

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING
705 N. Zeeb Road, Ann Arbor, MI 48103
March 11, 2015
6:00 pm



Agenda

| | <u>Guide</u> |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------|
| I. Call to Order | 1 min |
| II. Roll Call | 1 min |
| III. Consideration to Adopt the Agenda as Presented (Board Action) | 2 min |
| IV. Consideration to Approve the Minutes of the 2-11-15 Regular Meeting and Waive the Reading Thereof (Board Action) {Attachment #1} | 2 min |
| V. Audience Participation (5 minutes per participant) | |
| VI. Communications to the Regional Board | 5 min |
| a. Consideration from Oversight Policy Board | |
| VII. Managing Director Report to the Board | 20 min |
| a. Progress on Data Analytics project | |
| b. Special Meeting with DCH March 26th | |
| c. January Finance report and 2015 Budget Review {Attachments #2,2a-g} | |
| VIII. Old Business | 40 min |
| a. Position Creation (Board Action) {Attachments #3, 3a} | |
| b. Search committee report {Attachment #4} | |
| c. WCHO Budget Shortfall Analysis {Attachment #5} | |
| IX. New Business | 30 min |
| a. 2015 Revised Budget Approval (Board Action) | |
| b. Oversight Policy Board Per Diems (Board Action) {Attachment #6} | |
| X. MACMHB information | 5 min |
| XI. Adjournment | |

**COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING MINUTES
February 11, 2015**



Members Present: Jan Plas, Lisa Berry-Bobovski, Barb Spalding, Charles Londo, Ralph Tillotson, Greg Lane, Charles Coleman, Sandra Libstorff

Members Absent: Barbara Levin Bergman, Peg Ball, Tom Biggs, Judy Ackley, Bob Wilson

Staff Present: Mary O'Hare, Jane Terwilliger, Connie Conklin, Sandy Keener, Stephannie Weary, Steve Holda, Marci Scalera, Marie Irwin, James Colaianne, Jackie Sproat, Sally Amos O'Neal

Others Present: Jim Spalding, David Oblak, Dave Neal, Michael Palmer

I. Call to Order
Meeting called to order at 6:00 p.m. by Board Chair G. Lane

II. Roll Call

III. Consideration to Adopt the Agenda as Presented

**Motion by R. Tillotson, supported by C. Coleman, to approve the agenda
Motion carried**

IV. Consideration to Approve the Minutes of the January 14, 2015 Regular Meeting and Waive the Reading Thereof

**Motion by L. Berry-Bobovski, supported by B. Spalding, to approve the minutes of
January 14, 2015 and waive the reading thereof
Motion carried**

V. Audience Participation
• David Oblak, Chair of the Oversight Policy Board, introduced himself.

VI. Communication to the Regional Board
• None

VII. Managing Director Report to the Board
a. Quarterly Finance Status Report
• Medicaid revenue is lower than projected, and continues to run under budget.
• Medicaid carry forward from FY 14 is no longer available for use in FY 15. Current FY 14 data shows a greater need for Medicaid funding than projected at the time the budget was developed.
• S. Amos O'Neal provided an overview of the plan to address the deficit in Washtenaw (increase health home enrollment, rate alignment of CLS, considerable staffing reductions, adjusting rates for services). Washtenaw expects to be back on budget by the end of March.

Attachment 1

- For next month’s meeting, the board would like a report on the cause and correction for Washtenaw’s deficit, the impact to the other counties, and the possibility of similar situations happening in the other 3 counties.
 - G. Lane requested a strategy for addressing the Healthy Michigan deficit. J. Terwilliger noted that when someone transitions from traditional Medicaid to Healthy Michigan, the rate for services is drastically lower, which accounts for a significant drop in Medicaid revenue.
 - Long-term Healthy Michigan strategy will come to next month’s meeting.
- b. Update on WCHO and PIHP transition plan/timeline
- M. O’Hare shared the CMHPSM transition plan.
 - G. Lane requested a punch list of items that haven’t made it to the timeline yet, to keep track.

VIII. Old Business

- a. Managing Director Contract for 2015
- G. Lane presented the contract.

Motion by L. Berry-Bobovski, supported by R. Tillotson, to approve the contract for Managing Director between the CMHPSM and Mary O'Hare with the associated total compensation
Motion carried

| | | | |
|----------------|--------|-----------|--------|
| Ackley | Absent | Libstorff | Y |
| Ball | Absent | Londo | Y |
| Bergman | Absent | Plas | Y |
| Berry-Bobovski | Y | Spalding | Y |
| Biggs | Absent | Tillotson | Y |
| Coleman | Y | Wilson | Absent |
| Lane | Y | | |

IX. New Business

- a. Preparation for Tom Renwick, MDCH in March
- T. Renwick is coming to discuss the transition of Washtenaw CMH services from the WCHO to Washtenaw County.
 - Questions board members would like answered:
 - What is the responsibility of the region in relation to the changes going on in Washtenaw?
 - What authority does the region have during this transition?
 - What is the budget impact to the region?
 - What is the impact to the partnership both as a legal entity and as a partnership?
 - How does the transition affect reporting?
 - What will happen with the contracts that some agencies have with the WCHO, how will they be impacted?

- What will happen with the contract that the PIHP has with the WCHO?
- Will the region have any liability with the deficit from WCHO? Is the region obligated to make up this deficit?
- Will there be any repercussions/backlash for what happened to Washtenaw?
- What is the timeline for becoming an authority, and what does it take to become an authority?
- Does the region have the option to reject an entity as a partner, or choose not to contract with them?
- Will there be a 3rd party audit, as part of the closure of the WCHO's books?

b. Contract Approval Karen Bergbower and Assoc. (KBB)

- KBB has proposed providing Designated Youth Tobacco Use Representative (DYTUR) services to Monroe, a function KBB already provides in Livingston and Washtenaw. Currently there is no provider in Monroe able to provide the service.

