



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

Board of Director's Meeting Minutes

November 17, 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 - Dave Stephenson, Melissa Fournier, Al Cambridge, Don Halvorsen, Jane Whitney, and Les Barnes. Traverse City - Pat McLaughlin, Rob Hentschel, Frank Tosiello, Helen Stimson, Nina Zamora, David Marshall and Randy Kamps.

Board Members Absent: Jack Mahank (with notice), Ken Melvin (with notice), and Susan Rogers (with notice).

Others Present: Cadillac - Greg Paffhouse, Chief Executive Officer; Deb Lavender, Executive Secretary; Mary Hubbard, Chief Operations Officer for Children and Families; Bruce Bridges, Chief Financial Officer; Jane Swartout, Compliance Officer; Joanie Blamer, Chief Operations Officer for Crawford, Missaukee, Roscommon and Wexford Counties; Jonathan Bennett, Recipient Rights Officer; Carol Sluck, Evergreen Home; Rosemary Pierson, Residential Services Supervisor; Nancy Schornack, Jones Lake Home; Shelly Davis, Pearl Street Home; and Patti Woodward, Residential Program Specialist. Traverse City - Keith Huggett, Information Systems Manager; Kevin Hartley, Director of Quality Improvement; and Terri Kilty, Chief Operations Officer for Grand Traverse and Leelanau Counties.

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

2. APPROVAL OF AGENDA: Request to add action item under Executive Limitations P.A. 152.

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| MOTION: | Approve the Agenda of November 17, 2011 as amended to add Action Item under Executive Limitations P.A. 152. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Dave Stephenson |

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* – Al requested that the Aloha Center Contract be considered separately.

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| MOTION: | Approve the Management Consent Agenda of November 17, 2011 With Removal of the Aloha Center Contract. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Don Halvorsen |

Al indicated that he would abstain from the Aloha Center contract vote. He believes it is a program that we need to change due to the size and that we have to pressure our providers to come up with alternatives. He noted that there is no place for the consumers to go and felt that he should abstain from the vote. It was suggested that we may want to approve with a provision. There was discussion as to the dates of the contract and downsizing of the operations.

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| MOTION: | Approve the Aloha Center Contract. |
| RESULT: | ADOPTED. 12 ayes and 1 abstention. |
| MOVER: | Les Barnes |
| SECONDER: | Pat McLaughlin |

B. Consideration of Board Consent Agenda

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| MOTION: | Approve the Board Consent Agenda of November 17, 2011 as presented. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Don Halvorsen |

5. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

B. *Ownership Communication*
None.

C. *Appreciation/Recognition*

Ernie Reynolds, Certified Peer Support Specialist was recognized for the work that he has done. Greg identified this is a recognition for Ernie and his son Kelly to take with them and we have a second plaque that will go to Joanie Blamer to be posted in the Grayling Office. Ernie noted "that what you do, what you have been, what you are doing and what you will do is important. You will be affecting not just one person at a time you will affect hundreds at a time." Ernie thanked the board and for the peers he has worked with he says thank you.

6. CHIEF EXECUTIVE OFFICER'S REPORT:

Greg referenced his written report and a series of informational items in the packet. He identified that we received our FY12 General Fund reduction which includes reductions in administration and in services. Those numbers aren't large, but are significant when you consider the overspending in General Fund last year. We will need to develop a strategy to address. Executive staff will be meeting to discuss as we want to serve all people but that is not possible. Greg referenced documents regarding dual eligibles and identified it is a significant decision the state will make. The State must have a plan developed by April 2012 as to how to manage and serve persons who have Medicaid and Medicare benefits. We need to keep in mind as we discuss health care reform initiatives and as we move to the discussion under the PIHP item in regards to the meeting with Lynda Zeller. Greg encouraged board members to read the Joint Consensus Paper that looks at recommendations that come from five public organizations as to its planning process.

