

NORTHCARE NETWORK GOVERNING BOARD

George Botbyl, William Davie, Rudolph Kempainen, Michael Koskinen, Daniel LaFoilie, David McRae, Mari Negro, John Nelson, Patrick Rozich, Margaret Rayner (alternate), Dr. John Shoberg, Dan Siirila, James Tervo, Stephen Thomas, Dr. Michael Zevitz

NORTHCARE NETWORK MISSION STATEMENT

NorthCare Network ensures that every eligible recipient receives quality specialty mental health and substance use disorder services and supports through the responsible management of regional resources

NORTHCARE NETWORK GOVERNING BOARD MEETING MINUTES

Defant Building

NorthCare Network Board Room 274

200 West Spring Street

Marquette, MI 49855

Video Connection – Cooper Country, Gogebic, NorthPointe

April 22, 2015

12:00 p.m. EST

Present On-Site: G. Botbyl, W. Davie, R. Kempainen, D. LaFoilie, Dr. Shoberg
Present via VTC: P. Rozich, J. Tervo, D. McRae, M. Rayner (alternate), S. Thomas, M. Negro, J. Nelson
Not Present : M. Koskinen, D. Siirila, Dr. Zevitz
NorthCare Staff/Guests: W. Slavin, S. Lambert, J. Holt, D. Davis, J. Brugman, D. Bennett, S. Miller, L. Luke
D. Kempainen, T. Edwards
Copper Staff/Guests: V. Mikkola
Gogebic Staff/Guests: L. Lavoisier
Hiawatha Staff/Guests:
Northpointe Staff/Guests:
Pathways Staff/Guests: D. Mercier, J. Blemburg

CALL TO ORDER AND ROLL CALL

William Davie, Secretary, called the meeting to order at 12:00 pm. Roll call was taken by Sandra Lambert, NorthCare Network Assistant to the CEO, a quorum was present. Those in attendance stood for the Pledge of Allegiance.

ADOPTION OF AGENDA/APPROVAL OF MINUTES

No additions to Agenda

Motion made by D. LaFoilie to approve agenda as presented. Support by Dr. Shoberg

Vote- all in favor, motion carried

S. Lambert noted that M. Negro and Dr. Zevitz were in attendance at March meeting via VTC and March 11, 2015 minutes needed to be amended to reflect this.

Motion made by S. Thomas to approve the March 11, 2015 minutes as amended. Support by Dr. Shoberg

Vote – all in favor, motion carried

ELECTION OF OFFICERS

Chairperson

W. Davie opened the floor for nominations. D. LaFoilie was nominated by Dr. Shoberg. No other nominations were offered.

Motion was made by R. Kemppainen to close nominations with unanimous approval. Support by Dr. Shoberg

Vote- all in favor, motion carried.

D. LaFoilie was elected as chairperson.

At this time, W. Davie passed the gavel to new chairperson, Dan LaFoilie to continue running the meeting.

Vice-Chairperson

Chairman LaFoilie opened the floor for nominations. J. Nelson was nominated by M. Negro. W. Davie was nominated by J. Tervo.

Motion was made by Dr. Shoberg to close nominations. Support by W. Davie

Motion carried. Chairman LaFoilie requested a Roll Call Vote

Roll Call Vote Results:

Davie – 7 votes (G. Botbyl, W. Davie, R. Kemppainen, D. LaFoilie, P. Rozich, Dr. Shoberg, J. Tervo)

Nelson – 5 votes (D. McRae, M. Negro, J. Nelson, S. Thomas, M. Rayner)

W. Davie was elected as vice-chairperson.

Secretary

Chairman LaFoilie opened the floor for nominations. J. Nelson was nominated by W. Davie. J. Nelson declined. Dr. Shoberg was nominated by W. Davie. Dr. Shoberg declined. G. Botbyl was nominated by W. Davie. G. Botbyl asked for clarification of secretary duties and accepted nomination.

