



Administrative Office, 105 Hall Street, Suite A, Traverse City, MI 49684

Board of Director’s Meeting Minutes

June 16, 2011

6:00 PM

1. CALL TO ORDER:

Northern Lakes Community Mental Health, 527 Cobbs Street, Cadillac with video conference to 105 Hall Street, Traverse City, Michigan. Melissa Fournier called the meeting to order at 6:00 p.m.

Board Members Present: Cadillac - Jack Mahank, Dave Stephenson, Melissa Fournier, Susan Rogers, Don Halvorsen, Ken Melvin, Al Cambridge, Les Barnes. Traverse City - Helen Stimson, David Marshall, Pat McLaughlin, Randy Kamps, Nina Zamora, and Rob Hentschel.

Board Members Absent: Jane Whitney (advance notice) and Frank Tosiello (advance notice).

Others Present: Cadillac - Greg Paffhouse, Chief Executive Officer; Deb Lavender, Executive Secretary; Mary Hubbard, Chief Operations Officer for Children and Families; Dave Branding, Chief Managed Care Officer; Joanie Blamer, Chief Operations Officer for Crawford, Missaukee, Roscommon and Wexford Counties; Kevin Hartley, Director of Quality Improvement; Jon Bennett, Recipient Rights Officer; Bill Woodward, Residential Program Specialist; Shelly Davis, Pearl Street Home; Rosemary Pierson, Residential Services Supervisor; Stacey Kaminski, Child and Family Therapist; Misty Wright, Intern; Joan and Ed Lipon; Carla Richardson. Traverse City – Keith Huggett, Information Systems Manager; Terri Kely, Chief Operations Officer for Grand Traverse and Leelanau Counties.

The Pledge of Allegiance was spoken. Jack Mahank was appointed timekeeper. Confirmation of a Quorum.

2. APPROVAL OF AGENDA:

MOTION:	Approve the Agenda of June 16, 2011 as presented.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Susan Rogers

3. CONFLICT OF INTEREST DECLARATION:

No Board members declared a conflict of interest for tonight’s business.

4. CONSENT AGENDAS – MANAGEMENT AND BOARD:

A. *Consideration of Management Consent Agenda* – There was a request and policy change made last month that expense contracts above \$10,000 the financial amount would be reflected on the management consent agenda. Greg asked for feedback if this month’s management consent agenda met the Board’s expectation. He noted that he included some contracts less than \$10,000, identifying that some costs for contracts are capped, unit based and have been estimated, projected costs for services. Board members identified their appreciation for providing the additional information.

MOTION:	Approve the Management Consent Agenda of June 16, 2011.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Susan Rogers

B. *Consideration of Board Consent Agenda* – Request that item #6 CEO Report be removed from the Board Consent Agenda.

MOTION:	Approve the Board Consent Agenda of June 16, 2011 minus Item #6 CEO Report.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Susan Rogers
SECONDER:	Dave Stephenson

In the dialogue with Jim Haveman, it would be a good opportunity to identify our practice for purchasing services and the market value of services. Greg reviewed our current practice. Boilerplate language – Section 496 permits CMHSPs and PIHPs to offset funding reductions by limiting administrative cost of contracts with providers to 9%. There was discussion whether we want to add to board policy. Further discussion would occur during Governance Policies Discussion and Assessment. Board members were encouraged to attend the public hearings on the budget scheduled for the end of July in each of our offices. Greg responded to questions regarding the budget reductions and the boilerplate language.

MOTION:	Approve to Receive and File the Chief Executive Officer’s Report.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Les Barnes

5. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

B. *Ownership Communication*

Board members offered their gratitude and appreciation recognizing Joan Lipon and Carla Richardson for their service on the Recipient Rights Advisory Committee. Greg expressed thanks from staff identifying appreciation to Joan and Carla for their contributions and for guiding our efforts.

6. CONSIDERATION OF PIHP ITEMS:

Annual Affiliation Meeting – Articles included in the packet were referenced. Dave Branding reported that he will be working with Northern Michigan Substance Abuse Services starting to plan what Opiate Specialty Services might look like across Northern Michigan. He noted it is a great opportunity to plan with community stakeholders.

