

**NORTHPOINTE HEALTHCARE SYSTEMS BOARD OF DIRECTORS**

**Regular Monthly Meeting  
MINUTES**

**401 Tenth Avenue; Menominee, Michigan  
May 24, 2007 - 4:00 p.m.**

**CALL TO ORDER/ROLL CALL:**

Karen Raether, 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>Absent</u>	<u>MEMBERS</u>	<u>Present</u>	<u>Excused</u> <u>Absent</u>	<u>Absent</u>
Babladelis, Anastasia	X *(via VTC)			Luhtanen, Joan	X *(via VTC)		
Benson, Lloyd	X			Martin, Ann	X *(via VTC)		
Berger, Floyd	X			Pomeroy, Judy	X		
Connors, Peggy	X (at 4:04 p.m.) *(via VTC)			Raether, Karen	X		
DeDie, William	X *(via VTC)			Plumley, Robert	X *(via VTC)		
Hofer, Millie		X		Spence, Christine	X		

**REPRESENTING ADMINISTRATION:** K. Thekan, B. Adrian \*(via VTC), T. Wendt \*(via VTC), F. Foley, L. Dionne \*(via VTC), M. Wendt

\*(VTC-Video Television Conference from Northpointe Kingsford Office)

Karen Raether welcomed new Board member, William DeDie, to the Board. Introductions were made by Board members and Northpointe staff present at the meeting.

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

P. Connors present at 4:04 p.m.

**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. Pomeroy; supported by L. Benson. **Motion carried unanimously.**

**APPROVAL OF THE MINUTES:**

There were no additions or corrections to the minutes from the Regular Board of Directors meeting on April 19, 2007.

**ACTION:** A motion was made to dispense with reading the minutes from the April 19, 2007 Regular Board of Directors meeting and approve as written.

**Motion by:** L. Benson; supported by J. Pomeroy. **Motion carried unanimously**

**PRESENTATION(S):** No presentation

**ENDOWMENT COMMITTEE REPORT** - K. Raether

Ms. Raether highlighted the following from the Endowment Committee Meeting Minutes:

1. **ISSUE:** Foundation Fund Account Update

Northpointe's Endowment fund account balance is \$38,698.09. The amount available for disbursement is approximately \$1,318.00 and there has not been any donations made to the fund in the past year. Consensus of committee members was to not disburse any funds at this time and to continue to let the fund grow until it reaches at least \$5,000.00 before any grants are given out. **ACTION:** Information

2. **ISSUE:** Bocce Tournament

Endowment Committee members felt that another bocce tournament should be held this year as last year's tournament was very successful. Committee members also felt that structuring the bocce teams into competitive

and non-competitive teams would work well. Bill Reid will coordinate the event. The tournament will be held on a Sunday in August with a date announced soon for it. **ACTION:** Information

**3. MISCELLANEOUS**

- Karen Thekan stated that she was contacted by a representative from Met Life. The representative provided that he did presentations in the last year at the Intermediate School District (ISD) for parents of special needs children on how to set up trusts. The representative contacted Ms. Thekan as he was wondering if Northpointe would be interested in a presentation like this. When he presented to parents through the ISD they did not know what Northpointe was all about so he thought it would be a good opportunity to educate the community on who Northpointe is. Ms. Thekan stated that she contacted the ISD and they provided the presentation was very informative and worthwhile. Ms. Thekan further stated that she is now in the process of contacting the representative to set up a meeting with him to gather more information.
- The next Endowment Committee meeting is scheduled for Monday, September 17, 2007 at 9:30 a.m.

**FINANCE COMMITTEE REPORT - L. Benson**

Mr. Benson highlighted the following from the Finance Committee Meeting Minutes:

**1. ISSUE: Bills and Payroll**

Bills and payroll in the amount \$1,295,754.37 were reviewed, discussed, and recommended for approval.

