

ST. CLAIR COUNTY COMMUNITY MENTAL HEALTH AUTHORITY
3111 Electric Avenue
Port Huron, Michigan 48060

GROUP MEETING: SCC Community Mental Health Board
SUBJECT: Regular Session
PLACE: St. Clair County Community Mental Health
3111 Electric Avenue, Port Huron
DATE: June 4, 2019
TIME: 6:00 p.m.
PRESIDING: Nancy Thomson, Chairman

PRESENT: L. Ames, S. Armstrong, J. Bligh, A. Essian, J. Jowett-Lee, M. Partipilo, M. Paulus, E. Rieves, M. Smith, N. Thomson, S. White
CALL IN: No one
ABSENT: E. Priemer
ALSO PRESENT: Guest(s): Paul Bailey, SB&W; R. Kiehler, IHDC
Staff: D. Johnson, T. Pingitore, K. Farr, K. Gallagher, M. Measel-Morris , L. Gauthier

I. CALL TO ORDER

The meeting was called to order at 6:04 p.m. by Chairman Thomson.

II. CITIZENS WISHING TO ADDRESS THE BOARD - None

III. SPECIAL PRESENTATION: STEWART, BEAUVAIS & WHIPPLE – P. Bailey

Overviewed by Mr. Paul Bailey, from the auditing firm of Stewart, Beauvais & Whipple (SB&W), were the following reports:

1. FY 18 Audit Communication Letter
2. FY 18 Audited Financial Statement
3. FY 18 Internal Control Letter
4. FY 18 Single Audit
5. FY 18 Compliance Report

Mr. Bailey stated that the audit was conducted in accordance with the generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards. It is the opinion of SB&W that St. Clair County Community Mental Health Authority has an “unmodified” or “clean opinion” with no significant weaknesses; which means the financial reports met government report requirements. This is the best opinion you can receive.

He advised the Board that the Management’s Discussion and Analysis contained within the Annual Financial Statement is a required document and is written by the Management Team of Community

Mental Health in layman’s terms, not by SB&W staff. Its purpose is to advise the reader of the type of year the Agency had and what’s in the future, especially if there are budget constraints.

In reviewing the FY 18 Annual Financial Statement, Mr. Bailey highlighted the significant information in each of the following documents: Statement of Net Position, Statement of Activities/ Revenues, Expenses, and Changes in Net Position. He noted that the Total Operating Revenue for the year ending September 30, 2018 ended in a deficit of \$12,741,054. Mr. Bailey stated that this is deceiving because the State does not allow you to charge the retirement and OPEB benefit to their contract until it is actually paid over to the County fund. Once they are paid back we actually have a balance of \$4,116,708. Total Assets \$20,977,403.

Mr. Bailey referenced the letter “Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.” The purpose of this letter addresses internal control over financial reporting of which no material weaknesses were found.

The second letter “Audit Communication Letter” addresses any significant audit findings, of which there are none; there were no difficulties in dealing with management in performing and completing the audit.

Supplementary Information to Financial Statements (Federal Awards) audit is required for any agency receiving over \$750,000 in grants. Mr. Bailey stated that we are now required to have written procedures in place. The Authority does not have any documented written procedures for federal awards compliance, however, there are unwritten procedures over each of the applicable compliance areas. It is recommended that written procedures be adopted.

Compliance Examination: In the past this audit was completed by the Michigan Department of Health and Human Services and they now rely on the auditing firms to express an opinion on compliance of its contracts based on the audit of the type of compliance requirements. It is the opinion of SB&W that we complied, in all materials respects, with the types of compliance requirements referred to that could have a direct and material effect on the contracts for the year ended September 30, 2018. However, there were a couple of recommendations made.

IV. AGENDA CHANGES – None

V. PRESENTATION OF PREVIOUS MEETING MINUTES

It was moved by Ms. Jowett-Lee, seconded by Mr. Rieves, to approve the minutes of the May 14, 2019 CMH Board Meeting, as presented. **MOTION CARRIED**

VI. PRESENTATION OF APRIL RECEIPTS/DISBURSEMENTS & ELECTRONIC TRANSFERS

It was moved by Mr. Rieves, seconded by Mr. Paulus, to approve the April Receipts/Disbursements and Electronic Transfers, as presented. **MOTION CARRIED**

VII. PRESENTATION OF BILLS TO BE PAID

Chairman Thomson noted that there are still five employees who are showing significant travel expenses. Management is implementing a pilot program that they believe will show a significant decrease in travel.

