

Region 10
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GROUP MEETING: Region 10 PIHP Board
PLACE: Lapeer Community Mental Health
1570 Suncrest Dr., Lapeer, MI 48446
DATE: March 16, 2018
TIME: 9:00 a.m.
PRESIDING: Lori Curtiss, Chairperson

PRESENT: Steve Armstrong; Ronald Barnard, Wanda Cole, Lori Curtiss, Ted Hammon, DeElla Johnson, Joyce Johnson, Gary Jones, Linda Keller, Robert Kozfkay, Elva Mills, Ed Priemer

ABSENT: Dr. Niketa Dani, Ed Rieves, Wayne Strandberg

ALSO PRESENT: *Region 10 PIHP Staff:* Jim Johnson, CEO; Kelly VanWormer, COO; Richard Carpenter, CFO-Rehmann; Tom Butler, CFO; Kim Prowse, SUD Director; Robin Kalbfleisch, Recording Secretary
CMH Staff: Lauren Emmons, Lapeer CMH; Wil Morris, Sanilac CMH; Dan Russell, GHS

GUESTS: Paul Rebandt, Rehmann

I. CALL TO ORDER

The meeting was called to order at 9:00 a.m. by Chairperson Curtiss.

II. CITIZENS WISHING TO ADDRESS THE BOARD

None

III. AGENDA CHANGES (*Action*)

It was moved by Ms. Mills, seconded by Mr. Hammon, to approve the Region 10 PIHP Board Meeting agenda for March 16, 2018. **MOTION CARRIED**

IV. PRESENTATION OF PREVIOUS MEETING MINUTES (*Action*)

It was moved by Ms. Keller, seconded by Mr. Hammon, to approve the Region 10 PIHP Board Meeting minutes of January 19, 2018. **MOTION CARRIED**

V. FINANCE

FY2017 Budget

1. Monthly Finance Report – December 2017 (*Action*)
Mr. Carpenter presented the Finance report for December.

2. Monthly Finance Report – January 2018 (*Action*)

Mr. Carpenter reviewed the Finance report for January. He noted that a HSW retroactive payment was received in February. Healthy Michigan has continued to climb and there are ongoing discussions with the State on the DAB/Healthy Michigan migration issue.

The total Medicaid ISF at the end of January was about \$16 million and the Medicaid Savings was about \$700,000. At the beginning of FY17, there was about \$11 million in Medicaid Savings, so there has been a reduction in savings of about \$10 million. The main reasons for this are: 1.) the overspend in Healthy Michigan of about \$7 million, and 2.) an overspend in Autism of about \$3 million. Traditional Medicaid is used to cover this deficit. There is a meeting scheduled with the CFOs next week to discuss FY18 projected expenditures and potential adjustments.

Mr. Carpenter reported there is a surplus of \$6.4 million for Traditional Medicaid through January 2018 due to an increase in Medicaid rates plus additional Autism revenue for this year. This surplus will shrink when the autism needs are met throughout the year. The additional revenue for direct care wages is also included in this surplus.

There is \$0 Healthy Michigan ISF and \$0 Healthy Michigan Savings at this time. There is currently an overspend for Healthy Michigan of \$1.14 million. Traditional Medicaid will be used to cover any deficits.

There was discussion about the overspending that has occurred, and Mr. Carpenter explained the usual patterns of surplus and deficits. We are now out of the normal expected pattern so will be projecting the rest of the year based on the past 5 months to determine if any adjustments are needed. Mr. Johnson also commented that the CMHs cannot completely control the costs of Healthy Michigan. There is an inordinate amount of these funds that are spent on hospitalization across the region. The PIHPs are working on studies to show the State.

It was moved by Ms. Keller, seconded by Ms. Cole, to approve the Finance Reports for December 2017 and January 2018 as presented. **MOTION CARRIED**

3. Payment Report – December 2017 (*Action*)

Report presented by Mr. Carpenter. It was moved by Ms. Keller, seconded by Mr. Jones, to approve the Payment Report for December 2017 as presented. **MOTION CARRIED**

4. Payment Report – January 2018 (*Action*)

Report presented by Mr. Carpenter. It was moved by Mr. Priemer, seconded by Mr. Armstrong, to approve the Payment Report for January 2018 as presented.

Mr. Kozfkay inquired if GHS becoming a pilot will affect revenues for Region 10. Mr. Johnson answered that this will affect the Medicaid revenues as the money would go to the Health Plans; however, we are unsure of the true impact at this time. Discussion of pilot program ensued: Mr. Armstrong voiced his concern that this is the first time that the Region 10 Board is hearing about GHS entering the pilot program. He felt this contradicted the plans made for Region 10 during past Board meetings for a new facility and additional staff. In addition, the pilot programs go against our basic philosophy by providing funding to the Health Plans. Mr. Johnson stated that Region 10 had no role in the pilot applications or selection process as it was a county by county initiative. Mr. Armstrong posed the question to the GHS Board members of why this was not discussed with the Region 10 Board, as this would mean GHS would be leaving the region. Mr. Russell answered that it was not a secret that GHS was applying for the pilot and the GHS Board felt it was the best move for GHS. Mr. Armstrong and Mr. Barnard replied that they were not

aware of the intention of GHS to apply for the pilot program. Ms. Mills commented that, without GHS, we do not meet the number of lives necessary to be a PIHP. Mr. Johnson replied that there are no guarantees that the pilots will or will not lead to privatization. He stated that the CEOs of the three PIHPs affected will be meeting next week to discuss the implications and concerns that will need to be addressed during this process. Ms. Keller stated that this was a last-minute decision with many questions still left to be answered. Mr. Russell agreed and stated it would have been reported at the February Region 10 Board Meeting, but the meeting had been cancelled. He stated that GHS does not want to do this, but they want to be influential in the process that he felt will likely happen anyway. Chairperson Curtiss asked Mr. Russell to please keep the Region 10 Board abreast of the pilot process.

