



FINANCE COMMITTEE
Meeting Minutes
Wednesday, March 12th, 2025
5:30 p.m.
812 E. Jolly Rd, Atrium
Lansing, MI 48910

Join Zoom Meeting
<https://zoom.us/j/98547470124>
Meeting ID: 985 4747 0124

Committee Members Present:

Tim Hanna, Chairperson
Jeanne Pearl-Wright
Paula Yensen
Raul Gonzales
Dwight Washington

Committee Members Excused:

Ryan Sebolt

Staff Present

Sara Lurie, Gwenda Summers, Drew Kersjes, Sue Panetta, Jana Baylis, John Peiffer, Joanne Holland, Morgan McKittrick, Shana Badgley, Amy Rottman, Stephanie Stevens

Other Board Members Present:

None

Public Present:

None

Others Present

None

Call to Order:

The meeting was called to order by Chairperson Tim Hanna at 5:30 p.m.

Previous Meeting Minutes:

MOVED by Tim Hanna and SUPPORTED by Paula Yensen to approve the Finance Committee meeting minutes of February 12th, 2025.

MOTION CARRIED unanimously.

Adoption of Agenda:

MOVED by Tim Hanna and SUPPORTED by Paula Yensen to adopt the agenda of March 12th, 2025.

MOTION CARRIED unanimously.

Public Comment on Agenda Items:

None

BUSINESS ITEMS:

Expense Contract: Ricoh USA Inc., Copier Lease

ACTION:

MOVED by Tim Hanna and SUPPORTED by Paula Yensen that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into a 60-month equipment lease expense contract agreement with RICOH USA, INC. located at 25800 Northwestern Hwy. Suite 950 Southfield, MI 48075 and pay \$6,099.69 per month for 60 months or \$73,196.28 annually for five years ending on March 31, 2030, and receive 109 new Ricoh copy machines to be located at multiple CMHA-CEI locations.

MOTION CARRIED unanimously.

DISCUSSION:

Facilities Supervisor, John Peiffer reported that there are currently 109 units in the fleet. The purpose of the expense contract is to update the current fleet. The normal contract period is typically 5-years. However, the existing copiers have been in place now for 6-years.

Expense Contract Lease Renewal: 201 Railroad St. John's

ACTION:

MOVED by Tim Hanna and **SUPPORTED** by Paula Yensen that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to continue to lease space at 201 Railroad St. John's, containing 7,272 square feet, from Huntington Bank 5555 Cleveland Ave. GW1097, Columbus, Ohio 43231 and pay the following lease rates for the next three years:

The rental rates for the period reflect a 2% annual increase per year per the renewal paragraph in the existing lease and those rates will be effective as follows:

Term Monthly Rate Annual Rate Price Per Sq/Ft

5/1/25 – 4/30/26 \$6,810.29 \$81,723.48 \$11.24

5/1/26 – 4/30/27 \$6,946.50 \$83,358.00 \$11.46

5/1/27 – 4/30/28 \$7,085.43 \$85,025.16 \$11.69

MOTION CARRIED unanimously.

Revenue Contract Lease Renewal: 1507 Jerome Street Lansing, Michigan

ACTION:

MOVED by Tim Hanna and **SUPPORTED** by Paula Yensen that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to renew the lease revenue contract of property at 1507 Jerome Street Lansing, Michigan to tenant Theresa Biron, whose address is 1507 Jerome Street Lansing, Michigan, for the period of May 1, 2025 through April 30, 2030 and receive the following as revenue: Twelve Thousand Seven Hundred Twenty Dollars (\$12,720) per year in equal monthly installments of One Thousand Sixty and 00/100 Dollars (\$1,060) during the term of this lease for a total of Sixty-Three Thousand Six Hundred and 00/100 Dollars (\$63,600) during the 60-month period.

MOTION CARRIED unanimously.

Expense Contract Renewal: LinkedIn Recruiter Subscription

ACTION:

MOVED by Tim Hanna and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into the subscription renewal with LinkedIn Corporation to provide the LinkedIn recruiter services the period of June 30, 2025 through June 30, 2027 and pay \$44,070.00 (divided into annual payments of \$22,035) for this recruitment package.

