

North Sound Mental Health Administration

BOARD OF DIRECTORS MEETING

August 12, 2004
NSMHA Conference Room
117 N First Street, Suite 8
Mount Vernon
1:30 PM

Agenda

1. Call to Order; Introductions – Chair
2. Revisions to Agenda – Chair
3. Approval of June Minutes – Chair
4. Comments & Announcements from the Chair
5. Reports from Board Members
6. QRT Semi-Annual Report
7. Report from Ombuds – Poster Contest
8. Comments from Public
9. Report from Advisory Board – Marie Jubie, Chair
 - No report as the July meeting was canceled.
10. Report from Executive/Personnel Committee – Dave Gossett, Chair
11. Report from QMOC – Jim Teverbaugh, Chair
 - No report as the July meeting was canceled.
12. Report from Planning Committee – Dave Gossett, Chair
 - Transition Plan to comply with new Medicaid Regulations
13. Report from Executive Director – Chuck Benjamin, Executive Director
14. Report from Finance Officer – Bill Whitlock
15. Report from Finance Committee – Mike Shelton
16. Consent Agenda – Chair

Motion # 04-033 – To review and approve NSMHA claims paid from June 1, 2004 to June 30, 2004 in the amount of \$3,602,987.81. Payroll for the month of June in the amount of \$74,910.55 and associated employer paid benefits in the amount of \$21,224.35.

All matters listed with the Consent Agenda have been distributed to each Board Member for reading and study, are considered to be routine, and will be enacted by one motion of the Board of Directors with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Board Member.

17. Action Items –

Motion # 04-026 – To review and approve contract # NSRSN-APN-DDD-Crisis-02, amendment 4. This amendment will:

1. Under Terms and Conditions add a new subsection L to read as follows:

All references to Associated Provider Network and CONTRACTOR shall mean Associated Provider Network and its member organization Compass Health.

2. Under Terms and Conditions add a new subsection M to read as follows:

Contract Performance/Enforcement. NSRSN shall be vested with the rights of a third party beneficiary, including the "cut through" right to enforce performance should CONTRACTOR be unwilling or unable to enforce action on the part of its network and subcontractors. In the event that CONTRACTOR dissolves or otherwise discontinues operations, NSRSN may, at its sole option, assume the right to enforce the terms and conditions of this Agreement directly with CONTRACTOR's service network and subcontractors. CONTRACTOR shall include this clause in its contracts with its subcontractors. In the event of the dissolution of CONTRACTOR, NSRSN's rights in indemnification shall survive.

Motion # 04-032 – To review and approve the North Sound Mental Health Administration's revised Regional Training Plan 2004-2005 for approval.

Motion # 04-031 – To approve the North Sound Mental Health Administrations contract # NSRSN-APN-04-05, amendment 1. This amendment will replace the current pages 1-55 with revised language and replace Attachment XXVII with a new Attachment XXVII. The purpose of the amendment is to bring the contract into compliance with BBA regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process. The amended language also adds a structure for a transition planning process to result in future contract amendments that will be approved by the NSMHA Board of Directors.

18. Action Items not yet reviewed by the Advisory Board

19. Introduction Items

Motion # IN-015 – To introduce the North Sound Mental Health Administration's contract # NSMHA-Whatcom-04-05, Amendment 2. This amendment replaces the current pages 1-28 with revised language and replaces Attachment X with the new Attachment X. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

Motion # IN-016 – To introduce the North Sound Mental Health Administration's contract

NSMHA-San Juan-04-05, Amendment 1. This amendment replaces the current pages 1-29 with revised language and replaces Attachment X with the new Attachment X. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

Motion # IN-017 – To introduce the North Sound Mental Health Administration’s contract # NSMHA-Skagit-04-05, Amendment 2. This amendment replaces the current pages 1-29 with revised language and replaces Attachment X with the new Attachment X. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

