

# Northeast Michigan Community Mental Health Authority Board

## Board Meeting

February 10, 2011

### I. Call to Order

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

### II. Roll Call and Determination of a Quorum

Present: Maggie Clay, Virginia DeRosia, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Pat Przeslawski, Tom Young

Absent: Linda Canfield (excused), Judy Hutchins (excused), Richard Anderson, Alan Fischer

Staff & Guests: Lisa Anderson, Carolyn Bruning, LeeAnn Bushey, Trina Edwards, Tim Gray, Ruth Hewett, Cheryl Jaworowski, Jim Kraenzlein, Ed LaFramboise, Cathy Meske, Tony White, Peggy Yachasz, Channel 11 News.

Gary Nowak removed two items from the agenda under monitoring reports as it is included in the Audit presentation and Cheryl's report.

### III. Information and/or Comments from the Public

There were no comments presented.

### IV. Consent Agenda

#### 1. Approval of Minutes

***Moved by Tom Young, supported by Virginia DeRosia, to approve the Consent Agenda as presented.*** Motion carried.

### V. FY 09-10 Audit Presentation

Trina Edwards and Jim Kraenzlein were introduced to the Board. Ms. Edwards represents the firm of Dennis, Gartland, & Niergarth and Mr. Kraenzlein represent the local firm Straley, Ilsley and Lamp.

Mr. Kraenzlein provided the Board with a summary of the highlights related to the audit presentation. Mr. Kraenzlein noted the Summary of Net Assets has a couple of key highlights – total assets and total liabilities were higher this year. Some of this is attributed to the lapsed Medicaid funds that were returned to the Affiliation. This was approximately \$1.3 million.

The Income Statement indicates revenues were lower this year by 2 ½%. He noted the interest rate really drives this decrease in that there is a shortfall in dollars to be used for local match.

Ms. Edwards reviewed the Audit-Related Communications letter with Board members. She reported much of the language in this letter is standard language. She noted the compliance audit will be presented later as the Department has issued additional guidelines in the preparation of this which will include an administrative cost report analysis. She also reported discussion has included the long-term debt liabilities and noted that it might be to the Agency's advantage to pay those debts off due to low interest rates on earnings. Ms. Edwards reported, this year again, there are cash balances in the Agency account that are not fully covered by deposit insurance.

Richard Anderson arrived at 3:12 p.m.

The cost report due March 31 will be submitted by Cheryl Jaworowski and the auditing firm will then audit that report to finish the compliance portion of the audit.

Gary Nowak complimented staff on a job well done. Trina Edwards noted it is a difficult process due to the State making changes constantly.

**VI. Educational Session – Continuing Discussion on Community Education/Public Relations**

Tony White addressed the discussion which began last month related to the Tucson, Arizona incident and the concerns Board members had related to press coverage of the event. Tony White reported Judy Hutchins submitted a letter to the editor which addressed points related to having availability of services.

Tony White distributed a draft of an article that he proposed for submission to area newspapers; the article addresses the Tucson incident. He noted that since the subject addresses a significant policy area, the Board should provide input as well. The article recommends that CMH do more to educate the public about mental illness issues and that laws and rules limiting circumstances under which a person can be required to receive mental health treatment be revisited. Tom Young noted that alienation is often a factor in incidents such as this one. Terry Larson noted that from his experience in Protective Services, the public rarely becomes so engaged until there is an outcome such as this. On a more general note, Tom Young stated that, from his experience in journalism, the industry wants a "human perspective," but because of confidentiality requirements, those kind of stories can be difficult. The consensus of the Board was to proceed.

Gary Nowak requested a motion related to the audit.

***Moved by Marie LaLonde, supported by Richard Anderson, to accept and file the FY 09-10 Financial Audit as presented.*** Motion carried.

**VII. February Monitoring Reports**

**1. Treatment of Consumers 01-002**

The minutes and reports of the Recipient Rights Committee were included in the mailing. Board members had no questions or concerns regarding the reports.

Alan Fischer arrived at 3:30 p.m.

**2. Staff Treatment 01-003**

Tony White reviewed the turnover report with Board members. He noted the overall turnover is lower than the national labor statistics for similar job categories.

**3. Budgeting 01-004**

Cheryl Jaworowski reviewed the November Income statement briefly which was included in the mailing. She noted the December Income statement was distributed this evening. She reports the local match is still an issue. As of December 31, Medicaid and General Funds were underspent.

Cheryl Jaworowski reported the Balance Sheet was also distributed to Board members at this meeting. She reported there is a change in the way financial statements are reported. It now requires a grouping of Net Assets to include restricted funds as well. She reported there are 46 days of operation in the unrestricted fund balance. She requested approval to pay off the long-term debt on 400 Johnson Street as well as the Cambridge land contract as recommended by the auditors. The payoff amount on the Johnson Street building is \$172,779; the Cambridge home balance is \$35,106 and is recommended to be paid off this spring.

***Moved by Richard Anderson, supported by Virginia DeRosia, to approve the February Monitoring Reports as presented.*** Motion carried.

***Moved by Richard Anderson, supported by Pat Przeslawski, to authorize payment of the mortgage on this building with Independent Bank and authorize payment***

***of our land contract as recommended.*** Roll call vote: Ayes: Richard Anderson, Maggie Clay, Virginia DeRosia, Alan Fischer, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Patricia Przeslawski, Tom Young; Nays: None; Absent: Linda Canfield, Judy Hutchins Motion carried.

## **VIII. Board Policy Review and Self Evaluation**

### **1. Asset Protection 01-007**

Board members reviewed the policy and no changes were recommended.

