



Northern Lakes  
Community Mental  
Health Authority

Committee of the  
Whole Packet

August 17, 2023



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

## COMMITTEE OF THE WHOLE - AGENDA

**DATE:** August 17, 2023  
**TIME:** 12:30 p.m.  
**PLACE:** Leelanau Governmental Center  
 8527 E Government Center Dr, Suttons Bay, MI  
 and Virtual Meeting  
 Dial 1-810-258-9588 Conference ID 986 665 315#

TIME	ID #	ITEM	POLICY #
12:30 p.m.		Call to Meeting	2.8
12:35 p.m.		Public Comment <i>(May be limited to three minutes by the Board Chairperson)</i>	
12:40 p.m.	1	Update on Recipient Rights - Recipient Rights Director, Brian Newcomb	
12:50 p.m.		Ad hoc Budget Committee Update	
1:00 p.m.	2	Initial FY 2024 Budget and 2024 Capitalization Plan - Chief Financial Officer, Lauri Fischer	
1:20 p.m.		Transportation of CMH Consumers - Interim Chief Executive Officer, Brian Martinus	3.8
1:30 p.m.	3	Cost of Governance - Board Per Diem	
1:40 p.m.		September 21, 2023, Agenda Planning –Houghton Lake	3.2, 3.5
1:50 p.m.		Meeting Evaluation/Comments	
1:55 p.m.		Other/Adjourn	

**Note: This is the Board's work group and often times the Board's work groups do not follow set times.**

**NEXT MEETING: September 21, 2023**

NOTICE: If any person with a disability needs accommodations, please call the CEO's Office three days prior to the posted meeting date.

Office of Recipient Rights Director's Report  
August 2023

Dates represented	10/1/20-08/07/21	10/1/21-08/07/22	10/1/22-08/07/23
Complaints	255	490	361
OJ, No Right Inv.	43	64	49
Interventions	2	28	14
Investigations	210	399	298
Investigations Comp	210	399	228
Investigations open	0	0	70
Inv > 90 days	27	0	0
Inv < 90 days	183/210 (87.1%)	399/399 (100%)	228/228 (100%)
Summary Report Avg	205/210 (97.6%)	396/400 (99%)	223/223 (100%)
NLCMHA staff alleg.	52	100	59
NLCMHA Staff W/I 1 yr	5	37	9

**Allegations by Population**

Fiscal Year	MIA	IDD	SED	Total
FY2021	109	193	8	<b>310</b>
FY2022	168	354	11	<b>533</b>
FY2023	163	165	23	<b>351</b>

**Complaint Source**

Complaint Source	Count
Anonymous	15
Community/General Public	31
Guardian/Family	24
ORR	124
Recipient	77
Staff	90
<b>Total</b>	<b>361</b>

**Notes:**

-Site Visits for FY23 will be fully completed by the end of August. Only 3 remaining and all scheduled.

-I will not be in attendance at the September and November board meetings due to training and vacation.

Respectfully submitted,

Brian Newcomb

Director of Recipient Rights

**Northern Lakes Community Mental Health Authority  
Proposed Budget  
Fiscal Year Ended 9/30/2024**

**Revenues:**

State Sources	\$	3,992,662
Local Sources	\$	1,540,214
Medicaid Sources	\$	71,934,015
Reimbursements	\$	830,890
Grants	\$	2,388,000
Northern Health Care Management	\$	12,529,974
<b>Total Sources of Funding</b>	<b>\$</b>	<b>93,215,755</b>

**Expenditures:**

**Employed Workforce And Agency Expenditures**

Personnel	\$	31,562,998
Direct Operations	\$	3,982,663
Transportation	\$	744,136
Occupied Space	\$	1,993,255
<b>Directly Provided and Agency Oversight</b>	<b>\$</b>	<b>38,283,052</b>