Motion # IN-018 – To introduce the North Sound Mental Health Administration’s contract # NSMHA-Island-04-05, Amendment 2. This amendment replaces the current pages 1-28 with revised language and replaces Attachment X with the new Attachment X. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

Motion # IN-019 – To introduce the North Sound Mental Health Administration’s contract # NSMHA-Snohomish-04-05, Amendment 1. This amendment replaces the current pages 1-31 with revised language and replaces Attachment XI with the new Attachment XI. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

Motion # IN-020 – To introduce the North Sound Mental Health Administration’s contract # NSMHA-VOA-04-05, Amendment 1. This amendment replaces the current pages 1-44 with revised language and replaces Attachment XI with the new Attachment XI. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

Motion # IN-021 – To introduce the North Sound Mental Health Administration’s contract # NSMHA-Sea Mar-04-05, Amendment 1. This amendment replaces the current pages 1-53 with revised language and replaces Attachment XI with the new Attachment XI. The purpose of the amendment is to bring the contract into compliance with BBS regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process.

20. Emergency Action Items – Chair

21. Items for Discussion

22. Executive Session – Chair

23. Reconvene – Chair

24. Adjournment – Chair

NOTE: The next Board of Directors meeting will be Thursday, September 9, 2004, at 1:30 p.m. in the NSMHA Conference Room at 117 N First Street Suite 8, Mount Vernon.

North Sound Mental Health Administration

BOARD OF DIRECTORS MEETING

June 29, 2004

NSMHA Conference Room

117 N First Street, Suite 8

Mount Vernon

1:30 PM

Agenda

Members Present:

Mike Shelton, Island County Commissioner

Jim Teverbaugh, designated alternate for Snohomish County Executive Aaron Reardon

Gary Williams, designated alternate for Whatcom County Council Ward Nelson

Barbara LaBrash, designated alternate for San Juan County Commissioner, Rhea Miller

Kirke Sievers, Snohomish County Council

Maile Acoba, designated alternate for Skagit County Commissioner Ken Dahlstedt

Regina Delahunt, designated alternate for Whatcom County Executive Pete Kremen

Dave Gossett, Snohomish County Council

Staff Present:

Charles Benjamin, Greg Long, Annette Calder, Bill Whitlock, Deirdre Ridgway, Wendy Klamp, Sharri Dempsey, Chuck Davis, Judy Susia

Guests Present:

Jess Jamieson, Bob Nelson, Joan Dudley, Dan Bilson, John Stark, Linda Santini, Rodney Lund

1. Call to Order; Introductions

Chair Shelton opened the meeting at 1:35 p.m. and introductions were made.

2. Revisions to Agenda

None.

3. Approval of May Minutes

Chair Shelton asked if there were any changes or amendments to the May minutes; there were none. A motion was made to approve the minutes as written by Mr. Teverbaugh, seconded by Gary Williams, all in favor, **motion carried.**

4. Comments & Announcements from the Chair

Chair Shelton announced that he is on the legislative task force regarding Medicaid changes and provided an update from the recent task force meeting he attended. He said that one of the things that came out during public input is that many people said that the system is "broken". Broken not

at the community level, but at the State level. He asked that if anyone had any input to please come to the task force meetings and share their views.

5. Reports from Board Members

None.

6. Comments from Public

Linda Santini of Whatcom County addressed the Board of Directors regarding family members with mental illness and her plea for the Board to examine what is fundamentally wrong with our mental health system; stating we all assume that psychiatrists are right about their diagnoses of patients. She said we rarely question the psychiatrists and that is why the mentally ill rarely recover. She asked why taxpayers get to foot the bill for the ever-increasing cost for psychotropic drugs. Pyro luria, a biochemical imbalance that can be detected by a urine test and treated with vitamin B6 and Zinc, is often misdiagnosed and treated with psychotropic drugs. She concluded that our entire mental health system is based on lies and incentives from drug companies.

Andy Byrne addressed the Board of Directors stating that he very much appreciated having had the opportunity to work with the Board members and he valued the relationships he had made. He noted that as of next week he would become the Executive Director of Whatcom Counseling and Psychiatric Clinic.

