

NORTHPOINTE HEALTHCARE SYSTEMS BOARD OF DIRECTORS

Regular Monthly Meeting

MINUTES

715 Pyle Drive, Kingsford, Michigan

August 19, 2010 - 4:00 p.m.

CALL TO ORDER/ROLL CALL:

Karen Raether, Board Chairperson, called the meeting to order at 4:00 p.m. Mary Wendt, Board Secretary, conducted the roll call.

<u>MEMBERS</u>	<u>Present</u>	<u>Excused</u>	<u>Absent</u>	<u>MEMBERS</u>	<u>Present</u>	<u>Excused</u>	<u>Absent</u>
		<u>Absent</u>				<u>Absent</u>	
Connors, Peggy		X		Luhtanen, Joan	X		
DeDie, William	X			Martin, Ann	X		
DeGrave, Marylee	X			Negro, Mari		X	
Farragh, Elizabeth	X			Raether, Karen	X		
Hofer, Millie	X			Plumley, Robert		X	
Lang, Bernie	X			Spence, Christine	X		

REPRESENTING ADMINISTRATION: K. Thekan, B. Adrian, J. Pelc, R. Lupini, 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:

There were no additions or corrections to the minutes from the Regular Board of Directors meeting on July 22, 2010.

ACTION: A motion was made to dispense with reading the minutes from the July 22, 2010 Regular Board of Directors meeting and approve as written.

Motion by: M. DeGrave; supported by B. Farragh. **Motion carried unanimously.**

PRESENTATIONS: "Finance 102" - Bill Adrian

Bill Adrian provided and reviewed a revised Fiscal Year (FY) 2009-10 budget and FY2008-09 budget. Mr. Adrian stated that when he presented finance information previously, revenues were reviewed and today expenses would be reviewed. Mr. Adrian reviewed line items that are included in the expense budget and stated that cost centers are set up that mirror program areas. Mr. Adrian stated that he does costing to figure out what is Medicaid, General Fund (GF), Adult Benefit Waiver, or MI Child by taking the service units performed in each cost center and provided examples of how this is done. Questions were addressed by Mr. Adrian.

ISSUE: Revised/Continuation FY2009-10 Budget

Mr. Adrian asked for Board approval for a revised FY2009-10 budget and to use this revised budget as a continuation budget into the next fiscal year.

ACTION: A motion was made by J. Luhtanen, supported by M. DeGrave to approve the revised FY2009-10 budget and to use this revised budget as a continuation budget into the next fiscal year.

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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

FINANCE COMMITTEE REPORT – C. Spence

Ms. Spence highlighted the following from the Finance Committee meeting minutes:

1. ISSUE: Vehicle Transportation Report

Renee Lupini, Community Supports and Transportation Supervisor, provided and reviewed information on the number of vehicles that are owned by Northpointe and where each vehicle is used. Northpointe agency vehicles are used to transport consumers to programs; are used by group homes; and used by clinical, administrative, and community living supports staff. Miscellaneous questions were addressed by Ms. Lupini.

ACTION: Information

Ms. Lupini provided that Northpointe would like to replace two (2) Northpointe 12-passenger vans. These vans each have over 300,000 miles on them and are used in Menominee for transportation and the Elderly Day Treatment program. Request for Proposals (RFPs) were done to replace the vans and all RFPs received were reviewed. Miscellaneous questions were addressed by Ms. Lupini.

ACTION: A motion was made by C. Spence, supported by M. DeGrave to approve the purchase of two (2) 2010 Ford Econoline 12-passenger vans from Mobility Transportation at a cost of \$21,478.00 each.

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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

2. ISSUE: Review Bills

Bills and payroll in the amount of \$1,313,796.24 were reviewed, discussed, and recommended for Board approval.

ACTION: A motion was made by C. Spence, supported by M. Hofer to approve bills in the amount of \$1,313,796.24 as presented.

