



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

Board of Director's Meeting Minutes

October 20, 2011

6:00 PM

1. CALL TO ORDER:

Elmwood Township Hall, 10090 E. Lincoln Road, Traverse City, Michigan. Melissa Fournier called the meeting to order at 6:00 p.m.

Board Members Present: Jack Mahank, Dave Stephenson, Pat McLaughlin, Rob Hentschel, Melissa Fournier, Frank Tosiello, Al Cambridge, Randy Kamps, Helen Stimson, Nina Zamora, David Marshall, Susan Rogers, and Les Barnes.

Board Members Absent: Don Halvorsen (with notice), Jane Whitney (with notice), and Ken Melvin (with notice).

Others Present: Greg Paffhouse, Chief Executive Officer; Deb Lavender, Executive Secretary; Mary Hubbard, Chief Operations Officer for Children and Families; Bruce Bridges, Chief Financial Officer; Keith Huggett, Information Systems Manager; Jane Swartout, Compliance Officer; Kevin Hartley, Director of Quality Improvement; Terri Kelty, Chief Operations Officer for Grand Traverse and Leelanau Counties; and Joanie Blamer, Chief Operations Officer for Crawford, Missaukee, Roscommon and Wexford Counties.

The Pledge of Allegiance was spoken. Dave Stephenson was appointed timekeeper. Confirmation of a Quorum.

2. APPROVAL OF AGENDA: Add to the Board Consent Agenda #6 County Funding Ad Hoc Committee Data to Receive and File.

MOTION:	Approve the Agenda of October 20, 2011 as amended.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Les Barnes
SECONDER:	Jack Mahank

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

MOTION:	Approve the Management Consent Agenda of October 20, 2011.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Les Barnes

Observation about the large number of contracts on the Management Consent agenda.

B. Consideration of Board Consent Agenda

MOTION:	Approve the Board Consent Agenda of October 20, 2011 items 2-6
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Pat McLaughlin

5. OWNERSHIP LINKAGE:

A. *Citizen Comment*

None.

B. *Ownership Communication*

None.

6. CHIEF EXECUTIVE OFFICER'S REPORT:

Greg referenced items in his written report and items included in board member's folders. Kevin Hartley, Quality Improvement Director reviewed the process for completion of the 2011 REE Survey and how it was administered. The survey was completed the end of August and the results were favorable in all elements of recovery. Feedback from surveyors and consumers who participated was very good. Additional data from other CMH boards was not available and DCH has no current plans to have another statewide survey completed. We would like to complete in another couple of years to continue to trend our performance.

MOTION:	Approve to Receive and File the 2011 REE Report showing this agency has improved in every category from 2009, is also stronger than the state average in 2009 and include as part of the Agency's Annual Evaluation.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Les Barnes

Greg reported that he has submitted the Mental Health Court letter and since that time he has received from the Department of Community Health a letter affirming that we received our FY 12 Byrne Jag funds for our share of the Mental Health Court in Grand Traverse County. This will be the last year these funds are available. Greg has communicated with Jackie Wood (DCH) who is the point person for Mental Health Courts in Michigan. Jackie has forwarded the letter to Richard Woods, Deputy Director of the Trial Court Services State Court Administrator's Office and the MDCH Management Team for review and comment.

MOTION:	Approve to Receive and File the Chief Executive Officer's Report.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Susan Rogers

7. CONSIDERATION OF PIHP ITEMS:

Greg shared that Dave Branding was not able to attend tonight's meeting. He advised board members (many had already been informed while at the fall conference) that Dave has resigned to pursue individual personal and professional goals and will be relocating to Homer, Alaska. His last day will be November 18. Greg identified that we will have an opportunity to interview an applicant on Thursday, October 27 at 1:30 p.m. Several board members expressed an interest in attending.

10/6/11 MCAC Report – There was discussion about the conversation in preparation for the meeting with Lynda Zeller on October 17 to be held at the Board Association Conference.

