

Northeast Michigan Community Mental Health Authority Board

Board Meeting

August 8, 2013

I. **Call to Order**

Chair Gary Nowak called the meeting to order in the Board Room at 3:00 p.m. The Board observed a moment of silence in memory of Carol Meske.

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

Present: Virginia DeRosia, Alan Fischer, Roger Frye, Judy Hutchins, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Pat Przeslawski

Absent: Linda Canfield, Judy Jones (excused), Tom Young

Staff & Guests: Carolyn Bruning, LeeAnn Bushey, Lynne Fredlund, Ruth Hewett, Cheryl Jaworowski, Ed LaFramboise, Dave Schaedig, Jessica Spencer

III. **Consent Agenda**

1. **Approval of Minutes**

2. **Grants and / or Contracts**

a. **Community Foundation of Northeast Michigan Mini-Grant**

Moved by Roger Frye, supported by Pat Przeslawski, to approve the Consent Agenda as presented. Motion carried.

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

There were no comments presented.

V. **Educational Session – Fiscal Intermediary Presentation**

Ed LaFramboise introduced Dave Schaedig to the Board. Mr. Schaedig owns Dave's Accounting and is a fiscal intermediary for individuals using the self-determination model for receiving supports. Ed LaFramboise noted the Michigan Association of Community Mental Health Boards bestowed a recognition award "Partners in Excellence" to Dave at their Spring Conference in Grand Rapids. Dave also received a local award "My Life, My Success."

Mr. Schaedig reported his disability occurred when he had a swimming accident in his teen years. He received assistance from Northeast for a unique wheel chair which allows him to move more freely. He completed his college education at Lake Superior State University in the accounting field. In 2005, he began receiving his support service under self-determination which allowed him to have a more active role in hiring his own staff. He was encouraged to begin providing fiscal intermediary services for others receiving services through self-determination. In 2010, he began that venture with one to two individuals. His high point was serving 11 individuals in the fiscal intermediary capacity.

A Fiscal Intermediary processes payroll, reimbursement from mental health, and quarterly taxes for the staff a consumer might hire for their supports. Dave reports he is responsible for running background checks on the staff the consumer hires and he makes sure all paperwork is complete such as W2's, etc. He reports if the individual has difficulty with their staff which might require some discipline, he refers that to Deb Hemgesberg for follow-up.

Tom Young arrived at 3:10 p.m.

Terry Larson inquired as to whether Dave Schaedig provides conservatorship services for Probate Court or a guardian role for an individual. Ed LaFramboise reported some of the accounting staff are Representative Payees for some of those persons-served assuring their bills are paid timely. Mr. Schaedig reports he also works for the Besser Foundation providing some accounting services.

Tom Mullaney reported Nikki Bloom is the Public Conservator in Alpena County. She has many checkbooks for various individuals in which she pays bills for. This also includes payment of property taxes, insurance costs, etc. This might be a new venture to expand his business. Dave reports he uses his own check stock and is able to print checks rather than have many checkbooks. Judy Hutchins reported the role played by the conservator is very important because if the paperwork is not completed and returned to Social Services in a timely manner, they might be disenrolled by Medicaid, etc. Tom Mullaney reported the Public Guardian is quite restricted whereas a private entity might not need to conduct business in the same manner.

Dave Schaedig introduced Jessica Spencer as his personal care worker to Board members.

VI. August Monitoring Reports

1. Treatment of Consumers 01-002

The minutes and quarterly report were included in the mailing and Board members had no questions related to this report.

2. Staff Treatment 01-003

The turnover report is monitored semi-annually. It was noted the agency's turnover rate for the first six months of the year is 7%; which, in the current economic condition, is somewhat impressive.

3. Budgeting 01-004

Cheryl Jaworowski reviewed the Statement of Revenue and Expense for month ending June 30, 2013. She notes the net loss is at \$216,655, which is about a \$20,000 improvement over the past month. She reports Medicaid is underspent by \$778,862 and General Funds are overspent by \$335,787. She notes the overall net loss is being reduced due to the restrictions put on General Fund services to those individuals whose service must be offset by General Fund dollars.

Ms. Jaworowski also noted an approved capital expenditure for the Pine Park home for flooring and furniture needs to be reallocated to their kitchen project. The cupboards at Pine Park were not able to be salvaged for one more year and needed to be replaced this year.

