

Northeast Michigan Community Mental Health Authority Board

Board Meeting

May 9, 2019

I. Call to Order

Chair Eric Lawson called the meeting to order in the Board Room at 3:00 p.m.

II. Roll Call and Determination of a Quorum

Present: Les Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Mark Hunter, Judy Jones, Terry Larson, Eric Lawson, Gary Nowak, Pat Przeslawski

Absent: Albert LaFleche (excused), Gary Wnuk (excused)

Staff & Guests: Lisa Anderson, Carolyn Bruning, LeeAnn Bushey, Lynne Fredlund, Barton Gray, Laura Gray, Margie Hale-Manley, Judy Hutchins, Cheryl Jaworowski, Ed Lachowicz; Jason Lepper, Cathy Meske, Lance Rhines, Nena Sork, Peggy Yachasz;

III. Pledge of Allegiance

Attendees recited the Pledge of Allegiance as a group.

IV. Acknowledgement of Conflict of Interest

No conflicts were identified.

V. Appointment of Evaluator

Bonnie Cornelius appointed as evaluator for this meeting.

VI. Information and/or Comments from the Public

There were no comments presented.

VII. Approval of Minutes

Cheryl Jaworowski reported there is a correction to the budgeting monitoring report from the April meeting addressing budgeted amount of bad debt write-offs. She reported the Agency does not budget for bad debt; however, it does have an allowance for bad debt which offset bad debts.

Moved by Gary Nowak, supported by Pat Przeslawski, to approve the minutes of the April 11, 2019 meeting with correction as presented by the Finance Director. Motion carried.

VIII. Environmental Scan

Eric Kurtz reported during his last visit the majority of the focus was on the impact of Section 298. He reported he participated in a rather disturbing conference call just prior to this meeting related to medical loss ratio. He reports the State is working with CMS to build language into the contract addressing funding methods. The Cost Reports compiled by the Finance Directors have been under recent scrutiny and the State is saying what goes into the report is everything that is not direct service. This is not a federal requirement nor a CMS requirement. The fall back is this is being done for the 298 pilot agencies. This might be a good time to work with the legislatures to stop Section 298 from going forward. The benefit would be to try to make a CMHSP like any other provider. The actuary would set a standard fee schedule based on comparables with other providers.

Cathy Meske noted she has had conversations with Nena Sork and Cheryl Jaworowski contemplating how this would change the relationships we currently have. Eric Kurtz noted the group on the call was holding their ground and stating this was not the direction they want the system to go in. Advocacy efforts will be important.

Eric Lawson inquired as to what the administrative costs are as he remembered them being quite low. Eric Kurtz noted it is somewhere around 4.6%. He notes even if he brings in the administrative costs of

the member boards into the mix the administrative costs would still be quite low. Mark Hunter reported he has followed medical costs and the end result is the wages and benefits of employees are the means to savings with the agencies making cuts in those lines.

Eric Kurtz reviewed the market impacts with Board members noting much of this has not changes since the last presentation. He reports we are having increased scrutiny from the federal level and/or auditor general. He reported 14% of claims reviewed from Medicaid Plans did not have documentation to support the service. He notes the electronic health record system we have put in place should assist in compliance with documentation and reduce this type of exposure.

Mr. Kurtz reports the Cures Act has two pieces – Parity – includes all population and federal or national standards were to be used for authorization of those services. For I/DD there are no national standards established for this type of authorization. The State removed I/DD to address this. He notes the approved plan has not been published. Electronic Visit Verification is still on the radar to pinpoint when services are provided to assure the location matches the services.

Eric Kurtz reviewed the Federal Initiatives currently focused on which include the Cures Act, Home and Community Based Setting Compliance, Medication Assisted Treatment, the Opioid Crisis, Value-Based Payment models and the quality of Long Term Services and Supports (LTSS). He reports there are many Value Based Payment models under experimentation. There are many listed on the CMS website. With the new waiver approval, services provided by CMHSP are being identified as LTSS.

Eric reviewed the State Initiatives which include evolution and impacts of 298 initiatives, new administration and direction, public sector self destruction, waiver approval, expanded financial reporting, rate setting and unenrolled populations, funding slide, performance based incentive payments and increased oversight by the Office of Inspector General. The Waiver application has been approved but addresses substance use disorders only.

He reported the Medicaid unenrolled population group comprises 60% of the costs; however, these costs only serve 20% of the individuals. This is a fee-for-service arrangement. The State is continuing to separate this group in determining rate setting. Eric reports the PIHP/CMHSP is on a downward slide. There have been no increases for at least a year and a half.

Quarterly reports are being provided to the Office of Inspector General.

