

Region 10
Genesee • Lapeer • Sanilac • St. Clair Counties

GROUP MEETING: Region 10 PIHP Board
PLACE: St. Clair CMH
3111 Electric Ave., Port Huron, MI
Date: July 15, 2022
TIME: 9:00 a.m.
PRESIDING: Lori Curtiss, Chairperson

PRESENT: Ron Barnard, Lori Curtiss, Dr. Niketa Dani (attended remotely), Joyce Johnson, Gary Jones, Bob Kozfkay, Ken Lemons, Elva Mills, Chad Polmanteer, Edwin Priemer, Wayne Strandberg, Nancy Thomson

ABSENT: Kathryn Boles, DeElla Johnson, Bobbie Umbreit

ALSO PRESENT: *Region 10 PIHP Staff:* Jim Johnson, Chief Executive Officer; Kelly VanWormer, Chief Operations Officer; Richard Carpenter, Chief Financial Officer; Kristen Potthoff, Chief Compliance Officer; Lauren Bondy, Quality Manager; Robin Kalbfleisch, Recording Secretary

CMH Staff: Wil Morris, Sanilac County CMH; Dan Russell, GHS

GUESTS: Jason Kelly, BDO

I. CALL TO ORDER

The meeting was called to order at 9:00 a.m. by Chairperson Curtiss.

II. CITIZENS WISHING TO ADDRESS THE BOARD

None

III. AGENDA CHANGES (*Action*)

It was moved by Ms. Joyce Johnson, seconded by Ms. Mills, to approve the meeting agenda as presented. **MOTION CARRIED**

IV. APPROVAL OF PREVIOUS MEETING MINUTES

It was moved by Ms. Thomson, seconded by Mr. Strandberg, to approve the June 17, 2022, meeting minutes as presented. **MOTION CARRIED**

V. PRESENTATION: FY2021 AUDIT AND COMPLIANCE EXAM

Mr. Carpenter introduced Mr. Jason Kelly of BDO who presented the Audit Wrap-Up for FY 2021 and reported that the status of the audit of the financial statements and the Single Audit was an unmodified, or clean opinion, which means there were no issues or findings. Mr. Kelly reviewed the financial highlights within the report.

VI. FINANCE

A. FY2022 Budget

1. Monthly Finance Report – May 2022 (*Action*)

Mr. Carpenter presented the report for May and reported that eligibility is trending up month over month, which is expected. Revenue has increased due to the Direct Care Wage increase and will continue through September. Traditional Medicaid has a surplus of about \$13 million, and Healthy Michigan has a surplus of about \$5.7 million. St. Clair CMH expense amounts continue to be estimates due to the CCBHC reporting requirements. In the future, there will be a line item related to CCBHC.

It was moved by Mr. Kozfkay, seconded by Ms. Mills, to approve the Monthly Finance Report for May 2022 as presented. **MOTION CARRIED**

At this point, introductions were made to Mr. Ken Lemons, the GHS Board representative who will be on the PIHP Board.

2. Monthly Payment Report – May 2022 (*Action*)

Mr. Carpenter presented the monthly payment report for May. He noted that the Hospital Rate Adjuster payments are on this report.

It was moved by Mr. Priemer, seconded by Ms. Joyce Johnson, to approve the Monthly Payment Report for May 2022 as presented. **MOTION CARRIED**

Mr. Carpenter noted that effective July 1st, MDHHS has added three new codes to SUD treatment services related to medication assisted treatment. Region 10 CFOs are currently discussing the new codes to come up with a standardized rate set. We will add the codes to the SUD max rate grid as soon as possible and bring to the Board meeting next month for approval.

B. Performance Based Incentive Payment (PBIP) Report

Mr. Carpenter presented a handout detailing the Performance Based Incentive Payment funds received and used since the program began in 2018. The handout also details how the PBIP funds will be used as a means for financing the new building. We cannot charge the purchase of the building or renovations to Medicaid, but we can charge the depreciation to Medicaid. Mr. Carpenter has included an example of this on the handout. It was noted that PBIP funds are withheld by the State and earned back when certain performance metrics are met. Mr. Carpenter stated that the balance of the PBIP funds will now be shown on page 7 of the monthly finance report.

VII. BUILDING UPDATE

Ms. VanWormer stated that architectural plans for the new building have been completed. All plans for interior finishes including the furniture have been finalized. Planning for telephones and other technology for the new building is currently underway.

A. Memo Regarding Generator and Electrical Switchgear / Action

Ms. VanWormer presented a memo detailing changes that are needed to the service to be able to install a generator. She is asking for approval to immediately contract for electrical contractor services for no more than \$400,000 for installation of the generator and the switchgear which was not in the original budget.

It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve a generator and switchgear for no more than \$400,000. **MOTION CARRIED**

B. Memo Regarding Furniture Order / Action

Ms. VanWormer presented a memo detailing the costs of the furniture for the new building. The original estimate for furniture in the original budget was \$605,000. Due to the changes related to the expansion of the Access Center, the current quote is for \$734,093.88. She is asking for approval for the furniture order for no more than \$735,000 with an order to be placed before the July 18th price increases take place. The furniture order, if placed now, would need to be shipped to us by October 15th and would be stored in a warehouse until ready to install. If needing to store the furniture, it would cost approximately \$3,000 per month. It was noted that the current furniture in use by Region 10 will be purchased by St. Clair CMH.

It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve the furniture order for up to \$735,000. There was discussion about approving the difference between the original budgeted amount and \$735,000, instead of the full \$735,000. Mr. Carpenter recommended approving the purchase for an amount up to \$735,000, rather than the difference between the original estimated cost and the updated amount, due to the way our purchasing policy is written. We could then qualify that this represents a \$130,000 increase over previously estimated costs.

