

**Board Meeting Minutes**  
**September 09, 2016**  
**9:00am-11:00 am**  
**Kalamazoo Valley Groves Center-Room B1100**  
**7107 Elm Valley Dr. Oshtemo, MI 49009**

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**Members Present:** Tom Schmelzer -- Vice President/Acting Chair, Robert Wagel, Edward Meny, Susan Barnes, Robert Nelson, Moses Walker

**Absent:** Kathy-Sue Dunn, Barbara Parker

**Guests:** Bradley Casemore, Executive Officer-SWMBH; Tracy Dawson, Chief Financial Officer-SWMBH; Mila Todd, Chief Compliance Officer-SWMBH; Jonathan Gardner, Director of QAPI; Robert Schleichert, Chief Information Officer-SWMBH; Mary Ann Bush, Senior Operations Specialist-SWMBH; Michelle Jorgboyan, Senior Operations Specialist-SWMBH; Susan Germann-Pines Behavioral Health; Jeannie Goodrich—Summit Pointe; Ric Compton—Riverwood; Alternate; Kathy Emans—Woodlands; Debbie Hess—Van Buren CMH; Jan McLean—Barry County CMH; Jeff Patton—Kalamazoo CMH; Liz O’Dell – St. Joe County CMH; Scott Schrum, CEO – Residential Opportunities, Inc.; Mike Kenney—NAMI of Kalamazoo; visitors from the Public and CMHs.

**Welcome and Public Comment**

Tom Schmelzer called the meeting to order at 9:03 am.

**Agenda Review and Adoption**

Motion Robert Wagel moved to approve the Agenda.  
Second Ed Meny  
Motion Carried

**Recess Board Meeting**

Motion Ed Meny moved to recess the Board meeting to hold the Fiscal Year 2017 Budget Public Hearing.  
Second Robert Nelson  
Motion Carried

## **Fiscal Year 2017 Budget Public Hearing**

Tracy Dawson presented on the FY2017 SWMBH Projected Budget. The budget is a compilation of the budgets from the 8 CMHSPs and SWMBH. Changes are still to be addressed as the State continues to update their information. Financial officers are working together to document needs and requirements. The strategic goals for the budget are established for the year. Auditors have been asked if there is a potential to set aside funds from 2016 Budget for future projects thereby avoiding the return of dollars to the State. There is still an uncertainty of moving to the 1115 waiver. That major variable has not been built into the budget, as details are uncertain.

Questions from the Board Members and answers provided by Brad Casemore and Tracy Dawson of SWMBH ensued. Budget topics discussed included direct care wages, cost allocation shortage, funds for MIS/MCIS, trending after first quarter, eligibles, enrollees, trending history, Healthy Michigan, Autism, capitation, services provided, and penetration rate.

Scott Schrum of ROI addressed the Board regarding the growing concern of direct care wages and retention of direct care staff. Tom Schmelzer commented that Scott's concerns are well received and that the Board recognizes the issue at hand. Providers are under the line items of the CMHs and each CMH budget reflects the need.

The Board requested a current and historic penetration rate report and a breakout report of the professional services contracts for SWMBH October Board meeting.

Brad responded to the question of whether the State has graded our performance. Currently, HSAG the EQRO that reviews our performance measures and validations annually provide us with evaluations including information regarding our standing within the other State Regions.

## **Reconvene Board Meeting**

Motion Robert Wagel moved to reconvene the Board Meeting.  
Second Ed Meny  
Motion Carried

## **Consent Agenda**

### **August 12, 2016 SWMBH Board Meeting Minutes**

Motion Moses Walker moved to approve the Consent Agenda.  
Second Susan Barnes  
Motion Carried

## **Operations Committee**

### **Operations Committee Report**

Debbie Hess reported that the next written report will be provided in October and there is nothing to report verbally.

### **Operations Committee Minutes 7/27/16**

Accepted as documented.

## **Ends Metrics**

### **Health Services Advisory Group (HSAG) Performance Measure Validation and Ends Metrics**

Jonathan presented as documented and requested that the Board accept the report as relevant and compelling and that the Executive Officer is in compliance.

Motion Robert Wagel moved that the Health Services Advisory Group (HSAG) Performance Measure Validation and Ends Metrics are relevant and compelling, the Executive Officer is in compliance, and there is no need of revision.

Second Ed Meny

Motion Carried

### **Updated Ends Metrics**

Jonathan reported that we have several ends metrics pending as we are nearing the end of the Fiscal Year. The months of September, October, November and December will have several completed and brought to the Board for review.

## **Board Action to be Considered**

### **Fiscal Year 2017 Budget**

Motion Robert Wagel moved to approve the Fiscal Year 2017 (October 1, 2016 – September 30, 2017) Budget, Page 1, Column H.

