

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

November 8, 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 #12-046
 - To review and approve the minutes October 11, 20126-14
4. Comments & Announcements from the Chair
5. Reports from Board Members
6. Comments from the Public
7. Ombuds Report Tab 1
8. Report from the Advisory Board – Candy Trautman, Chair
9. Report from the Executive/Personnel Committee – Dave Gossett, Chair
10. Report from the Quality Management Oversight Committee – Rebecca Clark, Chair
11. Report from the Planning Committee – Anne Deacon, Chair
12. Report from the Executive Director – Joe Valentine, Executive Director..... Tab 2
 - 2013 Operating Budget Presentation Tab 3
 - Children’s Mental Health Redesign Tab 4
13. Report from the Finance Officer – Bill Whitlock, Fiscal Officer Tab 5
14. Report from the Finance Committee – Ken Stark, Chair

15. Consent Agenda – Finance Committee Motion #12-047

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 October 1, 2012 through October 30, 2012 in the amount of \$5,067,156.31. Payroll for the month of October in the amount of \$126,139.10 and associated employer paid benefits in the amount of \$65,057.76.

16. Action Items

Motion #12-048

The purpose of the amendments to County Administrative Contracts is to pass through funding for housing vouchers/subsidies and housing support staffing. This funding was allocated during the fund balance RFP in September.

COUNTY-FUND BALANCE

NSMHA-ISLAND COUNTY-ADMINISTRATION-12 AMENDMENT 1 for the provision of increasing the funding on this Agreement by \$20,000 for a maximum consideration of \$71,032, the term of this Agreement remains the same.

NSMHA-SAN JUAN COUNTY-ADMINISTRATION-12 AMENDMENT 2 for the provision of increasing the funding on this Agreement by \$9,167 for a maximum consideration of \$498,715. The term of this Agreement remains the same.

NSMHA-SKAGIT COUNTY-ADMINISTRATION-12 AMENDMENT 2 for the provision of increasing the funding on this Agreement by \$20,834 for a maximum consideration of \$213,048. The term of this Agreement remains the same.

NSMHA-WHATCOM COUNTY-ADMINISTRATION-12 AMENDMENT 1 for the provision of increasing the funding on this Agreement by \$30,834 for a maximum consideration of \$93,808. The term of this Agreement remains the same.

STATE MENTAL HEALTH CONTRACT-FUND BALANCE

NSMHA-SNOHOMISH COUNTY-SMHC-11-13 AMENDMENT 3 for the provision of increasing the funding on this Agreement by \$278,428 for a maximum consideration of \$3,112,498. The term of this Agreement remains the same.

PIHP (MEDICAID) CONTRACT-FUND BALANCE

NSMHA-SNOHOMISH COUNTY-MEDICAID-11-13 AMENDMENT 3 for the provision of increasing this Agreement by \$7,494 for a maximum consideration of \$284,145. The term of this Agreement remains the same.

Motion #12-049

PROFESSIONAL SERVICE CONTRACTS

The contracts listed below are our annual professional service contracts that are up for renewal.

NSMHA-BROWN M.D.-PSC-13 for the provision of consulting with the NSMHA for Medical Director Services. Funding for this Agreement is \$36,000. The term of this Agreement is January 1, 2013 through December 31, 2013.

NSMHA-TURNER HR SERVICES-PSC-13 for the provision of consultation in matters of Human Resources. Funding for this Agreement is \$15,000. The term of this Agreement is January 1, 2013 through December 31, 2013.

NSMHA-LAKE WHATCOM-PSC-11-13 for the provision of janitorial services. Funding for this Agreement is \$14,098. The term of this Agreement is January 1, 2013 through December 31, 2013.

Motion #12-050

ELECTRONIC HEALTH RECORD – FUND BALANCE

The following contracts are to support our providers in the development and implementation of Electronic Health Records. This funding was allocated during the fund balance RFP in September.