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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

3. ISSUE: Review Financial Statement - July 2010

The committee reviewed July 2010 financial statement and recommended for Board approval.

ACTION: A motion was made by C. Spence, supported by M. Hofer to approve the July 2010 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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

4. ISSUE: Contract(s)/Agreement(s)

#	Name of Contract	Purpose of Contract	Old Rate	New Rate	Change
a.	Grand Traverse Industries	Vocational Services	n/a	\$11.00/hr	n/a
This is a new agreement for vocational services.					

b.	Schlaud AFC	Specialized residential	n/a	\$72.11/day	
This is an addendum to the current contract for the addition of a new resident.					
c.	Dr. Van Holla	Psychiatric Services	90801-Intake/ Assessment - \$260 90805- Individual Session/Medication Review 20-30 minutes - \$125 90807- Individual Session/Medication Review 40-45 minutes - \$180 9086-Medication Review- \$100	New rate not received as of 8/19/10 – contract tabled.	
d.	The Drug Store	Pharmacy Services	1. \$300.00 per month flat fee for up to 125 consumers in the system 2. \$2.00 per person per month for each additional consumer over the 125. 3. No additional delivery charges. All deliveries will be made to Northpointe offices or group homes.	New rate not received as of 8/19/10 – contract tabled.	
e.	D&J Enterprises	Snow removal	\$45/episode	\$45/episode	No change
Renewal agreement for snow removal at A Street Apartments.					
f.	Newlin AFC	Specialized residential services	\$222.10/day	\$222.10/day	No change
This is a renewal agreement for specialized residential services for 4 consumers.					
g.	Great Northern Home Care	Community Living Supports Staff	\$15/hr	\$15/hr	No Change
This is a renewal agreement for Community Living Supports Staff.					
h.	Consumer	Self Determination Budget	\$14,960 annually	\$14,960 annually	No change
This is a self determination agreement for a consumer to hire their own staff to provide services in the home.					
i.	Oak Crest Assisted Living	Specialized Residential	\$85/day – short term \$68.33/day – long term	\$85/day – short term \$68.33/day – long term	No change
This is a renewal agreement for specialized residential services with Oak Crest.					
j.	Michigan Association of Mental Health Bds.		\$9,355	\$9,077	Inc of \$278.00
Association dues.					
k.	Ihander AFC	Specialized Residential	n/a	\$20/day	Inc of \$20/day
This is an addendum to the current contract for the addition of a new resident.					

ACTION: A motion was made by C. Spence, supported by B. Farragh to approve contracts, a, b, e, f, g, h, i, j, k 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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

5. Miscellaneous

• **Longevity Pay**

Bill Adrian provided that according to Northpointe's policies and procedures the Longevity Policy states that on an annual basis the Board will review the availability of funds to pay longevity to staff. Mr. Adrian also provided that the total longevity payout for this year would be approximately \$61,400.00 and there are sufficient funds available this year for a longevity payment to staff. Longevity pay is based on how long a staff person has worked at Northpointe; i.e., if they have worked for 5-9 years they receive \$200; worked for 10-14 years they receive \$400; worked for 15-19 year they receive \$600; and worked for 20+ years they receive \$800.00.

ACTION: A motion was made by C. Spence supported by M. Hofer to approve that staff receive longevity pay for this fiscal year. 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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

• **Extension of GF Contract**

Bill Adrian stated that a letter for an extension of the GF contract was received from the State of Michigan and needs to be signed before the September 15, 2010 deadline. Mr. Adrian stated that this extension is for 31 days through the end of October 2010 and will need Board approval.

ACTION: A motion was made by M. Hofer, supported by C. Spence to approve that the GF contract extension be signed.

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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie	X		Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried unanimously.

