

Northeast Michigan Community Mental Health Authority Board

Board Meeting

May 14, 2015

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: Linda Canfield, Bonnie Cornelius, Alan Fischer, Roger Frye, Marie LaLonde, Terry Larson, Gary Nowak, Pat Przeslawski

Absent: Judy Jones (excused), Eric Lawson (excused), Judy Hutchins, Albert LaFleche

Staff & Guests: Dayna Barbeau, Carolyn Bruning, LeeAnn Bushey, Lynne Fredlund, Ruth Hewett, Cheryl Jaworowski, Ed LaFramboise, Cathy Meske

III. Seating of Board Members

Bonnie Cornelius – Alcona County

IV. Consent Agenda

1. Approval of Minutes

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

Judy Hutchins and Albert LaFleche arrived at 3:02 p.m.

V. Information and/or Comments from the Public

There was no information or comments presented.

VI. Educational Session – Compliance Update

Christine Taylor, Northern Michigan Regional Entity (NMRE) Compliance Leader, was introduced to the Board. Ed LaFramboise provided Board members with some background of Ms. Taylor's duties.

Christine Taylor reported there are Federal and State requirements included in our contracts, which requires all employees to receive compliance training and any updates annually. She reviewed a PowerPoint presentation with Board members addressing the various mandates for compliance.

The Deficit Reduction Act (DRA) of 2005 addresses how Managed Care Organizations take care of federal dollars. On a broad level, the DRA made massive cuts to many federal budget line items and required greater assurance of providing a checks and balance system to alleviate any wrongful spending or fraud. The DRA mandatory compliance program requires each health care organization have: 1) Policies and procedures for detecting and preventing fraud, waste and abuse; 2) Designated compliance officer and committee; 3) Required training for staff (new hire and annually); 4) Effective methods for staff to make fraud reports; 5) Internal auditing and monitoring processes; and 5) Ability to respond to detected offenses and corrective action initiatives.

Christine noted the NMRE has a compliance plan and this plan is reviewed periodically. The OPs Committee just reviewed the most recent version of this plan. She reports she conducts claims

verification audits to assure claims charged are documented properly and if not the dollars need to be returned timely to avoid a False Claims Act violation.

She reports the Office of Inspector General (OIG) conducts audits and currently for every dollar the OIG spends on audit staffing and expenses, the return they bring back \$7 so conducting audits is quite lucrative.

Christine Taylor reported the Michigan Department of Health and Human Services (MDHHS) has their own Office of Inspector General office within MDHHS. She reports the NMRE was visited by this group for introductions only at that point. This group receives the claims data, which is used in "data mining" where the technicians in the OIG office look at the data for inconsistencies.

Christine reported she just finished auditing for the 2nd quarter of this year and Northeast scored 99%.

VII. Budget Amendment

Cheryl Jaworowski reported the original budget for this fiscal year was created in September and the revenues were unknown at that time. This budget amendment will adjust the revenue and expenses with known amounts. Cheryl Jaworowski reported the Medicaid PMPM the NMRE receives from the State is less than our Managed Care Medicaid budget. Going into this fiscal year, the member Boards of the NMRE knew there would not be enough Medicaid funding to cover the costs for services. A decision was made to use Risk Fund dollars at NMRE to soften the impact of the deficit. Member Boards are to get to their PMPM by October 1, 2016.

Ed LaFramboise provided explanation of the General Fund, Healthy Michigan and traditional Medicaid funding noting these revenue streams must be accounted for separately. Overall, the revenue budget had an increase of \$78,715.

Cheryl Jaworowski reviewed the Expenditure Budget by line item. She noted the salary line item decreased by \$131,324 which accounts for lapses due to long- or short-term disabilities, vacant positions, and also budgeted positions not yet filled. She reviewed several of the variances.

Cheryl Jaworowski addressed a new line item in the expenditure budget for General Fund Only expenditures. This will be used for items which can be totally covered by General Funds.

The Expenditure Budget by Program showed decreases in most all programs, which is attributed to decreases in the health insurance costs.

Cheryl Jaworowski reviewed the Capital Purchase budget. Items with changes are bolded.

Cheryl Jaworowski reviewed the Staffing – Full Time Equivalent budget. Pat Przeslawski inquired as to if the new positions were degree positions. Cathy Meske reported there is a mix.