It was moved by Mr. Essian, seconded by Mr. Rieves, to approve the Bills to be Paid in the amount of \$3,233,802.90, as presented. **MOTION CARRIED**

VIII. ITEMS FOR ACTION

A. Beacon Specialized Living Services, Inc. Contract Amendment #4 – M. Measel-Morris

The purpose of this amendment is for a new placement at a new Beacon Home in Ypsilanti. This individual moved from a twelve bed home in Macomb to this six bed home; the individual was placed in this home on May 28, 2019.

It was moved by Mr. Armstrong, seconded, by Ms. Partipilo, to approve the Beacon Specialized Living Services, Inc., Contract Amendment #4, as presented. **MOTION CARRIED**

B. Region 10 PIHP/St. Clair CMH FY 19 Medicaid Contract Amendment #4 – T. Pingitore

Ms. Pingitore noted that the changes to the FY 19 Medicaid Contract with Region 10 PIHP are minimal. The amendment reflects the addition of a new report entitled direct care wage attestation, removing a retiring staff member from the staff lease agreement and a timeframe change in notification to the PIHP regarding hospitalization or nursing home placements from 2 days to 30 days of admission. Ms. Partipilo questioned the change. Ms. Pingitore stated that she was unclear but could find out.

It was moved by Mr. Rieves, seconded by Mr. Armstrong, to approve the Region 10 PIHP / St. Clair CMH FY 19 Medicaid Contract Amendment #4, as presented. **MOTION CARRIED**

C. St. Clair CMH FY 19 Amended Budget – K. Farr

Overviewed by Ms. Farr was a revised budget for FY 19. This was made possible through additional funding made available by Region 10; we still need to formalize our request and how the funds will be used. Overall our FY 2019 budget was increased by \$3,467,000 (\$1.5 was related to the CCBHC).

Residential, Supported Housing and Contract Agencies are experiencing a significant reduction in revenues through March due to weather closures. Approximately \$572,000 in additional funding was requested with an additional \$416,000 in DCW increase cost projections.

Our Physicians and Autism expenditures are projected to be an additional \$708,000 over the original budget based on current trending. Some of this is related to having more contracted physicians than direct hire.

The Inpatient Hospital costs and the State Facilities costs are projected to be an additional \$833,000 over the original budget based on current trending. This is staying consistent for the past six months.

Our Direct Run payroll costs are projected to be approximately \$400,000 less than the original budget, mainly in the Physicians department.

The remaining budget line items collectively are trending to be \$162,000 less than the original budget.

Our YTD Medicaid Expenditures are projected to be approximately \$535,000 under the requested Medicaid Revenue in order to cover the projected Healthy Michigan deficit of \$535,000.

Our GF Funding Total Projected Surplus is approximately \$57,305.

Other Funding Sources looking to have another \$91,000 in Local and \$11,000 in Other.

It was moved by Ms. Jowett-Lee, seconded by Ms. Partipilo, to approve the FY 19 Amended Budget, as presented. **MOTION CARRIED**

D. Executive Retiree Healthcare Fund Balance – K. Farr

A few years ago the Executive Retiree Healthcare Plan was closed and all the assets were distributed to the members. There was a balance left in anticipation of any residuals that had not been paid out. Ms. Farr stated that there has been a residual balance of \$74,548 for a number of years. In consulting with Mr. Bailey and the State, since these are Medicaid dollars we have the ability to use these funds to fund healthcare costs. It was the recommendation of Mr. Bailey that we use these funds to help offset the costs of our OPEB liability.

It was moved by Ms. Partipilo, seconded by Mr. Essian, to liquidate the Chemical Bank account holding the remaining balance of \$74,548 of the Executive Retiree Healthcare Fund Balance and use the funds towards the SCCCMH retiree healthcare/OPEB liability, as presented. **MOTION CARRIED**

IX. INFORMATIONAL ITEMS

A. Recipient Rights Advisory Committee – T. Delor

1. Recipient Rights Advisory Committee Agenda (06/04/19)

The Recipient Rights Advisory Committee met earlier today. Ms. Delor provided an overview of the meeting agenda which included:

Aggregate Complaint Data Report: For the period of February 28, 2019 through May 17, 2019 the Office of Recipient Rights received/recorded 29 complaints consisting of 33 allegations. In addition, the ORR completed 17 previously pending complaints consisting of 24 allegations. Of this, 18 allegations were substantiated.