MOTION CARRIED unanimously.

DISCUSSION:

Chief Human Resources Officer, Jana Baylis reported that there is a little bit of an increase in the price. It is utilized frequently by HR. There are no changes to the product just a couple thousand-dollar increase. It is a 1.5% increase and a 3-year renewal. We are Michigan Works, Career Days and also Career Fairs. We are getting our money's worth because we are able to do searching for candidates and message them about our openings. We are able to seek them out. It also allows for us to put up job postings. We can reach approximately 200-400 behavioral health professionals in the Greater Lansing area. HR is also reaching out to people outside of the greater area by expanding the search area. We have hired approximately 7-10 professional staff from LinkedIn.

Expense Contract Renewal: Mirazon Group

ACTION:

MOVED by Tim Hanna and **SUPPORTED** by Raul Gonzales that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to renew our DataCore license and maintenance through Mirazon Group from April 1, 2025 to March 31, 2026 and pay \$56,027.42 for that license and maintenance.

MOTION CARRIED unanimously.

Expense Contract Renewal: Zoom

ACTION:

MOVED by Tim Hanna and SUPPORTED by Raul Gonzales that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to renew the licenses from Zoom for the period of March 28, 2025 through March 27, 2026 and pay \$42,216.56.

MOTION CARRIED unanimously.

DISCUSSION:

It was reported that CMHA-CEI has all different types of licenses for Zoom. Most of the clinical staff go over the 40 minutes so they need a full license. The licenses change throughout the year depending on the need. The full license is an additional fee. We budget for the additional licenses we will need for the upcoming year and always try to have some licenses on hand. Typically, the budgeted licenses that we keep on hand are used right away. It is more common that we have to go and get quotes for additional licenses. The cost fluctuates over the year depending on the type of licenses we need and how many we need.

Revenue Contract Renewal: 30th Circuit Court-Mental Health Court

ACTION:

MOVED by Tim Hanna and SUPPORTED by Raul Gonzales that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into a renewal contract with the 30th Circuit Court to provide the clinical team for the Mental Health Court in Ingham County for the retroactive period of October 1, 2024 through September 30, 2025 and receive \$98,890.

MOTION CARRIED unanimously.

Expense Contract Amendments: Therapeutic Overnight Camp Services (Methodist Children's Home Society & The Indian Trails Camp, Inc.)

ACTION:

MOVED by Tim Hanna and SUPPORTED by Raul Gonzales that the Finance Committee recommends that the CMHA-CEI Board of Directors authorize CMHA-CEI to enter into contract amendments with the Methodist Children's Home Society and The Indian Trails Camp, Inc. to purchase therapeutic overnight camp services, from camps currently contracted with CMHA-CEI for respite camp, indicated at the rates below for the period of March 1, 2025 through September 30, 2025

Methodist Children's Home Society (The Fowler Center for Outdoor Learning) 26645 W. Six Mile Rd., Redford, MI 48240		
Service Description	Unit	Rate
T2036 Respite Care Camp Overnight Waiver Youth Respite (2 Nights/3 Days, ages 6-17)	Per Session	\$495.00 Per Session
T2036 Respite Care Camp Overnight Waiver Horseback Riding Camp (5 Nights/6 Days ages 18+)	Per Session	\$1,180.00 Per Session
T2036 Respite Care Camp Overnight Waiver Camp Barefoot (5 Nights/6 Days ages 18+)	Per Session	\$1,120.00 Per Session
T2036 Respite Care Camp Overnight Waiver Sessions 1, 2, 3, 4, 5, 7,8 & 9 (5 Nights/6 Days 18+)	Per Session	\$1,120.00 Per Session
T2036 Respite Care Camp Overnight Waiver Session 6 (5 Nights/6 Days ages 6-17)	Per Session	\$1,120.00 Per Session
T2036 Respite Care Camp Overnight Waiver Outpost A (5 Nights/6 Days ages 18+)	Per Session	\$1,120.00 Per Session
T2036 Respite Care Camp Overnight Waiver Outpost C (5 Nights/6 Days ages 13-17)	Per Session	\$1,120.00 Per Session
T2036 Respite Care Camp Overnight Waiver Outpost D (5 Nights/6 Days ages 18+)	Per Session	Up to \$1,400.00 Per Session Per Session
The Indian Trails Camp, Inc. DBA IKUS Life Enrichment Services 0-1859 Lake Michigan Dr. NW, Grand Rapids, MI 49534		
Service Description	Unit	Rate
T2036 Respite Care Camp Overnight Waiver/Session L1 Weekend Respite (2 Nights/3 Days)	Per Session	\$380.00 Per Session

