



**Community**  
MENTAL HEALTH  
CLINTON • EATON • INGHAM

**FINANCE COMMITTEE**

**Meeting Minutes**

**Wednesday, May 8<sup>th</sup>, 2019**

**5:30 p.m.**

**812 E. Jolly Rd, Conference Room G11-C**

**Lansing, MI 48910**

**Committee Members Present:**

**Dave Pohl, Joe Brehler, Raul Gonzales**

**Committee Members Absent:**

**Kay Randolph-Back (Advanced Notice Provided), Emily Stivers**

**Staff Present:**

**Stacia Chick, Darby Vermeulen, Sara Lurie, Joanne Holland, Karla Block, Shana Badgley**

**Public Present:**

**Chad Schafer - Plante Moran**

**Other Board Members Present:**

**Dianne Holman**

**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 Dave Pohl to approve the meeting minutes of April 10<sup>th</sup>, 2019.**

**MOTION CARRIED unanimously.**

**Adoption of Agenda:**

**MOVED** by Dave Pohl and **SUPPORTED** by Raul Gonzales to adopt the agenda of May 8<sup>th</sup>, 2019, with the revision of moving agenda item #10, Financial Audit of Fiscal Year 2018, to be presented as the first Business Item.

**MOTION CARRIED** unanimously.

**Public Comment on Agenda Items:**

None.

**BUSINESS ITEMS:**

**Revenue Contract Extension: McLaren-Lansing**

Shana Badgley presented a renewal of the contract with McLaren's emergency department. She said it is anticipated that in the future, the services will be expanded to 24/7, but McLaren wasn't prepared to begin those hours in May.

**ACTION:**

**MOVED** by Raul Gonzales and **SUPPORTED** by Dave Pohl 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 extend the current contract with McLaren-Lansing to provide Mental Health Therapist Staffing in the Emergency Department to McLaren-Lansing for the period of 1 year starting May 1, 2019 to April 30, 2020 and receive \$229,050.

**MOTION CARRIED** unanimously.

**Expense Contract Renewal: IKUS Indian Trails Child and Adult Camps**

Karla Block presented a renewal for a camp contract. She reminded the committee that camp contracts are used for respite purposes for families. Karla said this contract is retroactive back to October 1, 2018, and is authorized for the full year. She noted that the rates are based on the level of care.

**ACTION:**

**MOVED** by Dave Pohl 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 renew the contract with IKUS Indian Trails Child and Adult Camps and purchase Respite

Services for the retroactive period of October 1, 2018 through September 30, 2019 and pay per the rate schedule below.

Rates:

Name of Camp & License #	Camp Contact Info	Codes	Cost
IKUS Indian Trails Child and Adult Camps  CR700200614 and SR700200220	O-1859 Lake Michigan Dr. NW Grand Rapids, MI 49534 (616) 677-5251  <a href="mailto:info@ikuslife.org">info@ikuslife.org</a>	T1005 H0045 T2036 T2037	Weekend Rates:* \$254.00 - \$572.00  Sunday – Friday: \$762.00 – \$1,536.00  *cost dependent on Level of Care.

\*\*Rate varies depending on the session attended.

**MOTION CARRIED unanimously.**

**Pharmacy Request for Proposal: Ascension Pharmacy Renewal**

Stacia Chick presented the RFP for pharmacy services. She briefly described the process of pharmacy selection. Two pharmacies responded to the RFP, including the current pharmacy located at Jolly Road, Ascension Pharmacy, as well as Genoa Healthcare. The committee chose to renew the contract with Ascension Pharmacy. Joe Brehler noted the large discrepancy between the scoring by the committee of each pharmacy, Ascension with 100% and Genoa with 55%, and Stacia said the staffing models presented, the services provided, and those whom Genoa would be willing to serve resulted in a lower score among committee members.

**ACTION:**

**MOVED** by Dave Pohl 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 contract renewal for Pharmacy Services with Ascension Pharmacy from October 1, 2019 through September 30, 2022.

**MOTION CARRIED unanimously.**

**CLS, Respite, Skill Building, Supported Employment, Out of Home Pre-Vocational Rate Increase**

Stacia Chick presented a contract to increase the rates for contractors in the Direct Care Worker classification. She said that analysis was done on rates elsewhere in the region for the same services, and it was noted that CEI fell below the average. Because of increases in transportation costs, employee recruitment and turnover, and the new Medicaid requirements, it was decided that the rates would be increased by an additional 75 cents an hour.

**ACTION:**

**MOVED** by Raul Gonzales and **SUPPORTED** by Dave Pohl 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 agree to the \$0.75 hourly rate increase for contractor rates for the services as listed below, beginning April 1, 2019.

