

**WASHTENAW COUNTY COMMUNITY MENTAL HEALTH AGENCY (WCCMH)
WCCMH BUDGET-FINANCE AND PROGRAM-QUALITY COMBINED COMMITTEE MEETING
MINUTES**

**4135 Washtenaw Ave, Ann Arbor, MI
Learning Resource Center, Michigan Conference Room
March 9, 2020 1:00 pm**

- MEMBERS PRESENT: C. Collins, A. Dusbiber, N. Graebner, R. Jefferson, B. King, S. Antonow
- MEMBERS ABSENT: K. Walker, K. Scott
- STAFF PRESENT: T. Cortes, M. Harding, R. Dornbos, B. Hagaman, L. Gentz, S. Amos O’Neal, M. Taylor, H. Linky, L. Higle, K. Hoener, S. Ray, T. Florence, N. Phelps, M. Tasker
- OTHERS PRESENT: J. Martin, K. Belknap, L. Lutomski, G. Dill, G. Nelson, M. Creekmore

C. Collins called the meeting to order at 1:03 pm

- I. Introductions
 - None
- II. Audience Participation
 - None
- III. Board Response to Audience Participation
 - None
- IV. Budget-Finance Committee Minutes and Actions from 2/10/20
 - Budget-Finance Committee Minutes and Actions of 2/10/20 were reviewed.

MOTION BY A. DUSBIBER, SUPPORTED BY B. KING TO APPROVE THE MINUTES AND ACTIONS FROM THE FEBRUARY 10, 2020 BUDGET-FINANCE COMMITTEE MEETING.

MOTION CARRIED

- V. Program-Quality Committee Minutes and Actions from 2/10/20
 - Program-Quality Committee Minutes and Actions of 2/10/20 were reviewed.

MOTION BY N. GRAEBNER SUPPORTED BY A. DUSBIBER TO APPROVE THE MINUTES AND ACTIONS FROM THE FEBRUARY 10, 2020 PROGRAM-QUALITY COMMITTEE MEETING AS PRESENTED.

MOTION CARRIED

- VI. Finance Status Reports
 - N. Phelps reviewed the financial status report for the month ending January 31, 2020.
 - Medicaid enrollees were 32, 259 at January 2020. This is 1,622 less than this time last year.
 - Healthy Michigan enrollees were 15,749 at January 2020. This is 1,144 less than this time last year.

- Medicaid consumers served through January 2020 are 36,082. This is 31 more consumers served than the same period last year.
- ABA waiver consumers served through January 2020 are 191. This is 65 more consumers served than the same period last year.
- General Fund consumers served through January 2020 are 666. This is 177 more consumers served than the same period last year.
- Healthy Michigan consumers served through January 2020 are 655. This is 10 more consumers served than the same period last year.
- CLS costs to date are \$8.6 Million. This is \$262,000 over budget.
- Community Inpatient costs to date are \$2.0 Million. This is \$221,000 over budget.
- Licensed Residential costs to date are \$4.0 Million. This is \$385,000 over budget.
- Applied Behavior Analysis/Autism services costs to date are \$1.6 Million. This is \$446,000 over budget.
- Internal staffing expenses are trending on budget.
- General Fund is used to supplement Medicaid deductibles for our consumers on a spend-down. The amount spent through January 2020 is \$430,000.
- Medicaid, Healthy Michigan and Autism revenues are coming in less than anticipated due to several payment errors identified in the October, November and December payments. The PIHP worked with MDHHS to identify and resolve the issues. Payments are expected to be recouped during the month of February.
- Financial performance by funding source:
 - Medicaid is showing a deficit of \$810,000.
 - Healthy Michigan is showing a deficit of \$554,000.
 - State General Funds is showing a deficit of \$233,000.
 - Local Funds is showing a surplus of \$551,000 through January 2020.
- WCCMH has no fund balance available for fiscal year 2020.
- Overall the financials presented through January 2020 show \$1.5 Million shortfall for WCCMH. Nearly \$500,000 of the shortfall is attributable to less than anticipated Medicaid revenues from MDHHS via the PIHP.
- Expenses for the first quarter are showing \$850,000 over budget. Approximately \$400,000 of this is related to longevity payments made to staff in December 2019. Overall staffing expenses are trending on budget and the remaining expenditure overruns are related to the contractual services highlighted in this report.
- At this point all HSW payments have been recouped. Once this payment is received, HSW should be on target.

