



SOUTHWEST MICHIGAN AFFILIATION PIHP

3299 Gull Road/PO Box 63
Nazareth, MI 49074-0063
Phone (269)553-8000/Fax (269)553-8012

Meeting: Administrative Governance Council
Place: Woodlands Behavioral Healthcare Network
960 E. M-60 Cassopolis, MI 49031
Date: Thursday, April 21, 2011
Time: 10:00 am
Presiding: Tom Belco, Chairman

Present: Tom Belco, Dale Lowe, Pauline Washington, Kathy Emans, Jeff Patton, Liz O'Dell, Marianne Huff, Barbara Parker and Peggy Malnight (phone).
Absent: Dave Miner, Dick Wiley
PIHP Staff: Dennis Grimski, Cindy Lowe, Rob Moerland (phone), Kim Rychener (phone), Demeta Wallace, Gwen Jordan
Guests: Cathy Sheffield, Lori Moore.

I. Call to Order:

Chairman Belco called the Administrative Governance Council meeting to order at 10:05 a.m. and welcomed all in attendance. Guests were introduced as follows: Cathy Sheffield, IT Director, Woodlands Behavioral Healthcare Network; Lori Moore, Student Intern, Social Work Administration, WMU.

Chairman Belco announced we would have two PIHP staff call in during the meeting to handle their agenda topics: Rob Moerland, Chief Information Officer; and Kim Rychener, Access and UM Director. Malnight apologized for having to call-in into today's meeting, but she had an important work meeting that required her attendance.

II. Citizens Wishing to Address the Council:

There were no citizens desiring to address the Council.

III. Agenda Changes:

Emans requested that the agenda be altered to have Mr. Moerland and Ms. Rychener go before her special presentation on Woodlands Behavioral Healthcare Network in light of their call-in



status. Belco requested the Council to make the accommodation to respect staff time. The Council agreed to the agenda reordering.

IV. **Review/Approval of Meeting Minutes:**

Chairman Belco noted the meeting minutes were mailed out in advance. Dale Lowe made a motion to approve the minutes as mailed; seconded by Jeff Patton. Belco inquired if there was any discussion? Grimski reminded the Council that member Malnight requested staff not copy the minutes in the meeting packets, but that they have one copy available at the meeting for Council review if necessary. Grimski noted this was the first time for us to initiate this protocol. Council members agreed that we would follow this protocol for the time being. **Motion Approved.**

V. **Special Presentation: WBHCN**

Kathy Emans, Chief Executive Officer (CEO) for Woodlands provided an overview of the Woodlands Behavioral Healthcare Network. Emans provided an organizational chart of the Woodlands and overviewed key staff positions. Emans noted that their CMH provide most of their services through direct-run programs, and mainly contracts out specialized residential services (i.e. personal care and community living supports). Emans provided an overview of one their recently launched the health and wellness program. Woodlands built a gym with in their facility to assist those with co-occurring behavioral health and primary healthcare needs as a method to promote wellness and overall health.

Emans provided the Council a tour of her facility, including the new Wellness Program.

VI. **Information Items:**

A. **IT Solution Project Update**

Rob Moerland, Chief Information Officer for the PIHP provided the Council with an update on the IT Solutions Project via telephone. He noted and overviewed two handouts in the board packet: Handout VI.A.1 provides the Council with the RFI Document recently mailed to select vendors and posted on the web; and Handout VI.A.2 provides the Council with a list of vendors to which the RFI was mailed, including those that had contacted the PIHP to obtain a copy.

Mr. Moerland noted the IT Project is on course from the workplan shared at the last Council meeting. He wanted the Council to be aware, however, that the IT Workgroup had extended the timeframe for interested vendors to submit due to a bug in the posting of some documents to the web. Vendors were in process of submitting questions regarding the RFI; and the IT Workgroup is targeting will be answered no later than Friday April 29th, 2011. Vendor responses/proposals to the RFI are expected be in by May 13th 2011.

Moerland noted once the response timeframe ends, the IT Workgroup will screen and prioritize those vendors they want to come in for demonstration reviews, which are scheduled



from late May to early July. In this regard, the IT Project team has preplanned up to six (6) presentations on 6 different dates. Moerland believes the group may whittle the demos down to 3 or 4, but wanted to be open to up to six if necessary. Moerland noted that staff attendance is a key consideration, and it is for this reason why the Workgroup will attempt to prioritize and choose only a select number of demos to view.