Moved by Pat Przeslawski, supported by Marie LaLonde, to approve the budget amendment as presented. Roll call vote: Ayes: Linda Canfield, Bonnie Cornelius, Alan Fischer, Roger Frye, Judy Hutchins, Albert LaFleche, Marie LaLonde, Terry Larson, Gary Nowak, Pat Przeslawski; Nays: None; Absent: Judy Jones, Eric Lawson. Motion carried.

VIII. May Monitoring Reports

1. Treatment of Consumers 01-002

The monitoring report for the Treatment of Consumers was included in the mailing. Pat Przeslawski reported this was a good meeting and a good group. The report consisted of the

Quarterly Rights Reports for the first and second quarter of FY15. It also included the Semi-Annual Recipient Rights Data Report, which is submitted to the State.

2. Budgeting 01-004

Cheryl Jaworowski reviewed the Statement of Revenue and Expenses for month ending March 31, 2015. At this point in the year, we have underspent our budget by \$850,448; however, this is the blended dollar amount. The individual revenue buckets are not balanced in this under expenditure. The traditional Medicaid will be real tight. Ed LaFramboise reports Millimen will be working with the State as an actuarial to determine rebased Medicaid rates.

The Medicaid under spending thus far is \$271,864. This is needed as there were some risk funds in Medicaid used and we need to continue to underspend to get to our PMPM. The General Fund spending is underspent and this fund we want to spend and assure those in need receive services. There is no waiting list at this time.

The third party revenue increased due to County of Financial Responsibility (COFR) placements in our area. When an individual served by another Community Mental Health Board is in need of placement, that CMH is responsible for funding the placement. This provided the additional third party revenue.

3. Financial Condition 01-005

Cheryl Jaworowski reviewed the balance sheet for month ending March 31, 2015 with Board members. She reports in April \$1,000,000 was returned to NMRE so the Asset balance will be decreasing next month.

She reported at this point we have 39 days of operation should there be no income coming in.

Cheryl Jaworowski also reviewed the balance sheet for the Community Foundation Fund and the spendable amount to be used for mini grants for the individuals we serve.

Moved by Pat Przeslawski, supported by Albert LaFleche, to accept the May monitoring reports as presented. Motion carried.

IX. Board Policy Review and Self Evaluation

1. Board Job Description 02-003

Board members reviewed the policy and recommended no changes. There were no comments made.

2. Board Core Values 02-014

Board members reviewed the policy and recommended no changes. There were no comments made.

X. Linkage Reports

1. Northern Michigan Regional Entity (NMRE) Update

a. Regional Board Meetings

i. April 22, 2015

Ed LaFramboise reports he did not attend the April meeting but understands it was somewhat contentious. The Operations Agreement came under discussion. Each member Board had to have their full Board approve each of the revisions to the Operations Agreement. At the time of the April meeting, four of the member Boards had addressed the Operations Agreement at their full Board and one Board rejected all proposed changes. This makes the discussion null and void as all member Boards need to agree to any change.

Ed LaFramboise reported he and Cheryl Jaworowski had a six-month report from the NMRE related to finances and the report was a positive report.

ii. **March 25, 2015**

The minutes of the March 25th meeting were included in the mailing.

2. Board Association

a. **Spring Conference – May 19 & 20 – Amway Grand, Grand Rapids**

Gary Nowak, Roger Frye, Alan Fischer and Ed LaFramboise will be attending. Ed LaFramboise reports a new CEO has been hired for the replacement of Mike Vizona. Robert Sheehan, Director of CEI, has been hired to succeed Mr. Vizona.

3. Clinical Services and Support Report

Cathy Meske reviewed the report for month ending March 31, 2015 with Board members. Cathy Meske reviewed the graph for case management by program. She reports she will be meeting with her team to determine what information might be useful in reporting to the Board as the report, as it stands, will now become somewhat repetitive.

XI. Chair's Report

1. Strategic Planning Discussion

Gary Nowak reported the Strategic Planning will be held next month with a meal catered. Mike Vizona will be conducting the environmental scan for members. We will present Mr. Vizona with some pre-retirement gifts of gratitude for his willingness to be our presenter at several Strategic Planning Sessions.

2. Annual Report

Ed LaFramboise reported this is a draft of the report. The report is at the printers and 500 hard copies will be distributed. Terry Larson suggested sending these to the Probate Judges and prosecutors of each county.

Linda Canfield noted the Employee newsletter was also very informative.

