

Approved Minutes
Community Mental Health of Ottawa County – Finance Committee Meeting
CMH Board Room
12265 James Street, Holland, Michigan 49424
Thursday, November 16, 2006 12:15 p.m.

PRESENT: Mark Bombara, Joyce Kortman, Cornelius Vander Kam, Keith Van Zoeren

EXCUSED: Rita Bird

STAFF: Gerry Cyranowski, Patricia Genesky

GUESTS: June Hagan

CALL TO ORDER - Cornelius Vander Kam, Chairperson, called the November 16, 2006 Finance Committee meeting to order at 12:20 p.m.

MISSION STATEMENT – Mr. Vander Kam noted the mission statement.

APPROVAL OF MINUTES

CMH 06- 017 Motion: To approve the minutes of the October 12, 2006 Finance Committee meeting.

Moved by: Bombara
MOTION CARRIED

Supported by: Van Zoeren

APPROVAL OF AGENDA

CMH 06-018 Motion: To approve the agenda for the November 16, 2006 Finance Committee meeting.

Moved by: Kortman
MOTION CARRIED

Supported by: Bombara

REGULAR COMMITTEE BUSINESS

a) Review and approval of service contracts

CMH 06- 019 Motion: To forward the service contracts as presented to the Board of Directors for Approval

Moved by: Van Zoeren
MOTION CARRIED

Supported by: Bombara

Mr. Cyranowski explained the changes to the Protocall contract, stating that the contract is adjusted based on the projected number of calls processed. He indicated that there are other options for processing calls being explored; one possibility is joining with Muskegon in their contract with Network 180's call service.

Mr. Cyranowski noted that the Clubhouse has outgrown its facility due to a marked increase in attendance, resulting in the need to expand. Ms. Kortman requested that detailed information pertaining to the increase in attendance be provided.

b) Review of FY2006/2007 Budget Adjustment #1

CMH 06- 020 Motion: To forward FY2006/2007 Budget Adjustment #1 as presented to the Board of Directors for Approval

Moved by: Kortman

Supported by: Bombara

MOTION CARRIED

Mr. VanderKam introduced June Hagan, Ottawa County Fiscal Services Director. Ms. Hagan noted that effective Nov. 6, 2006 Pam Pekelder and her five staff will report to the County Fiscal Services Director. She provided information pertaining to the budget adjustments. She noted a reduction in the earlier projected carry forward dollars as a result of late fiscal year expenditures and adjustments.

Ms. Hagen requested that the committee provide her with input regarding the format of reports or any additional information that they might like to see on monthly basis. Mr. Bombara asked for specifics on any item that might be considered out of the ordinary.

c) Lakeshore Behavioral Health Alliance

Direct Care Worker Wage Increase – G. Cyranowski

Mr. Cyranowski provided updated information on the 2% wage increase to direct care workers. The funds were sent to the PIHP's. He noted that funds will be distributed consistently throughout the Affiliation as directed by the PIHP. Contracts will have to be adjusted accordingly. Currently, the PIHP's are waiting for instructions from the State on how to distribute these funds.

Amendment No. 4 to the Agreement Between MDCH and PIHP for Medicaid Mandated Specialty Supports and Services Concurrent 1915 (b)/(c) Waiver Program – G. Cyranowski

Mr. Cyranowski reviewed the Amendment with Committee members and answered questions. He noted that this item will go to the Muskegon Board, who holds the Medicaid contract, for action at their November meeting.

d) MDCH Finance

With regard to the State General Fund contract, Mr. Cyranowski noted that a contract for FY 2006/2007 has not yet been distributed by MDCH; however, the contract for FY 2005/2006 is still in effect until the new contract is complete. He stated that the Internal Service Fund is an important topic at this time, and noted that the Board Association and DCH are currently in the process of identifying a reasonable General Fund risk reserve for Boards. Mr. Cyranowski will keep the committee advised as information becomes available.

e) Future Finance

Mr. Cyranowski noted that both Muskegon and Ottawa were able to carry forward Medicaid dollars from FY 2005/2006, though not as much as anticipated. Ottawa was able to meet its targeted carry forward for State General Fund; however Muskegon overspent their General Fund budget and accessed their General Fund Internal Service Fund to cover the deficit.

