

**Northeast Michigan Community Mental Health Authority (NeMCMHA)
Board Meeting – October 12, 2023**

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: Bob Adrian, Les Buza, Bonnie Cornelius, Lynnette Grzeskowiak, Charlotte Helman, Judy Jones, Eric Lawson, Gary Nowak, Lloyd Peltier, Patricia Przeslawski, Terry Small

Absent: Terry Larson

Staff & Guests: Lisa Anderson, Connie Cadarette, Mary Crittenden, Erin Fletcher, Chris Harper, Cheryl Kobernik, Larry Patterson, Abbey Podbielski, Nena Sork, Jen Walburn, Bonnie Wirgau

III. Pledge of Allegiance

Attendees recited the Pledge of Allegiance as a group.

IV. Appointment of Evaluator

Bonnie Cornelius was appointed as evaluator of the meeting.

V. Acknowledgement of Conflict of Interest

No conflicts of interest were acknowledged.

VI. Information and/or Comments from the Public

There were no comments from the public.

VII. Approval of Minutes

Moved by Patricia Przeslawski, supported by Lynnette Grzeskowiak, to approve the minutes of the September 14, 2023 Board meeting. Motion carried.

VIII. Consent Agenda

ACORN Health and McLaren Northern Michigan were added to the Consent Agenda with information provided as a handout at the meeting. The Consent Agenda included contracts for Havenwyck and Harbor Oaks hospitals; North Shores, Safehaus, and Beacon crisis residential centers; Assistance to Independence Home Care Services, Compassionate Care, Dobson Health, and Northeast Michigan Home Health Care community living support and respite providers; GT Independence; and ABA Pathways.

Moved by Gary Nowak, supported by Lloyd Peltier, to approve the October Consent Agenda.

Roll Call: Ayes: Robert Adrian, Les Buza, Bonnie Cornelius, Lynnette Grzeskowiak, Charlotte Helman, Judy Jones, Eric Lawson, Gary Nowak, Patricia Przeslawski, Lloyd Peltier, Terry Small; Nays: None; Absent: Terry Larson. Motion carried.

IX. Consent Agenda: NEMROC

NEMROC was separated as its own Consent Agenda item due to Bob Adrian having a conflict of interest requiring him to abstain from voting.

Moved by Gary Nowak, supported by Terry Small, to approve the NEMROC Consent Agenda item.

Roll Call: Ayes: Les Buza, Bonnie Cornelius, Lynnette Grzeskowiak, Charlotte Helman, Judy Jones, Eric Lawson, Gary Nowak, Patricia Przeslawski, Lloyd Peltier, Terry Small; Nays: None; Absent: Terry Larson. Abstain: Robert Adrian. Motion carried.

X. MDHHS FY24 Contract – EGrAMS

Nena reported there had been a delay in CMHSPs receiving their MDHHS FY24 contracts, but that she will sign it in EGrAMS after receiving Board approval. This contract is for funds coming in, not being paid out.

Moved by Patricia Przeslawski, supported by Charlotte Helman, to approve the Executive Director signing the MDHHS FY24 contract in EGrAMS.

Roll Call: Ayes: Robert Adrian, Les Buza, Bonnie Cornelius, Lynnette Grzeskowiak, Charlotte Helman, Judy Jones, Eric Lawson, Gary Nowak, Patricia

Przeslawski, Lloyd Peltier, Terry Small; Nays: None; Absent: Terry Larson. Motion carried.

XI. FY24 Budget Hearing

Connie Cadarette reported they were very conservative with the FY24 budget. The projected revenues are down \$84,100 from the FY24 Continuation Budget. She provided a brief overview of the Expenditure Budget. More funds were placed into Contracted Residential and Salaries. The Expenditure Budget (by program) was reviewed with Connie noting that any large changes are due to staffing or needs within the department. She reviewed Capital Purchases and stated no large purchases are anticipated for the year. The last section of the budget is for Staffing – Full Time Equivalents (FTEs). They budgeted for 12.18 less staff for FY24. An anticipated 3% COLA was built in to the budget, as well. Staffing is one of the larger line items that will require a budget adjustment later in the year.

Moved by Gary Nowak, supported by Lloyd Peltier, to approve the FY24 Budget. Roll Call: Ayes: Robert Adrian, Les Buza, Bonnie Cornelius, Lynnette Grzeskowiak, Charlotte Helman, Judy Jones, Eric Lawson, Gary Nowak, Patricia Przeslawski, Lloyd Peltier, Terry Small; Nays: None; Absent: Terry Larson. Motion carried.

XII. October Monitoring Reports

1. Budgeting 01-004

Connie reviewed the Statement of Revenue and Expense and Change in Net Position for the month ending August 31, 2023. The Agency still has the intention to be \$2.3 million overspent for FY23, per the NMRE. The current total overspent is \$1,780,714, and some funds will still need to be sent back to the NMRE.

