

# Northeast Michigan Community Mental Health Authority Board

## Board Meeting

November 8, 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, Alan Fischer, Judy Hutchins, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Pat Przeslawski, Tom Young

Absent: Linda Canfield (excused), Richard Anderson

Staff & Guests: Lisa Anderson, LeeAnn Bushey, Carolyn Bruning, Ruth Hewett, Cheryl Jaworowski, Ed LaFramboise, Tony White

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

There were no comments from the public.

### IV. Educational Session – Healthcare Reform – Legislative Issues

Alan Bolter, Associate Director for the Michigan Association of Community Mental Health Boards, provided the Board with an overview of legislative issues and healthcare reform. He reported prior to his employment at the Board Association, he was employed in the legislature for 11 years. Mr. Bolter noted the Board Association is sponsoring training on December 12 on "Preparing for Healthcare and Integration - Specialty Health Homes". The Missouri Department of Mental Health will be presenting their model to assist in Michigan's development.

He reported on the Governor's special healthcare and wellness message with the overall goal of improving healthier lifestyles and addressing the mortality rate of infants as well as decreasing the morbid obesity in residents. In respect to mental illness, the Governor emphasized the need to decrease the number of inmates in prisons having a mental illness.

Focus will also be on the simplification and reduction in administration in the 46 CMHs, 16 Coordinating Agencies and 18 PIHP systems. He reports these numbers are repeatedly focused on in talks by Director Dazzo. Mr. Bolter notes focus needs to be on the redundancy of audits and reports requiring administrative services. He notes, if CARF accredits an agency, the Department should not also have to perform what is a basically duplicative review.

The Governor's message also focused on Autism. He reports the Association will encourage the legislature to look at the bigger picture and adopt a mental health parity bill which covers all brain disorders and not single out one disorder such as Autism. Mr. Bolter notes there is tremendous opposition by the business community fearing the increase in healthcare costs; unions also oppose the concept which they see as imposing on their right to negotiate for benefits.

Two other items in the Governor's message called for a review of the Blue Cross Blue Shield statute. Right now the Blue is the insurer of last resort. Once the federal healthcare legislation takes effect in 2014, the federal government would become an insurer of last resort.

Alan noted two items have been signed into law recently - 1 SB 348 which is the claims tax. A 1% assessment will be placed on all health insurance claims and will replace the 6% HMO/PIHP Use Tax. This is worth about \$400 million in general fund dollars. The state then uses those dollars to draw down about \$800 million in Medicaid dollars making it worth about \$1.2 billion in the DCH budget.

Alan noted SB 7 is directed at public employees and mandates public employers be limited in the cost of health insurance benefits for employees. The legislation has been passed; however, there

are few details about how to accomplish the end goal, especially with an Agency such as Northeast that is self-funded. Mr. Bolter noted the legislature has acknowledged there will need to be "tweaking" of the bill as there are issues identified that need to be fixed. Tony White noted this bill takes effect January 1, 2012, leaving the Agency only 45-day window to implement. Mr. White reported Matt Slottke, our Campbell Group consultant, had contact with a legal firm to clarify how a self-funded program would be viewed. The opinion is the agency can use its own illustrative rates versus the illustrative rates from, in Northeast's case, the Blues. In addition, a cost settlement would not need to be completed at the end of the time period. Alan Bolter reported compliance with this bill will be difficult to police.

Mr. Bolter reported there are house bills introduced that would basically fold the Substance Abuse Coordinating Agencies (CAs)s into the CMH system. The intent is to reduce administrative costs and the consumer would receive services that are not duplicated and could receive better treatment. Elimination of some of the reporting requirements could save administratively. He reported meetings will be held to address concerns related to this.

Another bill introduced would change the current automobile insurance no-fault requirements. He reported the Board Association Executive Committee has taken the position to oppose the bills. By limiting coverage, this shifts the costs of medical claims to the public system. The provider community is very much opposed to this change. There has been a lot of lobbying surrounding this bill. Mr. Bolter noted this same type of bill has been passed twice before and signed by the Governor and a citizen's referendum overturned the bill both times. He reports this time the bills are drafted in such a manner they could be signed and not eligible for referendum overturn. Michigan is the only state having the type of unlimited coverage.