Mr. Kurtz reviewed the Regional Initiatives. The expansion of the behavioral health home seems to be getting attention. Currently, only Manistee-Benzie County fall in this initiative. They are attempting to get it into our entire 21-county area enrolled and even statewide. He noted more performance money will be directed to performance toward HEDIS (Healthcare Effectiveness Data and Information Set) measures.

Eric Kurtz reported there will need to be focus put toward step-down programs which will assist with getting individuals out of residential treatment to something more than outpatient services only.

Eric reviewed the items of focus the CMHSP/PIHPs need to really put their efforts. He notes inpatient settings and crisis alternatives are problematic statewide. Eric reported he believes this region does a good job to monitoring fraud, waste and abuse.

Eric reported the intent of the waiver was to roll all the waivers [HABS children's, etc.] into one waiver to reduce the reporting requirements. Two years after the submission of the original 1115 waiver, they only approved the SUD services and are now requiring the State to renew the HABS Waiver, Children's Waiver supplemented with General Funds which will now be rolled into the Medicaid services, SED Waiver was piloted in 6 or 7 CMHs. This will now be available statewide. Cathy Meske reported previously there was a limit as to how many would be allowed in the waiver and most were in southeast Michigan.

Current 1915b services (community living supports, respite, etc.) with 2,500 individuals regionally receiving these services, will require all individuals to be in an annual enrollment and eligibility process of some type.

Eric Kurtz reports the Department has many new staff who were not involved in program design when the waiver was submitted. He reported he supplied some of the new staff with some of the legwork that was conducted during the development of the submission. There is lack of institutional knowledge within the system.

Gary Nowak reported Eric Kurtz replaced Dave Schneider and is doing a great job. Eric Kurtz reported Dave Schneider was part of the conference call he participated in earlier today.

IX. May Monitoring Reports

Cheryl Jaworowski requested the Budgeting monitoring report and the Financial Condition monitoring report be presented prior to the Budget Amendment.

1. Budgeting 01-004

Cheryl Jaworowski reviewed the Statement of Revenue and Expense for month ending March 31, 2019. She reported at this point in the year, the Agency is \$277,433 to the good; and the budget deficit adjustment is shrinking. She noted if we were to cost settle today the Agency would have \$20,012 to carry forward with a lapse of \$67,024 which would be returned to the State. The Medicaid funding is overspent by \$157,827 and Healthy Michigan funding is underspent by \$185,189.

Cheryl Jaworowski reviewed line items with unspent dollars noting the budget amendment she will be presenting will correct the variances. She noted the \$400,000 surplus in salaries is due to positions being held open to address the budget shortage. The Self-insurance line item also under budget is attributed to the restructure of plans along with lower utilization. She reported the line item associated with staff recruiting and development is over budget due to psychiatrist recruitment. She noted contract inpatient, contract residential and contract employees and services are also under budget. There is a timing issue in the line item property and liability insurance and this will correct when our net distribution from MMRMA is received. Another item which will correct with the budget amendment is the rent line item. Rent for the Clubhouse was removed from the budget effective January 1, 2019 resulting in this line item showing a deficit and the amendment will add the revenues from Touchstone which will offset this deficit.

2. Financial Condition 01-005

Cheryl Jaworowski reviewed the balance sheet for month ending March 31, 2019. She reports the cash is significantly lower at this time; however, the accounts receivable offset it. NMRE remits payment to this Agency a month in arrears.

Cheryl Jaworowski reported the unrestricted net position is 14.1% of projected annual expense. This equates to 51 days of operating expenses.

Cheryl Jaworowski reviewed the financial statement from the Community Foundation for Northeast Michigan. The Community Foundation owns this fund. The spendable portion is \$9,503.20, which this Agency can utilize for various purposes.

X. FY19 Budget Amendment

Cheryl Jaworowski presented Budget Amendment #2 for FY18-19. The bold column is the amended budget amounts with the variance identified in the column proceeding this column. She reports the amended budget is \$353,940 more than the budget adopted last fall. She noted the rebates/incentives on line #12 is due to the incentive dollars received from the NMRE due to meeting performance measures. Cheryl reviewed the various revenue variances.

Cheryl Jaworowski reviewed the Expenditure Budget by account. She noted a large variance in salaries was due to open positions. She reported the direct care wage pass through of 25¢ was effective April 1. Cheryl Jaworowski noted the Agency also received incentive dollars from the NMRE. Cathy Meske

reviewed the incentive measures looked at by the state. The incentive dollars Northeast received this year was \$204,759. She will discuss this further in the Director's Report along with a couple other expenditures which will need approval.

Cheryl Jaworowski reviewed the savings in the self-insured benefits. Cathy Meske reported in January '18 health care plans were redesigned and the traditional Blue Cross plan was eliminated and plans were decreased. She noted this was one measure made to attempt to keep within our PMPM funding. Cheryl Jaworowski reviewed the variance in contracted residential noting the development of Adult Foster Care homes in the area have allowed to move individuals from higher cost residential to less costly placements.

