



BOARD OF DIRECTORS REGULAR MEETING MINUTES
January 15, 2025

Present: Michael Humphries, Chairperson; Susan Fortney, Vice Chairperson; Catherine Bernhold, Secretary; Rebecca Pasko; John Burkardt; LaMar Frederick; Becca Curley; Dawn Asper; Naomi Stoner; and Ken Papenhagen

Excused: Deb Staelgraeve and Pam Ray

Absent:

Staff: Lisa Graham

Guests: 4 guests were present

I. CALL TO ORDER

The Board Vice Chair, Susan Fortney, called the meeting to order at 6:02 p.m.

II. ROLL CALL

Roll Call confirmed a quorum existed.

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mike Humphries.

IV. CONSIDERATION TO ADOPT THE DRAFT AGENDA AS PRESENTED

Ken Papenhagen moved to adopt the draft agenda as presented. Susan Fortney supported. Motion carried unanimously.

V. CONSIDERATION TO APPROVE THE MINUTES FROM THE DECEMBER 18, 2024 BOARD MEETING AND WAIVE THE READING THEREOF

Catherine Bernhold moved to approve the minutes for the December 18, 2024 Board Meeting and waive the reading thereof. John Burkardt supported. Motion carried unanimously.

VI. BOARD MEETING EVALUATION REPORT

Board members reviewed the December 18, 2025 Board Meeting Evaluation Report.

VII. PUBLIC COMMENTS

There were no public comments.

VIII. ITEMS FOR BOARD CONSIDERATION

a. Service Contracts

- i. Service Contracts Ismail B. Sendi, MD PC DBA New Oakland Child & Family Services; Michigan BH HV LL D BA Beaumont Behavioral Hospital; Henry Ford Kingswood; Henry Ford Wyandotte; Hillsdale Hospital; W.A. Foot Memorial Hospital dba Henry Ford Health Jackson; Residential Opportunities Inc; Choices with Self Determination LLC; Arkay Inc.; Choices with Self Determination LLC; CHS Group LLC; Life Enrichment Academy Inc; Community Living Network; Mastrofrancesco Inc.; Macomb Residential opportunities; Progressive Residential Services; and Everest Inc. were presented by Alicia Riggs.

Lisa Graham will provide more information on the Community Living Network service contract for enhanced pharmacy at the next board meeting.

b. Administrative Contracts

- i. Administrative Contract for Dr. Bagga was presented by Alicia Riggs.

Mike Humphries commented on how contracts are presented and reminded Board members that just because we are contracting with them doesn't mean we are going to utilize the contract. The contract will be in place in case it is needed. Mike would rather see how the improved rate is better than the standard rate vs CPT codes.

IX. FINANCIAL REPORTS

- a. Year in Review: Ken Melvin presented the 2024 highlights and looking forward to 2025.

- i. 2024 Highlights:

1. Started up a new accounting system - Business Central (BC)
 - Digitization of invoice receipt, entry, and approval in BC
 - Department head approval in the system instead of a manual/paper process
 - Virtually eliminating unpaid invoices and payment delays that existed previously
 - Transferring most vendors to ACH to streamline payment and timeliness
 - Integrating the CRCT with BC to eliminate manual entry
 - Bank reconciliations are now done in the system instead of manually
2. Successfully implement the Standard Cost Allocation (SCA) model
 - Working with HR/Payroll to setup the payroll system to allow functionality and compliance with the model
 - Complete chart of accounts restructuring to align with SCA
3. Completion of the 2023 audit with a clean audit opinion on the financial statements
4. Navigated the 2023 Medicaid deficit with a projected surplus in 2024
5. On-time submission of our final Financial Status Report (FSR) and Encounter Quality Initiative (EQI) report
6. New banking and credit card options
 - Credit cards are now streamlined in the Chase platform for timely payment
 - Each credit card is tied to a user and an acknowledgement signed to establish accountability
7. CCBHC
 - Successfully standup the CCBHC model from a finance perspective
 - Enrollment of clinicians not previously enrolled before CCBHC
 - Contracting with third parties including Medicare
8. Standardizing claims processes, provider interactions and claims edits
 - Enhancing claims edits to ensure accuracy
9. Converting grants to fee-for-service (FFS) models for both FY24 and FY25

- ii. 2025 Looking Forward:

1. Continue to develop Business Central (BC)
 - Increased budget to actual monitoring at the service level
 - Digitize the requisition and purchasing function as part of the BC system
2. Provider Network
 - Successful advocacy for increased CLS/H2015 rate by \$.75
 - Continued advocacy for higher rates and stabilization

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- Development and adherence to standard policies and practices for all provider claims
 - Purchase group homes to bring people back from out-of-county when appropriate
 - 3. CCBHC
 - Successfully stood up a DCO for mental health services. Continuing to explore SUD options
 - Continued focus on non-Medicaid costs and how to limit losses
 - 4. Procedure and process improvements
 - Develop credit card processing software and procedure for payments from people served
 - Continue to enhance our credit card purchasing platform through Chase
 - 5. Continued focus and advocacy at the State level for eligibility issues
 - Plan First
 - Spenddown delays
 - HAB Waiver issues
 - 6. Board financial information
 - Revise financial and contract reporting to summarize and add clarity
 - Provide more information to the board to offer financial transparency such as check registers
- b. Fiscal Finance Report: Ken Melvin presented the November financials, highlighting:
- i. Eligibility has mostly leveled off during August of 2024. Rate adjustments are now in effect and are reflected show increased dollars since April. Additionally, the State has indicated \$41 million in funding to be distributed state-wide sometime in 2025 for the 2024 fiscal year.
 - ii. Cash and Investments are up from prior year primarily from collection of receivables from the PIHP.
 - iii. Liabilities are also up from prior year primarily related to estimated claims incurred but not reported.
 - iv. Net income is projected to be down compared to prior year primarily due to GASB 68 & 75 adjustments that are currently unknown and will be available in early 2025 from the actuaries.
 - v. Revenue received from the PIHP was less than expenses by \$307,524 this month. Our CCBHC supplemental payment is not sufficient to cover expenditures due to the state allocation. This will be made whole through a settlement with the PIHP/MDHHS.
 - vi. The CCBHC program is showing a surplus of \$527,402 through this reporting period. We continue to work with the PIHP to accelerate the reporting of T1040s which will bring in more revenue. As we continue to look at generating more T1040s on the revenue side, primary focus shifts to expenses. The change from the prior year's deficit is largely related to the increase in T1040s related to our DCO relationship.
 - vii. State General Fund is showing a deficit of \$625,097, primarily related to spenddowns, individuals falling off Medicaid and CCBHC non-Medicaid. This deficit is covered by local funds.

Lisa Graham commented that progress has been made with the PIHP to submit claims more frequently. Lisa will include more information in the Directors Report for the next board meeting.

Lamar Frederick shared his concern with the General Fund (GF) deficit. Lisa Graham commented that it has slowed and with processes in place, starting February 1, 2025, those will begin to impact this number. General Fund is one of the bigger priorities of the Strategic Plan for this year.

X. NEW BUSINESS

There was no new business.

XI. PUBLIC COMMENTS

There were no public comments.

XII. BOARD ANNOUNCEMENTS

Ken Papenhagen wished everyone to have a blessed year.

Rebecca Pasko thanked everyone for their thoughts and prayers.

Mike Humphries welcomed everyone back, business as usual. Happy New Year to everyone and we will see you all again next Wednesday.

XIII. ADJOURNMENT

Mike Humphries adjourned the meeting at 7:13pm.

Submitted by,



Catherine Bernhold
Board Secretary

LG/dp
1/17/25