

AGENDA

OnPoint Board
Tuesday, April 18, 2023
5:30 pm

County Services Building, 3283 122nd Avenue, Allegan
Allegan County Commission Board Room

Also available virtually at the link or phone number below:

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 616-327-2708,896969400#](tel:+16163272708,896969400#) United States, Grand Rapids

Phone Conference ID: 896 969 400#

NOTE: At this time, in-person attendance capacity is limited. Social distancing is required.

1. Call to Order – Commissioner Gale Dugan
2. Pledge of Allegiance
3. Provision for Public Comment – Agenda items only, subject to 5” limit per speaker
4. Approval of Agenda
5. Consent Agenda – *All items listed are considered to be routine and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda upon request of any board member and will be considered separately.*
 - a. **Motion** – Approval of prior minutes:
 - i. Executive Committee Meeting (03.17.2023)
 - ii. Board Meeting (03.21.2023)
 - iii. Building Committee Meeting (03.21.2023)
 - iv. Finance Committee Meeting (03.21.2023)
 - v. Program Committee Meeting (03.21.2023)
6. Building Committee – Commissioner Gale Dugan
7. Program Committee – Alice Kelsey
8. Finance Committee Report – Beth Johnston
 - a. **Motion** – Approval of Voucher Disbursements March 2023
 - b. **Motion** – Contracts FY2023
 - c. FY2022 Financial Audit
9. Recipient Rights Advisory Committee (Feb/May/Aug/Nov) – Glen Brookhouse
10. Chairperson’s/Executive Committee Report – Commissioner Gale Dugan
11. LRE updates – Stephanie VanderKooi
12. OnPoint Executive Director’s Report – Mark Witte
13. Provision for Public Comment (any topic, subject to 5” limit per speaker) – Commissioner Dugan
14. Board Member Comments
15. Adjournment

Future meetings: **540 Jenner Drive**

May 12, 2023 – 2:30 pm – Executive Committee

May 16, 2023 – 3:30 pm – Building Committee & RRAC

May 16, 2023 – 4:00 pm – Finance Committee

May 16, 2023 – 4:15 pm – Program Committee

May 16, 2023 – 5:30 pm – Full Board

OnPoint
Building Committee
April 18, 2023 – 3:30 pm
Location: OnPoint, 3282-122nd Street, Allegan, MI 49010

Board Members: [] Gale Dugan [] Mark DeYoung [] Beth Johnston [] John Weerstra
Staff Members: [] Nan Lawrence [] Erinn Trask [] Andre Pierre [] Mark Witte

Proposed Agenda:

1. Review/Approval of Agenda
2. Review/Approval of Prior Minutes
3. Construction Report
4. Financial Report
5. Other
6. Next Meeting Date
7. Adjournment

OnPoint
Building Committee Minutes DRAFT
March 21, 2023 – 3:30 pm
Location: OnPoint, 3282-122nd Street, Allegan, MI 49010

Board Members: Gale Dugan Mark DeYoung Beth Johnston John Weerstra
Staff Members: Nan Lawrence Erinn Trask Andre Pierre Mark Witte

1. **Call to Order** – Chairperson Dugan called the meeting to order at 3:35 pm.
2. **Review/Approval of Agenda** – Reviewed. Moved by Commissioner DeYoung, seconded by Weerstra, to approve the agenda as presented. All in favor. Adopted. Agenda approved.
3. **Review/Approval of Prior Minutes** – Reviewed. Moved by Weerstra, seconded by Commissioner DeYoung, to approve the agenda as presented. All in favor. Adopted. Minutes approved.
4. **Construction Report** – Passed out pictures showing various views of progress to date. Haworth furniture installation in high gear. Commissioner Dugan asked about sprinklers in the server room. Plan is to replace water system with dry suppression system in time. Significant cost at the moment. Witte asked for input on planned ribbon-cutting/open house celebration. Date to be finalized shortly, and will be promoted widely.
5. **Financial Report** – Trask reported on draw #12. No new change orders. Working through some extra costs for signage, non-capital items, etc.
6. **Other** – None.
7. **Next Meeting Date** – Tuesday, April 18, 2023 at 3:30 pm.
8. **Adjournment** – Motion by Weerstra, seconded by Commissioner DeYoung, to adjourn the meeting. All in favor. Adopted. Meeting adjourned at 3:50 pm.

