

Northeast Michigan Community Mental Health Authority Board

Board Meeting

April 11, 2019

I. Call to Order

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

II. Seating of Board Member

Gary Wnuk – Alcona County

Mark Hunter – Alpena County

Lester Buza – Presque Isle County

Judy Jones – Alpena County

Terry Larson – Presque Isle County

III. Roll Call and Determination of a Quorum

Present: Les Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Mark Hunter, Judy Jones, Albert LaFleche, Terry Larson, Eric Lawson, Gary Nowak, Gary Wnuk

Absent: Pat Przeslawski (excused)

Staff & Guests: Lisa Anderson, Dennis Bannon, Carolyn Bruning, Lee Ann Bushey, Lynne Fredlund, Julie Hasse, Judy Hutchins, Cathy Meske, Larry Patterson, Mary Pingot, Nena Sork, Jen Whyte, Peggy Yachasz

IV. Pledge of Allegiance

Attendees recited the Pledge of Allegiance as a group.

V. Acknowledgement of Conflict of Interest

No conflicts were identified.

VI. Appointment of Evaluator

Gary Nowak appointed Judy Jones as evaluator for this meeting.

VII. Report of the Nomination's Committee

Gary Nowak reported the Nomination's Committee made their recommendations for officers at the March meeting. A copy of the minutes of their meeting was included in the mailing indicating the following recommendations for the Slate of Officers:

Eric Lawson, Chair

Roger Frye, Vice Chair

Bonnie Cornelius, Secretary

Gary Nowak, Past Chair

Gary Nowak called for nominations from the floor.

VIII. Election of Officers

Terry Larson nominated Eric Lawson for Chair position as recommended. Gary Nowak called for other nominations three times. ***Moved by Albert LaFleche, supported by Bonnie Cornelius to close nominations and a unanimous ballot be cast for Eric Lawson for the Chair position.*** Motion carried.

Terry Larson noted the changes made this year does not reflect any negative results with the current leadership and providing opportunities for the other members of the Board to serve in leadership roles

was the reason the Nomination's Committee provided this recommendation. Eric Lawson thanked Gary Nowak for the many years of service.

Eric Lawson assumes the role of Chair.

Terry Larson nominated Roger Frye as Vice Chair and Bonnie Cornelius as Secretary respectively. Eric Lawson called for other nominations three times. ***Moved by Albert LaFleche, supported by Lester Buza to close the nominations and a unanimous ballot be cast for Roger Frye for the Vice Chair position and Bonnie Cornelius as Secretary.*** Motion carried.

IX. Information and/or Comments from the Public

There were no comments presented.

X. Approval of Minutes

Moved by Gary Nowak, supported by Steve Dean, to approve the minutes of the March 14, 2019 meeting as presented. Motion carried.

XI. Compliance Audit Report

Mary Pingot, Audit Manager of Straley Lamp & Kraenzlein, presented the Compliance audit report to the Board. She reviewed the Compliance portion and the Internal Control Compliance portion of the audit. She reported there was one instance of immaterial noncompliance. The issue identified was a result in verbal revisions to reimbursement rates in clinical contracts without the increase reflected in the written contract. There were no examination adjustments as a result of this. She reported the Agency has put in measures to correct this. The internal controls to address this finding were put in place during March 2019.

Moved by Gary Nowak, supported by Roger Frye, to accept and file the Compliance audit for Fiscal Year 2019. Motion carried.

XII. April Monitoring Reports

1. Budgeting 01-004

Larry Patterson reviewed the Revenue and Expense report for month ending February 28, 2019. He reported the change in net position is \$93,914. Larry reviewed the line items with negative variances. Larry reviewed the items listed in Contract settlement items which include Medicaid Funds, Healthy Michigan Funds and General Funds. He reported the Rent line item variance will be addressed in a budget correction in the amended budget presented to the Board at their May meeting. This variance is due to the transfer of direct operation of the Clubhouse to Touchstone.

Larry Patterson noted the General Fund deficit has turned around. Cathy Meske reported this will reinstate the full activities of the Monday Night Activity program, which had been reduced recently. This swing can happen in General Funds can occur when an individual is reinstated with Medicaid and the services which were initially charged to General Funds due to the Medicaid lapse are then transferred back to Medicaid.

Larry Patterson reported last month Board members questioned the amount of bad debt write off the Agency has. He notes \$38,199 was the amount for last fiscal year and this fiscal year we have budgeted \$42,000 in that line.

2. Communication and Counsel 01-009

Cathy Meske informed the new Board members, monitoring reports are a means of evaluation of the Director to assure the Director is abiding by the limitations the Board has established in policy. Cathy Meske reported the focus during the past year addressed the costs associated with Autism, the 298 Pilots and integration of physical and behavioral health.

