

EXECUTIVE COMMITTEE SUMMARY

Wednesday September 9, 2020, 3:00 PM

Present: Mark DeYoung, John Snider, Stan Stek, Jane Verduin

Absent: Peg Driesenga

WELCOME

- a. Review of September 9, 2020 Meeting Agenda
- b. Review of August 12, 2019 Meeting Minutes

The September 9, 2020 meeting agenda and the August 12, 2020 meeting minutes were accepted as presented.

CEO UPDATE

- Mr. Hofman announces that he will be retiring with a target date of February 12, 2021. He would like to give the Board time to find a replacement prior to his leaving. He will do all he can to ensure success with a transition plan.
- Mr. Stek comments that we will need to identify on an interim CEO to overlap. Mr. Snider suggests beginning immediately to look for a new CEO and agrees that candidates should have knowledge of this region.
- Mr. Stek suggests Bill Riley as a candidate for the Interim position. He does have a defined contract with HW that is almost complete, leaving him available if he would be interested. Mr. Stek and Mr. DeYoung will follow up.
- Mr. DeYoung comments that we can discuss further during Board next week and would like it added to the agenda.
- Mr. Stek comments that he appreciates that Mr. Hofman has given this amount of time to begin the process of searching for a new CEO. Ms. Verduin seconds that.
- The Executive Committee will engage in an analysis and bring back a transition plan to recommend to the full Board. Ms. Dyga will set an additional Executive Committee meeting prior to the September Board meeting.
- Mr. DeYoung thanks Mr. Hofman for the years of service at the LRE.

OTTAWA PA2 FUNDS UPDATE

- Mr. Hofman updates that this is an ongoing process and we have continued to have good dialogue with Ottawa County and Ms. Doyle
- PA2 funds are distinctly different than Medicaid funds and are used only for SUD within the county that they are from. The LRE holds the contracts with the providers. The LRE believes that Ottawa holding funds due to the Medicaid deficit is not a viable reason.
- During the OPB there was discussion to utilize PA2 Reserves for payments to SUD providers while Ottawa continues to hold these funds. Mr. Hofman comments that this will also be brought for discussion to Board.

- LRE has a policy around using the PA2 fund reserve. Ms. VanDerKooi comments that using reserves is for special projects as outlined in the LRE policy. The PA2 reserves were not meant for paying providers.
- Mr. Stek asks if this issue will cause services to be interrupted. Ms. Coleman comments that we have exhausted Block Grant (BG) to pay for these services and LRE is holding payment to providers, at this point. We approached the State for additional BG funds, which they have said is unlikely because they have overallocated BG funds due to a system error. The only other option is if other providers underspend on services.
- Mr. Stek would like to know if there has been discussion about Ottawa releasing enough of the funds to pay providers. Ms. Doyle comments that these PA2 funds are reserved specifically for Ottawa and we are asking for a one-time exception of this policy to pay providers. There was some discussion to release funds for these expenses, but Ms. Doyle believes this will be denied by Ottawa County. Ottawa has requested to see a bank statement for the separate account for Ottawa, which they have not received. Ms. Coleman comments that the PA2 funds are being transferred into a separate account for all counties as was requested and documentation will be sent to Ms. Doyle. Ms. Coleman does clarify that each county does receive the information on a regular basis, and she does share a detailed breakout of expenses and revenue. There has been agreement between Ottawa CMH and LRE that these amounts are correct. All PA2 funds must be spent within the county that those funds come from.
- Ms. Doyle comments that they will only use these funds for payment of the SUD providers.
- Ms. VanDerKooi explains that the PA2 policy is an LRE Board policy that would have to be rescinded and then OPB will have to approve the use of these PA2 reserves for the purpose of paying providers.
- Ms. Verduin would like to review the financial information. Ms. Coleman updates the committee that LRE currently has about \$98 thousand in pending payments. Ms. Coleman will send the information to the Executive Committee.
- Mr. Hofman comments that there is concern about setting a precedence of Counties holding PA2 funds. The LRE will continue to meet with Ottawa to address and resolve this issue.

FINANCIAL UPDATE

i. Revenue Projections

- Ms. Coleman reports that the updated projections for this month shows an overall increase in our revenue and is \$3.1 million. The increase is mostly for the DCW that CMHs will receive in their capitation.
- The region kept our Waiver payment slots for HWS – 625, Children Waiver – 37 and SUD – 39.

PROVIDER NETWORK STABILITY UPDATE

- The region has received provider applications and are finding providers are including loss of revenue. When reviewing the applications, we also have to account for other Federal funding loans. The committee does have provider recommendations to receive additional funding.
- We are in the process of scheduling another meeting which will include updates by the CMHs.
- We continue to communicate to providers that if there is dire need to immediately contact the CMHs.
- Mr. Hofman comments that this is a slow process due to the amount of information that is required and must be reviewed. LRE continues to update the State every month.
- We are currently working on transfer payments from some of the CMHs to HW. These will enable HW to pay their providers. This is an agreement between CMHs.
- The Executive Committee would like to review the Network Stability process. Ms. Dyga will send to the group.

BEACON CONTRACT NEGOTIATIONS UPDATE

- The Beacon contract group includes Mr. Hofman, Mr. DeYoung, Mr. Stek and CMH CEOs.
- The nature of the contract will change from a risk bearing partnership to an ASO contract. We provided them a terms sheet and have a meeting scheduled with Beacon to review.

2020 LRE BOARD REAPPOINTMENTS

Below are the At-Large Board members that will be up for reappointment in 2020. Mr. DeYoung will contact them and discuss their interest in continuing to be on the LRE Board.

- Matt Fenske – November Board

OCTOBER 14, 2020 EXECUTIVE COMMITTEE – Move to October 7 (?)

- The October 14th meeting will be moved to October 7. Ms. Dyga will update the invite.

BOARD MEETING AGENDA ITEMS

- i. FY21 LRE Regional Budget – Action Item
- ii. Possibly PRAR Policy – Action Item

BOARD WORK SESSION AGENDA

- i. FY21 Annual Budget Public Hearing

- ii. Policy 5.14 – Prior Review Authorization Request

OTHER

- Set up a meeting with Greg Moore to discuss the HW lawsuit.

UPCOMING MEETINGS

- September 17, 2020 – LRE Executive Board Meeting, 1:00 PM
- October 8, 2020 – Consumer Advisory Panel, 1:00 PM
- October 14, 2020 – Executive Committee, 3:00 PM
- October 15, 2020 – LRE Executive Board Meeting, 1:00 PM

ADJOURN