Submitted by Mark Witte



YOU'RE CORDIALLY INVITED TO AN

Open House

CELEBRATING OUR NEW BUILDING

Monday, April 17, 2023

3:00-5:00pm

540 Jenner Drive, Allegan

Please join us for a special ribbon cutting ceremony and celebration of our new office building. The public is welcome! Remarks at 3pm followed by ongoing tours of our new facility.

AGENDA

OnPoint Finance Committee

April 18, 2023

4:00 pm – immediately following the Building Committee

County Services Building, 3283 122nd Avenue, Allegan
Nederveld Room

NOTE: At this time, in-person attendance capacity is limited. Social distancing is required.

1. Call to Order – Beth Johnston, Chairperson
2. Public Comment – Agenda Items Only, Subject to 5-Minute Limit Per Person
3. Approval of Agenda
4. Approval of Minutes
5. Review of Written Reports
 - a. Administrative Services Report – Andre Pierre, Chief Financial Officer
 - b. Facilities & Human Resources – Nan Lawrence, Director of Human Resources
6. Action Items
 - a. Voucher Disbursements March 2023
 - b. Contracts FY2023
7. Informational Items
 - a. February 2023 Financial Reports
 - b. FY2022 Financial Audit
8. Finance Committee Member Comments
9. Public Comment – Any Topic, Subject to 5-Minute Limit Per Person
10. Adjournment until next meeting: May 16, 2023 – **540 Jenner Drive** at 4:00 pm.

Finance Committee: Beth Johnston, Chair; Glen Brookhouse, Vice Chair;
Mark DeYoung, John Weerstra and Karen Stratton.

Finance Committee. (Excerpt from Board Bylaws, Art. VII. Section 1b (page 5) approved by ACCMHS Board May 2021.) *The Finance Committee shall consist of not less than 4 and not more than 6 Board members, and shall include the Authority's chief financial officer as an advisor. The Committee shall review the financial position of the Authority in relation to state, county, federal and other funding sources; the budget and allocations and third party payments; address audit issues when appropriate; analyze financial reporting requests/ requirements and Authority expenditures; and consider such other financial matters as the Board or the Chairperson of the Board may refer to the Committee. The Chairperson of the Finance Committee shall be the Board Treasurer. The Finance Committee shall meet monthly, on a regular basis, at a date and time determined by the Chairperson. A finance committee will typically be responsible for monitoring and communicating to the board about the organization's overall financial health. Its core duties are likely to include participating in and overseeing: the development of the organization's budgeting and financial planning, the creation of the organization's internal controls, the preparation and distribution to the board of timely, accurate, user-friendly financial reports, and the implementation of safeguards to protect the organization's assets.*

Allegan County Community Mental Health Services
DRAFT Finance Committee Minutes
March 21, 2023 – 4:00 pm
Location: County Services Building in the Nederveld Room

Board Members Present: Glen Brookhouse, Gale Dugan, John Weerstra, Mark DeYoung, Karen Stratton

Board Members Absent: Beth Johnston

Staff Members: Mark Witte, Nikki McLaughlin, Erinn Trask, Andre Pierre

Public Present: None

1. **Call to Order** – Glen Brookhouse, Vice-Chairperson, called the meeting to order at 4:01pm

2. **Public Comment** – None

3. **Approval of Agenda**

Moved: Mr. Dugan Supported: Mr. Weerstra

Motion carried.

Approval of Minutes

Moved: Mr. Weerstra Supported: Mr. Dugan

Motion carried.

4. **Review of Written Reports:**

a. Administrative Services Report

Ms. Trask reviewed the report and was available for questions.

b. Facilities & Human Resources

Ms. Lawrence reviewed the report and was available for questions. Ms. Lawrence also announced that due to the upcoming move, Management has made the decision to place all open positions on hold except for the Psychiatric Provider. The positions that are placed on hold will be re-opened on May 1, 2023.

5. **Action Items:**

a. The Finance Committee recommends that the OnPoint Board approve the December 2022 disbursements totaling \$3,620,926.01.

Moved: Mr. Weerstra Supported: Mr. DeYoung

Motion carried.

6. **Informational Items**

a. January 2023 Financial Reports reviewed with Administrative Report.

b. LRE Bucket Report and FSR

Ms. Trask distributed an updated FSR summary – reporting date of 3/15/23. A comparison of actual average cost per unit for direct run and contracted services was also shared with the company. Discussion followed.

