

**NORTH SOUND MENTAL HEALTH ADMINISTRATION  
BOARD OF DIRECTORS MEETING  
September 13, 2012  
1:30 PM**

**AGENDA**

Page #/Tab

1. **Call to Order; Introductions – Chair Kershner**
2. **Revisions to Agenda – Chair Kershner**
3. **Approval of Minutes– Chair Kershner Motion #12-029**
  - **To review and approve the minutes August 9, 2012 .....7-14**
4. **Comments & Announcements from the Chair**
5. **Reports from Board Members**
6. **Comments from the Public**
7. **Report from the Advisory Board – Candy Trautman, Chair**
8. **Report from the Executive/Personnel Committee – Dave Gossett, Chair**
9. **Report from the Quality Management Oversight Committee – Rebecca Clark, Chair**
10. **Report from the Planning Committee – Anne Deacon, Chair**
11. **Report from the Executive Director – Joe Valentine, Executive Director..... Tab 1**
12. **Report from the Finance Officer – Bill Whitlock, Fiscal Officer .....Tab 2**
13. **Report from the Finance Committee – Ken Stark, Chair**
14. **Consent Agenda – Finance Committee Motion #12-030**

<p>All matters listed with the Consent Agenda have been distributed to each Board Member for reading and study, are considered to be routine, and will be enacted by one action of the Board of Directors with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Board Member.</p>
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To review and approve North Sound Mental Health Administration’s claims paid from August 1, 2012 through August 31, 2012 in the amount of \$4,906,089.58. Payroll for the month of August in the amount of \$121,309.66 and associated employer paid benefits in the amount of \$57,236.59.

## 15. Action Items

### Motion #12-031

#### Mental Health Block Grant

The State has decided to continue the current MHBG contracts for an additional nine (9) months and is prorating the funding for the period of the amendment. The current contract funding does not carry over into the amendment cycle; all 10/1/11-9/30/12 billings must be to NSMHA by October 15, 2012, as is standard practice. NSMHA will reapply for MHBG funds in March of 2013 for a contract start date of July 1, 2013. Below are the contract amendments that are being brought before the Board for action:

NSMHA-COMPASS HEALTH-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$113,787 for a new maximum consideration of \$265,503.

NSMHA-COMPASS HEALTH BAILEY PEER CENTER-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$112,500 for a new maximum consideration of \$262,500.

NSMHA-CONSUMER VOICES ARE BORN (CVAB)-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$112,500 for a new maximum consideration of \$262,500.

NSMHA-HOPE OPTIONS-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$27,138 for a new maximum consideration of \$71,322.

NSMHA-ISLAND COUNTY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$44,625 for a new maximum consideration of \$59,047.

NSMHA-OPPORTUNITY COUNCIL ADULT-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$35,175 for a new maximum consideration of \$84,325.

NSMHA-OPPORTUNITY COUNCIL YOUTH-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$35,175 for a new maximum consideration of \$83,125.

NSMHA-SAN JUAN COUNTY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$21,750 for a new maximum consideration of \$38,750.

NSMHA-SENIOR SERVICES-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$30,750 for a new maximum consideration of \$82,194.

NSMHA-SKAGIT COUNTY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$39,413 for a new maximum consideration of \$98,963.

NSMHA-SNOHOMISH COUNTY-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$47,250 for a new maximum consideration of \$130,250.

NSMHA-SUN COMMUNITY-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$44,250 for a new maximum consideration of \$103,250.

NSMHA-TULALIP TRIBES-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$48,750 for a new maximum consideration of \$113,750.

NSMHA-WCPC RAINBOW RECOVERY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$112,500 for a new maximum consideration of \$270,834.

**Motion #12-032**

To approve the proposed increase for Fee For Service reimbursement rates effective October 1, 2012 as described in the Proposed FFS Based Rate Changes document ..... **Tab 3**

**Motion #12-033**

**PREPAID INPATIENT HEALTH PLAN (PIHP/MEDICAID)**

On October 1, the Department of Social and Health Services added a number of new requirements to its PIHP [Medicaid] and State contracts with RSNs. Some of these requirements will also need to be added to NSMHA's contracts with its provider agencies. The amendments below will add the necessary requirements to provider contracts as well as implement any budget changes resulting from the rate increase proposed in Motion 12-032.

