

LENAWEE COMMUNITY MENTAL HEALTH AUTHORITY BOARD MEETING

Minutes

April 28, 2011

Present: Ackley; Bills; Clites; Jackson; Martinez, Miley; Smith (N); Smith (C) Van Doren; Wilson
Absent: Keller, Welch
Staff: Myers; Rawlings (Minutes); Keener; Robb; Strayer and Szewczuk
Public: Richard Carpenter (Rehmann Robson)

CALL TO ORDER

Ackley called the meeting to order at 3:05pm.

PREVIOUS MINUTES

MOTION by Smith to approve the previous minutes dated March 31, 2011. **SUPPORTED** by Bills. **MOTION CARRIED.**

PUBLIC COMMENT

No public comment.

SPECIAL PRESENTATIONS, REPORTS AND ACKNOWLEDGEMENTS

Mr. Richard Carpenter, Rehmann Robson, presented year end September 30, 2010 Financial and Compliance Audits. Recommendations include: ensuring that W9's should be obtained for all vendors, journal entries should be reviewed randomly, and accounts payable reconciliation showed a variance of \$5,270. Financial Statement shows \$1.8m unrestricted

net assets, which is an increase from last year. The Compliance Examination, which is required by MDCH showed a weakness in documentation regarding breakdown of payroll expenses. **MOTION** by Van Doren to accept the Financial and Compliance Audits for FY10 prepared by Rehmann Robson. **SUPPORTED** by Jackson. **MOTION CARRIED.**

COMMITTEE REPORTS

A. Standing Committees

1. Consumer Advisory

There was no Consumer Advisory Committee meeting in April.

2. Quality Assurance/Compliance

There was no Quality Assurance/Compliance Committee meeting in April.

3. Facilities Committee

There was no Facilities Committee meeting in April.

4. Operations and Budget

Miley reported on Operations & Budget Committee which met on April 20th. A correction to the minutes was noted. Item #1 Motion by Smith to approved changes to the MACMHB ByLaws, should read "Supported by Bills". Changes to the ByLaws were reviewed. **MOTION** by Miley to approve the MACMHB ByLaws. **SUPPORTED** by Wilson. **MOTION CARRIED.** MACMHB FY12 Budget & Dues issue was tabled in committee. Jackson believes that the problems at MACMHB have not been addressed, and he would not condone any salary increases for staff when we have people on a waiting list.

Data: 109 inquiries in March, 48 assessments, 8 denied, with 37 eligible and receiving services. 2 people were added to the waiting list. One person remains at Kalamazoo hospital. Inpatient hospitalizations show a year to date low. Myers would like to see cyclical nature of inpatient admissions and will collect data from previous year for comparison purposes.

Finance Report: 50% of the way through the year, with 48% revenue and 48% expenditure. It should be noted that there will be some adjustments to the spending plan. Earned interest and dividends no longer reflects changes in the market value of the

investments. We currently do not have to take anything from the fund balance. However, when we are able to obtain the funding bucket report there may be a shift in funding lines. We did receive a GF adjustment of \$48,000 based on last year's utilization.

Cash balance: This sheet shows the market value of investments (gains and losses). The mortgage for the three properties is at \$450,076.71.

MOTION by Jackson to approve the finance report and additional vouchers totaling \$252182.97. **SUPPORTED** by Smith. **MOTION CARRIED.**

5. *Personnel Committee*

There was no Personnel Committee meeting in April.

6. *Recipient Rights Advisory Committee*

There was no Recipient Rights Advisory Committee meeting in April.

7. *Retirement Committee*

There was no Retirement Committee meeting in the month of April. However, we are in receipt of the Actuary Report, and a meeting will be scheduled next month.

B. Ad-Hoc Committees

Deb Bills reported on the committee meeting to plan the Reception event for the Suitcase Exhibit. She encourages board members to contact people on their list to encourage them to attend. Kathryn Szewczuk noted that the State Walk-a-Mile Rally is scheduled for May 11th, with the YMCA providing transportation. CMH has a group of consumers and staff attending. Also the Local Walk-a-Mile will be May 19th, starting and finishing at the museum. The Croswell Opera House is sponsoring a movie day on May 15th which will be free of charge. There are 5 field trips planned at the museum. Community Conversation will be broadcast on May 4th at 6:15 on WLEN. If any board members are able to volunteer at the museum on Saturdays through June 12 it would help. Karen Rawlings will circulate a sign up sheet.