Motion by C. Coleman, supported by S. Libstorff, to approve the contract for KBB to conduct DYTUR services in Monroe County as proposed
Motion carried

| | | | |
|----------------|--------|-----------|--------|
| Ackley | Absent | Libstorff | Y |
| Ball | Absent | Londo | Y |
| Bergman | Absent | Plas | Y |
| Berry-Bobovski | Y | Spalding | Y |
| Biggs | Absent | Tillotson | Y |
| Coleman | Y | Wilson | Absent |
| Lane | Y | | |

c. New Positions at the CMHPSM

Motion by S. Libstorff, supported by C. Coleman, to consider approval of the position creations for the positions: Systems Administrator, Regional Health Data Analyst, PIHP Finance Officer and Regional Information Management with the associated salary scales for these positions

- M. O'Hare will provide an analysis of the full budget impact of filling the proposed positions to the March board meeting.
- In previous discussions the board had expressed an interest in ending any shared employee arrangements.
- Some board members expressed concern with hiring more staff while the region is facing a budget deficit.
- M. O'Hare would like to fill the Systems Administrator and Health Data Analyst positions immediately.
- The Finance Director is operational. The Chief Finance Officer would be responsible for broad strategy, forward- thinking, planning, etc.
- Several board members would prefer not to have 2 high-level finance positions.

- Board members requested an analysis of the different models: sharing positions, contracting out for positions, and having all CMHPSM positions be internal. The analysis should include budgetary impact.

Motion by J. Plas, supported by R. Tillotson, to table new positions discussion until the March meeting
Motion carried

d. Zenith data analytics contract

- The CMHPSM, along with Regions 3, 5, and 10, propose working together in order to realize a cost savings in contracting with a provider for a data analytics contract. If the region were to pursue a data analytics contracts alone, the cost would be 50%-75% more.
- The cost for the remainder of FY 15 will be \$130,000K (set up, implementation and training included), and annually after that \$125,000/yr.
- The state has mandated an analytical data collection process for all regions. Zenith was determined by staff to be the best option for this process.

Motion by J. Plas, supported by B. Spalding, to table the Zenith contract discussion until the March meeting
Motion Denied

Motion by J. Plas, supported by C. Coleman, to authorize the signature of the Managing Director on the contract with Zenith Technology Solutions in collaboration with Region 3, Region 5 and Region 10
Motion carried

| | | | |
|----------------|--------|-----------|--------|
| Ackley | Absent | Libstorff | Y |
| Ball | Absent | Londo | N |
| Bergman | Absent | Plas | N |
| Berry-Bobovski | Y | Spalding | Y |
| Biggs | Absent | Tillotson | Y |
| Coleman | Y | Wilson | Absent |
| Lane | Y | | |

e. New Managing Director search committee

Motion by J. Plas, supported by C. Coleman, to form an ad hoc committee to develop a search process for a new PIHP Managing Director
Motion carried

Attachment 1

- Search Committee members:
 - ❖ J. Plas
 - ❖ C. Londo
 - ❖ G. Lane
 - ❖ R. Tillotson

X. MACMHB Information

- All the PIHPs have been invited to join the Association.
- C. Coleman acknowledged J. Plas for his efforts in bringing state information back to this board.
- The Association is going to begin awarding long-term board members. Boards should start looking at their board members in case they want to nominate anyone.

XI. Other

XII. Adjournment

Meeting adjourned at 8:15 p.m.

Lisa Berry-Bobovski, CMHPSM Board Secretary

Community Mental Health Partnership of Southeast Michigan

FINANCIAL HIGHLIGHTS

January FYTD Report

1. Statement Of Revenue, Expense & Change Net Position:

a. Revenue

- Medicaid Revenue for January is \$98,106 higher than the December revenue received and continues to run under budget with YTD deficit of (\$891,069), including the accrual for HSW.
- Medicaid Carryforward from FY14 is no longer being projected for use in FY15.
- Healthy Michigan revenue continues to trend over budget.
- Health Home revenue for Washtenaw continues to be under budget. Revenue is tied directly to enrollees in the program.

b. Funding for CMHSP Partners

- While Traditional Medicaid funding from MDCH has been below the Budget amount, through January the Affiliate Partners have still been paid 1/12 of the amounts assumed for them in the Budget.
- FYTD Actual Affiliate Partner payments are greater than budget due to HMP payments (HMP funding from MDCH exceeds budget assumption) and MICHild Payments.
- Lower than budget Health Home payments to Washtenaw offsets their higher HMP and MICHild payments.
- Beginning with February Payments, the CMHPSM is no longer including the carryforward portion of the budget as part of the monthly payment to the Affiliate Partners.

c. Funding for SUD Services

- Expenses are running closer to budget for Prevention and Treatment service, while Washtenaw fee for service claims continue to be under budget.

d. CMHPSM Administrative Costs

- Expenses through January are running under budget.
- A budget amendment is being brought to the Board this month to align the budget with actual projection of expenses through September.

2. Statement Of Net Position:

- a. The Fund Balance of \$1,224,590 under the Operations Fund is restricted and not local in nature as it is for the Affiliate Partners. Final cost settlements with Affiliate Partners for FY2014 have been recorded.
- b. The Medicaid ISF Fund Balance is also restricted, and represents the total transfer of ISF from WCHO to CMHPSM.

3. Summary Of Revenues & Expenses:

- a. As noted above, Medicaid Revenue is lower than budget. As the budget amounts of Medicaid Funding have been paid to the Affiliate Partners (CMHPSM Expense) this has created a Medicaid deficit. The deficit will be funded with either excess funding paid to the Affiliate Partners or ISF.
- b. As noted above, HMP Revenue is greater than budget. While the actual HMP Funding for each Affiliate Partner has been paid to each of them, the combination of higher State Funding and lower than budget requirement for use of the Substance Use Disorder portion of the funding, has resulted in an overall HMP surplus.
- c. The SUD Other surplus is consistent with the Budget which showed that there would be excess PA2 funding in FY 2015.

