

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

FINANCE AND OPERATIONS COMMITTEE

FEBRUARY 16, 2011 MINUTES

Harvey Snider, Committee Vice Chair, called the Finance & Operations Committee meeting to order at 4:00 p.m. Ms. Warr was asked to read aloud the committee's mission statement, *"To assist the full Board in fulfilling its fiduciary responsibility by reviewing and overseeing financial and operational aspects of the system."*

Committee Members Present: Rev. Iris Lynn Bailey, Dr. David Biegel, Marc Crosby, Rev. Charlotte Still Noble, Harvey Snider, Mary Warr / Absent: Pastor Charles Brown

Board Staff Present: William M. Denihan, C.E.O., Cindy Chaytor, Rose Fini, Cheryl Fratalone, John Garrity, Ph.D., Lisa Griffith, Valeria Harper, Carol Krajewski, Scott Osiecki, Ralph Piatak, Cassandra Richardson, Michael Scherer, Starlette Sizemore-Rice

1. APPROVAL OF MINUTES

The Finance & Operations Committee minutes of January 29, 2011, were reviewed; noting two date corrections, the minutes were approved as amended. No audience comments were generated on agenda items.

2. ADMINISTRATION / CLINICAL ISSUES

Central Pharmacy - Ms. Richardson reported that the allocations on the mental health side have increased from the prior month due to receipt of approximately \$208,000 from the Ohio Department of Mental Health as a result of the reallocation issue referenced in last month's minutes. Board staff looked at the Central Pharmacy expenditure patterns in order to determine who should receive the additional funds. The agencies that are the benefactors of these dollars are: Center for Families & Children, Mental Health Services, Inc., Murtis H. Taylor Human Services Center, Connections and Jewish Family Service Association. Through FY2011, \$1,101,572.68 will be available for expenses.

Central Pharmacy year-to-date (YTD) utilization through January for mental health providers at \$527,694.52; and the YTD utilization figure of \$26,670.12 for AOD methadone services. Collectively, the system is spending 48.29% of the total allocation compared to a projected utilization of 58.33%.

State Hospital Bed Day Utilization – January 2011 bed day utilization was 381 days under projection with the YTD usage at 1,137 bed days under projection. Ms. Richardson highlighted the table entitled Planned Day Utilization by Site. Average bed day use through 1/31/11 is 77.71 which is 5.29 under the planned utilization of 83 beds per day. Mr. Denihan noted that many factors within the system contribute to the fluctuation of bed day utilization.

3. FINANCE REPORTS

a. Operating Expenditures Report: January 2011 *(For Information Only)*

Ms. Richardson highlighted the Income Statements and Expenditures Reports. Through January, YTD operating expenses totaled \$3,615,979 utilizing 52.39% of the budget. We are currently underutilizing our budget as the projected figure is 58.33%.

b. Board Voucher Report: The committee reviewed the January 2011 Board Voucher Reports, Board Property Reports and Balance Sheets.

Motion to recommend approval of January 2011 Board Vouchers to the full Board. MOTION: D. Biegel
SECOND: M. Warr / AYES: I. Bailey, D. Biegel, C. Noble, M. Warr / NAYS: None / Motion passed.

4. OVERVIEW OF LIABILITY INSURANCE POLICIES

Ms. Fini explained that this overview was scheduled to address one of the recommended standards of the Ohio Association of County Behavioral Health Authorities' Culture of Quality Peer Certification process. Ms. Fini noted that, typically, our Board carried insurance policies which were handled operationally. The Culture of Quality guidelines recommend that this information is brought before Board members for their review and discussion. It was noted further that the ADAMHS Board pursuant to the Ohio Revised Code, Chapter 340, is authorized by statute to obtain insurance for liability coverage.

Prior to the consolidation process, Ms. Fini noted that each Board (ADASBCC and CCCMHB) had worked with different insurers. During the consolidation process, interviews were conducted with the two previous insurers as well as Oswald Companies. Based upon the evaluation of all proposals, the decision was made to choose Oswald Companies. Consequently, Ms. Fini was pleased to introduce William E. Brancovsky, Executive Vice President of Oswald Companies. This firm has been our insurance carrier since the inception of the ADAMHS Board of Cuyahoga County on 7/1/09.

[Mr. Crosby arrived.]

Mr. Brancovsky noted that the Oswald Companies firm has been around for 127 years. The firm does business with approximately 300 charitable and non-profit mental health organizations in Northeast Ohio. He referenced the handout provided to committee and audience members and elaborated on three components listed below. (The handout is attached to the original minutes stored in the Executive Unit.)