NSMHA-BRIDGWAYS-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$139,452. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-CCSNW-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$61,970. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-COMPASS HEALTH-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$809,957. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-INTERFAITH-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$25,000. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-LAKE WHATCOM-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$44,231. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-SEA MAR-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$100,458. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-SNOHOMISH COUNTY-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$84,750. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-SUNRISE SERVICES-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$72,217. The term of this Agreement is November 1, 2012 through December 31, 2013.

NSMHA-WCPC-PSC-12-13 for the provision of developing and implementing an Electronic Health Record. Funding for this Agreement is \$368,500. The term of this Agreement is November 1, 2012 through December 31, 2013.

Motion #12-051

TRANSITIONAL HOUSING- FUND BALANCE

The following contract is to fund a 3 bed transitional house in Whatcom County. The funding shall be used for facility costs only. This funding was allocated during the fund balance RFP in September.

NSMHA-LAKE WHATCOM-PSC-13-14 for the provision of providing transitional housing in Whatcom County. Funding for this Agreement is \$72,000. The term of this Agreement is January 1, 2013 through December 31, 2014.

17. Introduction Items

17.1

The following contracts are the County Administration contracts. The term of the contracts has been extended to allow time for the counties to expend the housing fund balance allocation. The total funding encompasses the county administration funds and the housing funds.

NSMHA-ISLAND COUNTY-ADMIN-13-14 for the provision of coordination and collaboration with the county in respect to the delegated functions and housing services for individuals with mental illness. Funding for this Agreement is \$216,950.00. The term of this Agreement is January 1, 2013 through December 31, 2014.

NSMHA-SAN JUAN COUNTY-ADMIN-13-14 for the provision of coordination and collaboration with the county in respect to the delegated functions and housing services for individuals with mental illness. Funding for this Agreement is \$1,035,137.33. The term of this Agreement is January 1, 2013 through December 31, 2014.

NSMHA-SKAGIT COUNTY-ADMIN-13-14 for the provision of coordination and collaboration with the county in respect to the delegated functions and housing services for individuals with mental illness. Funding for this Agreement is \$350,534.67. The term of this Agreement is January 1, 2013 through December 31, 2014.

NSMHA-WHATCOM COUNTY-ADMIN-13-14 for the provision of coordination and collaboration with the county in respect to the delegated functions and housing services for individuals with mental illness. Funding for this Agreement is \$477,718.67. The term of this Agreement is January 1, 2013 through December 31, 2014.

17.2

Board of Directors Strategic Planning Session, February 14, 2013, 8:30-4:00 (location to be determined) and the NSMHA Executive Director will begin to talk with Board members about agenda items for the planning session.

17.3

The NSMHA Board of Directors moves to assign \$5.7 million dollars (\$4.7 million Medicaid and \$1 million state funds) for a fund balance RFQ in the following areas. Implementation of Children's mental health redesign including expansion of children services, wraparound team services and or children's crisis response teams. Health care reform including enhancing care coordination services through health homes, enhance workforce training on evidence based practices, and information systems and technology enhancements.

17.4

Move to give the executive director authority to sign a contract with Portland State University not to exceed \$200,000 over 25 months. The contract would be for Wraparound and CANS (Child Adolescent Needs & Strengths) training, consultation and technical assistance to support children's mental health redesign. The training at a minimum would include both children's Wraparound (team services) and CANS being required by DSHS/DBR.

This is a sole source contract as described in RSN policy 30.28 and RCW 39.04.280 (1). The CANS training is a proprietary tool and only licensed to a select number of trainers. The goal was to find a trainer in both CANS and Wraparound so we can combine the trainings in order to reduce the out of office training time and increase workforce expertise.