Consensus Document – Referenced the document that was included in the packet and was shared at the Joint Board meeting. Greg identified that the document was authored by the PIHP Directors (and reviewed by the CMHSP directors) as a follow-up to the Solutions document and was created to continue dialogue with Director Dazzo in regards to the commitment of the CMH system to work with the Department. Greg encouraged board members to review the document. This may become part of the discussion with Jim Haveman on July 12. Responded to questions regarding a medical home, identified possible options regarding integrated health care, work with advocacy groups specific to the changes.

FY 12 Budget – no questions were identified.

7. ASSURANCE OF ORGANIZATIONAL PERFORMANCE:

A. *Receipt of CEO Monitoring Report*

Policy 1-2-09 Investments – Pat identified that he added the comment regarding investment and suggested that relative to investments with pension that we may want to utilize others that have knowledge pertaining to investment. It was noted that the reports provided were very thorough reviewing banks and accreditations.

MOTION:	Approve to Receive and File the Summary of Board Compliance Monitoring Evaluation on Policy 1-2-09 Investments showing the Board is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Susan Rogers

Policy 1-3-08 Costs of Governance (Internal)

MOTION:	Approve to Receive and File the Summary of Board Compliance Monitoring Evaluation on Policy 1-3-08 Costs of Governance showing the Board is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

B. New Operational Worries

Rob expressed concern that we have a barrier free restroom available during the board meeting. Greg identified that there is a barrier free restroom outside the meeting room should the conference room bathroom hallway be blocked.

Rob expressed concern regarding our technology we are using for our meetings and requested that on a future agenda we have discussion about the meeting technology and include costs of the conference system with initial and ongoing equipment costs and a summary of who and where the vendors we are getting the technology from. Board members agreed this issue was a concern.

Rob identified that he has had conversations with Greg about the possibility of applied behavior analysis therapy for children with Autism Spectrum Disorder. He noted that Medicaid does pay for some of this therapy and we are looking into what they will pay for. He noted it is not readily available to families in this area that have children with Autism Spectrum Disorder. He requested on a future agenda this topic be placed and the minimum to be included in the packet an outline of what Medicaid will pay for, specifics of how many clients in our area, how many families statistically that might qualify for that, how many clients would it take to maintain a board certified applied behavior therapist in our service area.

Rob related concern about employees are not permitted to contact board members of this organization if they have a concern. He understands it merits discussion as to the appropriateness and transparency it provides us as board members. He requested on a future agenda to include discussion of employee access to board members and what is appropriate and the packet to include copies of sections of employee contracts specific to employee contact with CMH board members, copies of governance policies related to employee communication with a board member.

Rob noted that we provide a response within the next three months. Greg identified that because of the items already identified for the agenda for July and August we may need to possibly provide in September or October. Rob prioritized the Applied Behavior Therapy would be priority one and the technology issue would be priority two.

Dave Stephenson identified that the board had asked the Recipient Rights Committee a few months back not to send the letter regarding video surveillance in psychiatric hospitals and he saw in their minutes that they did send the letter. He identified that we were waiting to hear back from the Board Association for a response. Melissa referenced the minutes that

were received today from the committee. She identified that would be addressed during the Recipient Rights Advisory Committee Report under Announcements.

C. June Monitoring Assignment

Monitoring Report 1-2-07 Continuity of Executive Functions should be completed and turned in. There was discussion whether a successor has been identified to ensure continuity of executive functions.

8. BOARD MEANS SELF-ASSESSMENT:

A. Receipt of Board Monitoring Report

Policy 1-3-08 Costs of Governance (Direct Inspection) – Greg reviewed changes that the board might want to consider whether the language is still relevant. Changes were related to orientation, per diem, lodging expense, calling card, and board budget. Board members discussed the pros and cons relative to per diem amounts. Greg identified that there may be language as to limitations of per diems. The per diems were lowered in September 09 as a budget reduction to \$50 and \$25. Board members agreed that Greg research and come back with more data related to paying per diems to board members whether there are any restrictions in the Michigan Mental Health Code regarding the amount paid. Jack suggested that the policy should come back to the board when the work is done.

MOTION:	Approve to Receive and File the Monitoring Report for Policy 1-3-08 Costs of Governance to the Board.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Susan Rogers
SECONDER:	Les Barnes

B. June Monitoring Assignment

Monitoring Report 1-4-03 Delegation of Management Powers to the CEO should be completed and turned in.

9. GOVERNANCE POLICIES DISCUSSION AND ASSESSMENT:

A. Ends

Jack identified that the CEO report shows that the State is allowing for 9% administrative cost limits on purchasing services that the board should consider under Ends policy or Executive Limitations policy that would recognize that the board put limits on the agency's administrative costs. Jack agreed to provide draft language in an Executive Limitations policy.

