

MINUTES OF THE BOARD
September 19, 2019
North Country Community Mental Health
1420 Plaza Drive, Petoskey MI 49770

BOARD MEMBERS PRESENT: Ed Ginop, Sr. Augusta Stratz,
Karla Sherman, Patty Cox, Michael Newman, Ron Iseler,
Christian Marcus, David White, Robert Draves, Paul Liss,
Dennis Priess, Robert Boyd

BOARD MEMBERS ABSENT: Caroline Loper, Louis Scholl

STAFF: Christine Gebhard, Kevin Hartley, Amy Christie, Lorraine Manary

GUESTS: Richard Carpenter via Skype

Mr. Ginop called the meeting to order at 4:00 p.m.

ROLL CALL

Mr. Ginop welcomed Board members and staff to the meeting. It was noted that Caroline Loper and Lois Scholl were unable to attend. Quorum present.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

The consent agenda includes the agenda overview, minutes of the previous meeting and contracts signed in the past month.

Motion to accept the consent agenda as presented by Patty Cox, support by Robert Boyd. MOTION CARRIED.

COMMITTEE RECOMMENDATIONS – BOARD ACTION*

Finance Committee

The Finance Committee met today at 3:00 p.m. with Mr. Richard Carpenter attending via Skype.

Mr. Marcus reported details of the Revenue and Expenditure Report, and Bills through August 31, 2019. Balance on July 31, 2019 was \$6,555,923.15. Receipts through August were \$1,428,079.14; expenditures were \$4,476,941.41. Ending balance as of August 31 was \$3,507,060.88.

Mr. Marcus explained the Interim Financial Statements through July 31, 2019 including the Statement of Net Position; Revenue by Funding Source; Expenditures by Line Item; and Statement of Cash Flows.

Medicaid (including Autism): North Country capitation payments for the month of July were \$35,215,734; expenditures were \$36,937,466, resulting in an OVER expenditure of \$1,721,732.

Healthy Michigan Plan: North Country capitation payments received for the period were \$2,867,645. Expenditures were \$2,633,052 resulting in an UNDER expenditure of \$234,593.

State General Funds allotted to North Country for the period were \$1,651,900. General Funds expenditures were \$931,164, resulting in an UNDER expenditure of \$720,736.

Mr. Marcus also gave the board an update on the CFO Transition plan. Mr. Carpenter will continue to provide oversight of financial statements through the September 30, 2019 financials and audit preparations. Signatory and other legal authorizations is being transferred from Mr. Carpenter to Mr. Hartley, to be completed by October 1. A new proposal from Rehmann for ongoing (limited) consulting services for Mr. Carpenter and Ms. Gebhard will be prepared.

The JP Morgan Chase ACH credit limit was increased to \$2.5M to accommodate the volume of weekly EFT transactions. Transition was made to a two-person security administration model for added security; the CEO and COO are co-administrators.

Mr. Ginop asked members if there were any questions about the financial reports. Following a short discussion, Mr. Ginop directed the reports be placed on file for audit.

ACTION ITEM(S) WITHOUT COMMITTEE REVIEW:

There were no action items without review.

PRESENTATION: Preliminary FY20 Budget Review

Mr. Carpenter gave an overview of the preliminary fiscal year 2020 budget. He has reorganized the budget format to give a quick high-level overview of operating expenses split by Administration, Internal Services, External Services and Other Operating Expenses. A summary of revenue and expenditures by funding source was also developed. Combined Medicaid revenue is projected at 48,606,509; a \$3,572,453 increase from FY19 budget (however, the FY19 yearend projection overspends Medicaid by \$1,668,647). General Funds allocation for FY20 is \$2,034,163; a 2.6% increase over last year. The proposed FY20 budget is balanced and projects a \$172,213 increase to Net Position.

The State of Michigan uses the actuary firm Milliman to set Medicaid reimbursements rates and were used in determining the FY 2020 budget. There has been a general fund redistribution across the state, based on a new funding formula, occurring over a five-year period with FY 2020 being the second year.

Motion to accept the proposed FY 2020 as presented was made by Karla Sherman, support by Robert Boyd. MOTION CARRIED.

