

**SAGINAW COUNTY COMMUNITY MENTAL HEALTH AUTHORITY
REGULAR MONTHLY BOARD MEETING MINUTES
SEPTEMBER 11, 2023, 2022 – 5:15 PM
ROOM 190/191**

PRESENT: Tracey Raquepaw, Deb Nagel, Joan Williams, Lisa Coney, Robert Woods, Cym Winiecke, Mike Cierzniewski, Cherie Long, Steve Fresorger, Jill Armentrout, Kathleen Schachman

ABSENT: John Pugh

GUESTS:

STAFF: Sandra Lindsey, Jan Histed, Ryan Mulder

I. CALL TO ORDER

Tracey Raquepaw - Chair called the meeting to order at 5:20 p.m. A quorum was established, and verification of posting was determined.

II. PUBLIC PARTICIPATION

There was no public participation.

III. SWEARING IN OF NEW BOARD MEMBER – KATHLEEN SCHACHMAN

Kathleen Schachman was sworn in as SCCMHA Board member. Kathleen also signed the Oath of Office and returned to Ryan for filing in SCCMHA records.

IV. APPROVAL OF BOARD MINUTES

A. Board Meeting – August 14, 2023

Motion made by Lisa Coney and supported by Deb Nagel to approve the August 14, 2023 SCCMHA Board Meeting minutes as written. Motion carried.

V. APPROVAL OF COMMITTEE REPORTS

A. Governance Committee – No Meeting

Mike Cierzniewski, Chair / Jane Sills, Vice Chair

B. Recipient Rights Committee – No Meeting

Robert Woods, Chair – Deb Nagel, Vice Chair

C. Executive Limitations – August 23, 2023

Cym Winiecke, Chair – Tracey Raquepaw, Vice Chair
Reported by Cym Winiecke.

Motion made by Mike Cierzniewski and supported by Deb Nagel to receive and file this report as written. Motion carried.

D. Ends Committee – August 28, 2023 – No Quorum

Jill Armentrout, Chair – Tracey Raquepaw, Vice Chair
Reported by Jill Armentrout.

Motion made by Jill Armentrout and supported by Deb Nagel to receive and file this report as written. Motion carried.

VI. APPROVAL OF PRELIMINARY FY 2024 OPERATING BUDGET & MULTI YEAR BUDGET

The SCCMHA Preliminary FY 2024 Operating Budget and Multi Year Budget were reviewed by Jan Histed (Total Revenue of \$128,559,266 / Total Expenses of \$126,893,602). The Operating Budget Recap and Assumptions, Revenue / Expense Comparison & Key Assumptions were reviewed in detail. The Executive Limitations Committee was able to ask questions / make comment.

Motion made by Tracey Raquepaw with support from Deb Nagel to approve the 2024 Preliminary Operating Budget and Multi Year Budget. Motion carried.

VII. BOARD ACTION

A. SCCMHA Conflict of Interest Policy

Hard copy versions were included in the packet of information mailed for tonight's meeting and are to be completed and returned to Ryan Mulder for filing. Tracey Raquepaw, Board chair encouraged the Board to make every effort to return signed documents as soon as possible. If you would like Ryan to assist or you need another copy please reach out to Ryan.

VIII. CEO REPORT

Healthsource Saginaw Revenue Problem and Remedy

Healthsource Saginaw recently shared reported revenue losses for FY 2022 and 2023 attributed to probate court orders for consumer treatment noncompliance and the related arrangement with HHS to hold beds at their White Pine Mental Health Inpatient unit referred to as "bed holds" for admissions of such persons while police execute probate pick-up orders. Our agreement for these bed holds since 2019, is we will request no more than 2 beds be held at a time for 48 hours each. Healthsource Saginaw (HSS), CEO, Michelle Travillian, communicated further indicating that if I did not sign an addendum to their contract with SCCMHA that they prepared, and accept fiscal responsibility for these held beds by September 1st, that HSS would no longer hold beds for this purpose.

There reported 2022 Revenue losses were \$179,452 for 203 bed day holds, and in 2023 through August 18th, \$159,000 for 168 bed day holds. I instructed our Crisis Intervention Services to pull our data and the related court orders, resulting in requests to HSS to hold beds for 2023 and admission outcomes, into a spreadsheet to get a sense of the accuracy of the HSS reported bed day holds count and claims of lost revenue through 8-18-23. The HSS held bed count days compared to our data was remarkably close to matching.

This revenue problem is an issue for them because of their huge staffing problem over the pandemic to present day, causing their reduced bed capacity to shrink from a 98 beds occupancy pre-pandemic, down to present day levels which depending on the day, is maybe 30 beds. This reduced capacity of overall beds really makes the lost revenue for bed holds very disproportional. 168 held bed days is a much smaller problem revenue wise, if the yearly capacity is (98 beds x 365 days x .90 percent occupancy or 32,193 bed day) vs. (30 beds x 365 days x 70 percent occupancy or 7,665 bed days).

