

ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES BOARD OF CUYAHOGA COUNTY

FINANCE AND OPERATIONS COMMITTEE SEPTEMBER 16, 2009 MINUTES

Committee Members Present: J. Robert Fowler, Ph.D., Kathryn Gambatese, Amy Leopard, Harvey Snider, Rev. Charlotte Still Noble, Lisa Thomas, Ph.D. / Absent: None / Board of Directors Present: Pythias D. Jones, M.D.

Board Staff Present: William M. Denihan, C.E.O., Cassandra Richardson, Valeria A. Harper, Scott Osiecki, John Garrity, Rose Fini, Tami Fischer, Chris Paternoster, Cheryl Fratalone, Yancey Quinn, Maggie Tolbert, Michael Doud, Star Sizemore-Rice, Lisa Griffith, Carol Krajewski

Committee Chair, Bob Fowler, called to order Finance & Operations Committee to order at 4:00 p.m.

1. **APPROVAL OF MINUTES** – The minutes of July 15, 2009, were reviewed. A correction to the attendance record was noted as Dr. Lisa Thomas was present at the 7/15/09 meeting. The minutes were approved as corrected.

2. **ADMINISTRATION / CLINICAL ISSUES**

Central Pharmacy – At the end of SFY2009, all Central Pharmacy funds from our state line of credit were used except for \$67,745. We received the July and August reports for the current state fiscal year. Currently, we remain under our allocation of state allocated dollars which include the AOD portion as well. (Central Pharmacy reports are attached to the original minutes in the Executive Unit.)

State Hospital Bed Day Utilization – Bed day utilization through 7/31/09 was under projection by 101 bed days; through 8/31/09, utilization was under projection by 312 bed days. Year to date (YTD) utilization stands at 413 bed days under projection. ODMH is in the process of finalizing its SFY 2009 allocations/reconciliations. Our Board projected a payment of approximately \$2 million dollars (for under utilization of project bed days in SFY2009) to our 408 line. Based upon ODMH's calculations, we should be receiving \$1.9 million.

3. **FINANCE REPORTS**

a. **Board Voucher Report:** July 2009 and August 2009 vouchers were reviewed. Ms. Richardson noted that several highlighted items on the Board Voucher Report represent expenses paid in July related to the consolidation of the two Boards.

b. **Operating Expenditures Report: May 2009 and June 2009** *(For Information Only)*

Through July, the Board expended 7.31% of its budget; target was 8.3%. The August Operating Expenditure Report represents comprehensive figures from the two combined systems. In August, expenditures stood at 14.56%, slightly above the 12% target.

Motion to recommend approval of the July 2009 and August 2009 Board Vouchers as presented to the full Board. MOTION: H. Snider / SECOND: K. Gambatese AYES: K. Gambatese, H. Snider, C. Still Noble /NAYS: None / **Motion passed.**

[Dr. Lisa Thomas arrived.]

4. **AUTHORIZATION TO INTERVENE IN FRANKLIN COUNTY ADAMHS BOARD LITIGATION**

Although the ODMH Director recently issued a moratorium on implementing the proposed new 408 formula, Mr. Denihan noted that the ADAMHS Board of Franklin County has initiated litigation to force ODMH to implement the new formula since that formula provides more funding to Franklin County to the detriment of Cuyahoga County.

If the ADAMHS Board of Franklin County is successful with its claim, the ADAMHS Board of Cuyahoga County will receive a \$13 million reduction in funding causing irreparable harm to the Cuyahoga County community mental health system. Consequently, it is imperative at this time for the ADAMHS Board of Cuyahoga County to intervene in the litigation initiated by the ADAMHS Board of Franklin County to attempt to prevent a ruling that is detrimental to the Cuyahoga County community mental health system from being rendered. It is also necessary to employ legal counsel to assist with this matter.

