



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

FINANCE COMMITTEE

Meeting Minutes

Wednesday, August 12, 2015, 5:30 p.m.

812 E. Jolly Road, Conference Room G11-C

Lansing, MI 48910

Committee Members Present:

Joseph Brehler, Raul Gonzales, Kay Randolph-Back, Kam Washburn, Chris Swope, Carol Koenig

Committee Members Absent:

Sara Clark Pierson

Staff Present:

Stacia Chick, Chelsea Christensen, Bob Sheehan, Chuck Dougherty, Chris McDaniel, Nathan Derusha, Jennifer Stanley, Sharon Blizzard

Public 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 Raul Gonzales and SUPPORTED by Kay Randolph-Back to approve the meeting minutes of July 8, 2015.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Raul Gonzales and SUPPORTED by Kay Randolph-Back to adopt the revised agenda with the addition of "MDCH/CMHSP Managed Mental Health Supports and Services Contract FY 2016 Between Michigan Department of Health

and Human Services (MDHHS) and Community Mental Health Authority of Clinton-Eaton-Ingham” under New Business.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

No comment.

BUSINESS ITEMS:

New Purchase: Dell Computer

Chuck Dougherty presented a proposal to purchase 175 new laptop computers from Dell Computer. CMHA-CEI maintains a fleet of 794 computers for the use of clinical, administrative, and managerial staff. Originally, most CMHA-CEI computers were desktop models, but in 2010 CMHA-CEI began to replace desktops with laptop computers for staff who perform a substantial number of duties away from their office. This purchase will replace approximately 140 of the current laptops and also add 35 new ones. The current laptops are now five years old and have reached end of useful life.

Chris Swope joined the meeting at 5:32 p.m.

ACTION:

MOVED by Raul Gonzales and SUPPORTED by Chris Swope 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 purchase laptop computers from Dell Computer and pay \$280,810.50.

MOTION CARRIED unanimously.

MDCH/CMHSP Managed Mental Health Supports and Services Contract

Amendment No. 1 -Agreement Between Michigan Department of Community Health (MDCH) and Community Mental Health Authority of Clinton-Eaton-Ingham

Bob Sheehan presented an amendment for changes to attachment C7.6.1, Compliance - Paragraph J. Fee for Service Billings (CWP and SED Waiver Program). The amendment replaces the language “indirect administrative costs related to providing the services must be covered by local revenue, and must be reported as local only expenditures on the FSR” with the following language: Benefit plan administrative costs related to services must be covered by general fund and/or local revenue.

ACTION:

MOVED by Chris Swope and SUPPORTED by Kay Randolph-Back that the Finance Committee recommends that the Board of Directors of the Community Mental Health Authority of Clinton, Eaton, and Ingham Counties (CMHA-CEI) approves the MDCH/CMHSP Managed Mental Health Supports and Services Contract Amendment No. 1 of the Agreement Between Michigan Department of Community Health (MDCH) and Community Mental Health Authority of Clinton-Eaton-Ingham Community (CMHA-CEI) for the period of October 1, 2014 through September 30, 2015, which changes language of C7.6.1-paragraph J.

MOTION CARRIED unanimously.

Expense Contract Renewal: Michigan Department of Health and Human Services – Medicaid Eligibility Specialist Designated to CEI

ACTION:

MOVED by Chris Swope 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) authorize CMHA-CEI to enter into an expense contract renewal with Michigan Department of Health and Human Services to purchase Medicaid Eligibility Specialist services for the period of October 1, 2015 through September 30, 2018, and pay \$58,000 annually for those services.

MOTION CARRIED unanimously.

New Expense Contract: Memorandum of Understanding Harbor Hall Inc. Residential Program – Petoskey SDA Funding Only

Please note that this Memorandum of Understanding for Harbor Hall, Inc. is retroactive to October 1, 2014.

Stacia Chick presented a new expense contract that was presented to the Program and Planning Committee in July. Under this contract CMHA-CEI-SRE will pay for State Disability Assistance (SDA) room and board for substance use disorder (SUD) clients served in the counties of Clinton, Eaton, Gratiot, Hillsdale, Ingham, Ionia, Jackson and Newaygo from Harbor Hall Inc. Residential Facility in Petoskey, Michigan. CMHA-CEI-SRE agrees to pay \$27 per day for SDA room and board only with a contract amount not to exceed \$25,000 for the current fiscal year 2014/2015. The Finance Committee requested information regarding why the contract is late.

CMHA-CEI staff shared that the contract is retroactive due to the request for SDA reimbursement and clarification of available funds being late in the fiscal year.

ACTION:

MOVED by Chris Swope 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), in its role as the Board of Directors of the Sub-Regional Entity, authorize CMHA-CEI to enter into a new contract with Harbor Hall, Inc. to purchase room and board for State Disability Assistance (SDA) eligible clients for the period of October 1, 2014 through September 30, 2015 and pay \$27 per day not to exceed \$25,000 for the total contract.

MOTION CARRIED unanimously.