7. **Finance Committee Member Comments**

Mr. Brookhouse asked Mr. Pierre to introduce himself and share his background. The committee welcomed Mr. Pierre.

8. **Public Comment**

None

9. **Next Meeting** – April 18, 2023 at 4:00 pm.

10. **Adjournment**

Moved: Mr. Weerstra

Supported: Ms. Stratton

Motion carried.

Meeting adjourned at 4:40 pm.



Administrative Services Board Report April 2023

Submitted by Andre Pierre, Chief Financial Officer
269.569.3238 – APierre@OnPointAllegan.org

The new building construction passed inspection and received a Certificate of Occupancy on March 29, 2023. The building project is still on track to be completed this spring. We are processing the fourteenth construction draw totaling \$678,674.56, which will be funded through the United States Department of Agriculture (USDA) loan and Michigan Economic Development Corporation (MEDC) grant. We are reviewing one new change order representing a total amount of \$130,462. The significant cost drivers behind this amount are the paving of the rear section of the parking lot and the installation of fiber optic cable. We continue to meet with Cornerstone Construction and Schley Nelson Architects to review change orders, requests for information, and project status.

This month's packet includes the monthly financial report for February 2023. This is the fifth month under the agency's new chart of accounts after implementing Standard Cost Allocation. We are required to track staff time and costs at a greater level of detail than in the past, and to change the methodology we use to allocate costs. Overall, this change in methodology has not resulted in a significant change in cost by funding source. The Summary Schedule of Revenues and Expenses by Fund Source shows the difference between the revenue received from the Lakeshore Regional Entity (LRE) and the State of Michigan Department of Health and Human Services (MDHHS) and the eligible expenses incurred by OnPoint. These fund sources are cost settled at the end of each year, and any unspent funds are required to be returned to the LRE or MDHHS. We are projecting to return approximately \$470,000 (MH Medicaid and SUD Medicaid combined) to the LRE and carry forward/lapse approximately \$172,000 in General Funds back to MDHHS.

Following the statements are several charts showing the trending of capitation revenue from the LRE for the past three fiscal years. Additionally, there are several charts comparing the revenue and expense by funding category for each month of this fiscal year. Finally, there are key indicators tables showing summary service data for each month of the fiscal year to date.

The auditing firm Roslund, Prestage and Company (RPC) has completed the fiscal year 2022 financial audit. The issued audit report reflects a clean opinion, with no findings. A copy of the audit report is included in the April board packet, and the auditors will present the results to the Board.

OnPoint's new Chief Financial Officer, Andre Pierre, has been with the agency for almost two months. I continue to work together with Erinn Trask in the transition of responsibilities. Due to the complex nature of Community Mental Health Service Program (CMHSP) finances and reporting requirements, our collaboration will continue over the next several months, as I progress into the scope of this role. One of the items we are working on together is reviewing the agency's annual budget and updating our projected expenses through the end of the year. We anticipate bringing a budget amendment to the Board in May for review and approval.

Sincerely,

Andre Pierre, Chief Financial Officer
Tuesday, April 11, 2023



Full Board ACTION REQUEST	Subject:	Voucher Disbursements	
	Meeting Date:	April 18, 2023	
	Requested By:	Beth Johnston, Finance Committee Chairperson	
<u>RECOMMENDED MOTION:</u>			
<u>The Finance Committee recommends that the OnPoint Board approve the March 2023 disbursements totaling \$3,715,385.27.</u>			
<u>SUMMARY OF REQUEST/INFORMATION:</u>			
<u>Date Issued:</u>	<u>Voucher Number:</u>	<u>Type:</u>	<u>Amount:</u>
March 3, 2023	P1693	Payroll	\$416,539.98
March 6, 2023	N/A	Loan Payment	\$21,334.00
March 15, 2023	V0902	Vendor	\$1,234,461.13
March 16, 2023	V0903	Construction	\$379,548.09
March 17, 2023	P1694	Payroll	\$413,078.50
March 31, 2023	P1695	Payroll	\$434,950.91
March 31, 2023	V0904	Vendor	\$815,472.66
<u>BUDGET/FINANCIAL IMPACT</u>			
<ul style="list-style-type: none"> • These disbursements are part of the approved fiscal year 2023 operating budget for OnPoint. 			
BY: Erinn Trask, former Interim Chief Financial Officer		DATE: April 11, 2023	



