



FINANCE COMMITTEE
Meeting Minutes
Wednesday, February 14th, 2024
5:30 p.m.
812 E. Jolly Rd, Atrium
Lansing, MI 48910

Join Zoom Meeting
<https://zoom.us/j/98547470124>
Meeting ID: 985 4747 0124

Committee Members Present:

Tim Hanna
Joe Brehler
Paula Yensen
Dwight Washington – Bath, MI

Committee Members Excused:

Ryan Sebolt

Staff Present

**Darby Vermeulen, Sara Lurie, Sue Panetta, Liz Parker, Marie Carrell, John Peiffer,
Jana Baylis, Joanne Holland, Amy Rottman – Rehmann Robson, Dr. Jennifer
Stanley, KC Brown**

Other Board Members Present:

Dianne Holman

Public Present:

None

Others Present

None

Call to Order:

The meeting was called to order by Chairperson Joe Brehler at 5:30 p.m.

Previous Meeting Minutes:

MOVED by Tim Hanna and SUPPORTED by Dianne Holman to approve the Finance Committee meeting minutes of January 10th, 2024.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Tim Hanna and SUPPORTED by Paula Yensen to adopt the agenda of February 14th, 2024.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

None

BUSINESS ITEMS:

Expense Contracts

MOVED by Tim Hanna and SUPPORTED by Dianne Holman that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into the following expense contracts based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

New Expense Proposal: Families Forward ICC Post Renovation - 5303 S Cedar Building 2

John Peiffer explained the ICC renovations to new Board member Paula Yensen. There is some new furniture that is needed to fill in the renovated spaces on the

second floor at ICC and to replace old and worn furniture. The furniture will be purchased from DBI 912 E Michigan Ave, Lansing, MI 48912 off the State of Michigan MIDEal purchasing plan at a price of \$69,880.66.

Expense Contract - Lease Renewal: 3962 Vanneter Road, Williamston, Michigan 48895

John explained that this is a provider that provides round the clock services in the home. This is a licensed home. The providers that have occupied this home over the years have done a good job of taking care of the consumers that reside there.

MOTION CARRIED unanimously.

Expense Contracts

MOVED by Tim Hanna and SUPPORTED by Dianne Holman that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into the following expense contracts based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Expense Contract Amendment: St. Francis Camp on the Lake

Marie Carrell said that Medicaid allows families to use respite to provide relief to caregivers. One respite option is through camps. St. Francis’ Board decided they wanted to amend their rates. This contract is for the retroactive period of October 1, 2023 through September 30, 2024.

Service Description	Modifier	Unit	Rate
H0045 Respite care services in out-of-home setting	UN – 2 consumers served UP – 3 consumers served	Per Diem	\$700.00 Per Session \$116.67 Per Day
Residential Camp for Staff Supervision of 3:1			
H0045 Respite care services in out-of-home setting	N/A	Per Diem	\$950.00 Per Session \$158.33 Per Day

Residential Camp for Staff supervision of 1:1			
H0045 Respite care services in out-of-home setting Day Camp for Staff Supervision of 3:1	UN – 2 consumers served UP – 3 consumers served	Per Diem	\$350.00 per Session
H0045 Respite care services in out-of-home setting Day Camp for Staff Supervision of 1:1	N/A	Per Diem	\$575.00 per Session

**Rates are based on the needs of the person, and should be requested and authorized in advance.

** Families may choose to utilize their respite authorization to pay a portion of camp costs. Payment from CMHA-CEI to the camp will be the rate less any amount paid to the camp by the family or scholarship funds.

Expense Contract Renewal: Camp Fish Tales

Marie Carrell presented this renewal with Camp Fish Tales for the rates identified below. This contract is for the retroactive period of October 1, 2023 through September 30, 2024.

Camp Fish Tales - 2177 E. Erikson Rd., Pinconning, MI, 48650			
Service Description	Modifier	Unit	Rate
H0045 Respite care services in out-of-home setting Level 1 Weekend	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served	Per Diem	\$250.00 Per Session \$88.33 Per Day

	US – 6+ consumers served		
H0045 Respite care services in out-of-home setting Level 1 Adult Weekend	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served	Per Diem	\$250.00 Per Session \$83.33 Per Day
H0045 Respite care services in out-of-home setting Level 1 Week Long Camp	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served	Per Diem	\$762.00 Per Session \$127.00 Per Day
H0045 Respite care services in out-of-home setting Level 2 Weekend	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served	Per Diem	\$350.00 Per Session \$116.67 Per Day
H0045 Respite care services in out-of-home setting	UN – 2 consumers served UP – 3 consumers served	Per Diem	\$350.00 Per Session \$116.67 Per Day

Level 2 Adult Weekend	UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served		
H0045 Respite care services in out-of-home setting Level 2 Week Long Camp	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served	Per Diem	\$1,116.00 Per Session \$186.00 Per Day
H0045 Respite care services in out-of-home setting Level 3 Weekend	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served	Per Diem	\$450.00 Per Session \$150.00 Per Day
H0045 Respite care services in out-of-home setting Level 3 Adult Weekend	UN – 2 consumers served UP – 3 consumers served UQ – 4 consumers served UR – 5 consumers served US – 6+ consumers served	Per Diem	\$450.00 Per Session \$150.00 Per Day

H0045 Respite care services in out-of-home setting Level 3 Week Long Camp	UN – 2 consumers served	Per Diem	\$1,524.00 Per Session \$254.00 Per Day
	UP – 3 consumers served		
	UQ – 4 consumers served		
	UR – 5 consumers served		
	US – 6+ consumers served		

**Rates are based on the needs of the person, and should be requested and authorized in advance.

** Families may choose to utilize their respite authorization to pay a portion of camp costs. Payment from CMHA-CEI to the camp will be the rate less any amount paid to the camp by the family or scholarship funds.