Fiscal Year 14/15 Amended Budget for Quarter Ended June 30, 2015

AND

Fiscal Year 14/15 Preliminary Financial Statements for the Quarter Ended June 30, 2015

Stacia Chick presented the quarterly financial statements and amended budget for the third quarter of FY 2015. Revenues by major funding source and explanations of changes greater than \$10,000 were reviewed. Two significant changes were decreases in Medicaid and Healthy Michigan. Discussion ensued regarding Medicaid projections, enrollment efforts, and the penetration rate of Healthy Michigan. The descriptions of expenditure budget changes that exceed \$10,000 were also reviewed. Two significant changes were Adults with Mental Illness Contractual Services and Dues and Supplies budgets. Discussion ensued regarding injectable increases, direct billing, and federal policy changes effective July 1, 2015.

Stacia Chick also presented and reviewed options for managing the FY 2015-2022 unrestricted fund balance. It is a seven year plan to build the fund balance that includes a best case scenario, worst case scenario, and probable scenario. Discussion ensued regarding general fund expenses to be reduced, the FY 2015 deficit, and other revenue and expenditures changes included in the plan.

Carol Koenig joined the meeting at 6:04 p.m.

ACTION:

MOVED by Chris Swope and **SUPPORTED** by Kay Randolph-Back 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 FY 14/15 Amended Budget for the Quarter Ended June 30, 2015.

MOTION CARRIED unanimously.

Chris Swope excused himself from the meeting at 6:36 p.m.

Selection of Financial and Compliance Auditors – Fiscal Years 2015, 2016, and 2017

Stacia Chick presented the audit proposal summaries for the auditor search. CMHA-CEI interviewed three audit firms on July 15, 2015. The auditor selection committee consisted of the following: the Chief Financial Officer, four additional staff from CMHA-CEI, and a member of the Finance Committee, Sara Clark-Pierson. The committee voted unanimously to use Plante Moran for 2015-2017 audits. BDO has performed the fiscal audit of CMHA-CEI since Fiscal Year 2004 and the compliance audit since 2010 and Plante Moran performed the fiscal audit for CMHA-CEI from 1993 to 1999.

ACTION:

MOVED by Carol Koenig 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) authorize CMHA-CEI to enter into a contract with Plante Moran to provide CMHA-CEI compliance examination and financial audit services for the period of Fiscal Year 2015 through Fiscal Year 2017 and pay \$47,500 for FY 2015, \$48,475 for FY 2016, and \$49,525 for FY 2017.

MOTION CARRIED unanimously.

New Business:

MDCH/CMHSP Managed Mental Health Supports and Services Contract FY 2016 Between Michigan Department of Health and Human Services (MDHHS) and Community Mental Health Authority of Clinton-Eaton-Ingham Community

Bob Sheehan presented a contract renewal for FY 2016 with MDHHS that was received today and will be due in the beginning of September. There were no changes to the dollar amount in the contract. The following key changes from the current contract were outlined:

1. The addition of a section in the contract which promotes the use of the standard release of information form as established through Public Act 129 of 2014.

2. Revisions in the contract that implement the change made in the DHHS FY 2016 Appropriations bill which removed, from the CMH system, the responsibility for the State General Fund portion of State Facility costs. MDHHS will assume this responsibility as of October 1, 2016, with all CMHs retaining responsibility for the local share (10%) of those costs.

3. An addition to an attachment to the contract (CMHSP contract attachment C6.5.1.1 CMHSP Reporting Requirements) which requires the use of the Devereux Early Childhood Assessment (DECA) for Infants (1 to 18 months), Toddler (18-36 months) or Clinical (24-47 months). CMHA-CEI has long used this tool.

ACTION:

MOVED by Carol Koenig 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) approves the MDHHS/CMHSP Managed Mental Health Supports and Services Contract between the Michigan Department of Health and Human Services (MDHHS) and Community Mental Health Authority of Clinton-Eaton-Ingham Community (CMHA-CEI) for the period of October 1, 2015 through September 30, 2016.

MOTION CARRIED unanimously.

Old Business:

Negotiations Update

ACTION:

MOVED by Carol Koenig and **SUPPORTED** by Raul Gonzales to move into closed session to discuss contract negotiations. **MOTION CARRIED.**

Voting Yes: Joseph Brehler, Raul Gonzales, Kay Randolph-Back, Kam Washburn, Carol Koenig

Voting No: None.

The meeting moved into closed session at 6:44 p.m. The meeting came out of closed session at 7:36 p.m.

ACTION:

MOVED by Kay Randolph-Back and **SUPPORTED** by Carol Koenig to support management in following the Finance Committee's guidance regarding contract negotiations.

MOTION CARRIED unanimously.

Public Comment:

None.

Adjournment:

The meeting was adjourned at 7:37 p.m. The next regularly scheduled Finance Committee meeting is September 9, 2015, 5:30 p.m., 812 E. Jolly Rd, Lansing, Conference Room G11-C.

Minutes Submitted by:

**Chelsea Christensen
Finance Secretary**