Larry Patterson reported on expenses and reviewed line items with negative variances. Salaries are overspent \$385,762 due to open positions being filled and the 3% staff retention payment that wasn't originally budgeted. Community Relations/Education is overspent due to unbudgeted items such as the 5K. Employee Relations/Wellness decreased \$7,000 from the previous period and is trending down. Contracted Inpatient is still over budget due to ongoing high cost placements. Contracted Residential has been behind all year due to non-budgeted contract increases and prior period charges. They built in as much additional funds to this line item for FY24 as they could. With 91.67% of the year elapsed, the Agency is at 94.4% of expenses used.

2. Compensation and Benefits 01-008

Board members reviewed the report and Eric suggested this be one of the monitoring reports Board members keep to review before evaluations in 2024.

Moved by Lloyd Peltier, supported by Terry Small, to approve the October Monitoring Reports. Motion carried.

XIII. Board Policies Review and Self-Evaluation

1. Annual Board Planning Cycle 02-007

The Board was in agreement that the policy is still appropriate.

2. Executive Director Job Description

Terry Small thinks this policy is still good. The Board was in agreement they were abiding by the policy.

3. Monitoring Executive Director Performance 03-004

Nena summarized the different audits the Agency goes through, including finance, IT, fidelities, reimbursement, and the CARF accreditation process.

4. Board Ends Statement 04-001

The Board reviewed the Board Ends Statement policy, which included the revisions they just approved.

Moved by Bob Adrian, supported by Gary Nowak, to approve the revisions to the Board Ends Statement policy. Motion carried.

XIV. Linkage Reports

1. NMRE Board Meeting – September 27

Eric reviewed what a basic NMRE Board meeting agenda consists of, which includes the NMRE SUD report that shows where liquor tax dollars are going. Gary reported there have been changes made in the SUD Committee, so those who receive funds will be required to report back on how they were spent. Eric pointed Board members to the document in their packets that details the formation of the Rural and Frontier Caucus. He asked that everyone read it to get a better understanding.

2. CMHA Fall Board Conference – October 23 and 24

Gary, Judy, Bonnie, and Lloyd will be attending the conference.

3. Advisory Council – October 9

Les reported they have been short members for a while, and they voted in two new members at their meeting on Monday, with a third new member possible starting in December. He said it was a good meeting and was one of the longest they've had.

XV. Operations Report

Mary Crittenden reported on operations for September 2023. Access completed 43 routine requests for services and 3 emergent requests. There were 39 crisis contacts and 49 prescreens, of which 19 were hospitalized. This data shows that diversions are being done well. The MI children's department provided services to 92 individuals, and those services are less intensive than home-based services. The Operations Report is going to be enhanced by adding BHH enrollees. 1,044 individuals were served in September.

XVI. Board Chair's Report

1. FY24 Strategic Plan

The Strategic Plan was presented with revisions tracked at the August Board meeting. The Strategic Plan presented to the Board today showed all revisions accepted.

Moved by Les Buza, supported by Charlotte Helman, to approve the FY24 Strategic Plan. Motion carried.

2. Schedule Nominations Committee Meeting

The Nominations Committee will meet at 2:30 p.m. prior to the next Board meeting on Thursday, November 9. Les will fill in for Terry Larson as the Presque Isle County representative. The three other Nominations Committee members are Terry Small, Charlotte, and Pat.

3. Review Meeting Evaluation Questions

Eric introduced the options for possible new meeting evaluation questions. Pat said they originally put the evaluation in place as they felt Board members weren't reviewing materials before meetings. Board members were in consensus on five new questions to revise the form with.

XVII. Executive Director's Report

1. Endowment Fund Grant Awards

The Endowment Fund is managed by The Community Foundation for Northeast Michigan. A committee meets to review and approve requests for grants. They approved \$250 for car repairs for employment transportation and \$244.08 for micro enterprise supplies.

Nena reported on her activities for the last month, stating they are still in union contract negotiations, and they have tentatively agreed to a four-year contract. She attended the Directors' Forum and met with Light of Hope Clubhouse's peer support and advocate. Rehmann presented the staff survey data to the Engagement Committee and Management Team, and they will present the results to the Board in December. She reported the Agency will not be moving forward with the previously discussed Alcona property as there are too many renovations required for the asking price.

Nena next brought up an issue she needed to address with the Board. When concerns from contract AFC providers arose in January, it uncovered issues that have been happening for years. They revised the

assessment tool to make it work better for rates and began reviewing the compensation grid. She spoke with a local AFC provider who showed Nena his documentation that he has been receiving the same amount for the last twenty years, meaning the Agency hadn't increased rates in twenty years. This led Nena to believe the assessment tool wasn't the problem, but rather it was the compensation grid. To bring the grid up to date all at once would cost about \$2.2 million. This year they added a conservative 5% increase, as the Agency can't be sure of what funding will look like for FY24.