18. Adjourn

Next Meeting: December 13, 2012

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

October 11, 2012

1:30 PM

MINUTES

Board Members Present:

Kathy Kershner, Whatcom County Council member, NSMHA Board of Directors Chair
Dave Gossett, Snohomish County Council member, NSMHA Board of Directors Vice Chair
Helen Price Johnson, Island County Commissioner
Ken Stark, designated alternate for Snohomish County Executive, Aaron Reardon
Rebecca Clark, designated alternate for Skagit County Commissioner, Ken Dahlstedt
Barbara LaBrash, designated alternate for San Juan County Council member, Jamie Stephens
Regina Delahunt, designated alternate for Whatcom County Executive, Jack Louws
Mark McDonald, NSMHA Advisory Board Vice Chair

Staff Present:

Joe Valentine, Greg Long, Bill Whitlock, Lisa Grosso, Annette Calder

Guests:

Deena Matz and Sadie Armijo, State Auditors, joined the meeting at 2:00
Ken Dahlstedt joined the meeting at 2:10

1. Call to Order; Introductions

Chair Kershner opened the meeting at 1:30, welcomed everyone and 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

Chair Kershner asked if there were any changes to the minutes of September 13, 2012, there were none.
Dave Gossett moved approval, seconded by Helen Price-Johnson, all in favor, **motion carried, #12-040.**

4. Comments & Announcements from the Chair

None

5. Reports from Board Members

• **County-specific updates on Health Care Reform**

Ken Stark said that Snohomish County and NSMHA have been meeting every week in Seattle with King County and Whatcom County to discuss the Dual Eligible Medicaid/Medicare Strategy 2 innovation grant. The State has been very accommodating in regards to our concerns about county involvement in implementation and oversight as well as preserving RSN capacity for services.

The Health Policy Group in Snohomish County had their first meeting last month. Their next meeting is next week. They are looking at data sharing to reduce high utilizers and the hope is that the health plans will get engaged in shared funding of alternative services such as triage and intervention as no one entity can afford to fund these services alone.

Helen Price Johnson said she is grateful that Jackie will be able to participate in the State forum on Home Health Networks reform efforts as Island County is so small that they would likely be swallowed up in this reform effort. Island County is moving forward with the things they can control such as interviewing an early childhood mental health professional and moving forward with crisis training with law enforcement.

Rebecca Clark announced that Skagit is also attending the state meeting at the end of the month and that Jennifer Clark will be chairing NSMHA's Regional Health Alliance Planning Steering Committee.

Barbara LaBrash said that San Juan is also grateful to be included in the meeting with the state at the end of the month. Has a meeting with a representative from Amerigroup in a couple of weeks. Has asked Abby Murphy of the Association of County Human Services/ Washington State Association of Counties (ACHS / WSAC) to help get the Health Care Authority to identify a point of contact for local issues that arise around health care reform as there have been quite a few issues regarding the roll out of Healthy Options in San Juan County.

Regina noted that Whatcom County started health care reform efforts in 2010 and has a lot going on. The first phase was developing the blue print for what the group believed health care should look like. Regina noted that it was really the triple aim; improving quality, improving patient satisfaction and improving the cost; and that phase was finished mid 2011. Phase 2 included developing infrastructure including information technology, and have just completed phase 2. Regina said one of the biggest accomplishments in phase 2 is that they have formed an "ACO" like group called the Kulshan Provider Organization and will be involved in the pilot project. Regina noted that Whatcom County is also meeting with the state with Snohomish, King and NSMHA. She stated there is a meeting next week in Whatcom County at which they will decide if they move forward with Strategy 2. If they do not choose Strategy 2 they will find another population to pilot. Pros and cons to all scenarios. Whatcom will have a summary out next week about their planning efforts to date.

6. Comments from the Public

None

7. Report from the Advisory Board – Candy Trautman, Chair

Mark McDonald reported:

- The Advisory Board met on October 2nd and the following items were discussed/approved:
 - Welcome of Linda Kehoe as the project manager for NSMHA's new Dignity & Respect Campaign.
 - Transfer of funds in 2012 Advisory Board budget from Project 2 to Project 1 & 3.
 - Expenditures to move forward to the Board of Directors for approval.
 - Proposed 2013 Advisory Board budget with recommendations for any changes sent to Fred, committee chair.
 - The 2013 meeting schedule was presented as an FYI so members could mark their calendars.

- New member, Megan Anderson, Snohomish County, expressed interest in being a member of Quality Management Oversight and Planning Committees. Information and application was sent to her after the meeting.
- The following reports were given:
 - Ombuds Semi-Annual Presentation
 - Executive Director
 - Finance/Executive Committee
 - Planning Committee
 - Quality Management Oversight Committee (QMOC)
 - Individual County Representatives
- Joe presented action items that were going to be brought before the Board of Directors for approval. A motion was made to recommend approval of action items going before the Board of Directors. Mark was thanked for his report.

