

Approved Minutes
Community Mental Health of Ottawa County – Finance Committee Meeting
CMH Board Room
12265 James Street, Holland, Michigan 49424
Thursday, September 14, 2006

PRESENT: Rita Bird, Joyce Kortman, Cornelius Vander Kam, Keith Van Zoeren

EXCUSED: Mark Bombara

STAFF: Gerry Cyranowski, Pam Pekelder, Patricia Genesky

CALL TO ORDER

Cornelius Vander Kam, Chairperson, called the, 2006 Finance Committee meeting to order at 12:17 p.m.

MISSION STATEMENT

Mr. Vander Kam noted the mission statement

APPROVAL OF MINUTES

CMH 06- 010 Motion: To approve the minutes of the, 2006 meeting.

Moved by: Van Zoeren Supported by: Bird

MOTION CARRIED

Mr. Cyranowski questioned Ms. Bird regarding the paragraph under New Business dealing with the unit cost between MI and DD and whether it was accurate. Ms Bird indicated that it was. Ms. Bird noted that under Regular Business, section (e), regarding the letter to Harbor House, she expressed her concern that the letter that was sent did not follow the intent, but that the minutes are accurate.

APPROVAL OF AGENDA

CMH 06-011 Motion: To approve the minutes of the, 2006 meeting.

Moved by: Bird Supported by: Van Zoeren

MOTION CARRIED

Mr. Cyranowski noted that Mr. Bombara asked that the SWOT analysis be moved to the next month as Mr. Bombara was unable to attend today's meeting and he had had originally requested that this be placed on the agenda.

REGULAR COMMITTEE BUSINESS:

- a. Review of monthly financial statements – Ms. Bird asked for clarification regarding what funds, as noted on the statements, were Medicaid and what were General Fund dollars. She also asked what amount would carry forward to next year and what would lapse. Mr. Cyranowski indicated that the Medicaid carry forward target is 1.1 million dollars and there would be no lapsed funds. He also noted that the State General Fund carry forward savings will be just under the targeted amount. Mr. Van Ommen questioned the purpose of the carry forward. Mr. Cynowski noted that this amount is figured into the next fiscal year's budget.

Ms. Pekelder noted that this also allows for a cushion for unexpected expenses. She stated that 5% savings amount is set by the state.

Ms. Bird questioned the existence of the Internal Service Fund. Ms. Pekelder explained that this fund is required by DCH and cannot be accessed unless all Medicaid funds have been exhausted. There must be 7.5% of the budget in this fund. Mr. Cyranowski noted that the fund is invested as outlined by federal guidelines, and that no contributions have been made to the fund since it was first established, as the interest earned keeps the fund at the required 7.5%. The Internal Service fund is separate from the 5% savings, which is carried into the next fiscal year as part of the operating budget. Ms. Bird questioned whether Muskegon has access to those funds. Mr. Cyranowski noted that they do not have access to the ISF. However, the DCH contract is with Muskegon CMH, who allocates the (Medicaid) funds to CMHOC. Muskegon cannot use their State General Fund dollars for Medicaid covered services until all Medicaid funds within the Affiliation have been used. He also noted that Muskegon reportedly has over spent their General Fund, but they do not have access to CMHOC's State General Fund.

b. Review and approval of service contracts

Ms. Bird questioned why the MOKA contract was a two-month extension and not a renewal. Ms. Pekelder stated that the two percent increase for direct care workers authorized by the State Legislature will take effect in October, but the funds will not be immediately available. The contract is being extended until the funds are distributed. At that point, the contract will be renewed, with the amount being retroactive to October 1.

Ms. Bird questioned the contract with MOKA Corporation for SE/Skill Building. Mr. Cyranowski noted that this was a joint contract with Muskegon. Ms. Bird questioned whether this was outsourcing or is the Supported Employment oversight still occurring with staff. Mr. Cyranowski noted that this does not supplant any existing services, it is an additional option for consumers to choose from. He noted that three consumers recently elected to use MOKA as their service provider.

Ms. Bird suggested that similar contracts, such as all transportation contracts, be presented at the same time to allow for an overview and ease in comparison of similar contract providers. Mr. Cyranowski stated that batching similar contracts for review by the Committee and the Board might be wise and could be explored.

Ms. Kortman questioned whether Clubhouse Transportation Services was the same group that CMH provided vehicles to. She requested information on the status of this business. Mr. Cyranowski noted that similar services provided by Pioneer Resources would be considerably more expensive.

CMH 06-012 Motion: To accept the service contracts as presented and forward to the Board for approval.

Moved by: Van Zoeren

Supported by: Bird

MOTION CARRIED

Mr. Cyranowski thanked the Committee for taking the time to review the contracts. Ms. Kortman stated that she would like to see the total dollars and number served on the contracts in the future.

c. Lakeshore Behavioral Health Alliance

Lapsed Medicaid Funds – Mr. Cyranowski provided information on the history of lapsed Medicaid and State General funds. He noted that any lapsed amount is above the five percent carry forward (savings). He also noted that CMHOC has been able to hit the targeted savings amount for the past two years and has not lapsed any funds.

d. MDCH Finance

Mr. Cyranowski stated that CMHOC was looking forward to the two percent increase for direct care workers.

Ms. Pekelder stated that the State is proposing a recalculation of administration costs. She stated that they are looking toward having everything except direct care service fall under the umbrella of administration costs

Ms. Bird asked about the status of arranging a meeting with Muskegon's Finance Committee. Mr. Cyranowski stated that there would be an Affiliation Council meeting on September 15 and this would be discussed. He noted that the hope is that an informal meeting of the Boards can be arranged to take place at the Fall Conference in October. He noted that they Muskegon CMH has not yet committed to a meeting of the Finance Committees.

e. Future Finance

None

2. Old Business

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) - Deferred until October 12, 2006.

Letter to Harbor House Ministries –

Mr. Cyranowski noted a letter that was sent by Corporate Counsel to Harbor House, which clarified the clause in the contract with regard to construction of additional buildings by Harbor House. He stated that Harbor House is free to construct any number of facilities they wish, but they should not do so with the expectation of public funding without an agreement between both parties on the projected need. He stated that a meeting with Harbor House was held on September 13 to review current consumers of CMHOC services that might have need of placement at Harbor House. Harbor House staff also presented a list of individuals that they see as potential placements. He asked that the Committee support a letter of understanding stating that if both parties identify a consumer with a need, CMHOC would consider entering into a contract with Harbor House to provide services if an individual is deemed appropriate for that level of care. He will draft a letter of intent for submission to the full Board.

Ms. Kortman expressed her concerns about the content of the letter sent by Corporate Counsel. Mr. VanderKam stated that in his opinion there was nothing inappropriate in the letter.

Cost of County Support Services

Mr. Cyranowski provided an overview of the total cost of the various services the county provides to CMHOC. He noted that the administrative costs are distributed based on recognized principles used nationally for distributing costs throughout the agency.

3. New Business

Medicaid Verification Report

Mr. Cyranowski stated that this report is required by Federal standards to verify appropriateness of services and billing. Muskegon is responsible for this report, and delegates the task to Ottawa County. He stated that the QI Team goes out to contracted group homes and other contract providers where CMH Medicaid funds are used. Chart audits are conducted to ensure that services written in the plan are being provided, that services are documented, and that the billing is correctly linked to the services. Mr. Cyranowski reviewed the general findings and issues.

ADJOURNMENT

Mr. Vander Kam adjourned the August 17, 2006 Finance Committee Meeting at 1:52 p.m.

Cornelius Vander Kam, Chair