Motion made by Dr. Shoberg to close nominations with unanimous approval. Support by J. Nelson

Vote – all in favor, motion carried.

G. Botbyl was elected as secretary.

PUBLIC COMMENT

None

CEO REPORT

NorthCare Network CEO Slavin reviewed highlights from the April CEO Report. At the MDCH/PIHP director's meeting in Okemos last month discussion was held on the mandated timeline for the BH-TEDS project. CEO Slavin gave the most recent update that a compromise was worked out and ultimately we can start the process by October 1 and be in full compliance by the following October 1 with no penalties and no discount of encountered data in the meantime. We took the position we would prefer to have these things negotiated during contract negotiation process but given the urgency and pressure the department felt from Substance Abuse and Mental Health Services Administration in Washington, we agreed to this compromise to move forward.

As of April 10, there is no longer a MDCH anymore. The merger went into effect and we are now part of the Michigan Department of Health and Human Services. Department will be on site most of August to do site review.

Previously brought to the board's attention, was the issue of significant reduction in Medicaid funding that was tied to the decrease in enrollment in Medicaid especially on the side of Temporary Aid to Needy Families. We have been in the process of finding out why that occurred with Milliman and MDCH. Ultimately what we found and this is a direct quote from the department, "we believe the redetermination process after pausing for six months from February to August, 2104 caused a large number of beneficiaries to lose eligibility temporarily resulting in lower PIHP capitation payments." They are going to make a one-time adjustment to our funding for the first quarter of this year.

Regional meeting with Actuary took place in March and the big issue is looking at cost accountability. The department is still very interested in setting standardized costs. Actuaries met with all the PIHP's individually and looked at variances in inpatient costs as they have to do with contracts, rates of reimbursements and people with co-insurance. More important is variances in community living support, personal care and skill building services and costs, the unit per person served and the cost associated with that. In our UM and Finance departments, we are aggressively looking at variances within our affiliations to look for reductions there or understand why there would be variances.

CEO Slavin wanted to bring to the boards attention that on the agenda the proposed by-law changes is not an action item but an informational item. At the main Board Association meeting in May, they will vote on whether to include PIHP's as part of the association. We have been assessed our fee for participation to date and rather than have that based on population like they assign the dues to the CMH's, they are talking about dividing the actual fee among the PIHP's.

Quality Improvement Performance Indicators for first quarter, NorthCare as a PIHP was an outlier in four areas as we didn't meet some of the standards and that is based on the combined performance of our affiliates. We are taking aggressive action to resolve those things. This may represent a bigger issue of the strain on the public system when you have had reduction in GF funding and Medicaid funding but the demand hasn't gone down.

Motion made by S. Thomas to accept the April, 2015 CEO Report as presented. Support by Dr. Shoberg

At this time, CEO Slavin requested the floor from Chairman LaFoilie to take a moment and award a certificate of appreciation to Jill Holt as she has moved to a different position within NorthCare and thanked her for her time with the Governing Board. He introduced Sandra Lambert, who has been hired as Administrative Assistant to the CEO.

Chairman LaFoilie also at this time welcomed our new board members, George Botbyl, John Nelson, Dan Siirila and Margaret Rayner (alternate).

In regards to the motion, Chairman LaFoilie called for the vote.

Vote – all in favor, motion carried.

FINANCE REPORT

CFO Luke out of respect for time and the audit report, asked if there were any questions of the written financial report instead of going thru it line by line.

Motion made by Dr. Shoberg to accept the written financial report as presented. Support by R. Kempainen.

Vote – all in favor, motion carried.

a. Check Register - \$620,926.69

Motion made by J. Thomas to accept the check register as presented. Support by Dr. Shoberg.

CFO Luke pointed out that B. Davie did ask about the \$80,000 payment to UPHP and that was part of our IT block grant.