Full Board ACTION REQUEST	Subject:	Contracts
	Meeting Date:	April 18, 2023
	Requested By:	Beth Johnston, Finance Committee Chairperson
<u>RECOMMENDED MOTION:</u>		
The Finance Committee recommends that the OnPoint Board approve the following list of provider contracts for fiscal year 2023.		
<u>SUMMARY OF REQUEST/INFORMATION:</u>		
Provider	Contracted Service(s)	
Extended Care Fremont	Specialized Residential	
Thompson Tutoring LLC dba Edge Water Music Therapy	Clinical Services	
William Riley	Consultation Services	
University of Illinois Medical Center (FY 22)	Inpatient Single Case	
Berghuis Psychological Services, PC	Professional Services	
<u>BUDGET/FINANCIAL IMPACT</u>		
These contracted services are part of the fiscal year 2023 operating budget for OnPoint.		
BY: Nikki McLaughlin, Accounting Manager		DATE: April 18, 2023

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Period Ended
February 28, 2023

Monthly Finance
Report

ONPOINT

Summary of Variances and Fluctuations

February 28, 2023

I. Assets

- Cash and cash equivalents - Significant increase is due to timing of receipts from the Lakeshore Regional Entity (LRE) (see corresponding decrease in due from other governments below), as well as receipt of the second half of the Michigan Economic Development Corporation (MEDC) grant funds (see corresponding increase in unearned revenue below).
- Accounts receivable and due from other governments - Significant decrease is primarily due to timing of receipts from the Lakeshore Regional Entity (LRE), see corresponding increase in cash and cash equivalents above.
- Prepaids - Significant increase is primarily due to the timing of the monthly health insurance payment, as well as the nature of the agency's contracts. Most contracts are on a fiscal year basis, with some being prepaid at the beginning of the fiscal year.
- Capital assets - Significant increase is due to ongoing construction work on the agency's new building.

II. Liabilities

- Accounts payable - Significant decrease is primarily related to the timing of construction payments for the agency's new building.
- Accrued payroll and benefits - Significant increase is primarily due to the number of days accrued at month-end. In September 2022 there was half of a pay period accrued and in February 2023 there was a full pay period accrued.
- Unearned revenue - Significant increase is primarily related to the receipt of the second \$1.25 million in grant funds from the Michigan Economic Development Corporation (MEDC), see a corresponding increase in cash above. These funds are recorded as unearned revenue until spent at which time the revenue is recognized.
- Notes payable - Significant increase is related to draws on the agency's loan from the United States Department of Agriculture (USDA) to fund the building construction project. See the corresponding increase in capital assets above.

III. Operating revenue

- Other reimbursements and revenue - Significant variance is due to increase in third-party billings, as an increasing number of individuals are served under the Certified Community Behavioral Health Clinic (CCBHC) model.

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Summary of Variances and Fluctuations

February 28, 2023

IV. Operating expenses

- Salaries and wages and Fringes - Significant variance is due to vacant positions for the year to date.
- Supplies and materials - Significant variance is due to the nature of these items. This budget line item includes the annual replacement of technology, which only happens one or two times a year, as well as certain supplies related to the move into the new building scheduled for May 2023.
- Contractual services - Variance is due in part to utilizing contracted staffing for vacant positions (see corresponding variances in salaries and fringes above), as well as identified enhancements to the agency's electronic health record.

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Summary Schedule of Revenues and Expenses by Fund Source

October 1, 2022 through February 28, 2023

Mental Health Services	Medicaid	Autism	Healthy MI Plan	Medicaid Combined	General Fund
Revenue	\$ 10,186,930	\$ 1,715,808	\$ 1,225,402	\$ 13,128,140	\$ 711,556
Expense	11,069,173	781,882	1,302,104	13,153,159	539,349
Revenue over/(under) expenses	\$ (882,243)	\$ 933,926	\$ (76,702)	\$ (25,019)	\$ 172,207

Substance Use Disorder Services	Medicaid	Healthy MI Plan	Medicaid Combined	SUD Block Grant	Public Act 2
Revenue	\$ 322,041	\$ 647,163	\$ 969,204	\$ 91,171	\$ -
Expense	176,752	297,185	473,937	91,171	-
Revenue over/(under) expenses	\$ 145,289	\$ 349,978	\$ 495,267	\$ -	\$ -

This financial report is for internal use only. It has not been audited, and no assurance is provided.