Grimski asked if Rob has found any obstacles regarding vendors understanding who we are as the SMA and the role and IT needs of the PIHP vs. the CMHs. Rob shared that from a structure perspective, there doesn't seem to be much confusion from the questions, once several of the vendors were able to access the PFF documents on the web, at least as reflected in the questions to date. Vendor questions seem to center around the ability to bid on only the managed care or practice management components, instead of addressing all needs of the SMA. Responses from the IT team will be public and will relay that a multi-party bid is acceptable, but the team is not seeking a vendor with only one portion but all portions addressed in the RFI.

B. MDCH: Recovery Block Grant Proposal

Kim Rychener, Access and UM Director for the PIHP provided an update on a recent grant opportunity via telephone. She noted MDCH was releasing a grant for the PIHP and its provider network. Rychener highlighted the handouts for this item as follows: VI.B.1 provided the Council with an overview of the Grant Response; VI.B.2 provided an overview of the grant approach; and VI.B.3 provided the Council with the MDCH grant request/documents.

Ms Rychener noted that this was a noncompetitive grant for up to \$130,000 being made available to each PIHP. She noted the decision as to configure our grant approach was made by the Improving Practices Leadership Team (IPLT) at its April meeting. The decision was to have the PIHP focus on key recovery markers identified by our most recent REE results. She noted that the IPLT decided to identify unmet and unidentified medical concerns and promote wellness recovery for uninsured persons.

Within our PIHP network, two CMHs agreed to step-up and pursue the grant as targeted: Community Mental Health and Substance Abuse Services of St. Joseph County (CMHSASJC), and Woodlands Behavioral Healthcare Network (WBHN). Rychener met with representatives from both agencies who shared their ideas on how they would locally approach the desired focus identified by the IPLT. She noted Woodlands will hire a part time Peer Support Specialist with the title Wellness Attendant to orient the user to local services; and St. Joseph County will hire a nurse to establish better assistance with health care performing wellness or healthcare screens, linking individuals to primary care. St. Joseph will also hire a peer support specialist to orient persons to local services and assist the



participant. This peer support position will model what is being done in the Access Center at KCMHSAS.

The IPLT workgroup will oversee the clinical process. A quarterly report will be given to the ALT and AGC in the grant's status.

O'Dell and Emans shared that this is something that their counties wanted to do. Both thanked Kim for shepherding the writing of the grant.

C. PIHP Finance

1. **FY 2010 Year End Budget Status** - Cindy Lowe, Chief Operating Officer for the PIHP overviewed the year-end PIHP Finance Reports from FY 2010. Lowe discussed each of the counties Medicaid and Adult Benefit Waiver (ABW) revenues and expenses. The reports displayed which counties overspent or under spent allocations, and provided a summary of funds deposited into the PIHP's Internal Services Fund (ISF). Lowe stated the PIHP did not lapse any dollars.

Lowe presented the September number of covered lives with each county. The AGC was given the combined total of all four counties as being 71,000 covered lives. Lowe shared that to be recognized as a PIHP the required number is 20,000 covered lives. Dale Lowe asked how the numbers are determined. Lowe shared that this number comes from the State of Michigan the DEG or Date Exchange Gateway. Grimski noted that the State, via its designated actuary, calculates the rate payments to each PIHP based upon rate cells made up of TANF, DAB factors and broken out by age, sex and other factors. Also, the State uses geographic factors to determine each PIHP's allocation, which is received in monthly installments on a per capita basis or per eligible per month payment (PEPM). In essence, the Medicaid eligibles are a point-in-time snapshot, and vary each month based upon actual enrollees per county for the region.

2. **FY 2011 Budget** – Lowe overviewed the proposed PIHP budget for FY 2011 for both Medicaid and ABW allocations to the CMHs and CA Office. She noted that Medicaid funds have increased due to new economics provided by MDCH in its PEPM payments to the PIHP, and increased enrollee lives across the region. However, the MDCH has indicated the PIHP will incur a rate decrease in April, which will require the PIHP to issue an amended budget once received. Lowe noted that this item was later on the Agenda for Council approval.

Grimski asked Lowe to talk about the loss of \$700,000 in ABW. Lowe shared that ABW was changed in January and then changed in May. Due to the fact that most CMH's are collecting more money in ABW than spending, the figures were looked at by the State and rebased for FY 2010 and FY 2011. She further shared that on the Substance Abuse side, more payments were made than money received.



3. **FY 2010 Financial Statement Audit** - Lowe noted that each of the CMHs, and the PIHP in aggregate, are required to have an audit of its FY 2010 Financial Statements. These were done by independent audit firms, and submitted to each CMH Board for review. The purpose of today's report is to share the results of these audited statements with the regional Council and to highlight key findings/status. She noted all CMHs received a clean audit report.

