

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
 REGULAR BOARD MEETING
 Patrick Barrie Room
 705 N. Zeeb Rd, Ann Arbor, MI
 Wednesday, January 9, 2019
 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 12-12-18 Regular Meeting and Waive the Reading Thereof {Att. #1}	2 min
V. Audience Participation (5 minutes per participant)	
VI. Old Business	30 min
a. January Finance Report {Att. #2}	
b. Consideration to the proposed 2019 Budget 2nd amendment with allocations as requested by the Board at the previous meeting {Att. #3, 3a}	
c. CEO Performance Review Committee Report	
VII. New Business	
VIII. Consideration to go into closed session for the purpose of discussing pending legal matter	30 min
IX. PIHP CEO Report to the Board	15 min
a. Report from the SUD Oversight Policy Board (OPB) <i>SUD OPB hasn't met since last minutes were reviewed by CMHPSM board</i>	
X. Adjournment	

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



Members Present: Judy Ackley, Greg Adams, Marth Bloom, Charles Coleman, Susan Fortney, Roxanne Garber, Sandra Libstorff, Charles Londo, Gary McIntosh, Caroline Richardson, Sharon Slaton, Ralph Tillotson

Members Absent: Charles Coleman, Kent Martinez-Kratz

Staff Present: Connie Conklin, Jane Terwilliger, Kathryn Szewczuk, Stephannie 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 C. Londo.

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

III. Consideration to Adopt the Agenda as Presented

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

IV. Consideration to Approve the Minutes of the November 14, 2018 Regular Meeting and Waive the Reading Thereof

**Motion by R. Garber, supported by M. Bloom, to approve the corrected minutes of
November 14, 2018 Regular Meeting and waive the reading thereof
Motion carried**

J November 14, 2018 minutes correction: Motion to approve the 2019 Budget 1st amendment was moved by S. Fortney and supported by S. Slaton. The minutes will be corrected.

V. Audience Participation
None

VI. Old Business

a. December Finance Report

J S. Stolz presented. Discussion followed.

b. FY19 Risk Management Strategy

J J. Colaianne presented. Discussion followed.

J C. Londo would like to keep this item on the agenda until it is resolved.

c. CEO Performance Review Committee Report

i. Consideration to approve an amount not to exceed \$5,000 for the CEO Evaluation Process

Motion by S. Fortney, supported by G. Adams, to approve an amount not to exceed \$5,000 for the CEO Evaluation Process
Motion carried

Ackley	Y	Libstorff	Y
Adams	Y	Londo	Y
Bloom	Y	Martinez-Kratz	Absent
Coleman	Absent	McIntosh	Y
Fortney	Y	Richardson	Y
Garber	Y	Slaton	N
		Tillotson	Y

VII. New Business

a. Board Action Request

Motion by R. Tillotson, supported by R. Garber, to approve the pursuit of an Administrative Hearing Appeal by the CMHPSM due to inadequate Medicaid funding and

-) **approval to retain Janis Meija, Attorney at Law, with \$60,000 from the CMHPSM on behalf of the region with each of the CMH Partners sharing an equal portion of the retainer, and**
-) **approval of miscellaneous expenses not to exceed \$10,000 over the course of the length of the Appeal related actions**

For a total expense of \$70,000 for the CMHPSM

Motion carried as amended below

Friendly amendment by R. Tillotson, supported by J. Ackley, to amend the above motion to include the 15% commission that Janis Meija will receive of the settlement
Friendly amendment carried

Friendly amendment vote

Ackley	Y	Libstorff	Y
Adams	Y	Londo	Y
Bloom	Y	Martinez-Kratz	Absent
Coleman	Absent	McIntosh	Y
Fortney	Y	Richardson	Y
Garber	Y	Slaton	Y
		Tillotson	Y

Full motion vote

Ackley	Y	Libstorff	Y
Adams	Y	Londo	Y
Bloom	Y	Martinez-Kratz	Absent
Coleman	Absent	McIntosh	Y
Fortney	N	Richardson	Y
Garber	Y	Slaton	Y
		Tillotson	Y

VIII. PIHP CEO Report to the Board

a. Report from the SUD Oversight Policy Board (OPB)

) J. Terwilliger provided a written report that included updates on the PIHP's need to find new office space, and updates on MDHHS, the MDOC/SUD Project, Statewide Parity, and the progress of hiring a CIO for the PIHP.