DSHS-DBHR-NSMHA-PIHP-11-13 AMENDMENT 3 for the provision of technical and substantive changes to the requirements in the contract. Review of new contract terms is underway and we are anticipating it will have an impact on service providers and counties. The term of the agreement and the funding allocation remain the same.

NSMHA-BRIDGWAYS-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. The maximum consideration is increased by \$74,610 for a new maximum consideration of \$1,719,731

NSMHA-CCSNW-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. The maximum consideration is increased by \$24,246 for a new maximum consideration of \$3,970,972

NSMHA-COMPASS HEALTH-MEDICAID-11-13 AMENDMENT 3 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-INTERFAITH-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA

PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-LAKE WHATCOM CENTER-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. The maximum consideration is increased by \$31,608 for a new maximum consideration of \$1,901,208

NSMHA-SEA MAR-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-SUNRISE SERVICES-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-WHATCOM COUNSELING & PSYCHIATRIC-MEDICAID-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule and any requirements of the provider based on the NSMHA PIHP amendment with DSHS. The term of the agreement remains the same, ending on September 30, 2013. The maximum consideration is increased by \$67,941 for a new maximum consideration of \$4,958,192.

#### **Motion #12-034**

#### **STATE MENTAL HEALTH CONTRACT (SMHC)**

On October 1, the Department of Social and Health Services added a number of new requirements to its PIHP [Medicaid] and State contracts with RSNs. Some of these requirements will also need to be added to NSMHA's contracts with its provider agencies. The amendments below will add the necessary requirements to provider contracts as well as implement any budget changes resulting from the rate increase proposed in Motion 12-032.

NSMHA-BRIDGWAYS-SMHC-11-13 AMENDMENT 1 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-CCSNW-SMHC-11-13 AMENDMENT 1 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-COMPASS HEALTH-SMHC-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-INTERFAITH-SMHC-11-13 AMENDMENT 1 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-LAKE WHATCOM CENTER-SMHC-11-13 AMENDMENT 1 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-SEA MAR-SMHC-11-13 AMENDMENT 1 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

NSMHA-SUNRISE-SMHC-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. The maximum consideration is increased by \$30,798 for a new maximum consideration of \$981,302.

NSMHA-WHATCOM COUNSELING & PSYCHIATRIC-SMHC-11-13 AMENDMENT 2 for the provision of amending the budget to include the approved NSMHA fee schedule. The term of the agreement remains the same, ending on September 30, 2013. There is no change to the maximum consideration.

**Motion #12-035**

**CRISIS TRIAGE/CENTERS**

NSMHA-COMPASS HEALTH-CRISIS TRIAGE-11-13 AMENDMENT 1 for the provision of amending the budget to provide capital funding to upgrade the kitchen at the facility. The amount of increase is \$202,780 for a new maximum consideration of \$2,565,035. The term of the Agreement remains the same.

NSMHA-PIONEER HUMAN SERVICES-CRISIS CENTER-11-13 AMENDMENT 1 for the provision of amending the budget to provide fifty percent (50%) of the capital funding to upgrade the facility, Skagit County is providing the remaining fifty percent (50%) of costs. The amount of increase is \$137,050 for a new maximum consideration of \$1,045,332. The term of the Agreement remains the same.

NSMHA-WHATCOM COUNSELING & PYSCHIATRIC-TRIAGE CENTER-11-13 AMENDMENT 2 for the provision of amending the budget to provide funding for the crisis stabilization beds. The amount of increase is \$223,117, of one time funding, for a new maximum consideration of \$1,315,268. The term of the Agreement remains the same.

**Motion #12-036**

**PROGRAM OF ASSERTIVE COMMUNITY TREATMENT (PACT)**

NSMHA-COMPASS HEALTH-PACT-12-13 for the provision of a half PACT team (50 participants) in Skagit County. The term of this Agreement is October 1, 2012 through September 30, 2013 for a maximum consideration of \$577,264

**Motion #12-037**

**PROJECT for ASSISTANCE in TRANSITION FROM HOMELESSNESS (PATH)**

DSHS-DBHR-NSMHA-COMPASS HEALTH PATH-12-14 for the provision of PATH services in Snohomish County. The term of this Agreement is October 1, 2012 through June 30, 2012 for a maximum consideration of \$138, 820.

DSHS-DBHR-NSMHA-WHATCOM COUNSELING & PYSCHATRIC-PATH-12-14 for the provision of PATH services in Whatcom County. The term of this Agreement is October 1, 2012 through June 30, 2012 for a maximum consideration of \$45,452.

