

NORTHPOINTE HEALTHCARE SYSTEMS BOARD OF DIRECTORS
Regular Monthly Meeting
MINUTES
715 Pyle Drive, Kingsford, Michigan
December 17, 2009 - 4:00 p.m.

CALL TO ORDER/ROLL CALL:

Karen Raether, Board Chairperson, called the meeting to order at 4:05 p.m. Mary Wendt, Board Secretary, conducted the roll call.

<u>MEMBERS</u>	<u>Present</u>	<u>Excused</u> <u>Absent</u>	<u>Absent</u>	<u>MEMBERS</u>	<u>Present</u>	<u>Excused</u> <u>Absent</u>	<u>Absent</u>
Connors, Peggy		X		Luhtanen, Joan	X		
DeDie, William	X			Martin, Ann	X		
DeGrave, Marylee	X			Pomeroy, Judy		X	
Farragh, Elizabeth	X			Raether, Karen	X		
Hofer, Millie	*X (via VTC)			Plumley, Robert		X	
Lang, Bernie	X			Spence, Christine	X		

*(VTC-Video Television Conference from Northpointe' Menominee Offices)

REPRESENTING ADMINISTRATION: K. Thekan, B. Adrian, J. Pelc, L. Dionne, M. Wendt

PLEDGE OF ALLEGIANCE - The Pledge of Allegiance to the Flag was recited by all

PUBLIC COMMENTS - No public comments

APPROVAL OF THE AGENDA: There were no additions to the agenda.

ACTION: Moved to approve the agenda as presented.

Motion by: J. Luhtanen; supported by M. DeGrave. **Motion carried unanimously**

APPROVAL OF THE MINUTES:

Ann Martin stated that she had to leave the November 19, 2009 Board meeting early right before Public Comments and asked for clarification regarding the following Public Comment which was made by Terri Wendt at the November 19, 2009 Board meeting: "Terri Wendt asked for clarification when the Board made the motion to approve keeping the health insurance rates the same did this also include keeping the employee contribution the same and upon discussion it was understood the intent was to keep employee health insurance rates and employee contribution the same as last year." Ms. Martin asked if this meant that the insurance rates would stay at a 15% employee contribution or be an adjusted employee contribution of 5%. Karen Thekan stated that the intent was to keep the employee contribution rate at 15%.

ACTION: Upon the above clarification, a motion was made to dispense with reading the minutes from the November 19, 2009 Regular Board of Directors meeting and approve as written.

Motion by: M. DeGrave supported by E. Farragh. **Motion carried unanimously.**

PRESENTATION: No presentation

FINANCE COMMITTEE REPORT - C. Spence

Ms. Spence highlighted the following from the Finance Committee Meeting Minutes:

1. **ISSUE:** Review Bills

Bills and payroll in the amount of \$1,468,175.24 were reviewed, discussed, and recommended for Board approval.

ACTION: A motion was made by C. Spence, supported by M. DeGrave to approve bills in the amount of \$1,468,175.24 as presented. Miscellaneous questions were addressed by Bill Adrian.

ROLL CALL VOTE:

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Connors, Peggy			Luhtanen, Joan	X	
DeDie, William	X		Martin, Ann	X	
DeGrave, Marylee	X		Pomeroy, Judy		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

2. **ISSUE:** Review Financial Statements – September 2009 and November 2009

The committee reviewed a preliminary September 2009 financial statement. There are bills still coming in for Fiscal Year (FY) 2008-09 and a final September 2009 financial statement will be presented at the January 2010 Finance Committee meeting. **ACTION:** Information

The committee reviewed November 2009 financial statement and recommended for Board approval.

ACTION: A motion was made by C. Spence, supported by M. DeGrave to approve November 2009 financial statement.

