



COMMUNITY MENTAL HEALTH AUTHORITY  
CLINTON-EATON-INGHAM

**FINANCE COMMITTEE**  
**Meeting Minutes**  
**Wednesday, July 9, 2014, 5:30 p.m.**  
**812 E. Jolly Road, Conference Room G11-C**  
**Lansing, MI 48910**

**Committee Members Present:**

Sara Clark Pierson, Joseph Brehler, Raul Gonzales, Kam Washburn, Chris Swope, Kay Randolph-Back

**Committee Members Absent:**

Stephen Manchester (notified staff of absence)

**Staff Present:**

Robert Sheehan, Chris McDaniel, Stacia Chick, Chelsea Christensen, Andrew Hewat, Ericanne Spence, Al Way, Sharon Blizzard

**Public Present:**

None.

**Call to Order:**

The meeting was called to order by Chairperson Sara Clark Pierson at 5:37 p.m.

**Previous Meeting Minutes:**

**MOVED** by Kay Randolph-Back and **SUPPORTED** by Raul Gonzales to approve the meeting minutes of June 11, 2014.

**MOTION CARRIED** unanimously.

**Adoption of Agenda:**

New item F11, Mid-State Health Network By-Laws Amendment, an action item, was added. Item F10 is labeled as an action item; item F10 is for information only and will not be an action item. **MOVED** by Raul Gonzales and **SUPPORTED** by Kam Washburn to adopt the revised agenda.

**MOTION CARRIED** unanimously.

**Public Comment on Agenda Items:**

No comment.

**BUSINESS ITEMS:**

**Revenue Contract Renewal: City of Lansing, Human Relations and Community Services Department**

Ericanne Spence presented a one year revenue contract renewal between Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) and the Human Relations and Community Services Department of the City of Lansing. The contract renewal will provide Sub Acute Clinical Detoxification Services, 24 hours a day, seven days a week, 365 days a year for individuals who's substance abuse crisis warrants a 24-hour support under the American Society of Addiction Medicine Patient Placement Criteria Level III.2-D (ASAM PPC-2R Level III.2-D). A verbal agreement for contract renewal from the City of Lansing, Human Relations and Community Services Department had been made, but the contract was delayed due to the review of all City of Lansing funded programs with CMHA-CEI. Concerns were expressed about spending more than originally covered. The Substance Use Coordinating Agency is trying to fill all budget gaps of providers with use of Healthy Michigan dollars.

**ACTION:**

**MOVED** by Raul Gonzales and **SUPPORTED** by Kay Randolph-Back that the Finance Committee recommends that the Community Mental Health Authority of Clinton, Eaton and Ingham Counties Board of Directors authorize CMHA-CEI to enter into a contract renewal with the City of Lansing, Human Relations and Community Services Department for the period of July 1, 2014 through June 30, 2015 and receive for those services a total of \$20,000.

**MOTION CARRIED** unanimously.

**Revenue Contract Renewal: Michigan Department of Corrections Office of Substance Abuse Services**

Ericanne Spence presented a proposed one year revenue contract renewal between Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) and the Michigan Department of Corrections, Office of Corrections. Under this contract, CMHA-CEI will provide Residential, Substance Abuse Treatment at the House of Commons Residential Treatment Program (HOC). Services provided are for offenders referred by the Michigan Department of Corrections, Office of Substance Abuse Services. CMHA-CEI has had this contract for many years. Revenue and expense of this contract are approximately the same amount the same as last year. This contract will not have a negative affect on the CMHA fund balance. Business Item title was corrected from Expense Contract Renewal to Revenue Contract Renewal.

**ACTION:**

**MOVED** by Joseph Brehler and **SUPPORTED** by Kam Washburn 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 a contract renewal with Michigan Department of Corrections to provide treatment in addiction services for the period of October 1, 2014 through September 30, 2015 and be reimbursed at a day rate of \$48.50 per day for those services Probationers and \$76.81 per day for Parolee's. The contract has the maximum reimbursement revenue of \$633,784.

**MOTION CARRIED** unanimously.

Chris Swope joined the meeting at 5:45 p.m.

**Revenue Contract Renewal: 29<sup>th</sup> Circuit Court/Clinton County Michigan – Swift and Sure Sanctions Probation Program**

Ericanne Spence presented a one year revenue contract renewal between Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) and 29<sup>th</sup> Circuit Court/Clinton County, Michigan. Under this contract CMHA-CEI will provide Outpatient Substance Abuse for individuals referred by the 29<sup>th</sup> Circuit Court of Clinton County, Michigan through the Swift and Sure Sanctions Probation Program, a federally funded probation initiative. The program started with approximately eight probationers and Substance Use Services and Mental Health Corrections estimate that the amount of probationers could double annually. This contract will not have a negative affect on the CMHA fund balance. Business Item title corrected from Expense Contract Renewal to Revenue Contract Renewal.

**ACTION:**

**MOVED** by Kam Washburn and **SUPPORTED** by Joseph Brehler 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 a contract with 29<sup>th</sup> Circuit Court, Clinton County, Michigan – Swift and Sure Probation Program for the period of October 1, 2014 through September 30, 2015 and receive for those services \$100 per assessment and \$100 per group or individual counseling session.