8. Report from the Executive/Personnel Committee – Dave Gossett, Chair

Dave Gossett reported the Executive Personnel Committee met today and reviewed all items on today's agenda.

9. Report from the Quality Management Oversight Committee – Rebecca Clark, Chair

Rebecca Clark reported:

- **Customer Satisfaction Survey** –An update was given on the NSMHA Customer Satisfaction survey noting it will start on October 15th.
- **2012 Critical Incident Report Committee Policy & Procedure and Provider Reporting Form** – A presentation was received on the upcoming changes to the Critical Incident reportable events and the new form that will be used due to changes made by the state.
- **Regional Employment Plan** – Tom Yost distributed a flyer in increasing employment and discussed it with the committee. Tom said NSMHA is looking at increasing regional employment. He said that we lost the B3 waiver funding and NSMHA has used other funding to support the fidelity employment but do not have any other funds to put towards increasing employment. Another thing NSMHA has done is created a page on the NSMHA website for employment, www.nsmha.org and click the “Going To Work” tab on the left side of the page.
- **Expedited Assessment Requests** – Greg Long provided an explanation of expedited assessments and how the process takes place. He said NSMHA started tracking this a couple of years ago when there was a vast increase of the number of expedited assessments requested. He reviewed the data with the group and said that our system does an average of 500 assessments every month.

Another thing that has changed is that a couple of agencies have moved to the Open Access model and people can be seen the same day. Greg said that NSMHA staff feels it is important to review the policy as some are still not meeting the requirements of the policy.

- **Motivational Interviewing Training** – Greg Long noted that the trainings start in October and thanked Compass Health for providing training facilities. Greg encouraged the group to have staff call in and sign up for the trainings.
- **Open Forum** – Group discussion regarding the delay in getting provider staff licensed in a timely manner by the state and staff not being able to work and bill for services until the licensure is received.

Different but related, Larry noted the same issue with hiring peer counselors and noted that if someone is signed up for the peer counselor training and has a job offer, they can be moved up on the list to get licensed.

Rebecca was thanked for her report.

10. Report from the Planning Committee – Anne Deacon, Chair

Greg Long reported:

- **NSMHA Strategic Plan** – Auditors have been back and are pleased that we are in process of updating our plan. This has been vetted with Advisory Board, County Coordinators, Staff, Planning Committee and Board of Directors. We are entering our final cycle of review and hope to have it approved by the Board at their October meeting. Joe addressed the changes made since this was last presented to Planning Committee, noting that NSMHA broke the goals up into two sections, Category A and Category B and has also prioritized the strategies and consolidated some. We now have 3 strategies under each of the goals.
- **NSMHA Fund Balance Request for Proposal (RFP) Update** – Margaret addressed the group regarding the recommended funding list with the Committee. NSMHA will have contract negotiation meetings with the programs that were recommended. Bill Whitlock added that NSMHA is looking at the funding ratios between Medicaid and State-only to see if NSMHA can spend more money on the programs.
- **NSMHA’s Plan for Increasing Employment Amongst People Receiving Mental Health Services** – Tom Yost addressed the group regarding increasing employment amongst people receiving mental health services. Tom noted several NSMHA providers already do employment services and briefly touched on Sunrise Services, Whatcom Counseling and Psychiatric Clinic, Bridgeways, Compass Health, the peer centers, etc. and their programs.

Greg was thanked for his report.

11. Report from the Executive Director – Joe Valentine, Executive Director

Joe Valentine reported:

- **"HealthPath Washington" – Strategy One and Strategy Two for Dual Eligibles**
Strategy 1: the State has identified 7 “Health Home Regions” that will be used for purposes of contracting with Health Home Networks. The 5 counties comprising the North Sound RSN region have been designated as one of the “Health Home Regions”. The state will be holding one of its regional forums in Mount Vernon on October 30. NSMHA and Skagit County were included as invitees. At my request, San Juan and Island counties will also be able to send a representative. Following this forum, we hope to be able to work with the County Coordinators and other interested organizations in forming a Health Home Network.