CHIEF EXECUTIVE OFFICER'S REPORT/COMMUNICATIONS

Ms. Gebhard referred to a few items from her written report:

Ms. Gebhard directed the Board's attention to the new format for presenting correspondence. She and Dr. Chipman continued to hold meetings with Prosecutors and Judges regarding the purposed MOU for Incompetent to Stand Trial. Ms. Gebhard described her visit to Common

Ground in Oakland County with Dr. Chipman. The purpose of the visit was to understand how they operate the Resource & Crisis Center, which provides 24/7 crisis intervention and stabilization services. Ms. Gebhard also discussed her experiences during the National Council's Hill Day where she advocated for legislation impacting behavioral health funding and access to services. Each Board member received a small pin along with an informational sheet explaining the "Unite for Behavioral Health" messaging from the National Council. This campaign lays out five essential objectives they believe will improve the health and well-being of the nation.

CORRESPONDENCE, ARTICLES, AND INFORMATIONAL ITEMS

Ms. Gebhard shared several items of correspondence, including:

From the Community Mental Health Association of MI (CMHAM). An email regarding their increasingly concrete discussions of the elements of system redesign with MDHHS and legislative leadership. An email from CMHAM which included a Gongwer News Service article and advocate reports, of which some items the association supports and others it does not. The document "Perspectives of the Advocacy Community" both parts 1 & 2 were shared. These more fully lay out the perspectives of several advocacy groups in the state. Ms. Gebhard also shared an CMHAM email response to this Gongwer News Article. The CMHAM Advisory Council recommendations on School Based Mental Health Best Practices and the status of the 31n initiative were shared. These outline the associations best practice recommendations. The last item shared was the CMHAM Annual Report June 2018 – June 2019.

From Michigan Department of Health and Human Services. Ms. Gebhard reviewed a press release announcing that MI receives \$500,000 to expand integrated care for Medicaid Beneficiaries. This will focus on the expansion of the Behavioral Health Home Model in our region. Also provided to the board was the Recipient Rights System Assessment Letter which was received following the August MDHHS-ORR on-site audit. North Country CMH was found to be in SUBSTANTIAL COMPLIANCE having scored 178 out of a possible 180.

Ms. Gebhard also provided a brief overview of a few items sent from the CMHAM which were passed around. She invited board members to take or request a copy if they were interested. CMHAM weekly updates and a memorandum from the Legislation and Policy Committee were included.

QUALITY IMPROVEMENT UPDATE

Ms. Amy Christie provided the update. Twenty claims in the amount of \$5114.14 were audited for services provided in the third quarter of FY19 (April 1, 2019 0 June 30, 2019) with 100% of services validated and 100% of total dollars validated. Each claim was reviewed against six qualitative elements. All elements achieved 100% compliance. No billing adjustments were required.

On August 29, five NCCMH staff were awarded Lean Yellow Belt certifications. Dianne Forster, Ann Friend, Janelle Kassien, Nina Martenson, and Melissa Yoder. Four staff continue work on their Lean projects.

Ms. Gebhard asked the board to join her in congratulating Ms. Christie and Barb Woodhams, Kalkaska Office Manager, for having achieved the level of LEAN Champion.

NORTHERN MICHIGAN REGIONAL ENTITY

The draft minutes of August 28, 2019 Northern Michigan Regional Entity board meeting were shared. Ms. Gebhard pointed out the revised NMRE Mission statement which now reads: “Develop and implement sustainable, managed care structures to efficiently support, enhance, and deliver publicly funded behavioral health and substance use disorder services.” Ms. Gebhard also reviewed the NMRE Funding Source Report which shows North Country CMH in relation to other members of the PIHP for both Traditional Medicaid (including Autism), and the Healthy Michigan Plan. North Country CMH is overspent in Traditional Medicaid by \$(1,721,732) and underspent in HMP by \$234,593.

OLD BUSINESS

There was no old business brought before the board.

NEW BUSINESS

Ms. Gebhard reminded the board of our CARF Survey, which will occur on Oct. 7-9. She noted that Mr. Babbitt is providing staff education; a PowerPoint presentation on CMH services was included in their packet for review. She asked the board their preference for a Board Retreat. It was decided that the retreat will occur in November on our regular board meeting date, Nov. 21 from 10am – 3pm. Ms. Gebhard also reminded the board of the upcoming CMHA Fall Conference and directed any board members interested in attending to let Ms. Manary know.

BOARD & STAFF COMMENTS

Paul Liss let the Board know that Otsego County Commissioner Mr. Ken Bolton is running for the 105th Michigan House of Representatives.

ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned at 5:30 p.m. by Board Chair, Ed Ginop.


Edward Ginop, Board Chair