

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING

Patrick Barrie Room

705 N. Zeeb Rd, Ann Arbor, MI

Wednesday, October 10, 2018

6:00 PM



Agenda

	<u>Guide</u>
I. Call to Order	1 min
II. Roll Call	2 min
III. Consideration to Adopt the Agenda as Presented	2 min
IV. Consideration to Approve the Minutes of the 9-12-18 Regular Meeting and Waive the Reading Thereof (Board Action) {Attachment #1}	2 min
V. Audience Participation (5 minutes per participant)	
VI. Old Business	40 min
a. October Finance Report {Attachment #2}	
b. Strategic Plan Presentation	
VII. New Business	15 min
a. Election of Regional Board Officers	
VIII. PIHP CEO Report to the Board	15 min
a. Report from the SUD Oversight Policy Board (OPB)	
IX. Adjournment	

**COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING MINUTES
September 12, 2018**



Members Present: Judy Ackley, Greg Adams, Marth Bloom, Susan Fortney, Roxanne Garber, Sandra Libstorff, Charles Londo, Kent Martinez-Kratz, Caroline Richardson, Sharon Slaton, Ralph Tillotson

Members Absent: Charles Coleman, Gary McIntosh

Staff Present: Connie Conklin, Jane Terwilliger, Kathryn Szewczuk, Trish Cortes, Stephanie Weary, Lisa Jennings, James Colaianne, Suzanne Stolz, Marci Scalera

Others Present: Laurie Lutomski

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

II. Roll Call
J A quorum of members present was confirmed.

III. Consideration to Adopt the Agenda as Presented

**Motion by R. Garber, supported by S. Slaton, to approve the agenda
Motion carried**

J Remove Strategic Plan Presentation from the agenda.

IV. Consideration to Approve the Minutes of the August 8, 2018 Regular Meeting and Waive the Reading Thereof

**Motion by R. Garber, supported by S. Slaton, to approve the minutes of August 8, 2018 Regular Meeting and waive the reading thereof
Motion carried**

V. Audience Participation
J None

VI. Old Business
a. September Finance Report
J S. Stolz presented. Discussion followed.
b. Strategic Plan Presentation
J To be presented at the October board meeting.

VII. New Business
a. Board Action Request
Consideration to approve the proposed 2019 Budget and allocations as presented

Motion by M. Bloom, supported by C. Richardson, to approve the proposed 2019 Budget and allocations as presented

Motion carried

- b. Board Action Request
Consideration to approve the authorization of Chief Executive Officer to sign the attached FY19 contracts

Motion by M. Bloom, supported by S. Slaton, to approve the authorization of Chief Executive Officer to sign the attached FY19 contracts
Motion carried

- c. Regional Board Officers/Nominations Committee

Motion by C. Londo, supported by S. Slaton, to appoint C. Coleman as the Nominating Committee Chair
Motion carried

) Elections will be held in October.

VIII. PIHP CEO Report to the Board

) J. Terwilliger provided an update on Monroe SUD Access, the new Regional Encounter Data Integrity Committee (REDI), the Michigan Department of Corrections contract, and the Statewide Parity for Medicaid Behavioral Healthcare.

IX. Adjournment

Motion by G. Adams, supported by S. Slaton, to adjourn the meeting
Motion carried

Meeting adjourned at 7:17 p.m.

Roxanne Garber, CMHPSM Board Secretary



Financial Highlights For the Period Ending August 31, 2018

CMHPSM Strategies:

1. CMHPSM will continue to coordinate with CMHSP's to review current year budgets and actual expenditures.
2. A shared decision model will be utilized to monitor and stabilize budgets and services.
3. CMHPSM will trend traditional Medicaid Eligibles and HMP Enrollees from the most current listing to apply the rates and monitor incoming revenues.
4. CMHPSM is monitoring the potential overages and is working with the CMHSP's to minimize costs yet providing medically necessary services.
5. ASSURANCE OF FINANCIAL RISK PROTECTION-INTERNAL SERVICE FUNDS - The CMHPSM has established a Medicaid Internal Services Fund (ISF) for purposes of risk protection. This fund was examined by the actuary to establish the appropriate level of funding for this risk pool. In accordance with the MDHHS/PIHP contract, the ISF may be funded up to 7.5% of Medicaid revenues for the close of FY2017. The Medicaid ISF is a separate interest-bearing account and is not co-mingled with any other funding. In cases where Medicaid liability is 100% to 105% of Medicaid revenue and the amount available in the ISF is sufficient, the ISF will be used to cover that deficit. If the ISF is not sufficient, each CMHSP will provide local funding in proportion to their share of the deficit. For cases where the deficit is over 105%, each CMHSP will cover their share of the deficit with their local funds up to the capped risk corridor of 110%. (Total risk obligation for the region is 7.5%).

**Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures
For the Period Ending August 31, 2018**

	FY18 Amended Budget	YTD Actual	YTD Budget	YTD Actual O/(U) Budget	Percent Variance Actual to Budget
Operating Revenue					
Medicaid Capitation	\$128,824,711	\$116,679,818	\$118,089,318	(\$1,409,500)	-1.19%
Performance Based Incentive Pool	\$1,133,238	\$1,038,801	1,038,801	\$0	
Medicaid SUD Capitation	2,264,122	2,160,114	2,075,445	84,668	4.08%
Healthy Michigan Plan	8,992,448	8,313,617	8,243,077	70,541	0.86%
Healthy Michigan Plan SUD	4,154,073	3,891,842	3,807,900	83,942	2.20%
Autism	6,863,011	6,275,265	6,291,093	(15,828)	-0.25%
SUD Community Block Grant	6,414,335	6,150,357	5,879,807	270,550	4.60%
Block Grants	386,626	354,407	354,407	-	0.00%
SUD PA2 - Cobo Tax Revenue	1,826,092	1,673,918	1,673,918	-	0.00%
SUD PA2 - Cobo Tax Use of Reserve	1,598,399	1,465,199	1,465,199	-	0.00%
Local Match	1,577,780	1,446,298	1,446,298	-	0.00%
Other Revenue	327,921	289,760	300,594	(10,834)	-3.60%
Local Risk Corridor CMHSP's share	2,688,283	2,464,259	2,464,259	-	0.00%
Shared Risk Corridor MDHHS share	2,688,283	2,464,259	2,464,259	-	0.00%
Use of Risk Reserve	7,135,209	6,540,608	6,540,608	-	0.00%
Total Revenue	\$176,874,530	\$161,208,523	\$162,134,986	\$(926,462)	
Funding For CMHSP Partners					
Lenawee CMHSP	17,656,948	16,185,536	16,185,536	-	0.00%
Livingston CMHSP	28,485,189	26,111,423	26,111,423	-	0.00%
Monroe CMHSP	30,968,952	28,388,206	28,388,206	-	0.00%
Washtenaw CMHSP	75,985,237	69,653,134	69,653,134	-	0.00%
Total Funding For CMHSP Partners	\$ 153,096,326	\$ 140,338,299	\$140,338,299	\$ -	
Funding For SUD Services					
Lenawee County	2,073,579	1,820,158	\$1,900,781	(80,623)	-4.24% a
Livingston County	2,813,747	2,456,068	2,579,268	(123,200)	-4.78% a
Monroe County	2,584,269	2,058,150	2,368,913	(310,763)	-13.12% a
Washtenaw County	7,709,441	6,309,493	7,066,988	(757,494)	-10.72% a
Total Funding For SUD Services	\$ 15,181,036	\$ 12,643,869	\$13,915,950	\$(1,272,081)	
Other Contractual Obligations					
Hospital Rate Adjuster	2,207,816	1,975,966	\$2,023,831	(47,865)	-2.37%
USE and HICA Tax	1,059,026	970,774	970,774	-	0.00%
Local Match	1,577,780	1,446,298	1,446,298	-	0.00%
Total Other Costs	\$4,844,622	\$4,393,039	\$4,440,904	\$(47,864)	
CMHPSM Administrative Costs					
Salary & Fringe	2,137,587	1,934,670	1,959,455	(24,786)	-1.26%
Administrative Contracts	1,398,669	1,131,292	1,282,113	(150,821)	-11.76% b
Board Expense	4,400	2,140	4,033	(1,893)	-46.94% c
All Other Costs	211,890	129,926	194,233	(64,306)	-33.11% d
Total Administrative Expense	\$3,752,546	\$3,198,028	\$3,439,834	\$(241,807)	
Carry Forward	\$0		\$0	\$0	
Total Expense	\$176,874,530	\$160,573,234	\$162,134,986	\$(1,561,751)	
Revenues over (under) Expenditures	\$0	\$635,289	\$0	\$635,289 *	

a - SUD programs continue to be under budget due to the Innovative Strategies and STR grants not fully implemented.

b - Administrative contracts under budget due to capitalization of the EHR.

c - Board expense under budget due to cancelled meetings and decreased monthly spending.

d - Other costs under budget due to delayed trainings.

**COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST
 Projected Summary by Funding Source - 3 Year Analysis
 FY 2017/2018**

		FY16 Final Actual	FY17 Final Actual	FY18 Projected Use of Funding Source
M E D I C A I D	Lenawee	14,644,255	14,781,610	14,822,079
	Livingston	22,057,948	22,723,295	22,002,815
	Monroe	24,150,431	27,320,651	27,752,593
	Washtenaw	58,877,271	63,924,776	66,404,219
	Medicaid Total	119,729,905	128,750,332	130,981,706
A U T I S M	Lenawee	79,144	370,059	717,534
	Livingston	689,214	1,519,189	3,282,357
	Monroe	345,279	856,624	733,871
	Washtenaw	1,340,346	1,740,254	2,455,705
	Autism Total	2,453,983	4,486,126	7,189,467
H M P	Lenawee	1,674,197	2,384,642	2,225,710
	Livingston	2,088,499	2,582,652	2,808,280
	Monroe	1,905,742	1,857,324	2,198,332
	Washtenaw	5,466,896	7,138,189	7,318,449
	HMP Total	11,135,334	13,962,807	14,550,771
TOTAL MCAID/HMP		133,319,222	147,199,265	152,721,944



CMHSP's Budget Narratives For the Period Ending August 31, 2018

LENAWEE

Lenawee has experienced increased utilization of Autism services when compared to FY17 however not to the extent that would utilize the full budget allocation from the CMHPSM. Both Medicaid and HMP expenditures are projected to increase for FY18 when compared to FY17. The current budget will meet the demand for Medicaid expenditures however Lenawee will be overspent for HMP from the budgeted amount by 34%. Lenawee is projected to close out the fiscal year on budget in total with the only variance reflected between funding sources.

LIVINGSTON

Livingston is experiencing an 87% increase in Autism expenditures compared to FY17. Comparing the number of consumers served through November, in FY17 Livingston's contractors provided service to 28 consumers, in November FY18 that number rose to 69. At the end of FY17 the consumer count was 77. There appears to be a continued shift from Medicaid to HMP. Medicaid expenditures have decrease by 2.4%, but HMP has increased by 51% compared to FY17. Medicaid decrease is offset by the increase in HMP, leaving the major increase in expenditure due to the increase in Autism services.

MONROE

Original Medicaid request from Monroe was \$26,141,507 which \$24,878,394 was granted and approved. The revised budget of \$25,501,016 still left a shortfall of \$640,491, which was based on FY2017 trends and increased to services and costs. The additional increase is due to hospitalization and consumer contracted services, primarily community living support services over budget. Original Healthy Michigan plan request was \$2m based on consumer needs in FY17. Monroe is trending over budget in Healthy Michigan for the same reasons as Medicaid. Autism revenue was based on the trending in 2017 and with 54 consumers. As of March, Monroe had 66 consumers in Autism, trending to be 80 by the end of FY18.

WASHTENAW

For fiscal year 2018, Washtenaw CMH is continuing to experience increased cost and utilization of medically necessary services for our Medicaid and Healthy Michigan Plan eligible consumers. The budget over-runs continue to occur in three primary services areas, Community Living Supports, Specialized Residential Services and Inpatient Hospitalizations. Due to group home capacity challenges, individuals requiring a specialized residential placement are having to be placed out-of-county at a higher cost of service. WCCMH continues to look for opportunities to bring individuals back for in-county placement and ways of increasing overall capacity. The use of Healthy Michigan Plan (HMP) funds has increased dramatically over the last year and a half due to eligibility concerns that have been raised with the PIHP, MDHHS and State Legislation. WCCMH continues to work hand and hand with our local MDHHS office to identify individuals who may be misclassified and entitled to another Medicaid benefit.