IX. Adjournment

Motion by R. Tillotson, supported by C. Richardson, to adjourn the meeting

Motion carried

Meeting adjourned at 7:28 p.m.

Judy Ackley, CMHPSM Board Secretary



Financial Highlights
Fiscal Year 2019
For the Period Ending November 30, 2018

Summary of Revenues & Expenses by Fund Source:

1. Preliminary cost projections by the Affiliate Partners indicate there will not be enough Medicaid Funding to cover FY2019 needs.
2. Preliminary cost projections by Affiliate Partners indicate there will not be enough Healthy Michigan Plan funding for FY2019.
3. The SUD projections for Medicaid, Healthy Michigan Plan, Block Grant, PA2 funding and projected utilization of PA2 reserves indicates funding will be sufficient to cover FY2019 needs and is consistent with projections and delayed initiatives.

CMHPSM Strategies:

1. CMHPSM will continue coordinate with CMHSP's to review current year budgets and actual expenditures.
2. A shared decision model is being utilized to monitor and balance FY19 expenditures to revenues including the shared risk corridor.
3. CMHPSM is monitoring the overages and is working with the CMHSP's to minimize costs yet providing medically necessary services.
4. CMHPSM will trend traditional Medicaid Eligibles and HMP Enrollees from the most current listing to apply the rates and monitor incoming revenues.

Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures
For the Period Ending November 30, 2018