Vote – all in favor, motion carried.

b. Audit Report Presentation

Trina Edwards from Dennis, Gartland & Niergarth presented the audit report. This is a partial year from January 1, 2014 to September 30, 2014 because NorthCare began on January 1. She pointed out that these financial statements are the responsibility of management and her responsibility as auditor is to issue an opinion on the financial statements. They did issue what they call a “clean opinion” and found that everything was fairly presented in accordance with general accepted accounting standards. That is the highest level of assurance given by auditors.

Board discussion was held about our investments and types we currently have. CFO Luke addressed that the ISF fund was the transfer from Pathways and it stayed in the same formation, in the same type of fund. Each of those funds are in an interest ladder making a lower amount but as it matures long term and the interest gets higher as it goes. Once the interest rate gets to where it needs to be, we will be pulling them out. It is not financially sound to take them all out now.

Question brought up about concerns for retirement cost. CFO Luke addressed this that as of January 1st, NorthCare became our own employer of record and have our own retirement benefit package that is a percentage, we do not have any retiree health insurance or defined benefit plan.

A letter was issued from the auditor as they have to perform the audit by governmental audit standards which are required by MDCH. It requires the auditor to look at internal controls which is our policies and procedures over financial recording as well as general compliance with laws and regulations.

Because of the small size of the business financial staff, we don't have a complete segregation among the employees that have access to the assets, performing accounting and reconciliation on those assets. Auditor is required to tell us about this weakness in our internal control. Auditor is not recommending we hire additional staff as it is not cost effective or worth the benefit just to create a segregation of duties. Audit itself did go very well and T. Edwards feels CFO Luke was very diligent and the quality of her work is excellent.

Board discussion on whether a board treasurer would be beneficial to alleviate this weakness. Auditor's comment is it could potentially help but that person would need to be willing to review journal entries, bank reconciliation, bank statements. Auditor's concern is that a board member may not have the time or understand what they would even be looking at to catch an error and isn't sure that adding a treasurer position would even eliminate this item from the audit. Other ideas discussed were having the CEO or someone sign off on the ledger. Chairman LaFoille recommended to have CEO Slavin and CFO Luke speak more with the auditor to see if a solution could be found to alleviate the internal control weakness.

Auditor thanked NorthCare Network staff for assistance with the audit and commended NorthCare on our excellent record keeping system.

Motion made by Dr. Shoberg to accept the audit report as presented. Support by R. Kempainen.

Vote – all in favor, motion carried.

c. W. Davie Resolution

W. Davie referenced page 25 of the board packet to discuss his resolution. He is asking for NorthCare to pay for expenses and per diem for those who do represent the Upper Peninsula at the Association (MACMHB) in the committee meetings and executive board meetings.

Discussion was held on whether to have the home board (CMH's) pay the fees and seek reimbursement from NorthCare or to split the \$5,000 grant amongst the 5 CMH's. Chairperson LaFoilie asked for CEO Slavin or CFO Luke recommendations.

CEO Slavin read the statement from Mr. Vizona of MACMHB to the intent of the grant money. "MACMHB has budgeted \$5,000 to the UP Boards to facilitate participation in MACMHB related activities. The UP CMHSP and PIHP boards are responsible for decisions as to how those funds are used. In addition, travel expenses for participation in EB and Steering Committee meetings for UP Officers and Standing Committee co-chairs is reimbursed by MACMHB. There are not additional revenue sources through MACMHB to finance UP Board travel funds. "

CFO Luke stated it was the recommendation of the finance committee that we would give \$1,000 to each of the boards (CMH's) to reimburse for MACMHB travel. This board (NorthCare Networking Board) made a proposal that they would like to leave the money with NorthCare and then reimburse the CMH's on an individual basis. CFO Luke stated that if the board does not go with the finance committee recommendation and instead goes with keeping the \$5,000 within NorthCare, she recommends that the person go thru their CMH to submit the reimbursement and NorthCare would then reimburse the CMH.

Motion made by J. Nelson that each board receive \$1,000 from the \$5,000 and the expenditures be determined by each board. Support by M. Negro

Comment was held about how the money would be spent. Intent would be that the money is being used to reimburse for MACMHB travel and cost.