OLD BUSINESS

- **Change in Respite Provider Rates** – Gerry Cyranowski

Mr. Cyranowski updated the Committee Members regarding respite fees. Based on feedback from families and public comment, it was determined that the \$9.00/hour -\$57/day maximum

fees was insufficient for some higher-need consumers, making it difficult to find services for those individuals. Therefore, the fees have been adjusted to reflect rates based on individual needs. There has been a major increase on the high end of need to cover consumers with significant behavioral or medical problems. This increase has been built into the budget. Mr. Cyranowski will provide projections to the full Board.

Comparison of Community Living Supports Rates for CMH Staff and Provider Panel Agencies – June Hagan

Mr. Cyranowski noted that this item was placed on the agenda based on previous discussions at Board meetings. He noted that Ms. Bird requested information regarding cost comparisons for using CMH employees to provide CLS services versus using contracted services. Ms. Hagan provided the comparison data. Mr. Cyranowski noted that the cost of overhead for managing the contracts adds approximately five percent.

With regard to wages paid to the contract service providers, Mr. Cyranowski noted that, based on the information provided from contract agencies, it appears that Ottawa County employees are paid significantly more. Mr. Cyranowski noted that the provider panels are a mix of benefited and non-benefited employees, with the majority most likely being non-benefited.

Review Article – “New Medicaid Compliance Issues from the Deficit Reduction Act” – Gerry Cyranowski

Mr. Cyranowski reviewed information that was provided at the October Committee meeting. Under the Deficit Reduction Act, the Federal Government is closely monitoring Medicaid expenditures and is increasing oversight of State agencies. He noted that strong compliance programs are required, and Muskegon and Ottawa have such compliance programs in place.

Review of March, 2006 Presentation by Betty O’Rourke on Unit Costs of Supported Employment and Community Living Supports – June Hagan

Mr. Cyranowski noted that this presentation was a result of Ms. Bird’s questions regarding the information previously provided. Ms. Hagan noted that information came directly from a cost data report that is sent to the state. Unit costs are calculated by dividing actual costs by the number of units of service provided. The average unit cost includes services provided by both CMH and contract agencies. She noted that items such as provider-to-consumer ratios, productivity, overhead, and county costs all affect the unit price for services provided at CMH. With regard to CLS services, Mr. Cyranowski noted that there will be a meeting with providers in the next few weeks to address complaints and issues presented at a previous Board meeting.

NEW BUSINESS

News Article – Medicaid as Payor of Last Resort – Gerry Cyranowski

Mr. Cyranowski indicated that he was providing this article to the Committee for information. He noted that it is a requirement that all available payer sources must be billed prior to billing Medicaid.

Finance Committee Minutes Sharing Between Ottawa CMH and Muskegon CMH – Gerry Cyranowski

Mr. Cyranowski stated that in an effort to keep communication open with Muskegon CMH, the practice of sharing meeting minutes with Muskegon’s Board has been implemented. Meetings from the Boards and various committees will be traded on an ongoing basis. He anticipates that

three members from the Board will be appointed at the next Board meeting to serve on an ad hoc committee with Muskegon Board members.

ADDITIONAL COMMENTS

Ms. Kortman questioned what was being done to ensure that consumers involved with the Drug/Sobriety Courts continue to receive medications if they are incarcerated. Mr. Cyranowski stated that CMHOC is not responsible for providing medication to inmates. He noted that a CMH staff member goes to the jail every day and is made aware of the incarceration of any CMH consumers, as well as ascertaining whether there were other incarcerations that might be candidates for CMH services. Also, a CMHOC psychiatrist goes to the jail once per month to conduct evaluations and provide medication management. Mr. Cyranowski will provide a report on the jail diversion program at a Board meeting in the near future.

ADJOURNMENT

Mr. Vander Kam adjourned the November 16, 2006 Finance Committee Meeting at 1:37 p.m.

Cornelius Vander Kam, Chairperson