MOTION CARRIED unanimously.

Expense Contracts

MOVED by Dianne Holman and SUPPORTED by Tim Hanna that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, and Ingham Counties authorize CMHA-CEI to enter into the following contract amendments based on the fact that the information has been reviewed and the proposals are in line with agency responsibilities:

Expense Contract Amendment: Residential Type A – Jennifer Burgess (Golden Hearts)

Liz Parker presented in Shana’s absence. This contract is going to be reimbursed by the State for an individual that needs 1:1 services in one of our homes. This contract is for the period of January 15, 2024 through September 30, 2024.

Fee Schedule				
Service Level	Service Description	Billing Code	Unit	Rate

Enhanced Staffing	Community Living Supports in Licensed Specialized Residential Setting	H2016	Per Hour (Added to H2016 Per Diem Rate)	\$26.00
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Revenue Contract Amendment: Network180 - NAVIGATE

Liz said this is similar to the grant that we had last year, the only changes were that we increased FTE by .25 and the dollar amount of the grant increased with the FTE change. CMHA-CEI will enter into a contract amendment with Kent County CMHA dba Network180 to receive additional Mental Health Block Grant 10% Set Aside-First Episode Psychosis grant funds in the new total amount of \$610,108 to provide services to individuals enrolled in the NAVIGATE Program for the period of October 1, 2023 to September 30, 2024.

MOTION CARRIED unanimously.

Maner Costerisan Preliminary Governance Letter

Sue Panetta said its a requirement that we show this to the Board regarding the services Maner Costerisan will provide to CEI regarding our financial audits.

Medicaid Report Update

Sue said we have historically given this update to report Medicaid funds received from MSHN. This report no longer has much value, and Sue and Amy have developed a new report that should provide additional information. When we added CCBHC to the Medicaid report, it made the report unusable. If the Committee wants to continue to see the report, Sue will continue to provide it. Joe said he has never been particularly interested in seeing the numbers on the Medicaid report. He was more concerned about anomalies like the \$20M we ended up with one year. Sue said the Bucket Report Amy will be sharing with the committee will be able to provide the information the Board needs. Joe said his only concern is knowing if there is a problem on the horizon.

FY2023 Financial Update

Amy Rottman provided an update to the FY23 financials. We have reports from MSHN and the auditors to calculate how much we have earned from the PPS-1 rate and the daily visits and how much we will be lapsing to MSHN. Amy said this total

number is not yet certain. The auditors will be providing the final 2023 financial statements in April.

FY2024 Q1 Financial Update

Amy reviewed the financial statements with the committee. The Statement of Position has been updated to provide the year end audit entries. This is important because our assets and liabilities carry over year to year.

One thing noted as a significant change from last year is the change in pension liability and the deferred pension amounts. We use the actuarial evaluation from MERS and apply the GAP logic to meet all requirements of the pension liability. Our liability has gone up significantly because investments in 2022 had losses. This report is based on activity from December 2022. We will receive a new actuarial report in May. We always use the prior report to assess liability. At the time of the report, there were significant investment challenges. CEI is now at 78% funded. With the economy shifting in 2023, it is likely this will move up again once we receive the reports in May, which will then drive the liability down.

Amy noted we have an \$18.6M deficit in net position which is mainly due to the pension liability.

Amy then reviewed the income statement with operating revenues and expenses. There is a comparison here to the revised budget. There has been fluctuation in Medicaid, HealthyMI, Medicaid revenue, and MSHN capitation settlement. We are currently about \$3.5M under budget on the revenue side. Amy noted that this is not for lack of available revenue.

On the expense side, we are under budget by about \$5.5M. We had about 40 positions in the amended budget that were not filled by December. We will begin to see these fill in January financials. In comparing revenue and expense, we have a surplus of about \$1.9M. This is what CEI gets to retain in the first quarter. There is a trend under CCBHC where CEI remains in positive net position.

Sue wanted to note that the State Inpatient bills are normally two months behind, which is partly why we are under budget in the Claims and State Inpatient line.

Amy said we intentionally increased our budget for this year as providers needed rate increases and we are seeing more individuals served. She noted that all services are capitated services.

Finally, Amy reviewed a list of grants and earned contracts.

Amy then discussed the bucket report with the committee. She said this report has been consolidated to make it a little more manageable for the Board. This page summarizes the categories which are most alike. The report is through Q1 2024, and it projects out all of FY24 based on Q1. All capitation funding from MSHN has been consolidated into the Medicaid and HealthyMI column. We do have a lapse of \$7.5M at this point in the year. With CCBHC, we have a surplus of \$3.1M in the first quarter. Amy noted all SUD services are falling into the Local Activity bucket, and we have about \$1.1M we need to cover with other funding sources.

Projecting out the Q1 activity, we expect to lapse dollars to MSHN at about \$13M. We also expect a gain in net position of about \$7.6M. This is where we have added our previous savings from FY23 and before. We have about \$6.2M saved from operations and small surpluses year over year, resulting in a \$13.8M surplus at the end of FY24. Tim said this is a good report and he much prefers it over the Medicaid Revenue report.

Sara asked, "Looking at our picture right now, is it advisable to give any money to MERS?" Amy said there could be an opportunity, but she says this cautiously. A contribution could potentially take place this year, but it limits us and does not impact the MSHN lapse to the same extent as a payment to MSHN would.

Unfinished Business

None

New Business

None

Public Comment:

None

The meeting was adjourned at 6:37 p.m. The next regularly scheduled Finance Committee meeting is Wednesday, March 13th, 2024 5:30pm, 812 E. Jolly Rd, Atrium.

Minutes Submitted by:

Darby Vermeulen

Finance Administrative Assistant