Chairman LaFoilie asked J. Nelson to repeat the motion. **J. Nelson stated the motion was that each entity (separate boards--Copper Country, Gogebic, Hiawatha, NorthPointe and Pathways) receive \$1,000 of the \$5,000 to be used for MACMHB conference and related activities only. And each board decides which members and who attends.**

Discussion continued that anyone can request from a CMH to attend a MACMHB event/meeting and be reimbursed thru the \$1,000. Question was raised that if a CMH does not spend all their \$1,000 or doesn't send anyone, what happens to the money. The discussion was that the motion is that a board would decide who to send. If another CMH wants to request money from another CMH they are free to do that.

Chairman LaFoilie asked for Roll Call Vote

Yes – G. Botbyl, R. Kemppainen, D. LaFoilie, P. Rozich, J. Tervo, D. McRae, S. Thomas, M. Negro, J. Nelson, M. Rayner

No – W. Davie, Dr. Shoberg

Vote – 10 Yes, 2 No, Motion carried.

OTHER BUSINESS

a. Policies

All eleven policies have been put together by our human resource coordinator in accordance with federal labor laws and/or OSHA standards. They have been reviewed by the NorthCare Policy Committee.

- i. Drug Free Workplace Act of 1988
- ii. Employee Assistance Services
- iii. Infection Control
- iv. Obtaining Full Licensure
- v. On-Call Status
- vi. Orientation of New Employees
- vii. Personnel Conduct
- viii. Progressive Discipline
- ix. Supervisor Expectations
- x. Unexpected Loss of a NorthCare Network Staff Member
- xi. Volunteers, Students and Interns (VSI)

Motion made by S. Thomas to approve all eleven policies as presented. Support by G. Botbyl
Vote – all in favor, motion carried.

b. Contract Grid

CFO Luke gave an over view of the DLP Marquette General Inpatient Contract and the War Memorial Hospital Inpatient/MI Health Link contract.

Motion made by Dr. Shoberg to approve the two contracts CFO Luke presented. Support by G. Botbyl
Vote –all in favor, motion carried.

J. Brugman, SA/CDR Supervisor, gave an overview of the following contracts: Baraga Co. Memorial Hospital SUD Treatment, Boys and Girls Club of Bay Mills SUD Prevention, Great Lakes Recovery Centers, Inc. SUD Treatment-Outpatient and Residential Contract, Great Lakes Recovery Centers, Inc. SUD Prevention Contract, Sacred Heart SUD Residential Contract, Great Lakes Recovery Centers, Inc. SUD Prevention-Communities that Care Coordinator contract.

Motion made by S. Thomas to approve the group of contracts J. Brugman presented.
Support by R. Kempainen
Vote – all in favor, motion carried.

Deb Davis, CIO, gave an overview on the PCE systems SUD module contract. This module would be a part of the current PCE system (ELMER). Discussion was held on the cost, there is a one-time implementation fee but then the monthly fee would actually be lower than current monthly fee. Advantages are single vendor contract, lower monthly cost, aligns with full integration of SUD, BH and Primary Health models.

Motion made by J. Tervo to approve the PCE contract as presented. Support by W. Davie
Vote – all in favor, motion carried

Deb Davis, CIO, gave an overview on the Care Management Technologies contract. Discussion held on the overall cost. There is potential for partial grant funding to offset the cost. Five current PIHP have a contract with this company. There would be 5 licenses for each CMH and at NorthCare. There is an out clause in the contract that after two years we could cancel.