ROLL CALL VOTE:

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Connors, Peggy			Luhtanen, Joan	X	
DeDie, William	X		Martin, Ann	X	
DeGrave, Marylee	X		Pomeroy, Judy		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

3. **ISSUE:** Contract(s)/Agreement(s)

a.	Birchwood AFC	Specialized Residential	\$60.00/day-No change in rate	This is a renewal agreement for specialized residential services for two consumers.
b.	Ihander AFC	Specialized Residential	\$80.91/day-No change in rate	This is a renewal agreement for specialized residential services for one consumer.
c.	Kutha AFC	Specialized Residential	\$321.35/day-No change in rate	This is a renewal agreement for specialized residential services for seven consumers.
d.	Schlaud AFC	Specialized Residential	\$260.89/day-No change in rate	This is a renewal agreement for specialized residential services for five consumers.
e.	Wakeham AFC	Specialized Residential	\$75.79/day-No change in rate	This is a renewal agreement for specialized residential services for one consumer.
f.	Powers Activity Center	Skill Building Services	Old Rate- \$134,450.00 New Rate- \$232,616.00	This is a renewal agreement for skill building activities at the Powers Activity Center. The Program services 21 individuals.
g.	Beacon Residential Services	Specialized Residential	Old Rate- \$226.00/day New Rate- \$233.00/day	This is a renewal agreement for specialized residential services for one consumer.
h.	Carrie Zigman	Speech and Language Services	Old Rate- \$54/hr direct service & \$47/hr indirect New Rate- \$55/hr direct service & \$49/hr indirect	This is a renewal agreement for speech and language services including evaluations, therapies, and assists with obtaining communication devices.
i.	Berkley Court of Livonia	Specialized Residential	\$145/day-No change in rate	This is a renewal agreement for specialized residential services for one consumer.
j.	Dept. of Community Health	General Funds	This is a renewal agreement for our General Fund dollars through DCH.	
k.	Teaching Family Homes of Marquette	Specialized Residential	RTC - \$253.87/day- correction	Typing error in September indicated this rate as \$153.87/day and should have indicated \$253.87/day

ACTION: A motion was made by C. Spence, supported by E. Farragh to approve all contracts/agreements as noted above. Miscellaneous questions were addressed by Bill Adrian.

ROLL CALL VOTE:

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Connors, Peggy			Luhtanen, Joan	X	
DeDie, William	X		Martin, Ann	X	
DeGrave, Marylee	X		Pomeroy, Judy		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

4. Miscellaneous

- Bill Adrian provided that the Pines Residential Homes is currently licensed for 6 residents. Northpointe would now like to license the home for 8 residents but in order to have the home licensed for 8 residents the sprinkler system in the home will need to be upgraded to have the water flow increased into the sprinkler system. Mr. Adrian provided that Northpointe will not proceed with the sprinkler system upgrade until it is approved by the State of Michigan. Bids to upgrade the sprinkler system were reviewed by Mr. Adrian and include all materials, labor, and insurance: a) Pace Corporation for \$14,829.00 and b) Superior Electronics for \$9,180.00.

ACTION: A motion was made by C. Spence, supported by M. DeGrave to approve the bid from Superior Electronics for \$9,180.00 to upgrade the sprinkler system at the Pines Home and pending final approval from the State of Michigan on the planned system. Miscellaneous questions were addressed by Mr. Adrian.

ROLL CALL VOTE:

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Connors, Peggy			Luhtanen, Joan	X	
DeDie, William	X		Martin, Ann	X	
DeGrave, Marylee	X		Pomeroy, Judy		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

- Bill Adrian provided that there will be a revenue conference in January and revenue projections are lower than what was previously thought they would be. There will most likely be an Executive Order in February and it is possibly being looked at some changes in the Medicaid funding with the General Fund (GF) looking at a 20-25% cut. Miscellaneous questions were reviewed by Mr. Adrian.
- Bill Adrian provided that he and Karen Thekan met with the Dickinson County Commissioners on December 10 to review Northpointe's budget/funding process.