10/17/11 Lynda Zeller Meeting – Greg thanked board members for spending the time to meet with Lynda Zeller. A list of 12 key points Greg listed in his minutes has been sent to Lynda and we are waiting hear back from her. Additionally, on November 22 we have scheduled a joint board meeting with West Michigan CMH in Cadillac from 11:00 a.m. to

2:00 p.m. to meet with Lynda to help in our affiliation strategic thinking.. Les identified that the attendance was good, everyone was most appreciative and felt that the meeting was tremendously successful. Jack identified that Lynda asked for our ideas and where we need help. Board members provided comments about the meeting: information gathering process, headed into uncharted territory, we have an opportunity to have a meaningful impact on where we are going to end up, will be able to affect policy if we stick to our guns and do rational things that make sense, must be more strategic with surrounding entities, if there is a merger you should have at least a 5% cost savings. Greg reviewed the points that were raised with Lynda Zeller and shared responses to the key points. Greg noted that we are moving in the right direction in terms of proactively addressing change that it is helpful for us whether it is a manager or a provider. Greg noted that one of the things that would be important, for our affiliation, is to be planful for the November 22 meeting to maximize the benefit. There might be other people who we might have some conversations with, e.g., Jim Haveman. We may need to have the MCAC meet on a more frequent basis and we should seek to have the CMCO position filled as soon as we can.

Board Chair Discussion – Greg referenced the merger communication, copy of the email in the packet, regarding Melissa’s discussion with the West Michigan Board Chairperson.. It was felt it was a good first step and that as we move forward we are putting something together for rural people rather than be all things to all people. We would have the strongest rural voice. There was discussion as to involvement of the legislature noting it is very important. It was noted that timing is important and must continue our discussions with Lynda Zeller prior to any further discussion with the legislature.

Greg reported that the board directed him to speak with Chip Johnston the CEO of Centra Wellness. He spoke with Chip which led to the conversation about their participation in the meeting with Lynda Zeller. He noted that the discussion with Chip was positive. He noted that Centra Wellness is looking at its options, in his opinion are not looking to merge, but they understand that something will be different. He noted that they will continue to have conversations with us.

Greg referenced a draft document “Making Michigan’s Healthcare System the Envy of the Nation” that was shared by Bob Sheehan (developed by the MACMHB Model Development Workgroup) and it is the intent for the Michigan Association of CMH Boards to present at the legislative public hearing on October 25.

There was concern expressed that we need to continue pursuing other opportunities whether it be a PIHP merger, Qualified Health Plan, integrated health care, etc. Based on what we currently know our PIHP as it is today will not exist in the future. If we are going to manage our funds we will need to create something bigger than it is now. Greg encouraged the board to look at what are our options. He noted that he will be meeting with the CEO from the Northern Affiliation who may be one of the local partners if we looked at creating a regional entity. The question is how important is it to the board that we look at a manager/provider piece or provider only. Another possibility is if we separate our manager role from our provider role (one board is the administrator of the money and one board is the provider). Would need to form with an organization to form the size that is needed. This would depend on the model that the Department of Community Health follows. Any of these models would need to be approved by our counties.

Greg identified that the Mental Health Code has a provision that we could create a regional entity on which representatives of this board would sit on that board and representatives from those other partners would sit on that board. They would be the PIHP board and there still would be a local CMH governance board. The partners would be the providers. Greg identified that he would put some thoughts on paper for the next meeting. We need to look at the best way to approach and what is best for our consumers.

MOTION:	The Board directed the CEO to put together a draft of a structural plan for a regional approach to the managerial functions with 100,000 covered lives.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Randy Kamps

Update on MDCH Site Review – Information was included with the packet and no comments were provided.

8. **ASSURANCE OF ORGANIZATIONAL PERFORMANCE:**

A. *Receipt of CEO Monitoring Report*

Policy 1-2-03 Compensation of the Employed Workforce – Reference was made to the CEO response regarding the low response rate to the monitoring assignments and board members provided additional comments.