Alan Bolter noted the Preferred Drug List addresses drugs often prescribed for behavioral health issues. The bill would limit the drugs the physicians could prescribe, and encourage doctors to use generic medications. He notes any consumer's current medication would be grandfathered. In addition, initial prescriptions would be for a shorter duration (14-30 days prescription) to assure the consumer doesn't have reactions thus resulting in less waste. If the physician feels a non-preferred drug would be more effective, a prior authorization could be requested. The prior authorization would need to have a response within 24 hours from the Department.

This morning Senate Bill 693 – MI Health MarketPlace, the Michigan Healthcare Exchange, passed. This allows comparison shopping for insurance on-line. A Board will be appointed to develop the program. In the end, the service would be privatized and not be part of state government. This needs to be completed in less than two years. The Governor has requested that this Bill be adopted by the Thanksgiving/Hunting break. If Michigan does not complete this exchange, the State would default into the federal exchange system. Michigan could also lose their Medicaid eligibility if not complete on time.

Two items on the horizon – 1) CMH Jail services funded by General Funds; 2) Freedom to Work – this would allow Medicaid recipients to work without fear of losing their Medicaid benefits.

Mr. Bolter shared a memo from Lynda Zeller, Deputy Director Department of Community Health which addressed frequently asked questions related to "dual eligibles." There are about 220,000 consumers that are dual eligible statewide with about a quarter of those in the community mental health system. These consumers represent over half of the dollars flowing into community mental health. The Association has formed two sub-groups working on "Models Development" and "Consumer Stakeholder Group." The Models group is attempting to vision what Michigan's model should look like and how it would best serve consumers. The Stakeholder group is attempting to keep consumers active in the planning process and assuring they are educated and updated. The Association along with the Michigan Association of Health Plans, Area Agencies on Aging, the Healthcare Association of Michigan, and Association on Aging drafted a policy statement which was presented to the Department. The policy stresses the importance of building upon the Managed Care systems currently in place and the use of the strengths already developed. It also assures services presently provided by the community mental health system would continue to be provided.

Four workgroups were appointed: Care Coordination, Education Outreach, Performance Evaluation and Service Array. There are 35 members on each workgroup. The participants have been selected and many of the association members were selected to participate. When the workgroups have completed their projects, their input, as well as that from the RFI process, will be considered for incorporation in the State Plan. The Board Association has requested to review the State Plan prior to submission of the federal government. Mr. Bolter reported the legislators have been encouraged to take an active role in the review process as this amounts to about \$7 billion in state dollars. They have listened and plan to have a 30-day legislative/public review process upon plan completion. The Plan must be submitted by April 1, 2012 and would be implemented October 1, 2012.

Tony White reported the Directors of CMHSPs, CAs and PIHPs have been summoned to Lansing in December. Though the agenda has not been released for that meeting, it is assumed to include a discussion addressing the potential for consolidation. Alan Bolter reported there is language in the budget boilerplate addressing the CAs and PIHPs that overlap noting if there could be a 5% administrative savings by merging, it should be done.

The Board thanked Mr. Bolter for his wide-ranging and detailed update on Lansing activities.

## **V. Consent Agenda**

### **A. Approval of Minutes**

### **B. Contracts**

- 1. Children's Friendship Training**
- 2. Michigan Center for Positive Living Supports**

*Moved by Judy Hutchins, supported by Virginia DeRosia, to approve the Consent Agenda as presented.* Roll call vote: Ayes: Richard Anderson, Maggie Clay, Virginia DeRosia, Alan Fischer, Judy Hutchins, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Pat Przeslawski, Tom Young; Nays: None; Absent: Richard Anderson, Linda Canfield. Motion carried.

## **VI. November Monitoring Reports**

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

The material was included in the mailing and Board members had no questions.

### **2. Budgeting 01-004**

Due to year-end close out, this monitoring report is not available.

### **3. Financial Condition 01-005**

Due to year-end close out, this monitoring report is not available.