C. Nominating Committee

MOTION by N. Smith to re-elect existing board member positions for one more year (Ackley – Chair, Bills – Vice Chair, Clites – Secretary) **SUPPORTED** by Jackson. **MOTION CARRIED.** **MOTION** by Jackson to close the nomination. **SUPPORTED** by Clites. **MOTION CARRIED.** Vote was unanimous in support. Ackley, Bills, Clites abstained. **MOTION CARRIED.**

EXECUTIVE DIRECTOR'S REPORT

1. 2012 Budget. General Fund – Senate recommending 4.8% reduction with no specification that there has to be portion taken from administration. House recommending 3% advocating for 40% out of administration. Multicultural \$ - Senate restored the Governor's cut; House wants to eliminate all multicultural money. This would impact us by \$200,000. Senate and House agree with 1% insurance claims tax applied to HMO's and PIHPs, both agree to shift dual eligibles to integrated managed care model. Boilerplate issues – Senate introduced section 295 – no money would be used to implement health care reform. Senate and House introducing legislation to use FY10 formula used to distribute funding to the field – this would be positive for us. Section 494 is new from the Senate – directing the department to work with accrediting organizations to reduce the number of gaps in the accrediting process. New from the House on 494 – allow CMHSPs and PIHPs to sub-contract agencies accredited to be considered in compliance with state review for audit requirements “deemed” status.
Legislation being watched – public employee health care - 80/20 rule, and suggested pension tax.
2. Board Association. There has been conversation concerning the use of two (instead of one) lobbying firms. The Anderson Economic Group performed a cost benefit analysis of the CMH system, which the Association sponsored – some boards voluntarily contributed, Lenawee opted not to contribute. The report was positive and indicates there are efficiencies and good use of GF as a system. CMH is a desirable entity and as we continue to advocate with the legislature and the Governor for fair treatment, we will be relying on the detail of the study to prove that we are the best option. Mike Head has been removed from his position of Director of Mental Health & Substance Abuse at DCH. He has been replaced by Cindy Kelly, who is the interim Director. Myers attended a presentation by Jim Haverman (previous Director of DCH) on April 7th. CEI affiliation is sponsoring speakers on health reform. The following points were noted:
 - We should forget about GF issue and focus on Medicaid
 - Watch for block grant initiatives coming out of DC

- We can no longer function with 46 CMH boards with eligibility floor of 20,000 covered lives. He proposed a floor of 100,000 – which would continue to force integration/mergers
- If there is an FQHC in an area – we should be looking at integrating and merging with them
- Co-ordinating agencies will be gone

The Affiliation Committee met last week. They discussed the 4 Board Meeting in the spring and the Strategic Plan. The 4 Board Meeting may be delayed as WCHO is not ready. The Strategic Plan will be built around possible scenarios that we should be pursuing as an Affiliation and will be impacted by the budget and health care reform in general. Projection is that Strategic Plan will be rolled out in the fall. The Affiliation Finance Report through January was broken down by Medicaid and GF. Lenawee has a surplus of Medicaid, Livingston & Monroe has a deficit, and WCHO has a surplus. There continues to be challenge to the report as to why it doesn't show a split between WCHO and CSTS. Also the finance report does not reflect the "Internal Service" fund which guarantees against future risk (\$4m). There is also carry forward from the previous year of Medicaid \$ which has to be spent in the subsequent year – there has to be a plan approved by the Affiliation, and the Department, on how to spend it. The Plan currently states that it is to be used for "benefit stabilization". On the GF side, through January, Lenawee shows a zero deficit (covering with local funds), Livingston has \$80,400 surplus, Monroe has \$474,000 surplus, Washtenaw has zero GF and no local funds left, and they could end up with a deficit of \$2m at the end of the year. There was discussion about the waiting list. Sandy Keener explained that we have been successful in removing people from the waiting list when they become eligible for Medicaid.

3. Corrective Action Plan. The state does a bi-annual review/audit which was just completed at the Affiliation. Lenawee performed well on all corrective actions. We are deficient with local memorandum of understandings with law enforcement agencies (jail diversion). We will continue to try and obtain these, but we can not mandate compliance.
4. Clubhouse. We are waiting for an offer. Suggestion by Jackson that we contact them to ascertain continued interest. **MOTION** by Clites that Management proposes to the interested party that an offer should be received prior to the next board meeting. **SUPPORTED** by Smith. **MOTION CARRIED.**

REPORT FROM BOARD CHAIR

Please let Karen Rawlings know if you plan on attending the Spring Conference, also let Judy Ackley know if you would like to remain on current committees, or if you have a preference for the future.

BOARD MEMBER COMMENTS

Emily Martinez reported that the Cultural Diversity Workgroup is planning a conference on September 14th. Jackson reported that the Directors Office & Liability Policy will not provide coverage for people on Retirement Committee, as they serve as trustees serving the investments. Management is checking with insurance company.

ADJOURNMENT

Meeting adjourned at 4:35pm.

/klr

Scott Clites, Secretary

Date