

North Sound Mental Health Administration

BOARD OF DIRECTORS MEETING

December 9, 2004
NSMHA Conference Room
117 N First Street, Suite 8
Mount Vernon
1:30 PM

Agenda

Page #

- 1. Call to Order; Introductions – Mike Shelton, Chair
- 2. Revisions to Agenda – Chair
- 3. Approval of October Regular and Special Meeting Minutes – Chair3-11
- 4. Comments & Announcements from the Chair
- 5. Reports from Board Members
- 6. Comments from Public
- 7. Report from Advisory Board – Marie Jubie, Chair
- 8. Report from Executive/Personnel Committee – Dave Gossett, Chair
- 9. Report from QMOC – Gary Williams, Chair
- 10. Report from Planning Committee – Dave Gossett, Chair.....
- 11. Report from Executive Director – Chuck Benjamin, Executive Director
- 12. Report from Finance Officer – Bill Whitlock, Fiscal Officer
- 13. Report from Finance Committee – Kirke Sievers, Chair
- 14. Consent Agenda – Chair

To review and approve North Sound Mental Health Administration’s claims paid from September 1, 2004 to September 30, 2004 in the amount of \$3,714,738.90. Payroll for the month of September in the amount of \$64,635.45 and associated employer paid benefits in the amount of \$19,032.78.

To review and approve North Sound Mental Health Administration’s claims paid from October 1, 2004 to October 31, 2004 in the amount of \$3,772,976.68. Payroll for the month of October in the amount of \$65,338.54 and associated employer paid benefits in the amount of \$24,488.87.

To review and approve North Sound Mental Health Administration’s claims paid from November 1, 2004 to November 30, 2004 in the amount of \$(*will be available at the meeting*). Payroll for the month of November in the amount of \$(*will be available at the meeting*) and associated employer paid benefits in the amount of \$(*will be available at the meeting*).

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 motion 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.

15. Action Items

Motion 04-054 To approve the North Sound Mental Health Administration's budget for 2005.

16. Action Items Not Yet Reviewed by the Board

Motion 04-056 To approve the contract between North Sound Mental Health Administration and Sam Magill, Inc. contract # NSMHA-MAGILL-PSC-05.

Motion 04-057 To increase the capitalization amount for assets from \$1,000 to \$7,500 effective December 2003.

Motion 04-058 To review and approve the NSMHA Code of Conduct to be adopted in accordance with the NSMHA Business Ethics and Compliance Program.

Motion 04-059 To review and approve the Second Lease Addendum, NSMHA, Carnation Building for a 5 year term starting February 1, 2005, 5100 sq. ft. at \$14.75 per square foot with 3% annual increase, plus initial \$18,000 for refurbishment.

Motion 04-060 To review and approve policy # 2001, Business Ethics and Regulatory Compliance Program as amended to change the Compliance Officer from the Contracts Manager to the Executive Director.

Motion 04-061 To review and approve North Sound Mental Health Administration – Mental Health Division contract #0369-23150, Amendment 2.

17. Introduction Items

Motion IN-25 To introduce Interlocal Agreement #0469-56334 Projects for Assistance in Transition From Homelessness (PATH) contract, amendment 1, between North Sound Mental Health Administration and Department of Social and Health Services.

Motion IN-26 To introduce NSMHA-COMPASS Projects for Assistance in Transition from Homelessness (PATH) Contract, contract # NSMHA-CH-PATH 04-05.

18. Adjournment – Chair

NOTE: The next Board of Directors meeting January 13, 2005, at 1:30 p.m. in the Skagit Casino Resort, Bow, Washington.

North Sound Mental Health Administration

BOARD OF DIRECTORS MEETING

October 14, 2004
NSMHA Conference Room
117 N First Street, Suite 8
Mount Vernon
1:30 PM

Minutes

Members Present:

Jim Teverbaugh, designated alternate for Snohomish County Executive, Aaron Reardon
Chris Tobey, designated alternate for Skagit County Commissioner, Ken Dahlstedt
Marie Jubie, NSMHA Advisory Board Chair
Rhea Miller, San Juan County Commissioner
Jackie Henderson, designated alternate for Island County Commissioner, Mike Shelton
Sharon Roy, Whatcom County Council member
Sharie Freemantle, designated alternate for Snohomish County Council member, Dave Gossett
Regina Delahunt, designated alternate for Whatcom County Executive, Pete Kremen

Staff Present:

Chuck Benjamin, Greg Long, Annette Calder, Bill Whitlock, Wendy Klamp, Sharri Dempsey, Deirdre Ridgway, Shirley Conger, Chuck Davis

Guests:

Tom MacIntyre, Maile Acoba, Andy Byrne, Joan Dudley. Joined in session by Brad Furlong.