**ACTION:** A motion was made by L. Benson, supported by J. Pomeroy to approve bills as presented.

**ROLL CALL VOTE:**

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Babladelis, Anastasia	X		Luhtanen, Joan	X	
Benson, Lloyd	X		Martin, Ann	X	
Berger, Floyd	X		Pomeroy, Judy	X	
Connors, Peggy	X		Raether, Karen	X	
DeDie, William	X		Plumley, Robert	X	
Hofer, Millie			Spence, Christine	X	

**Motion carried unanimously.**

**2. ISSUE: Financial Statement – April 2007**

The committee reviewed April 2007 financial statement and recommended for approval.

**ACTION:** A motion was made by L. Benson, supported by J. Pomeroy to approve financial statement ending April 2007 as presented.

**ROLL CALL VOTE:**

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Babladelis, Anastasia	X		Luhtanen, Joan	X	
Benson, Lloyd	X		Martin, Ann	X	
Berger, Floyd	X		Pomeroy, Judy	X	
Connors, Peggy	X		Raether, Karen	X	
DeDie, William	X		Plumley, Robert	X	
Hofer, Millie			Spence, Christine	X	

**Motion carried unanimously.**

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

The following contract(s)/agreement(s) were reviewed and recommend for renewal/approval:

- Wakeham Foster Homes – This is a renewal agreement for the Lighthouse. This home is now a Child Caring Institution licensed for 8 through Northpointe. The contract is for the staffing of the home. The daily rate is \$157.11 (minus SS = \$132.90 actual cost).
- MBM – this is a renewal of the lease for the Iron River offices. The rate remains the same at \$3,375.50 per month.
- Stuart Wilson – This is a renewal agreement for Fiscal Intermediary. He is currently the FI for two consumers on self determination. The payment is built into the individuals budgets at \$125.00/month.
- Guardian Trac – This is a new agreement for Fiscal Intermediary services for one consumer on self determination. The monthly rate is \$100.00/month.
- Goodwill Industries – This is renewal agreement for vocational services for Menominee County. The rates will remain the same for 2007 with a total of \$350,000.00

- f) Teaching Family Homes of the UP – This is a new agreement for counseling services for one resident of the home with a TFH counselor. The rate is \$80.00/session and will be monitored through a single case agreement.
- g) Wells Fargo – This is a refinancing of our loan on the Boyington home. Information only.

Miscellaneous questions were addressed by Mr. Adrian.

**ACTION:** A motion was made by L. Benson, supported by F. Berger to approve all contracts/agreements as noted above.

**ROLL CALL VOTE:**

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Babladelis, Anastasia	X		Luhtanen, Joan	X	
Benson, Lloyd	X		Martin, Ann	X	
Berger, Floyd	X		Pomeroy, Judy	X	
Connors, Peggy	X		Raether, Karen	X	
DeDie, William	X		Plumley, Robert	X	
Hofer, Millie			Spence, Christine	X	

**Motion carried unanimously**

**PERSONNEL COMMITTEE REPORT** - P. Connors

Ms. Connors highlighted the following from the Personnel Committee Meeting Minutes:

1. **ISSUE:** Quarterly Reports

The following quarterly reports were reviewed: Employee Injury/Accidents; Separated Employees; and Wage Increases. A letter from Accident Fund was also reviewed which stated that Northpointe’s premium has dropped approximately \$137,000.00 over the last 5 years which shows that Northpointe has shown a commitment to workplace safety and the prevention of workplace accidents. The Board stated that all staff should be commended for keeping a safe workplace. **ACTION:** Information

2. **ISSUE:** Policies: Drug Free Workplace; Health Insurance; and Wage Administration

As per the Committee’s recommendation at the last meeting, Terri Wendt consulted with Northpointe’s attorney, Steve Girard, regarding the previously proposed Drug Free Workplace Policy. Ms. T. Wendt provided that after talking with Mr. Girard, she was informed that the Constitution allows for random drug testing for public employees if they are employed in a sensitive position (e.g., police officers) as defined by the law. As a result of this, random drug testing has now been taken out of the policy but drug testing for reasonable suspicion (which is currently being done), applicants that are applying for a job, and mandatory testing (i.e., after a work related vehicle accident or work related injury) will be covered in the policy. Ms.T. Wendt also provided that due to budget cuts it is being recommended not to implement the applicant drug screening process until the start of the fiscal year on October 1, 2007. Miscellaneous questions were addressed by Ms. T. Wendt.