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Statement of Net Position

February 28, 2023

	September 2022	February 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,613,590	\$ 5,513,977
Accounts receivable and due from other governments	2,216,388	865,146
Prepaid items	447,203	638,339
Total current assets	<u>6,277,181</u>	<u>7,017,462</u>
Non-current assets:		
Capital assets not being depreciated	4,986,365	7,440,564
Capital assets being depreciated, net	23,050	14,835
Total non-current assets	<u>5,009,415</u>	<u>7,455,399</u>
Total assets	<u>11,286,596</u>	<u>14,472,861</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 3,683,185	\$ 3,014,682
Accrued payroll and benefits	291,048	601,935
Due to other governmental units	2,619,923	2,701,638
Unearned revenue	544,964	1,394,272
Current portion of long-term liabilities	94,855	94,855
Current portion of long-term liabilities	256,008	256,008
Total current liabilities	<u>7,489,983</u>	<u>8,063,390</u>
Long-term liabilities:		
Compensated absences	537,509	537,509
Notes payable	1,893,586	3,899,654
Total long-term liabilities	<u>2,431,095</u>	<u>4,437,163</u>
Total liabilities	<u>9,921,078</u>	<u>12,500,553</u>
Net position		
Invested in capital assets	2,859,821	3,299,737
Restricted for building construction	852,754	63,792
Unrestricted	<u>(2,347,057)</u>	<u>(1,391,221)</u>
Total Net Position	<u>\$ 1,365,518</u>	<u>\$ 1,972,308</u>

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Statement of Revenue, Expenses and Change in Net Position

October 1, 2022 through February 28, 2023

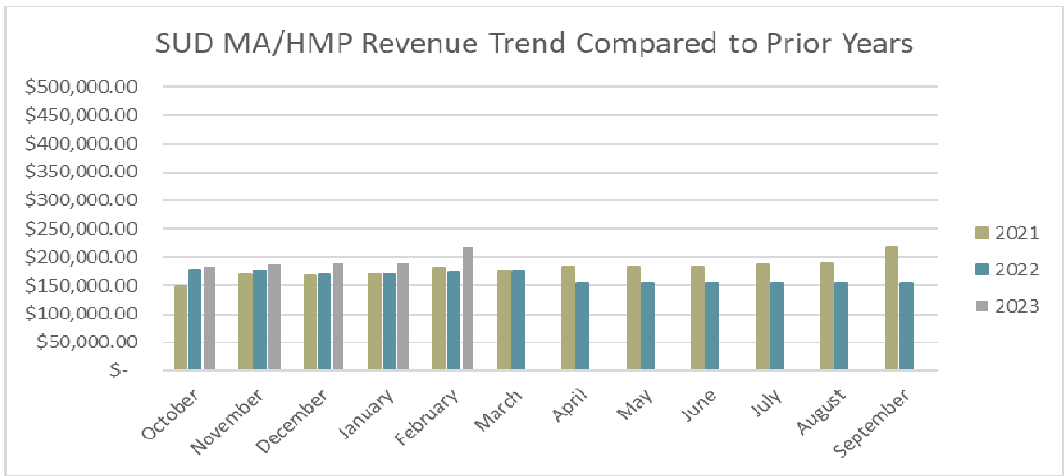
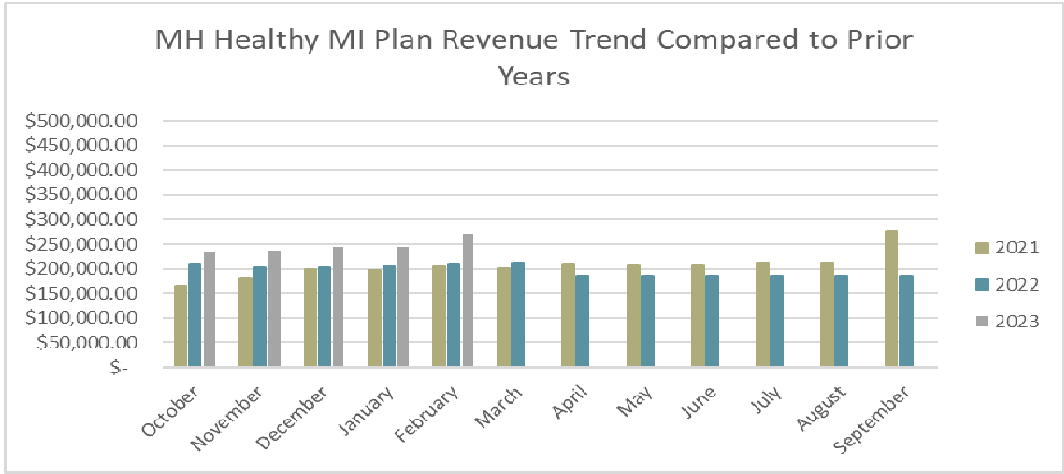
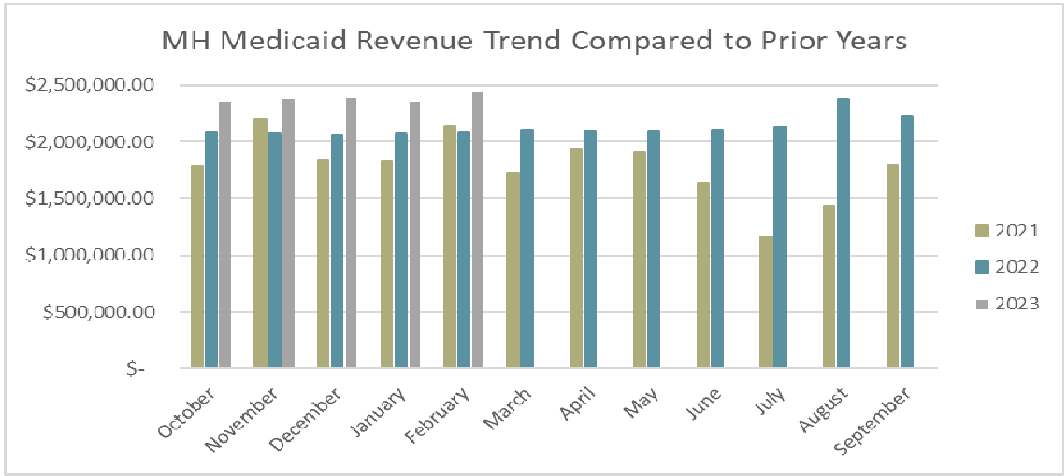
Percent of Year is 41.67%