CMHPSM Strategies:

1. Policies will be put in place to support the allocation of funding (including ISF) to the Affiliate Partners. Policies will also support any re-allocation of funding as a result of the Quarterly Cost Settlement Process so that clear rationale describing the circumstances is made available (e.g., preventable versus non-preventable causes).
2. Track Traditional Medicaid Eligibles and HMP Enrollees to understand and project changes and how they will impact funding from MDCH.
3. The CMHPSM will support the Affiliate Partners to make sure Consumers are enrolled in the correct Benefit Program so that funding to the CMHPSM is maximized.

Community Mental Health Partnership of Southeast Michigan
STATEMENT OF REVENUES, EXPENSES CHANGES IN NET POSITION
 For the Four Months Ending 1/31/2015

| | Original Budget | YTD Actual | YTD Budget | YTD Actual O/(U) Budget |
|-------------------------------------------|----------------------|---------------------|---------------------|----------------------------|
| Operating Revenue | | | | |
| Medicaid Capitation | \$134,000,000 | \$43,775,599 | \$44,666,668 | (\$891,069) |
| Medicaid Carryforward | 4,230,523 | 0 | 1,410,176 | (1,410,176) |
| Healthy Michigan Plan | 11,853,261 | 4,710,145 | 3,951,086 | 759,059 |
| Autism | 199,791 | 0 | 66,598 | (66,598) |
| Medicaid Health Home - Washtenaw Only | 1,129,388 | 118,258 | 376,464 | (258,206) |
| 10% Health Home Match for Washtenaw | | 11,826 | | |
| MiChild | 0 | 143,322 | 0 | 143,322 |
| SUD Community Grant | 3,767,460 | 1,255,824 | 1,255,820 | 4 |
| SUD PA2 - Cobo Tax Revenue | 3,717,346 | 1,239,116 | 1,239,116 | 0 |
| Other Revenue-Local Match and Block Grant | 1,802,780 | 555,718 | 600,928 | (45,210) |
| Total Operating Revenue | \$160,700,549 | \$51,809,808 | \$53,566,856 | \$(1,768,874) 1a. |
| Funding For CMHSP Partners | | | | |
| Lenawee CMHSP | \$18,564,355 | \$6,296,464 | \$6,188,118 | \$108,346 |
| Livingston CMHSP | 23,315,961 | 7,868,265 | 7,771,987 | 96,278 |
| Monroe CMHSP | 25,430,465 | 8,586,287 | 8,476,822 | 109,465 |
| WCHO CMHSP | 66,361,425 | 22,056,049 | 22,120,476 | (64,427) |
| Total Funding For CMHSP Partners | \$133,672,206 | \$44,807,065 | \$44,557,403 | \$249,662 1b. |
| Funding For SUD Services | | | | |
| Lenawee County | \$1,022,761 | \$319,831 | \$340,920 | (\$21,089) |
| Livingston County | 1,309,226 | 406,036 | 436,409 | (30,373) |
| Monroe County | 1,143,346 | 400,140 | 381,116 | 19,024 |
| Washtenaw County | 3,203,188 | 1,029,365 | 1,067,732 | (38,367) |
| Total Funding For SUD Services | \$6,678,521 | \$2,155,372 | \$2,226,177 | \$(70,805) 1c. |
| Other Contractual Obligations | | | | |
| Hospital Rate Adjuster | \$2,035,776 | \$702,853 | \$678,592 | \$24,261 |
| USE and HICA Tax | 9,903,982 | 3,240,053 | 3,301,328 | (61,275) |
| Local Match | 1,577,780 | 525,927 | 525,927 | 0 |
| 10% Health Home Match for Washtenaw | 0 | 11,826 | 0 | 11,826 |
| Total Other Costs | \$13,517,538 | \$4,480,659 | \$4,505,847 | \$(25,188) |
| CMHPSM Administrative Costs | | | | |
| Salary & Fringe | \$1,384,053 | \$207,915 | \$461,347 | (\$253,432) |
| Administrative Contracts | 363,245 | 306,608 | 121,084 | 185,524 |
| All Other Costs | 182,894 | 9,101 | 60,962 | (51,861) |
| Total Administrative Expense | \$1,930,192 | \$523,624 | \$643,393 | \$(119,769) |
| Total Operating Expense | \$155,798,457 | \$51,966,719 | \$51,932,820 | \$33,899 |
| Operating Income (Loss) | \$4,902,092 | \$(156,911) | \$1,634,036 | \$(1,802,773) |
| Non-Operating Revenues | | | | |
| Interest Revenue | \$0 | \$0 | \$0 | \$0 |
| Change In Net Position | \$4,902,092 | \$(156,911) | \$1,634,036 | \$(1,802,773) |

1a. The Medicaid revenue continues to be under budget. A separate report compares the revenue received to budget by month.

1b. Affiliates continue to be paid 1/12 of their budget through January. The CMHPSM discontinued sending out any carryforward dollars in February. Healthy Michigan and MiChild payments are based on actual funding received less Administrative Costs including Use and HICA taxes.

