

North Sound Mental Health Administration

BOARD OF DIRECTORS MEETING

September 9, 2004
NSMHA Conference Room
117 N First Street, Suite 8
Mount Vernon
1:30 PM

Agenda

1. Call to Order; Introductions – Mike Shelton, Chair
2. Revisions to Agenda – Chair
3. Approval of June and August Minutes – Chair
4. Presentation of Poster Awards – Ombuds Staff
5. Comments & Announcements from the Chair
6. Reports from Board Members
7. Comments from Public
8. Report from Advisory Board – Marie Jubie, Chair
9. Report from Executive/Personnel Committee – Mike Shelton, Chair
10. Report from QMOC – Gary Williams, Chair
11. Report from Planning Committee – Dave Gossett, Chair
12. Report from Executive Director – Chuck Benjamin, Executive Director
13. Report from Fiscal Officer – Bill Whitlock
14. Report from Finance Committee – Kirke Sievers
15. Caseload Study – Wendy Klamp
16. Consent Agenda – Chair

Motion # 04-034 – To review and approve North Sound Mental Health Administration’s 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.

Motion #04-044 – To review and approve North Sound Mental Health Administration’s claims paid from July 1, 2004 to July 31, 2004 in the amount of \$3,789,647.72. Payroll for the month of July in the amount of \$67,242.38 and associated employer paid benefits in the amount of \$28,812.04.

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 the North Sound Mental Health Administration’s 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. North Sound Regional Support Network (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, North Sound Regional Support Network 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, North Sound Regional Support Network’s rights in indemnification shall survive.

Motion # 04-033 – To review and approve the North Sound Mental Health Administration’s revised Regional Training Plan 2004-2005 for approval.

Motion # 04-032 – To approve the North Sound Mental Health Administration’s 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 Balance Budget Act regulatory requirements and to adopt changes imposed by Center for Medicaid and Medicare Services 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 North Sound Mental Health Administration Board of Directors.

Motion #04-035 – To approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-036 – To approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-037 – To introduce and approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-038 – To approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-039 – To approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-040 – To approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-041 – To approve 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

Motion #04-042 – To approve the Priorities for the use of Non-Medicaid funding developed by the Stakeholders’ Group in April of 2004. These priorities are now being operationalized by the

System Transition Work Group and the North Sound Mental Health Administration Planning Committee.

18. Introduction Items

Motion #IN-022 – To introduce the 1st Biennial Quarter 2004 Integrated Quality Management Report.

- This integrated report provides and overall North Sound Mental Health Administration Quality Management activities performed during the first six (6) months of 2004. It also addresses follow up issues identified in the previous Integrated Report.
- Strengths, areas for further review and accomplishments of note
- All North Sound Mental Health Administration Quality Management activities are presented and reviewed monthly at North Sound Mental Health Administration Coordinated Quality Improvement Program (CQIP)
- Recommendations from the Coordinated Quality Improvement Program (CQIP) Committee regarding Quality Management activities conducted during the 1st Biennial Quarter 2004 are detailed in the Integrated Report

Motion #IN-023 – To introduce the North Sound Mental Health Administration – Mental Health Division contract #0369-23150, Amendment 1. This Amendment replaces the Statement of Work, Special Terms and Conditions and Exhibits in their entirety, retroactive to 8/1/03.

19. Items for Discussion

20. Adjournment – Chair

NOTE: The next Board of Directors meeting will be Thursday, October 14, 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 Department of Social and Health Services (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 Lake Whatcom Residential Treatment Center 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 Centers for Medicare and Medicaid Services (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 Quality Management Oversight Committee (QMOC)

Mr. Teverbaugh addressed the Board of Directors regarding the last Quality Management Oversight Committee 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 Quality Management Oversight Committee revised and approved the North Sound Mental Health Administration (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 North Sound Mental Health Administration 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. Centers for Medicare and Medicaid Services and Balanced Budget Act (BBA) changes are also un-funded. The North Sound Mental Health Administration 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, Department of Developmentally Disabled and Expanded Community Services (ECS) are timing issues because of bills have not been paid and reimbursed by the state. The Prepaid Health Plan (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 North Sound Mental Health Administration 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 the North Sound Mental Health Administration’s 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 the North Sound Mental Health Administration’s 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 North Sound Mental Health Administration’s 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 Information System (IS) Department.