1. Call to Order; Introductions – Mike Shelton, Chair

Rhea Miller opened the meeting at 1:30 p.m., welcomed everyone and introductions were made.

2. Revisions to Agenda

None.

3. Approval of September Minutes

Chair Miller asked if there were any changes to the minutes, there were none. Motion to approve by Mr. Teverbaugh, seconded by Ms. Freemantle, all in favor, **motion carried.**

4. Comments & Announcements from the Chair

Chair Miller announced the 4th annual Recovery Conference would be held on January 12th at the Skagit Casino Resort, in Bow, Washington. The NSMHA Advisory Board Summit will be held on Friday, October 15th, also at the Skagit Casino Resort. There will not be a meeting of the NSMHA Board of Directors in November; all business will be conducted at the December 9th Board of Directors meeting.

5. Reports from Board Members

None.

6. Semi-Annual Ombuds Report

Chuck Davis distributed the semi-annual Ombuds report and reviewed it with the group. Chuck gave a comprehensive PowerPoint Presentation. A brief question and answer period followed. Chuck was thanked for his report.

7. Comments from Public

Gary Williams announced that Whatcom County Human Services would be moving on November 1st from their Forest Street location to the Health Department location at Girard Street. Address and phone number information will be distributed.

Joan Dudley announced that the State has hired a consultant to determine if boarding homes are considered Institutes for the Mentally Diseased (IMDs) and currently Lake Whatcom Residential Treatment Center is waiting for the determination before they decide if they will give up their boarding home license.

8. Report from Advisory Board

Marie Jubie reported:

- The Advisory Board had a pre-meeting presentation on Peer-to-Peer training and support.
- Sent Advisory Board budget to the Board of Directors requesting \$30,000 funding for 2005
- Finance Committee passed all expenses submitted
- The Advisory Board Summit will take place on Friday, October 15th.
- Received the Integrated Report presented to the Advisory Board
- Received the Ombuds report
- Passed all action items presented to the Advisory Board
- November 10th, Pathways to Employment conference

9. Report from Executive/Personnel Committee

Chair Miller stated there was nothing new to report at this time.

10. Report from QMOC

Gary Williams reported:

- QMOC received the Quality Management Department Report
- 2nd Quarter Provider Quality Assurance Review
- Draft Residential Transition Plan was reviewed
- Quality in Action presentation
- Utilization Management Dashboard was presented and reviewed
- Clinical Performance Improvement Project Consumer Satisfaction with their participation in treatment planning
- Draft Clinical Eligibility and Care Standards was presented
- QMOC agreed to add a Quality Training item to their monthly agenda

11. Report from Planning Committee

Greg Long reported:

- The Planning Committee did not meet last month
- The System Transition Workgroup met on October 12th and Greg reported the following:
 - *bridgeways* notified NSMHA that they successfully completed the transition closing Madison House; placing over 30 consumers in independent housing or other situations; they are now providing high intensity treatment

- Lake Whatcom Residential Treatment Center is on hold on their transition plans for a consultant for MHD may be advising boarding homes that they may not be IMD's (Institutes for the Mentally Diseased), but Adult Residential Rehabilitation Centers (ARRCs) are considered IMDs.
- Green House and Aurora House have been down-sized to 16 beds
- The providers are now limiting on-going mental health services to non-Medicaid consumers. This is leading to people who need services and cannot get admitted. It is also leading to complaints from non-Medicaid consumers being transitioned out of services.
- There was a lengthy discussion regarding there not being accurate information on the number of Medicaid funded consumers in our Information System. Sound Data was able to identify several technical causes contributing to this problem. Efforts are being made to correct this.
- Much concern was expressed in the workgroup about the shortfall of State-Only funding which will become a compliance issue starting in January of 2005 or services need to be further reduced. The Planning Committee will revisit this issue at the next meeting.
- Thanked Skagit County for all the work around the triage center and the special hearing that was held this week. A lot of support at the hearing from the hospitals and NAMI

12. Report from Executive Director

Chuck Benjamin reported:

- Glad to be back to work after surgery and recovery.
- Feels NSMHA is in the midst of a fiscal crisis that will become much worse in January 2005 due to the lack of State-Only funds. Medicaid funds will not be used to fund the Evaluation and Treatment centers
- Payback to the State for overpayment has caused a hardship; approximately \$800,000 - \$1,000,000
- New Medicaid rates are still unknown
- Encouraged all to attend the Advisory Board Summit tomorrow to share our concerns with state legislators and other elected officials
- External Quality Review (EQR) draft report was received and NSMHA management team has submitted comments and feedback to the External Quality Review Organization.
- Presentations of the 2005 Proposed Budget will be made over the next 60 days and upon request

13. Report from Finance Officer

Bill Whitlock reported:

- NSMHA has a single audit extension due to the change in GASB 34 reporting requirements. NSMHA will be delivering the revised financial statements to the State Auditors on October 15th. This assumes that the capitalization amount is raised from \$1,000 to \$7,500.
- The Mental Health Division had a meeting on October 6, 2004, to discuss repaying the overpayment by the State to North Sound Mental Health Administration of \$1,133,825.78. The RSN Administrators requested the MHD to ask the State legislators to forgive the repayment. The MHD refused to consider that option and told the RSN Administrators that the funds had to be paid back by the end of our current contract, June 30, 2005. The staff will bring options to the Board of Directors in December to try and mitigate the cash flow impact on the provider agencies.
- The North Sound receives between \$100,000 and \$104,000 a month from additional federal funds brought in by using local match funds. North Sound has reached the limit of our local funds and estimate that we will no longer be able to receive those funds during this contract period.
- The NSMHA 2005 Proposed Budget will be submitted today for review and consideration.

14. Report from Finance Committee

Sharie Freemantle made a motion to increase the capitalization amount for assets from \$1,000 to \$7,500 effective December 2003, seconded by Mr. Teverbaugh, all in favor, **motion carried.**

15. Consent Agenda

Motion # 04-034 – To review and approve North Sound Mental Health Administration's claims paid from June 1, 2004 to June 30, 2004 in the amount of \$3,602,987.81. Payroll for the month of June in the amount of \$74,910.55 and associated employer paid benefits in the amount of \$21,224.35.

Motion #04-044 – To review and approve North Sound Mental Health Administration's claims paid from July 1, 2004 to July 31, 2004 in the amount of \$3,789,647.72. Payroll for the month of July in the amount of \$67,242.38 and associated employer paid benefits in the amount of \$28,812.04.

Motion #04-053 – To review and approve North Sound Mental Health Administration's claims paid from August 1, 2004 to August 31, 2004 in the amount of \$3,476,120.35. Payroll for the month of August in the amount of \$68,576.87 and associated employer paid benefits in the amount of \$19,499.81.

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 motion 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.

Motion by Mr. Teverbaugh to approve the consent agenda, seconded by Ms. Delahunt, all in favor, **motion carried.**

16. Action Items

1. **Motion # 04-048** – To approve the 1st Biennial Quarter 2004 Integrated Quality Management Report.
 - a. This integrated report provides North Sound Mental Health Administration's Quality Management activities performed during the first six (6) months of 2004. It also addresses follow up issues identified in the previous Integrated Report.
 - b. Strengths, areas for further review and accomplishments of note
 - c. All of North Sound Mental Health Administration's Quality Management activities are presented and reviewed monthly at North Sound Mental Health Administration's Coordinated Quality Improvement Program (CQIP)
Recommendations from the Coordinated Quality Improvement Program (CQIP) Committee regarding Quality Management activities conducted during the 1st Biennial Quarter 2004 are detailed in the Integrated Report.

Motion to approve made by Mr. Teverbaugh, seconded by Ms. Miller, all in favor, **motion carried.**

2. **Motion # 04-049** – To approve the North Sound Mental Health Administration – Mental Health Division contract #0369-23150, Amendment 1. This Amendment replaces the Statement of Work, Special Terms and Conditions and Exhibits in their entirety, retroactive to 8/1/03.

Motion to Ms. Henderson, seconded by Ms. Roy for discussion. The motion was opened for discussion. During discussion, Chair Miller had to excuse herself from the meeting and asked Whatcom County Council member Sharon Roy to Chair the remainder of the meeting. Discussion continued and it was

recommended by NSMHA attorney Brad Furlong to postpone voting on this motion at this time until members have had an opportunity to consult with their respective counties.