NSMHA-COMPASS HEALTH PATH-12-14 for the provision of PATH services in Snohomish County. The term of this Agreement is October 1, 2012 through June 30, 2012 for a maximum consideration of \$138,820.

NSMHA-WCPC PATH-12-14 for the provision of PATH services in Whatcom County. The term of this Agreement is October 1, 2012 through June 30, 2012 for a maximum consideration of \$45,452.

**Motion #12-038**

**TRIBAL**

To approve the NSMHA Advisory Board recommendation of inviting three (3) Tribal representatives to the Advisory Board Membership with one (1) shared vote.

**Background:** The State contract has historically required RSNs to formally invite regional Tribes to join the Advisory Board membership. NSMHA has made invitation inquiries, however the Tribes never expressed an interest in a seat on the Advisory Board. However, they did request seats on the Board of Directors, which resulted in adding three Tribal seats to the Board of Directors with one (1) shared vote. Most recently, the Tribes have indicated an interest in a seat on the Advisory Board and have made a formal request for said seat. The Advisory Board discussed the request at their July meeting and has made the above recommendation in form of a motion.

**16. Introduction Items**

**16.1**

Release an RFQ to select providers for NSMHA funded Outpatient, Medication and Intensive Outpatient Services. The RFQ will be released by October 30, 2012 and the new contracts will begin October 1, 2013. See draft documents ..... **Tab 4**

**16.2**

Adopt the 2013-2016 NSMHA Strategic Plan which includes 7 goals divided into 2 categories: Priority A and Priority B. Priority A will include 3 of the goals and for each of the Priority A goals 3 strategies and a specific work plan will be implemented and regular progress reports made to the Board. .... **Tab 5**

**16.3**

To approve the allocation of the NSMHA Fund Balance dollars for the specific programs and authorize NSMHA Executive Director, Joe Valentine, to negotiate specific contract terms with each of the provider agencies. See list of recommended allocations ..... **Tab 6**

**17. Adjourn**

Next Meeting: October 11, 2012

**NORTH SOUND MENTAL HEALTH ADMINISTRATION  
BOARD OF DIRECTORS MEETING**

**August 9, 2012  
1:30 PM**

**MINUTES**

**Board Members Present:**

Kathy Kershner, Whatcom County Council member, NSMHA Board of Directors Chair  
Jamie Stephens, San Juan County Council member  
Ken Dahlstedt, Skagit County Commissioner  
Ken Stark, designated alternate for Snohomish County Executive, Aaron Reardon  
Jackie Henderson, designated alternate for Helen Price-Johnson, Island County Commissioner  
Sharie Freemantle, designated alternate for Snohomish County Council member, Dave Gossett  
Anne Deacon, designated alternated for Whatcom County Executive, Jack Louws  
Mark McDonald, NSMHA Advisory Board Vice Chair  
June LaMarr, designated alternate for Sheryl Fryberg, The Tulalip Tribes

**Staff Present:** Joe Valentine, Greg Long, Annette Calder

**Guests:** None

**1. Call to Order; Introductions**

Chair Kershner opened the meeting at 1:32 and welcomed everyone; introductions were made.

**2. Revisions to Agenda**

Chair Kershner asked if there were any revisions to the agenda; there were none.

**3. Approval of Minutes–Motion #12-024**

Chair Kershner asked if there were any changes to the minutes of June 14, 2012; there were none. Mr. Stark moved approval, seconded by Ken Dahlstedt, all in favor, **motion carried.**

**4. Comments & Announcements from the Chair**

Chair Kershner said she had no comments or announcements.

**5. Reports from Board Members**

Chair Kershner asked if there were any reports from Board members; Ken Stark said a little over a year ago Snohomish County used some of their 1/10<sup>th</sup> of 1% tax money to hire a PhD researcher to work on data. Ken said that he was shocked to learn that the majority of calls the fire department gets dispatched to are not fire or medical calls. Ken shared information of how different fire districts are working on this and to decrease the number of calls that the fire district gets called out on that are not medical or fire related. Ken said in Snohomish County they are working with the fire districts and the physician that oversees the emergency services in each county to get the fire districts to change their policies to be allowed to transport mental health and chemical dependency consumers to the triage centers. In Snohomish County they are working on getting data sharing agreements in place to help reduce the amount of high utilizers of the system.