	1st Amend FY19 Budget	Budget to date	YTD Actual	YTD Actual O/(U) Budget	Percent Variance Actual to Budget	Projected YTD	Projected O/(U) Budget	Percent Variance Annualized
Operating Revenue								
Medicaid Capitation SP/B3	87,280,931	14,546,822	14,538,098	(8,723)	-0.06%	87,228,591	(52,340)	-0.06%
Medicaid Capitation HSW	44,578,199	7,429,700	7,332,744	(96,956)	-1.32%	43,996,465	(581,734)	-1.32%
Performance Based Incentive Pool	1,499,519	249,920	249,920	-	0.00%	1,499,519	-	0.00%
Medicaid SUD Capitation	2,327,015	387,836	405,667	17,831	4.40%	2,434,003	106,988	4.40%
Healthy Michigan Plan	9,454,910	1,575,818	1,702,791	126,973	7.46%	10,216,748	761,838	7.46%
Healthy Michigan Plan SUD	4,157,786	692,964	738,754	45,789	6.20%	4,432,521	274,735	6.20%
Autism	8,760,753	1,460,126	1,580,193	120,067	7.60%	9,481,156	720,403	7.60%
SUD Community Block Grant	6,860,943	1,143,491	1,143,491	-	0.00%	6,860,943	-	0.00%
Block Grants	350,000	58,333	15,697	(42,637)	-271.63%	94,180	(255,820)	-271.63%
SUD PA2 - Cobo Tax Revenue	1,860,059	310,010	310,010	-	0.00%	1,860,059	-	0.00%
SUD PA2 - Cobo Tax Use of Reserv	1,564,432	260,739	260,739	-	0.00%	1,564,432	-	0.00%
Local Match	1,577,780	262,963	262,963	-	0.00%	1,577,780	-	0.00%
Other Revenue	331,920	55,320	54,375	(945)	-1.74%	326,251	(5,669)	-1.74%
Total Revenue	\$ 170,604,247	\$ 28,434,041	\$ 28,595,441	\$ (56,706,682)	-198.31%	\$ 171,572,647	\$ 968,400	0.56%
Funding For CMHSP Partners								
Lenawee CMHSP	18,400,108	3,066,685	3,005,077	(61,608)	-2.05%	18,400,108	-	0.00%
Livingston CMHSP	27,923,890	4,653,982	4,603,751	(50,231)	-1.09%	29,238,050	1,314,160	4.49%
Monroe CMHSP	28,489,333	4,748,222	4,646,237	(101,985)	-2.20%	31,881,500	3,392,167	10.64% *
Washtenaw CMHSP	68,362,172	11,393,695	11,235,185	(158,510)	-1.41%	78,723,853	10,361,681	13.16% *
Total Funding For CMHSP Partner	\$ 143,175,503	\$ 23,862,584	\$ 23,490,249	\$ (372,334)	-1.59%	\$ 158,243,511	\$ 15,068,008	9.52%
Funding For SUD Services								
Lenawee County	2,118,015	353,003	341,323	(11,679)	-3.42%	2,118,015	-	0.00%
Livingston County	2,870,825	478,471	266,027	(212,444)	-79.86%	2,870,825	-	0.00%
Monroe County	2,669,660	444,943	339,760	(105,183)	-30.96%	2,669,660	-	0.00%
Washtenaw County	7,988,563	1,331,427	978,536	(352,891)	-36.06%	7,988,563	-	0.00%
Total Funding For SUD Services	\$ 15,647,063	\$ 2,607,844	\$ 1,925,646	\$ (682,197)	-35.43%	\$ 15,647,063	\$ -	0.00%
Other Contractual Obligations								
Hospital Rate Adjuster	2,943,755	490,626	490,626	-	0.00%	2,943,755	-	0.00%
Insurance Provider Assessment Tax	1,456,827	242,805	242,805	-	0.00%	1,456,827	-	0.00%
Local Match	1,577,780	262,963	262,963	-	0.00%	1,577,780	-	0.00%
Total Other Costs	\$ 5,978,362	\$ 996,394	\$ 996,394	\$ -	0.00%	\$ 5,978,362	\$ -	0.00%
CMHPSM Administrative Costs								
Salary & Fringe	2,383,701	397,284	341,307	(55,977)	-16.40%	2,383,701	-	0.00%
Administrative Contracts	1,714,002	285,667	227,929	(57,738)	-25.33%	1,714,002	-	0.00%
Board Expense	2,750	458	175	(283)	-161.90%	2,750	-	0.00%
All Other Costs	203,347	33,891	19,637	(14,254)	-72.59%	203,347	-	0.00%
Total Administrative Expense	\$ 4,303,800	\$ 717,300	\$ 589,048	\$ (128,252)	-21.77%	\$ 4,303,800	\$ -	0.00%
Risk Reserve Provision	\$ 1,499,519	\$ 249,920	\$ 249,920	-	-	\$ 1,499,519	\$ -	0.00%
Total Expense	\$ 170,604,247	\$ 28,434,041	\$ 27,251,257	\$ (1,182,784)	-4.34%	\$ 185,672,255	\$ 15,068,008	8.12%
Revenues over (under) Expenditure:	\$ -	\$ -	\$ 1,344,184	\$ (55,523,898)		\$ (14,099,608)	\$ (14,099,608)	

**Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures Notes
For the Period Ending November 30, 2018**

- 1 HMP eligibles were higher than projected. Eligibles will be monitored and the budget amended for trending at 2nd budget amend.
 - 2 Autism eligibles were higher than projected. Eligibles will be monitored and the budget amended for trending at 2nd budget amend.
 - 3 PMTO and Club House block grant funding is a pass through to CMHSP's. Revenue correlates with expenditures.
 - 4 SUD Block grant programs and PA2 initiatives are not fully implemented, most specifically State Opioid Response, State Targeted Response, Innovative Strategies and Gambling Prevention.
 - 5 Salary and wages under budget due to a vacant positions.
 - 6 Administrative contracts under budget due to timing, primarily contract expenditures in relation to the Gambling Prevention Grant.
 - 7 Regional Board under expense due to low cost of meetings.
 - 8 Other expenditures under budgeted due to timing of trainings/conferences.
- * See attached for narratives required by the Financial Stability & Risk Reserve Management Policy of a 5% variance.



CMHSP Financial Narratives
Fiscal Year 2019
For the Period Ending November 30, 2018

Monroe

Monroe CMHA is projected to have \$30,019,807 in Medicaid and Healthy Michigan expenses for FY2019. This is over the revised allocation of \$26,813,843 by \$3,205,964. For Autism, we are projected to have \$1,861,669 in expenses which is over \$186,179 from the revised allocation of \$1,675,490. These projections are based on the past two years actual expenses for contracted services for consumers which were roughly the same amount. Autism is based on the increase of autism consumers and services provided to them.