1c. SUD expenses are becoming more in line with the budgeted amounts. The amount under budget last month was (\$161,795)

STATEMENT OF NET POSITION

As of 1/31/2015

| | Operations Fund | Medicaid ISF Fund |
|--------------------------------------|--------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash Position | \$3,181,272 | \$8,791,664 |
| Due From MDCH | 2,173,833 | 0 |
| Due From Affiliate Partners | 4,185,395 | 0 |
| Accounts Receivable, Net | 142,951 | 0 |
| Prepaid Items | 899 | 0 |
| Total Current Assets | \$9,684,350 | \$8,791,664 |
| Noncurrent Asset | | |
| Cap. Assets Not Being Depreciated | 0 | 0 |
| Cap. Assets Being Depreciated, Net | 0 | 0 |
| Total Noncurrent Assets | \$0 | \$0 |
| Total Assets | \$9,684,350 | \$8,791,664 |
| Liabilities | | |
| Accounts Payable | \$2,104,140 | \$0 |
| Accrued Liabilities | 275,085 | 0 |
| Due To MDCH | 707,789 | 0 |
| Due To Affiliate Partners | 5,109,783 | 0 |
| Unearned Revenue | 262,963 | 0 |
| Total Liabilities | \$8,459,760 | \$0 |
| Net Position | | |
| Net Investment In Capital Assets | \$0 | \$0 |
| Unrestricted/Restricted Fund Balance | 1,224,590 | 8,791,664 |
| Total Net Position | \$1,224,590 | \$8,791,664 |
| Balance as of December 2014 | 1,974,662.00 | 8,791,664.00 |
| Net Change | (750,072.24) | - |

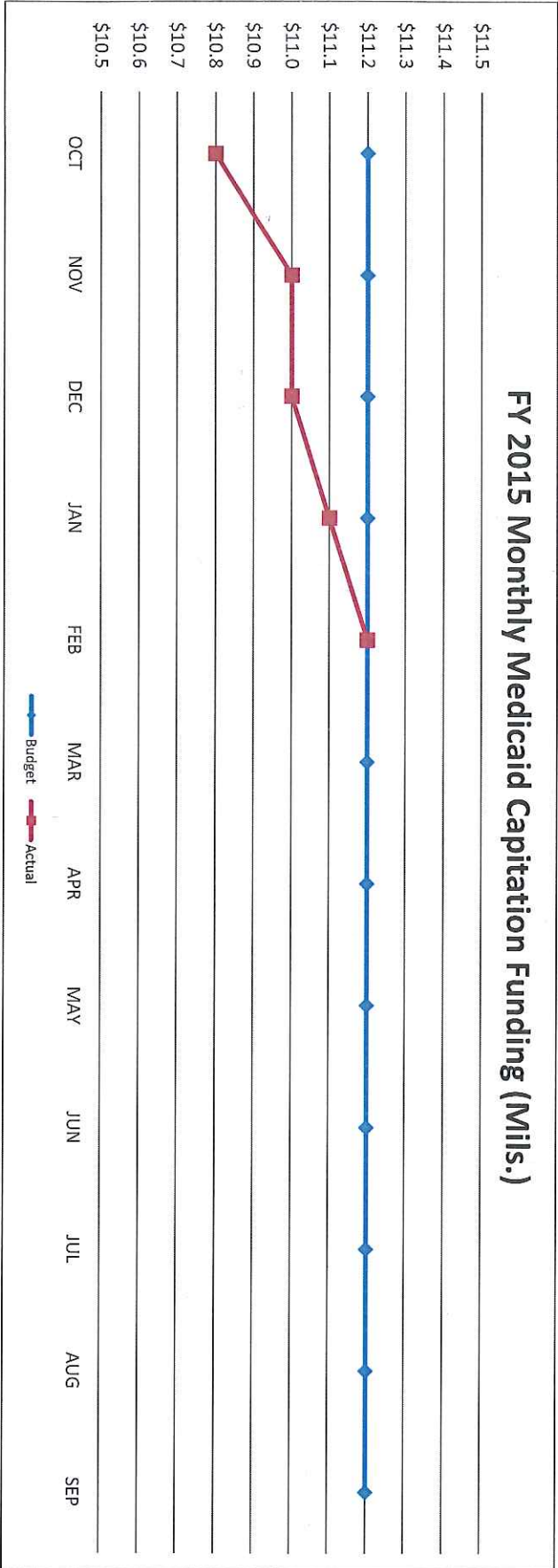
Note:

Net change reflects final cost settlements with Affiliate Partners for FY2014.

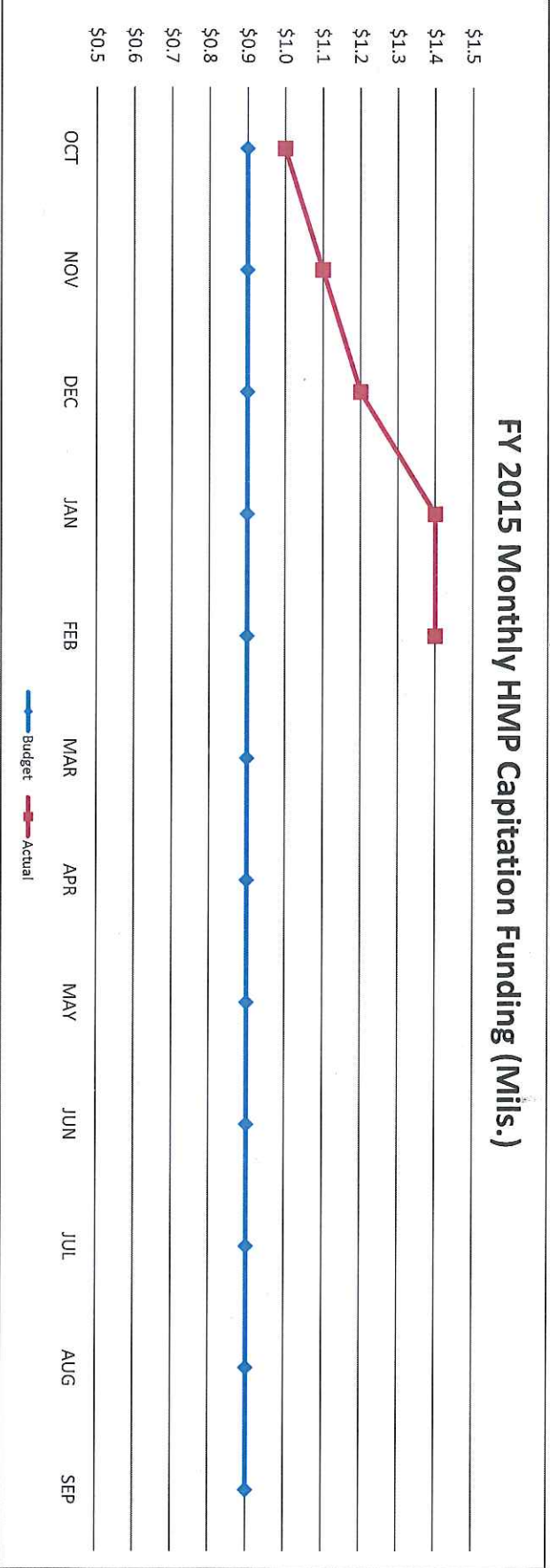
Community Mental Health Partnership Of Southeast Michigan
SUMMARY OF REVENUE AND EXPENSE BY FUND
 January 2015 FYTD