MOTION:	Receive and File Policy 1-2-03 Compensation of the Employed Workforce finding the Agency is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Susan Rogers

1-1-01 Consumer and Community Ends – Referenced comments made and no additional comments were identified.

MOTION:	Receive and File Policy 1-1-01 Consumer and Community Ends finding the Agency is in Full Compliance.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	Susan Rogers

B. *New Operational Worries*

None.

C. *October Monitoring Assignment*

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

Monitoring Report 1-2-05 Asset Protection should be completed and turned in.

9. **BOARD MEANS SELF-ASSESSMENT:**

A. *Receipt of Board Monitoring Report*

None.

B. *October Monitoring Assignment*

Monitoring Report 1-3-00 Global Governance Process/Ownership Linkage should be completed and turned in.

Monitoring Report 1-4-00 Global Governance - Board/CEO Linkage should be completed and turned in.

10. **GOVERNANCE POLICIES DISCUSSION AND ASSESSMENT:**

A. *Ends*

None.

B. *Executive Limitations*

Administrative Cost Policy – Greg identified that last month the board approved option one and included the draft policy to ensure that was the language that the board had identified.

The language should reflect "not to exceed the statewide average for comparable CMHs but not to exceed 9%". Greg will draft language and bring back next month.

C. *Board/CEO Linkage*

None.

D. *Governance Process/Ownership Linkages*

Board Member Per Diem and Budget – The board reviews its policies by monitoring reports and in that process board per diem is discussed. Current per diem is \$25 for partial day and \$50 for a full day and the board establishes the per diem amount. A request was made to identify the average per diem paid by CMHs. Greg identified he will provide an update in November if it is available.

It was noted that the mileage reimbursement is less than what the IRS allows. We have not used that as an agency for the employed workforce or board members as we try to factor in the use of agency vehicles. Greg identified that we would identify our current practice for mileage reimbursement next month. Will defer any action until the November meeting.

Board Education and Work Plan – A draft Board Education and Work Plan with the input received from the board survey was included in the packet.

MOTION:	The Board approved the FY 11/12 Board Education and Work Plan as presented.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Dave Stephenson
SECONDER:	Jack Mahank

Individual Board Member Self Assessment and Board Self-Assessment – Board members were asked to complete the self-assessments if not already completed. Will finalize and bring back next month.

11. OWNERSHIP LINKAGE:

A. *Citizen Comment*

None.

12. ANNOUNCEMENTS/BOARD MEMBERS REPORTS:

RRAC Report – Included in the blue folders were the minutes from the most recent meeting. Frank provided a report on the meeting. Board members expressed concern about a closed session being held. A question was raised whether an advisory committee could go into a closed session. Clarified whether the Recipient Rights Advisory Committee and the Appeals Committee met separately. It was unclear who made the request to go into a closed session and whether it applies to the Open Meetings Act. Clarification would need to be made if the committee could go into closed session and if it would need to be a roll call vote.

MOTION:	The Board directed the CEO to receive clarification around the legality of an Advisory Committee going into closed session and not going in with a roll call vote.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Jack Mahank
SECONDER:	David Marshall

Board members were informed that one of our staff has been diagnosed with a terminal illness and identified their willingness to honor him at one of our board meetings.

Board Assoc Conf Report – Not discussed.

13. MEETING EVALUATION:

- #1- We spent our time on the most important governance topics: majority was excellent
- #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 excellent
- #5- What is the most important thing the Board could do to improve our function as a Board? No comment.

14. NEXT MEETING AGENDA:

Agenda items for the November 17 to be held at the Cadillac Office: per diem and budget, structural proposal and framework.

15. ADJOURNMENT:

MOTION:	Adjourn the meeting.
RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Susan Rogers
SECONDER:	Nina Zamora

The meeting adjourned at 7:45 p.m.

Respectfully Submitted,

Melissa Fournier, Chairperson

Dave Stephenson, Board Secretary

Debra Lavender, Recording Secretary