Strategy 2: Greg and I continue to participate along with county staff in meetings with the state to negotiate the terms to be included in the RFPs to select the Managed Care Organizations. As I reported last month, the state has agreed to our request to not include ITA services in the capitated plans. Still to be worked out are which elements of other Mental Health and Chemical Dependency Crisis Services will remain with the counties and NSMHA.

- **Healthy Options**
Two of the Managed Care Organizations with which the state has contracted to provide Healthy Options Services – United Health Care and Cenpatico – are now working with us on the development of more detailed data exchange and care coordination protocols.

- **Regional Health Alliance**

The initial meeting of the planning steering committee has been scheduled for November 9. Based on the experience of other Regional Health Alliances, our consultant, Dale Jarvis, is suggesting that we begin by only focusing on one project such as reducing admissions to Emergency Departments. Pursuing strategies to compare data across systems to profile persons who are high system utilizers continues to be one of the other goals we are interested in pursuing.

- **External Quality Review Site Visit by Acentra Health**

Acentra Health completed their “External Quality Review” of NSMHA on September 25. They plan to issue a draft report within a few months and we will be given the opportunity to comment on the draft report prior to it being finalized. In their Exit Conference with NSMHA staff, they described NSMHA as having numerous strengths, including: being well-organized, having experienced staff, impressive documentation, a strong Quality Improvement focus, a strong Clinical focus, and a strong data team. They did not identify any areas of serious concern, but listed several areas where they would like to see more detailed documentation of policies and processes. They would also like to see us provide written annual updates on our Quality Plan. We’ve already begun following up on their recommendations.

- **Fund Balance Contracts**

Over the last few weeks we have been negotiating the specific terms of the contracts with the successful bidders on the Fund Balance RFP. Our goal is to bring as many of these as possible to the Board for approval at its November 8 meeting. There are some details that may need to continue to be worked out prior to the Board’s approval but we wanted to move ahead as quickly as possible with implementation. There will be a residual amount of unspent Medicaid dollars that we will combine with the other remaining fund balance and initiate a second round of more targeted planning. Two major priorities will be implementation of the redesigned Children’s Mental Health Services system and supporting Health Home services for persons suffering from mental illness.

- **2013 NSMHA Board Strategic Planning Session**

Most of the Board members have responded to our survey indicating they would be available to participate in a daylong strategic planning session as part of an expanded Board meeting on February 14. We are still waiting to hear from the rest of the Board members. One of the ideas discussed at previous Board meetings is to spend time reviewing changes in the health care system, and the role that NSMHA should play in regional health care reform initiatives. At the November Board meeting we will solicit ideas for agenda items.

Joe was thanked for his report.

12. Report from the Finance Officer – Bill Whitlock, Fiscal Officer

Bill Whitlock reported:

- This is the September 2012 financial report. The state funds have a negative variance of \$76,615. The other negative variance is in the interest revenue in the amount of \$10,352 we received more \$2.9 million more in Medicaid revenue than projected so far in 2012. This will increase our fund balance.
- On the expense side we have negative variances of \$5,239 in Small Tools and \$1,790 in Operating Rentals budget. These are permanent variances and will require budget adjustments. The Insurance budget and Repairs and Maintenance have negative variance of \$6,288 and \$778, respectively. We think these are timing variances.
- The State Auditor’s office will be here later today to have the audit exit conference. There are a few recommendations but no findings at this time. The State Auditor’s are considering changing our audit next year to a cyclical audit and would review the Federal Block Grant (a single audit), and then do the financial review every two or three years. The reason for this change is based on our prior audit results

and showing that we have good processes and compliance. This would also reduce the amount of time here which would also reduce cost for the audit.

- The 2013 proposed NSMHA operating budget is available for review and a presentation would be made next month to this Board.
- Bill provided an update to the Board on the status of the Fund Balance RFP discussing which services could be funded with State funds and Medicaid funds. Remaining funds will be added to the next RFQ focusing on Medicaid services.