### **2. Board Committee Principles 02-005**

Gary Nowak requested input as to a self-evaluation. Pat Przeslawski noted she was here when the committee structure was in place and really likes the fact the Board hears everything under policy governance. Alan Fischer requested clarification of Board Committees. Gary Nowak reported the committees of the Board include the Executive and Nominations Committees; the Recipient Rights Committee is mandated by the Mental Health Code and reports to the Board. Members are appointed by the Board. The Consumer Advisory Council is a council that was established to assist the Board with a consumer perspective.

Alan Fischer noted paragraph 5 of the policy provides definition of what constitutes a board committee. Tony White reported the Consumer Advisory Council should be considered a Board Committee. The QI Council was created by Management Team and reports to the Board; however, it is administrative in nature.

### **3. Delegation to the Executive Director 03-002**

Tony White noted this Board limits the Director's means and activities through its Executive Limitations policies.

## **IX. Linkage Reports**

### **1. Northern Affiliation**

Tony White reported the next Affiliation Board meetings will be held in March. He reports the Operations Committee met via conference call earlier today. He reported there is progress made toward implementation the electronic medical records system within the Affiliation.

### **2. Board Association**

#### **a. Advocacy Plan**

Tony White suggested to Board members that will be attending the Winter Conference to review the Advocacy Plan drafted by the Board Association. He reported Senator Moolenaar will be meeting with the group during the conference. Mr. White reviewed some of the highlights in this paper; he noted the behavioral health "carve out" may be in danger. Without this carve-out, mental health resources may be absorbed by the much steeper cost curve associated with primary care.

He reported the concept of Medical Homes will be emphasized. People served by CMH could be natural populations to receive both primary and behavioral healthcare in this manner.

The "early adopter" rule provides that states that implement aspects of Federal healthcare reform early would get a special rate on the FMAP (Federal Medicaid Percentage) for two years.

Finally, administrative efficiencies such as paperwork reduction, eliminating superfluous reviews and audits, etc., would save resources.

**b. Michigan Association of Health Plans White Paper**

Tony White reported the Michigan Association of Health Plans, which represent all the Medicaid Health Plans (MHPs), had released a White Paper. This White Paper included a recommendation eliminate the behavioral health carve out and effectively move mental health services under the umbrella of the MHPs. Mr. White reported that the leadership of the CMH Board Association has met with the MHP Association and are working to create a "joint policy statement" that would retain the "carve out."

Tom Young inquired as to the increase in healthcare premiums related to parity. Tony White reported it is difficult to determine but studies have estimated an increase approximately 1-2%.

Terry Larson reported the state is also looking at the potential of merging substance abuse coordinating agencies with the mental health system.

**3. Consumer Advisory Council**

Tony White reported the Consumer Advisory Council met on Monday and hosted the Public Hearing related to the Program Policy Guidelines. Mr. White reported the Department issues the Program Policy Guidelines that are meant to guide changes to the mental health system. This has also been used to communicate to the Legislature the need for additional mental health resources. He acknowledged that the format of this report is not useful as it is an update of an earlier report.. The Standard Group is working to develop new needs assessment process to make this more meaningful. He noted there have not been new additional general funds from the state for many years, so that for all practical purposes, the only way to answer identified needs is to move existing resources around within our own budget.

Examples of such movement of resources include enhancement of geriatric services as that population is the only growing segment of the general population of Northeast Michigan; also, as we have closed group homes, we have move resources to support people to live in their own homes.

Tony White reported the Waiting List was reviewed during the Public Hearing. He reported the waiting list is used for only consumers that do not qualify for Medicaid. The report shows that only persons not needing intensive services were placed on the waiting list. At this point, there are no consumers on the waiting list. Since the waiting list was established, all the consumers have either received services, declined services, were referred to other resources, or did not respond to the outreach efforts when services were made available again.

Tony White reported the Request for Services and Disposition of Requests was submitted; however, there are some adjustments that are needed to make the report accurate. The intent of the report is to determine what happens with the consumers that either call for or walk in requesting services. He reported the report will be brought back to the board when the data can be authenticated and auditable.

**X. Director's Report**

**A. Report of Public Hearing / PPGs**

Covered under the report for the Consumer Advisory Council.

**B. Local Match Resolution Update**

Tony White reported all Counties have adopted the resolutions discussed by the board at previous meetings.

**C. QI Council Update**

The minutes of the QI Council were included in the mailing and Board members had no questions.

**XI. Chair's Report**

**A. 2011 CMH PAC Update**

Gary Nowak requested Board members to make their donation to the CMH PAC by the March meeting. Tony White reported he will be matching the amount collected up to \$600.

Gary Nowak reported there is one slot open for the Winter Conference. If no Board member can attend, staff will fill the vacancy.

**XII. Information and/or Comments from the Public**

Tim Gray reported the Medical Home model should help address the reported 25 year gap that exists in life expectancy between the general population and people with serious mental illnesses.

**XIII. Next Meeting**

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, March 10, 2011 at 3:00 p.m.

**A. Set March Agenda**

Gary Nowak reported by the next meeting the wireless computer connection will be available in the Board Room for board members wishing to make use of it. Dick Wiitala will be present to assist in any set up that might be necessary.

Gary Nowak reported he received an unsigned letter with concerns; however, as it was not signed it will not be addressed. He wanted staff to be aware of the importance of signing letters of concern to get responses.

**XIV. Adjournment**

***Moved by Marie LaLonde, supported by Virginia DeRosia, to adjourn the meeting.*** Motion carried. This meeting adjourned at 4:35 p.m.

signed by Virginia DeRosia on 3/10/11  
Virginia DeRosia, Secretary

signed by Gary Nowak on 3/10/11  
Gary Nowak, Chair

Diane Hayka  
Recorder