



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

Board of Director's Meeting Minutes

July 21, 2011

6:00 PM

1. CALL TO ORDER:

Northern Lakes Community Mental Health, 204 Meadows Drive, Grayling with video conference to 105 Hall Street, Traverse City, Michigan. Melissa Fournier called the meeting to order at 6:05 p.m.

Board Members Present: Grayling - Jack Mahank, Dave Stephenson, Melissa Fournier, Don Halvorsen, Al Cambridge, Les Barnes, and Randy Kamps. Traverse City - Helen Stimson, David Marshall, Jane Whitney, Nina Zamora, and Rob Hentschel.

Board Members Absent: Pat McLaughlin (advance notice), Frank Tosiello (advance notice), Susan Rogers (advance notice), and Ken Melvin (advance notice).

Others Present: Grayling - Greg Paffhouse, Chief Executive Officer; Deb Lavender, Executive Secretary; Mary Hubbard, Chief Operations Officer for Children and Families; Dave Branding, Chief Managed Care Officer; Bruce Bridges, Chief Financial Officer; Kelly Sauter, Child and Family Case Manager; Nancy Schornack, Jones Lake Home; Carol Sluck, Woodland Home; and Rosemary Pierson, Residential Services Supervisor. Traverse City – Keith Huggett, Information Systems Manager; Terri Kelty, Chief Operations Officer for Grand Traverse and Leelanau Counties; Jane Swartout, Compliance Officer; Kevin Hartley, Director of Quality Improvement; and Jon Bennett, Recipient Rights Officer.

The Pledge of Allegiance was spoken. Randy Kamps was appointed timekeeper. Confirmation of a Quorum.

2. APPROVAL OF AGENDA: Add items from the Committee of the Whole meeting at 7:05 p.m. Part D – 1) Appointment of an Ad Hoc Committee to address county funding and 2) that the Board Chairperson meet with the Recipient Rights Chairperson.

MOTION:	Approve the Agenda of July 21, 2011 as presented.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

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* – A replacement page was provided.

MOTION:	Approve the Management Consent Agenda of July 21, 2011 with the revision.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Les Barnes
SECONDER:	jack Mahank

B. Consideration of Board Consent Agenda – Request to remove the Chief Executive Officer’s Report from the Board Consent Agenda.

MOTION:	Approve the Board Consent Agenda of July 21, 2011 items 2-5.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Dave Stephenson

CEO Report – Referenced #6 of the CEO Report regarding the highlights of the MDCH FY 10 Mental Health Court Demographic Summary and FY 11 Consumer Satisfaction. Jack requested the numbers identifying the savings to Grand Traverse County. Greg identified that this a statewide composite and is not unique to the county. He noted that within the pilot they have not yet calculated the final numbers. Rob noted that they are aware they are lacking in the measurement of the effectiveness and do not have any plans to come up with the number at this point. Jack identified it is important to know whether we should pursue in other areas of the state. It was noted that Otsego County dropped their program due to the low numbers. Noted the program was much more successful in the larger court systems.

MOTION:	To Direct the CEO to communicate with the State and the Grand Traverse District Court to look at data regarding the financial efficacy of the Mental Health Court to provide feedback for further action.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

An update was provided on the State budget and identified that we have not received any communication from the Department what the FY 12 General Fund reduction would be.

MOTION:	To Approve to Receive and File the CEO Report.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Les Barnes

5. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

B. *Ownership Communication*
None.

6. CONSIDERATION OF PIHP ITEMS:

MCAC Report – July 12 Meeting with Jim Haveman – Referenced the minutes of the meeting with Jim Haveman that were included in the folder. There were a number of board members that participated in the afternoon session. Greg shared communications he has since received from Jim Haveman. Minutes were also included from the meeting with staff. The outcome of the MCAC meeting was that the Managed Care Advisory Committee would like to move this process forward in terms of a planning, strategic, thinking initiative. There are great opportunities and threats and we need to spend time looking at how we are going to respond. Board members provided comments about their vision in relationship to the changes. It was noted that the minutes of the meeting were outstanding, encouraged board members to review and keep in front of them over the next few months. Jack suggested that we provide information to board members about how we compare to other providers in the state. Is there some way to join hands with other boards near us? Concern was expressed about the care of consumers and the need to get creative to make this happen. Greg identified that the Managed Care Advisory Committee should meet sooner than is scheduled and the need to create a brief document that identifies the key issue points to

begin a dialogue about next steps. There are challenges as a manager and as a provider on this issue. Factors to be considered are: who will manage the dollars – PIHP role, what that would mean if the manager was a health care system, would have to look at what might it take to be a manager within the CMH system, how do you work with others to get bigger to defend staying as a carve out system, and you have to look at what you can to be a provider.

Greg reported he met with Chip Johnston from Manistee-Benzie (now Centra Wellness). He is aware of the pending changes including Centra Wellness not being in an affiliation relationship with geographic contiguous CMHSPs. Greg believes Chip and Centra Wellness would consider a change if needed. Greg also implied that NLCMH could become part of their current affiliation. Greg is attempting to reach out to Ed Ness, CEO of the Munson Healthcare System. He has a call into the CEO of Mercy Cadillac and must find the strategy as to deal with other organizations. It will take conversation and dialogue to discuss strategy.