**Contracted Provider Expenditures**

Autism Services Providers	\$	3,836,981
Client Transportation Providers	\$	891,900
Clinical Contracts Providers	\$	3,918,247
Community Living Supports Providers	\$	3,153,679
Daytime Activities Contract Providers	\$	5,105,086
Fiscal Intermediary Provided Self Determination	\$	1,464,727
Hospital Inpatient Contracts	\$	6,855,000
Therapeutic Contract Providers	\$	609,377
Residential Contract Providers	\$	19,736,946
Northern Health Care Management Services Contracts	\$	9,280,324
Northern Health Care Management Respite Contracts	\$	80,436
<b>Total Contracted Provider Expenditures</b>	<b>\$</b>	<b>54,932,703</b>

**Total Expenditures**

<b>\$</b>	<b>93,215,755</b>
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**Northern Lakes Community Mental Health Authority  
Proposed Budget  
Fiscal Year Ending September 30, 2024**

<b>Revenues &amp; Funding</b>	<b>Fiscal Year 2023 Budget</b>	<b>Fiscal Year 2024 Budget</b>	<b>Difference</b>	<b>Change as a Percentage</b>
State Sources	\$ 3,881,523	\$ 3,992,661	\$ 111,138	2.86%
Local Sources	\$ 1,924,226	\$ 1,441,296	\$ (482,930)	-25.10%
Medicaid Sources	\$ 68,140,272	\$ 71,924,592	\$ 3,784,320	5.55%
Reimbursements	\$ 946,029	\$ 830,891	\$ (115,138)	-12.17%
Grants	\$ 3,157,467	\$ 2,496,341	\$ (661,126)	-20.94%
Northern Health Care Management	\$ 12,041,844	\$ 12,529,974	\$ 488,130	4.05%
<b>Total Revenues</b>	<b>\$ 90,091,361</b>	<b>\$ 93,215,755</b>	<b>\$ 3,124,394</b>	<b>3.47%</b>

**Expenditures**

Personnel	\$ 30,356,674	\$ 31,562,997	\$ 1,206,323	3.97%
Direct Operations	\$ 2,743,379	\$ 2,731,182	\$ (12,197)	-0.44%
Administrative Contracts	\$ 717,775	\$ 1,251,481	\$ 533,706	74.36%
Contractual Services	\$ 12,741,096	\$ 12,323,307	\$ (417,789)	-3.28%
Contract Agencies	\$ 8,029,033	\$ 9,257,842	\$ 1,228,809	15.30%
Residential Contracts	\$ 26,636,968	\$ 26,496,555	\$ (140,413)	-0.53%
Inpatient Services	\$ 6,491,000	\$ 6,855,000	\$ 364,000	5.61%
Transportation	\$ 643,232	\$ 744,136	\$ 100,904	15.69%
Occupied Space	\$ 1,732,204	\$ 1,993,255	\$ 261,051	15.07%
<b>Total Expenses</b>	<b>\$ 90,091,361</b>	<b>\$ 93,215,755</b>	<b>\$ 3,124,394</b>	<b>3.47%</b>

**Northern Lakes Community Mental Health Authority  
Proposed Budget for Fiscal Year 2024**

**Overview:**

It is the practice of NLCMHA to propose an operating budget in August of each year for the next fiscal year which starts on October 1<sup>st</sup>. The 2024 fiscal year budget is being requested at \$93,215,755. The 2023 fiscal year budget was approved at \$90,091,361 which is an increase of \$3,124,394. The details are presented below. Budget values are predicated on the expected cost of services provided including all fund sources and grants that are either multi-year or applied for and reasonably expected to be approved. At the time of this writing, it is believed an additional direct care worker wage premium will be provided, however, the amount and scope of service codes that will be covered have not been published and have not been included in the revenues or expenditures. Page two has been added to the budget presentation for prior year comparison reasons.