Jackie Henderson stated that the same thing occurs in Island County. Ken Dahlstedt said that since our five counties work so well together that maybe we should get the county medical directors, our Board members,

etc. together to come up with ways to get the appropriate party to respond instead of the fire district always being dispatched. It would be nice to get some criteria based dispatching in place and also reduce liability. Ken Stark said if there is interest in other fire districts from any of the other counties joining into this discussion to contact him or Snohomish County Fire Districts 1 or 7 to see if we can get them coordinated into this group.

Jamie Stephens said San Juan County put a public safety sales tax on the ballot and it looks like it is going to pass; it is a .3% tax.

## **6. Comments from the Public**

Chair Kershner asked if there were any comments from the public; there was none.

## **7. Report from the Advisory Board**

Candy Trautman reported in July the Advisory Board had a Retreat and held their Board meeting during the retreat; she said all members were present. She said they discussed the different conferences that the Advisory Board members attend, noting the NAMI National Convention, Statewide Consumer Conference as well as the Systems of Care Institute (SOI) that was held this week. One of the things the NSMHA Advisory Board needs is more diverse membership and Candy noted with Joe's help, the Advisory Board is going to recruit more members. She noted that by the Advisory Board Charter they should have a member of law enforcement and a Tribal representative. Candy noted the August meeting will be held on August 14<sup>th</sup> as it was postponed due to the SOI conference. Candy was thanked for her report.

## **8. Report from the Executive/Personnel Committee**

Kathy Kershner reported the Executive/Personnel Committee met today and had a joint meeting with the Finance Committee. Kathy stated the committees received an extensive report from the Executive Director, noting that Joe will go over that when we get to agenda item 11.

## **9. Report from the Quality Management Oversight Committee**

Jackie Henderson reported the committee met on July 25<sup>th</sup> and reviewed the following:

- **Special Populations Consults** – Kurt Aemmer developed a list of specialist providers that may be contacted when a consult is needed. They are mental health professionals that have agreed to be contacted by agencies if needed.
- **Clinical Forums** – A recommendation came from the Ombuds in their last report to set up forums to address recurring clinical issues. Their recommendation was to consider forming a regional team to discuss common core issues of difficult to treat clients; for example those with problems of delusion, paranoia, and excessive anger. It was decided that Greg and Chuck will set up this first meeting with a discussion on the complaint and grievance process.
- **Healthy Options Program** – has five managed care organizations in our region and we have MOUs with them to guide our interactions with them and are also working on data sharing agreements. NSMHA was approached by United Healthcare to manage their mental health program; after research we have declined to do this.
- **Critical Incident Program** – There were changes to this program that started on July 1 and NSMHA is working on updating the policies and form to comply. Categories were added or combined and RSN reporting is more structured.
- **General Contract Changes** – Providers were updated about the contract amendments that went into effect on July 1, 2012; more updates will come in October and go into amendments at that time.
- **Customer Satisfaction Survey** – The survey conducted last year will be repeated in October with the hope of increasing the participation rate by 15% over the 45% rate of the initial survey last year.



- **Utilization Review Results** – the report for the 2012 review was discussed and NSMHA will be sending out remedial action letters to providers who fell below the 90% mark in 2012 and 2011 and/or 2010.

Jackie was thanked for her report.

## 10. Report from the Planning Committee

Anne Deacon reported the committee met on July 20<sup>th</sup> and reviewed the following:

- **Planning Committee Charter**  
The charter was updated in 2011 to clarify a quorum and at the last meeting clarification on voting membership was called for. Lisa researched the charter and realized an outdated charter had been updated. She then updated the current board approved charter from 2006 to clarify both pieces and it was approved by committee.
- **Budget Transfers**  
NSMHA does an analysis twice a year on fee for service funding with the goal of realigning unspent funds by county, agency and child/adult services. Some providers overspend their funds while others under spend and this allows those that overspend to utilize this funding. The recommended transfers for this period were reviewed and discussed and the transfer was approved by committee.
- **Draft 2013 RFQ**  
There will be an RFQ for outpatient services released in October 2012 to include an E&T in Skagit County, intensive outpatient for adults and older adults and outpatient and medication services. In San Juan County it will include intensive services for children/youth. It has been 6 years since the last outpatient RFQ and this will allow for new providers as well. The draft is out for feedback by the committee and will be brought back to the August Planning Meeting with feedback incorporated as appropriate and with approval would move forward to Advisory Board.

