

EXECUTIVE-PERSONNEL-FINANCE COMMITTEE

March 27, 2006 - 4:30 p.m.
Michigan High School Athletic Association
1661 Ramblewood Drive
East Lansing, Michigan

MINUTES

PRESENT: Dan Alonzi, Chair; Gail Mahoney; Ralph Tillotson; Brian Calley; Bob Showers; Bob Johnson; Ken Ponds; Brad Densmore; Debbie De Leon.

ABSENT: Ross Fulton

STAFF: Robin Reynolds, Executive Director; Mary Kronquist, Assistant Director; Gerrie Roeser, Finance Manager; Lori Griffin, Executive Secretary

GUEST: Bruce Hindenach, CDRS

CALL TO ORDER

The meeting was called to order at 4:35 by Chairman Alonzi.

APPROVAL OF THE MINUTES OF FEBRUARY 27, 2006

Mr. Tillotson moved approval of the Minutes of February 27, 2006 as presented. Ms. Mahoney supported the motion. The motion carried.

ADDITIONS TO THE AGENDA

Ms. Reynolds asked to amend the Agenda to change Item E under New Business to Ingham County Health Clinic Grant, moving Executive Director Contract & Performance Evaluation to Item F.

Ms. Mahoney moved to amend the Agenda as requested. Mr. Showers supported the motion. The motion carried.

PUBLIC COMMENT

There was no public comment.

NEW BUSINESS

A. Treasurer's Report for February 2006
Community Grant & PA2

Ms. Roeser reported first on the Bills to be Approved, noting they were reflected in general checks 13792-13856, and ACH 404-429, and totaled \$623,307.04. She noted the following checks:

- Voided checks 13794 and 13799
- Check 13819 Ingham County DARE payable
- Check 13830 for employee to attend a week long Microsoft training

- Check 13838 airfare for Microsoft training
- Check 13833 EISD for Synar checks
- Check 13841 Mediation fee for Calhoun County
- Check 13850 training expense for employee

On the Income Statement, Ms. Roeser reported Total Revenues for the month of \$557,765.85 and \$2,869,427.36 year-to-date, which is 32.12% receivable, whereas it should be 41.6%. Ms. Roeser stated this is low due to not receiving the PA2 dollars yet. Ms. Roeser continued by reporting Total Expenses for the month of \$568,185.04 and \$2,079,166.86 year-to-date, which resulted in Net Income for the month of \$(10,419.19) and \$(209,739.50) year-to-date. On the Balance Sheet, Ms. Roeser reported Total Assets and Liabilities & Capital of \$3,434,865.35. Ms. Roeser turned to the Statement of Cash Flow, noting the Beginning Balance of \$(3,386,815.19), the Ending Balance of \$3,317,515.45, which resulted in a Net Decrease in Cash of \$(69,299.74) for the month and \$(1,190,030.29) year-to-date.

Medicaid

Ms. Roeser reported the Medicaid Bills to be Approved were reflected in checks 3211-3241 and totaled \$143,286.93 for the month. On the Income Statement, she reported Total Revenues of \$130,151.42 for the month and \$879,535.60 year-to-date, and Total Expenses of \$141,188.58 for the month and \$670,867.09 year-to-date, which resulted in Net Income of \$(11,037.16) for the month and \$208,668.51 year-to-date. On the Balance Sheet, she reported Total Assets and Liabilities & Capital of \$428,638.33. Ms. Roeser reported from the Statement of Cash Flow the Beginning Balance of \$(441,773.84), the Ending Balance of \$428,638.33, which resulted in a Net Decrease in Cash for the month of \$(13,135.51) and \$(41,244.93) year-to-date.

Ms. Roeser reported from the Medicaid PIHP report the balances as follows, noting that LifeWays's services were paid by CEI utilizing pooled funding.

- CEI \$3,881.62 for the month and \$128,531.17 year-to-date
- LifeWays \$(24,795.90) for the month and \$(70,505.63) year-to-date
- Venture \$1,185.85 for the month and \$8,833.54 year-to-date
- Washtenaw \$23,028.75 for the month and \$(3,222.78) year-to-date
- PEPM received \$915,387.21
- YTD interest earned \$3,356.11
- Services paid out YTD \$700,371.53
- CDR services \$66,300.49
- Administrative costs \$88,435.01
- **Balance of \$63,636.30**

Mr. Showers moved to recommend to the full Commission approval of the Treasurer's Report for February 2006 as presented. Mr. Ponds supported the motion. The motion carried.

B. Central Diagnostic & Referral Services-Provision of Direct Services

Ms. Reynolds stated a synopsis and letter from Bruce Hindenach was included in the packets, and that he requested time to discuss this matter with the Executive Committee. She stated the issue at hand is with the MDCH and their definition of direct service.

Mr. Hindenach stated the issue is very simple; based on language in the Public Health Code, PA368 and the Administrative Rules for substance abuse, coordinating agencies are prohibited

from providing “direct services”. He continued by stating that several years ago, the state wanted the central diagnostic and referral agencies established for gate keeping purposes, and at that time the former CASAC and Northern Michigan Substance Abuse Services were started in-house. Mr. Hindenach stated that later the State said those services needed to move out-house, which they did. Then, he reported in 2004 in the draft AAPG’s the definition of direct services was changed, and what the CDR did went from direct service to administrative services. At that time, he reported Northern indicated they would move their CDR services in-house. Mr. Hindenach stated he met with Doris Gellert in August of 2004 to explain what Northern wished to do and that it would violate the law.