**Funding or Revenue Sources**

**State Funding Sources:**

- General Funds Contract \$2,905,487
- General Funds Carryforward \$145,274
- OBRA PASARR Contract \$941,900

**Total State Sources \$3,992,661**

**Local Funding Sources:**

- County Appropriations \$1,026,740
- PA 423 Commercial Insurance \$269,056
- Interest Earned \$145,000
- Donations \$500

**Total Local Funding Sources \$1,441,296**

**Medicaid Sources:**

- A. Medicaid capitation and services provided are expected to decline in FY 2024 with the unfreezing of Medicaid redeterminations and the reinstatement of Medicaid deductibles. Many services which have been provided by Medicaid during the public health emergency will need to be supplemented by general funds for deductibles which MDHHS are establishing with redeterminations. The amount being requested is reduced by 2% from the prior year spending level. Redeterminations will take one year to implement. Traditional Medicaid is

paid to the CMHSP Boards based on the population of the individual a capitated payment is made for. The actuarial populations include DAB (disabled, aged, or blind) and TANF (temporary assistance to needy families). A person in the DAB population is rated at \$330 per member per month and a person in the TANF population is rated at an average of \$38 per member per month. Almost 77% of traditional Medicaid is advanced actuarially in support of people in the disabled, aged, or blind category.

**Traditional Medicaid \$62,438,277**

- B. Healthy Michigan Plan Medicaid capitation and services have experienced increases for the same reasons as identified in A. above. Traditional Medicaid and Healthy Michigan Plan Medicaid can be combined for the purpose of internal service fund usage and replenishment.

**Healthy Michigan Plan Medicaid \$8,424,428**

- C. The Behavioral Health Home or CHAT program has expanded enrollments to 165 people as of July. An increase of 31% over the past year.

**Behavioral Health Home: \$805,894**

- D. The CHAT program will expand Health Home services to include an Opioid Health Home. The reimbursement rate is slightly lower than the Behavioral Health Home but includes many of the same services which could expand to individuals with substance use disorders. The revenue and expense of the Opioid Health Home are equal and include 3-4 staff.

**Opioid Health Home: \$255,993**

All combined **Medicaid funded services** under contract with the Northern Michigan Regional Entity: **\$71,924,592**

**Reimbursements:**

- CMHSP to CMHSP Contracts for Service \$315,000
- Residential program room & board \$422,781
- Integrated Health Clinic commercial insurance \$77,760
- Miscellaneous reimbursement for records, jury duty, and donations \$15,350

**Total Reimbursements: \$830,891**

**Grants:**

<b>Project Title</b>	<b>Amount</b>
Criminal Justice Jail Diversion Services	\$ 30,017
Crisis Stabilization Unit Establishment	\$ 250,000
New Connections Drop-in Center	\$ 7,500
Kandu Island Drop-In Center	\$ 7,500
Integrated Healthcare	\$ 219,983
Mental Health Access and Juvenile Justice Diversion	\$ 100,000
Behavioral Health Workforce Stabilization Support	\$ 68,000
Multi Systemic Therapy	\$ 205,000
Support for the Traverse City CRU North Hope	\$ 1,000,000
County ARPA Allocation	\$ 500,000
Strong Families Safe Children	\$ 3,000
University of Michigan Behavioral Health Consultant	\$ 105,341
	<b>\$ 2,496,341</b>

**Northern Health Care Management:**

- Northern Health Care Management Contract \$12,100,600
- Transition navigation \$215,000
- Presumptive eligibility \$125,000
- Caregiver respite of \$89,374

**Total Northern Health Care Management: \$12,529,974**

**Revenue Budget: \$93,215,755**



## **Employed Workforce and Other Expenditures**

### **Personnel:**

- NLCMHA employs a wide range of clinicians, paraprofessional staff, and administrators with an average staff census of 340 people. Personnel includes salary, benefits, staff development, workmen's compensation and unemployment insurance. NLCMHA will budget a 95% staffing rate for the upcoming fiscal year.

**Total Personnel: \$31,562,997**

### **Direct Operations:**

- Direct Operations include the Board of Directors per diems and governance prerogatives, supplies, software, computer, and communication equipment. New for this fiscal year is accounting standards requiring subscription expenses related to software.