Anne was thanked for her report.

## 11. Report from the Executive Director

Joe Valentine directed the group to Tab 1 of the meeting packet and reported on the following:

- Fund Balance Report, RFP has been released for 7.5 million dollar fund balance and proposals are due August 27<sup>th</sup>,
- RFQ for Outpatient Services, and reviewed the timelines for re-procurement of services,
- Regional Healthcare Alliance, draft charter reviewed with the Board, and will be forming a steering committee to work on this and will hold stakeholder forums. Have also contracted with Dale Jarvis to help us with this process. Discussion on stakeholders followed and Joe said to let him know on anyone that should be included.
- 2013 NSMHA Strategic Plan, required by State law to update the Strategic Plan every two years. Have worked with the Advisory Board and NSMHA staff and have identified 7 areas to work on and discussed those with the Board of Directors.
- Healthy Options Implementation, the State has contracted with five health plans. NSMHA has signed agreements with two of the health plans and are discussing this with the other three plans. Information sharing between the RSN and the health plans is also being worked on.
- Health Path Washington, the model for which people who receive both Medicare and Medicaid will receive services. The state is looking at doing this under two different strategies, a Health Home and Strategy 2, a fully capitated model in which a health plan will be given a fixed amount of money to serve each client. Joe noted that in Strategy 2, both Snohomish and Whatcom counties are looking into this strategy. Joe discussed the letter of intent to participate in a health home network and said that the state will be holding meetings in September and the only way to be included in these meetings is to have submitted a letter of intent.

Board discussion followed. Ken Dahlstedt noted that it is vital for all five of our counties to communicate on this issue or it could really impact how NSMHA operates and how it will impact each county. Ken Stark agreed and added that we need to look at how this will impact the three NSMHA counties that are not involved in Strategy 2. Ken Stark also added that if this is going to adversely affect NSMHA's counties that Snohomish and Whatcom may not move forward with this. He said that only those counties that have expressed interest in Strategy 2 will have influence and have the option to opt out of Strategy 2. Ken Stark noted that the Health Homes only target the high utilizers and won't take money out of the system whereas Strategy 2 will take money out of the system. Ken Stark noted the reason King, Snohomish and Whatcom counties are at the table is so they have some influence with how this moves forward; discussion followed and Kathy echoed Ken Stark's statements about being at the table in this process.

Ken Stark said we need to find out if ITA will remain a carve out with the RSN. Ken Dahlstedt said he would hate to see a percentage come off the top for a Managed Care Organization's profit. Ken Stark noted that our current set up has 3 layers of administration, County, RSN, AAA and that is not going to happen under healthcare reform. He noted that this is also true about case management, each system does case management on each client, and none of the systems do it effectively. This will not be acceptable as we move forward. Ken Stark said what is not known is if a county or RSN could do the case management at a competitive rate, noting he knows that Snohomish County cannot. Joe added there will be more to come on this topic.

- State Contract Changes; the state has changed the contract language around delegation of duties, a lot of which we contract with our member counties for. NSMHA is currently working with the County Coordinators to be sure what we are delegating and that it is allowable by State contract.
- System of Care Institute, NSMHA had its 3<sup>rd</sup> annual System of Care Institute this week and it was very successful.
- Tribal Representative: met with the Regional Tribal Coordinating Council and they have requested a seat on the Advisory Board. Joe noted that there will be a motion next month to add a Tribal seat to the NSMHA Advisory Board. Candy asked if the tribes work together. Joe noted the tribes are working to implement the tribal centric plan.

A copy of Joe's report is attached as part of the official record. Joe was thanked for his report.

## **12. Report from the Fiscal Officer**

Joe Valentine reported:

- This is the July 2012 financial report. Revenues for the FBG (Federal Block Grant) and PATH (Projects for Assistance in Transition from Homelessness) are low. They have negative variances of \$22,989 and \$15,835 respectively. At this time we think these negative variances are timing issues. The state funds have a negative variance of \$4,185. We are not sure if it is a timing or permanent variance at this time. We received more Medicaid revenue than projected in 2012. This is increasing our fund balance issues. Joe said that in regards to the fund balance NSMHA is developing a plan to program that money so we do not accumulate a large fund balance.