MOTION CARRIED for the approval of the Payment Report for January 2018.

VI. **CONTRACTS**

A. PIHP-CMH Contract Amendments (*Action*)

Ms. VanWormer reviewed the Amendment Summary handout VI.A. Chairperson Curtiss asked if the gender pronouns can be changed within the document. Ms. VanWormer replied it could be modified to be gender neutral.

It was moved by Mr. Kozfkay, seconded by Ms. Keller, to approve the PIHP-CMH Contract Amendments as presented. **MOTION CARRIED**

VII. **POLICIES**

A. Succession of CEO Administrative Responsibilities Policy # 01.03.04 (*Action*)

Mr. Johnson presented the new policy regarding succession, indicating that the COO will become the acting CEO should the CEO be unable to perform the duties of the position.

It was moved by Ms. Keller, seconded by Mr. Jones, to approve the Succession of CEO Administrative Responsibilities Policy # 01.03.04 as presented. **MOTION CARRIED**

VIII. **SUBSTANCE USE DISORDERS**

A. New Paths Inc. Letter of Agreement (*Action*)

Ms. Prowse presented the LOA for New Paths, a current provider, for services provided using a staffing grant of up to \$116,426. The services were originally provided by Lapeer CMH, but they are no longer contracted for this. The services New Paths will be providing through this agreement include going into hospitals to meet up with individuals in an overdose situation or who have been identified as having an opioid use disorder. Staff under this agreement include two recovery coaches (male and female) and a care coordinator.

It was moved by Ms. Cole, seconded by Ms. Keller, to approve the New Paths Letter of Agreement as presented. Mr. Kozfkay inquired if this was a new contract. Ms. Prowse explained it was an expansion of their current contract; however, this is not new money as it is part of a specialty grant that was previously passed through to Lapeer CMH. **MOTION CARRIED**

Ms. Prowse reported that they are currently in the middle of a RFP process for residential detox and medication assisted treatment and have received 11 intents to bid.

IX. DIRECTOR'S REPORT

Mr. Johnson reported there are two other pilot programs in addition to GHS: Muskegon/West Michigan and Saginaw. MDHHS wants implementation to move quickly as Senate and House seat changes will occur at the end of this year, which is motivation to implement as much of the pilot programs as possible.

The 1115 Waiver is needed to implement the pilot programs, so approval is expected soon with implementation to take place in the Fall.

A group is meeting regarding the inpatient psychiatric payment system to standardize the payment structure across the state. The group, led by Tom Renwick and including the PIHPs, is currently looking at methodologies for this structure.

There was a meeting between Office of Inspector General (OIG) and the PIHPs which Mr. Johnson and Ms. Potthoff attended. This was the first of an ongoing schedule of meetings intended to foster better lines of communication and consistency between the OIG and the public mental health system. The FY19 contract will be changed to codify how the OIG and Department deals with fraud and waste.

There was a Senate Budget Hearing two weeks ago where concerns were raised relative to the increase in Autism spending (\$40 million in FY15, \$105 million in FY18, \$200 million for FY19). There will be a separate hearing for Autism spending next week, and the Office of the Lt. Governor called Mr. Johnson and the other PIHPs to make them aware of this.

For the contract next year with the Department, the PIHPs have formally requested earlier Medicaid payments. The PIHP CFO Group will work on explaining the impact of late payments on the CMHs and the CEOs will continue to pursue with the Department.

The Lakeshore Regional Board has posted a RFP for administrative services. It is possible a private entity could bid.

The Federal government shutdown is scheduled to occur in a couple of weeks if the omnibus bill for the rest of the fiscal year does not get approved.

A. CMHA

1. Friday Facts

Provided for review.

X. ANY OTHER BUSINESS TO PROPERLY COME BEFORE THE BOARD

A. Revised 2018 Board Meeting Calendar

It was moved by Mr. Hammon, seconded by Ms. Joyce Johnson, to approve the revised 2018 Board Meeting Calendar as presented. **MOTION CARRIED**

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XI. CITIZENS WISHING TO ADDRESS THE BOARD

None

XII. ADJOURNMENT

It was moved by Ms. Keller, seconded by Ms. Joyce Johnson, to adjourn the meeting. With no further business to discuss, Chairperson Curtiss adjourned the meeting at 10:12 a.m.

Respectfully submitted,

Reviewed and approved,

Robin Kalbfleisch
Recording Secretary

Gary Jones
Region 10 Board Secretary