4. AUTHORIZATION TO INTERVENE IN FRANKLIN COUNTY ADAMHS BOARD LITIGATION

Board Staff recommends authorizing the ADAMHS Board of Cuyahoga County to intervene in ADAMHS Board of Franklin County v. Ohio Department of Mental Health, et. al., Case No. 09CV69713 to address the 408 formula and to pay for legal counsel in an amount not to exceed \$50,000.00.

Motion to recommend authorization to intervene in Franklin County ADAMHS Board litigation and to authorize payment for legal counsel in an amount not to exceed \$50,000.00 to the full Board.

MOTION: H. Snider / SECOND: L. Thomas / AYES: K. Gambatese, H. Snider, C. Still Noble, L. Thomas

NAYS: None / **Motion passed.**

[Ms. Leopard arrived.]

5. CONTRACTS

Ms. Richardson summarized, explained and answered questions regarding the numerous agenda process sheets mailed to committee members regarding the contracts listed below.

A. INTERAGENCY AGREEMENTS: Acceptance of Funds

◇ Amendment to Resolution #09-07-09: Notice of Funding Award (NOFA) – ODADAS Notification of Final Pass-Thru SFY2010 Allocations:

- Treatment Alternative to Street Crime (TASC)
- Drug Free Community
- UMADAOP
- Women's Treatment
- Community Prevention
- Drug Free Schools
- Therapeutic Community
- Problem Gambling

◇ Notice of Funding Award (NOFA) – ODADAS Pass-Thru SFY2010 Allocations:

- HIV/AIDS
- Women's Treatment

◇ Notice of Funding Award (NOFA) – ODADAS Pass-Thru Allocation Funds: STAR-SI (Strengthening Treatment Access and Retention – State Implementation):

- New Directions
- Catholic Charities
- Fresh Start

◇ Notice of Funding Award – ODADAS: Medicaid Adolescent Rehabilitation Project (MARP)

- Catholic Charities Corporation

◇ Notice of Sub-Award (NOSA)-ODMH Pass-Thru Funds for Forensic Monitoring Related Services:

- Recovery Resources
- Cuyahoga County Court Psychiatric Clinic

◇ Notice of Funding Award (NOFA) - Ohio Dept. of Youth Services (ODYS) and ODADAS: Adolescent Re-Entry & Transition Initiative

- Catholic Charities
- Berea Children's Home & Family Services
- ODYS Providers

◇ Notice of Funding Award - Ohio Rehabilitation Services Commission: Pathways II

◇ Notice of Funding Award - Board of County Commission (BOCC): Ryan White Title I Funds

◇ Notice of Funding Award - BOCC: Family and Schools Together (FAST)

◇ Notice of Funding Award - Amendment to BOCC Contract: Cuyahoga County Adult Probation Dept.

◇ Notice of Funding Award - ODYS and ODADAS: Behavioral Health & Juvenile Justice (BH/JJ)

- Catholic Charities Services
- Bellefaire Jewish Children's Bureau
- Cuyahoga County Div. of Juvenile Court
- Beech Brook

The Committee Chair concurred with Rev. Still Noble's request to remove the NOFA regarding Pathways II from the group in order to vote on it separately in both the Interagency and Service Provider Agreement sections.

Motion to recommend approval of the Interagency Agreements, as listed above with the exception of ORSC Agreement for the Pathways II Vocational Services Program, to the full Board. MOTION: A. Leopard
SECOND: L. Thomas AYES: K. Gambatese, A. Leopard, H. Snider, C. Still Noble, L. Thomas NAYS: None
Motion passed.

Motion to recommend approval of acceptance of funds for Pathways II to the full Board.