	Total FY 2023 Budget	YTD Totals 2/28/23	Under/(Over) Budget	Percent of Budget - YTD
Operating revenue				
Medicaid:				
Traditional Capitation	\$ 25,193,969	\$ 10,186,930	\$ 15,007,039	40.43%
Traditional Capitation-Autism	3,937,779	1,715,808	2,221,971	43.57%
Traditional Settlement	(619,666)	(51,683)	(567,983)	
Healthy Michigan Capitation	2,697,512	1,225,402	1,472,110	45.43%
Healthy Michigan Settlement	(274,727)	76,702	(351,429)	
Substance use disorder revenue:				
Traditional Capitation	730,726	322,041	408,685	44.07%
Traditional Settlement	(465,390)	(145,289)	(320,101)	
Healthy Michigan Capitation	1,541,824	647,163	894,661	41.97%
Healthy Michigan Settlement	(983,316)	(349,978)	(633,338)	
State General Fund:				
Formula Fundings	1,707,737	787,023	920,714	46.09%
Settlement	(110,377)	(172,207)	61,830	
Grants and earned contracts	5,109,145	1,909,140	3,200,005	37.37%
Local funding	346,095	144,206	201,889	41.67%
Other reimbursements and revenue	268,262	191,530	76,732	71.40%
Total operating revenue	\$ 39,079,574	\$ 16,486,788	\$ 22,592,786	42.19%
Operating expenses				
Salaries and wages	\$ 11,496,279	\$ 3,867,992	\$ 7,628,287	33.65%
Fringe benefits	3,818,274	1,355,383	2,462,891	35.50%
Supplies and materials	409,807	76,115	333,692	18.57%
Provider Network services	20,980,022	9,339,147	11,640,875	44.51%
Contractual Services	1,642,209	1,018,865	623,344	62.04%
Professional development	98,941	43,928	55,013	44.40%
Occupancy	186,154	45,012	141,142	24.18%
Miscellaneous expenses	356,194	125,342	230,852	35.19%
Depreciation	14,423	8,215	6,208	56.96%
Total operating expenses	\$ 39,002,303	\$ 15,879,999	\$ 23,122,304	40.72%
Change in net position	77,271	606,789	\$ (529,518)	
Beginning net position	106,285	1,365,519		
Ending net position	\$ 183,556	\$ 1,972,308		