Chris Tobey made a motion to table motion 04-049 at this time and have a special meeting before the October 29th deadline, seconded by Mr. Teverbaugh, discussion followed; Chair Roy called for the vote, all in favor to table the motion, **motion carried.**

17. Action Items Not Yet Reviewed by the Board

Motion #04-050 – To approve the Interlocal Agreement #0469-56334 Transition From Homelessness (PATH) contract between North Sound Mental Health Administration and Department of Social and Health Services.

Motion to approve by Ms. Delahunt, seconded by Mr. Tobey, discussion followed, Chair Roy called for the vote, **motion carried.**

Motion #04-051 – To approve the Interlocal Agreement #0469-59965 Mental Health Block Grant Services contract between North Sound Mental Health Administration and Department of Social and Health Services.

Motion to approve by Mr. Teverbaugh, seconded by Mr. Tobey, all in favor, **motion carried.**

Motion #04-052 – To approve the North Sound Mental Health Administrations contract # NSMHA-APN-ECS-GMU-03, amendment 3. This amendment will replace the current Exhibits A and B with the new Exhibits A and B. The purpose of the amendment is to transfer two GMU beds from Whatcom to Snohomish County.

Motion to approve by Ms. Delahunt, seconded by Ms. Freemantle, all in favor, **motion carried.**

18. Introduction Items

Motion # IN-024 – To introduce the North Sound Mental Health Administration's budget for 2005.

19. Adjournment

Chair Roy adjourned the meeting at 3:25 p.m.

Respectfully submitted,

Annette Calder
Administrative Coordinator

NOTE: The next Board of Directors meeting will be held on December 9th, 2004, at 1:30 p.m. in the NSMHA Conference Room at 117 N First Street Suite 8, Mount Vernon.

**North Sound Mental Health Administration
Special Meeting of the Board of Directors
NSMHA Conference Room
October 27, 2004
3:00 p.m.**

Members Present:

Jim Teverbaugh, designated alternate for Snohomish County Executive, Aaron Reardon
Gary Williams, designated alternate for Sharon Roy, Whatcom County Council member
Regina Delahunt, designated alternate for Whatcom County Executive, Pete Kremen
Ken Dahlstedt, Skagit County Commissioner

Members Participating via Conference Call:

Rhea Miller, San Juan County Commissioner
Mike Shelton, Island County Commissioner, NSMHA Board Chair
Dave Gossett, Snohomish County Council
Kirke Sievers, Snohomish County Council
Sharie Freemantle, designated alternate for Snohomish County Council member, John Koster

Staff Present:

Chuck Benjamin, Greg Long, Sharri Dempsey, Bill Whitlock, Annette Calder

Staff Participating via Conference Call:

Wendy Klamp, Deirdre Ridgway

Others Present:

Brad Furlong, Dan Bilson, Maile Acoba, Joan Dudley, Andy Byrne, Chris Tobey, Roberta Mann, Lisa Carter, Rick Sucee

1. Open the Meeting

Mike Shelton opened the meeting at 3:05 p.m. and state the purpose of the special meeting was to determine if North Sound Mental Health Administration should sign the MHD Contract Amendment No. 1 to the MHD Contract No. 0369-23150. Chair Shelton asked for roll call for the record. Members stated their name, which county they represented and are noted above.

Chuck Benjamin addressed the Board regarding the meeting he attended with the Mental Health Division (MHD), their Assistant Attorney General, and the RSN Attorneys representing North Sound, King, Spokane and North East Washington RSNs on Monday, October 25th. Chuck stated the meeting started out with MHD not willing to budge but turned into a negotiation. Chuck informed the Board that an agreement was reached regarding signing the contract amendment with an accompanying letter. Chuck read the letter dated October 27, 2004 to Karl Brimmer for the record. The letter reads as follows:

October 27, 2004

Mr. Karl Brimner, Director
DSHS/Mental Health Division
PO Box 45320
Olympia, WA 98504-5320

RE: NSMHA/MHD Amendment No. 01 to Contract No. 0369-23150

Dear Mr. Brimner:

Enclosed is the signed first amendment (No. 01) to North Sound Mental Health Administration's ("NSMHA") contract with the Washington state Department of Social and Health Services, Division of Mental Health ("MHD"), No. 0369-23150 (the "Amendment"). The Amendment has been signed and returned based on the following understandings, any integration clause of the Amendment and Contract No. 0369-23150 notwithstanding:

1. The State of Washington waives any and all claims against NSMHA and its subcontractors based on any act or omission of non-compliance occurring prior to November 1, 2004 with any term or condition of the contract that was added or modified by the Amendment. The State of Washington reserves the right to comply with federal mandates or directives regarding recoupment and/or deferral of federal funds.
2. MHD agrees to promptly engage in good faith discussions with NSMHA to address further amendments to Contract 0369-23150. The provisions of the contract to be addressed shall not include provisions required by the United States Centers for Medicare and Medicaid Services ("CMS"), provisions of federal law administered by CMS, or state law. The provisions to be addressed are limited to those included in the attachments to the October 20, 2004 e-mail by John Gerberding, Senior Deputy Prosecuting Attorney for King County, to Eric Nelson, Assistant Attorney General, State of Washington.