Ken Dahlstedt asked if we could dedicate some of the fund balance to help us move forward with healthcare reform; discussion followed. Ken Stark noted that the five counties of NSMHA could look at forming a non-profit entity to work with health plans. Ken Stark said whatever the case may be, this Board needs to have a work session to discuss this and how we are going to move forward, if the RSN goes away or the AAA goes away and the funding no longer goes through the counties, we would still have this five-county entity that would work on this; in depth discussion took place. Kathy suggested that the work session be expanded to include many other partners, Council members and Commissioners of our five counties, ACO's, AAA, Health Department Directors, etc.

- On the expense side we have negative variances of \$1,314 in the repair and maintenance budget. At this point we anticipate these to be timing issues. The inpatient payment budget has a negative variance of \$508,310. We cannot tell at this point if this is a timing or permanent negative variance.
- Motion #12-027 is to transfer funds between agencies, within each of the counties and types of program. Please see the detailed report with the analyses of one year and three months service data. The motion took the annual amount suggested to be transferred and rounded it into monthly amounts for the contract amendments.
- We have our annual financial review with the State Auditor's office starting August 20<sup>th</sup>.

Joe was thanked for his report.

### **13. Report from the Finance Committee**

Ken Stark reported the Finance Committee and Executive Committee met today, reviewed warrants and claims for June and July as well as the motions before the Board today. Ken Stark moved approval of the consent agenda, seconded by Anne Deacon, all in favor, **motion carried (#12-025)**.

### **14. Consent Agenda – Finance Committee Motion #12-025**

All matters listed with the Consent Agenda have been distributed to each Board Member for reading and study, are considered to be routine, and will be enacted by one action of the Board of Directors with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Board Member.

To review and approve North Sound Mental Health Administration's claims paid from June 1, 2012 through June 30, 2012 in the amount of \$6,284,198.95. Payroll for the month of June in the amount of \$118,397.28 and associated employer paid benefits in the amount of \$56,530.85.

To review and approve North Sound Mental Health Administration's claims paid from July 1, 2012 through July 31, 2012 in the amount of \$4,948,831.42. Payroll for the month of July in the amount of \$120,314.24 and associated employer paid benefits in the amount of \$61,951.50.

### **15. Action Items**

Joe Valentine provided an explanation for motion #12-026, and directed the group to the letter received from Health Path Washington. Ken Stark moved approval of signing the letter, seconded by Jackie Henderson, all in favor, **motion carried (12-026)**.

#### **Motion #12-026**

To authorize NSMHA Executive Director, Joe Valentine, to submit a letter of intent to the Department of Social and Health Services and Washington State Health Care Authority for the North Sound Mental Health Administration to become part of a qualified "Health Home Network" serving one or more counties within the North Sound Region.

#### **Motion #12-027**

To approve the following monthly budget transfers starting August 2012:

#### **Skagit County Children's Outpatient Services**

Increase Catholic Community Services Northwest by \$675 per month. Decrease Compass Health \$658 per month. Decrease Sea Mar Healthcare \$16 per month.

#### **Snohomish County Adult Outpatient Services**

Increase Bridgeways by \$5,921 per month. Increase Sunrise Services by \$13,220 per month. Decrease Compass Health \$15,783 per month. Decrease Sea Mar Healthcare \$3,357 per month.

### **Snohomish County Intensive Adult Outpatient Services**

Increase Sunrise Services by \$1,834 per month. Decrease Compass Health \$662 per month. Decrease Bridgeways \$1,171 per month.

### **Snohomish County Children's Outpatient Services**

Increase Catholic Community Services Northwest by \$870 per month. Decrease Compass Health \$817 per month. Decrease Sea Mar \$52 per month.

### **Whatcom County Adult Outpatient Services**

Increase Lake Whatcom by \$7,647 per month. Increase Sea Mar by \$3,920 per month. Decrease Whatcom Counseling & Psychiatric Clinic \$10,931 per month. Decrease Interfaith Community Health Center \$634 per month.

### **Whatcom County Children's Outpatient Services**

Increase Catholic Community Services Northwest \$2,774 per month. Decrease Sea Mar by \$226 per month. Decrease Whatcom Counseling & Psychiatric Clinic \$2,547 per month.

### **PIHP contract amendments due to the above budget transfers:**

To approve NSMHA-BRIDGWAYS-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer increasing the maximum consideration by \$52,250 for a new maximum consideration of \$1,645,121.