### **4. Ends 04-001**

Tony White reviewed the monitoring report related to Ends and the changes incorporated in that report. The Ends policy of adults with mental illness is measured using Behavioral Pathway's data system elements focusing on housing and employment. Often, and this report was no exception, the samples are too small to provide supporting data; this is why at last month's meeting administration proposed and the Board approved changing to an internally generated outcome measurement for future monitoring of Ends. Also, the SoQ, which is a consumer-completed outcome measure does not provide reliable data for the purposes of tracking Ends.

Tony White reviewed the DD Consumer Services Ends. Expectations for both were to maintain the numbers of consumers in those programs; however, we experienced significant increases in both.

Cheryl Jaworowski provided an explanation regarding non-Medicaid revenues and noted there will be a one-time accounting adjustment which will result in the General Funds going into the red; however, the dollars will be offset by lapsing Adult Benefit Waiver (ABW) fund which will become local match.

Community Education has improved. Partners in Prevention will continue to assist the agency with community education programs and cross system trainings.

***Moved by Pat Przeslawski, supported by Virginia DeRosia, to accept the November monitoring reports as presented.*** Motion carried.

**VII. Board Policy Review and Self Evaluation**

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

The Board reviewed the policy noting no changes were required.

**B. Staff Treatment 01-003**

The Board reviewed the policy noting no changes were required.

**VIII. Linkage Reports**

**A. MACMHB**

**1. Fall Board Conference**

Gary Nowak reported the conference was good; however, as voiced earlier, some sessions might have been too long. Lynda Zeller made a good presentation. Alan Fischer attended a session on SSDI and the changes in eligibility requirements. Judy Hutchins enjoyed the conference noting the emphasis on integrating primary health and behavioral health. Marie LaLonde indicated she attended a session related to Board governance; she noted that Northeast's model seems more advanced and works much better than most.

Roger Boston was awarded the Partners in Excellence award. Gary Nowak noted three of our consumers' micro businesses were vendors at the event as well.

**IX. Executive Committee Report**

Tony White reported the Executive Committee met on November 1 to approve the lease for the Fletcher Street office. He credited Cheryl Jaworowski for her efforts to get the lease and terms pulled together. Gary Nowak noted his initial resistance for leased premises, but that the proposed package addressed all of his concerns.

Tom Young inquired about the entry accessibility; Cheryl reported that it will be an accessible building at one end with accessible restroom facilities.

**X. Chair's Report**

**A. Appointment of Nominations Committee**

Gary Nowak appointed Alan Fischer, Pat Przeslawski, Marie LaLonde, and Tom Young to the Nominations Committee

This group normally meets in December and February. In December, the letter to counties will be reviewed.

**XI. Director's Report**

**1. Budget Update – General Fund Reduction**

Tony White reported the day the mailing went out, the call was received from the state related to the reductions in General Funds. He reported Northeast received a small cut again this year. The funding formula was used again. He noted the total cut for Northeast is \$9,416. Of that amount, \$3,994 is to be reduced from services. The remainder, \$5,422, must be cut from administration. Tony White reported the administrative cut could cause larger reductions in administration as the formula used to spread administration will also "leverage" reductions in Medicaid. Mr. White noted this will be reviewed at the Affiliation level to determine whether there might be a way this can be accomplished regionally.

**2. Disposition of N. 2<sup>nd</sup> Avenue Property**

Tony White reported case management program is currently located at 2<sup>nd</sup> Avenue. This will be vacated when Fletcher Street office is available.

He reported the Board has \$170,000 invested in this property. This property could be marketed as a hospitality house for ARMC or an adult foster care facility.

***Moved by Terry Larson, supported by Pat Przeslawski, to move forward with the potential sale of North Second Avenue.*** Motion carried.

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

There were no comments presented.

**XIII. Next Meeting**

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, December 8, 2011 at 3:00 p.m.

**A. Set December Agenda**

The December schedule was reviewed.

**B. Evaluation of Meeting**

Pat Przeslawski thanked Alan Bolter for his presentation and noted that the meeting was particularly informative. Cake or cookies were suggested for the December meeting.

**XIV. Adjournment**

***Moved by Pat Przeslawski, supported by Virginia DeRosia, to adjourn the meeting.***

Motion carried. This meeting adjourned at 4:30 p.m.

{signed on December 9, 2011}

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Virginia DeRosia, Secretary

{signed on December 9, 2011}

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Gary Nowak, Chair

Diane Hayka  
Recorder