PERSONNEL COMMITTEE REPORT - J. Luhtanen

Ms. Luhtanen highlighted the following from the Personnel Committee meeting minutes:

1. **ISSUE:** Follow-Up Re: Year End Cost of Living (COLA)

Joan Luhtanen stated that for the past few years a health insurance rebate has been provided to staff and instead this year a COLA is being presented for staff. It is being suggested that 2% on a staff's salary be the COLA payment which would be based on a staff's wage earned the last fiscal year and they will need to be employed through September 25, 2010 to qualify for the COLA. Ms. Luhtanen stated that the COLA cost would be approximately \$150,000.00. Ms. Luhtanen stated that Ann Martin did have reservations in providing a COLA to staff as she felt that adjustments were already made to a staff's pay scale range and that another 2% could be

equal to a 5% raise. Ms. Luhtanen stated that from her point view she felt that if an insurance rebate was not offered at least the COLA could be offered as there are funds available to provide this to staff.

ACTION: A motion was made by J. Luhtanen; supported by M. DeGrave to approve that a 2% across the board one time lump sump COLA be provided to employees for the past fiscal year.

DISCUSSION: Ms. Martin stated that she was actually surprised that this issue was being discussed because in the July meeting minutes that were approved it was stated that future agenda items for Personnel would be adjusting pay scale ranges for hourly staff where needed and adjusting the pay scale range for staff who are at the top. Ms. Martin further stated that she is surprised that the COLA is now being recommended for all employees and thought that this would just be discussed for staff that are at the top of the scale as a way of compensating them for being at the top but this is not the case. Ms. Martin stated that the Board has approved \$350,000.00 in wage payments to employees: approximately \$61,400.00 for longevity; approximately \$140,000.00 to increase community support aide's pay scale range; and the COLA which will be approximately \$150,000.00. Ms. Martin also stated that she supported the longevity payment as this is a policy and supported the \$140,000.00 for community support aides. Ms. Martin further stated that Northpointe must be in a very enviable position to be giving out monies as stated above when there are so many companies and governmental units that are struggling to meet their budgets. Millie Hofer stated that when Medicaid money is received it is not our money but taxpayers' money so when there is an abundance of Medicaid money left over does it not have to be given back and can it really be given as an incentive to employees? Bill Adrian stated that Northpointe does not ask for the amount of Medicaid money they are given and receives the amount that is given to them by NorthCare. Bernie Lange stated that he is in favor of supporting a COLA as he believes it is legitimate compensation for services rendered. Discussion ensued and 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		Negro, Mari		
Farragh, Elizabeth	X		Raether, Karen	X	
Hofer, Millie		X	Plumley, Robert		
Lang, Bernie	X		Spence, Christine	X	

Motion carried: 7 ayes; 2 nays.

2. **ISSUE:** CEO Evaluation Results from Board Members

Ms. Luhtanen stated that Karen Thekan received an excellent annual evaluation from Board members.

Ms. Thekan is in the middle of a two year contract so there was no need for negotiations and her performance was just being reviewed for this year. In the last year Ms. Thekan has been focusing on Northpointe's relationship with the Department of Community Health (DCH) and the State and is participating more in Board Association meetings. Ms. Thekan will also continue to work on her two goals for the next year. Karen Raether stated that the Board is pleased in what Ms. Thekan has done for Northpointe and at the State level and Board Association her presence is appreciated there.

ACTION: Information

3. **Miscellaneous**

- Ann Martin asked if there are any foreseeable issues in the next year for Personnel Committee agenda items. Karen Thekan stated that there is nothing in the foreseeable future regarding salary wage scales or payouts as agenda items but health insurance rates will be an upcoming issue. Ms. Martin requested that the various monies that have been voted by the Board for staff payouts appear in the minutes, in which they have, and are stated above.

PLANNING COMMITTEE REPORT – J. Luhtanen

Ms. Luhtanen highlighted the following from the Planning Committee meeting minutes:

1. **ISSUE:** Stakeholder Committee Meeting Report

The August 3, 2010 Stakeholder Advisory Committee meeting was held at the Kingsford office and Lisa Dionne highlighted the following from the meeting: a presentation was provided by the Kingsford ACT team, the outcomes report was discussed, suggestions for improvement and grievances/complaints were reviewed.