Joe added information about the Electronic Health Records proposal and noted that NSMHA would fund this with some funds being held back until the project was satisfactorily completed and criteria met for the system to interact with our system. Regarding the Geriatric Assessment Teams, NSMHA can only use State funds for this and would like to work with Snohomish and Whatcom Counties to see if there are any local funds that are being used for senior services that can be braided with this. NSMHA and the County Coordinators worked out the funding amounts for each county for housing. Regarding the fund balance, \$1.6 million in Medicaid funds will be added to a new \$3 million fund balance most of which is primarily Medicaid dollars. NSMHA will start a second round of planning that will be more focused on using Medicaid dollars. NSMHA is looking at two large areas right now, the Redesign of the Children's Mental Health System and to enhance health home services to persons with mental illness; discussion followed.

Bill was thanked for his report.

13. Report from the Finance Committee – Ken Stark, Chair

Ken Stark reported the committee met today and reviewed payroll and all claims before the Board today and moved approval of Motion #12-041, seconded by Dave Gossett, all in favor, **motion carried, #12-041.**

14. Consent Agenda – Finance Committee Motion #12-041

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 September 1, 2012 through September 30, 2012 in the amount of \$5,491,127.56. Payroll for the month of September in the amount of \$119,982.72 and associated employer paid benefits in the amount of \$57,074.78

15. Action Items

Motion #12-042

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.

Barbara LaBrash moved approval of motions 12-042 and 12-043, seconded by Ken Stark, all in favor, **motions carried (12-042 and 12-043).**

Motion #12-043

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.

Joe discussed NSMHA's approach to the goals under Priority A with the Board.

Motion #12-044

CRISIS TRIAGE:

The following motion is amended to provide the Skagit Triage capital funding to Skagit County and not to Pioneer Human Services.

TO AMEND SEPTEMBER 14, 2012 MOTION #12-035 REPLACING THE ORIGINAL LANGUAGE:

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.

WITH THE LANGUAGE BELOW:

NSMHA-SKAGIT COUNTY-ADMIN-12 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 \$192,214. The term of the Agreement remains the same.

Joe provided an explanation as to why we are making changes in the contract. Mr. Gossett moved approval, seconded by Mr. Stark, all in favor, **motion carried (12-044).**

Motion #12-045

SMHC

NSMHA-WCPC-SMHC-11-13 AMENDMENT 3 for the provision of increasing WCPC's flex fund budget by \$15,000 for a new maximum consideration on this Agreement of \$1,863,055. The term of this Agreement remains the same.

Joe explained the increase is because WCPC has spent all of their allocated flex funds and we are moving funds from agencies that have not spent their allocated funding. This is an important LaBrash, Gossett, all in favor, **motion carried (12-045).**

16. Introduction Items

16.1

To introduce for review the Proposed 2013 NSMHA Operating Budget.

Joe noted that the proposed budget will be posted on our website tomorrow, the formal presentation will be made at the November Board meeting, and the Board will vote on the budget at the December meeting. Joe provided some highlights.

16.2

The following amendments are to provide fund balance to the respective counties and/or the counties chosen contractor to increase housing opportunities and housing support for individuals with mental illness who are homeless or at imminent risk of becoming homeless. This funding is time limited due to the nature of the fund balance. These contracts were based on allocations to the counties and are an exception to the competitive bidding process. Purchases involving the

Interlocal Agreement can be an exception to the competitive bidding requirements per policy #3028.

COUNTY

NSMHA-ISLAND COUNTY-ADMINISTRATION-12 AMENDMENT 1 for the provision of increasing the funding on this Agreement by \$20,000 for a maximum consideration of \$71,032, the term of this Agreement remains the same.

NSMHA-SKAGIT COUNTY-ADMINISTRATION-12 AMENDMENT 2 for the provision of increasing the funding on this Agreement by \$41,667 for a maximum consideration of \$233,881, the term of this Agreement remains the same.