**ACTION:** A motion was made by J. Luhtanen, supported by A. Babladelis to approve the changes to the Drug Free Workplace Policy and that it be implemented on October 1, 2007. **Motion carried unanimously.**

Also discussed at the Personnel Committee meeting was the Health Insurance Policy due to the anticipated Medicaid budget cut. Ms. T. Wendt reviewed the Health Insurance Policy in regards to the amount employees pay toward the cost and the in-lieu of payment. Ms. T. Wendt provided the policy now states that any full-time employee eligible to participate in health insurance may elect to waive health insurance coverage and receive \$125.00 a month through payroll. As discussions regarding budget cuts have occurred, if the in-lieu of payment of \$125.00 per employee would be discontinued it would save Northpointe \$32,000.00 over the last 4 months of this fiscal budget year and an annual savings of approximately \$100,000.00. Miscellaneous questions were addressed by Bill Adrian and Ms. T. Wendt.

**ACTION:** A motion was made by P. Connors, supported by L. Benson to approve the change in the Health Insurance Policy to discontinue the in-lieu payment of \$125.00 a month for waiving health insurance coverage effective June 1, 2007.

**DISCUSSION:** Ann Martin stated that many organizations have the in-lieu of payment for waiving health insurance and would Northpointe be at risk for having more staff now sign up for health insurance as they would not be receiving the in-lieu of payment. Karen Thekan stated that staff would have the option of coming onto Northpointe’s health insurance plan during the open enrollment period but with the cost of the health insurance they do not anticipate a surge of staff signing up for health insurance. Peggy Connors stated that it is not easy to do cuts and Northpointe is doing a good job in terms of what cuts will be done and this cut is better than eliminating staff jobs. Miscellaneous questions were addressed by Ms. Thekan and Bill Adrian.

**ROLL CALL VOTE:**

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Babladelis, Anastasia	X		Luhtanen, Joan	X	
Benson, Lloyd	X		Martin, Ann	X	
Berger, Floyd	X		Pomeroy, Judy	X	
Connors, Peggy	X		Raether, Karen	X	
DeDie, William	X		Plumley, Robert	X	
Hofer, Millie			Spence, Christine	X	

**Motion carried unanimously**

The Wage Administration Policy was also discussed due to the anticipated Medicaid budget cut. The policy states that the annual wage increases for staff are determined by the results of the staff’s annual performance review but does not specifically state the percentage increase scale in the policy. Karen Thekan stated that the Board had discussed the maximum wage increase of 6% that an employee could receive on their annual performance review prior to budget cuts as they felt an increase of 6% generous. As the Board feels that the range of up to 6% is high, the Board should determine what that amount should be. Personnel Committee members are recommending that the wage scale increase be changed from a 0-6% increase to a 0-4% increase.

**ACTION:** A motion was made by L. Benson, supported by F. Berger to approve the percentage pay increase scale be 0-4% for an employee’s annual performance review and will be effective June 1, 2007.