ACTION: Information

2. **ISSUE:** Northpointe Board By-Laws

Joan Luhtanen stated that changes to the Northpointe By-Laws were reviewed. Millie Hofer asked who wrote the last page for the Board By-Laws: Attachment A- "A Code of Ethics for Board Members". Karen Thekan stated that the Code of Ethics for Board members was implemented when Jim Gaynor was CEO at Northpointe

but not written by Mr. Gaynor. Ms. Thekan stated that this Code of Ethics is meant to be a guideline for Board members to make sure they are responsible and ethical. Ms. Hofer asked who reports when there is a non-ethical Board member. Ms. Thekan stated that an issue would go to the Board Chairperson and if anyone ever thinks there is a concern that an individual is acting in an inappropriate manner they should communicate this to the Board Chairperson. The Board Chairperson, then in conjunction with the CEO, would try and resolve the issue. Ms. Hofer stated that this Code of Ethics does not make sense to her and she takes it as an insult. The reason she stated that she takes this as an insult is that she has ethics and does not think that she needs to be watched ethically. Ms. Thekan stated that no one is being watched ethically and the ethics are more of a statement. Karen Raether stated that this Code of Ethics should just be considered as a guideline. Ms. Hofer stated that the Code of Ethics is under the Board By-Laws and should be separate from the By-Laws. Ms. Thekan stated that By-Laws is the document that governs the Board. Beth Farragh stated that what she is hearing from Ms. Hofer's prospective is how could she be anything else except ethical. Ms. Hofer stated that this is not the case and everyone is responsible while being on the Board and the Code of Ethics is a juvenile way of saying that if the Board member sitting next to her is talking bad about another Board member, etc. they are squealed on and this is childish to her. Discussion ensued and questions were addressed by Ms. Thekan.

ACTION: Northpointe By-Laws will be Board approved at the September 23, 2010 Board meeting.

3. **ISSUE:** Northpointe Board Policies

Joan Luhtanen stated that changes made to the Northpointe Board Policies were reviewed.

ACTION: Northpointe Board Policies will be Board approved at the September 23, 2010 Board meeting.

4. **ISSUE:** Review Annual Board Evaluation and Board Self-Evaluation Results

Joan Luhtanen stated that the 2010 Annual Board Evaluation and Board Self-Evaluation survey results were reviewed. **ACTION:** Information

5. **ISSUE:** Strategic Plan-Fiscal Years (FY) 2010-2011 & 2011-2012

Karen Thekan reviewed changes that were made to the Strategic Plan. Ms. Thekan stated that if anyone has further input into the plan to contact her. Miscellaneous questions were addressed by Ms. Thekan.

ACTION: The Strategic Plan will be Board approved at the September 23, 2010 Board meeting.

6. **Miscellaneous**

- Bernie Lange stated that at the September Board meeting the Board By-Laws will be voted on and asked if someone had changes to the By-Laws should they be brought to that meeting. Mr. Lange stated that he has concerns regarding the Code of Ethics in the Board By-Laws regarding declaring conflicts of interest and avoid voting on an issue. Mr. Lange stated that if someone has a true conflict of interest they need to get off the Board and cannot serve on the Board. If an individual has an appearance of a conflict of interest it must be declared and then they can cast a vote. Ms. Thekan stated that an abstain can be done and Mr. Lange stated that on a county board this cannot be done. Ms. Thekan stated that this issue will be looked into regarding conflicts of interest and a further discussion can be held regarding it being in the Code of Ethics. Discussion ensued and questions were addressed by Ms. Thekan. Consensus is that, Attachment A-“A Code of Ethics for Board Members”, should become a separate document. Chris Spence stated that she feels that the code of ethics should be included in the orientation for new Board members as they need to see this example of what is expected of them to be a Board member and consensus was once again agreed upon to include it the orientation for new Board members.
- Joan Luhtanen stated that Mari Negro was unable to be at today's Board meeting and when Ms. Negro looked over the July 22, 2010 Board minutes she realized that when she asked what the policy was in the event of an accident the tone of the conversation went from what she intended it be to something different. Ms. Negro wanted the focus to remain on what the policy was in general for vehicle accidents. Ms. Luhtanen stated that Ms. Negro wanted to clarify that her intent was that she wanted to know if there was a policy in place for accidents. Ms. Luhtanen stated that there are policies in place: A Corrective Action Policy and a Vehicle Accident Policy and these were e-mailed to Ms. Negro for her information.
- Joan Luhtanen stated that she asked for information regarding occupancy in the group homes, AFC homes, etc. so future planning can be done.
- There will be no Planning Committee meeting in September.

