



COMMUNITY MENTAL HEALTH AUTHORITY
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, May 8, 2013

5:30 p.m.

Community Mental Health Bldg.
812 E. Jolly Rd., Conference Rm. G11-C
Lansing, MI 48910

Committee Members Present: Joe Brehler, Sara Clark Pierson, Raul Gonzales, Stephen Manchester, Kay Randolph-Back

Committee Members Absent: Deb De Leon, Chris Swope, Kam Washburn (all notified staff of absence)

Staff Present: Toby Bayless, Judi Cates, Mary Clissold, Chuck Dougherty, Jackie Mitchell, Maureen Maloney, John Peiffer, Robert Sheehan, Suzanne Stolz, Al Way

Public Present: Doug Havera and Kristy VanderMolen, BDO USA LLP

Call to Order:

The meeting was called to order by Chairperson Stephen Manchester at 5:33 p.m.

Previous Meeting Minutes:

MOVED by Raul Gonzales and **SUPPORTED** by Kay Randolph-Back to approve the meeting minutes of April 10, 2013. **MOTION CARRIED** unanimously.

Adoption of Agenda:

MOVED by Kay Randolph-Back and **SUPPORTED** by Raul Gonzales to adopt the agenda moving item #11-Revenue Contract Amendment 1 v2013-1 after item #5-Financial Audit of Fiscal Year 2012, and adding "Election of Vice Chair to the Finance Committee" under New Business. **MOTION CARRIED** unanimously.

Public Comment on Agenda Items:

No comment.

Sara Clark Pierson joined the meeting at 5:44 p.m.

BUSINESS ITEMS:

Financial Audit of Fiscal Year 2012 (CMHA-CEI)

Doug Havera and Kristy VanderMolen from BDO reviewed the Audit Wrap Up, the Single Audit, and the Audited Financial Statements. The auditors expressed an unqualified opinion on the financial statements and on compliance for major programs.

They did not note any deficiencies in internal control, but had made a suggestion to track payroll step increases in the payroll software. Staff implemented this suggestion after preliminary audit work in December 2012.

BDO suggested finance committee members review financial newsletters addressing significant financial reporting developments on their website. Robert Sheehan asked staff to present information from the website to the committee at future meetings.

Revenue Contract Amendment 1 v2013-1: Medicaid Specialty Supports and Services Concurrent 1915(b)(c) Waiver Program FY 13 (CMHAMM)

Toby Bayless requested approval of an amendment to the Medicaid contract from Michigan Department of Community Health. Changes to the contract include:

Section 18.0, Entire Agreement

Added item K. MSA Policy Bulletin Number: MSA13-09 which clarified “the developmental screening policy for children who may be affected by Autism Spectrum Disorder (ASD) and described coverage and processes for treatment of ASD for Medicaid and MICHild children from age 18 months through 5 years.”

Section 2.0, Supports and Services

Added item 2.1.3 “Autism Services State Plan Services: Under the iSPA and the 1915(b) Waiver component of the 1915(b)/(c) program, the PIHP is responsible for providing the covered services as described in MSA Policy Bulletin Number: MSA 13-09 effective April 1, 2013.”

Section 3.4, Other Access Requirements

Modified item 3.4.4 Self-Determination to reference adherence to the Self-Determination Policy and Practice Guideline dated 10/01/2012 and included as contract attachment 3.4.4 This policy requires “the PIHP to assure access to arrangements that support self-determination as described in the SD policy for adults receiving services; no adult is mandated to use self-determination approaches.”

Section 7.4.1.4 1915(c) Habilitation Supports Waiver Payments

Throughout this section, the term “capitation” has been replaced with, “interim”, in reference to HSW-related payments.

Section 7.4.1.7 Autism Benefit Payments

Added this item regarding autism benefit payments: “Payments to the PIHPs under this benefit will occur in two ways and include administrative costs for training and the provision of monthly interim payments.”

ACTION:

MOVED by Raul Gonzales and SUPPORTED by Sara Clark Pierson that the Finance Committee recommends that the Community Mental Health Authority of Clinton, Eaton, Ingham Counties Board of Directors, in its role as Board of Directors of the PIHP, approve the execution of revenue contract amendment 1 v2013-1: Medicaid Specialty Supports and Services Concurrent 1915(b)(c) Waiver Program FY 13 with the Michigan Department of Community Health for the period October 1, 2012 through September 30, 2013.

MOTION CARRIED unanimously.

Expense Contract Renewal: The Echo Group (CMHA-CEI)

Chuck Dougherty requested approval of a software maintenance contract renewal with The Echo Group. Streamline will be implemented in March 2015, but CMHA-CEI needs a maintenance agreement for the current health record and billing software until the transition is complete.