NSMHA-WHATCOM COUNTY-ADMINISTRATION-12 AMENDMENT 1 for the provision of increasing the funding on this Agreement by \$30,833.33 for a maximum consideration of \$93,807.33, the term of this Agreement remains the same.

STATE MENTAL HEALTH CONTRACT

NSMHA-SNOHOMISH COUNTY-SMHC-11-13 AMENDMENT 3 for the provision of increasing the funding on this Agreement by \$405,000 for a maximum consideration of \$3,239,069.67, the term of this Agreement remains the same.

NSMHA-COMPASS HEALTH-SMHC-11-13 AMENDMENT 3 for the provision of increasing the funding by \$36,666.64 for a maximum consideration of \$10,409,864.64, the term of the Agreement remains the same.

Joe explained these contracts are for the housing support services from the \$2.1 million the Board set aside for housing support services. He noted the dollar amounts noted are not the total dollars, these amounts are for two months worth of funding and the current contracts will be amended.

17. State Auditor's Office Exit Conference for Review of Fiscal Year 2011

Sadie Armijo, audit manager of the State Auditor's Bellingham Team and Deena Matz, lead auditor for this audit, distributed exit conference materials. Sadie addressed the Board stating first and foremost, this was a really good audit, really clean and today they only have some exit items to discuss with NSMHA. The State Auditor's Office (SAO) feels this is such a clean operation that they can put NSMHA on a two year accountability cycle and are proposing this for next year. Sadie provided an overview of the exit conference handout noting it includes information on the accountability audit, financial statement audit and federal compliance audit followed by the SAO recommendations. Sadie thanked everyone at the RSN and said the staff was very helpful and provided all information needed.

Deena added that the SAO decided to look at two areas in depth this year and they focused on Open Public Meetings Act and reviewed the minutes of the Board meetings for compliance by the Board as well as email communications ensuring everything was properly documented. Also reviewed contract compliance as the majority of our funding is contracted out.

Sadie noted the SAO did give a clean, unqualified opinion on the financial statements, did not identify any deficiencies on internal controls or processes here and there were no instances of non-compliance; it was a really clean financial audit. Other things the SAO is required to communicate to elected officials and board

members are if there were any significant difficulties during the audit, and there were not, stating that everyone was very helpful. There were no misstatements and no uncorrected misstatements.

Federal Grant Compliance: Block Grant for Community Mental Health Services, within 9 months of fiscal year end. The report was issued by the end of September and sent to the Federal government. It was a clean audit and no issues were found.

Sadie discussed Exit Items noting there are 3 levels of reporting significance: Findings, Management Letters and Recommendations. NSMHA had no Findings, and is not receiving a Management Letter either. There are a couple of Recommendations that are verbal and will not be in writing.

GASB 54 wasn't implemented yet but it was a quick and easy fix and has since been implemented. DSHS Mental Health Supplement, regarding the BARS manual and DSHS has a supplement of additional codes and elements of codes that they want used in reporting to DSHS. The SAO could see that those codes are being used to report to DSHS but was not noted in the general ledger yet. As a part of sub recipient monitoring NSMHA is to receive audit reports from the sub recipients; the RSN received 6 of the 7, and could show many attempts to receive the seventh report, but never did get it. SAO could look up and found that it had been submitted to the federal clearinghouse.

Deena stated regarding contract compliance, the RSN has several contracts that have monthly payments based on budgeted amounts. The SAO's concern is that they are not being reconciled regularly to actual services provided. This raises a risk that what is being paid for is an allowable use of the Medicaid funds. SAO is recommending that the RSN ensure they are in compliance with contractual provisions including those that require reconciliation from the budget to actual services provided.

Sadie said there were no findings or management letters in the last audit or this one and noted this was a really clean audit. She thanked staff for being very helpful during the audit and noted that a customer satisfaction survey will be coming out and encouraged the RSN to complete the survey. She also said to not hesitate to contact the State Auditor's Office during the year if any questions arise.

Chair Kershner thanked Sadie and Deena for coming and presenting to the Board.

18. Adjourn

Meeting adjourned at 2:30 p.m.

Next Meeting: November 8, 2012

Respectfully submitted:

Annette Calder
Executive Assistant