MOTION: H. Snider SECOND: L. Thomas AYES: K. Gambatese, A. Leopard, H. Snider, L. Thomas NAYS: None
ABSTAIN: C. Still Noble / **Motion passed.**

B. SERVICE PROVIDER AGREEMENTS: Allocation of Funds

◇ ODADAS Notification of Final Pass-Thru SFY2010 Allocations:

- TASC
- Drug Free Schools
- Drug Free Community
- Community Prevention
- UMADAOP
- Therapeutic Community
- Women's Treatment
- Problem Gambling

◇ Notice of Funding Award – ODADAS Pass-Thru SFY2010 Allocations:

- HIV/AIDS
- Women's Treatment

◇ Notice of Funding Award – ODADAS Pass-Funds: STAR-SI (Strengthening Treatment Access and Retention – State Implementation) allocations:

- New Directions
- Catholic Charities
- Fresh Start

◇ Notice of Funding Award – ODADAS: Medicaid Adolescent Rehabilitation Project (MARP)

- Catholic Charities Corporation

◇ Notice of Funding Award - Pass-Thru ODMH Funds: Forensic Monitoring Related Services

- Recovery Resources
- Cuyahoga County Court Psychiatric Clinic

◇ Notice of Funding Award - ODYS & ODADAS: Adolescent Re-Entry/Transition Initiative

- Catholic Charities
- Berea Children's Home & Family Services
- ODYS Providers

◇ Notice of Funding Award - ODYS & ODADAS: Behavioral Health & Juvenile Justice (BH/JJ)

- Catholic Charities Services of Cuyahoga County
- Bellefaire Jewish Children's Bureau
- Beech Brook
- Cuyahoga County Division of Juvenile Court

◇ Notice of Funding Award - Ohio Rehabilitation Services Commission: Pathways II

◇ Center for Substance Abuse Treatment: Homeless AOD Treatment Center

◇ Amendment to BOCC Contract: Cuyahoga County Adult Probation Department

Several issues were addressed regarding the use of reserve funds carried over from the ADASBCC. The Chair and Board staff recommended continuing the discussion under agenda item #7, FY2010 ADAMHS Board Budget.

Motion to recommend approval of the Service Provider Agreements, listed above with the exception of Pathways II, to the full Board.

MOTION: H. Snider SECOND: L. Thomas AYES: K. Gambatese, A. Leopard, H. Snider, C. Still Noble, L. Thomas / NAYS: None / **Motion passed.**

Motion to recommend approval of allocation of funds for Pathways II to the full Board.

MOTION: H. Snider SECOND: L. Thomas AYES: K. Gambatese, A. Leopard, H. Snider, L. Thomas NAYS: None
ABSTAIN: C. Still Noble / **Motion passed.**

C. OPERATIONAL AGREEMENTS:

- ◇ Contract to Replace and Upgrade ADAMHS Financial Management System
- ◇ Rockefeller Lease Extension
- ◇ ADAMHS Employee Parking located at Rockefeller Site
- ◇ Institute for Creative Leadership
- ◇ Sponsorship of Women's Center of Greater Cleveland's Annual *Run, Jane, Run*
- ◇ Co-sponsorship of Suicide Prevention Education Alliance's *Into the Light Walk*
- ◇ WMMS 100.7: Advertise Recovery Month
- ◇ Your Teen Magazine: Suicide Prevention Advertisement
- ◇ Salem Communications: Suicide Prevention Radio spots
- ◇ Hitchcock Center & Spectrum of Supportive Services: Brown Bag Lunches

Motion to recommend approval of the Operational Agreements (listed above) to the full Board.

MOTION: C. Still Noble SECOND: H. Snider AYES: K. Gambatese, A. Leopard, H. Snider, C. Still Noble, L. Thomas / NAYS: None / **Motion passed.**

D. PERSONAL SERVICE AGREEMENTS:

- ◇ Families and Schools Together, Inc. – Accreditation & Evaluation Services for FAST Program
- ◇ Conference Speaker Contracts for 2009 Roads to Recovery Conference: (1) Tonya Hunter (2) Edward Leigh and (3) Joseph Shannon, Ph.D.

Motion to recommend approval of the Personal Service Agreements to the full Board.