ACTION:

MOVED by Sara Clark Pierson and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to enter into contract renewal with The Echo Group for maintenance of Clinician's Desktop and Revenue Manager for the period of May 14, 2013 through May 14, 2014 and pay \$84,925.98 for that maintenance.

MOTION CARRIED unanimously.

Expense Contract Renewal: Discovery Solutions Inc. (CMHA-CEI)

Chuck Dougherty presented a request to renew the ZixCorp license and maintenance contract with Discovery Solutions Inc. The Zix system is integrated into the CMHA-CEI email system to encrypt outgoing email containing protected electronic patient health information. This contract has been maintained since 2011 at a cost that fell below the threshold for board approval. This year, the contract amount requires board approval.

ACTION:

MOVED by Sara Clark Pierson and **SUPPORTED** by Kay Randolph-Back that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to renew the contract with Discovery Solutions Inc for maintenance of ZixCorp for the period of June 1, 2013 through May 31, 2016 and pay a total of \$46,800.00 for that maintenance.

MOTION CARRIED unanimously.

Expense Contract Renewals: Respite Services/Summer Camps (CMHA-CEI)

Mary Clissold presented a list of summer camps to be approved to provide respite services. Families may choose to spend their respite dollars on summer camp services from the list of approved camps.

MOVED by Sara Clark Pierson and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to renew contracts with the Camps listed to purchase respite services for the period of June 1, 2013 – December 31, 2013, and pay the rates listed.

Name of Camp	Address of Camp	Cost
Albright United Methodist Camp	3156 190 th Ave., Reed City, MI 49677-9731 (www.westmiconference.org)	\$427-475/week; \$75 deposit
Camp Ebersole	3400 2 nd Street, Wayland, MI 49348	\$195-750
Camp Fish Tales	2177 East Erickson Road, Pinconning, MI 48650	\$490-565/week; \$100 deposit
Camp Greenwood	13564 McClain Rd., Gowen, MI 49326	\$100-425/week; \$100 deposit
Camp Midicha	10407 N. Fenton Road, Fenton, MI 48430	\$401-650/week; \$100 deposit
Camp Pa-Wa-Pi	3232 E. Grand River, Williamston, MI 48895	5-9 yrs \$104/week; 10-13 yrs \$95 M-W; \$50 deposit per week
Camp Sunshine	430 E. 8 th Street, Holland, MI 49423	\$275 4/days; \$125 field trips; \$28/day part time; payment in full

Delta Mills Nazarene Camp	6816 Delta River Drive, Lansing, MI 48906	\$116/week; \$100 deposit for family; \$75 deposit for 1 child
Fowler Center	2315 Harmon Lake Road, Mayville, MI 48744	\$501/week; 25% deposit
HisAbility Camp, Barakel	P.O. Box 159, Fairview, MI 48621	\$175/week; \$75 deposit
Indian Trails Camp	0-1859 Lake Michigan Dr., NW, Grand Rapids, MI 49534	\$127 (1d) - \$762 (6d); \$186 (1d) - \$1,116 (6d); \$256 (1d) - \$1,536 (6d); \$100 deposit
Lansing Parks/Recreation – Southside Community Center & Swim Club	5825 Wise Road, Lansing, MI 48911 Swim Club will be at Gardner Middle School this year	\$47 w/\$30 registration fee for residents; \$52 w/\$35 registration fee for non-residents
Mystic Lake	P.O. Box 100, 9465 Ludington Drive, Lake, MI 48632	\$50-550/week or \$900 for 2 weeks; \$100 deposit
Oak Park YMCA	900 Long Blvd., Lansing, MI 48911	\$85-210/week less \$35 deposit per week if not paid in full

MOTION CARRIED unanimously.

New Purchase: 1305 Jolly Rd, Lansing MI (CMHA-CEI)

John Peiffer asked the committee to recommend that the board authorize CMHA-CEI to obtain a bank loan in the amount of \$1,070,000 to purchase property at 1305 Jolly Rd to house the Older Adults Services program. The building can be purchased for \$570,000, and requires approximately \$450,000 worth of renovations. The monthly loan repayment amount is not more than the program pays in monthly rent currently.

ACTION:

MOVED by Sara Clark Pierson and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties authorize CMHA-CEI to purchase the property at 1305 East Jolly Road, Lansing, Michigan 48910 from William Reichenback Co., James Reichenbach, 4216 Legacy Parkway, Lansing, Michigan 48909 for the amount of \$570,000.00 and to complete \$450,000.00 worth of renovations that will consist of finishing the un-finished warehouse space, with a 10% renovation contingency. CMHA-CEI staff will apply for a 25 year bank mortgage from JP Morgan Chase Bank to finance the amount of \$1,065,000.00. The estimated monthly mortgage payment will be at least \$5,689.00 or \$68,272.00 per annum. A borrowing resolution will be provided at a later date.