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15. Action Items

Motion #04-023 – The Quality Management Oversight Committee recommends an amendment to the North Sound Mental Health Administration 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 the North Sound Mental Health Administration 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 North Sound Mental Health Administration 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 the North Sound Mental Health Administration’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 North Sound Mental Health Administration’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 the North Sound Mental Health Administration 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 North Sound Mental Health Administration 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.

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

MINUTES

Members Present:

Dave Gossett, Snohomish County Council

Jim Teverbaugh, designated alternate for Aaron Reardon, Snohomish County Executive

Sharon Roy, designated alternate for Ward Nelson, Whatcom County Council

Regina Delahunt, designated alternate for Pete Kremen, Whatcom County Executive

Joe Johnson, Nooksack Tribe

Marie Jubie, NSMHA Advisory Board

Staff Present:

Chuck Benjamin, Greg Long, Annette Calder, Sharri Dempsey, Deirdre Ridgway, Bill Whitlock, Shirley Conger, Chuck Davis, Wendy Klamp

Guests Present:

Joan Dudley, Gary Williams, Jess Jamieson, Andy Byrne

1. Call to Order; Introductions

Dave Gossett opened the meeting at 1:40, and introductions were made.

2. Revisions to Agenda

None.

3. Approval of June Minutes

Due to the lack of a quorum no action was taken, the minutes will be acted on next month.

4. Comments & Announcements from the Chair

None.

5. Reports from Board Members

Joe Johnson addressed the Board regarding the August 18th meeting with Department of Social and Health Services (DSHS) about American Indian/Alaskan Native encounter rate for non-Indians being served by reservation behavioral health programs. Regional Support Networks may have some implication if they have contracts with tribal behavioral health programs and distributed

copies of the letter to the Board of Directors (attached to file copy as part of the official record). Joe asked if Sharri Dempsey could attend this meeting as Tribal Liaison and Chuck Benjamin said yes.

6. Quality Review Team (QRT) Semi-Annual Report

Sharri Dempsey informed the Board that the Quality Review Team Report was included in the meeting packet. She stated that if anyone had any questions or comments to please call Beckie Bacon.

7. Report from Ombuds – Poster Contest

Chuck Davis addressed the Board of Directors regarding the North Sound Mental Health Administration (NSMHA) Ombuds Poster Contest, provided the voting rules and asked the Board of Directors and audience members to vote. Dave Gossett asked that we finish the meeting and then conduct the voting.

8. Comments from Public

None.

9. Report from Advisory Board – Marie Jubie, Chair

Marie Jubie addressed the Board regarding the August Advisory Board meeting, the All Aboard Advisory Board trip to Delta Rehabilitation, External Quality Review Organization (EQRO) Audit, and other reports the Advisory Board heard. She said the Advisory Board recommended approval on all items before the Board of Directors today.

10. Report from Executive/Personnel Committee – Dave Gossett, Chair

Dave Gossett reported that the Executive Personnel Committee asked for two reclassifications on the Information Systems Specialist and the Fiscal Officer with pay increases. Executive Personnel Committee also approved the hiring of two Quality Specialists and a Data Analyst. The net impact on the budget would be \$30,000. Dave stated the Board of Directors could not take action today, as there was not a quorum. This item will be acted on next month.

11. Report from Quality Management Oversight Committee (QMOC) – Jim Teverbaugh, Chair

Jim Teverbaugh reported that the July meeting had been cancelled to allow North Sound Mental Health Administration staff to work on the impending External Quality Review Organization audit. The Quality Management Oversight Committee will meet again the end of August.

12. Report from Planning Committee – Dave Gossett, Chair

- **Transition Plan to comply with new Medicaid Regulations**

Dave Gossett reported that there was a Planning Committee meeting and it was determined that there were a number of issues that are still being investigated and researched. The Planning Committee decided to continue funding clients throughout the end of the year for clients who temporarily do not meet their spend-down requirements. He noted that the North Sound Mental Health Administration would continue paying for room and board for individuals

detained at the Evaluation and Treatment Centers (E&Ts). Flex Funds will hopefully be raised by the providers, as flex funds are not reimbursable expenses. The Managed Care Strategy was distributed for review and is attached to the file copy as part of the official record.