In his efforts to find out exactly what was permissible according to the law, Mr. Hindenach said he asked for but did not receive a ruling from the MDCH. Since that time, Mr. Hindenach stated he has filed an appeal in the courts on the rejection of the declaratory ruling, asking what can the CAS do, what are they authorized to do, and what is and is not a direct service. He also reported that many CAS have moved their CDR services in-house.

Mr. Hindenach stated he is asking for the Commission’s support in this effort as no one wants to address it at the State level. He also asked the Commission to file a Friend of the Court briefing along with his appeal to the Court.

Ms. Mahoney stated her belief this is a very important issue. She added the state should not be able to decide when they will and will not follow the law. Mr. Johnson asked if the CDR is an administrative entity or an entity to provide services for clients. He personally stated his belief it is an administrative service. Mr. Johnson further stated he would like to see the dollars spent on the clients, and that this Board should look at the possibility of also having the services in-house rather than a CDR. Ms. Mahoney disagreed, noting having a third party is good, but the issue is what the law says—that the CDR is considered a licensed service, so it needs to be determined if CAS can perform this function.

Ms. De Leon moved for the Executive Director to pursue speaking with legal counsel to see how assistance could be offered to Mr. Hindenach in pursuit of his questions. Mr. Ponds supported the motion.

Ms. Reynolds noted that MASACA was asked by MDCH/ODCP to submit a proposal to review the Administrative Rules with the possibility of updating them. She added if funding is provided, the issue at hand will need to be addressed in order to carry on with that review.

Mr. Calley state his opposition to engaging the attorney if the result won’t benefit the residents of Ionia County.

Ms. Reynolds stated all points made are valid; however, the system is at risk if rules are arbitrarily changed. She also noted her belief that the state office will not look favorably on Mid-South if we join the lawsuit. She stated her understanding that the CA could not provide direct services and the Administrative Rules must be clear on this.

Mr. Showers stated he was not opposed to seeking the attorney’s clarification, but he was not comfortable joining the lawsuit. He noted the vendor needs to seek clarification of their business.

The original motion was amended as follows:

Ms. De Leon moved that Legal counsel be asked to clarify what the Administrative rules

indicate, to answer the questions on what is a “direct service”, and find out what could be the consequence for those not abiding by that law. Ms. De Leon and Mr. Ponds supported the amendment.

Mr. Showers called the question.

Vote called on the motion. The motion carried with Mr. Calley and Mr. Showers voting no.

C. Employee Benefits

Ms. Reynolds stated it is time again for renewal of employee benefits. She reported the Health Insurance premium decreased by 3.14%, but the overall total for health insurance will increase due to the increase in number of employees and increase in dependent coverage; employees will continue to pay 7% of their annual premium. Ms. Reynolds stated the staff recommendation is to remain with the same Plan, with the exception of dental insurance, life and disability, which is proposed to move to Guardian, with the total cost of \$100,945.

Ms. Mahoney moved to recommend to the full Commission approval of the Employee Benefits for 2006, which is Plan 40020B, as presented. Ms. De Leon supported the motion.

Mr. Showers asked that in future years, the Commission be furnished with the breakdown of total dollars paid out, and also suggested looking into getting in a pool arrangement in order to have a larger premium base.

Mr. Johnson offered an amendment to the motion to move to the \$10/25/40 Prescription Plan.

A roll call vote was taken on the amended motion:

<u>NO</u>	<u>YES</u>	<u>ABSTAIN</u>
Alonzi	Calley	Densmore
De Leon	Johnson	
Mahoney	Ponds	
	Showers	
	Tillotson	

The motion carried.

D. Calhoun County CA Re-Designation

Ms. Reynolds reported that the Calhoun County Board of Commissioners voted unanimously earlier this month to designate Summit Pointe as Calhoun County’s Coordinating Agency. She added it is now up to the MDCH to approve this request, which it is her belief they will.

Ms. Reynolds stated in light of this development, meetings need to be scheduled to determine disposition of assets, adding she is unsure of how this will be done as there is no formula in place. She further stated if the one used is the same one used when Shiawassee County left a few

years ago, Calhoun County could lose up to \$250,000; however, if it is determined on a per capita basis, Calhoun County is currently over spending by \$400,000. Ms. Reynolds stated the proposed divestiture date is October 1, 2006. She also noted her disappointment in the level of integrity shown during this process, but added there is nothing to stop it from happening. She also added that two members on this Commission representing Calhoun County, to her knowledge, had no indication this was going to happen. Mr. Ponds stated he was not aware the action was going to be taken, and it had not been discussed at meetings. He added his belief that Mid-South had served Calhoun County very well, but it was ultimately the county's decision to be made. Judge Garbrecht echoed Mr. Pond's' comments that he knew nothing beforehand.

E. Ingham County Health Clinic Proposal

Ms. Reynolds stated his proposal is for continuation of services in the Ingham County Health Clinics, which is a joint venture between Mid-South and Ingham County, which provides case management services. She reported it was funded by the Health Department, whose dollars are no longer available, and that a proposal was written to the state for continuation, but results won't be known until the end of April. The current proposal is slated to end on March 31st. Ms. Reynolds stated the staff recommendation is to allocate Ingham County PA2 funding up to \$17,595.

Ms. De Leon moved to recommend approval of the staff recommendation to fund the Ingham County Health Clinic Proposal for an amount up to \$17,595 of Ingham County PA2 funds. Mr. Tillotson supported the motion. The motion carried.

F. Executive Director's Contract and Performance Evaluation

Ms. Mahoney moved that due to the late hour, discussion be deferred to the full Commission meeting. Mr. Tillotson supported the motion. The motion carried.

OLD BUSINESS

There was no old business brought before the Committee.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

The meeting adjourned at 6:00 p.m.