It was moved by Ms. Thomson, supported by Mr. Barnard, to amend the motion on the floor to insert that we approve an increase to the original estimated furniture budget of \$605,000. If the motion is approved, the main motion would then read "It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve an increase to the original estimated furniture budget of \$605,000 to an amount of up to \$735,000." **MOTION TO AMEND WAS CARRIED** The main motion as amended was voted on. **MOTION CARRIED**

C. RFP for Construction Management Services / Action

Ms. VanWormer stated that a request for proposal has been developed for construction management services at the new building. The RFP is based on the American Institute of Architects Standardized Form of Agreement for Construction Management Services. Our planned timeline is as follows:

- July 18th - Post the RFP on the Region 10 website and distribute to potential vendors
- July 22nd - Deadline for questions
- August 5th - Deadline for vendor proposals.
- Week of August 8th - RFP Review Committee meets to review proposals and make recommendation.

- August 19th - Recommendation to PIHP Board for approval.
- Week of August 22nd – Begin construction management services.

Mr. Johnson noted that the construction management services will be paid out of Medicaid funds, not PBIP funds.

It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve the posting of a Request for Proposal (RFP) for construction management services for the Water Street building. **MOTION CARRIED**

X. CONTRACT MANAGEMENT

A. FY22 MDHHS / PIHP Contract Amendment Summary # 5 / Action

Presented by Ms. Potthoff who reviewed the summary showing language changes due to topics discussed at the ongoing MDHHS/PIHP contract negotiations meetings.

It was moved by Ms. Thomson, seconded by Mr. Jones, to approve the FY22 MDHHS / PIHP Contract Amendment Summary # 5 as presented. **MOTION CARRIED**

B. FY22 PIHP / CMH Contract Amendment Summary / Action

Presented by Ms. Potthoff who summarized the changes to the PIHP-GHS staffing lease agreement.

It was moved by Mr. Priemer, seconded by Mr. Kozfkay, to approve the FY22 PIHP / CMH Contract Amendment Summary as presented. **MOTION CARRIED**

C. PIHP Insurance Coverage Overview

Ms. Potthoff presented an overview of coverages currently in place for Region 10, including General Liability, Property & Crime, Data Breach & Privacy Liability, and Worker's Compensation.

D. FY22 Provider Stabilization Funding

Ms. Potthoff presented a report showing the provider stabilization payments made so far to providers. There is currently only one provider listed at this time: Sacred Heart for an amount of up to \$277,379.00.

IX. QUALITY IMPROVEMENT

A. FY2022 Recovery Self-Assessment (RSA) Survey Report / Action

Ms. Bondy presented the Recovery Self-Assessment (RSA) Survey Report for FY2022, which was administered in three different versions: Person in Recovery, Provider Staff, and Administrator / Manager. Each survey included questions which addressed six domains: Life Goals, Involvement, Diversity of Treatment, Choice, Individually Tailored Services, and Inviting Space. She summarized the results and recommendations. Ms. Bondy is asking for approval of this report and once approved, it will be posted on the Region 10 website and distributed to providers.

It was moved by Ms. Mills, seconded by Ms. Thomson, to approve the FY2022 Recovery Self-Assessment (RSA) Survey Report as presented. **MOTION CARRIED**

X. FY22 SEMI-ANNUAL GRIEVANCE & APPEAL REPORT / Action

Ms. Potthoff presented the semi-annual report of the Grievance and Appeal System, which provides Medicaid Enrollees a way to express complaints or concerns about their services and a way to dispute an Adverse Benefit Determination made by the service provider which may negatively affect their services. Total customer service inquiries for Q1 and Q2 totaled 68. Total grievances for Q1 and Q2 totaled 32. Total appeals totaled 15 in Q1 and Q2. There were 3 state fair hearings requested in Q1 and Q2. She reviewed the analysis and recommendations for the first two quarters of FY22.

It was moved by Ms. Mills, seconded by Ms. Thomson, to approve the FY22 Semi-Annual Grievance & Appeal Report as presented. **MOTION CARRIED**

XI. DIRECTOR'S REPORT

- Mr. Johnson reported that a state budget has been issued; highlights include a \$101 million line item for CCHBCs; \$61 million for Opioid Health Homes (OHH), a \$30 million increase from last year; local dollar phase out is in year 3 of 5; decrease of \$46.6 million for autism services from last year (he noted last year there was an increase of \$67.5 million); Families Against Narcotics (FAN) was awarded a one time amount of \$5 million; \$150,000 was awarded to Blue Water Recovery Outreach Center (BWROC); increase of 87 FTEs at the Hawthorne Center, a state hospital for children. There was nothing in the budget related to Senate bills 597 and 598 regarding system redesign.
- MDHHS is issuing a new policy regarding discharging patients from a state hospital when level of care is no longer deemed medically necessary, regardless of whether there is local placement ready for them or not. This could have implications in communities that have a state hospital within their boundaries.
- The rate setting process for FY 2023 is ongoing, and the state is trying to anticipate the enrollment for the next year. Mr. Carpenter has been attending the meetings.
- The Public Health Emergency is scheduled to end today, but the administration has committed to giving states a 60-day notice before ending it, so there will likely be a notice coming out today with an extension.

XII. ANY OTHER BUSINESS TO PROPERLY COME BEFORE THE BOARD

None

XIII. CITIZENS WISHING TO ADDRESS THE BOARD

None

XIV. ADJOURNMENT

It was moved by Ms. Mills to adjourn the meeting. With no further business to discuss, Chairperson Curtiss adjourned the meeting at 11:04 a.m.

Respectfully submitted,

Reviewed and approved,

Robin Kalbfleisch
Recording Secretary

Region 10 PIHP Board
Secretary / Designee