| Summary Of Revenue & Expense | Funding Source | | | | | | | | Total Funding Sources |
|----------------------------------------|--------------------------|----------------------|-----------------------|--------------------|------------------------|----------------------|------------------------|-----------------------|-------------------------|
| | Medicaid | MiChild | Autism -- Medicaid | Autism -- MiChild | Healthy Michigan | Health Home | SUD Other | Other | |
| Revenues | | | | | | | | | |
| Funding From MDCH | \$ 43,775,599.15 | \$ 143,321.76 | \$ - | \$ - | \$ 4,710,144.61 | \$ 118,257.78 | \$ 1,255,824.00 | \$ 29,792.08 | \$ 50,032,939.38 |
| Carry Forward | - | - | - | - | - | - | - | - | - |
| Affiliate Local For Medicaid Draw Down | - | - | - | - | - | - | - | 525,926.68 | 525,926.68 |
| Washtenaw Local For HH 10% Match | - | - | - | - | - | - | - | 11,826.00 | 11,826.00 |
| PA2/COBO Tax Funding | - | - | - | - | - | - | 1,239,116.00 | - | 1,239,116.00 |
| Other | - | - | - | - | - | - | - | - | - |
| Total Revenues | \$ 43,775,599.15 | \$ 143,321.76 | \$ - | \$ - | \$ 4,710,144.61 | \$ 118,257.78 | \$ 2,494,940.00 | \$ 567,544.76 | \$ 51,809,808.06 |
| Expenses | | | | | | | | | |
| Funding Payments To Partners | | | | | | | | | |
| Lenawee | \$ 5,739,928.28 | \$ 21,462.35 | \$ - | \$ - | \$ 535,073.13 | \$ - | \$ - | \$ - | \$ 6,296,463.76 |
| Livingston | 7,286,819.08 | 37,020.52 | - | - | 539,132.04 | - | - | 5,293.43 | 7,868,265.07 |
| Monroe | 7,869,726.72 | 21,735.06 | - | - | 694,824.96 | - | - | - | 8,586,286.74 |
| Washtenaw | 20,404,619.12 | 40,415.77 | - | - | 1,476,217.00 | 110,299.03 | - | 24,498.65 | 22,056,049.57 |
| Total Affiliate Payments | \$ 41,301,093.20 | \$ 120,633.70 | \$ - | \$ - | \$ 3,245,247.13 | \$ 110,299.03 | \$ - | \$ 29,792.08 | \$ 44,807,065.14 |
| Funding for County SUD Programs | | | | | | | | | |
| Lenawee | \$ 80,965.00 | \$ - | \$ - | \$ - | \$ 40,483.00 | \$ - | \$ 198,382.70 | \$ - | \$ 319,830.70 |
| Livingston | 52,283.00 | - | - | - | 27,388.00 | - | 326,365.12 | - | 406,036.12 |
| Monroe | 39,626.00 | - | - | - | 60,847.50 | - | 299,666.21 | - | 400,139.71 |
| Washtenaw | 177,308.25 | - | - | - | 186,275.25 | - | 665,781.43 | - | 1,029,364.93 |
| Total SUD Expenses | \$ 350,182.25 | \$ - | \$ - | \$ - | \$ 314,993.75 | \$ - | \$ 1,490,195.46 | \$ - | \$ 2,155,371.46 |
| Other Operating Costs | | | | | | | | | |
| Hospital Rate Adjuster Payment | \$ 702,852.95 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 702,852.95 |
| Local Match For Medicaid Draw Down | - | - | - | - | - | - | - | 525,926.68 | 525,926.68 |
| Local Match Health Homes | - | - | - | - | - | - | - | 11,826.00 | 11,826.00 |
| MH & SUD Use Tax | 2,608,361.90 | 8,535.28 | 14,613.26 | - | 326,982.22 | 7,071.82 | - | 14,234.50 | 2,979,798.98 |
| MH & SUD HICA Claims Tax | 229,554.00 | 1,704.00 | 3,152.00 | 670.50 | 24,286.00 | 886.93 | - | - | 260,253.43 |
| Total Operating Costs | \$ 3,540,768.85 | \$ 10,239.28 | \$ 17,765.26 | \$ 670.50 | \$ 351,268.22 | \$ 7,958.75 | \$ - | \$ 551,987.18 | \$ 4,480,658.04 |
| Administrative Cost Allocation | \$ 355,195.92 | \$ 1,141.96 | \$ - | \$ - | \$ 77,841.87 | \$ - | \$ 89,444.05 | \$ - | \$ 523,623.80 |
| Total Expenses | \$ 45,547,240.22 | \$ 132,014.94 | \$ 17,765.26 | \$ 670.50 | \$ 3,989,350.97 | \$ 118,257.78 | \$ 1,579,639.51 | \$ 581,779.26 | \$ 51,966,718.44 |
| Revenues Over/(Under) Expenses | \$ (1,771,641.07) | \$ 11,306.82 | \$ (17,765.26) | \$ (670.50) | \$ 720,793.64 | \$ - | \$ 915,300.49 | \$ (14,234.50) | \$ (156,910.38) |

FY 2015 Monthly Medicaid Capitation Funding (Mils.)