**Total Direct Operations: \$2,731,182**

### **Administrative Contracts:**

- Administrative contracts include legal, audit, CMHA, MDHHS worker, after hours crisis line, local match to Medicaid, and several other administrative agreements.

**Total Administrative Contracts: \$1,251,481**

### **Transportation:**

- Transportation related to the employed workforce includes mileage reimbursement, fleet vehicle gas, maintenance, and depreciation.

**Total Transportation: \$744,136**

### **Occupied Space:**

- Occupied space includes rent, utilities, repairs and maintenance and building depreciation.

**Total Occupied Space: \$1,993,255**

**The Directly Provided and Agency Oversight budget is requested at \$38,283,051**

### Contracted Providers

NLCMHA contracts with a variety of service providers for a vast array of services and supports. The types of contracts are listed below:

Total Contracts Value	<b>\$ 54,932,704</b>
By Service Type:	
Autism Services Providers	\$ 3,836,981
Client Transportation Providers	\$ 891,900
Clinical Contracts Providers	\$ 3,918,247
Community Living Supports Providers	\$ 3,153,679
Daytime Activities Contract Providers	\$ 5,105,086
Fiscal Intermediary Provided Self Determination	\$ 1,464,727
Hospital Inpatient Contracts	\$ 6,855,000
Therapeutic Contract Providers	\$ 609,377
Residential Contract Providers	\$ 19,736,946
Northern Health Care Management Services Contracts	\$ 9,280,325
Northern Health Care Management Respite Contracts	\$ 80,436
	<b>\$ 54,932,704</b>
By Budget Category:	
Contractual Services	\$ 12,323,307
Contract Agencies	\$ 9,257,842
Inpatient Services	\$ 6,855,000
Residential Contracts	\$ 26,496,555
	<b>\$ 54,932,704</b>

**Total Contractual Provider Budget Requested: \$54,932,704**

**Combined Directly Provided and Agency Oversight and Contracted Providers:  
\$93,215,755**

**Northern Lakes Community Mental Health Authority  
Recommended Capitalization Planning Values  
Capital plan for FY2024**

	Budget Capital Plan FY 2023	FY 23 Note Describing Purchase	Projected Spending for FY 2023	Budget Capital Plan FY 2024	FY23 or FY24 Note Describing Purchase
<b>Equipment</b>					
2 VMWare Host Cadillac	\$ 12,500	A	\$ 6,600		<i>actual/just 1 bought</i>
2 Meraki MX 105 Router	\$ 11,000	B	\$ -		<i>under \$5k each</i>
TC - Copy Machine/Printer				\$ 20,000	<i>I</i>
Sub Total:	\$ 23,500		\$ 6,600	\$ 20,000	
<b>Software</b>					
Sub Total:	\$ -		\$ -	\$ -	
<b>Land</b>					
Sub Total:	\$ -		\$ -	\$ -	
<b>Real Property</b>					
Cadillac - Condenser				\$ 28,000	<i>II</i>
Cadillac - Curb repair for Parking lot				\$ 20,000	<i>III</i>
Cadillac - Gym Remodel				\$ 80,000	<i>IV</i>
Cadillac - Rception remodel				\$ 65,000	<i>V</i>
HL - Carpet for Board Room				\$ 12,000	<i>VI</i>
Club Cadillac - Ramp rebuild				\$ 50,000	<i>VII</i>
TC - Elevator Updates				\$ 45,000	<i>VIII</i>
TC - Carpet for Traverse House				\$ 45,000	<i>IX</i>
Grayling - Rain Gutters				\$ 25,000	<i>X</i>
Technilodge	\$ 6,233,000	C	\$ 63,962		<i>actual</i>
Club Cadillac-Roof	\$ 40,000	D	\$ 32,611		<i>actual</i>
Cadillac Office-Carpet	\$ 40,000	E	\$ 32,818		<i>actual</i>
Cadillac Office-Tile	\$ 24,000	F	\$ 22,000		<i>projected</i>
TC-Carpet	\$ 25,000	G	\$ 23,623		<i>actual</i>
Grayling-Parking Lot	\$ 58,000	H	\$ 58,000		<i>projected</i>
Cadillac-Fire System panel strobes	\$ 65,000	I	\$ 65,000		<i>projected</i>
2 Homes-Paint	\$ 38,000	J	\$ 38,000		<i>projected</i>
HL Office-Generator Switch	\$ 7,000	K	\$ -		<i>under \$5k</i>
Seneca Home-Bathroom	\$ 25,000	L	\$ 25,000		<i>projected</i>
Sub Total:	\$ 6,555,000		\$ 361,014	\$ 370,000	
<b>Vehicles</b>					
2 Vans with lifts	\$ 116,000	M	\$ 160,000		<i>projected</i>
15 Escapes@ \$33,000				\$ 495,000	<i>XI</i>
Waiver Van w/Lift				\$ 85,000	<i>XII</i>
F250 Truck				\$ 75,000	<i>XIII</i>
Sub Total:	\$ 116,000		\$ 160,000	\$ 655,000	
<b>Total Book Cost</b>	<b>\$ 6,694,500</b>		<b>\$ 527,614</b>	<b>\$ 1,045,000</b>	