MOTION CARRIED unanimously.

Robert Sheehan announced that original renovation bids came back at amounts greater than \$700,000. Using CMHA-CEI carpentry staff results in almost \$300,000 in savings for renovations.

812 Jolly Rd Parking Study (CMHA-CEI)

John Peiffer shared a drawing with the committee of possible parking lot expansion, using some of the green space buffer to the east of the current parking lot. At least once a week, the parking lot is filled to capacity, and visitors and staff have to find other spaces in adjacent lots.

John is working with an architect to develop plans with input from city and county building requirements, and with an eye to future Jolly Rd building expansion. John will return to the committee with a request for approval when plans have been finalized.

Fiscal Year 2013 Medicaid Savings Reinvestment Strategy (CMHAMM)

Suzanne Stolz presented the Fiscal Year 2013 Medicaid Savings Reinvestment Strategy for approval. The Strategy is an annual document required by Michigan Department of Community Health that outlines how the Affiliation will utilize unexpended Medicaid capitation funds from fiscal year 2012.

ACTION:

MOVED by Sara Clark Pierson and **SUPPORTED** by Kay Randolph-Back that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties, in its role as Board of Directors of the PIHP, approve the Medicaid Savings Reinvestment Strategy for Fiscal Year 2013.

MOTION CARRIED unanimously.

FY 12/13 Amended Budget for the Quarter Ended March 31, 2013 AND FY 12/13 Preliminary Financial Statements for the Quarter Ended March 31, 2013 (CMHA-CEI)

Suzanne Stolz presented the amended Fiscal Year 12/13 Budget for approval and reviewed the quarter end financial statements. The largest change resulted from the reallocation of facility expenses across all programs.

Stephen Manchester suggested that the threshold to report an expenditure change be increased from \$10,000 to \$20,000 or \$25,000. Staff will implement that change in the next financial statements.

ACTION:

MOVED by Kay Randolph-Back and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties approve the FY 12/13 Amended Budget for the Quarter Ended March 31, 2013.

MOTION CARRIED unanimously.

Acceptance of Steady State Budget Assumptions for Fiscal Year 2013/2014 (CMHA-CEI)

Staff are building the Steady State Budget Projections and Allocations from the second quarter budget of 2013 and the budget assumptions presented, to include only the balancing of grants, contracts, and fee-for-service programs. Medicaid expansion will not be a factor in creating Steady State because the possibilities are too wide-ranging. In December or January, when the effects of Medicaid can be accurately calculated, staff will include any changes during fiscal year 2014 first quarter budget amendments.

The fiscal year 2014 budget calendar has also been revised to delay the creation and implementation of budget proposals to balance the Steady State Budget to accommodate

the unknown factors surrounding Medicaid expansion.

ACTION:

MOVED by Raul Gonzales and **SUPPORTED** by Sara Clark Pierson that the Finance Committee accept the Fiscal Year 2013/2014 Steady State Budget Assumptions.

MOTION CARRIED unanimously.

Regional Entity By-Laws (CMHA-CEI)

Robert Sheehan presented the By-laws for the New Regional entity. A number of board members reviewed and made suggestions to the By-laws as they were being created. Approval of the By-laws by the CMHA-CEI Board of Directors is one of the steps issued by the Michigan Department of Community Health required of each CMH involved in forming the regional entity.

A Conflict of Interest Policy and an Operating Agreement will be reviewed for board approval in the near future.

ACTION:

MOVED by Raul Gonzales and **SUPPORTED** by Sara Clark Pierson that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton, Ingham Counties pass the resolution approving the By-laws for the New Regional entity and forms this entity.

MOTION CARRIED unanimously.

Old Business:

None.

New Business:

Election of the Vice Chair to the Finance Committee

Stephen Manchester called for nominations for the position of Finance Committee Vice Chair. Sara Clark Pierson nominated Kam Washburn. No other nominations were made so the request for nominations was closed.

ACTION:

MOVED by Sara Clark Pierson and **SUPPORTED** by Raul Gonzales to elect Kam Washburn as the Finance Committee Vice Chair. **MOTION CARRIED** unanimously.

Public Comment:

No comment.

Adjournment:

The meeting was adjourned at 7:05 p.m. The next regularly scheduled Finance Committee meeting will be June 12th, 2013 at 5:30 p.m. at the Community Mental Health Building, 812 E. Jolly Rd, Lansing, MI.

Minutes submitted by:

Jacqueline Mitchell
Finance Secretary