Dual Eligibles – Greg referenced communications regarding the planning forums for Dual Eligible individuals. Dual eligibles are people who have both Medicare and Medicaid. Last year 20% of the people we served had Medicare and Medicaid and they received 59% of the cost of services. Most likely under this model there will be a single statewide manager for dual eligibles. Dave Branding participated in a statewide forum for input around integrated care for dual eligibles identifying a picture of what the state sees happening. The vision is to build a new system for a comprehensive benefit plan and to manage through one comprehensive system. There will be a time for input and a time for action. In between the state will put together a written plan and should be out by March. 40% of the cost to the state goes to this population. Michigan has received a million dollar planning grant for these individuals. Identified list of services that would be covered. This provides an opportunity for the state to build something that is unprecedented and will be a significant change. There will be work groups developed statewide to help plan the implementation. Greg identified that this is an important issue and wanted to ensure that the board understood the importance. A Concept Paper was included in the information provided.

Dave identified that we have had our first training for the Eligibility and Level of Care guidelines and the reviews identified a positive reception of staff. Newaygo County reviewed our guidelines and received very positively and will participate in the training and start using them locally.

Most of the issues identified were discussed at the meetings with Jim Haveman and move forward with pursuing options.

MOTION:	To Approve that the Managed Care Advisory Committee start pursuing what options we have in front of us to move this process forward and report back in September on the status.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Stephenson
SECONDER:	Jack Mahank

7. ASSURANCE OF ORGANIZATIONAL PERFORMANCE:

A. *Receipt of CEO Monitoring Report*
 Policy 1-2-07 Continuity of Executive Functions

MOTION:	Approve the Summary of Board Compliance Monitoring Evaluation on Policy 1-2-07 Continuity of Executive Functions be accepted showing the Agency is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Randy Kamps

B. New Operational Worries

Jack identified concerns about outsourcing contracts that we may want to consider putting a limit on administrative costs. Not currently a state policy although may want to consider. Referenced item #15 in the packet.

C. July Monitoring Assignment

Monitoring Report 1-2-04 Financial Management should be completed and turned in.

8. BOARD MEANS SELF-ASSESSMENT:

A. Receipt of Board Monitoring Report

Policy 1-4-03 Delegation of Management Powers to the CEO

MOTION:	Approve to Receive and File the Board Compliance Monitoring Report for Policy 1-4-03 Delegation of Management Powers to the CEO showing the Agency is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Don Halvorsen

B. July Monitoring Assignment

Monitoring Report 1-4-01 Unity of Control should be completed and turned in.

9. GOVERNANCE POLICIES DISCUSSION AND ASSESSMENT:

A. Ends

None.

B. Executive Limitations

Medicaid Savings Plan – Greg identified that last year we did not fully expend all of our Medicaid dollars and by contract with the Department of Community Health we are allowed to create a Medicaid Savings Plan that would be the first dollars used in the following fiscal year. If you don't expend those dollars they would get lapsed back to the Department. Bruce reviewed the Plan for the usage of Medicaid Savings. We have estimated approximately \$784,000 for the affiliation and must demonstrate those dollars will be used in a manner specific to this plan. We will also be creating one for next year.

MOTION:	To Accept the Proposed FY 11 Medicaid Savings Plan.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Al Cambridge
SECONDER:	Les Barnes

Potential Change to Policy 1-2-04 Financial Management – Proposed language in #3, #2 included the FY 12 MDCH Budget Boilerplate Language, #1 are the minutes from the discussion and points to ponder at the bottom of the page. Bruce identified the discussion at the state level and there was discussion as to what pertains to administrative cost. Northern Lakes administrative cost is at 7%. Referenced the 990 report where we have six non-profits with three over 9% and three under. Board members expressed interest in receiving the report provided to the legislature in next month's handout. Bruce defined direct and indirect costs. Will provide the definitions in next month's handout. No action was taken.

C. Board/CEO Linkage

None.

D. Governance Process/Ownership Linkages

Appointment of an Ad Hoc Committee

MOTION:	To Approve Establishing an Ad Hoc Committee Comprised of Commissioners and a Commissioner Representative to Perform a Cost Benefit Analysis by County Served for Board Discussion to be Delivered no later than September.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Randy Kamps
SECONDER:	Jack Mahank

The committee will review the data pertaining what each county invests and receives and come up with a recommendation to the Board as to how we rectify that. Greg identified that this would be for FY 12 forward. Rob posed several questions about the appointment of the Ad Hoc Committee. Les identified we don't have to define who calls the meeting in relationship to the motion on the floor. Greg noted the question in addition to appointing a committee would a chairman from those six people be appointed? Melissa asked Rob to chair the Ad Hoc Committee. He accepted.

Direction Regarding Recipient Rights Advisory Committee

MOTION:	To Instruct the NLCMH Board Chairperson meet with the Chair of the Recipient Rights Advisory Committee to discuss the Committee's Authority and Board Relationship as was previously discussed at the Committee of the Whole meeting and bring back a report to the August meeting.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	David Marshall
SECONDER:	Helen Stimson

10. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

11. ANNOUNCEMENTS/BOARD MEMBERS REPORTS:

- Jack referenced the New York Times article and encouraged board members to read the article as it touches the issues we deal with so closely.

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 excellent
- #3- Our decisions were made collectively: majority was satisfactory
- #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? Nothing identified.

13. NEXT MEETING AGENDA:

Agenda items for the August 18 meeting in Traverse City: At Committee of the Whole meeting the quarterly compliance report was moved to September, add to this agenda would be Administrative Costs and the Board Chairperson Report from the meeting with the Recipient Rights Advisory Committee Chair.

14. ADJOURNMENT:

MOTION:	Adjourn the meeting.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Don Halvorsen
SECONDER:	Randy Kamps

The meeting adjourned at 7:40 p.m.

Respectfully Submitted,

Melissa Fournier, Chairperson

Dave Stephenson, Board Secretary

Debra Lavender, Recording Secretary