**DISCUSSION:** Ann Martin asked if a staff’s annual review is always based on performance. Karen Thekan stated that this is correct as staff do not receive step increases and if a staff person is at the top of the pay scale, they are frozen. Ann Martin also asked if managers receive training on how to evaluate an employee. Ms. Thekan stated that managers are trained on the performance review evaluation that is used for staff. Rob Plumley stated that after reviewing other budget cuts that are proposed, this seems like a small contribution to cuts and wondered if the amount of \$3,700.00 cut for this is, is realistic and worthwhile. Bill Adrian stated that the \$3,700.00 was for the last four months of the budget year but over the course of one year would amount to more than this. Mr. Adrian also stated that he does not anticipate the budget crisis going away any time soon so this is a solution for now and for the future. Also discussed was the longevity pay that is included in the Wage Administration Policy which states that longevity pay is awarded dependent upon the availability of funds in Northpointe’s budget. The Board will need to further review this at a future personnel committee meeting and decide if a longevity pay-out is feasible for this fiscal year. Miscellaneous questions were addressed by Ms. Thekan, Mr. Adrian, and Ms. T. Wendt.

**ROLL CALL VOTE:**

<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>	<u>MEMBERS</u>	<u>YES</u>	<u>NO</u>
Babladelis, Anastasia	X		Luhtanen, Joan	X	
Benson, Lloyd	X		Martin, Ann	X	
Berger, Floyd	X		Pomeroy, Judy	X	
Connors, Peggy	X		Raether, Karen	X	
DeDie, William	X		Plumley, Robert	X	
Hofer, Millie			Spence, Christine	X	

**Motion carried unanimously**

3. **ISSUE:** Personnel Issue Update

An update was provided by Teri Wendt regarding the employee who previously sent an e-mail to Board members. This issue is now being entirely handled by Michigan Municipal Risk Management Association (MMRMA) with all the information they requested provided to them. Ms. T. Wendt will continue to provide updates. **ACTION:** Information

4. **ISSUE:** CEO Annual Evaluation from Operations Team Members

Karen Thekan’s CEO evaluation of compiled scores and comments from Operations Team members were reviewed by Personnel Committee members. Floyd Berger provided that Ms. Thekan received a very good evaluation by members of the Operations Team. Peggy Connors stated that Ms. Thekan received an outstanding evaluation and deserved a commendation for all of her hard work. Ms. Thekan stated that she is very thankful for the Operations Team and staff that are employed by Northpointe as they all make her job much easier to do. Karen Raether stated that the Board appreciates what Ms. Thekan has done as she has taken Northpointe a long way. **ACTION:** Information

## **PLANNING COMMITTEE REPORT** - A. Babladelis:

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

1. **ISSUE:** Update-Transitional AFC Home

A newspaper article from The Daily News regarding Northpointe meeting with the Norway City Council regarding the transitional AFC home to be built in Norway was reviewed by Karen Thekan. Laurie Whear, Director of Developmental Disability Services; George Lemerond, Director of Environmental Services; Luanne Guiliani, Contract Manager; and Ms. Thekan all attended the city council meeting to present information and address questions regarding the transitional AFC home. Ms. Thekan provided that after this meeting, many misconceptions regarding the home were cleared up and everyone had a much better understanding of the home.

**ACTION:** Information

2. **ISSUE:** Prepaid Inpatient Health Plan (PIHP) & Community Mental Health Service Program (CMHSP) Michigan Mission Based Performance Indicator System (MMBPIS) State Reports-4<sup>th</sup> Quarter

The 4th quarter PIHP and CMHSP MMBPIS State Reports for the period of July 1, 2006-September 30, 2006 were reviewed by Lisa Dionne. **ACTION:** Information

3. **ISSUE:** Six Month Review of Northpointe Strategic Plan

Karen Thekan reviewed areas in the Strategic Plan that have been met and not been met. Ms. Thekan provided that if a Board retreat is held this summer, the Strategic Plan would be reviewed and discussed more in-depth there. Ms. Thekan asked Planning Committee members if they felt a Board retreat was useful as preliminary planning for it should begin now. Karen Raether and Ann Babladelis provided that the Board retreat held last summer was very informative. Planning Committee members suggested that the retreat again be held at Oak Crest in Norway and tentatively planned for Friday, August 17. Bill Adrian stated that maybe holding the Board retreat and August Board of Directors' meeting on the same day which would save everyone time and money. Karen Thekan stated that the Strategic Plan and review of service utilization data could be presented in the morning with the Board meeting then held in the afternoon. Planning for the Board retreat will continue at the June Planning Committee meeting. **ACTION:** Information