Second Moses Walker

Motion Carried

### **Fiscal Year 2017 Budget Administrative Loss Ratio**

Motion Susan Barnes moved to approve the Fiscal Year end Regional Administrative Loss Ratio (ALR) on Page 2, <Cell J 49>, not to exceed 10% for Medicaid Specialty Supports and Services contract.

Second Robert Nelson

Motion Carried

### **Fiscal Year 2016 Employer Contribution to Retirement**

Brad reported that he is proposing an employer contribution to employee retirement plans in the amount of 7% of base salary, for a total of \$234,000. This applies to all staff except the Executive Officer. Contributions will be pro-rata to months worked in fiscal year 2016 (October 2015 – September 2016). The SWMBH Budget has the financial availability. The primary purposes are to acknowledge staff contributions and enhance employee financial security in uncertain times. This contribution is subject to the vesting schedule. The retirement plan has been discussed with Counsel and is acceptable under the current Plan documents. This action creates no precedence and no assurance for any future employer contributions to retirement plans.

Motion Moses Walker move to accept the one-time 7% employer contribution to SWMBH staff's retirement plan for the Fiscal Year 2016.

Second Robert Wagel

Motion Carried

### **Boards Policy Review**

#### **BEL-009 Global Executive Constraints**

Motion Moses Walker moved that the Executive Officer is in compliance with this policy and no revisions are needed.

Second Susan Barnes

Motion Carried

### **Executive Limitations Review**

#### **EO-003 Emergency Executive Officer Succession**

Brad Casemore reported to the Board that Tracy Dawson would be the Emergency Executive Officer Succession.

Motion Ed Meny moved to accept Tracy Dawson, CFO as the Emergency Executive Officer with the Executive Officers plans for succession planning due at the November 11, 2016 SWMBH Board meeting.

Second Robert Nelson

Discussion Tracy was asked if she felt comfortable accepting the assignment and would be able to work with the SWMBH Board. Additional discussion included who would replace the Chief Financial Officer while Tracy was assuming the position of the Executive Officer. The Board would like Brad to name an additional emergency succession candidate and, by the November SWMBH Board meeting, provide options for covering the CFO role in the event of Tracy assuming the Interim CEO position.

Motion Carried

Motion Robert Wagel moved that the Executive Officer was in Compliance with EO-003, Emergency Executive Officer Succession Policy at this time as the Board was granting an extension to the Executive Officer until the November 11, 2016 SWMBH Board meeting to identify a second person.

Second Susan Barnes

Motion Carried

Note: Vote had 6 Yes votes with 1 No vote.

Motion Carried

## **Board Education**

### **Information Systems-Information Technology**

**LOCUS** – Bob reported. The State is requiring a 10/1/16 start date for submission. All 9 entities are included in one contract. LOCUS negotiations were completed this morning and resulted in a savings of \$150,000.

**Encounters** – Current status is 98.9%

**BH TEDS** – Progress is being made on the reduction of errors

**New System Integration** – Berrien County/Riverwood is switching to PCE effective 10/1/16. SWMBH, Riverwood and PCE are working on the process.

### **Consolidated Fiscal Year 2016 Year to Date Financial Statements**

Tracy reported as documented.

### **Compliance Role and Function**

Mila reported as documented regarding the Board Oversight of the Compliance Program. Conflict of Interest/Financial Interest Disclosure forms will be submitted to members of the Boards and Operations Committee in September.

### **Strategic Imperatives**

Brad reported that the document is comprised of information reviewed and generated at the SWMBH 2016 Board Retreat.

## **Communication and Counsel to the Board**

### **MASACA (MCHE) Report**

Brad reported that currently 5 other Regions have approved the proposed revisions to the Bylaws. MASACA is now comprised of all 10 Regions as Mid-State Health Network Board approved membership. Discussion included how to use the MASACA Board in the future.

Currently the group has joined to utilize Health Management Associates, Inc., tool for new Medicaid Managed Care regulations, saving \$45,000 by this joint purchase.

**Board *Ad Hoc* Conflict of Interest Committee Update**

Mila reported that the first meeting will be September 13, 2016. They will be taking the charge of the Board and reporting back as to their recommendations.

**Public Comment**

Tom Schmelzer asked for a moment of silence in honor of the victims and survivors of 9/11.

Congratulations were offered to Robert Wagel on his 52 year wedding anniversary.

Robert Nelson announced that Barry County CMH is interviewing for the replacement of their CEO. Liz O'Dell introduced their new SWMBH Board Alternate, Matie James.

**Adjourn**

Motion Robert Wagel moved to adjourn at 11:15

Second Robert Nelson

Motion Carried