3. CMH PAC Recap

The first installment to the CMH PAC was sent out totaling \$730. There were two more contributions made tonight which will be forwarded. Ed LaFramboise provided an explanation of the CMH-PAC fund and the support it provides. Alan Bolter at the Board Association is very active with the legislative representatives.

4. Board Secretary Appointment

Due to the removal of Virginia DeRosia from the Board by the Alcona County Board of Commissioners as a result of residency, the position of Secretary is vacant.

Moved by Roger Frye, supported by Terry Larson, to appoint Alan Fischer as secretary. Motion carried.

The by-law does not address replacement of an officer. This will be addressed and language proposed in December when the by-laws come up for review.

XII. Director's Report

1. Director's Update

Department of Health and Human Services (DHHS) Audit

Ed LaFramboise reported the Department conducted its annual audit of the NMRE and spent a portion of three days at Northeast. While here they visited the Harrisville home, reviewed

personnel files, training records and the clinical records of some individuals served by the Agency. One issue was personnel files not having copies of the CPR or First Aid cards, only documentation the individual had completed the courses. This was addressed prior to their exit. Once the written report is received, any other areas in need of improvement would then need a plan of correction.

Ed LaFramboise reports some of the other member Boards had issues which will be more difficult to respond to. There were some issues in the area of credentialing and privileging with some staff not having proper credentials for some of the services provided.

He reports this audit was the last of the audits for a while; however, the CARF Accreditation will be coming up next year. He notes Lynne Fredlund will be talking to Board members in the near future to address what would need to be done to prepare to get accreditation in Board Governance. Lynne Fredlund reported she is developing a presentation for the August meeting to address areas which will need to be focused on to achieve compliance.

DCH-DHS Merger

This merger is now complete and it is now the Michigan Department of Health and Human Services (MDHHS). There is little coming out from the State but John Keller, Director at the Department of Health and Human Services in Alpena, has kept Mr. LaFramboise informed of any potential changes. The state has indicated there needs to be integration of the DHS staff with other community service staff. There are some offices around the state which will be targeted for closure. Marie LaLonde indicated the Presque Isle County office is concerned about potential closure of that office.

State Innovation Model (SIM)

Ed LaFramboise noted this topic addresses the Governor's "Reinventing Michigan's Health Care System" document and the prosperity regions developed.

The Northern Physicians Organization (NPO) is applying to become an Accountable System of Care. A contract was sent to us from the NPO and our legal counsel recommended to instead send a letter of support. At their presentation, Alcona Health Center, Thunder Bay Community Health Services and our agency attended. ARMC did not attend. The second level of control is called the Community Health Innovation Region (CHIR). The Northern Michigan Health Coalition is spearheaded by the Northwest Michigan Council of Government now called Network Northwest. This group is applying for prosperity Region 2 only although it has tentacles in to our Region 3 through the NPO.

Ed LaFramboise indicated the minute the carve-out for mental health services goes away, the CHIR region may take over the managing of the dollars for mental health. He reports he has met with two members of the Northeast Michigan Council of Government just to keep the lines of communication open and assure should something happen we are at the right table.

He reports the District Health Department Northwest is likely applying to become a CHIR of Region 2 and 3. We have been cooperating with them in many of their planning activities for application.

Greg Proulx PhD

Ed LaFramboise reported Greg Proulx PhD is being recognized at the Infant Mental Health Conference next week in Kalamazoo. This organization has put together a PowerPoint tribute to Dr. Proulx. Ed LaFramboise reported he will share that presentation with Board members at a future meeting. A small area in the waiting room will also be dedicated in memory of Dr. Proulx.

2. QI Council Update

The minutes were included in the mailing. Board members had no questions.

XIII. Information and/or Comments from the Public

There were no comments presented.

XIV. Next Meeting

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, June 11, 2015 at 3:00 p.m. and is the Board's Strategic Planning session.

1. Set June Agenda

The June meeting is the Strategic Planning session. Mike Vizena will provide the environmental scan and the Ends monitoring report will be presented.

2. Evaluation of Meeting

Roger Frye and Pat Przeslawski both expressed their satisfaction with this meeting.

XV. Adjournment

Moved by Linda Canfield, supported by Pat Przeslawski, to adjourn the meeting. Motion carried. This meeting adjourned at 4:55 p.m.

[signed by Alan Fischer on 7/09/2015] _____
Alan Fischer, Secretary

[signed by Gary Nowak on 6/11/2015] _____
Gary Nowak, Chair

Diane Hayka
Recorder