The other noise related to this issue is that the current HSS administration has been unaware of long history on the bed hold arrangement between the hospital, probate court, prosecutor, law enforcement and SCCMHA. Nancy Johnson, our Crisis Services Supervisor, and her staff, get constant push back from the HSS intake staff about the current bed hold arrangement that was last changed in 2019, but has been in place for more than 20 plus years. The attachment to this report is a simple history of the arrangements and its' adjustments over the last two decades. The report was shared with Michelle Travillian on August 29, 2023, when I met with her to discuss all the related issues to their revenue problem.

When I met with Michelle, I indicated that SCCMHA cannot accept fiscal responsibility for inpatient beds that have no patients in them. I further explained that though I could appreciate the HSS revenue problem, I believed there are more contributing issues to their revenue problem than just these bed holds. That said, I devised a remedy to assist HSS with their problem in the current year, and my meeting purpose was to share my remedy of a one-time offer for the current year and the new 2024 contract to address their problem. I explained SCCMHA could not address their losses for that year, because the FY 2022 books are closed. It is important to understand that we need HSS to be a financially healthy, local viable psychiatric inpatient unit for obvious reasons, including the need for available beds for probate orders for non-compliance police pick-ups.

As we are at year end, SCCMHA has MDHHS General Fund favorability that will not be needed this year and will be returned to MDHHS as we close out FY 2023, as per our MDHHS Contract. Typically, when this favorability occurs at a SCCMHA we would approach the state about moving these funds to other CMHSPs that are short and need GF funding before year end to balance their budgets. SCCMHA has been both a contributor and a recipient of this process known as a "236 Transfer of Funds", over my 23 years as CEO.

This year, I reported to MDHHS we would not have available favorability to help other CMHSPs because we would be using it for "Provider Stabilization" with HSS in mind. This is not a new concept as we have been assisting the SCCMHA Contracted Network providers with extra Medicaid funds over the last two years, to keep them viable and in business under allowable financial pandemic flexibilities. Because our contracted agencies also with serious workforce shortages, cannot bill for services when they do not have enough staff to provide billable service, have been receiving Provider Stabilization financial payments from SCCMHA in a couple of different forms. However, MDHHS does not allow Medicaid funds to be used for Provider Stabilization payments to hospitals.

My offer to Michelle Travillian /HSS at our August 29 meeting was a financial remedy with two steps:

1. For 2023, SCCMHA will assist with their related revenue problem with a one-time Provider Stabilization payment of \$175,000 by year end using our GF favorability (not Medicaid funds). Provider Stabilization parameters will be codified in an MOU unique to this payment. Note the payment amount was increased beyond their reported losses through 8-18-23, to attribute additional bed hold days for the rest of the year (43 days). The MOU will insist the funds be used uniquely for HSS White Pine Mental Health unit operations and that the funds cannot be used to enhance any administrative salaries or bonuses.
2. SCCMHA will include an 8% increase in the 2024 HSS Contract taking the all-inclusive daily bed day rate (inclusive of physician charges) from \$950/day to \$1026/day. The increase contract rate increase is in part to assist them cover the

cost of bed holds, going forward. SCCMHA is helping because we can, and in no way are we assuming the sole responsibility for the cost of empty beds in this remedy.

Michelle was obviously agreeable to this arrangement and plans are underway for development of the MOU, a wire transfer of the stabilization payment before the end of September and 2024 contract completion with the 8% increase included.

Motion made Robert Woods and supported by Cym Winiecke to receive & file this report as written. Motion carried.

IX. BOARD INFORMATION

- A. CMHA Weekly Update – August 2023 links:** <https://cmham.org/resources/weekly-update/>
- B. SCCMHA CAC Minutes** <https://www.sccmha.org/about/board-agendas-and-meetings.html>
- C. September is Suicide Prevention & Hispanic Heritage Month**
- D. SCCMHA Sponsorship of Saginaw NAACP 2023 Freedom Fund Event**
- E. Letter BOC re: Appointment of Kathleen Schachman to SCCMHA Board – 08/16/23**
- F. A.Bolter-CMHA Communication re: HB 4841**
- G. Recognition of Outgoing SCCMHA Board Members – Leola Wilson**
- H. Recognition of Outgoing SCCMHA Board Members – Andrea Schrems**
Former SCCMHA Board member, Andrea Schrems was presented with a plaque from thanking her for her years of dedicated service to the SCCMHA Board of Directors and the Saginaw Community.
- I. Recognition of Outgoing SCCMHA Board Members – Jane Sills**

X. MEDIA / PUBLICATIONS

- A. Press Release 'MDHHS moving forward with MIHealthy Life to provide improved access to care for Medicaid health plan enrollees' – 08/22/23**

XI. OTHER ITEMS OF INTEREST

Putting together the public hearing. Being held on Oct. 6 at 5:15 pm. Ryan will share the posting when it is put together along with a save the date.

XII. ADJOURNMENT

Motion by Robert Woods supported by Deb Nagel to adjourn this meeting at 6:29 PM p.m. Motion carried.

**Minutes prepared by:
Ryan Mulder
Executive Assistant to CEO**