MHD acknowledges that: (1) NSMHA has signed and returned the Amendment in return for MHD's commitments set forth herein; and (2) that the parties' actions and commitments constitute adequate mutual consideration. The parties appreciate one another's cooperation and look forward to continuing their discussions concerning the contract in the near future.

Sincerely,

Charles R. Benjamin
Executive Director, NSMHA

Cc: NSMHA Board of Directors, Chairperson
Bradford E. Furlong, NSMHA Legal Counsel

Acceptance

I, the authorized representative of Washington State Department of Social and Health Services, Division of Mental Health, agree to the above.

By: _____

Title: _____

Date: _____

Approved as to form:

Eric Nelson, Assistant Attorney General

Brad Furlong addressed the Board of Directors stating his account of how the meeting with MHD and RSN attorneys went on Monday, October 25, 2004. He felt satisfied that the meeting was a negotiation, MHD agreed to immediately consider further revisions to the contract as set forth in the letter, and will be open to discussing other issues during negotiation of the upcoming contract. Mr. Furlong recommended signing the contract amendment before the Board of Directors today.

Jim Teverbaugh stated he felt item one in the letter seems to be a contradiction about the State of Washington waiving any and all claims against NSMHA and its subcontracts for any non-compliance occurring prior to November 1st 2004 and then the last sentence stating the State of Washington reserves the right to comply with federal mandates or directives regarding recoupment and/or deferral of federal funds. Brad Furlong responded that the reservation was meant to allow the state to act if required by CMS.

Mike Shelton asked if that meant the State would not come back and ask for monies back. The answer is no, we are bound to payback if the state seeks monies, even under our current contract.

Jim Teverbaugh asked if there is the possibility of CMS requesting a payback. Chuck Benjamin said that if CMS determines a payback is necessary, the State and RSNs would have to comply even without signing this amended contract.

Regina Delahunt asked about the letter and how it relates to the contract amendment. Brad Furlong said the letter is actually a contractual agreement and it will offer us some protection and would be admissible in a court of law.

Brad Furlong said it was really heartening to see the level of collaboration and cooperation between the RSNs and a commitment from MHD to sit down and negotiate. Brad Furlong feels things could be much more productive when the new contract negotiations start.

Gary Williams asked about the side agreement, strategically does this change the relationship between the RSNs, the Feds and MHD? Brad Furlong feels there will be lasting value if we pursue it. Brad Furlong recommends to continue working together and pushing forward.

Ken Dahlstedt concerned that we are signing a confession of wrongdoing; we are being forced to sign something that we haven't fulfilled. Brad Furlong said the waiver protects the NSMHA from the State, any non-compliance with federal mandates has already occurred whether we change the contract or not. Signing this now does not change the potential liabilities to the Federal Government; those liabilities are there anyway.

Chuck Benjamin said that the biggest challenge we are facing is the limited State-only dollars we are receiving and how are we going to fund the mandated crisis emergency services for the non-Medicaid.

Brad Furlong said if anyone tries pursuing a claim for non-compliance, we could demonstrate to a judge that we were forced to do this, and the circumstances under which this was presented and forced down our throats to sign the amendment or have the contract terminated.

3. Action Item

Motion # 04-049 – To approve the North Sound Mental Health Administration – Mental Health Division contract #0369-23150, Amendment 1. This Amendment replaces the Statement of Work, Special Terms and Conditions and Exhibits in their entirety, retroactive to 8/1/03.

Mike Shelton asked if there were any other comments or questions; there were none. Rhea Miller moved approval of **Motion 04-049** to sign the DSHS Contract 0369-23150, Amendment No. 1 and the cover letter read into the record by Chuck Benjamin, seconded by Dave Gossett.

Chair Shelton called for the vote, all in favor, **motion carried unanimously.**

4. Adjourn

Meeting adjourned at 3:35 p.m. by Mike Shelton.

Respectfully submitted,

Annette Calder
Administrative Coordinator