Parent/Guardian Monitoring Report: A total of 208 surveys were sent to parents/guardians of the recipients residing in specialized licensed residential settings (group homes and adult foster care homes). Of this, 165 were returned and of this 83 included hand written comments. This is a 79% return rate which is the highest rate to date. Results and comments for each service location were shared with each service provider. It was recommended that for staff receiving positive comments a letter be sent to them sharing the comments.

Also included with this mailing were nomination forms for our Rights Champion Awards Program of which we received a lot of feedback.

RRAC Goal Review: The Committee has three goals; one has been completed; one will be completed and the third is the development of a state-wide registry to capture data specific to

substantiated allegations. We believe this registry would be a valuable tool and continue to try to find ways to have it created.

Rights Champion Award Program: We recognized award recipients January through March. All award recipients were nominated through the Parent/Guardian Monitoring Program. Each award recipient received a Rights Champion tumbler, a congratulatory letter from Deb, a certificate, recognition in the Rights Champion Newsletter as well as the CMH Facebook page, and a gift certificate to the Sail In Café.

2. Office of Recipient Rights Semi Annual Report & Summary Data Report

This report covers the period of October 1, 2018 through March 31, 2019. During this time period, the Office of Recipient Rights received 60 complaints consisting of 82 allegations. Of this, 30 allegations were substantiated. The Semi-Annual Report is completed per the requirements of the Michigan Department of Health and Human Services - Office of Recipient Rights. This report details the number and type of investigations, and also includes the number of individuals served during this time period (unduplicated count was 3557), and the FTEs for our local office which was 2.5.

B. Finance – K. Farr

1. April YTD Funding Bucket Report & Financial Statement

April YTD Funding Bucket Report: This report covers the period of October 1, 2018 through April 30, 2019. It compares the actual spending for the seven months to the revised budget. Right now it appears that we are underspent; however, we are only one month into the revised rates. With the increase in the Region 10 funding we are showing a surplus of \$968,000. In the CMH GF Contract Funding we are showing a surplus of \$58,000. The only area we are running over is in the area of hospitals. It is hoped that when McLaren Port Huron opens the additional beds in July our costs will level out.

Financial Statement: In reviewing the Statement of Net Positions, it was noted that the total current net assets is sufficient to cover our total current liabilities. When factoring in the Non-Current Assets and Deferred InFlow/Outflow of Resources and Long Term Liabilities, this is when we show a deficit. She noted that this is the first year that the State has required that the full amount of the net OPEB obligation, which is a significant increase and we have not had to do this in the past.

C. St. Clair Operations – K. Gallagher

1. Utilization Management Reviews with Region 10

Ms. Gallagher overviewed the new utilization management authorization process being proposed by Region 10. This process is currently in the pilot paper phase and should be fully operational on-line by October 1st. Currently, the approval process for service authorization is a function completed by the CMH Supervisor. Come October 1st this will become a regional process. Region 10 will approve/not approve the service authorization within two days of receiving the service level request. We feel the service caps are low; however, in each incident they have denied our request, we appealed and won.

2. Sacred Heart

Per Dr. Saeed's request, Ms. Johnson and Ms. Gallagher met with the Medical Director of Sacred Heart and staff to discuss the admission process and our concerns. We now have a point person at Sacred Heart to contact and discussed with case holders. We also met with staff from the Jail because once a person goes into the Jail they are no longer Medicaid eligible. Sacred Heart has a grant to provide medication for medication assisted treatment to those individuals in Jail that we serve as well.

3. Veteran's Navigator

Ms. Wendy Martindale, our Veteran's Navigator, just completed and has been certified as a Mental Health First Aid Trainer with a veteran's certification. This will be an asset to our team!

4. Employee & Team of the Month: March & April

March Employee of the Month was Mr. Ricardo Cottengim who works for or Individual Placement Services Program. During the polar vortex, Mr. Cottengim proceeded to dig her car out, started the car so it would be warm for when she left. He also prepped her for her interview and provided encouragement to bolster her confidence.

March Team of the Month was our IT Staff (Tommy Rankin, Pat Wells, Shawn McGarvie, Mike Medrano and Dann Hayes). These individuals exceeded all expectations in the rollout of Windows 10 and Microsoft Office 2016 to over 325 computers across 5 locations in only 6 weeks!

April Employee of the Month was Ms. Andrea Taube. She provided Trauma Focused Therapy to a 14 year old boy who lives with his grandmother. He has positively responded to the content and Ms. Taube's assistance. As a result he may be discharged in the coming months. In addition to providing support to him, she also provided support to the grandmother which has greatly improved the home environment for both.