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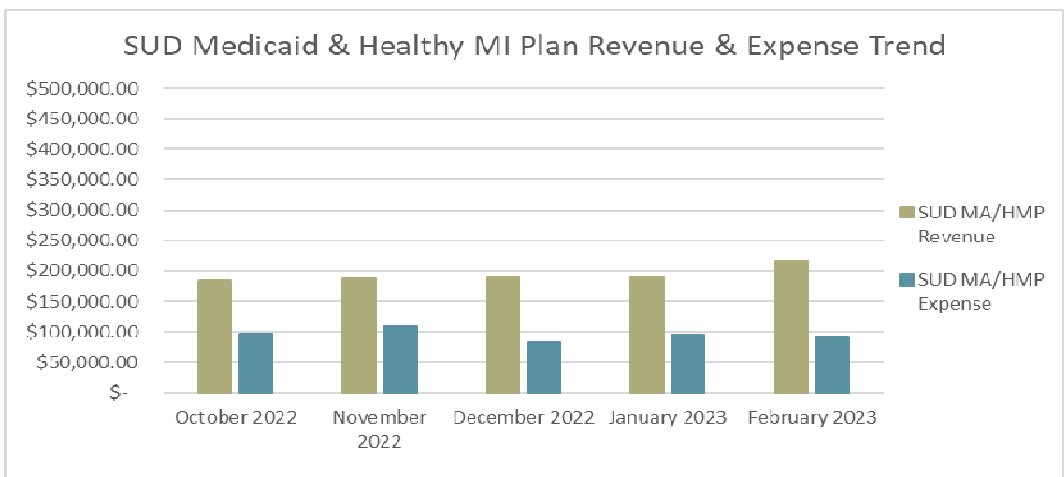
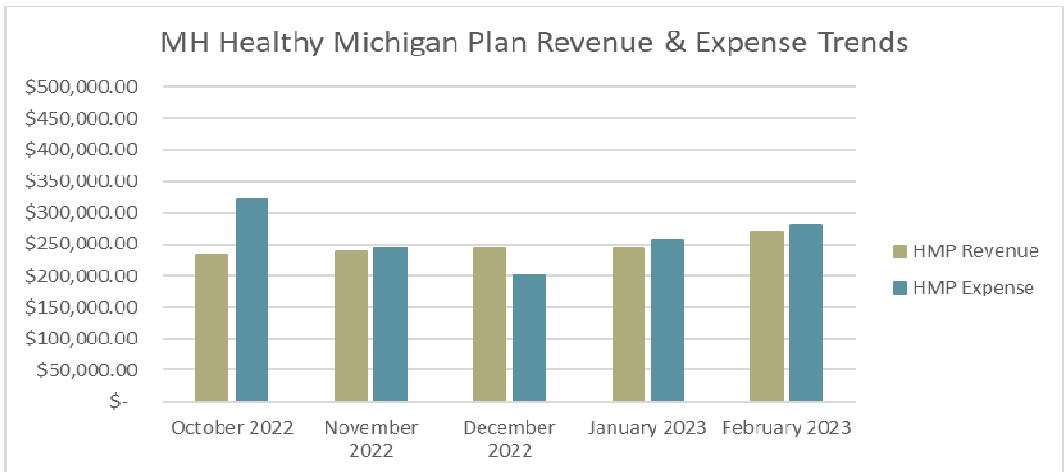
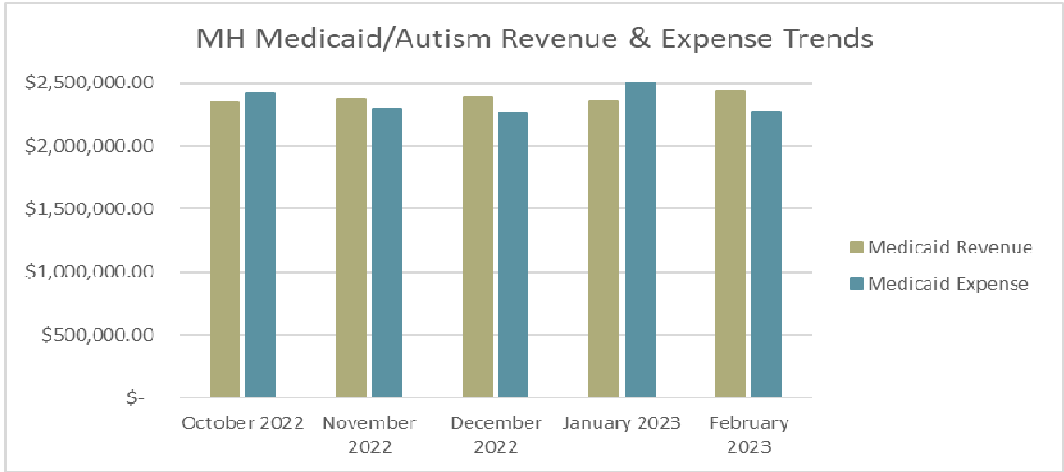
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Key Indicators February 28, 2023