Moved by Roger Frye, supported by Tom Young, to approve the transfer of capital dollars slated for flooring and furniture at Pine Park to kitchen cupboards. Roll call vote: Ayes: Virginia DeRosia, Alan Fischer, Roger Frye, Judy Hutchins, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Pat Przeslawski, Tom Young; Nays: None; Absent: Linda Canfield, Judy Jones. Motion carried.

4. Financial Condition 01-005

Cheryl Jaworowski reported the Financial Condition report is provided quarterly. She reviewed the balance sheet with Board members noting the agency has gone under the 8% recommended level of unrestricted cash which would allow the agency to run for 27 days at this point.

Tom Mullaney inquired about whether there is a plan in place to determine how spending would be controlled if funding was restricted.

Tom Young inquired about whether there are any unfunded pension funds for this agency and Cheryl Jaworowski noted our pensions are fully funded.

Moved by Tom Young, supported by Virginia DeRosia, to accept the August monitoring reports as presented. Motion carried.

VII. Board Policy Review and Self Evaluation

1. Chairperson's Role 02-004

There were no comments or recommendations for this policy.

2. Board Member Per Diem 02-009

Pat Przeslawski inquired about whether staff had any increases in salary this past fiscal year and if the per diems for Board members are adjusted accordingly. The per diem is set at a defined amount and is not adjusted based on economic adjustments.

3. Board Self-Evaluation 02-012

There were no comments or recommendations for this policy.

VIII. Linkage Reports

1. Northern Michigan Regional Entity (NMRE) Update

Ed LaFramboise reported the Department of Community Health has accepted the application from the Northern Michigan Regional Entity with conditions. There will be some items that will need to be completed by January 1, 2014. At its August 21st meeting, the NMRE Board will most likely confirm the hiring of Dave Schneider as the CEO of the new Entity. Mr. LaFramboise reported he and Cheryl Jaworowski will be participating in developing the funding methodology that will be used for the new Entity.

Gary Nowak reported the Northern Affiliation is funding the Entity activities at this point and they are in good shape financially.

Pat Przeslawski reported the system seems to be creating layers of administration which could be handled locally less expensively. Ed LaFramboise reported currently there are 18 PIHPs that each employs a Director with a good salary. This is being reduced to 10 PIHPs saving the costs of eight Director's salaries. There are 16 Coordinating Agencies with a Director at the helm of each agency, which will be collapsed into one of the 10 PIHPs and eliminate costs there as well. In essence 34 agencies will become 10. Gary Nowak noted the benefit with having Board members on the Entity Board is the local community mental health agency has an equal voice in what happens whereas under the current arrangement North Country was the controlling Board.

Judy Hutchins inquired how we can address the Medicaid underspending to use those dollars with possible expansion of some program, etc.

Terry Larson noted there will most likely be more uniformity in services across the region down the road.

Gary Nowak reported another benefit of the Entity is the Board members will have a vote where under the hub and spoke model at the Northern Affiliation, Board Chairs were allowed to go to the meetings but had no vote.

2. Northern Affiliation Update

Ed LaFramboise noted he attended the Operations Committee meeting this week. It is likely between the three current boards, there will be about a \$2 million lapse in Medicaid. It is hopeful the lapse of Medicaid for Northeast will be returned to us in next fiscal year. If this is

not used by January 1, the dollars will most likely be returned to the Entity. Ed reported the Northern Affiliation currently has a fully funded Risk Fund as well as partner Northern Lakes CMH.

3. Board Association

Ed LaFramboise reported the Medicaid Expansion continues and is now referred to as "Healthy Michigan." It has gone through the workgroup at the Senate level and been voted out of Committee. The 27th of August is the target date for a vote for approval. He reports Senator Caswell and Senator Colbeck have proposed bills, which would basically privatize Medicaid. Ed reports Alan Bolter continues to encourage the pressure on the legislatures to endorse the Medicaid Expansion.

Tom Mullaney reports he talked to Senator Moolenaar and Tony Stamas, Senator Richardville's aid, while in Lansing recently. He notes it appears there might be some light at the end of the tunnel as if the Committee allows the bill to go out of Committee, they must feel the votes are there.

4. Clinical Services and Support Report

Ed LaFramboise notes this report is compiled by Carol Meske and reported on by Cathy Meske. Board members had no questions related to this report.