Lowe overviewed a document called the Financial Statement Audit analysis, which includes key indicators for what a board should know. Lowe shared how much money a board should have in a fund balance to protect its risks interests. She also reviewed current information regarding the overall financial health status of each CMH organization. Lowe also highlighted how much each CMH and the PIHP spends on administrative costs which are less than 10% as an Affiliation. All counties are at a low percentage of Administrative cost.

4. **FY 2010 Compliance Audit Report** - Lowe reviewed with the board the compliance report for three of the four boards. She noted she just received Allegan's compliance report just prior to the meeting. She noted that all four boards had an unqualified audit opinion. This means the audits reflect the actual status of the organizations. Allegan County's submission was received but not yet reviewed by Cindy.

Lowe overviewed the key findings of each of the CMHs, and noted that plans of correction have been implemented to address all audit findings. The PIHP's Finance Committee will review and provide oversight to these corrective action plans, and provide status reports to the AGC.

Chair Belco thanked Lowe for over-viewing the information and answering Council questions on these four reports. Belco noted the Council would take action on these reports later on the agenda.

D. State Level Updates

1. Chair Belco asked Patton to share with the AGC information on Mike Head. Jeff addressed the email that went out from Director Dazzo regarding Head and his departure from the position of Deputy Director of MDCH. The Council discussed this item for policy and strategic implications.
2. Patton overviewed the \$8.0 million dollar GF reduction proposal and its implications for the region. Patton shed light on the legislative language from this year will be in next years and it doesn't present as being restrictive. O'Dell shared that Representative Shutmaker has been instrumental in addressing the use of General Funds and the Jail Services.



3. Grimski shared with the group the Fridays Facts included in the Board packet. He also overviewed the changes to the proposed MACMHB by-laws that will be overviewed at the upcoming spring conference. O'Dell shared that MACMHB is trying to include more of the providers as members. Dues will be increased by 15% to the providers.
4. Grimski noted that the SMA is hosting a hospitality suite at the upcoming Spring Conference at the Radisson in Kalamazoo. Patton asked the Council to act as hosts for the timeslot and to encourage both board and staff attendance in this regard.

VII. Discussion Items:

A. SMA Values, Strategic Position and Priorities.

Chair Belco asked Dennis to address the values document. Grimski overviewed handout VII.A.1 and noted it contained four (4) components: the Mission and Vision of the Southwest Michigan Affiliation; the core values of the SMA; the strategic position of the PIHP and CMHs and the SMA's strategic priorities.

Grimski reminded the Council that this document was discussed in depth at its retreat in March, and was updated to reflect the recommended changes. Grimski overviewed the document and noted the specific changes/updates to the document.

In particular, Grimski noted a new section that emerged from last meeting's discussion called "Strategic Positioning." He inquired if this section correctly captured what the Council desired to convey on the strategic position for the PIHP and CMHs. D. Lowe stated he believed he captured the discussion correctly. Malmight stated she liked how the CMH strategic position was demarcated differently from the PIHP's, especially if the carve-out was to end.

Emans there is a key need to be labeled as a provider of choice, and recommended that we delete the word "preferred" whereas this has a different connotation to health plans per the feedback from her FQHC. Belco asked if the Council agreed with this recommendation and consensus was indicated.

Belco inquired if the Council was comfortable in acting on the document and contents, as amended, later on the Agenda. The Council indicated its consent.

B. PIHP Strategic Plan

Grimski overviewed Handout VII.B.1. He noted the PIHP's Strategic Plan contains the previous document and its elements, and the specific strategic priorities, goals and operational initiatives. Grimski noted the strategic priorities and goals will take 3-5 years to implement, but the operational initiatives are designed to be carried out over the next 1-2 fiscal years. He noted this document was overviewed in detail at the recent CMH Board retreat on April 1st, and mailed out to the Council for advance review prior to today's meeting.



Malnight asked if the Council approved the plan today what the next steps will be to implement the plan. Grimski noted a twofold approach would be taken. First, at a regional level, he would meet with each of the Committee Chairs and the PIHP's staff support to the Standing Committees to 'flesh out' a workplan and timeline to accomplish the operational initiatives assigned to each Committee. Second, he envisioned that each CMH would also have to, in turn, decide how it will implement its own local strategic plan to align with the goals detailed in the plan. In particular, the plan requires specific action on behalf of the CMHs in terms of healthcare readiness and staff competency /skill set development as we get ready for our new world under the Affordable Care Act (ACA), which will require strategic planning at the local level. As such, he was planning to meet with each of the local CMH leadership teams to help them identify and align their own strategic vision with the regional plan.

O'Dell noted that the CEOs were also meeting to discuss the business model of the CMHs vs. the PIHP and this model would be fleshed out over the next several months as we assess our strategic position as an Affiliation and local CMHs. Huff noted that Allegan has already invited Grimski in for strategic planning with her management and leadership team.