Cheryl Jaworowski reported the greatest potential for risk in this budget is the health insurance if utilization goes up. Another risk would be revenues as she has budgeted for some additional revenue dollars.

Cheryl Jaworowski noted the next page in this amendment is the Expenditure Budget by program. Line 24 – Autism services \$92,000 was added to this and most likely this will not be enough due to expansion of the ages for autism service eligibility. Line 25 – private hospitalizations was decreased slight in anticipation of the new after hour screening service provided by Protocol will eliminate some admissions as they do a better job of screening individuals so they don't end up in the ER. Line 34 – contract residential was reduced slightly; however, this could change if an individual currently living at home needs placement. Cheryl Jaworowski reported Line 48 – Budget corrections to be spread is a placemaker with a deficit of \$402,960. This amount is not tagged to any one program as those dollars will be spread as dollars lapse in the various programs and are unknown at this point. The lapses occur when an employee is on short-term for an illness, a position is not filled immediately upon a staff resignation, utilization of insurance benefits dips lower than projected, etc.

Cheryl Jaworowski also reported the Capital budget decreased by about \$25,000. She reviewed the additional purchases and those pulled out of the budget.

As the following items need to be approved prior to adoption of the budget amendment, Cathy Meske reviewed the items at this time.

1. Director Report Summary

a. Suicide Prevention – Unlimited Community License Approval

Cathy Meske reported suicide prevention was an "End" developed for the Agency this fiscal year. She reports a DVD is available which provides a good story on suicide. This story addresses the ripple effect associated with suicide. Cathy noted the whole movie can be purchased for \$1,495.00 and would entitle this Agency to have the license to show to groups.

Terry Larson noted there was just a teen suicide in his community.

b. Performance Based Incentive Program

Cathy Meske noted this incentive would be awarded to staff based on last year's distribution with all staff working during that timeframe receiving the same dollar amount based on the number of hours worked. This would mean the administrative staff would get the same amount as a residential worker if they had the same amount of hours.

c. Community Health Worker Certification Program Scholarships

Cathy Meske reported there is training available for Community Health Worker Certification. Lisa Anderson and Peggy Yachasz applied for a grant in cooperation with ACC to obtain funding to provide scholarships for staff to attend. The Agency did not receive the grant. She noted we will apply for this again next year. Several programs within the agency could benefit from this certification and the Agency reached out to programs such as Peer Support Staff, Community Living Support Staff, Supported Independent Programs staff, Direct Care staff, etc. She reported staff were requested to submit an application. Applicant submitted the application and names were removed to make this a blind application of the review group.

The application contained a short questionnaire addressing why the applicant was interested in applying. Cathy Meske requested board approval of \$4,800 to cover the costs of the scholarship for four individuals. She noted only seven applicants applied. There would be enough money in General Funds in the budget to cover all seven applicants. Once certified the staff could be eligible for an educational advancement allowing for a small bump in their salary and would be required to stay employed with this Agency for at least one year post certification.

Nena Sork reported the college is planning to make this part of their regular curriculum and plans to offer this maybe twice a year. Nena Sork reported she taught a portion of the first cohort program. Terry Larson inquired as to whether this program is open to individuals outside the agency. While the program is available to individuals in the community, the scholarships would be awarded to internal staff. Accommodations would be made to assist the individual in scheduling their work assignments and classroom commitment as well as providing the individual with a laptop for school purposes during the course of the class.

Moved by Roger Frye, supported by Terry Larson to approve the purchase of the license for the suicide prevention rights to the movie documentary "Suicide - , authorize the distribution of the incentive dollars to staff based part- and full-time status and on hours worked, and approve funding for seven scholarships for the Community Health Worker Certification. Roll call vote: Ayes: Les Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Mark Hunter, Judy Jones, Terry Larson, Eric Lawson, Gary Nowak, Pat Przeslawski; Nays: None; Absent: Albert LaFleche, Gary Wnuk. Motion carried.

Moved by Gary Nowak, supported by Bonnie Cornelius, to approve the FY19 Budget Amendment #2 with above expenses incorporated into the amendment. Roll Call Vote: Ayes: Les Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Mark Hunter, Judy Jones, Terry Larson, Eric Lawson, Gary Nowak, Pat Przeslawski; Nays: None; Absent: Albert LaFleche, Gary Wnuk. Motion carried.

XI. May Monitoring Reports

1. Treatment of Consumers 01-002

The Recipient Rights monitoring report was reviewed. Steve Dean complimented staff on having reports done timely.