CHAIRPERSONS REPORT – K. Raether

- The Great Lakes Executive Committee met on August 11 to finalize plans for the Great Lakes conference. Ms. Raether stated that Mari Negro, Marylee DeGrave, Millie Hofer, Chris Spence, Karen Thekan, and she will be attending the conference. If anyone else would like to attend the conference they will need to let Mary Wendt know by August 26.
- Ms. Raether reviewed a letter that was received from the Great Lakes Executive Committee which provide that

they will be making available to each community mental health (CMH) agency \$1,000.00 to donate to a non-profit organization of their choice. Ms. Raether stated that when this donation was previously received last year Northpointe donated \$500.00 to the Wishigan NAMI group and \$500.00 to the Menominee NAMI group. Ms. Raether asked Board members who they would like to donate the \$1,000.00 to this year. Discussion ensued and questions were addressed by Ms. Raether. Consensus is that Board members would like to think about who to donate the money to and vote on it at the September 23, 2010 Board meeting.

- Registration for the Traverse City Fall conference will need to be done in September.

CEO REPORT

Ms. Thekan stated that her August 2010 CEO report was in Board packets; she provided the following updates and highlights:

Federal Activity:

- The federal government passed the Jobs Bills which the Federal Medicaid Assistance Percentages (FMAP) was a part of. The FMAP is important to the State of Michigan as it will hopefully fill the gaps in the current year's budget.

Regional Activity:

- There will be a two day "Culture of Gentleness" training for Northpointe staff at the beginning of November. Staff who deal with consumers who have the most challenging behaviors will be prioritized to take this training first.
- The U.P. Director's meeting was held. The NorthCare budget was reviewed and a continued discussion was held regarding regional efficiencies.

Local Activity:

- The quarterly county administrators/county sheriffs/Northpointe administration meeting was held on August 13. Areas that Northpointe works with to help the counties save money are: Josef Pelc offering his expertise to help with IT projects and arrangements were made with St. Mary's in Rhinelander, Wisconsin to accept involuntary admissions. By using St. Mary's for involuntary admissions this saves the sheriff department's money in terms of transportation so they can go to St. Mary's in Rhinelander when Marquette General Hospital is full instead of going to Traverse City or Alpena.
- The adult block grant was approved for a total of \$68,857.00 for year 1 and the same amount will be received for year 2. The money each year will be used as follows: \$50,000.00 for the Family Ties programs in Dickinson/Iron Counties; \$3,500.00 for the NAMI luncheon, and \$15,357.00 for a part-time peer support specialist who will be hired and work at the Federally Qualified Health Center to begin the integration between behavioral and physical health.

OLD BUSINESS - No old business

NEW BUSINESS - No new business

BOARD PREROGATIVE – No Board prerogative

PUBLIC COMMENTS – No public comments

ADJOURNMENT

Chairperson Raether stated the meeting adjourned. Meeting adjourned at 6:12 p.m.

The next regular monthly Board meeting is scheduled for September 23, 2010, in **Kingsford, Michigan beginning at 4:00 p.m.**

Karen Raether, Chairperson

Peggy Connors, Secretary

Mary Wendt, Board Secretary