessive or consecutive absences and (2) amending Section 37-5-305(b), *Tennessee Code Annotated*, based upon the advice of the Attorney General, to remove the Commissioner of Finance and Administration or the commissioner's representative from serving as a voting member on rural CSA boards. Section 37-5-305(j), *Tennessee Code Annotated*, would limit the commissioner's participating in the majority of CSA business.

### ADMINISTRATIVE

East Tennessee CSA, Northeast CSA, and Southeast CSA should address the following areas to improve the efficiency and effectiveness of their operations.

1. The boards for East Tennessee CSA, Northeast CSA, and Southeast CSA should revise their conflict-of-interest policy to require annually signed conflict-of-interest statements that list financial interests, prior employment, employment of immediate family members, and other matters that may influence decisions or could give the appearance of influencing decisions.
2. The three executive directors should ensure that comprehensive conflict-of-interest statements are received from board members in a timely manner, and board chairs should ensure that members recuse themselves when conflicts arise.
3. The boards for East Tennessee CSA, Northeast CSA, and Southeast CSA should design and develop written policies defining how many consecutive absences may occur before that constitutes excessive absences and that the board chair notify the Department of Finance and Administration and the Governor in writing and in a timely manner of board members who vacate their positions officially by a letter of resignation or create de facto vacancies through excessive or consecutive absences. The board should work with the Governor's office to ensure that the Governor has sufficient notice of upcoming term expirations and any other additional information he might need to make timely appointments.

4. The board chairs and executive directors of all three of these CSAs should ensure that they counsel their board members regarding the requirements for vacating a board position. When a board chair notes that a board member has not attended for some time, he or she should direct the executive director to contact that member, ascertain whether that member has any intention of regularly attending board meetings, and assist the board member in drafting a letter of resignation if necessary in a timely manner.
5. The boards for East Tennessee CSA and Southeast CSA should also revise board policy to require a majority of the membership for a quorum and specify how that quorum must be achieved—through personal attendance or teleconferencing. These two boards, in addition to the board of Northeast CSA, also should not conduct business requiring board approval through individual polling of board members by phone as it does not permit open and considered debate on issues. As all three boards have an executive committee, which they did not use during fiscal years 2003 through 2005, the boards should consider the use of the executive committee to conduct business between regular board meetings.
6. East Tennessee CSA, Northeast CSA, and Southeast CSA should develop formal, written Title VI policies and procedures for monitoring themselves and the vendors with whom they do business for compliance with Title VI.
7. East Tennessee CSA, Northeast CSA, and Southeast CSA should obtain, and keep updated, all necessary documentation from transportation vendors to ensure vendors are able to safely meet the needs of the TennCare population. When CSA staff determine that a vendor is not in compliance with contract requirements, they should take appropriate action as outlined in the contract, including the immediate suspension of the vendor if necessary.
8. The three Eastern Tennessee CSAs—East Tennessee, Northeast, and Southeast—should take a more proactive role in assuring customer satisfaction by conducting regular client surveys of TennCare enrollees utilizing the transportation program. The surveys should be used to address any areas of concern and help the CSAs take a positive step toward ensuring that the program is providing a quality service.

The Department of Finance and Administration (F&A) should address the following areas to improve the efficiency and effectiveness of its operations.

1. The Commissioner of F&A should require his representatives to recuse themselves from CSA board votes. The Commissioner of F&A and the CSAs should seek the advice of the Attorney General regarding the commissioner's role on the board of directors.
2. The department should determine what information it needs in a CSA annual report and when. The department should revise Rule 0250-7-6-.05(8) to reflect F&A

requirements in its grant contract with the CSAs. F&A should also ensure that there is in place a monitoring tool that its liaison with the CSAs will use to determine whether CSAs submit reports in a timely manner.

**APPENDIX  
Title VI Information**

All programs or activities receiving federal financial assistance are prohibited by Title VI of the Civil Rights Act of 1964 from discriminating against participants or clients on the basis of race, color, or national origin. East Tennessee CSA, Northeast CSA, and Southeast CSA all receive, have received until recently, or are just beginning to receive federal funds from the Department of Children’s Services (DCS) for the Child and Family Services programs; from TennCare via BlueCross, Preferred Health Partnership, and Magellan for transportation services; and from the Department of Finance and Administration’s Office of Criminal Justice Programs for the new Interim Sheltering Program and the Division of Mental Retardation Services for case management services. In addition, Northeast CSA receives federal funds through the Department of Finance and Administration for the Community Care Program.

