NORTHCARE NETWORK GOVERNING BOARD

William Davie, Rudolph Kemppainen, Colleen Kichak, Michael Koskinen, Daniel LaFoille, David McRae, James Moore, Doug Morton, Mari Negro, Karen Raether, Patrick Rozich, Dr. John Shoberg, James Tervo, Stephen Thomas, Dr. Michael Zevitz

NORTHCARE NETWORK MISSION STATEMENT

NorthCare Network ensures that every Medicaid and ABW recipient receives quality specialty mental health and substance abuse services and supports through responsible management of regional resources.

NORTHCARE NETWORK GOVERNING BOARD MEETING MINUTES

Defant Building Room 238
200 West Spring Street
Marquette, MI 49855
Video Connection–None (technical issues caused everyone to phone in)

September 10, 2014
12:00 p.m. EST

Present On-Site – William Davie, Rudolph Kemppainen, Daniel LaFoille, James Moore, Doug Morton, Karen Raether, Dr. John Shoberg

Present via Phone –Colleen Kichak, Mari Negro, David McRae, Patrick Rozich, James Tervo, Stephen Thomas, Dr. Michael Zevitz

Not Present – Michael Koskinen

NorthCare Staff/Guests –William Slavin, Leslie Luke, Judi Brugman, Diane Bennett, Deb Davis, Jill Holt
Copper Staff/Guests –Vicki Mikkola
Gogebic Staff/Guests – Julie Hautala
Hiawatha Staff/Guests –
Northpointe Staff/Guests – Karen Thekan
Pathways Staff/Guests –Mary Swift, D. Kemppainen

CALL TO ORDER AND ROLL CALL

Chairperson Raether called the meeting to order at 12:15 pm. Roll call was taken by Jill Holt, Administrative/Executive Assistant, a quorum was present.

ADOPTION OF AGENDA

MOTION/SECOND/CARRIED **TO APPROVE THE AGENDA AS WRITTEN**

B. Davie/Dr. Shoberg

APPROVAL OF PREVIOUS MEETING MINUTES

MOTION/SECOND/CARRIED **TO APPROVE THE AUGUST 13, 2014 MINUTES AS WRITTEN**

R. Kemppainen/S. Thomas

PUBLIC COMMENT

None

BOARD CHAIRPERSON REPORT

Chairperson Raether summarized last week's Great Lakes Regional Mental Health Association's Conference (GLRMHA). She reported that Dennis Smith from UPHP presented on their role in the duals project and that Dr. Jan and Dr. Joe Cools spoke about psychiatric diagnoses. The UP UPSET team spoke about drugs and how they pertain to mental health. Karen was pleased to announce that the group provided a donation to the UPSET program. On August 28th, she attended the PIHP Board Chair meeting via phone. While regions 7 and 8 had no representatives, the regions in attendance seemed to be more on track than at past meetings. They will meet again at the Fall Conference which is scheduled for October 27th and 28th.

CEO REPORT

NorthCare CEO Slavin reviewed highlights from the September CEO Report. He stated that no more revisions are anticipated for the FY15 PIHP/MDCH contract and that signatures are due on September 12th. He reminded the group about the Duals Public Hearing scheduled for September 11th at the NMU Bottum Center and encouraged everyone to attend. He also explained that the ICO/PIHP contract between UPHP and NorthCare needs to be signed today. On August 19th, four agents from the Office of Health Services Inspector General visited NorthCare. The purpose of the visit was to become acquainted with NorthCare and to secure claims data including rendering provider information for review. Data will also be used to establish baselines among peer groups in the regions to establish norms and assist with the identification of outliers by regions. The Medicaid rate setting workgroup met on August 29th. MDCH staff and actuarial staff from Milliman and Associates presented the methodology they have chosen to establish the rates. Their methodology for establishing rates uses trending data from FY12 and FY13, age, gender and geographic factors with an increased emphasis on morbidity mix. A significant issue for our region is the cap on HAB Waiver rates at 15% above state average. This will result in a decrease for us as our costs have traditionally trended higher. We continue to express concern about geographic variances but the MDCH was clear the rates have been set. We received three proposals for the NorthCare Network financial audit and compliance audits for NorthCare Network and the five CMH's. The proposals were independently evaluated considering cost, CMH and governmental audit experience, and organization attributes. It is the recommendation of the Audit RFP committee to go with Dennis, Gartland and Niergarth from Traverse City. The NorthCare site review team completed the last site review for this year on August 27th at Pathways. Reports have been distributed to the other four boards with corrective action plans due back to NorthCare within 30 days. NorthCare plans to work with North Country in completing inpatient provider reviews at War Memorial and MGH.