Rodney Lund addressed the Board regarding Chair Shelton's comments on the Joint Legislative Mental Health Task Force. He was pleased to hear legislators and candidates for governor addressing mental health issues. He noted that he was appalled at Secretary Dennis Braddock's comment about funding driving policy and that a priority for the Task Force was to change rules to avoid DSHS being sued. Rodney said members of the task force noted that policy should come before funding and he was encouraged by that.

Joan Dudley of Lake Whatcom Residential Treatment Center (LWRTC) addressed the Board of Directors that LWRTC would be holding their 24th anniversary social on Thursday, July 1st, and extended invitations to all present and provided an agenda of events. She also addressed the Board regarding changes due to CMS rules.

Chair Shelton encouraged everyone to contact their federal legislators regarding the impending changes to Medicaid and how wrong the new rules are.

7. Report from Advisory Board

Advisory Board member was not present to provide report.

8. Report from Executive/Personnel Committee

Chair Shelton said there was nothing to report at this time.

9. Report from QMOC

Mr. Teverbaugh addressed the Board of Directors regarding the last QMOC meeting. He said that a lot of time was spent reviewing the Complaints and Grievance Policies, made revisions to the Quality Management Plan, approved the Clinical Guidelines, and heard the Quality Management Department monthly report.

Mr. Teverbaugh made a motion to approve the Clinical Guidelines to become effective July 1, 2004, seconded for discussion, Chair Shelton called for the vote, all in favor, **motion carried** (motion number 04-030).

Mr. Teverbaugh also noted that QMOC revised and approved the NSMHA Regional Training Plan that will be presented to the Board of Directors at their August meeting. Mr. Teverbaugh also noted the changes that were made to the NSMHA Quality Management Plan and said it will be presented to the Board at their August Meeting.

10. Report from Planning Committee

Mr. Gossett addressed the Board of Directors regarding the Planning Committee and recommendations from the last Planning Committee meeting about the Snohomish County Crisis Services and the Transition Plan to comply with the new Medicaid Regulations. Greg Long made a comprehensive PowerPoint Presentation, distributed handouts of the presentation, and a lengthy question and answer period followed. Greg was thanked for his presentation. Mr. Gossett made a motion to implement staff recommendations, seconded by Ms. LaBrash, discussion followed and Chair Shelton called for the vote, all in favor, **motion carried** (motion number 04-031).

11. Report from Executive Director

Mr. Benjamin addressed the Board of Directors regarding why the North Sound is the place to be in Washington State. He said that the External Quality Review Organization (EQRO) is coming in August, yet another un-funded mandate. CMS and BBA changes are also un-funded. NSMHA staff has to recommend to the Board of Directors very difficult proposals but they are due to the aforementioned outside forces. Due to collaborations and friendships with counties and providers we are investigating all possible remedies and solutions, to continue to best serve the people in our system, etc. He said that sometimes in recovery you have to take a few steps back before you can move forward. He feels this Region is up to the challenge and thanked everyone for being a part of it.

12. Report from Finance Officer

Mr. Whitlock informed the Board of Directors of the Fiscal Report. He said that the state would probably take back a large amount of state-only funds, approximately \$800,000. He said that this would cause a match problem around the same amount in the historical funding. The financial statement variances are close to budget. The Federal Grants, DDD and ECS are timing issues because of bills have not been paid and reimbursed by the state. The PHP payment variance of \$57,409 is a real shortfall. The expenditures are in line with expectations.

13. Report from Finance Committee

Chair Shelton reported that the Finance Committee recommended to surplus the old photocopier and purchase and/or lease a new one. A motion was made by Mr. Sievers, seconded by Mr. Gossett, to surplus the Canon copier and purchase a new one, using the old one as a trade in on the new one. Chair Shelton called for the vote, all in favor, **motion carried**.

Chair Shelton asked Mr. Sievers to become the chair of the NSMHA Finance Committee and he agreed.