- |   |                                 |      |                                       |
|---|---------------------------------|------|---------------------------------------|
| A | 2 VMWare hosts for Cadillac     | I    | Copier for TC Office                  |
| B | 2 Meraki MX105 Routers          | II   | Condenser for Heating & Cooling Equip |
| C | NHCM technilodge center         | III  | Curb Repair in CAD parking lot        |
| D | New roof on Club Cadillac       | IV   | Remodel for Gym to make more usable   |
| E | New carpet in Cadillac office   | V    | Remodel for reception efficiency      |
| F | New tile in Cadillac Office     | VI   | New carpet for HL board room          |
| G | New Carpet in TC                | VII  | Revamp Club handicap ramp             |
| H | Grayling Parking lot            | VIII | Elevator updates/upgrades             |
| I | Cadillac Fire system upgrade    | IX   | New carpet for TH                     |
| J | Exterior Paint for 2 AFC homes  | X    | Rain Gutter for Grayling office       |
| K | HL Generator Switch             | XI   | Replace aging Fleet vehicles          |
| L | Seneca Bathroom remodel         | XII  | Waiver program lift van               |
| M | 2 vans with lifts for AFC homes | XIII | utility/plow truck replacement        |

### 3.8 Costs of Governance

Because excellence in governance produces tangible financial benefits and is dependent on the Board's level of skill and support, the Authority shall commit financial resources to accomplish the following:

- 3.8.1 Introduction of new members to the mental health system;
- 3.8.2 Orientation of new members to Board Governance Policies and to the functions and responsibilities of the Board as a whole and of its individual members;
- 3.8.3 Orientation of new members to the Authority's management structures and functions;
- 3.8.4 Provision of opportunities for the education and training of Board members;
- 3.8.5 Utilization of outside resources to promote a culture of civility and genuine openness to and fair consideration of the views and values of stakeholders; and
- 3.8.6 Enabling participation on the Board through payment of per diem and reasonable expenses.

Prior Approval for Conferences. A member must obtain the prior approval of the Board Chair to attend conferences and meetings (other than Board or assigned committee meetings) as a condition of payment of per diem and reimbursement of expenses by the Authority. Subject to budget parameters, the Board Chair shall make a good faith effort to ensure equal access among members to conferences, meetings and activities.