1) Insurance Coverage Review

- Each line of coverage was identified, including limits/amounts and annual premiums.
- The final two items referenced insurance coverage for the previous Boards from the time period of 6/30/09 through 6/30/12 for potential liability issues related to the consolidation/merger. It was noted that no EEOC claims resulted from the consolidation.

2) Renewal Strategy Discussion

- Rates have been flat; the annual premium for the entire package is \$35,000.00
- As the market is competitive, the rates will probably remain flat.

3) Risk Management Trends/Concerns (from an insurance perspective)

- Employment practices – recent awards against employers have been staggering that includes the areas of sexual harassment, wrongful termination, failure to hire, discrimination, etc. The ADAMHS Board was encouraged to rely on the Oswald Companies for advice on employment issues.
- Fraud – seeing very unusual claims in the fraud area, whether Medicaid fraud, shifting funds from one account to another, etc. Important to have auditors, checks & balances in place as safeguards.
- Cyber Liability Issues – With regard to the areas of the internet, privacy, medical records, etc. – what is seen is an increase in the amount of activities where personal information may be exposed.

Ms. Fini suggested that the Board might wish to consider obtaining a premium quote for working toward electronic medical records. It was noted that Oswald Companies uses national carriers and has regional offices. The Committee Vice Chair thanked Mr. Brancovsky for the informative presentation.

5. CONTRACTS

Ms. Richardson highlighted the agenda process sheets for contracts listed below and answered questions of committee members.

a. Interagency Agreements:

- ◇ Ohio Department of Mental Health – TSIG and NOSA awards for Comprehensive Evaluations for Early Childhood Mental Health Consultation for Ohio and ECMH/Child Welfare Demonstration for Berea Children's Home & Family Services

b. Service Provider Agreements:

- ◇ Comprehensive Evaluations for Early Childhood Mental Health Consultation for Ohio and ECMH/Child Welfare Demonstration – Berea Children's Home
- ◇ Amendment to Res. 11-01-08: Adjustment to Transfer Amount to the Department of Justice Affairs & Court of Common Pleas Corrections Planning Board
- ◇ Early Childhood Mental Health - Achievement Centers for Children
- ◇ Housing First Permanent Supportive Housing Project

c. Operational Agreements:

- ◇ AT&T Advertising
- ◇ Dell Computers
- ◇ Suicide Prevention Campaign

d. Personal Service Agreements: None

Motion to recommend approval of the (a) Interagency Agreements, (b) Service Provider Agreements and (c) Operational Agreements to the full Board. MOTION: M. Warr / SECOND: D. Biegel AYES: I. Bailey, D. Biegel, M. Crosby, C. Noble, M. Warr / NAYS: None / Motion passed.

6. IDENTIFY CONSENT AGENDA ITEMS

Mr. Snider entertained a motion to include the following components in the Consent Agenda for recommendation to the full Board:

- Board Vouchers for January 2011
- Interagency Agreements
- Service Provider Agreements
- Operational Agreements

Motion to recommend approval of the Consent Agenda as proposed. MOTION: C. Noble
SECOND: M. Crosby / AYES: I. Bailey, D. Biegel, M. Crosby, C. Noble, M. Warr / NAYS: None / Motion passed.

7. OLD/NEW BUSINESS

- Mr. Denihan is scheduled to meet with both new Directors of the Ohio Department of Mental Health and the Ohio Department of Alcohol and Drug Addiction Services, on 2/18/11, to discuss the Finance Plan and urging them to accept our request to hold us harmless on the 408 funding formula, holding us harmless on Medicaid match, asking the legislature to not use levy dollars for Medicaid funding and keeping their funding for community programs whole. It was noted that the Governor's budget is anticipated on 3/15/11.
- As the C.E.O. was contacted by the media to respond to a group that seems to be promoting suicide via its billboard message, Mr. Denihan considered this an opportunity to communicate what our Board does, how it works to promote suicide prevention awareness and to share the suicide prevention hot-line number.
- Mr. Denihan also received a call asking for a comment about a potential legislation that would require anyone on public assistance to undergo a drug test. If they tested positive, then the public assistance would be stopped. The Board has not yet responded and intends to speak to others in Columbus about this issue.

There being no further business, the meeting adjourned at 5:15 p.m.

Submitted by: Carol Krajewski, Executive Specialist

Approved by: Harvey A. Snider, 1st Vice Chair, & Finance & Operations Committee Vice Chair