Chair Shelton asked Mr. Williams to become a member of the Quality Management Oversight Committee and he also agreed.

14. Consent Agenda

Mr. Gossett moved approval of the consent agenda, seconded by Mr. Sievers, discussion followed, Chair called for the vote, all in favor, **motion carried**.

Motion # 04-022 – To review and approve NSMHA claims paid from April 1, 2004 to April 30, 2004 in the amount of \$3,889,167.34. Payroll for the month of April in the amount of \$68,263.56 and associated employer paid benefits in the amount of \$31,041.37.

Motion # 04-025 – To review and approve NSMHA claims paid from May 1, 2004 to May 31, 2004 in the amount of \$3,650,557.53. Payroll for the month of May in the amount of \$60,040.73 and associated employer paid benefits in the amount of \$21,091.31.

Motion # 04-024 – To introduce the following line item transfer in the NSMHA 2003 Operating Budget: Move \$2,000 from Professional Services to Machinery and Equipment. Budget is over due to capital expenses of Machinery and Equipment for the IS Department.

All matters listed with the Consent Agenda have been distributed to each Board Member for reading and study, are considered to be routine, and will be enacted by one motion of the Board of Directors with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request of a Board Member.

15. Action Items

Motion #04-023 – The Quality Management Oversight Committee recommends an amendment to the NSMHA Quality Management Plan for 2004 – 2005, removing the requirement to conduct the Supervised Living Review and Jail Review.

Mr. Gossett moved adoption of 04-023, seconded by Mr. Williams, discussion, Chair called for the vote, all in favor, **motion carried**.

16. Action Items not yet reviewed by the Advisory Board

Motion # 04-027 – To approve North Sound Mental Health Administration’s revised Complaint, Grievance, Appeal and Fair Hearing Policy. We have revised our current Complaint, Grievance, Appeal and Fair Hearing Policy to comply with the new Balanced Budget Act standards.

Motion by Mr. Gossett, seconded by Ms. LaBrash to adopt the revised policies, all in favor, **motion carried.**

Motion #04-028 – To approve the North Sound Mental Health Administration’s proposed Compliance Plan. The purpose of this plan is to outline and define the scope, responsibilities, operational guidelines, controls and activities employed by NSMHA to ensure that we maintain an environment that facilitates ethical decision making and that we act in accordance with the laws and regulations that govern us. The plan establishes the NSMHA Finance Committee as the Compliance Committee and charges it with developing and implementing the program. Note: Includes a 10 minute presentation on the Compliance Plan

Deirdre Ridgway made a PowerPoint Presentation on NSMHA’s proposed Compliance Plan. Mr. Gossett made a motion to approve, seconded by Mr. Sievers, discussion, Chair Shelton called for the vote, all in favor, **motion carried.**

Motion #04-029 – To approve the revised job description for Quality Specialist. The Quality Specialist supports the NSMHA's quality management oversight functions such as risk management, quality assurance, quality improvement and utilization management. Responsibilities include the monitoring of clinical services to assure minimum quality assurance and continuous quality improvement. Quality Specialists also support NSMHA planning activities. To assure quality of services to children, older adults, and underserved populations, Quality Specialists with special training, experience, and expertise are assigned to these areas.

Mr. Benjamin stated this revision is due to the Balanced Budget Act and this revision better reflects the jobs that are being done. Mr. Gossett moved 04-029, seconded by Ms. LaBrash, all in favor, **motion carried.**

17. Introduction Items

Motion # IN-014 – To introduce the North Sound Mental Health Administrations contract # NSMHA-APN-04-05, amendment 1. This amendment will replace the current pages 1-55 with revised language and replace Attachment XXVII with a new Attachment XXVII. The purpose of the amendment is to bring the contract into compliance with BBA regulatory requirements and to adopt changes imposed by CMS through the State Medicaid Plan Waiver approval process. The amended language also adds a structure for a transition planning process to result in future contract amendments that will be approved by the NSMHA Board of Directors.