Per Diem Rates. Board members are entitled to per diem for time associated with attendance at meetings of the Board, meetings of Board committees, and conferences and meetings for which a member has received the prior approval of the Board Chair. The per diem rate shall be reviewed annually by the Board. Changes in per diem approved by the Board shall become effective on the first day of the next succeeding fiscal year. Per diem rates paid to Board members shall not be less than the highest per diem rate paid to county commissioners among the Counties with authority to appoint members of the Board as of October 1 of each year unless modified by board action. Board members may request to waive their per diem and/or mileage by indicating on their expense voucher.

Per Diem Limitations. A Board member is entitled to the full per diem rate only when his or her time in meetings plus travel time equals or exceeds 4 hours in a single day. A Board member shall be entitled to partial per diem where meeting time plus travel time is less than 4 hours in a single day.

Transportation Expenses. The Authority shall reimburse Board members for reasonable transportation expenses incurred in the course and scope of Board-approved business. Where a member uses his or her own vehicle, the mileage eligible for reimbursement shall be the lesser of actual mileage or the round trip mileage to the member's home. The reimbursement shall be at the same rate per mile applicable to employed members of the Workforce. Board members are encouraged to car pool with staff and other Board members when possible.

Eligible Lodging Expenses. The Authority shall reimburse Board members for reasonable lodging expenses incurred in the course and scope of Board-approved business, but only if the claimed expense is eligible for reimbursement under the following criteria:

- 3.8.7 The site of the meeting exceeds 100 miles from the member's home; and
- 3.8.8 To attend, the Board member must leave home prior to 6:00 a.m.; or
- 3.8.9 Due to the event, the Board member cannot return to his or her home prior to 7:00 p.m.; or
- 3.8.10 The event is scheduled for multiple days.

Limitations on Reimbursement of Eligible Lodging Expenses.

Reimbursement of an eligible lodging expense incurred by a Board member is limited to the following:

3.8.11 Where the event is a conference, reimbursement shall not exceed the conference room rate at the facility where the conference is held. In the event rooms are not available at the conference facility, the amount reimbursed shall not exceed the cost of a comparable room in a comparable facility. Proof of unavailability of rooms at the conference facility is required.

3.8.12 In all other cases, reimbursement shall not exceed the scheduled maximum allowable lodging expense applicable to Authority Employees.

Meal Expenses. Meal expenses are eligible for reimbursement, subject to the following limitations:

3.8.13 Reimbursement shall not exceed the scheduled maximum allowable meal expense applicable to employed members of the Workforce; and

3.8.14 Reimbursement for the expense does not constitute income to the Board member under federal tax laws and regulations.

Incidental Expenses. Incidental expenses for items such as office supplies and copying are reimbursable in the discretion of the Board Chair.

Reimbursement Procedure. Claims for reimbursement are subject to the approval of the Board Chair or, in his or her absence, to the approval of the CEO. A Board member seeking reimbursement shall complete and submit to the Board Chair or CEO an expense voucher in approved form setting forth each expense for which reimbursement is claimed. The voucher must clearly disclose the business nature of the claimed expenses and must be accompanied by receipts. Claimed expenses not verified by receipts are not reimbursable. Vouchers may be submitted on a monthly basis at the member's option. Expenses are not reimbursable if the claim therefore is not submitted by the earlier of 90 days after the expense is incurred or 5 days after the close of the fiscal year.

Budget Provisions for Cost of Governance. The CEO shall ensure that the budget annually includes line items for Board per diem and for Board development and expenses. The following amounts shall be budgeted.

LINE ITEM	NUMBER OF UNITS
<b>Board Per Diem</b>	16
<b>Board Development and Expenses</b>	16

Discretionary Exceptions. The CEO, Board Chair or the full Board may, for good cause shown, make exceptions to this Policy provided, however, that the fact of the exception is disclosed to the full Board at its next regular meeting.

Board Member Recognition. Board members shall complete at least six months to be recognized when they leave the Board. A framed certificate of recognition identifying their term on the Board will be provided. The presentation will occur at the regular Board meeting one month prior to their leaving the Board or other arrangements will be made. Northern Lakes Community Mental Health Authority will also recognize former Board members through a plaque displayed at the administrative office.