Monroe is aggressively looking at ways to reduce these costs where necessary. Also, the projection includes a possible increase of new consumers.

Washtenaw

For fiscal year 2019, Washtenaw CMH is currently projecting an overall deficit of \$10 million. The main areas of underfunding are for service provision to the Healthy Michigan Plan population as well as the traditional Medicaid population. For FY19, WCCMH is continuing to experience the same increased cost and utilization of medically necessary services as identified in the later part of FY16, and all of FY17 and FY18. The budget pressures 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 has engaged with its provider network to seek opportunities to open new group homes and available placements within their respective locations. For the past several years, individuals are being discharged from the state hospitals with very high acuity and require a level care that is not currently available due to capacity constraints within our CMH. Community Living Supports (CLS) services continue to be an area of concern and WCCMH continues its focus on utilization review. The CLS rate increases that were implemented as a region were necessary and still insufficient for the provider network to continue to meet the mandated and medically necessary CLS services in Washtenaw. WCCMH is monitoring the benefit eligibility for each of its 5000 consumers and is in constant contact with MDHHS to correct benefit misclassifications. Individuals inaccurately classified as Healthy Michigan Plan continue to be a challenge and WCCMH is only able to impact eligibility for those served, not the remaining eligible individuals who do not participate in CMH services. There is an ongoing concern that these inaccuracies are affecting capitation rates for our region. Washtenaw made drastic positions cuts in FY15 and reduced an entire layer of administration. At this point, any additional positions cut would completely hinder our ability to meet the mandates for service provision.

**Community Mental Health Partnership of Southeast Michigan
 Received and Distributed by Fund Source
 FY 18/19**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
State Plan/B3 Receipts	\$ 7,275,309	\$ 7,262,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,538,098
Distributions													
Lenawee CMHSP	930,624	950,544											\$ 1,881,168
Livingston CMHSP	1,255,074	1,281,938											\$ 2,537,012
Monroe CMHSP	1,405,282	1,435,362											\$ 2,840,644
Washtenaw CMHSP	3,084,945	3,150,977											\$ 6,235,922
	\$ 6,675,926	\$ 6,818,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,494,746
HSW Receipts	\$ 3,389,214	\$ 3,943,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,332,744
Distributions													
Lenawee CMHSP	372,809	381,538											\$ 754,347
Livingston CMHSP	588,074	622,174											\$ 1,210,248
Monroe CMHSP	587,361	590,851											\$ 1,178,212
Washtenaw CMHSP	1,787,760	1,965,023											\$ 3,752,783
	\$ 3,336,003	\$ 3,559,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,895,589
Autism Receipts	\$ 785,998	\$ 794,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,580,193
Distributions													
Lenawee CMHSP	76,646	77,207											\$ 153,853
Livingston CMHSP	281,758	283,821											\$ 565,578
Monroe CMHSP	150,276	151,376											\$ 301,652
Washtenaw CMHSP	264,742	266,681											\$ 531,423
	\$ 773,422	\$ 779,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,552,507
HMP Receipts	\$ 855,219	\$ 847,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702,791
Distributions													
Lenawee CMHSP	105,108	110,600											\$ 215,709
Livingston CMHSP	141,753	149,160											\$ 290,912
Monroe CMHSP	158,718	167,011											\$ 325,729
Washtenaw CMHSP	348,425	366,631											\$ 715,057
	\$ 754,004	\$ 793,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,547,407
Total Receipts	\$12,305,739	\$12,848,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,153,827
Total Distributions	\$11,539,355	\$11,950,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,490,249

Note: Distributions are based on amounts actually received less HRA, taxes and Administration of 1.57%.
 These are on a cash basis whereas the income statement includes accruals.



Regional Board Action Request

Board Meeting Date: January 9, 2019

Action Requested: Approve the proposed 2019 Budget 2nd amendment with allocations as presented.

Background: The fiscal year 2019 budget is representative and in an adherence to the contracts entered into with the Michigan Department of Health and Human Services (MDHHS).