18. Action Items not yet reviewed by the Advisory Board

None.

19. Items for Discussion

Rodney Lund addressed the Board of Directors regarding the impact of all the impending changes and how they will affect non-Medicaid clients that are currently being served. He encouraged Board members to go back to their counties and lobby for support.

20. Executive Session

The Board of Directors went into Executive Session to discuss potential litigation and personnel issues. Executive Session will last approximately 30 – 45 minutes. Executive Session began at 1:40 p.m.

21. Reconvene

Chair Shelton reconvened the meeting at 4:05. Mr. Gossett noted that the Executive Personnel Committee did a review of Mr. Benjamin and due to the current fiscal situation the Board of Directors cannot recommend adding any financial compensation for Mr. Benjamin, but recommend adding one week of vacation for Mr. Benjamin, motion seconded by Mr. Williams, all in favor, **motion carried.**

22. Adjournment

Chair Shelton adjourned the meeting at 4:07 p.m.

Respectfully submitted,

Annette Calder
Administrative Coordinator

NOTE: The next Board of Directors meeting will be Thursday, August 12, 2004, at 1:30 p.m. in the NSMHA Conference Room at 117 N First Street Suite 8, Mount Vernon.

**NSMHA-APN CONTRACT AMENDMENT #1
JUNE 2004**

BOARD OF DIRECTORS

EXECUTIVE SUMMARY

Purpose: In May, NSMHA entered into contract negotiations with APN in order to restructure the relationship to incorporate changes imposed by BBA regulations and by the MHD State Medicaid Plan Waiver approval process. The proposed contract amendment is the result of the negotiation process. Both parties agreed to use the transition planning process to make further

structural changes and establish a framework which will lead to more contract modifications without the need to re-enter negotiations.

Scope: The scope of change was significant and this summary does not discuss the particulars of every language change. The changes fall into two categories: BBA/Health Plan regulations and MHD Waiver. A summary of the regulatory change and a summary of contract changes that result follows. Also a summary of the transition planning process that was developed is found below.

BBA/Health Plan Regulations

Regulatory Summary: Through the Balanced Budget Act, Congress required CMS to regulate health plans that serve Medicare and Medicaid enrollees. CMS implemented the BBA regulations and it has been determined that RSNs are a type of health plan subject to the regulations. First, the regulations restricted activities that could be delegated to providers. Second, the regulations created significant protections for enrollees. While the state already had significant protections for enrollees, the two regulatory frameworks must be brought together. Finally, the BBA regulations impose additional responsibilities on NSMHA. Information from MHD to clarify these requirements was not received until April, 2004.

Contract Changes Summary:

Resource Management becomes a NSMHA responsibility, as it cannot be delegated.

When a Medicaid enrollee meets the access to care standards they are automatically authorized for outpatient services

Actions that deny or limit services and Notices of Action are a NSMHA responsibility (no longer delegated to APN).

Appeals are added to Complaints, Grievances and Fair Hearings as steps a consumer can take.

Various enrollee protection language was added/modified including communication requirements, restrictions on liability and advance directives.

MHD Waiver

Regulatory Summary: CMS altered the financing structure for Washington's Public Mental Health system through the waiver. Specifically, Medicaid funds cannot be used to care for Non-Medicaid clients. A second change is the limitation on the use of Medicaid funds to CMS approved services. Currently the region is expending more on non-Medicaid than we are allowed under the new regulations. Finally is the requirement that residential facilities not have more than 16 beds (the "IMD rule").

Contract Changes Summary

A draft MHD-NSMHA contract revision was the basis for many of the changes. The parties felt that, given the enormous impact of the financing changes, it was not appropriate to wait for more definite guidance from the state.

Language regarding residential treatment and housing supports was substantially revised reflecting the fact that Medicaid funds may only be used for services, not room and board, and reflecting the impact of the IMD rule.

Language regarding services to Non-Medicaid consumers was added clarifying that only state, local and federal block grant funds may be used.