**MOTION CARRIED** unanimously.

**New Revenue Contract: Mid-State Health Network**

Robert Sheehan presented a new revenue contract, conversion from Memorandum of Understanding, between Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) and the Mid-State Health Network (MSHN). CMHA-CEI has been receiving its Medicaid funds through the Mid-State Health Network since January in 2014 through a Memorandum of Understanding. Since that time, staff have been negotiating and developing a subcontract between MSHN and its twelve CMH members. Now that the subcontract development process has been completed, the formal contract is being presented for review and approval. Under this contract CMHA-CEI will provide the full range of Medicaid behavioral health and developmental disability

services. The annual revenue from this contract is expected to be approximately \$87 million.

**ACTION:**

**MOVED** by Chris Swope and **SUPPORTED** by Raul Gonzales 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 a new contract with the Mid-State Health Network to provide, for the period of January 1, 2014 through September 30, 2014, the full range of Medicaid behavioral health and developmental disability services, the administrative functions required to support the provision of these Medicaid services, and those managed care functions which have been delegated, by MSHN to CMHA-CEI, to Medicaid enrollees within the tri-county community. For the fulfillment of these responsibilities, CMHA-CEI will receive, from MSHN, for this same period, a capitated payment for each Medicaid enrollee in the tri-county community.

**MOTION CARRIED** unanimously.

**Expense Contract Renewal: BDO USA, LLP – Fiscal Year 2014 Financial and Compliance Audits**

Stacia Chick presented an expense contract renewal between Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) and BDO USA, LLP. The renewal of this contract will provide an independent audit firm, BDO USA, LLP, to perform our financial and compliance audits for Fiscal Year 2014, as required by the Michigan Department of Community Health. This contract will not affect CMHA-CEI's fund balance.

**ACTION:**

**MOVED** by Joseph Brehler and **SUPPORTED** by Chris Swope 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 a contract with BDO USA, LLP to provide CMHA-CEI compliance examination and financial audit services for the period of Fiscal Year 2014 and pay \$69,300.

**MOTION CARRIED** unanimously.

**Cash Flow**

Stacia Chick presented cash flow for the remainder of FY 2014. In June, 2014 the Michigan Department of Community Health (MDCH) changed the payment schedule for Medicaid and Healthy Michigan. The payment is now delayed by two weeks. An analysis was performed to see if cash flow would be affected. It has been determined that August 2014 may be the only month that CMHA-CEI would have a cash flow issue due to the payroll cycle including three payrolls that month. Due to the maturity of a certificate of deposit, Finance was able to transfer funds into the General Checking account that they believe is sufficient to

cover the additional payroll. Discussion ensued regarding fiscal risk and reserves.

Mid-State has offered to advance payments, if needed, which has been done with several CMHs. The possibility of a permanent advance was suggested, which will be discussed at the Mid-State Finance Council. Discussion ensued regarding Mid-State's use of reserves and ISF.

For information only.

#### **Bylaws – Mid-State Health Network**

Bob Sheehan presented a Mid-State Health Network By-Laws Amendment. The goal of these changes is to remove language, in the by-laws, which is also contained in the Operating Agreement. Three main changes caused by the amendment are elimination of duplicative language, a change to by-laws can now be made with two-thirds of board support, and the extension of officer's terms for another year. Discussion ensued regarding legal advice.

#### **ACTION:**

**MOVED** by Chris Swope and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the Board of Directors of Community Mental Health Authority of Clinton, Eaton and Ingham counties pass the resolution amending the by-laws of the Mid-State Health Network as presented to the Finance Committee.

**MOTION CARRIED** unanimously.

#### **Old Business:**

None.

#### **New Business:**

#### **Update of FY 2015 Budget**

Stacia Chick presented a revised Fiscal Year 2015 Steady State Budget Assumption and Allocation of Budget Variance. Program specific deficits are large in comparison with the surplus. There is not enough surplus to cover the deficit. Existing gaps must be closed with the surplus first. Community Services for the Developmentally Disabled (CSDD) and Adult Mental Health Services (AMHS) are to discuss budget and look at trends. Developmentally Disabled and Adult Mental Health Services are working to tighten up services. There may be proposals to increase services for Children Services and Substance Use. Discussion ensued regarding requesting funds, reducing budget, and using savings to close budget gaps. The assumptions were changed to accelerate payback.

**Revenue Contract/Grant Renewals**

Andrew Hewat presented a report that had been requested by the committee at the May 12, 2014 meeting. The report includes CMHA-CEI grants/contracts received for Fiscal Year 2014. Finance and programs are working together to implement a new procedure and bring contracts to the board before expiration. A report for expense contracts and provider agreements is also being prepared to present by October, 2014.

**Public Comment:**

No comment.

**Adjournment:**

The meeting was adjourned at 6:52 p.m. The next regularly scheduled Finance Committee meeting is August 13, 2014, 5:30 p.m., 812 E. Jolly Rd, Lansing, Conference Room G11-C.

Minutes Submitted by:

*Chelsea Christensen*

Chelsea Christensen  
Finance Secretary  
Administration