Service Description	Codes / Time
Unlicensed Community Living Supports (CLS) in Independent Living/Own Home	H2015 – 15 minutes H0043 Per Diem
Respite Care	T1005 -15 minutes H0045 per day
Respite	S5151 – 15 minutes
Skill Building	H2014 – 15 minutes
Supported Employment	H2023 – 15 minutes
Out of Home Pre-Vocational	T2015 per hour

**MOTION CARRIED unanimously.**

**Acceptance of Steady State Budget Assumptions and Budget Development Calendar for Fiscal Year 2019/2020 (CMHA-CEI)**

Stacia Chick presented the budget development principles, budget calendar for FY2020, and the steady state budget assumptions. She gave a brief outline of the principles to Dave Pohl since he is a relatively new committee member. Stacia noted the budget development principles have not changed significantly in several years.

Stacia went through the steady state budget assumptions, beginning with the expenses. She noted that contract, regulatory, and licensing changes are considered

when creating assumptions. Discussion ensued as to who can receive the healthcare buyout, and other questions regarding healthcare premiums.

Stacia reviewed the committee's previous choice to not phase-in the MERS retirement rates when discussing increases of the rates. She went on to note that staff wages are only reflecting step increases at this point as negotiations do not take place until later in the summer.

Stacia then reviewed the revenue budget assumptions. At this time, no Medicaid capitation rate increases are being included in the assumptions as the rates are not calculated by the actuary yet. Stacia noted the SEDW and Children's Waiver are changing to a case rate model through the PIHP instead of a fee for service model. The rates for this have also not calculated by the actuary yet.

**ACTION:**

**MOVED** by Dave Pohl 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 approve the following resolution:

**The Finance Committee accepts the Fiscal Year 2019/2020 Steady State Budget Assumptions and the Budget Development Calendar.**

**MOTION CARRIED unanimously.**

**Financial Audit of Fiscal Year 2018**

Chad Schafer from Plante Moran reviewed the FY 2018 audits with the Finance Committee. He noted that the Financial and Single Audits were completed in March, and the Compliance Examination was completed in early April. All have been uploaded to the State. Chad explained the differences between the audits, as well as the single audit finding for fiscal year 2018.

Chad reviewed the Financial Statements, noting the two factual misstatements that were discovered. He said there are no audit plan changes he anticipates for the coming year.

Chad focused on pages 3-7, Management's Discussion and Analysis, as this gives the reader a summary of the Financial Statements. He noted revenue is up \$6M, and expense is up \$5M. Net assets remain relatively flat because of this. The new deficit is \$28.7M at the end of FY2018 which is mainly due to the pension liability.

Chad noted that any operating leases currently should be considered and quantified for future Financial Statements. Stacia said this process has already begun.

Chad moved on to the Single Audit, and noted the material weakness. There were no compliance issues on the Single Audit.

The Compliance Examination had no material weaknesses, significant deficiencies, or known fraud identified.

Joe Brehler expressed his appreciation for the audit being completed on time.

Stacia wanted to discuss the finding on the FY18 audit. She began by saying the financial software CEI currently uses isn't sufficient to create and populate Financial Statements. Stacia said consultants, Rehmann Robson, have been helping the Finance department with employing more tools for creating financial statements and other reports more efficiently so there are no issues in the future.

Old Business:

None.

New Business:

Stacia Chick provided an update on the Enterprise Resource Planning (ERP) software selection process. About a year ago, the HR and Finance departments as well as a select few individuals elsewhere within the agency started working with GFOA to review the business processes completed with the current software, and came up with a list of things needed for new software. This moved into creating an RFP for a new software vendor; five or six vendors submitted applications. Stacia said this new software will automate and track current processes electronically and move away from many of the manual and paper-based processes completed currently. New software will also provide electronic time card for employees, streamlining the payroll system. The 24-hour programs are looking for a more robust scheduling system, as well.

Three different vendors completed demonstrations, and two vendors were selected for the discovery process. From there, one vendor was chosen, and the next step with the chosen vendor is the negotiation process. Stacia said the implementation period will be 24-28 months, with that process beginning in the fall. She would like the financial modules of the software to be fully implemented by the beginning of Fiscal Year 2021 on October 1, 2020 so as not to interrupt any financial processes.

Stacia then provided an update on the State's new behavioral health screen tool. The State is trying to compare CMHs to compare costing throughout the state, and develop a standardized fee screen amount for CMH services. A standardized fee schedule will be created and then CEI's encounters will be fit into that schedule to calculate fees. Stacia believes this process may be taking CMHs in the wrong direction, and will result in many more fee for service scenarios, from which CEI has been previously moving away. Milliman will be on site at Jolly Road on Monday to gather information from CEI to assist in creating the tool. Discussion ensued as to what the implications of moving back into a fee for service model would be for CEI and Michigan CMHs as a whole. The committee agreed this wouldn't be a positive change for CEI.

**Public Comment:**

None.

**Adjournment:**

The meeting was adjourned at 7:05 p.m. The next regularly scheduled Finance Committee meeting is June 12<sup>th</sup>, 2019, 5:30 p.m., 812 E. Jolly Rd, Lansing, Conference Room G11-C.

**Minutes Submitted by:**

Darby Vermeulen  
Finance Secretary