These CSAs have designated Title VI coordinators and have reported up to now to either DCS or Department of Health through Title VI surveys of these departments’ vendors. These three CSAs state they have received no Title VI complaints during the past two years. See also Finding 3 regarding Title VI monitoring.

**East Tennessee CSA Staff Ethnicity and Gender  
By Job Position  
December 5, 2005**

<b>Title</b>	<b>Ethnicity</b>			<b>Gender</b>	
	<i>White</i>	<i>Black</i>	<i>unknown</i>	<i>Male</i>	<i>Female</i>
Administrative Specialist 4	2	0	0	0	2
Administrative Specialist 3	0	0	1	0	1
Administrative Specialist 2	5	1	0	0	6
Administrative Specialist	1	0	0	0	1
Case Coordinator	4	0	0	0	4
Case Manager 2	6	1	0	0	7
Case Manager 1	2	0	0	1	1
Team Coordinator	1	0	0	0	1
Team Leader	1	0	0	0	1
Fiscal Specialist 3	1	0	0	0	1
Nutrition Educator	2	0	0	0	2
Nutritionist 1	1	0	0	0	1
Executive Director	1	0	0	1	0
Director	2	0	0	1	1
<b>Total</b>	<b>29</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>29</b>

**East Tennessee CSA Board Members Ethnicity and Gender  
November 21, 2005**

	<b>Gender</b>		<b>Ethnicity</b>	
	<i>Male</i>	<i>Female</i>	<i>White</i>	<i>Black</i>
Board Member	7	6	13	0
(2 vacancies)				

**Northeast CSA Staff Ethnicity and Gender  
By Job Position  
November 16, 2005**

<b>Title</b>	<b>Gender</b>		<b>Ethnicity</b>	
	<i>Male</i>	<i>Female</i>	<i>White</i>	<i>Black</i>
Administrative Specialist 1	0	2	2	0
Administrative Specialist 2	0	4	4	0
Administrative Specialist 3	0	2	2	0
Administrative Specialist 4	0	1	1	0
Case Manager	1	3	3	1
Case Manager 4/Supervisor	0	1	1	0
Director, Fiscal Services	0	1	1	0
Director, Personnel	0	1	1	0
Executive Director	1	0	1	0
Fiscal Specialist 4/Accountant	0	1	1	0
Director, TennCare Transportation	1	0	1	0
<b>Total</b>	<b>3</b>	<b>16</b>	<b>18</b>	<b>1</b>

**Northeast CSA Board Members Ethnicity and Gender  
November 23, 2005**

	<b>Gender</b>		<b>Ethnicity</b>	
	<i>Male</i>	<i>Female</i>	<i>White</i>	<i>Black</i>
Board Member	2	6	8	0
(0 vacancies)				

**Southeast CSA Staff Ethnicity and Gender  
By Job Position  
December 2, 2005**

<b>Title</b>	<b>Gender</b>		<b>Ethnicity</b>	
	<i>Male</i>	<i>Female</i>	<i>White</i>	<i>Black</i>
Administrative Specialist 1	0	6	2	4
Administrative Specialist 2	0	1	1	0
Administrative Specialist 3	0	1	0	1
Case Manager 1	2	2	4	0
Case Manager 2	0	3	3	0
Case Manager 4	0	1	1	0
Chief Financial Officer	1	0	1	0
Executive Assistant	0	1	1	0
Executive Director	1	0	1	0
Fiscal Specialist 3	0	1	1	0
Program Director	0	1	1	0
Program Specialist 2	0	1	1	0
Program Specialist 3	0	1	1	0
Program Specialist 5	2	2	3	1
<b>Total</b>	<b>6</b>	<b>21</b>	<b>21</b>	<b>6</b>

**Southeast CSA Board Members Ethnicity and Gender  
November 28, 2005**

	<b>Gender</b>		<b>Ethnicity</b>	
	<i>Male</i>	<i>Female</i>	<i>White</i>	<i>Black</i>
Board Member	4	5	8	1
(1 vacancy)				