While thoroughly reviewing the compensation grid a larger problem was uncovered. There are two types of residential AFC homes. Type B homes include the Agency's group homes and Blue Horizons, and they have their own set of rules that allow for billing personal care and CLS while receiving Social Security Cost of Care. Type A homes, which are the locally owned "mom and pop" AFC providers, are subject to different rules. Social Security law states that the Cost of Care payment they receive covers all personal care activities. The Agency isn't allowed to pay for any personal care if the AFC provider is receiving the Social Security Cost of Care payment for that individual. This would mean no matter the level of personal care, they would be receiving the same amount for each individual. This makes the compensation grid the Agency has been using to pay for personal care not allowable by law. Nena knows the grid came from a good place of trying to compensate contract providers for what they are doing to take care of individuals that required greater needs for personal care. They were trying to support these providers and sustain the system of care for individuals the Agency serves.

In 2011 Washtenaw CMH adopted an assessment tool and they were taken to court because of it. The ruling was that organizations cannot use an assessment tool to set a daily contractual rate over and above the Social Security Cost of Care that Type A AFC providers receive. The court struck down the assessment tool and stated the only additional contractual compensation organizations are allowed to pay for are behaviors and CLS. Nena's careful review of the history of the Agency's assessment tool shows that behaviors were added as criteria in 2011. She went back several years to check the assessment tool for behaviors in charts, and almost everything identified on the assessment tool is personal care and does not capture behaviors. Often times Type A AFC homes won't take individuals with behaviors, and those people typically get sent to other residential settings. Nena also looked for incident reports (IRs) showing behavior issues and was only able to find a few examples. If an individual is on a behavioral treatment plan and being reviewed by the Behavioral Management Committee, then the AFC provider does not have to complete IRs for those behaviors. This issue was first discovered by Nena on September 18 at a meeting with Eric Kurtz from the NMRE, Chip Johnston, CEO of Centra Wellness, and Mary Crittenden, COO of NeMCMHA. After several discussions with Eric Kurtz, and other Executive Directors at the September Operations meeting, it was decided that Eric Kurtz would contact MDHHS to report the problem and to see what can be done about unbundling personal care from CLS costs.

The largest potential consequence is all 48 individuals getting evicted from their homes. Since COVID, LARA has 500 less licensed AFC homes listed for Michigan. Nena has been doing research and looking at the law, and what has unintentionally been done is Medicaid waste. Every year all staff and the Board have to attest to compliance training that states they will report any Medicaid waste, fraud, or abuse. Waste is generally not considered to be a criminal action. The AFC providers are getting the Cost of Care from Social Security to provide for personal care services in their daily rate, and then the Agency is enhancing that rate with contractual payments. The assessment tool and the information has always been available in client records during audits.

Eric Lawson asked the Board to think about how long this has been going on under various Executive Directors. Nena inherited the issue and he gives her credit for facing it. He and Nena have been talking about it for weeks and he commended her integrity. Nena reported there have been multiple memos from the State that have come to the Executive Directors over the years, but the practice was never changed. The greatest concern is that this is going to harm individuals and jeopardize their placements in contracted AFC homes. Nena and her COO, Mary, have a long-term plan to resolve the problem if they receive the right permissions from MDHHS and the NMRE. She doesn't want to destabilize residential AFC providers or have beneficiaries evicted from homes. She is going to strongly advocate for them. Bob suggested Nena have a CMS attorney and a consultant review everything. Terry said the most important thing was that Nena came clean and didn't try to hide it or cover anything up.

Nena next discussed an L letter from the State regarding the Direct Care Worker (DCW) Pass Through. The Agency has done each DCW Pass Through that has been mandated by the legislature. The newest DCW Pass Through has a rule that those who have raised wages more than \$3.20 per hour from March 1, 2020 do not have to pass through the just approved \$0.85 per hour. The Agency has raised wages \$4.75 above what they were on March 1, 2020, so they do not legally have to do the pass through. Nena said this has not gone over well with some staff, but all staff will be getting a 3% COLA retroactive to October 1, 2023. The Board may receive complaints from staff, but all the CMHs in the region are doing this the same way.

XVIII. Information and/or Comments from the Public

None were presented.

XIX. Information and/or Comments for the Good of the Organization

Bob inquired about electronic Board packets. Eric agreed to have it on the next agenda. Pat commended Nena on her courage and said what she has accomplished during her time is absolutely outstanding.

XX. Next Meeting

The next meeting of the NeMCMHA Board is on Thursday, November 9 at 3:00 p.m. The Nominations Committee will meet at 2:30 p.m.

1. November Agenda Items

The proposed November agenda items were reviewed.

XXI. Meeting Evaluation

Bonnie said the meeting started and ended on time. She wouldn't want to be in Nena's shoes, but they're here to support her. The majority of the Board contributed.

Bob said one of the local consumers who used to work in the lobby suddenly passed away this week. Many in the community knew and liked him very much.

XXII. Adjournment

Moved by Patricia Przeslawski, supported by Lynnette Grzeskowiak, to adjourn the meeting.
Motion carried. This meeting adjourned at 4:49 p.m.

[signed by Bonnie Cornelius November 9, 2023]

Bonnie Cornelius, Secretary

Rebekah Duhaime
Recorder

[signed by Eric Lawson November 9, 2023]

Eric Lawson, Chair