B. Executive Limitations

Policy 1-2-04 Financial Management – Changes to the policy were made to attempt to capture the motion that was made last month to amend the policy.

MOTION:	Approve to Accept the Revision to Board Governance Policy 1-2-04 Financial Management which shows the final bullet on the second page "Fail to report dollar amounts on the Administrative Consent Agenda when identifying expense contracts exceeding \$10,000" as written.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Al Cambridge

Policy 1-2-08 Communication and Support to the Board – The board made changes to the policy last month and the language was reviewed. There was discussion regarding adding the language "or may be" to the policy.

MOTION:	Approve to Accept the Changes to policy 1-2-08 Communication and Support to the Board as presented in Item F "Fail to advise the Board Chairperson if one or more members of the Board engages in conduct that is "or may be" detrimental to the working relationship of the Board and the CEO".
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Stephenson
SECONDER:	Jack Mahank

C. *Board/CEO Linkage*
None.

D. *Governance Process/Ownership Linkages*
County Commission Survey Draft – Al suggested that additional information regarding a summary of services be added to the survey. The purpose of the document is to link with our owners and use as a measure, which becomes part of our agency performance evaluation. Board members identified how the survey has been received in the past and there was discussion as to how we can provide education. Board members who are county commissioners suggested that the CEO attend the commission meetings at the time the survey is presented and that this be done yet this fiscal year.

CEO Compensation

MOTION:	Approve to Accept the Proposal for the CEO Compensation as identified.
RESULT:	A Roll Call Vote Was Taken. 13 Ayes. Mahank, Stephenson, Kamps, Stimson, Rogers, Halvorsen, Melvin, Barnes, Zamora, Cambridge, McLaughlin, Hentschel and Fournier. 3 Absent: Tosiello, Whitney and Marshall. Motion Approved.
MOVER:	Susan Rogers
SECONDER:	Jack Mahank

Responded to questions related to costs of the compensation package and addressed other benefits. Identified language in current policy related to CEO compensation.

10. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

11. ANNOUNCEMENTS/BOARD MEMBERS REPORTS:

Recipient Rights Advisory Committee Report – Les Barnes, representing the Board on this committee, provided a report on the meeting held on June 7. The minutes from the meeting were made available at tonight’s meeting. He identified that a new Chairperson and Vice-Chairperson were elected. The issue of the letter was discussed and they felt that this board had not acted in relationship to the request and sent out the letter. Les identified that there are three outstanding investigations and would be completed soon. It was noted that a copy of the letter that was sent was made available to the Board Chairperson at tonight’s meeting. Jon clarified that the Recipient Rights Advisory Committee advises him and the CEO. He related the discussion and action taken by the Recipient Rights Advisory Committee. He noted that the Rights Advisory Committee identified that they are appointed by the board but does not feel they are a committee of the board. They felt they had the authority and expressed great concern about the board squelching the Rights Advisory Committee’s ability to act in an independent advisory fashion. Board members expressed their concern about roles, accountability, to clarify language in the Mental Health Code. It was suggested that the CEO seek a legal opinion whether the Recipient Rights Advisory Committee is an independent body of the board and whether it is identified in the Michigan Mental Health Code. Need clarification of the language for the July meeting if possible.

Greg referenced the Annual Report and noted he has sent to key people in the Department of Community Health, legislators, Governor Snyder and posted on the website.

12. MEETING EVALUATION:

- #1- We spent our time on the most important governance topics: majority was satisfactory
- #2- We encouraged diversity of viewpoints: majority was satisfactory
- #3- Our decisions were made collectively: majority was excellent
- #4- The Board used its time effectively: majority was satisfactory
- #5- What is the most important thing the Board could do to improve our function as a Board? Not discussed.

13. NEXT MEETING AGENDA:

Agenda items for the July 21 meeting in Grayling: Medicaid Savings Plan for action and an issue summary paper for new worries identified.

14. ADJOURNMENT:

MOTION:	Adjourn the meeting.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Susan Rogers
SECONDER:	Don Halvorsen

The meeting adjourned at 7:55 p.m.

Respectfully Submitted,

Melissa Fournier, Chairperson

Dave Stephenson, Board Secretary

Debra Lavender, Recording Secretary