MOTION/SECOND/CARRIED **TO ACCEPT THE SEPTEMBER 2014, CEO REPORT**

J. Moore/Dr. Shoberg

FINANCE REPORT

CFO Luke presented the July monthly financial documents. There was discussion concerning Pathways continually going over budget and what they have projected for FY15. Allocation issues were also addressed.

a. **Check Register - $595,071.13**

MOTION/SECOND/CARRIED **TO ACCEPT THE WRITTEN FINANCIAL REPORT**

S. Thomas/Dr. Shoberg

MOTION/SECOND/CARRIED **TO ACCEPT THE $595,071.13 CHECK REGISTER**

Dr. Shoberg/B. Davie

b. FY14 Budget – Revision

The revenue budget needed to be changed to reflect NorthCare alone.

MOTION/SECOND/CARRIED **TO ACCEPT THE FY14 BUDGET REVISION AS PRESENTED**

R. Kemppainen/J. Moore

c. FY15 Budget

CFO Luke walked through the projected budget and stressed that the Milliman rates have not yet been certified and that the budget does not include dual eligibles. She answered questions regarding the funds for dues, benefit packages and salaries. There was discussion regarding the proposed 3% raise for NorthCare employees. Several boards voiced concerns about NorthCare employees receiving raises while the rest of the region can't offer their employees an increase. Leslie explained that approving the budget would not guarantee a raise but rather that this was a placeholder item so that the issue could be discussed. She went on to explain that NorthCare employees are still leased from Pathways so any raises would need approval from the Pathways board until January 1, 2015.

MOTION/SECOND/CARRIED **TO ACCEPT THE FY15 PROJECTED BUDGET AS PRESENTED**

J. Moore/B. Davie

d. Approval of Auditor

MOTION/SECOND/CARRIED **TO ACCEPT THE APPROVAL OF THE AUDITOR DENNIS, GARTLAND and NIERGARTH AS PRESENTED**

S. Thomas/J. Moore

It is noted that Dr. Zevitz exited the meeting at 1:30 pm.

OTHER BUSINESS

a. **Contract Grids**

It is requested that information on how many times we used Pine Rest/St. Mary's last year be provided as well as all of the other items on the contract grids.

MOTION/SECOND/CARRIED **TO APPROVE THE PINE REST/ST. MARY'S CONTRACT AS PRESENTED**

D. LaFoille/Dr. Shoberg

MOTION/SECOND/CARRIED **TO APPROVE THE PINE REST/ST. MARY'S CONTRACT ON THE DATE NEEDED FOR THE EVERGREEN CLAUSE**

J. Moore/Dr. Shoberg

MOTION/SECOND/CARRIED **TO ALLOW W. SLAVIN TO SIGN THE PIHP CONTRACT AGREEMENT WITH MDCH**

Dr. Shoberg/J. Moore

It is noted that the contract grid should reflect an effective date of September 10, 2014 for the ICO/PIHP contract with services to begin January 1, 2015.

MOTION/SECOND/CARRIED **TO ALLOW W. SLAVIN TO SIGN THE ICO/PIHP CONTRACT AS PRESENTED**

Dr. Shoberg/J. Moore

MOTION/SECOND/CARRIED **TO APPROVE THE SUD CONTRACT GRIDS AS PRESENTED**

R. Kemppainen/J. Moore
(D. Morton - abstention)

b. **Annual Credentialing Report** – L. Wilcox
c. Board Training – Substance Use Disorder (SUD) – J. Brugman
d. Informational – Updated NorthCare Mission Statement, Vision and Values
e. Informational – Letter to Liz Knisely Dated 8.19.14
f. Informational – Brad Casemore Email Dated 8.19.14
g. Informational – WUPSAS Memo Dated 8.21.14

MOTION/SECOND/CARRIED **TO APPROVE THE ANNUAL CREDENTIALING REPORT AS PRESENTED**

Dr. Shoberg/J. Moore

MOTION/SECOND/CARRIED **TO ACCEPT ITEMS D-G AND PLACE THEM ON FILE**

S. Thomas/J. Moore

BOARD MEMBER COMMENT

None

PUBLIC COMMENT

None

FUTURE AGENDA ITEMS

a. Board Education for October – Provider Network Services
b. Board Structure

MEETING SCHEDULE

Second Wednesday of Each Month. Next Meeting – October 8, 2014

ADJOURNMENT

K. Raether declared the meeting adjourned at 2:43 pm.

Recorded By: Jill Holt, NorthCare Network Administrative/Executive Assistant