April Team of the Month was our Jail Staff (Ashley Troy, Alexis Hadwin, Renee Hubbard, Dr. Graham) and Rebecca Markel. In addition to their normal duties, these individuals had to prepare for planning and coordinating the annual Mental Health training for Jail staff, preparing for a visit by ICE and preparing for a significant change in pharmacy service that required developing and implementing a new process. All tasks were completed successfully!

D. Region 10 Update – N. Thomson

Provided for information were the minutes from the May 17, 2019 meeting.

E. Community Education / Public Relations Report / Upcoming – D. Johnson

Provided for information was the Community Relations Activity Report covering for the month of May. Highlights included: 1) Run for Recovery which was held on May 11th. Ms. Johnson stated that we had approximately 400 runners. She was not aware of the total amount raised and the distribution of funds to our partner agencies but will report back at the next meeting. 2) Upcoming events include: 1) BW Habitat Rock the Block – many staff will be participating in rehabing and/or

building homes on 9th and Howard. The YMCA will also be present and announcing the winners of their Open Arms Campaign. 3) Anthony's Autism Walk will be taking place on Saturday, June 8th.

Also provided was a listing of upcoming trainings that Board members are invited to attend should their schedules permit. Registration is required.

Article appeared in the Times Herald (June 3rd) regarding the Recovery Court. The County is applying for two grants from the State Court Administrator's Organization totaling \$123,900 to form a sobriety and drug court program which involves mental health treatment.

F. FY 19 Agency Goals Six Month Report – D. Johnson

Provided for information was an update to the FY 19 Agency Goals; the final report will be provided in December. Overlooked by Ms. Johnson were highlights from each of the eight goals.

G. Community Mental Health Association Business:

1. Weekly Update (05/31/19)

Highlights: 1) This is the last month to collect PAC donations. Only 15 of the 46 CMH Boards contributed last year. They operate on a less than a \$50,000 yearly budget. 2) Mr. Alan Bolter does an excellent job in lobbying for the Board Association. He was named one of the most effective association lobbyists in the State.

X. DIRECTOR'S REPORT – D. Johnson

A. Agency Mission, Vision & Value Statement

Provided for review was a simplified version of the Agency Mission, Vision & Value Statement. The red text is the proposed language unless it says no suggested changes. The Value section was revised the most. It was suggested that the changes be reflected in the old format for ease in reviewing the document. Ms. Johnson asked Board members to contact her with any feedback. This is also going to be reviewed by the Management Team, Supervisors and the Advisory Council.

B. Section 298 Update

Ms. Johnson stated that she has heard that the State is anticipating delaying the startup of the pilot projects for an additional year.

C. 24th Street Building Update

Ms. Johnson stated that hopefully she will be able to sign the closing documents on June 14th. Both real estate agents have done a great job on staying on top of all the confusion as well as Mr. Gary Fletcher, our attorney, who has done a phenomenal job with his reviews of the ever changing documents! We are hoping to take possession of the building on June 24th. Minimal renovations are needed.

D. Other

- We received a notice from Residential Opportunities (they operate the Great Lakes Autism Center in Kalamazoo) notifying us of a rate increase; however no amendment came with the letter. We have three youth at this facility at a cost of \$1 million a year. They are increasing the rates from \$283,247.00 to \$324,850.00; the increase is effective as of July 1st.
- Ms. Johnson stated that she went to visit Vicki Lock, former Board member, and stated that her health is declining rapidly. She will send a card on behalf of the Board.

XI. BOARD FORUM

A. Advisory Council Meeting Minutes (04/24/19)

The Advisory Council Meeting minutes of April 24, 2019 are provided for information.

XII. ANY OTHER BUSINESS TO PROPERLY COME BEFORE THE BOARD

- Ms. White stated that Port Huron Housing Commission will be holding a big housing event on June 22nd from 10 am to 3 pm. She would like to have a resource table with a CMH staff person if possible.
- Ms. White asked if there was a flyer on the Spravato Clinic. Ms. Johnson stated not yet, we are still waiting on Medicaid for final approval; they do not have their mechanisms in place yet.

XIII. ADJOURNMENT

It was moved by Ms. Partipilo, seconded by Ms. Ames, to adjourn. **MOTION CARRIED** . With no further business to discuss the meeting was adjourned at 7:25 pm.

The next meeting of the CMH Board will be held on Tuesday, July 9, 2019 (this was postponed one week due to the July 4th holiday).

Respectfully submitted,

Lorene Ballor-Gauthier
Recording Secretary