

## **Contract & Financial Issues Committee, June 20, 2019, 1:00pm**

### **EDIT Update – Jeff Labun**

No meeting has been held since October of 2018. Bruce spoke about the new charter that is being organized. He stated that the old EDIT Group has been dissolved and is being reestablished as a new team. The new group will meet quarterly, and will have 2 appointments per Region, which could be CMH or PIHP representation. Bob stated that the Association has requested that Maggie Beckman and Bruce Bridges be included as well. Group wondered if this was a closed meeting, or if it would be twenty voting members with an open meeting setup. Group would like to keep on agenda for future updates.

### **GF Negotiations – Lisa Morse**

Lisa reported that the last meeting for negotiations was on June 3, and the next meeting will be on July 1. Items discussed in the June meeting were references to the SED/Children's Waiver in the GF Contract that need to be removed. 298 Pilots were discussed but that is on hold. ASAP Security was discussed so that former employees will not have access to that system. COFR was discussed... The Department is proposing language that states CMHSPs shall not develop or participate in COFRs for Medicaid and HMP. Lisa stated that if they spell out "unless when involving GF" this item might be acceptable. She told the Department that no CFI meeting had taken place this year, but that she would bring feedback to the next Contract Negotiations meeting after today. Christine Gebhard stated that those who have Medicaid Spenddown are on GF till they meet their Spenddown amount. She wondered how this would be handled. Group discussed and wondered why Medicaid and GF issues of COFR were being included in the GF contract. Bob stated that the feds have always said that this needed to be covered in the GF contract. Group continued to discuss why the Department is approaching the COFR issue. Group felt that this proposed language was not agreeable. Lisa then spoke about the 5-year phase-in GF Funding formula. We have been requesting the data for how the formula was put together. She stated that the Department is hesitant to provide this information and she does not know why. Bryan Krogman stated that a 2014 Census was cited as being used in the formulation of that GF Formula. He will send to Lisa. Also discussed in the June negotiations meeting were revisions to reporting requirements, changes to compliance review attachment, school to community transition attachments, and local disputes regarding 30 days advanced notice for GF clients as opposed to 12 days notice for Medicaid (of adverse action).

### **Legislative Update – Alan Bolter**

Alan reviewed the 3 proposed budgets from the House, Senate and the Governor's office. He stated that the House and Senate will return to Session after the 4<sup>th</sup> of July break to negotiate a combined budget with the Governor's office. A lot will depend on what is agreed upon for a Road Package proposal. He spoke about the likelihood of increased revenue for the State, more specifically, the lack of it. More likely will be the shuffling around of current revenue. Alan stated that the Medicaid rates and Autism rates are being discussed with the Legislature, and the Association has sent some recommended changes regarding some of the Boilerplate Language being proposed in both versions of the budget. He spoke about local match drawdown, stating that the House has a 5-year phase out plan. He reported on Section 908, which requires the Department to work with an actuary firm to work on the rates, as well as multiple other Sections. Group discussed what would happen if the actuarial rates were different than what is in the final budget. Alan stated that this has been the Association's point all along. Group discussed Section 974 in greater detail. Bob stated that Boilerplate language cannot supersede the Federal Waiver in any instance.

### **Funding Issues – Bruce Bridges**

#### **Advanced Funds FY18 & FY19**

Bruce reviewed the spreadsheet of what Milliman projects to be advanced versus what is actually being advanced. He stated there are still some monies that have not been issued. He stated that the Performance Withhold was removed from this spreadsheet. He spoke about HRA adjustments which are coming as separate payments as opposed to through the PIHPs. Bruce stated that there appears to be more TANF children than what Milliman projects. Group discussed the need to adjust rates for HMP who in all rights should have been enrolled as DAB. If the trend to continue enrolling in HMP continues, then the rates for HMP enrollees must be increased to balance this.

#### **Autism Services**

Bruce reviewed the chart for Autism Services in the packet. He stated that this showed \$24 Million worth of services that would not be included in the future rates to be determined by Milliman. Funding for services in 2017 for Autism was for a person who was enrolled and received a service sometime through the month. He stated that we don't have information of what is going on for FY18, having only 7 MUNC reports. Bob will send this information to Milliman to show process.

## Rate Setting Meeting

Bruce reviewed the minutes from the April 9, 2019 rate setting meeting. He reviewed issues with Performance Incentive payments, which has been requested to be reported as a reduction in revenue. Bruce stated that Risk dollars continue to shrink, being at 3.5% when 7.5% is needed. This has made it impossible to create a real Risk Reserve. Bruce reviewed two new services – nighttime supervision will need to be documented and coded separately, and non-family training services will need to be coded separately as well. Group discussed supervision being covered by SSI already, and whether this would be considered as having supervision being paid twice. Lisa Morse stated that CLS is being over utilized and this could come back to haunt us. Bob and Bruce clarified that this doesn't have to be authorized; this particular part of the report simply gave a code to use for this. Also discussed were transportation (distinguishing between rural and urban) factor development and the methodology used for that. Group discussed information from the CMH Wage survey being used prematurely for rate setting for FY20. Leslie suggested this group review thoroughly what Milliman is doing with all the data that has been requested.

## CLS Request/Survey

Pat Davis from Kalamazoo raised concern with the CLS Survey and the occupancy rate. Bob urged everyone to email Milliman with concerns on this (strength in numbers). Data from PIHPs is due to be sent to Milliman by June 28<sup>th</sup>. CMHs must get their data to PIHPs before that. John Obermesik raised concern with the request for data from Milliman, and the vagueness of the request. Group tasked Leslie Thomas with obtaining clarification on occupancy (max number of beds? Or number of beds filled?). Leslie will communicate to Monique and she will send along to the CFI group.

## Discussion of Key Issues – Bruce Bridges

Items from Update section can be moved to this section if there is need or interest for further discussion.

Medical Loss Ratio workgroup is working on administrative costs. Bruce will keep the group updated on this.

## Other

GF Formula continuing regardless of what Legislature does (added by Chip Johnston)

Chip urged the Association to continue fighting for this regardless of what happens to funding in the Legislature. Group discussed the \$5 Million distribution last year. This indicated adoption of the Formula, so this should go forward into year 2 of the distribution. Group agreed that keeping the State on this 5-year plan was key in keeping the CMHs whole. Alan clarified that no CMH would receive less than the amount they received in the previous year.

## Stopping monthly FSR reporting (added by Chip Johnston)

The Department has stated that this will not be implemented until Oct. 2019. A memo that will explain the monthly reporting from the Department will be sent to CMH CFOs from the Department. Lisa Morse will forward this to the group when she receives it.

Meeting adjourned at 2:43pm.