FY 2015 Monthly HMP Capitation Funding (Mils.)



Community Mental Health Partnership of Southeast Michigan

Proposed Administrative Budget Amendment

CMHPSM Regional Board

March 11, 2015

The proposed budget amendment for administrative services results in a net increase of \$451,663 for FY2015. The major changes in the budget are:

Salary

- Four additional positions are being requested. The original salary budget was for a full year and the staggering of the hiring process resulted in savings in the salary line. The gross impact for adding four new positions for April-September is an additional \$171,405; combined with savings in this line item the net increase to the salary line is \$41,524.

Fringe benefits

- When the budget was developed, fringe benefits were calculated using Washtenaw County rates (at the time there were no CMHPSM historical costs to use). The benefit costs are now based on actual rates for the CMHPSM's benefit package offered to employees. The fringe benefit cost of adding the four new positions is \$61,254 for April – September; combined with the savings on this line there is a net decrease of (\$186,307).

Electronic Health Record (PCE)

- This contract is currently held by the WCHO and each affiliate including the PIHP is charged a monthly fee. The original budget amount was for the CMHPSM portion of the charges plus the full amount of the SUD charges. The change in the amended budget has the CMHPSM holding the contract and no longer charging out costs to the CMHSP's. The increase for this change is \$242,168 for April-September. (Net Regional cost impact is \$0).

Data Analytics

- The original budget included \$30,000 for this function. The approved Zenith contract cost for the remainder of this year is \$122,500 requiring an increase in this line of \$92,500.

WCHO Staff Support

- The original budget included an allocation for a CFO (20%) and Data Analyst (50%). The amount of IT support needed was under projected. Also, due to the staggered hiring process noted under salary, the costs incurred for staffing via the WCHO were also increased. The increase on this line item is \$150,360.

Community Mental Health Partnership Of Southeast Michigan
Administrative Budget Amendment - Summary
FY 2015

| FY 2015 Partial Fiscal Year Impact | | | |
|---------------------------------------------|----------------------|-------------------|-------------------|
| | <u>Salary/Fringe</u> | <u>Other</u> | <u>Total</u> |
| FY 2015 Amended Budget | \$ 1,239,269 | \$ 1,142,586 | \$ 2,381,855 |
| FY 2015 Approved Budget | <u>1,384,052</u> | <u>546,140</u> | <u>1,930,192</u> |
| Amended O/(U) Approved Budget | \$ (144,783) | \$ 596,446 | \$ 451,663 |
| Memo: | | | |
| Cost Offset At Affiliate Partners | - | (242,168) | (242,168) |
| Net Budget Amendment Impact For CMHPSM | <u>\$ (144,783)</u> | <u>\$ 354,278</u> | <u>\$ 209,495</u> |
| Note: Budget includes SUD Administration | | | |

| FY 2016 Full Fiscal Year Impact | | | |
|---------------------------------------------|----------------------|---------------------|-------------------|
| | <u>Salary/Fringe</u> | <u>Other</u> | <u>Total</u> |
| FY16 Projected Budget | \$ 1,678,747 | \$ 1,184,000 | \$ 2,862,747 |
| FY15 Amended Budget | <u>1,239,269</u> | <u>1,142,586</u> | <u>2,381,855</u> |
| FY 2016 Projected O/(U) Amended Budget | \$ 439,478 | \$ 41,414 | \$ 480,892 |
| Memo: | | | |
| Cost Offset At Affiliate Partners | - | (484,336) | (484,336) |
| Net FY 2016 Projection O/(U) Amended Budget | <u>\$ 439,478</u> | <u>\$ (442,922)</u> | <u>\$ (3,444)</u> |
| Note: Budget includes SUD Administration | | | |

Community Mental Health Partnership Of Southeast Michigan
Administration Budget Amendment
FY 2015

| | FY15 Original Administrative Budget | FY15 Amended Administrative Budget | Increase (Decrease) |
|------------------------------------------------|-------------------------------------------|------------------------------------------|------------------------|
| Salary & Fringe Costs: | | | |
| Salary | \$918,075 | \$959,599 | \$41,524 |
| Fringe | 465,977 | 279,670 | (186,307) |
| Total | \$1,384,052 | \$1,239,269 | (\$144,783) |
| Administrative Contracts: | | | |
| Insurance | 5,630 | 8,799 | 3,169 |
| Audit | 20,000 | 18,000 | (2,000) |
| Legal Fees | 13,500 | 10,750 | (2,750) |
| HR/Payroll/Retirement | 3,600 | 13,409 | 9,809 |
| Total Administrative Contracts: | \$42,730 | \$50,958 | \$8,228 |
| Non-Contract Administrative Costs: | | | |
| Operating Supplies | 2,500 | 2,500 | - |
| Board Meeting Supplies | 3,600 | 3,600 | - |
| Postage | 600 | 538 | (62) |
| Printing/Binding | 1,000 | 1,000 | - |
| Telephone | 11,115 | 10,000 | (1,115) |
| Dues | 7,000 | 144 | (6,856) |
| Bank Charges | 3,500 | - | (3,500) |
| Board Per Diems | 480 | 4,555 | 4,075 |
| Systems | 22,334 | 77,832 | 55,498 |
| Conference/Conventions | 9,500 | 4,820 | (4,680) |
| Employee Travel | 7,000 | 9,576 | 2,576 |
| Employee Development | 2,850 | 2,850 | - |
| Office Space | 64,120 | 58,500 | (5,620) |
| Equipment Rental | - | 1,500 | 1,500 |
| Furniture/Equipment | - | 6,500 | 6,500 |
| Equipment Repair/Maintenance | - | 500 | 500 |
| Electronic Health Record | 188,673 | 430,841 | 242,168 |
| Data Analytics | 30,000 | 122,500 | 92,500 |
| WCHO Staff Support | 99,138 | 249,498 | 150,360 |
| Autism Coordinator/HSW Coordinator | - | 22,153 | 22,153 |
| Recruitment | - | 5,000 | 5,000 |
| SIS Certification, Prevention Contractor | - | 27,221 | 27,221 |
| Contingency | 50,000 | 50,000 | - |
| Total Non-contract Administrative Costs | \$503,410 | \$1,091,628 | \$588,218 |
| Total Administration Costs | \$1,930,192 | \$2,381,855 | \$451,663 |



Regional Board Action Request –Organizational Chart and Position Creation

Board Meeting Date: March 11, 2015

Action Requested: Approve the position creation for the positions: **Systems Administrator, Regional Health Data Analyst, PIHP Finance Officer and Information Management Project Manager** with the associated salary scales for these positions.