MOTION: L. Thomas / SECOND: A. Leopard / AYES: K. Gambatese, A. Leopard, H. Snider, C. Still Noble, L. Thomas / NAYS: None / **Motion passed.**

7. IDENTIFY CONSENT AGENDA ITEMS

Committee members concurred with Dr. Fowler's suggestion that the authorization to intervene in Franklin County Board Litigation, Board Vouchers for July and August 2009 and Contracts, with the exception of Pathways II, be included in the Consent Agenda format for consideration by the full Board.

[Mr. Snider left the meeting.]

8. FY2010 ADAMHS BUDGET

Mr. Denihan distributed copies of a document shared with agency providers and an outline regarding the total ADAMHS Funding Reductions (attached to original minutes in Executive Unit & shown below).

TOTAL ADAMHS FUNDING REDUCTIONS: \$12,343,444.

- **STATE REDUCTIONS:**
 - **ODADAS**
 - Reduced by 10%; over \$1.2 million
 - Pass Through Grant reduced by 13%; over \$500,000
 - Total: \$1,786,635**
 - **ODMH:**
 - Reduced by 24%; over **\$9.8 million**
- **COUNTY REDUCTION:**
 - Reduced by **\$721,000**

ADAMHS BOARD FUNDING REDUCTION PLAN:**1) Initially, the first step taken was to prioritize services, in the following order:**

- AOD Treatment and Prevention Services
- Crisis & Pharmacological Management Services
- CPST and Residential Services
- All Other Mental Health Service Categories

2) Alcohol and Drug Addiction Services:

- There will be no reduction to AOD treatment and prevention services.
- The total \$1,786,635 reduction will be covered from the \$4.2 million reserve from the ADAS Board.

3) Board Staff Recommendation on how to cover the \$9.8 million reduction in mental health services:

- \$1.9 million reimbursement from ODMH for unused state hospital bed days.
- \$180,231 in a Board subsidy to Central Pharmacy has been eliminated.
- \$319,932 (24%) reduction in the Adult Rental Assistance Program
- \$635,383 (36%) reduction to Special Programs, such as WRAP, Adult Sex Offender, Project Assist, Day Care Plus, etc.
- \$2.5 million (13%) reduction to Fee for Services programs.
- \$1.9 million (14%) reduction to Grant Funded programs.
- Remaining \$2.4 million in reductions will be covered from the reserve carried over from the ADAS Board.

Mr. Denihan noted that the following tiers were developed for Fee for Service programs and Grants:

- 1) Tier 1: Crisis and Pharmacological Management 10% overall funding reductions
- 2) Tier 2: CPST and Residential Services 12% overall funding reductions.
- 3) Tier 3: All other service categories 16% overall funding reductions.

Mr. Denihan announced that these difficult decisions leave the ADAMHS Board with no remaining reserve, make the AOD programs for this year whole, and reduce the mental health budget reduction of \$9.8 million to \$5,580,847.00. Providers received copies of this information with respect to their specific program, and Board staff will meet with agencies individually about the reductions.

The Chair inquired about the status of the County's reimbursement of consolidation expenses. Mr. Denihan noted the County has made good on their pledge to reimburse almost everything. What was not reimbursed was the \$120,000 for Dr. Kay's settlement and his \$75,000 for his salary. Ms. Richardson noted that there were some contractual costs not covered. In total in FY2009, the County paid \$667,000 with the bulk going to pay for the cost of sick and vacation time connected with the consolidation.

Feedback from Committee members:

- Concerns were expressed about the impact on homeless individuals who are mentally ill, and the need to calculate the impact on mental health consumers overall. (Mr. Denihan noted that providers are currently being asked to provide such information.)
- It was suggested that a lengthy document and/or press release be prepared about the effects of these cuts be submitted to ODMH or state administration.
- Committee members with AOD interest noted that this proposal is very hard to accept since these funds were originally earmarked for AOD services; additionally, a concept of targeting dollars to clients with co-occurring disorders was broached.
- Is there a legal question regarding the use of rainy day funds carried over from AOD system to cover mental health services.
- AOD advocates suggested the possibility of reimbursing the reserve fund if state is able to locate missing "phantom" funds in its budget.
- This is a change as it was earlier stated that the AOD reserve would go toward alcohol and drug treatment and mental health reserves to mental health. If this is decided, then we need to acknowledge this and enunciate the reasons for this decision change.

