

# Northeast Michigan Community Mental Health Authority Board

## Board Meeting

February 9, 2012

### 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: Richard Anderson, Linda Canfield, Virginia DeRosia, Alan Fischer, Tom Mullaney, Gary Nowak, Pat Przeslawski, Tom Young

Absent: Maggie Clay, Judy Hutchins (excused), Marie LaLonde, Terry Larson (excused)

Staff & Guests: Lisa Anderson, Marlene Barkley, Carolyn Bruning, Lee Ann Bushey, Trina Edwards, Cheryl Jaworowski, Jim Kraenzlein, Ed LaFramboise, Cathy Meske, Tony White

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

There were no comments from the public.

### IV. Consent Agenda

#### A. Approval of Minutes

#### B. Contracts

1. 26<sup>th</sup> Judicial Circuit Court – 2011-2012 Wraparound Agreement
2. System of Care – Federal Block Grant
3. Catholic Human Services
4. Blue Horizons Management Agreement

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

### V. FY 10 – 11 Audit Presentation

#### A. Financial Audit

Jim Kraenzlein CPA of Straley, Ilsley & Lamp PC and Trina Edwards CPA of Dennis, Gartland and Niergarth were in attendance to present the Financial Audit findings to the Board. Mr.

Kraenzlein pointed out the financial statement was presented fairly and this is a clean audit. He reports the assets remain essentially stable. Prepaid items decreased from previous years due to a reduction in health care claims.

Marie LaLonde arrived at 3:05 p.m.

Mr. Kraenzlein reported short-term and long-term debt associated with the building note and mortgages were paid off last year. The only remaining debt would be that of compensated absences.

There are two categories in net assets – fixed assets and unrestricted net assets. He noted the internal service funds used to fund self-insurance risk were dissolved during the fiscal year due to changes in contractual language with the Department of Community Health.

This year there were some underutilized Medicaid Funds which will be returned to the Northern Affiliation. This was similar to last year's underutilization.

The Agency used approximately \$46,000 of its unrestricted fund balance to cover general fund expenses in FY2011.

Trina Edwards reviewed the Audit-Related Communications with Board members. She noted the compliance report will be completed after the cost report is complete. This report was not due to the state when the audit was conducted. When the report is submitted, the compliance audit can be finalized. All other aspects of the compliance audit were reviewed and there are no issues in those items. She notes there were no difficulties in performing the audit and that the agency records are very well organized.

Gary Nowak noted Cheryl Jaworowski and her staff are to be commended for their excellent work.

***Moved by Linda Canfield, supported by Tom Young to accept and file the FY 10 – 11 Financial Audit as presented.*** Motion carried.

#### **VI. Educational Session – MACMHB – Medicaid Health Home Proposal**

Tony White provided the Board with an overview of the Board Association's proposal for providing services to the specialty populations served by dual enrollment in Medicare and Medicaid. This proposal will address integration of primary health care with behavioral health care. Michigan is one of 15 states developing programs for consideration by the Federal government for this integration. The Michigan Association of Community Health Board and the Michigan Primary Care Association worked collaboratively in developing the proposal.

Mr. White provided some background information about the concept of health homes:

Seven general principles of Health Homes are:

1. Ongoing relationship with a physician
2. Physician-led team responsible for on-going care
3. Responsible for **all** healthcare needs
4. Care coordinated across all elements of healthcare system
5. Meet quality and safety requirements
6. Enhanced access (open scheduling, expanded hours)
7. Payments based on value added

The Associations' proposal has been jointly developed and proposes that Medicaid Health Homes be established for our priority populations. The proposal targets adults with SMI & Children with SED, people with developmental disabilities, people with substance use disorders with another chronic condition, people with two non-behavioral chronic conditions and people with a non-serious mental health condition and another chronic condition.

Mr. White explained the proposed process used to determine assignment of eligible people to health homes, either a CMHSP or FQHC. A 2-year look-back at healthcare claims and "weighted diagnosis" would be used to inform this assignment. A health home would provide care management, care coordination, comprehensive transitional care, health promotion, referral to community and family support services, and individual and family support services.

The Michigan Health Home approach would require "bi-directional" contracts between community mental health boards and federally qualified health care providers. The health home would not necessarily provide all services, but must make all arrangement to assure their delivery.

Mr. White reviewed the makeup of the proposed team of healthcare professionals needed to round out the care team.

Mr. White reported the Department has been supportive of this proposal; however, the final determination will be made at higher levels of government.

Eight forums will be held from March 5<sup>th</sup> through March 13<sup>th</sup>. On the 13<sup>th</sup>, the Northern forum will be held at Munson Medical Center in Traverse City at 2:30 PM, with Northeast being a sub-regional site. We will make a connection to their location using video-conferencing equipment.

**VII. February Monitoring Reports**

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

The Recipient Rights materials were included in the mailing. Board members had no questions.

**2. Staff Treatment 01-003**

Tony White reviewed the monitoring report with Board members. This addresses turnover of staff for last calendar year. He notes Agency-wide turnover was 13%; this compares to a national turnover rate of 24% for similar employee groups. He notes this was generally a good year, especially considering it included the closure of a group home.