Mark Hunter noted the medication error rate seems high and questioned what was being done to address the errors. Pat Przeslawski reported this was addressed within the meeting and some of the errors counted are for individuals refusing to take their medication and sometimes it may be for such things as Maalox, a medication dropped on the floor needing to be discarded, etc. Pat Przeslawski noted the error rate is minimal based on the number of medications passed. Cathy Meske noted if the error is of a more serious nature, this is addressed with education and or discipline.

Moved by Pat Przeslawski, supported by Gary Nowak, to approve the May Monitoring Reports as presented. Motion carried.

XII. Board Policy Review and Self Evaluation

1. Board Job Description 02-003

Board members reviewed the policy. Pat Przeslawski stated the policy is written well and no adjustments are needed.

2. Board Core Values 02-014

Board members reviewed the policy and there were no revisions recommended.

XIII. Linkage Reports

1. Northern Michigan Regional Entity (NMRE)

a. Board Meeting April 24, 2019

The minutes were distributed for this meeting in draft format. There were no questions or concerns expressed.

b. Board Meeting March 27, 2019

The minutes for the NMRE Board meeting of March 27, 2019 were included in the materials mailed.

2. Community Mental Health Association of Michigan (CMHAM)

a. Spring Conference Update

The Spring Board Conference is scheduled for June 10 & June 11 in Novi, MI. Gary Nowak, Eric Lawson, Judy Jones, and Bonnie Cornelius will attend. The conference brochure was distributed.

i. Proposed By-Law revisions

The draft of the by-laws was included in the mailing. The voting delegates will be responsible for voting on the passage of the by-laws so Board members were requested to voice any concerns to the voting delegates.

XIV. Operation's Report

Nena Sork reviewed the Operation's Report for month ending April 30, 2019. She noted in April there were 58 pre-screens. She reported typically spring affects those individuals with a bi-polar diagnosis resulting in increased screens. She reported the majority of these prescreens were conducted during regular business hours. She reported there were also more walk-ins during this time period. The Clubhouse numbers are also increasing slightly since the Touchstone takeover.

Nena Sork noted Peer Support is down one staff person but they continue to serve 62 individuals between the two of them.

XV. Chair's Report

1. CMH PAC Last Call

Last call for the CMH PAC. Eric stressed the importance of providing support. Board members were requested to submit their checks for CMH PAC to Diane Hayka.

2. Appointment of Voting Delegates for Spring Conference

Bonnie Cornelius and Judy Jones were appointed as voting delegates for the Spring Conference. Gary Nowak will attend the Chairpersons Roundtable at the conference.

3. Disclosure of Ownership Forms Update

Board members were requested to submit their updated Disclosure of Ownership forms to Diane Hayka.

XVI. Director's Report (continued)

2. Director Report Summary

Cathy Meske reported Nena Sork and she attended the Montmorency Board of Commissioners meeting and it went well.

CARF has notified the Agency they will be arriving on June 12th for the triennial review. This will occur during the June 13th Board meeting so CARF guest may be present at the June meeting.

She reported she attended the OPS meeting and there was much discussion about Section 928 which requires each CMHSP Board to pass the local match dollars through to the State so a larger dollar amount of Medicaid can be secured. She noted we are not ready to request our County commissions to adopt a resolution related to this topic. The NMRE Board did give Eric Kurtz a directive to draft a letter of support.

Cathy Meske and Nena Sork will continue to meet with the County Commissions. The following dates are scheduled:

Presque Isle County – Friday, May 31 @ 9:00 a.m.

Alcona County: Wednesday, June 5 @ 10:00 a.m.

Alpena County – Tuesday, June 25 @ 1:00 p.m.

3. QI Council Update

The minutes from the most recent QI Council meeting were available for review. Board members had no questions or comments related to the minutes.

XVII. Information and/or Comments from the Public

There was no information or comments presented.

XVIII. Next Meeting

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, June 13, 2019 at 3:00 p.m.

1. Set June Agenda

The June agenda items were reviewed. Strategic Planning continues with Part II focusing on progress towards current "Ends." Ruth Hewett will be conducting an educational session

XIX. Evaluation of Meeting

Bonnie Cornelius provided the evaluation noting board members were engaged and the meeting flowed well. She notes there are so many topics covered during a meeting, Board members walk away with more knowledge every month. She reports information about programs really hits close to home as she has a family member who receives services.

1. Adjournment

Moved by Gary Nowak, supported by Judy Jones, to adjourn the meeting. Motion carried. This meeting adjourned at 5:00 p.m.

[signed by Bonnie Cornelius on 6/13/2019]

Bonnie Cornelius, Secretary

[signed by Eric Lawson on 6/13/2019]

Eric Lawson, Chair

Diane Hayka
Recorder