Cathy Meske noted Lynne Fredlund gave a great training to the Board on policy governance and stressed the Board is the voice of the four counties we serve.

Moved by Gary Nowak, supported by Judy Jones, to approve the April Monitoring Reports as presented. Motion carried.

XIII. Board Policy Review and Self Evaluation

1. Financial Condition 01-005

Board members reviewed the policy. Eric Lawson requested clarification about bullet #4, "Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days. Cathy Meske provided clarification. Eric Lawson suggested putting "previous" or "original discrete original fund balances" or "discrete previous fund balance". After discussion it was determined to use the wording "equal or greater to the original" making bullet #4 to now read "Conduct inter-fund shifting in amounts greater than can be restored to a condition of equal or greater to the original discrete fund balances by certain, otherwise unencumbered revenues within 30 days." ***Moved by Gary Wnuk, supported by Albert LaFleche, to revise Policy 01-005 as discussed.*** Motion carried.

2. Communication and Counsel 01-009

Board members reviewed the policy and there were no revisions recommended.

3. Governing Style 02-002

Board members reviewed the policy and there were no revisions recommended.

4. Cost of Governance 02-013

The budget numbers have been adjusted for the current fiscal year.

Moved by Bonnie Cornelius, supported by Lester Buza, to approve the revisions to Policy 02-013 Cost of Governance. Motion carried.

XIV. Linkage Reports

1. Northern Michigan Regional Entity (NMRE)

a. Board Meeting March 27, 2019

Cathy Meske provided Board members with a brief overview of the NMRE and the purpose behind the regional board. Diane Hayka reported this Agency's board has three representatives serving on the NMRE Board: Roger Frye, Terry Larson, and Gary Nowak.

Cathy Meske provided a brief summary of the local match received from the counties and how these funds are utilized. Gary Nowak reported the SUD Committee reviews requests for liquor tax and the NMRE Board approves those requests.

b. Board Meeting February 27, 2019

The minutes for the NMRE Board meeting of February 27, 2019 were included in the materials mailed.

2. Community Mental Health Association of Michigan (CMHAM)

The Spring Board Conference is scheduled for June 10 & June 11 in Novi, MI. Gary Nowak, Eric Lawson, Judy Jones, and Bonnie Cornelius have all indicated a willingness to attend.

3. Consumer Advisory Council

The minutes from the Consumer Advisory Council were distributed at this meeting. Lynne Fredlund provided a brief overview of the CARF educational presentation to the Consumer Advisory Council, noting CARF includes getting stakeholder input from those served by the Agency. Lynne Fredlund noted CARF is an accrediting body and by receiving this accreditation it provides deemed status and eliminates the need for the Department to conduct an intense audit.

XV. Operation's Report

Nena Sork reviewed the Operation's Report for month ending March 31, 2019. Nena addressed the drop in the number of pre-screens being conducted by our clinical staff. She reports she is tracking the data

for this item since the transfer of crisis after-hour coverage to ProtoCall. She reports the numbers have dropped which results in less inpatient admissions and also less pre-screen costs for clinician time.

Nena Sork also reported since the transition to Touchstone for clubhouse services, the census has increased for participation.

For "Other Contracted Residential Services" the numbers have also decreased. She notes an End was established to reduce individuals from specialized residential placement and she notes with the most recent transfer, the Agency has exceeded the goal.

Nena Sork reviewed the unduplicated count of those individuals served by counties.

Mark Hunter inquired as to what consumers are pre-screened – are they only individuals referred to us or all. Nena Sork noted it would be for all individuals with Medicaid or no insurance. Cathy Meske noted the Mental Health Code requires the community mental health service programs to provide pre-screen services. She noted our staff also work to coordinate transportation to other facilities when needed.

XVI. Chair's Report

1. Executive Committee Report

Gary Nowak reported the Committee negotiated a salary and benefit rate with incoming Executive Director, Nena Sork. The recommendation is to begin with a salary of \$120,000 with a review conducted at the end of six months from July 1. This will be a three-year contract.

Moved by Steve Dean, supported by Roger Frye, to approve the award of the Director position to Nena Sork and authorize the Board Chair to enter into the contract as recommended.

Roll call vote: Ayes: Lester Buza, Bonnie Cornelius, Steve Dean, Roger Frye, Mark Hunter, Judy Jones, Albert LaFleche, Terry Larson, Eric Lawson, Gary Nowak, Gary Wnuk; Nays: None; Absent: Pat Przeslawski. Motion carried.

2. CMH PAC Campaign

The CMH PAC campaign is underway. This pledge needs to be made in May as the pledges need to be submitted by June just prior to the Spring Board Conference. Board members can turn their pledges in to Diane Hayka.