T2036 Respite Care Camp Overnight Waiver/Session L2 Weekend Respite (2 Nights/3 Days)	Per Session	\$540.00 Per Session
T2036 Respite Care Camp Overnight Waiver/Session L3 Weekend Respite (2 Nights/3 Days)	Per Session	\$740.00 Per Session
T2036 Respite Care Camp Overnight Waiver/Session L1 Summer Camp (5 Nights/6 Days)	Per Session	\$950.00 Per Session
T2036 Respite Care Camp Overnight Waiver/Session L2 Summer Camp (5 Nights/6 Days)	Per Session	\$1,350.00 Per Session
T2036 Respite Care Camp Overnight Waiver/Session L3 Summer Camp (5 Nights/6 Days)	Per Session	\$1,400.00 Per Session

*Max of 3 sessions per year, up to \$1,400 per session.

MOTION CARRIED unanimously.

DISCUSSION:

The rates are different based on the length of the session, age of the group, different activities included in the camp, and different supervision levels. Gwenda mentions that CMHA-CEI educate the families on the camps. As far as we know, the camp being Methodist does not play into the treatment. We do have a contract with Mystic Lake Camp.

MSHN Funding

CMHA-CEI met with MSHN to review our finances and to discuss if our funds that lapse are as accurate as possible. The region is in a very serious financial situation and they rely on the money that we don't spend to support the region. They are anticipating based off of projections that they will spend nearly all of the internal savings fund this year in meeting the needs of the region. There is a potential rate

change in May but we don't know how this will impact the region. They anticipate going through the ISF and having only 8 million in the ISF for the next fiscal year. They are doing a lot right now to address this with the CMHs and some CMHs are creating cost containment plans if they are in a deficit situation. MSHN has asked to have a meeting with MDHHS to make them aware of the situation.

CEO Lurie will include Joe Sedlock's letter in the board report and packet. There is something wrong with the rates coming to the region. The region has done very well all of these years at managing and it has just been the last couple of years that the issue has started to arise. MSHN is not the only one, the majority of the PIHPs are struggling. CCBHC is what is helping us and the region. It takes the pressure off of the capitation. CCBHC does not come from having FQHC status. FQHC and CCBHC are both federal models and there are some similarities. CCBHC has a unique enhanced Medicaid rate with daily visits.

MDHHS/PIHP Rebid

MDHHS put out a press release saying they intend to rebid the PIHPs contracts for fiscal year 2027. This is unprecedented. The PIHPs are very connected to the CMHs and were created by the CMHs. They are public entities. We still have to determine what laws or statutes have to change to allow them to go through a rebid. This seems to be a way to open the door for privatization at the PIHP level. We don't know if they are going to allow private entities to bid on it (like insurance companies). It is possible that the number of PIHPs will be reduced and they would then bid against each other.

They also sent out a survey with the press release which is being used to gather information from the field and the people we serve. All of the questions in the survey are directed towards the services they receive at the CMH. Sara is currently trying to get some direction and understand it better before it gets sent out.

We need to figure out how we are going to rebid the PIHP and still have a regional conflict free plan which depends on the PIHPs.

Alan gave us a heads up that we might be trying to go back to privatization like we have been in the past.