13. Report from Executive Director – Chuck Benjamin, Executive Director

Chuck Benjamin addressed the Board of Directors regarding the following items:

- The Legislative Mental Health Task Force meeting and the presentation he made to the Task Force.
- External Quality Review Organization Audit that will take place on August 16, 17, and 18. He thanked staff for their hard work in putting all the materials together for the upcoming review and Wendy Klamp for leading the process.
- Medicaid Transition Planning, press coverage related to the Medicaid Transition Planning, and thanked Greg for pulling everything together on the Transition Planning. Greg addressed the Board of Directors on priorities for the use of Non-Medicaid Funding (copy attached to the file as part of the official record). Greg asked the Board of Directors to adopt the Priorities For The Use Of Non-Medicaid Funding as priorities for our Region. Greg noted that this issue would be monitored in an ongoing basis and the North Sound Mental Health Administration feels it is important to set priorities around funding. Board discussion followed with questions regarding the prioritization of services and funding for services. The Board requested that it be noted the Regional Support Network (RSN) would not be funding Non-Required Services; Gary Williams noted that it needed to be listed that ongoing outpatient services for non-Medicaid enrolled consumers. Jess Jamieson suggested the items under number III be bulleted rather than numbered.
- Chuck thanked staff for cleaning the offices and carpets.
- Chuck thanked Bill and fiscal staff for getting the North Sound Mental Health Administration through another audit with flying colors. This is the sixth year in a row without any findings from the State Auditor.
- Sharri is continuing with the planning of the Recovery Conference. Chuck will be meeting with Department of Alcohol and Substance Abuse (DASA) as we are trying to make it a two-day conference this year in conjunction with Department of Alcohol and Substance Abuse.
- Chuck reported that the Mental Health Division (MHD) called him this morning and said they are looking at the Medicaid Integration Project, the timelines involved, and looking at changes. The mental health portion will not be implemented in January 2005 and the Mental Health Division does not know when they will implement it but assured Chuck that the mental health portion would not be implemented until all areas of concern were addressed. When they do implement the mental health portion of it, outpatient and inpatient for the 6,000 covered lives would be the responsibility of the contracted provider. Chuck said he felt this was good and bad news from the Mental Health Division and the Department of Social and Health Services. Bad in the sense that inpatient is back into the Washington Medicaid Integration Project.
- Chuck shared some personal information, all good, including the birth of his second grandson today!

14. Report from Finance Officer – Bill Whitlock

Bill Whitlock addressed the Board of Directors regarding the following financial information:

- The financial statement variances are close to the budgeted amounts. The Prepaid Health Plan (PHP) payment variance of \$74,322 is small. Overall the revenues are on the plus side. The expenditures are in line with expectations. The total revenue is \$33,572 less than last year. The agency, provider and other services expenses are \$257,697 lower than last year at this point.
- The state fiscal auditors completed the initial fieldwork for the 2003 fiscal audit. The exit conference was held this morning. The North Sound is currently restating the financial statements to conform to the Governmental Accounting Standards Board Statement #34. The revised statements should be available at the next meeting of the Board of Directors.
- The payment rates we receive from the State have not been finalized by the Centers for Medicare and Medicaid Services (CMS). If a rate change occurs our payments could be modified back to October 2003.

Discussion touched on future funding rates, anticipated funding formulas, potential payback of funds, concern from providers about the potential payback of funds, Risk Reserve Funds, and State-Only Funding. A brief question and answer period followed.

15. Report from Finance Committee

There was not a Finance Committee Meeting today.

16. Consent Agenda – Chair

Motion # 04-034 – To review and approve North Sound Mental Health Administration’s 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.

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No action taken due to the lack of a quorum.

17. Action Items –

Motion # 04-026 – To review and approve the North Sound Mental Health Administration’s contract # NSRSN-APN-DDD-Crisis-02, amendment 4. This amendment will:

3. 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.

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

Contract Performance/Enforcement. North Sound Regional Support Network 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, North Sound Regional Support Network 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, North Sound Regional Support Network's rights in indemnification shall survive.

Motion # 04-033 – To review and approve the North Sound Mental Health Administration's revised Regional Training Plan 2004-2005 for approval.

Motion # 04-032 – To approve the North Sound Mental Health Administration's 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 North Sound Mental Health Administration Board of Directors.

No action taken due to the lack of a quorum.

18. Action Items not yet reviewed by the Advisory Board

None.

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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 Balanced Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services 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 Balance Budget Act regulatory requirements and to adopt changes imposed by Centers for Medicare and Medicaid Services through the State Medicaid Plan Waiver approval process.

No action taken due to the lack of a quorum.

20. Action Items Not Yet Reviewed by the Advisory Board

None.

21. Items for Discussion

None.

22. Executive Session

None.

23. Reconvene

None.

24. Adjournment

The meeting was adjourned 2:40 p.m.

Respectfully Submitted,

Annette Calder
Administrative Coordinator

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.