4. **ISSUE:** 6% Budget Cut Proposal-Medicaid

Karen Thekan provided that the State of Michigan had proposed a 6% cut in Medicaid funds and then on May 18, the Senate passed a bill for a 3% cut in Medicaid funds with nothing yet finalized. Ms. Thekan stated that as of today (May 24) the Legislatures are starting to work together and come to some agreement. Discussions now are to increase the income tax and also do a temporary increase on the sales tax with details yet forthcoming on this. Ms. Thekan stated that what is known for sure as of today's date is that everyone is taking a 6% Medicaid cut for their June payment which amount to \$66,000.00 for one month for Northpointe. If the Legislatures can implement the above revenue enhancing proposals what is hoped for, is that Medicaid funding could then be restored and the Public Act 2 dollars which fund substance abuse would be restored also. Ms. Thekan stated that at the May Operations Team meeting the worst case scenario of a 6% cut in Medicaid funds for Northpointe was discussed. If the 6% cut is passed, Northpointe's loss of funds would be approximately \$250,000.00 for the period of June-September 2007. Ms. Thekan reviewed the 6% cuts for Northpointe. Ms. Thekan will provide an e-mail to all staff on Friday morning, May 25, informing them of the budget cuts and will also be holding an all-staff agency meeting at 12:00 noon on that same day to address any questions staff may have. Miscellaneous questions were addressed by Ms. Thekan. **ACTION:** Information

5. **ISSUE:** State Fingertip Reports-Information

The State Fingertip Report for the period of October 2004-September 2006 was reviewed by Lisa Dionne. Ms. Dionne provided that this is a snap shot report for the legislators regarding cost summary and service utilization. **ACTION:** Information

## **CHAIRPERSONS REPORT** - K. Raether

- Ms. Raether stated that she attended the first U.P. consumer conference held on May 7 in Escanaba which was very well attended. Dave Block from Northpointe presented at this conference and his presentation was very good. Joan Luhtanen stated that she also attended the conference and provided that if individuals who do not take advantage of mental health services had heard the presenters at this conference and how their lives were changed by getting help, maybe these individuals would receive the help they need. Ms. Raether stated the conference was sponsored by NorthCare and feedback will be provided to them that the consumer conference should be continued as it was very worthwhile. Ms. Raether also stated that if anyone would like a copy of Advance Directives for Mental Health Care to contact her.
- The Great Lake Executive Committee is continuing to work on plans for the Fall conference which will be held at the Four Seasons Resort in Pembine, Wisconsin from September 10-12. Arrangements are being made to have

at least two Boardworks presentations at this conference to save Board members from having to attend other conferences on this around the state.

**Michigan Association Community Mental Health Boards (MACMHB) Spring Conference Report** – K. Thekan & K. Raether

- Karen Raether stated that she attended all three Boardworks workshops and also attended the pre-conference workshop on Governance and Leadership which she found all very informative. At the regional meeting, NorthCare has taken over at this meeting and issues are being handled much better.
- Karen Thekan stated that the main focus of the conference was on supportive employment and supportive housing. Ms. Thekan attended a workshop on training for hospitals and doctors on dealing with individuals with a developmental disability. She also attended an all day pre-conference workshop with Josef Pelc on health information technology as the State is setting standards for electronic medical records. Ms. Thekan provided that she also has meeting minutes from all the committees that happen at the state level and if anyone would like copies contact Mary Wendt.

**CEO REPORT**

Ms. Thekan stated that her May 2007 CEO report was in Board packets; she provided the following updates and highlights:

**State Activity:**

- A letter was provided for Board members' information from Senator Prusi. Ms. Thekan stated that she would encourage staff and consumers to contact representatives to voice their opinion regarding budget cuts.
- Ms. Thekan reviewed a proposal which is being discussed on how to equal out the General Fund dollars that are being distributed throughout the state.