Quarter 1 Financial Update- Amy Rottman

Amy shared her December 2025 Bucket Report – For the Board document. The first part of the report shows the bucket report. It pulls expense and revenue by funding source. Medicaid and Healthy Michigan is capitated and get the money through the rate setting process. Rate is determined by MDHHS and the actuaries. We expend dollars through a provider network (inpatient hospital) or through service provided at CEI. Compare total revenue to total expense and is then settled with MSHN.

For the first quarter, we have elapsed (amount we can return) 5.8 million. A majority of our funding and expense comes from the Medicaid and Healthy Michigan capitation. Driven by 2 factors, the service itself and the person eligibility.

CCBHC is funded by different services like case management, crisis services, outpatient, etc. It funds consumers in 3 different categories people who have Medicaid, have Healthy Michigan, or other eligible Non-Medicaid CCBHC participants. The majority of the collections fall here. We can bill for commercial insurance. We receive a CCBHC PPS-1 payment which is \$498.53 for each daily visit. \$197 is reclassified from our daily capitation. The rest is called supplemental. Under CCBHC, we are required to serve everyone.

Overall we have about 12 million in revenue that we have earned. Our expenses are about 13.5 million. The majority of the gap comes from the service to the Non-Medicaid population.

Our state general fund is a set amount that each county receives to serve the under-insured in a crisis setting. Primarily funding the inpatient under-insured population and the same day walk-in center. It is also used in an individuals spend down.

We can use some of our surpluses to offset the expenses from the CCBHC Non-Medication population.

We do have local activity which is a combination of grants, contracts, and local contributions from the 3 counties. This is currently showing a deficit for the quarter but anticipate this will be offset long term. We use local dollars to cover some of the SUD expenses.

Overall, through December we are looking at a loss of 1.8 million. You cannot use the MSHN lapse to cover any deficits you have. Some of the funding streams have specific requirements but when we can, we look to make some reclassifications to allow for us to move that money.

FY2025 Projection is based on the projected amount we are set to receive and what we expect to spend. Had conversations with staff and MSHN about this. Medicaid and Healthy Michigan we had budgeted to lapse approximately 19 million. Our trend through December is relatively close to that. Our first quarter of 2025 does not capture all of our expenses, for example, we provided rate increases to providers that happened retroactively. Our December financial numbers did not include the increase expense of 1.5% to providers so the FY2025 projection is a better reflection of the finances. There will be an increase in ADA costs. This was determined by the legislature and was increased to accommodate a wage of 66 dollars and hour. That will be increasing our expense. The region is quantifying how much it will cost the region. The state did a rate adjustment. There will be a mid-year rate adjustment to cover the 66-dollar rate increase. We anticipate an amendment to come to the board.

We received some information from MSHN about total capitation revenue. This projection has dropped by about 5 million dollars to CEI in particular. It is impacting the entire region. The take away is that we do expect the lapse for fiscal year 2025 to be closer to a 15 million lapse to MSHN.

CCBHC outlook is better than what we have for Quarter 1. We do anticipate our daily visits will be higher for the second half of the year. This could work out to be a net gain for 2025 for us.

With local activity that will help and move us into a more positive financial position. We are projecting a loss at the end of 2025 based on our grant activity, SUD activity, and earned contracts. It is about a 3-million-dollar loss for the year. Even though we will end 2025 with a loss, we would still have 12.6 million in net positive.

When we add in the pension for audit, it skews net position because it adds a liability.

Unfinished Business

Vice Chair Appointment

Committee Chair, Tim Hanna expressed the importance of having a Vice Chair assigned for all committees, and inquired about a new appointment for this committee with the retirement of Joe Brehler. Discussion ensued.

ACTION: It was determined that since the FY25-26 Committee Appointments go into effect May 1, this item would be tabled.

New Business

None

Public Comment:

None

The meeting was adjourned at 6:21 p.m. The next regularly scheduled Finance Committee meeting is Wednesday, April 9th, 2025 5:30pm, 812 E. Jolly Rd, G11-C.

Minutes Submitted by:

Stephanie Stevens

CCBHC Secretary