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| MOTION: | To Approve the Chief Executive Officer's Report. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Don Halvorsen |
| SECONDER: | Al Cambridge |

7. CONSIDERATION OF PIHP ITEMS:

Board members took this opportunity to thank Dave Branding and wish him luck on his new employment adventure. Dave noted it has been his pleasure to work in Northern Michigan and to work in the public mental health system. He noted he truly appreciates working for

Northern Lakes CMH and all the opportunities that have been provided to him in terms of skill development, learning opportunities and leadership opportunities. He wanted to recognize the support and confidence that was provided to him by both directors in his Chief Managed Care Officer's position. He noted that we changed a lot this year and gained some efficiencies. He thanked the board for the opportunity to work here and serve people in Northern Michigan.

11/15/11 MCAC Report – Much of the meeting focused around the status of filling the Chief Managed Care Officer position and to plan for the November 22 meeting with Lynda Zeller. Greg referenced the agenda and other information that was developed for the November 22 meeting to be held in Cadillac from 11:00 a.m. to 2:00 p.m. Board members were encouraged to attend along with West Michigan board members and executive staff. Board members identified whether they would attend the meeting.

Update on CMCO Position – Greg identified that several board members were able to participate in an interview with Karl Kovacs. He related Karl's history with the Department of Community Health in leading their integrated health care initiatives and noted his significant history with managed care operations. There has been multiple interview opportunities and we are negotiating around salary and relocation expenses. We would like to have the position finalized prior to November 22 and have Karl be present for the meeting with Lynda Zeller.

8. ASSURANCE OF ORGANIZATIONAL PERFORMANCE:

A. Receipt of CEO Monitoring Report

Policy 1-2-04 Financial Management/Internal Controls

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| MOTION: | Receive and File Policy 1-2-04 Financial Management/Internal Controls showing that the Agency is in Full Compliance. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Don Halvorsen |

1-2-05 Asset Protection

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| MOTION: | Receive and File Policy 1-2-05 Asset Protection showing that the Agency is in Full Compliance. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Don Halvorsen |

B. New Operational Worries

None.

C. November Monitoring Assignment

Monitoring Report 1-2-00 Global Executive Limitations should be completed and turned in.

9. BOARD MEANS SELF-ASSESSMENT:

A. Receipt of Board Monitoring Report

Policy 1-3-00 Global Governance Process/Ownership Linkage

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| MOTION: | Receive and File Policy 1-3-00 Global Governance Process/Ownership Linkage – Direct Inspection indicating that the Agency is in Full Compliance. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Don Halvorsen |

Policy 1-4-00 Global Governance – Board/CEO Linkage

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| MOTION: | Receive and File Policy 1-4-00 Global Governance – Board/CEO Linkage showing that the Agency is in Full Compliance. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Don Halvorsen |

B. November Monitoring Assignment

Monitoring Report 1-3-02 Governance Style should be completed and turned in.

Monitoring Report 1-3-04 Annual Work Plan should be completed and turned in.

10. GOVERNANCE POLICIES DISCUSSION AND ASSESSMENT:

A. Ends

None.

B. Executive Limitations

P.A. 152

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| MOTION: | To Approve Option 4 of P.A. 152 as presented at the Committee of the Whole Meeting. |
| RESULT: | A Roll Call Vote was Taken. 11 Yes. Kamps, Tosiello, Stimson, Halvorsen, Barnes, Zamora, Cambridge, McLaughlin, Whitney, Stephenson and Fournier. 2 No. Hentschel and Marshall. Motion Approved. |
| MOVER: | Dave Stephenson |
| SECONDER: | Les Barnes |

Board members provided comments in support of having parity to all employees and approving Option 4 which allows for 80/20 of the total annual costs of all medical benefit plans. As noted this requires a majority vote of its governing board annually. Board members also voiced concern whether we are following the organizational mission, responsibility to consumers and the community and financial issues and supported Option 3 for a hard cap.

Administrative Cost Policy – Included in the packet is the revision of the draft policy. There was concern that the language is confusing and to make changes to the draft policy.

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| MOTION: | To Approve Sending Back the Draft Administrative Cost Policy to CEO for Further Revision. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | David Marshall |
| SECONDER: | Pat McLaughlin |

C. Board/CEO Linkage

None.