MOTION BY N. GRAEBNER, SUPPORTED BY B. KING TO APPROVE THE FINANCIAL STATUS REPORT THROUGH JANUARY 31, 2020 WITH THE DATE CHANGE.

MOTION CARRIED

VII. Executive Director Authorizations

- Jennifer Chen
 - This authorization is for a grant writer for the Youth Systems Mapping Initiative in the amount of \$4,500.00 for a period of February 1, 2020 through February 29, 2020 using millage funding.

MOTION BY A. DUSBIBER, SUPPORTED BY R. JEFFERSON TO APPROVE THE EXECUTIVE DIRECTOR AUTHORIZATIONS AS PRESENTED.

MOTION CARRIED

VIII. Regional Finance Update

- T. Cortes requested the Regional Finance Update be combined with the FY2020 Budget Strategy since they are both related.

IX. Old Business

- FY 2020 Budget Strategy
 - T. Cortes presented the FY2020 Budget Strategy to the committee
 - T. Cortes distributed a draft letter along with supporting documentations to Robert Gordon, (Director of MDHHS) and Elizabeth Hertel (Deputy Director of MDHHS) regarding providing a cost settlement for the Autism Spectrum Disorder benefit, to expedite the close of FY 2017 and 2018 and retroactively increase the rates to reflect a more accurate number of eligible persons by May 1, 2020.
 - N. Phelps attended a rate setting presentation at the Lansing this morning and provided an update from this meeting to the committee.
 - Several payment issues have been identified at the State level and they are working on correcting them.
 - MDHHS and Milliman agree that the rates were set too low and they are thinking that a rate increase for April-September is due, with an adjustment for October-March. This should help to bring the agency closer to budget.
 - There are still concerning areas on our expense side with the assumption that revenue comes in at budget, WCCMH is still looking at a \$2M deficit.
 - J. Martin stated that we still need to be sensitive and come up with an expenditure reduction plan to work towards continuing to reduce the budget deficit for WCCMH.
 - T. Cortes brought draft budget reduction cuts for discussion.
 - If the reductions to provider rates are approved and effective April 1st this could bring approximately \$1M towards the deficit. This could have a huge impact on providers and consumer services. She is suggesting this be reviewed every 90 days to see what is prioritized for reinstatement. Provider rates are being reduced in Detroit-Wayne as of May 1st. Suggestion for action to be taken at the March 20, 2020 WCCMH Board meeting on this.
 - M. Harding has been attending WCCMH team meetings with staff to discuss various budget reduction suggestions and compiling these into a consolidated list. Suggestion to do a comparison for April 1st to May 1st with the suggested recommendations and bring this information to the March 20, 2020 WCCMH Board meeting. N. Graebner suggested an action plan that walks through steps that are taken.
 - Suggestion to ensure communication to external and internal stakeholders as well as including labor to continue.
 - B. King asked about the process with the consultants and why labor was not involved. K. Belknap from County Finance stated that TBD Solutions is conducting desk audits currently and they continue to work through data and reports provided by WCCMH Leadership. K. Belknap/H. Linky will send a statement of work to R. Dornbos so that she can distribute to WCCMH Board members.
- Network Dashboard
 - H. Linky presented the Network Dashboard to the committee
 - This document will be distributed on a quarterly basis to the committee.
 - 56 surveys were sent out to providers with 56 of them responding.
 - Training compliance was 95.8% with an 88.1% average staff retention.

- 24% of the providers stated that recruiting and maintaining staff were the greatest challenges with 12% of providers stating client success as their greatest successes.
- Annual Cost per Case
 - N. Phelps presented the annual cost per case data to the committee.
 - J. Martin stated that they are meeting with the Budget Director C. Cole and are trying to get J. Irwin to attend this meeting on March 23rd or 26th. Suggestion to bring this cost per case report to this meeting with a disclaimer that cost reductions are not due to a shift to millage funding.
- X. New Business
 - Forecasting Report
 - N. Phelps presented the Forecasting Report to the committee.
- XI. Items for Future Discussions
 - Diversion Council Update-J. Clayton
- XII. Meeting adjourned at 2:15 pm.