



Community

MENTAL HEALTH
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, November 12, 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, Kay Randolph-Back, Stephen Manchester, Maxine Thome

Committee Members Absent:

Chris Swope

Staff Present:

Robert Sheehan, Stacia Chick, Chelsea Christensen, Andrew Hewat, Chris McDaniel, Jennifer Stanley, Al Way, Ericanne Spence, Mary Clissold, Liz Holcomb, Deborah Darcy

Public Present:

None.

Call to Order:

The meeting was called to order by Chairperson Sara Clark Pierson at 5:33 p.m.

Previous Meeting Minutes:

MOVED by Stephen Manchester and SUPPORTED by Raul Gonzales to approve the meeting minutes of October 8, 2014.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Kam Washburn and SUPPORTED by Stephen Manchester to adopt the revised agenda to include the addition of "Fiscal Year 2015 Supportive Housing Fund Operating Budget" as agenda item 10.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

No comment.

BUSINESS ITEMS:

Revenue Contract Amendment: 29th Circuit Court Swift and Sure Sanctions Probation Program, Clinton County

Ericanne Spence presented an amendment to the 29th Circuit Court Swift and Sure Sanctions Probation Program contract which had been approved by the Board on July 17, 2014, to provide outpatient substance abuse services for individuals referred by the 29th Circuit Court of Clinton County. The maximum funding level of the contract has been reduced from \$40,000 to \$25,000. The awarded amount for this project was reduced so the 29th Circuit Court had to change the funding for CMHA-CEI as the contractor. The reduction in the total funding available will not impact Clinton County Counseling Center financially. Discussion ensued regarding county courts and program eligibility.

Maxine Thome joined the meeting at 5:45 p.m.

ACTION:

MOVED by Joseph Brehler and SUPPORTED by Kam Washburn that the Finance committee recommends that the Board of Directors of the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) approve the amendment to the 29th Circuit Court Swift and Sure Probation contract of Clinton County from the maximum revenue amount of \$40,000 to \$25,000 for the contract period of October 1, 2014 through September 30, 2015.

MOTION CARRIED unanimously.

Revenue Contract Amendment: Greater Lansing Housing Coalition (GLHC) – Walnut Street Apartments, 517 N. Walnut, Lansing, MI 48933

Chris McDaniel presented an amendment to CMHA-CEI's contract with GLHC to provide supportive mental health services for residents of 517 N. Walnut Street, Lansing, MI. The funding level came in 15% lower than what was approved in September, 2014. Adult Mental Health Services (AMHS) staff had to adjust staffing at Walnut Street Apartments to 0.6 FTE from 0.7 FTE and had to reduce relief time as well. The contract is based on the amount of service which changed the funding amount.

ACTION:

MOVED by Maxine Thome and SUPPORTED by Raul Gonzales that the Finance committee recommends that the Board of Directors of the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI), approve the amendment of the maximum revenue received from \$37,500 to \$31,920 for the contract with Greater Lansing Housing Coalition (GLHC) – Walnut Street Apartments, 517 N. Walnut, Lansing, MI 48933, for the period of October 1, 2014 through June 30, 2015.

MOTION CARRIED unanimously.

Expense Contract Renewal: Community Based Interventions (CBI) Rehabilitation Services, Inc., East Lansing

Al Way presented a two year expense contract renewal with CBI Rehabilitation Services Inc. - Apple Tree, Delta Township location for therapeutic respite/crisis group home services. Children's Services staff shared that the program has been tremendously useful for CMHA-CEI and families and thanked the Finance Committee for working towards its approval. Discussion ensued regarding hospitalization rates rising and maintaining open beds for emergencies.

ACTION:

MOVED by Joseph Brehler and SUPPORTED by Maxine Thome that the Finance committee recommends that the Board of Directors of the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI), authorize CMHA-CEI to enter into a contract renewal with CBI Rehabilitation Services, Inc. to purchase therapeutic respite/crisis group home services, and pay \$566,400 per year for the period of October 1, 2014 through September 30, 2016 for those services.

MOTION CARRIED unanimously.

Expense Contract Renewal: Residential Options Inc.-Applied Behavioral Analysis, Lansing

Effective April 1, 2013 all Community Mental Health Service Programs (CMHSP) were required to implement a new Medicaid Benefit for children ages 18 months through age 5 for the treatment of Autism Spectrum Disorder (ASD). Each CMHSP must provide Applied Behavioral Analysis (ABA) for all eligible children. The rate has changed because the structure of the rate is being changed. The services are very prescriptive and specific and supervision is being pulled out of the rate to track separately.

Assessment is usually about an hour long and services can be provided both at home and in an office setting.

ACTION:

MOVED Stephen Manchester and SUPPORTED by Maxine Thome that the Finance Committee recommends that the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties Board of Directors authorize CMHA-CEI to renew the contract with Residential Options Inc. to purchase Applied Behavioral Analysis at the rate of \$50.75 per hour for direct therapy and \$125 per hour for assessments and supervision for the period of October 1, 2014 through September 30, 2015.

MOTION CARRIED unanimously.

