

**MINUTES OF THE BOARD**

**March 17, 2016**

**North Country Community Mental Health**

**Board Room**

**1420 Plaza Drive**

**Petoskey, Michigan**

**BOARD MEMBERS PRESENT:** Joel Evans, Michael Newman, Elizabeth White, Sr. Augusta Stratz, Paul Liss, Karla Sherman, Robert Boyd, Louis Scholl, Ed Ginop, Ron Iseler, Patty Cox

**BOARD MEMBERS ABSENT:** Dennis Priess, Christian Marcus

**STAFF:** Alexis Kaczynski, Donna Wheeler, Stacey Chipman, Christine Gebhard, Joan Booth

**GUESTS:** Trina Edwards, Dennis, Gartland and Niergarth, Dan CasaSanta, Rochester Hills Group Home

Mr. Ginop called the meeting to order at 4:30 p.m.

**ROLL CALL**

Mr. Ginop welcomed the Board members, staff and guests to the meeting. Mr. Ginop asked Patty Cox and Betsy White, who are new Board members, to introduce themselves and the rest of the board and staff also introduced themselves.

**PUBLIC COMMENT**

There was no public comment.

**CONSENT AGENDA**

**Financial Statement – Provider Operations - North Country CMH:**

Balance on Hand, Jan. 31, 2017	\$4,821,285.91
Receipts, Adjustments & Transfers, Feb.	\$3,672,973.67
Total Disbursements & Adjustments, Feb.	\$3,282,966.91
Increase in Cash Balance	\$ 390,006.76
Balance, Feb. 29, 2017	\$ 5,211,292.67

\*Approximately \$2,830,861.67 has been advanced from various sources and has been encumbered for outstanding bills.

\*\*Received Healthy Michigan Plan for January 2017, \$222,049, and B/B3 for January 2017, \$2,052, 838, on February 2, 2017.

\*\*\*Received Healthy Michigan Plan for February 2017, \$227,006, and B/B3 for February 2017, \$2,038,790, on March 2, 2017.

**MOTION BY KARLA SHERMAN, SECOND BY LOUIS SCHOLL, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED.**

Mr. Ginop polled the Board members and it was decided to retain the current officers of the Board for another year as follows: Ed Ginop, Chair; Karla Sherman, Vice-Chair and Sister Augusta Stratz, Secretary.

### **Information (I) Items from Committee Reports**

Information items were included in the committee minutes.

### **Privileging Recommendations**

There are no privileging recommendations this month.

## **COMMITTEE RECOMMENDATIONS – BOARD ACTION**

### **Finance Committee**

Because there was not a quorum no action was taken on the agenda items.

Mr. Liss discussed the budget status report for the four months ending 1/31/17.

Mr. Liss reviewed Budget Amendment #1, FY 2017.

Ms. Sherman asked a question about the autism revenue and Ms. Kaczynski responded.

## **ACTION ITEMS – WITHOUT COMMITTEE REVIEW**

There were no items this month.

## **PRESENTATIONS**

### **FY 2016 Audit Report and Compliance Exam**

Trina Edwards, from Dennis, Gartland and Niergarth, introduced herself and provided the highlights of the audit and referred to the Financial Statements and Compliance Examination. She reviewed the management summary and explained that the analysis is the summary of results for the year. Their opinion was an unmodified opinion and the highest level of assurance they can provide. She reviewed the summary of assets and the liabilities and discussed each category.

The financial statements are prepared by management and they review and report on them. She referred to the balance sheet and delineated the assets and liabilities. She reviewed revenues and expenditures. There was a decrease in general funds.

The CMH Compliance Report was referred to and it was calculated according to state regulations.

She explained that there is a separate communications audit letter which includes required language and she reviewed this language. The auditors found everything to be properly organized and there were no recommendations. There were no difficulties in performing the audit and no disagreements with management. There were no audit adjustments and it was a clean audit.

External investment pools will be new next year. She thanked the agency for working with them and financial staff for working so hard. There were no adjustments that had to be made because of the audit.

**MOTION BY BOB BOYD, SECOND BY KARLA SHERMAN, TO RECEIVE AND FILE THE AUDIT AND CMH COMPLIANCE REPORT. MOTION CARRIED.**

### **FY 2017 Amended Budget**

Ms. Kaczynski explained that all budgets, budget amendments and expenditure reports follow the same format: a report of revenues, a report of expenditures by line item and a report of expenditures by category. The most important information is on the first page, which is the report of revenues. Revenues are divided into categories. She described each category. She reviewed the agency's relationship with Alcona Health Center and the Northern Michigan Regional Entity. She discussed the electronic medical record system and the block grants that were written and received. Local match is a requirement in the Mental Health Code, which is 10% of the agency's net funding. She explained that fees the agency collects can be counted as local match. NMRE is the agency's funding source because it holds the Medicaid contract with the State, and she explained how funding is received through them. The Healthy Michigan Program (Medicaid expansion) was discussed.

Ms. Kaczynski reviewed expenditures by line item. Expenditures for inpatient services for persons with no Medicaid or other insurance have increased. She reported that the salary line includes a 2% cost of living improvement to the salary schedule for agency staff and a 2% improvement for some residential services providers. The autism services program is relatively new and was budgeted too high at the beginning of the year so this expenditure has been "right sized" in this amendment. There was a 57% reduction in insurance expenditures.