To approve NSMHA-CATHOLIC COMMUNITY SERVICES NW (CCSNW)-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer increasing the maximum consideration by \$47,509 for a new maximum consideration of \$3,946,726.

To approve NSMHA-COMPASS HEALTH-MEDICAID-11-13 AMENDMENT 2 for the provision of a fee for service budget transfer decreasing the maximum consideration by \$197,120 for a new maximum consideration of \$24,220,032.

To approve NSMHA-INTERFAITH-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer decreasing the maximum consideration by \$6,974 for a new maximum consideration of \$650,137.

To approve NSMHA-LAKE WHATCOM CENTER-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer increasing the maximum consideration by \$83,017 for a new maximum consideration of \$1,869,600.

To approve NSMHA-SEA MAR-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer increasing the maximum consideration by \$2,959 for a new maximum consideration of \$1,726,408.

To approve NSMHA-SUNRISE-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer increasing the maximum consideration by \$165,594 for a new maximum consideration of \$3,089,802.

To approve NSMHA-WHATCOM COUNSELING & PYSCHIATRIC (WCPC)-MEDICAID-11-13 AMENDMENT 1 for the provision of a fee for service budget transfer decreasing the maximum consideration by \$148,258 for a new maximum consideration of \$4,890,251.

Joe discussed the budget transfers with the Board. Candy Trautman moved approval of 12-027, seconded by Ken Stark, all in favor, **motion carried (12-027)**.

## **16. Introduction Items**

Joe explained that the following motions would be before the Board for action at the September meeting. Joe noted that the State has extended our Mental Health Block Grant by 9 months and as a result we need to extend our Mental Health Block Grant contracts with providers. Anne Deacon moved to accept the following items for introduction, seconded by Ken Stark, all in favor, **motion carried (12-028)**.

### **Mental Health Block Grant**

The State has decided to continue the current MHBG contracts for an additional nine (9) months and is prorating the funding for the period of the amendment. The current contract funding does not carry over into the amendment cycle; all 10/1/11-9/30/12 billings must be to NSMHA by October 15, 2012, as is standard practice. NSMHA will reapply for MHBG funds in March of 2013 for a contract start date of July 1, 2013. Below are the contract amendments that will be brought before the Board for action at the September meeting:

NSMHA-COMPASS HEALTH-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$113,787 for a new maximum consideration of \$265,503.

NSMHA-COMPASS HEALTH BAILEY PEER CENTER-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$112,500 for a new maximum consideration of \$262,500.

NSMHA-CONSUMER VOICES ARE BORN (CVAB)-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$112,500 for a new maximum consideration of \$262,500.

NSMHA-HOPE OPTIONS-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$27,138 for a new maximum consideration of \$71,322.

NSMHA-ISLAND COUNTY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$44,625 for a new maximum consideration of \$59,047.

NSMHA-OPPORTUNITY COUNCIL ADULT-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$35,175 for a new maximum consideration of \$84,325.

NSMHA-OPPORTUNITY COUNCIL YOUTH-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$35,175 for a new maximum consideration of \$83,125.

NSMHA-SAN JUAN COUNTY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$21,750 for a new maximum consideration of \$38,750.

NSMHA-SENIOR SERVICES-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$30,750 for a new maximum consideration of \$82,194.

NSMHA-SKAGIT COUNTY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$39,413 for a new maximum consideration of \$98,963.

NSMHA-SNOHOMISH COUNTY-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$47,250 for a new maximum consideration of \$130,250.

NSMHA-SUN COMMUNITY-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$44,250 for a new maximum consideration of \$103,250.

NSMHA-TULALIP TRIBES-MHBG-11-12 AMENDMENT 1 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$48,750 for a new maximum consideration of \$113,750.

NSMHA-WCPC RAINBOW RECOVERY-MHBG-11-12 AMENDMENT 2 for the provision of amending the contract by an extension of nine (9) months for a new end date of June 30, 2013 and to amend the maximum consideration by an increase of \$112,500 for a new maximum consideration of \$270,834.

## **17. Adjourn**

Brief discussion took place on the fire districts from each county working together. Chair Kershner thanked everyone for coming and thanked everyone for the robust conversation. Kathy noted the next meeting will be on September 13<sup>th</sup>. The meeting was adjourned at 3:00.

Respectfully submitted:

Annette Calder  
Executive Assistant

Next Meeting: September 13, 2012