PLANNING COMMITTEE REPORT – J. Luhtanen

Ms. Luhtanen highlighted the following from the Planning Committee Meeting Minutes:

1. ISSUE: FY2008-09 Hospitalization Data

FY2008-09 Psychiatric Hospitalization data and Comparisons of Psychiatric Hospitalizations from FY2006 to 2009 was provided and reviewed by Mary Beth Haavisto. Joan Luhtanen stated that she is very impressed by staff initiative and professionalism at Northpointe after reviewing these reports. Ms. Luhtanen also stated that Ms. Haavisto has worked hard with staff at St. Mary's Hospital to receive approval from different judges and sheriffs' departments to use St. Mary's Hospital more for court ordered psychiatric hospitalizations which will save money for the counties. Millie Hofer stated that the main functions of community mental health agencies (CMH's) is to keep individuals in the community and to make sure there are not a lot of hospitalizations and asked why this is not so now. Ms. Hofer further stated that CMH's are now seeing individuals when they are seriously mentally ill and then they have to, many times, hospitalize these individuals and asked where the prevention focus is. Karen Thekan stated that funds are no longer being received for prevention and that certainly Northpointe wants to see individuals in the least restrictive environment and keep individuals in the community. What has been noticed though in the last year is that Northpointe has been seeing a lot of individuals that have been affected by the economy, i.e., lost their jobs, have financial issues and end up in the hospital because they are having a crisis but are not seriously mentally ill. Miscellaneous questions were addressed by Ms. Thekan. **ACTION:** Information

2. **ISSUE:** Review Recipient Rights Annual State Report for FY2008-09
The Recipient Rights Annual State Report for FY2008-09 was reviewed by Karen Thekan and Kevin Newlin. Ms. Thekan stated that the annual State report is an accumulation of data from the Recipient Rights quarterly reports over the past year. **ACTION:** Information
3. **ISSUE:** Review of Goals for Karen Thekan for 2009-2010
Rob Plumley provided that he would like to maybe see an additional goal added to Karen Thekan's goals for 2009-10 on a measure of how Northpointe is doing financially compared to other CMH's as there is nothing in place to illustrate this. Mr. Plumley also provided that Northpointe is very proactive in keeping costs down, i.e., worker's compensation is low which keeps insurance costs down.
ACTION: Karen Thekan stated that there will be no additional goal added but a sub-goal will be added under Goal 1: Working toward developing financial understanding of Northpointe operations with the Board of Directors which will be to develop a framework for an agency report card, i.e., what are the important indicators for the agency's success to be measured on. Ms. Thekan will present the sub-goal for review at an upcoming meeting.
4. **ISSUE:** Risk Assessment Tool
The Risk Assessment Tool is still in draft form and was tabled.
ACTION: When the Risk Assessment Tool is finalized by the Regional Corporate Compliance Committee, Ms. Dionne will present it for review.
5. **ISSUE:** Stakeholder Committee Meeting Report
Lisa Dionne highlighted the following from the December 1, 2009 Stakeholder Advisory Committee meeting that was held at the Kingsford office: the 4th quarter Outcomes Report was reviewed; the satisfaction survey with the new additional questions was reviewed; suggestions for improvement and a grievance were discussed; presentation topics for 2010 meetings was discussed; and the November and December CEO reports were reviewed. **ACTION:** Information
6. **ISSUE:** Vote for New Stakeholder Committee Members
There are four vacancies on the Stakeholder Committee and five applicants were received for these vacancies; four of the applicants are current Stakeholder Committee members and one applicant was new. The Planning Committee reviewed the applicants and recommended the reappointments of Gerald McCole, Fumiko McLain, Harry Groulx, and David King to the Stakeholder Advisory Committee.
ACTION: A motion was made by J. Luhtanen, supported by W. DeDie to approve the reappointments of Gerald McCole, Fumiko McLain, Harry Groulx, and David King to the Stakeholder Advisory Committee. **Motion carried unanimously.**
7. **ISSUE:** Michigan Association of Community Mental Health Board (MACMHB) Conference Report
Lisa Dionne attended the MACMHB conference on December 3 & 4 which is a conference based on quality improvement information systems and finances. The main speaker, Michael Gillette, was excellent and presented on the topic of Ethics. Ms. Dionne stated that there was a discussion at the conference if a CMH needs to be accredited because of the cost associated with being accredited and found out that it is not mandated for a CMH to be accredited. Ms. Dionne stated that Northpointe is now accredited through CARF. Ms. Dionne further stated that it may have been a part of the Michigan Department of Community Health (MDCH) contract previously for a CMH to be accredited but now it is not part of their contract. In lieu though, of not being accredited, MDCH will come in and do a more in-depth site review/audit of the agency on an annual basis of the agency and programs and a CMH would then become certified through the MDCH audit. Ms. Dionne stated that when she returned from the conference she contacted MDCH regarding clarification on protocols for being accredited, received the protocols and it was clarified through the protocols that a CMH does not have to be accredited. Karen Thekan stated that Northpointe's accreditation with CARF is for two more years and after the two years, continued accreditation with CARF will be further discussed. Miscellaneous questions were addressed by Ms. Dionne and Ms. Thekan. **ACTION:** Information