Background: In Response to the Application for Participation requirements for key leadership positions, the CMHPSM established a model of sharing positions with the WCHO in order to share costs of fulfilling the required functions. At the time this was a reasonable approach since the CMHPSM was in a start-up mode as an organization. However, the changes in Washtenaw County have necessitated changing our staffing model. The following four positions are those that were previously shared or purchased from the WCHO and are functions that are still required by the PIHP. Additional budget information for these positions is attached.

Systems Administrator – This is a skilled technical and leadership role responsible for ensuring the continuity of operation for all of the major systems used by the PIHP and by some of the regional CMHSP partners. This includes network systems management, network and data security, website, financial system, EHR, statistical and report-writing software as well as the integration of all of the above. This position is also responsible for making recommendations for, purchasing, tracking and maintaining all networked hardware and personal computer devices used at the PIHP. The Systems Administrator will also take a leadership role in working with technology vendors to ensure the on-going compliance with DCH technology requirements.

Regional Health Data Analyst – This is a currently funded position at the WCHO that is 50% funded by the PIHP and partially grant funded. This technical position is already responsible for the statistical analysis required for the regional performance Improvement projects and other data sets collected and reviewed by various committees. The additional responsibilities will include the data queries and analysis related to the population health

analytics required of the PIHP, producing products for use by the Board and committees that will allow monitoring of trends, outliers and on-going service delivery issues.

PIHP Finance Officer-

This position will take a leadership role for the current status and future projections of all regional funds, participate in and contribute to the finance related groups at the state level, lead the budget process for the regional partners and produce all reports necessary for Board financial decision making. The Finance Officer acts as the lead financial officer and works in tandem with the Finance Manager to ensure all financial and reporting obligations are met and conducted according to contract definitions and general accounting principles.

IM Project Coordinator

The Information Management Project Coordinator is responsible for the facilitation of region wide change management projects related to the EHR, data reporting changes including encounter submissions, and other information management projects as indicated by Medicaid Specialty Services contract requirements. This position will coordinate multiple projects as prioritized by the Regional Operations Committee. Project coordination will include the organization and dissemination of changing requirements, the creation and leadership of workgroups to include regional partner participation in the planning and implementation of projects as well as on-going problem solving issues using the EHR.

Connection to PIHP/MDCH Contract, Regional Strategic Plan or Shared Governance Model:

Performance Objectives: **Ensure adequate infrastructure to complete all necessary functions of the PIHP**

Recommend: Request these positions be given consideration individually

CMHPSM Position Request Supplemental Information

A. Hourly Rates for two external options versus direct hiring staff (all fringe costs included).

| Hourly Rates | WCHO Shared | External Contract | CMHPSM Direct Hire |
|----------------------|-------------|-------------------|--------------------|
| IM Technical Support | \$ 68 | \$ 175 | \$ 56 |
| Data Analyst | \$ 66 | \$ 95 | \$ 55 |
| Finance Officer | \$ 91 | \$ 250 | \$ 63 |
| Project Manager | \$ 66 | \$ 90 | \$ 50 |

B. Hours that six months of CMHPSM direct hire cost would purchase at the two external options.

| Hours | CMHPSM Cost | WCHO Shared | External Contract | CMHPSM Direct Hire |
|----------------------|-------------|-------------|-------------------|--------------------|
| IM Technical Support | \$ 57,945 | 849 | 331 | 1040 |
| Data Analyst | \$ 57,360 | 866 | 675 | 1040 |
| Finance Officer | \$ 65,548 | 718 | 262 | 1040 |
| Project Manager | \$ 51,804 | 787 | 648 | 1040 |
| | | 3220 | 1916 | 4160 |

C. Cost to the CMHPSM for six months of full time hours from the two external options versus direct hiring staff.

| CMHPSM Cost | Hours | WCHO Rate | External Contract | CMHPSM Direct Hire |
|----------------------|-------|-------------------|-------------------|--------------------|
| IM Technical Support | 1,040 | \$ 70,949 | \$ 182,000 | \$ 57,945 |
| Data Analyst | 1,040 | \$ 68,879 | \$ 98,800 | \$ 57,360 |
| Finance Officer | 1,040 | \$ 94,942 | \$ 260,000 | \$ 65,548 |
| Project Manager | 1,040 | \$ 68,463 | \$ 93,600 | \$ 51,804 |
| | | \$ 303,233 | \$ 634,400 | \$ 232,657 |

Community Mental Health Partnership of Southeast Michigan PIHP Managing Director Hire Timeline

| Date | Action | Status |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 2/11/15 | Form Ad Hoc committee to review job description and compile important attributes for search | |
| 3/11/15 | Ad Hoc committee reports back to Board Regional Board decision to hire search firm or use internal processes | |
| 4/30/15 | Position posted and available for application Interview and Selection committee formed <i>A short list of acceptable search firms compiled if needed</i> | |
| 6/1/15 | Applications and resumes due back | |
| 6/10/15 | Report to Regional Board on application pool Decision to move ahead to interview or continue to hold open – <i>decision to move ahead with a search firm</i> | |
| 7/1/15 – 7/31/15 | Contact candidates for interviews Interview committee meets to draft questions Candidates first round interviews | |
| 8/12/15 | Final Candidates second round interviews with the Regional Board | |
| 8/31/15 | Decision by Regional Board on Final Selection | |
| 9/30/15 | Contract negotiated and signed | |
| 10/1/15 | New Managing Director (CEO) start date | |
| 12/1/15 | Overlap of new and existing Managing Director completed | |