5. Consumer Advisory Council Update

The Consumer Advisory Council met this past Monday. The draft minutes for that meeting were distributed in the materials handed out today. Alan Fischer and Diane Hayka attended the meeting. Board members had no comments.

IX. DCH FY14 General Fund Contract

Ed LaFramboise reported the Board Association's CFI Committee works diligently with the Department to negotiate the contract for next fiscal year. At this point the funding dollars are not identified in the contract. That portion of the contract is contingent upon and subject to enactment of legislative appropriations and availability of funds. Ed noted he had contacted Alexis Kaczynski to inquire about being cautious on signing such an agreement and Ms. Kaczynski noted Boards have signed this contract many times without knowing what the funding would be without repercussions.

Moved by Pat Przeslawski, supported by Judy Hutchins, to authorize the Director to execute the FY14 General Fund Contract with the Michigan Department of Community Health. Motion carried.

X. Chair's Report

1. CEO Evaluation

Judy Hutchins stated reports have been very thorough. Virginia DeRosia and Pat Przeslawski notes they are pleased with Ed's performance. Marie LaLonde reported she is a member of the Presque Isle Human Services Board and was responsible for securing a speaker for their last meeting. She notes Ed provided a good presentation on Integrated Health Care. She also attended the Hillman employee recognition luncheon.

Ed LaFramboise reports there will be some challenging months ahead for the agency with all the changes as a result of forming the new Entity, possible Medicaid Expansion and General Fund budget reductions.

Moved by Pat Przeslawski, supported by Virginia DeRosia, to award a positive evaluation for the Director. Roll call vote: Ayes: Virginia DeRosia, Alan Fischer, Roger Frye,

Judy Hutchins, Marie LaLonde, Terry Larson, Tom Mullaney, Gary Nowak, Pat Przeslawski, Tom Young; Nays: None; Absent: Linda Canfield, Judy Jones. Motion carried.

2. CEO Performance Survey

Gary Nowak noted a small survey was compiled to allow Board members input into the Director's performance. He requested the surveys be turned into Diane Hayka. Pat Przeslawski noted she believes the Director is doing a good job.

3. Board Self Evaluation

Pat Przeslawski reported this Board works well together. Board members are free to voice their opinion without reprisal.

XI. Director's Report

1. General Fund Issues

Ed LaFramboise reported this is getting somewhat better as a result of transferring those individuals that do not have Medicaid to primary health care providers. It is hopeful this continues to improve. He reported the Medicaid Expansion will have a significant effect on our General Fund dollars for next year as those funds would be diverted into a health savings account to help continue Medicaid Expansion in the future. This could have a big impact on our already strained dollars.

2. Alcona Health Center Update

Ed LaFramboise reported we have received communication from the Alcona Health Center in Lincoln and they have found office space at the clinic location in Lincoln for an outpatient therapist. They are looking to see if they can also accommodate us with use of a conference room so group therapy could also be provided at that location. The case manager position might also be able to utilize some of the office space. Shared space will continue to be explored for this location.

3. County Commissioner Meetings

Ed LaFramboise provided Board members with dates of scheduled meeting with each of the county's Board of Commissioners. He provided Board members with information as to what will be covered during these update meetings.

Terry Larson left the meeting 4:15 p.m.

Ed LaFramboise noted many of the schools now provide school-based social work services within the school systems in collaboration with the Alcona Health Center and Thunder Bay Community Health Center.

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, September 12, 2013 at 3:00 p.m.

A. Set September Agenda

The September meeting will include the budget hearing. In addition, an educational session. Gary Nowak requested a presentation on what Medicaid dollars can be spent on and Judy Hutchins requested the same for General Fund expenditures. This might be the topic for a future meeting as September is a very busy month for the Accounting Department with fiscal year closeout.

I. Evaluation of Meeting

Pat Przeslawski reported this meeting was a very good meeting and Board members are very active in discussion.

II. Adjournment

Moved by Pat Przeslawski, supported by Marie LaLonde, to adjourn the meeting.

Motion carried. Tom Young voted no on adjournment. This meeting adjourned at 4:25 p.m.

{signed by Alan Fischer on 9/12/13}
Alan Fischer, Secretary

{signed by Gary Nowak on 9/12/13}
Gary Nowak, Chair

Diane Hayka
Recorder