PERSONNEL COMMITTEE REPORT - A. Martin

Ms. Martin highlighted the following from the Personnel Committee Meeting:

1. **ISSUE:** Staff Annual Salary Performance Increases for 2009
The annual salary performance percent increases for 2009 were reviewed for: administrative supervisory staff; administrative non-supervisory staff; and direct care providers. In lieu of impending budget cuts that will be made in February it was recommended to delay at this time looking at this issue more in-depth until budget cuts are known.
ACTION: This issue was tabled until budget cuts are known in February. A Personnel Committee meeting will then be scheduled in February to further discuss annual performance increases for salary staff.

CHAIRPERSONS REPORT – K. Raether

- A Great Lakes Executive Committee meeting was held on December 7. Possible places to hold the Great Lakes fall conference were discussed and a decision will be made soon as to the location.
- Ann Martin and Bernie Lang's appointments on Northpointe's Board expire at the end of December. Their appointments are made through their county boards and when the county's re-organizational meetings take place in January appointments are made at this time to Northpointe's Board.

CEO REPORT

Ms. Thekan stated that her December 2009 CEO report was in Board packets; she provided the following updates and highlights:

Federal Activity:

- There will most likely be a 20-25% cut to the GF in February. Northpointe is still at 112% above the state average for the GF so a 20-25% cut will not be equal across the state and it is anticipated that Northpointe will be in the top 5 of GF cuts.

Regional Activity:

- The regional directors' meeting was held on December 8 in Marquette. The main issue discussed was if a CMH had to take a 20% cut how would this be done. A homework assignment was provided for the directors to go back to their individual CMH and do a "what if" scenario, i.e., "what if a 20% cut had to be taken across the Board in both Medicaid and GF what would be done". The "what if" exercise will be done at an upcoming Northpointe Planning Committee meeting. Another issue discussed was incorporating the individual CMH contracts into one master contract. Miscellaneous questions were addressed by Ms. Thekan.

Local Activity:

- Dr. Cools and Ms. Thekan met with Judge Hupy on December 3 to discuss GF cuts and substance abuse issues. A meeting with Judge Slagle is scheduled in February to meet with Dr. Cools and Ms. Thekan. Dr. Cools met with Judge Schwedler a few years ago but a meeting may also be scheduled with him if there are issues to discuss in Iron County.

OLD BUSINESS – No old business

- Approve 2010 Board Meeting Calendar

Ms. Raether stated that the 2010 Board of Director meeting calendar needs to be approved. The calendar was previously reviewed at the November Board meeting.

ACTION: A motion was made by J. Luhtanen, supported by C. Spence to approve the 2010 Board of Director meeting calendar. **Motion carried unanimously.**

NEW BUSINESS – No new business

BOARD PREROGATIVE – No Board prerogative

PUBLIC COMMENTS

- Karen Raether welcomed Floyd Berger to today's meeting.
- Lisa Dionne provided Northpointe's Annual Report calendar. Ms. Dionne stated that Board members should review the data in this calendar as the Annual Report calendar will need to be reviewed/discussed at the January Planning meeting and then approved at the January Board meeting.

ADJOURNMENT

Chairperson Rather stated the meeting adjourned. Meeting adjourned at 5:18 p.m.

The next regular monthly Board meeting is scheduled for January 21, 2010, in **Kingsford, Michigan beginning at 4:00 p.m.**

Karen Raether, Chairperson

Peggy Connors, Secretary

Mary Wendt, Board Secretary