**Regional Activity:**

- Regionally, the process for applying for block grant dollars has changed. Previously, an individual CMH applied for these dollars but now the rule changed that block grant dollars have to go through the regional entity or PIHP. NorthCare is submitting a regional block grant for adults to cover the cost for next year's consumer conference, monies for motivational interviewing/training/supervision, and for co-occurring. The other area they are submitting block grant monies for is for seriously emotionally disturbed children and not juvenile justice. This will cause a dilemma as in the past Northpointe has had block grant monies for Menominee's juvenile justice position and Northpointe will no longer will have block grant monies for this. Ms. Thekan stated that a meeting has been scheduled for June 1 with Judge Hupy, Brian Neumeier, and Dawn Dennis-Releau as Northpointe has proposed to Menominee County that Northpointe will fund the position half-time if the county will come up with the other half. Miscellaneous questions were addressed by Ms. Thekan.

**Local Activity:**

- Wednesday, May 30 is the Annual NAMI luncheon with Dr. Cools being the main presenter.

**OLD BUSINESS** – No old business

**NEW BUSINESS** – No new business

**BOARD PREROGATIVE**

- Joan Luhtanen stated that in Iron County, the past week, a young individual took her life. Ms. Luhtanen asked if the school ever contacted Northpointe regarding situations as mentioned above. Karen Thekan stated that Greg Takala, Northpointe's Iron County Site Director, contacted the school and offered Northpointe's services. Northpointe's services were also offered to the mother's place of employment and to the emergency responders. Ms. Thekan further stated that Mr. Takala has done a wonderful job of outreach in the Iron County community during this time. Ms. Thekan also stated that suicide awareness/prevention activities are still being done through Northpointe and Mr. Takala has offered workshops in Iron County to human services and the school systems. The state has also come out with a best practice model on suicide prevention and training and Northpointe is volunteering to have a few staff be trained for the region on this.
- Joan Luhtanen also stated that Kathe Oliva, who manages the Phoenix Center and Hughitt Street apartments, is retiring and provided that she just wanted to say that Ms. Oliva is a wonderful person and exemplifies the quality staff that Northpointe has and wishes her all the best.
- Ann Martin stated that she was very impressed how the \$250,000.00 budget cut has been addressed and the thoroughness of everything presented.

**PUBLIC COMMENTS**

- Clark Clermont, Northpointe Care Manager, stated that he appreciates the Board looking at how to cut costs and the hard decisions that had to be made. Mr. Clermont also stated that discontinuing of the in-lieu of payment regarding waiving health insurance is a benefit lost for staff and this will have to be a belt tightening for them. Mr. Clermont further stated each individual work site should be looked at for creating efficiencies for using agency vehicles as staff have to tighten their belts, corporately looking at the bureaucratic redundancies in reducing costs will be better taken by staff.
- Angela Warzon, Northpointe Clinical Care Manager, stated that she agreed with everything Mr. Clermont stated above and she too is concerned about the in-lieu of payment being discontinued. Ms. Warzon provided that if 20% (15) of the 70 individuals who now receive the in-lieu payment decide to take Northpointe’s health insurance it will cost Northpointe more money to have these individuals join Northpointe’s health insurance plan.
- Donna Raboin, Northpointe Care Manager, stated that she was very glad that Northpointe’s health insurance premium that employees pay was not increased at the May 24 Board meeting.

**ADJOURNMENT**

Chairperson Rather stated the meeting adjourned. Meeting adjourned at 5:37 p.m.

The next regular monthly board meeting is scheduled for June 21, 2007 in **Kingsford, Michigan** beginning at 4:00 p.m.

\_\_\_\_\_  
Karen Raether, Chairperson

\_\_\_\_\_  
Ann Babladelis, Secretary

\_\_\_\_\_  
Mary Wendt, Board Secretary