**MOTION BY JOEL EVANS, SECOND BY RON ISELER, TO APPROVE THE AMENDED BUDGET FOR FY 17. MOTION CARRIED.**

### **DIRECTOR'S REPORT/COMMUNICATIONS**

Ms. Kaczynski indicated that a lot of materials were received after the mailing. The Section 298 report was reviewed to update the new board members. She explained that 42 pilot proposals were submitted to the Section 298 workgroup and the workgroup reduced the funding models to six categories that she reviewed with the board. When the report was presented to the legislature there reportedly was some pushback because there was sentiment that the health plans should have been included in the funding models. The CMH Boards favor the report and its recommendations. She reviewed key sections of the report.

In addition, Ms. Kaczynski referenced the Kaiser Family Foundation Issue Brief included in the board packet that discussed block grant funding of Medicaid. She also shared with the board an excerpt from a presentation she received at the last Director's Forum which explained even more about block grant funding.

Mr. Ginop asked Ms. Kaczynski to leave the room for a few minutes. He read a resolution honoring her for her years of service as follows:

***RESOLUTION***

***WHEREAS***, Alexis Kaczynski, is retiring from her position as Director for North Country Community Mental Health after 35 years of distinguished service; and

***WHEREAS***, Ms. Kaczynski has dedicated her career to improving the quality of life for the clients served by North Country Community Mental Health; and

***WHEREAS***, Ms. Kaczynski led the organization as the Prepaid Inpatient Health Plan from 2002-2013; and

***WHEREAS***, Ms. Kaczynski has been recognized by the Northern Michigan and North Country Community Mental Health Boards for her *Leadership and Guidance* in 1992; *Certificate of Merit* in 1995 and 2007; and an *Excellence in Mental Health Services* in 1997; and

***WHEREAS***, Ms. Kaczynski received recognition for her *Outstanding Commitment to Promoting Mental Health Education and Quality Mental Health Care* as a Michigan Mental Health Commissioner in 2004; and

***WHEREAS***, Ms. Kaczynski was recognized by Northern Family Intervention Services for *Outstanding Achievement and Advancement in Human Services in 2010*; and

***WHEREAS***, Ms. Kaczynski led the organization through successful accreditation by the Joint Commission between 1994-2003, and by the Commission on Accreditation of Rehabilitation Facilities between 2007-2016; and

***WHEREAS***, North Country Community Mental Health received the Richard Wellwood Recognition Award from the Michigan Department of Community Health for the Beacon Drop-In Center in 2005;

***NOW, THEREFORE, BE IT RESOLVED*** that the North Country Community Mental Health Board extends its sincerest gratitude to Ms. Alexis Kaczynski for her commitment, dedication, and years of service, and offers its congratulations to her on her retirement from North Country Community Mental Health.

**MOTION TO APPROVE THE RESOLUTION HONORING ALEXIS KACZYNSKI FOR HER 35 YEARS OF SERVICE ON A ROLL CALL VOTE: AYES 10 – ROBERT BOYD, PATTY COX, JOEL EVANS, ED GINOP, RON ISELER, PAUL LISS, MIKE NEWMAN, LOUIS SCHOLL, KARLA SHERMAN, SR. AUGUSTA STRATZ. NAYS - NONE**

Upon her return to the room Ms. Kaczynski was given a card signed by the Board members along with a beautifully elegant shirt that she will treasure always.

### **QUALITY IMPROVEMENT UPDATE**

Ms. Gebhard presented the Administrative Services Report and she referred to the written report included in the packet. She reviewed each of the services that she supervises. Safety-Environment of Care was described as promoting a safe and healthy environment for staff and consumers. The Human Resources division was described and she related the staff turnover rate and highlighted staff training. Contract management was reviewed and data was relayed on the number of contracts and leases. There is a new policy and procedure that the board members had to sign. COFR (i.e., County of Financial Responsibility) relationships and agreements were discussed. She explained the functions of the Clinical Liaison. The Quality and Data Management position was reviewed and described.

The IT and Systems team developed a survey to assess customer satisfaction which will be conducted semi-annually and she provided the results. The CARF Accreditation survey was reviewed and discussed. The CARF survey went well and the agency was accredited for three years.

### **NORTHERN MICHIGAN REGIONAL ENTITY**

Ms. Kaczynski referred to the minutes of the last meeting. She also indicated there will be a new director. Dave Schneider has left the NMRE to take a position with the State as Behavioral Health Specialist within the Medicaid office, and Eric Kurtz has been hired to be the CEO of the NMRE.

### **OLD BUSINESS**

There was no old business.

### **NEW BUSINESS**

**MOTION BY ED GINOP, SECOND BY KARLA SHERMAN, TO PAY THE DIRECTOR THE 2% INCREASE PROVIDED TO STAFF. MOTION CARRIED.**

**MOTION BY LOUIS SCHOLL, SECOND BY KARLA SHERMAN, TO ADJOURN THE MEETING AT 6:30 P.M. MOTION CARRIED.**

---

Ed Ginop, Chair