3. Section 222 & Conflict of Interest

This survey is an annual requirement and Board composition must be certified. This also addresses conflict of interest. Board members were requested to submit their paperwork to Diane Hayka so the certification can be finalized.

4. Strategic Planning Discussion

Cathy Meske reported Eric Kurtz, CEO at NMRE, will be attending the May meeting to provide an environmental scan. This will be a forecast of the future of mental health. He will address the strengths and weaknesses of the public mental health system.

The June Board meeting will continue in the strategic planning process with a report on the current Ends and the progress toward those Ends. Cathy Meske reports Nena Sork will then work with the Board at the July meeting to develop Ends for the next fiscal year.

XVII. Director's Report

1. Director Report Summary

Cathy Meske reviewed the activities she participated in since the last report. She reports the Operations Committee is an advisory board to the NMRE Board.

She notes she sits on the Board for the Northern Michigan Opioid Response Consortium and this is a grant-funded board working to develop a plan to address the opioid crisis.

Cathy Meske reported union negotiations have gotten underway.

She also reported a meeting with Centria Administration was held and she is looking forward to an improved relationship with this provider. She reports the meeting also focused on service provision to the expanded population group.

Cathy Meske also noted the Milliman report deadline is April 15 and we have informed the state the deadline will not be met. This is not a contractual requirement.

Board members will begin hearing more about Section 928 of the Code. This addresses the local funds being utilized to draw down Medicaid. This eliminated the possibility of using those dollars for individuals without Medicaid. She noted Christine Gebhardt met with legislative staff yesterday to plead their case in taking back the local funds. Cathy reported while we do get more dollars in Medicaid it is the responsibility of the state to provide Medicaid funding. She provided information about the ratios between Medicaid/GF from a few years back to now and the impact on service provision.

Cathy Meske reported she and Nena Sork will be attending meetings with the County Commissioners over the course of the next month or two. She will be sharing the Annual Submission and will also touch on the success stories of the Agency.

Cathy Meske noted there were handouts today with good information related to the Problems, Solutions and Quality of Mental Health Services.

Cathy Meske reported CMS has reviewed the 1115 Waiver reported they will only accept the portion of the waiver related to substance use. The other services will be classified as I Waiver, those service basically addressing B3 services. She notes this is a big item and a lot of money is spent on these type of services. There will need to be assessments to determine medical necessity. They are looking to have this in place by October 1, 2019.

Eric Lawson inquired about the status of Caro hospital. Cathy Meske noted this project is on hold. One reason is the lack of capacity of staffing. She reports there has been a consultant firm hired to review and determine possible location.

2. **Annual Submission**

Cathy Meske reported she will be attending the County Commissioner meetings. She reports a public hearing was held to gather input from stakeholders to identify what they determine are priority needs for the community. She reports this year the state requested a follow-up to what was done on the priority needs established at the last public hearing.

Cathy Meske reported there was a bump in funding from the state to cover the DCW pass through.

Eric Lawson noted an error on the Community Needs Assessment in 2009 population for Alpena County. This will be corrected and resubmitted to the state.

XVIII. Information and/or Comments from the Public

There was no information or comments presented.

XIX. New Business

1. **Establishment of Regular Meeting Date**

The consensus was to keep the meeting date and time the same. The Board will continue to meet the second Thursday of the month at 3:00 p.m.

Moved by Gary Nowak, supported by Gary Wnuk, to set the meeting date as the second Thursday of the month beginning at 3:00 p.m. Motion carried.

2. **Appointment of Standing Committees**

Eric Lawson appointed the following members to the Board’s Standing Committee:

Recipient Rights Committee

Pat Przeslawski, Board Representative
Judy Jones, Board Representative
Steve Dean, Alternate
Tom Fredlund
Renee Smart-Shepler
Lorell Whitscell
Barbara Murphy
Ruth Hewett, Recipient Rights Officer

3. **Next Meeting**

The next regularly scheduled meeting of Northeast Michigan Community Mental Health Authority Board will be held Thursday, May 9, 2019 at 3:00 p.m.

1. **Set May Agenda**

The May agenda items were reviewed. Eric Lawson noted the next few months the major focus will be on Strategic Planning.

4. **Evaluation of Meeting**

Judy Jones noted the meeting began on time. She reports the budget and policies were explained well by Larry Patterson. She notes the Board members had good questions and the new Board members were welcomed and also had good questions. The meeting moved along at a good pace.

5. **Adjournment**

Moved by Albert LaFleche, supported by Gary Nowak, to adjourn the meeting. Motion carried. This meeting adjourned at 4:35 p.m.

[signed by Bonnie Cornelius on 05/09/19]

Bonnie Cornelius, Secretary

[signed by Eric Lawson on 05/09/19]

Eric Lawson, Chair

Diane Hayka
Recorder