Language was added limiting Medicaid expenditures to Medicaid approved services.

APN received authority to charge for payee services.

Mutual Commitments/Transition Planning

The parties mutually agreed to provide services paid for with Medicaid funds in compliance with CMS requirements, as specified in the state Medicaid plan.

The parties agreed to a transition planning process. The transition plan will be approved by the NSMHA Board of Directors, at which point it is incorporated as Attachment XXX to the NSMHA-APN contract.

The parties agreed that amendments to specific sections and attachments to the contract could also occur during transition planning. These changes would also be approved by NSMHA's Board of Directors and incorporated into the contract without further action by the parties. A list of contract sections that could be amended in this manner was included. APN reserved the right to call for negotiation on any specific section of the plan or proposed amendment to the contract and a process was developed for that situation.

**PROVIDER AND COUNTY CONTRACT AMENDMENTS
AUGUST 2004**

BOARD OF DIRECTORS

EXECUTIVE SUMMARY

Contractors: Sea Mar, VOA, Snohomish, Whatcom, Island, San Juan, and Skagit

Purpose: NSMHA has proposed contract changes to the above listed contractors to reflect changes imposed by BBA regulations and by the MHD State Medicaid Plan Waiver approval process. These comprise the proposed contract amendments for board approval.

Scope: The scope of change was significant and this summary does not discuss the particulars of every language change. The changes fall into two categories: BBA/Health Plan regulations and MHD Waiver. A summary of the regulatory change and a summary of contract changes that result follows. Please note that not every possible change will apply to all contractors. Many of the provider changes did not apply to the counties.

BBA/Health Plan Regulations

Regulatory Summary: Through the Balanced Budget Act, Congress required CMS to regulate health plans that serve Medicare and Medicaid enrollees. CMS implemented the BBA regulations and it has been determined that RSNs are a type of health plan subject to the regulations. First, the regulations restricted activities that could be delegated to providers. Second, the regulations created significant protections for enrollees. While the state already had significant protections for enrollees, the two regulatory frameworks must be brought together. Finally, the BBA regulations impose additional responsibilities on NSMHA. Information from MHD to clarify these requirements was not received until April 2004.

Contract Changes Summary:

Resource Management becomes a NSMHA responsibility, as it cannot be delegated. Provider change.

When a Medicaid enrollee meets the access to care standards they are automatically authorized for outpatient services. [Provider change]

Actions that deny or limit services and Notices of Action are a NSMHA responsibility (no longer delegated to APN). [Provider change]

Appeals are added to Complaints, Grievances and Fair Hearings as steps a consumer can take. [Provider and County change]

Various enrollee protection language was added/modified including communication requirements, restrictions on liability and advance directives. [Provider and County change]

MHD Waiver

Regulatory Summary: CMS altered the financing structure for Washington's Public Mental Health system through the waiver. Specifically, Medicaid funds cannot be used to care for Non-Medicaid clients. A second change is the limitation on the use of Medicaid funds to CMS approved services. Currently the region is expending more on non-Medicaid than we are allowed under the new regulations. Finally is the requirement that residential facilities not have more than 16 beds (the "IMD rule").

Contract Changes Summary

A draft MHD-NSMHA contract revision was the basis for many of the changes. NSMHA feels that, given the enormous impact of the financing changes, it was not appropriate to wait for more definite guidance from the state.

Language regarding residential treatment and housing supports was substantially revised reflecting the fact that Medicaid funds may only be used for services, not room and board, and reflecting the impact of the IMD rule. [Provider change]

Language regarding services to Non-Medicaid consumers was added clarifying that only state, local and federal block grant funds may be used. [Provider and County change]

Language was added limiting Medicaid expenditures to Medicaid approved services. [Provider and County change]

Mutual Commitments/Transition Planning

The parties mutually agree to provide services paid for with Medicaid funds in compliance with CMS requirements, as specified in the state Medicaid plan. [Provider and County change]