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

PIHP/MDCH Contract Section 8.0 Contract Financing
CMHPSM Regional Agreements

Recommend: Approval

**Community Mental Health Partnership of Southeast Michigan
FY19 2nd Amendment Budget**

	1st Amend FY19 Budget	2ndAmend FY19 Budget	Increase (Decrease)	Percent Increase (Decrease)
Operating Revenue				
Medicaid Capitation SP/B3	87,280,931	87,280,931	-	0.00%
Medicaid Capitation HSW	44,578,199	43,998,199	(580,000)	-1.30% 1
Performance Based Incentive Pool	1,499,519	1,499,519	-	0.00%
Medicaid SUD Capitation	2,327,015	2,427,015	100,000	4.30% 1
Healthy Michigan Plan	9,454,910	10,204,910	750,000	7.93% 1
Healthy Michigan Plan SUD	4,157,786	4,427,786	270,000	6.49% 1
Autism	8,760,753	9,480,753	720,000	8.22% 1
SUD Community Block Grant	6,860,943	6,860,943	-	0.00%
Block Grants	350,000	350,000	-	0.00%
SUD PA2 - Cobo Tax Revenue	1,860,059	1,860,059	-	0.00%
SUD PA2 - Cobo Tax Use of Reserv	1,564,432	1,564,432	-	0.00%
Local Match	1,577,780	1,577,780	-	0.00%
Other Revenue	331,920	331,920	-	0.00%
Anticipated Medicaid Revenue	-	13,868,008	13,868,008	N/A 2
Total Revenue	\$ 170,604,247	\$ 185,732,255	\$ 15,128,008	8.87%
Funding For CMHSP Partners				
Lenawee CMHSP	18,400,108	18,400,108	-	0.00%
Livingston CMHSP	27,923,890	29,238,050	1,314,160	4.71% 3
Monroe CMHSP	28,489,333	31,881,500	3,392,167	11.91% 3
Washtenaw CMHSP	68,362,172	78,723,853	10,361,681	15.16% 3
Total Funding For CMHSP Partners	\$ 143,175,503	\$ 158,243,511	\$ 15,068,008	64.15%
Funding For SUD Services				
Lenawee County	2,118,015	2,118,015	-	0.00%
Livingston County	2,870,825	2,870,825	-	0.00%
Monroe County	2,669,660	2,669,660	-	0.00%
Washtenaw County	7,988,563	7,988,563	-	0.00%
Total Funding For SUD Services	\$ 15,647,063	\$ 15,647,063	\$ -	0.00%
Other Contractual Obligations				
Hospital Rate Adjuster	2,943,755	2,943,755	-	0.00%
Insurance Provider Assessment Tax	1,456,827	1,456,827	-	0.00%
Local Match	1,577,780	1,577,780	-	0.00%
Total Other Costs	\$ 5,978,362	\$ 5,978,362	\$ -	0.00%
CMHPSM Administrative Costs				
Salary & Fringe	2,383,701	2,383,701	-	0.00%
Administrative Contracts	1,714,002	1,714,002	-	0.00%
Board Expense	2,750	2,750	-	0.00%
All Other Costs	203,347	263,347	60,000	29.51% 4
Total Administrative Expense	\$ 4,303,800	\$ 4,363,800	\$ 60,000	1.39%
Risk Reserve Provision	\$ 1,499,519	\$ 1,499,519	-	-
Total Expense	\$ 170,604,247	\$ 185,732,255	\$ 15,128,008	8.87%
Revenues over (under) Expenditures	\$ -	\$ -	\$ -	-

Community Mental Health Partnership of Southeast Michigan FY19 2nd Amendment Budget

- 1 Capitated funding categories amended based on projected eligibles annualized.
- 2 Anticipated Medicaid Revenue has been amended to reflect the funding projected to provide sufficient support to provide all medically necessary services for those Medicaid entitled beneficiaries.
- 3 Livingston, Monroe and Washtenaw CMHSP's budgets have been amended to reflect projected funding needed by each respective CMHSP to provide all medically necessary services to Medicaid entitled beneficiaries.
- 4 All Other Costs amended to reflect the increase to legal fees for the contract approved at the December 2018 board meeting.