**Motion made by W.Davie to approve the CMT contract as presented. Support by Dr. Shoberg
Vote –all in favor, motion carried**

c. Proposed By-Laws Changes

CEO Slavin reported that this is an informational item of the Board Association By-Law changes that are spelled out if they include PIHP's in the association. It will be approved at the spring conference.

d. MASACA

CEO Slavin gave a quick review that MASACA was a 501c3 and being absorbed into the PIHP's there was a fund balance. They want to turn it over with the understanding that it be used for substance abuse services in Michigan. In order to do this they had to revise their by-laws. In order to make this transfer of the 501c3 funds from MASACA to the PIHP's a board meeting has to be held, and in order to do that a written request is needed of not less than 25% of the 10 PIHP's and the board chairs had to request that. The meeting will be held May 6 in Okemos.

e. Board Training for Future Meeting

CEO Slavin briefly talked that board training has been set up around contracts and committees we operate at NorthCare. Two items that we did not get to the previous year is Credentialing and Clinical Quality Improvement and it was suggested to double these up in May and June with the regular training. Board agreed next month's training will be Financial Management and Credentialing. CEO Slavin opened it up to the board if there were any other ideas for training. Suggestion was made that at the SUD training, would like to see an assessment on how well we are doing on it in regards to life saving and family saving aspects. Look at the effectiveness of the program. Another suggestion was in regards to having providers do presentations, board felt that the fall conference in Houghton (Great Lakes Rural Mental Health) would be a better area for this.

f. March Informational Items:

- i. 2.3.15 Michael Vizena Memo RE: 2014 Annual Report
- ii. MDCH/MSP Map Overlay – Revised 2.12.15
- iii. Overview of OROSC and MSP Operating Procedures – Final v_02.12.15
- iv. SUD Policy Board Approved Local Funds

g. Informational – Tom Renwick Letter Dated 03.04.15 RE: Wraparound Enrollment

h. Informational – Tom Renwick Letter Dated 03.20.15 RE: Peer Run Drop-In Center

i. Informational – MI Supports Intensity Letter Dated 04.13.15

j. Informational – FY15 Quarter 1 PIHP Draft of Performance Indicator Report

We did not take action on the March information items last month as we did not have a quorum at this point. The other items (g. thru j.) are informational items for this month.

**Motion made by Dr. Shoberg to accept all the informational items for file. Support by W. Davie
Vote- all in favor, motion carried.**

BOARD MEMBER COMMENT

W. Davie shared a letter from Pathways highlighting a success story about one of our autism children that has recently aged out of the State Autism Benefit at age 6 to show what is going well. The child started at age 4 and was placed at the severe range of autism. With significant progress this young man made since starting the program, this young man no longer falls in the autism spectrum. He will be mainstreamed into a regular classroom this fall.

S. Thomas questioned why there is so much paperwork to fill out. Chairman LaFoilie understood and out of respect to NorthCare, didn't think it was being done unnecessarily.

W. Davie asked in the future for more explanation on the ability to now connect via a pc/tablet/android.

S. Thomas question about the PIHPs becoming part of the board association and what the advantage would be. Chairman LaFoilie referred this to CEO Slavin. The advantage is as PIHP we are managers of populations and managers of budgeters, we are not providers. We don't have an organization where we get together to share those issues and the board association has offered that up as an opportunity.

J. Nelson requested that we stick to the agenda. The comment area is for comments, not for discussion. He would like to see board members review the financial packets and send direct questions to the CFO but that the response be sent to the entire board.

G. Botbyl asked if the board packets could be emailed and that each board member should print it out themselves. It was clarified that the packet is also emailed.

PUBLIC COMMENT

None

FUTURE AGENDA ITEMS

- a. NorthCare Network Mission Statement

CEO Slavin clarified that this item that has been carried for several months as people had wanted to revisit the statement, NorthCare is ready to review when the board is.

MEETING SCHEDULE

Second Wednesday of Each Month. Next Meeting – May 13, 2015

ADJOURNMENT

Motion made by S. Thomas to adjourn the meeting. Support by W. Davie

Vote- all in favor, motion carried.

D. LaFoilie declared the meeting adjourned at 2:04 pm.

Recorded By: Sandra Lambert, NorthCare Network Administrative Assistant to the CEO