Mr. Denihan and Ms. Richardson noted that advocacy efforts are being addressed by the Ohio Association of Behavioral Healthcare Authorities and also the Ohio Advocacy Council. Mr. Denihan referenced the new postcard campaign to restore public funding for mental health and addiction treatment services.

[Mr. Snider left the meeting.]

Ms. Gambatese noted that to her knowledge, rainy day funds can only accumulate from County Health and Human Service levy dollars and not grants. She added that when citizens vote for a levy they vote for the entire spectrum of services. Ms. Richardson agreed that block grant dollars have to be returned; and in answer to Ms. Leopard's inquiry, noted that the CCCMHB's reserve was zeroed out at the end of June 2009.

Mr. Denihan acknowledged that, previously at a Board meeting, he had expressed his personal opinion about the use of the AOD reserve funds. This was his opinion at the time and not an official Board action. However, in light of the the catastrophic funding reductions facing us and the impending impact on the lives of our residents, Mr. Denihan has changed his stance on this issue in order to address the dire situation.

The Committee Chair suggested a reasonable and prudent step would be to develop a policy for consideration by the entire Board next week. The wording recommended: *"Under the circumstances prevalent today, it is the policy of the ADAMHS Board of Cuyahoga County that the reserve fund from the AOD Board be used to cover funding deficits to the extent possible"* or wording to that effect.

Actions requested of Board Staff per budget reduction discussion:

- 1) Obtain legal determination regarding use of reserve funds.
- 2) Create policy statement regarding the utilization of reserved funds carried over from ADASBCC due to catastrophic budget revenue reductions to the ADAMHS Board.
- 3) Provide information regarding impacts to consumers/agencies if recommended action is not taken.
- 4) Attempt to project next fiscal year's budget numbers.
- 5) Label page numbers of schedule.

Motion to create a policy statement to address utilization of reserve funds carried over from the ADASBCC due to catastrophic revenue cuts to the ADAMHS Board and to move the budget reduction proposal to the full Board for deliberation. MOTION: L. Thomas / Second: K. Gambatese AYES: A. Leopard, K. Gambatese, C. Still Noble, L. Thomas / NAYS: None / **Motion passed.**

9. OLD/NEW BUSINESS - None

10. AUDIENCE INPUT

- John Nosek, President of Council of Agency Directors (CAD), noted that CAD is working with the ADAMHS Board on a Service Benefits Packages for Non-Medicaid Services for adults; however, now with the cuts proposed there will be harder times ahead with much less capacity in the system. If there are closed intakes now, there may be a time ahead when services are denied for people in need. Mr. Nosek advocated that Board members consider carefully the circumstances of future funding decisions made.
- Kathy Kazol, Executive Director of EDEN, Inc., a housing development agency, noted that funding cuts will determine the number of housing units for the mental health system. She advocated for utilizing resources so that consumers do not fall through the cracks. She noted that people with a dual diagnosis do not care where the money comes from. Our focus should first be all about consumers.
- Greg Uhland, Executive Director of Orcan House, noted that he cannot speak for the AOD association; however, he concurs with sharing the funds as his organization serves the same people and the barriers are not there.
- Pam Bradford, Center for Families and Children, commended Mr. Denihan and his team for being able to help defer the 408 funding formula decision. She stated that it is worthy of note that it would really be a more devastating situation if this had not been delayed. She appreciated the efforts of all.

There being no further business, the meeting adjourned at 6:15 p.m.

Submitted by: Carol Krajewski, Executive Specialist

Approved by: J. Robert Fowler, Ph.D., Finance & Operations Committee Chair