Brief Report from the Search Committee

Search Committee Members

Greg Lane, Chair

Jan Plan (Livingston)

Ralph Tillotson (Lenawee)

Charles Londo (Monroe)

Peg Ball (Washtenaw)

Mary O'Hare (CMHPSM)

Committee met March 2, 2015

Recommendations:

- Post position in known venues (locally, state and national)
- Only seek out a search firm if no viable candidates apply in first round
- Managing Director will compile a list of search firms as recommended by other regions or CMHs
- Managing Director will ask one additional CMH director from the region to serve on the search committee
- Managing Director will draft a job posting for review by the search committee
- Committee members updated a few items on the job description and identified some focus areas that can be highlighted in the job posting, application screening or interview questions
- All competencies in Job Description are important by these are the focus:
 - ✓ Leadership skills and style to lead the four directors regarding PIHP work and requirements
 - ✓ Attitude and demeanor to build relationships with State of Michigan
 - ✓ Political savvy to understand the political arena and implications
 - ✓ Organizational Development and Board relations
 - ✓ Financial acumen
 - ✓ A plus if the candidates already have familiarity with Michigan Medicaid rules and system

Status of Washtenaw Budget

Sally Amos O'Neal, Interim Executive Director
Tim Florence, Medical Director
Steve Holda, Chief Financial Officer

Objectives

- Organizational History
- Define the cause of the FY 2014 Medicaid shift
- How to avoid such actions in the future
- Plan for FY 2016
- Request of the PIHP

Organizational History

- 2013 - Administrative CMHSP functions delegated to CSTS through service agreement
- 2014 - CSTS viewed as a “Service Provider”
- Unintended consequences
 - Administrative, Clinical and Financial disconnect
- Loss of PIHP Function January 2014
- Behavioral Health Task Force Recommendations

Financial History

- Financial Structure Changes within Washtenaw
 - Healthy Michigan/Medicaid funding changes
 - General Fund Reductions
- SAMHSA funding expired in FY 2014, Health Home replaced

FY 2014 Funding Shift

- Core Service Provider FY13 and FY14 annual rate development was done using a consistent methodology
- FY14 Funding Shift was the result of a disconnect between the Core Service Provider monthly cost allocation reporting and the annual rate setting
- Although this resulted in a funding shift to Medicaid it had a zero impact on the bottom line to the CMHSP

FY 2014 Funding Shift

Detail Of Cost Shift

- FY13 Direct Service Cost Rates – 81% Medicaid & 17% GF & ABW
- FY14 Direct Service Cost Rates – 81% Medicaid & 17% GF, ABW & HMP
- FY14 CSTS Cost Reporting To WCHO – 76% Medicaid & 22% GF, ABW & HMP

Plan of Correction

Core Service Provider has updated the monthly cost allocation to reflect the methodology used in annual rate setting

FY 2015 Efforts to Date

- Community Living Supports (CLS) Modifications
 - Staffing of “Site Plans” are being assessed and modified
 - Contract rates are being reviewed/rebased to align with Regional Partners
 - Utilization Management is reviewing all CLS/FI authorizations
 - FI structuring to align methodology with Regional Partners

FY 2015 Efforts to Date

- Increased Revenue for Health Home
- Eliminating duplicate administration
- CSTS is on a hiring review until budget is resolved
- Clear and efficient alignment between Clinical, Finance and Administrative functions under a single line of authority

Roadmap to FY 2016

- Elimination of duplicative administrative functions
- Integrated Utilization Management process for high cost services
- Secure revenue streams for non-mandated services
- Maintain “Efforts to Date”

2016 Budget

- Our Washtenaw Bottom Line Improvement Plan (BLIP) will be handed out during the presentation

Request of PIHP Board

- Independent Fiscal Stability Review of CMHSP
- Creation of monthly monitoring tool for duration of the Urban Cooperation Act
- Medicaid Support for FY 2015



Regional Board Action Request – Oversight Policy Board (OPB) Per Diem Request

Board Meeting Date: March 11, 2015

Action Requested: Approve the request by the OPB to establish a per diem allowance of \$40/OPB meeting for OPB members, not otherwise reimbursed by a state funded agency.

Background: Per Contract Technical Advisory #1:
“Reasonable costs associated with the SUD oversight policy board’s functions, or an approved alternative method that meets the intent and purpose of this advisory, will be considered eligible for funding as contained in the annual allocation consistent with applicable federal Office of Management and Budget circulars and general contract requirements. Members may be reimbursed for reasonable costs associated with meeting participation such as mileage or meals when these are consistent with the policies of the PIHP/Regional Entity with regard to reimbursement standards. State administered funds may not be used to reimburse employees of governmental or other agencies to the extent they receive reimbursement for the same expenses from their employers. State-administered funds may not be used for payment of per diems for SUD oversight policy board members. For these purposes, a per diem is defined as a payment for meeting attendance.”

Connection to PIHP/MDCH Contract, Regional Strategic Plan or Shared Governance Model:

PA 500 and Medicaid Specialty Services contract

Recommend: Approval

Meeting per diems for the CMH board members in the 4 counties of the region:

| County | Per Diem |
|------------|-------------------------------------------------|
| Lenawee | \$40/board meeting + mileage |
| Livingston | \$35/board meeting |
| Monroe | \$30/board meeting + mileage |
| Washtenaw | \$25/board meeting, maximum of 3 meetings/month |