D. Governance Process/Ownership Linkages

Board Member Per Diem and Budget/Mileage Reimbursement – The board had requested information on per diem from the Board Association Survey and the information was included in the packet. There was also a request last month for additional information about the mileage rate paid by Northern Lakes and a summary of mileage rates paid to employees, contractors and board members was provided. There was no action taken or requested.

Individual Board Member Self-Assessment and Board Self-Assessment – Information was provided to board members at the Committee of the Whole meeting. Greg identified that the information is used to help guide the following year Board work plan.

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| MOTION: | To Receive and File the Individual Board Member Self-Assessment and Board Self-Assessment. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Al Cambridge |
| SECONDER: | Jane Whitney |

Structural Plan/Framework Concept Paper – Last month the board requested that Greg develop a structural plan for a regional approach to the managerial functions with 100,000 covered lives. Included in the packet is an issue paper and a two page spread sheet that lays out four different options that would be available to our affiliation. Greg summarized the options and identified that he has had discussions with the Executive Director of the Northern Affiliation and there was interest if we need to get bigger to maintain a managerial authority. Greg identified that he has shared the concept paper with Jim Haveman and his response was included in the blue folder. The concept paper was also shared with West Michigan and Lynda Zeller in advance of the November 22 meeting. One of the key points of that meeting will be if covered lives really matter or if the key will be health regions. Greg responded to questions regarding realigning counties, health care regions for dual eligibles, regionalization and how that affects board composition, etc.

Advisory Committee – Opinion on Closed Session – Information was provided to our attorney who had written the original opinion and at this time we do not have a written response on any of the issues and would have for the December Board meeting if available.

11. OWNERSHIP LINKAGE:

A. *Citizen Comment*
None.

12. ANNOUNCEMENTS/BOARD MEMBERS REPORTS:

Report on 11/1/2011 Recipient Rights Advisory Committee – Les referenced the minutes from the November 1 meeting. He identified that the Recipient Rights Advisory Committee sought the advice of the Michigan Department of Community Health Director of Recipient Rights John Sanford regarding its relationship to the Northern Lakes Board. Les identified that this director identified that this committee has certain privileges that most committees would not enjoy. Board members were encouraged to read the minutes. Frank identified that John Sanford offered to meet with this board relative to the concerns. There was also discussion that the committee chair would be at our meeting to give a report. Les identified that there will be a request made of this board regarding this. Dave identified that Mr. Sanford indicated this relationship would exist only in the public mental health system. He questioned whether this board would legally be responsible? Les requested whether the board would consider inviting John Sanford to a meeting after we receive our attorney’s opinion. The minutes would suggest that Jon is an ex-officio member and is incorrect. Les identified that he brought the question forward whether there are by-laws and that Jon was asked to bring sample by-laws. Les indicated that they should have something that would identify that they will run their meetings by Roberts Rules. Frank identified that the committee did go into closed session again and according to the meeting minutes it was a unanimous vote and noted it wasn’t unanimous. Reference was made to Governance Policy 1-3-07 regarding standing committees. Greg noted that the board has policies and that were written with good intent. We also have the Mental Health Code that would supersede Northern Lakes policies. The question here is trying to sort out what is the degree of authority and autonomy that is allowed to this committee. He noted that we need to have this issue clarified and take up with Mr. Sanford an opportunity to have some conversation.

13. 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 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? The board chairperson requested in the future when having video conferencing not having side bar conversation during the board meeting.

14. NEXT MEETING AGENDA:

Agenda items for the December 15, 2011 to be held at the Traverse City Office: November 22 meeting with Lynda Zeller.

15. ADJOURNMENT:

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| MOTION: | Adjourn the meeting. |
| RESULT: | ADOPTED [UNANIMOUS] |
| MOVER: | Les Barnes |
| SECONDER: | Al Cambridge |

The meeting adjourned at 7:50 p.m.

Respectfully Submitted,

Melissa Fournier, Chairperson

Dave Stephenson, Board Secretary

Debra Lavender, Recording Secretary