**3. Budgeting 01-004**

Cheryl Jaworowski reviewed the Statement of Revenue and Expenses for December 2011. She notes every negative variance was due to timing issues. The November report was also included in the mailing.

**4. Financial Condition 01-005**

Cheryl Jaworowski reviewed the Statement of Net Assets and Change in Net Assets. She notes there have been a couple of larger variances. She notes that accounts receivable has grown due to a computer programming issue with electronic claims submission. This may take up to three months to get resolved. She also reviewed the Community Foundation Balance sheet as of December 31, 2011. Cheryl Jaworowski reported \$2,000 has been requested from the Foundation as discussed at the January Board meeting.

**5. Asset Protection 01-007**

This monitoring report is addressed by the Audit Report conducted by the auditing firm and which was reported earlier in the meeting.

*Moved by Richard Anderson, supported by Marie LaLonde, to accept the February monitoring reports as presented.* Motion carried.

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

**1. Asset Protection 01-007**

There were no changes recommended to the policy.

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

There were no changes recommended. No comments were provided.

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

There were no changes recommended. No comments were provided.

**4. Grants or Contracts 01-011**

This policy was discussed at the December and January meeting with action tabled to consider new language related to the need for expedited approval of contracts in certain unique circumstances. Following discussion of the proposed policy amendment, the board suggested revisions to the proposal that would be less limiting, both in scope and in total cost of such contracts. The policy revisions presented incorporate the necessary language.

*Moved by Virginia DeRosia, supported by Richard Anderson, to approve the revisions to Policy 01-011 – Grants or Contracts as presented.* Motion carried.

**IX. Linkage Reports**

**1. Northern Affiliation**

Tony White reported that two weeks ago there was a meeting of the Northern Affiliation and the Health Center Directors related to integration. He noted at this meeting Dave Schneider presented the proposal addressed earlier in this meeting under the educational session.

**2. MDCH / Board Association**

**a. Dual Eligible Forum/Public Policy Input**

The schedule was distributed in the mailing related to the upcoming dual eligible forums.

**3. Consumer Advisory Council**

Tony White reported the Council was presented the same educational session the Board heard earlier. He also reported the PICC group is organizing an "Art in the Park" event in each Northern Affiliation member Board area.

**X. Chair's Report**

**A. 2012 CMH PAC Campaign**

Gary Nowak reported the past practice has encouraged Board members to contribute the equivalent of one per diem for this cause. He noted Tony White will match contributions up to \$600. A reminder will be included in the March Board mailing.

**XI. Director's Report**

**1. Transition Update**

Tony White reported, due to the Board's action last month, transition has begun. He and Ed LaFramboise have met frequently and transition issues and items are being identified and addressed. Tony White reviewed the bullets outlined in the memo included in the mailing.

**2. Psychiatric Recruitment**

Tony White reported Monika Arora MD will join the Agency effective February 13. She will rotate her days with Dr. Koppenol to provide the equivalent of an FTE.

**3. QI Council Update**

Tony White reported the minutes were included in the mailing. Pat Przeslawski questioned the 1900 missed appointments/no shows/reschedules in one quarter. Cathy Meske indicated she believes this may not be an accurate number. Linda Canfield reported many missed appointments in this agency could be attributed to the illness of the consumer. This number will be investigated for clarification.

Tony White reported the Governor presented his budget for FY13 earlier today. There is a modest increase to CMH General Funds state-wide of \$228,000. He notes this will be minimal when spread over the 46 community mental health boards. He reports a 2% increase in Medicaid was identified.

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

Pat Przeslawski stated she felt the Governor's stance on autism is unacceptable. Board members generally agreed that a parity bill should be more broad based and should not single only the one diagnosis of autism. Gary Nowak inquired about sending a letter to the Governor to address these concerns.

***Moved by Richard Anderson, supported by Linda Canfield, to request the Director to write a letter to the Governor, representatives and senators, to address concerns related to mental health parity.*** The Board will receive a copy in e-mail for those with e-mail. The letter will be signed by the Board and Director. Motion carried.

Tom Mullaney inquired about the timelines in electronic medical records as he heard there would be financial penalties if the deadlines were not met.

**XIII. Next Meeting**

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, March 8, 2012 at 3:00 p.m.

**A. Set March Agenda**

The March schedule was reviewed. Pat Przeslawski inquired of Tom Mullaney about the reappointment process used by Alpena County. Gary Nowak suggested a letter be sent to commissioners to request appointments be made by February 1 so the Nominations Committee can make recommendations. Tom Mullaney will inquire.

Nominations Committee will meet at 2:30 p.m. before the March Board meeting.

**B. Evaluation of Meeting**

Pat Przeslawski reported this meeting was interesting. Linda Canfield reported this meeting was an interesting meeting as well.

**XIV. Adjournment**

*Moved by Pat Przeslawski, supported by Linda Canfield, to adjourn the meeting.* Motion carried. This meeting adjourned at 4:25 p.m.

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[signed on March 8, 2012}  
Virginia DeRosia, Secretary

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[signed on March 8, 2012}  
Gary Nowak, Chair

Diane Hayka  
Recorder