Belco inquired if the Council was ready to give approval to the plan as it has been modified and clarified over the past several months. The Council was unified that the plan was reflective of the vision, values and priorities of the SMA and gave Grimski positive affirmation for capturing their desires.

C. Regional CMH Board Meeting Debriefing

Chair Belco overviewed the results of the Regional Board Meeting (Handout VII.C.1). Chair Belco shared that he was impressed and pleased with the evaluation responses. Belco apologized for not introducing the Council, but promised to do so at the September meeting.

Overall the Council members stated they were very pleased with the retreat and the responses from their individual boards have been extremely positive.

Belco asked if we should plan to rotate the next meeting in September to another host site (i.e. Allegan or Woodlands), or if we should move back to Kalamazoo as a more central site? It was noted that some board members do not like to travel long distances across two counties, and a more central site—although at a neutral location—was preferred. Huff stated if we went to a central site, maybe one of the CMHs could still act as host, and take lead for the introductions and ice-breaker portion of the meeting. Belco asked Council members to obtain board feedback on this discussion, and to bring back any recommendations to the May meeting.

Belco asked if the format of three hours was conducive for board interaction? Most Council members believed the meeting length was right and any longer we would lose board interest, especially in light of travel.

Belco asked if board participation was planned appropriately? Council members believed each agenda should be planned around its theme, and if break-out sessions are appropriate, then use them. This past meeting seemed to use the correct venue for what was planned.



Belco asked Council members to consider the next theme for the fall. He asked Council members to pull their local boards and to bring back potential topics to the May or June Council meeting. Emans noted her board does not meet until late May, and the Council agreed this item would be a June discussion topic.

D. Council Member Attendance Protocol

Chair Belco introduced the process by which the AGC would address attendance issues, and asked Grimski to overview his cover memo to the Council.

Grimski stated in discussing this item we really do not have an historic attendance problem at Council meetings, but in case we did, the purpose of the item was to clarify board protocol in this regard. Grimski recommended a three tier approach for Council consideration:

- 1) The Council first treat any poor attendance issue informally. That is, staff would bring to the attention an issue where a Council member was not in compliance with the Charter, and to then request Belco to first approach the Council member to assess/clarify the matter.
- 2) Should the attendance not improve, Belco would discuss the matter with the CMH CEO and Board Chair, to see if the matter could be improved with local discussion.
- 3) Should the matter not be improved, then the Chair would request the local CMH Board to appoint another representative who could fulfill the duties of the Council member and the Charter's required attendance.

Belco asked the Council to consider this three-tier approach, and if we concur we will approve it our May meeting.

VIII. Action Items:

A. SMA Values

Chairman Belco introduced the Mission, Vision, and Values Statement. J. Patton recommended the Mission Vision Values be approved with the proviso that the word changes be included as discussed today (i.e. removal of the 'preferred status.' Seconded by Dale Lowe. **Motion Carried.**

B. SMA Strategic Plan

Chairman Belco introduced The Strategic Plan for Board approval. Marianne Huff moved the Strategic Plan be approved as presented. Seconded by Peggy Malnight. **Motion Carried.**

C. MDCH Block Grant Submission

Chairman Belco asked the Council for their approval to move forward with the MDCH Block Grant. Motion made by Veronica Atkins, Second by Barb Parker. **Motion Carried.**



- D. FY 2011 Budget:**
Belco introduced the FY 11 Budget to be approved by the Board. Motion made by Liz O'Dell, Second by Pauline Washington. **Motion Carried.**
- E. Receipt of Financial Audit and Compliance Audit reports**
Chair Belco asked for a motion for the receiving and the filing of the Audit reports. Motion made by Kathy Emans and Second by Liz O'Dell. **Motion Carried.**

IX. Other Business to Properly Come before the Council

Emans announced that Woodlands was hosting a Mental Health Breakfast for Cass County on May 9th, 2011 at the ELKs lodge in Dowagiac. She passed out flyers in this regard and invited all Council members to attend.

Patton announced that the SMA was hosting a regional consumer breakfast meeting at the Radisson Plaza hotel on May 6th, and that all Council members and CMHs were invited. He was hoping for a consumer turnout for this region-wide event.

Huff reminded the Council that Allegan CMH was hosting the Governance Council on May 19th, and she would provide maps as part of the mail-out packet for PIHP staff to use.

X. Adjournment

12:15 pm "Motion to Adjourn" was made by D. Lowe, Second by Emans. **Motion Carried.**

Respectfully Submitted,

Gwen A. J. Jordan
Office Manager
PIHP