Update on Supportive Housing Initiative

Mary Clissold presented an update on the supportive housing initiative. Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) staff have been exploring and actively pursuing supportive housing projects to increase the availability of safe, affordable housing for the people we serve. In addition to this effort, several existing CMHA-CEI properties have been converted from other uses to be used as rental housing for consumers. CMHA-CEI staff have undertaken several key activities to develop a strong infrastructure to manage supportive housing properties and doing so in a way that is sustainable over time, and is self funded. Recently, staff completed a thorough analysis of all true costs related to operating these housing units and developed a standard format for setting rental rates. The costs include land contracts (when applicable), utilities, maintenance, and property management fees. In analyzing costs, staff were careful to exclude any costs that were related to the actual provision of services. A separate Enterprise fund was created and all property expenses and revenues were moved to separate cost centers within that fund. Having a separate fund insures that the Supportive Housing dollars are not co-mingled with Medicaid and other fund sources. Each site has a separate cost center to track both expenses and incoming rent revenues and, overall, this structure allows staff to closely track whether the various Supportive housing endeavors are self-sustaining.

It is recognized that the role of service provider and Landlord are distinct roles and at times can be in direct conflict. It is also recognized that the role of landlord requires different knowledge and expertise from that of a service provider. Staff have secured the services of a property manager who will fulfill the “landlord” responsibilities (i.e. obtaining leases, filling vacancies, collecting rent etc). CMHA-CEI will be entering into a contract with a Michigan Assets Group to act as property manager on behalf of the agency for this purpose (this contract will be presented to the board when it is near

implementation). The average per person rental rate will need to be increased to approximately \$527 per person per month, which is an average increase of \$72 per person per month. There are some key advantages for consumers renting CMHA-CEI properties. Consumers would have a landlord that is sensitive to their unique needs and all utilities will be paid for. Property donations were unable to be obtained but were considered to lower costs.

For information only.

Fiscal Year 2015 Supportive Housing Fund Operating Budget

Stacia Chick presented the beginning balanced budget for the new Supportive Housing Fund for Fiscal Year 2015. This budget, in the amount of \$98,152, is fully funded by rent revenue collected from consumers. The fund is currently comprised of an administrative cost center and eight different homes. Discussion ensued regarding the cost breakdowns. Rent and utility estimates are based on previous rents and utilities; however, for some of the newer locations CMHA-CEI staff is unsure what the anticipated utilities will cost. The expense amounts that were blended in with the program expenses are being pulled out and coded separately. There are still questions of which cost is a CMHA-CEI cost or a landlord cost. Once the costs are segregated it will be brought back to the Finance Committee in the first amend budget approval. The Finance Committee shared concerns of keeping costs segregated. CMHA-CEI staff would like approval of the idea to continue transferring or segregating funds. A detailed property cost allocation and budget will be brought to the committee in December.

ACTION:

MOVED by Joseph Brehler and SUPPORTED by Stephen Manchester that the Finance Committee recommends that the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties Board of Directors approve the Fiscal Year 2015 Supportive Housing Fund Operating Budget: Revenues by Major Funding Source and Expenditures by Line-Item Cost Category. By adoption, the Board of Directors recognize that the adopted budget is based on current estimates of revenues and expenditures, and that staff may find it necessary to recommend, to the Finance Committee and/or Board of Directors, amendments to the budget during the course of the fiscal year; that purchases made in this budget shall be made in conformance with the Procurement Policy; and that expenses which are supported by rent revenue, reimbursement, or other sources of outside funding are contingent upon the Community Mental Health Board of Clinton, Eaton, and Ingham Counties receiving the budgeted revenues.

MOTION CARRIED unanimously.

Fiscal Year 2015 Agency-Wide Revenue Projections

Stacia Chick presented revenue projections different than what were received in October. The FY 2015 Healthy Michigan rates were reduced so dramatically from the FY 2014 rates (a 40% rate cut) that even with high enrollment levels, expected to average 443,000 statewide during this fiscal year, the CMH system will see a gap of \$827,938 cut in Healthy Michigan revenues. The State General Fund (GF) authorization letter contained revenues \$1,999,312 less than were projected. The Habilitative Support Waiver (C Waiver) revenue is trending to be \$380,391 under budget due the rate also being reduced for FY 2015. Community Services for the Developmentally Disabled (CSDD) has worked diligently to increase the number of waivers and the increase in overall waivers results in a budget increase of \$405,984 for CSDD, a portion will be used to offset the budget deficit for CSDD. The Medicaid revenue is trending to be under budget by \$270,795 but Medicaid revenue fluctuates greatly throughout the year. The MI Child revenue is trending to be over budget, however it isn't recommended to utilize these amounts for budget planning at this time. CMHA-CEI is partnering/advocating with the Michigan Department of Community Health (MDCH) to correct errors made in the GF authorization calculation and to increase the FY 2015 GF funding and Healthy Michigan rates. Budget balancing/cutting plans are to be brought to the Board of Directors in December for approval and then implemented, if needed, in January. Documentation of the Steady State Budget Variance was also shared. Discussion ensued regarding the difficulty of enrolling individuals in Health Michigan.

For information only.

Old Business:

None.

New Business:

Andrew Hewat presented a report that included anticipated CMHA-CEI provider/expense contract renewals. Many renewals are anticipated for January.

Public Comment:

None.

Adjournment:

The meeting was adjourned at 6:55 p.m. The next regularly scheduled Finance Committee meeting is December 10, 2014, 5:30 p.m., 812 E. Jolly Rd, Lansing, Conference Room G11-C.

Minutes Submitted by:

Chelsea Christensen
Finance Secretary