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Key Indicators
February 28, 2023



ONPOINT

Key Indicators

February 28, 2023

Internal Program Name	October 2022			
	Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	\$ 6,334	10	330	\$ 633
Case Management	\$ 235,894	414	18,688	\$ 570
Outpatient Therapy	\$ 219,568	228	17,879	\$ 963
Occupational Therapy	\$ 9,884	11	787	\$ 899
ACT Program	\$ 40,336	32	3,569	\$ 1,261
Home Based Services	\$ 89,780	54	9,041	\$ 1,663
Med Clinic Services	\$ 109,406	196	8,539	\$ 558
CCBHC Program	\$ 92,115	137	12,420	\$ 672
SUD Services	\$ 44,095	26	5,183	\$ 1,696
Grand Total	\$ 847,412	864	76,436	\$ 981

Internal Program Name	November 2022			
	Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	\$ 21,096	12	1,099	\$ 1,758
Case Management	\$ 236,469	448	19,255	\$ 528
Outpatient Therapy	\$ 221,698	239	19,356	\$ 928
Occupational Therapy	\$ 9,946	10	685	\$ 995
ACT Program	\$ 49,208	32	4,538	\$ 1,538
Home Based Services	\$ 93,267	52	9,324	\$ 1,794
Med Clinic Services	\$ 86,059	162	6,866	\$ 531
CCBHC Program	\$ 81,349	132	11,020	\$ 616
SUD Services	\$ 62,670	28	6,256	\$ 2,238
Grand Total	\$ 861,762	871	78,399	\$ 989

Internal Program Name	December 2022			
	Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	\$ 8,120	10	423	\$ 812
Case Management	\$ 241,037	403	19,443	\$ 598
Outpatient Therapy	\$ 166,127	211	15,457	\$ 787
Occupational Therapy	\$ 18,682	17	1,145	\$ 1,099
ACT Program	\$ 50,199	31	4,562	\$ 1,619
Home Based Services	\$ 61,939	47	6,123	\$ 1,318
Med Clinic Services	\$ 60,600	118	4,665	\$ 514
CCBHC Program	\$ 60,172	117	8,132	\$ 514
SUD Services	\$ 46,816	37	4,577	\$ 1,265
Grand Total	\$ 713,692	806	64,527	\$ 885

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ONPOINT

Key Indicators

February 28, 2023

Internal Program Name	January 2023			
	Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	\$ 10,188	5	555	\$ 2,038
Case Management	\$ 319,268	512	26,286	\$ 624
Outpatient Therapy	\$ 265,321	255	19,243	\$ 1,040
Occupational Therapy	\$ 38,341	25	2,389	\$ 1,534
ACT Program	\$ 63,499	34	5,749	\$ 1,868
Home Based Services	\$ 89,065	48	8,869	\$ 1,856
Med Clinic Services	\$ 83,621	172	6,797	\$ 486
CCBHC Program	\$ 60,689	122	8,284	\$ 497
SUD Services	\$ 47,683	40	4,789	\$ 1,192
Grand Total	\$ 977,675	939	82,961	\$ 1,041

Internal Program Name	January 2023			
	Total Cost of Services	Number of Clients Served	Total Minutes of Service	Average Cost per Client
Career Concepts	\$ 4,319	2	225	\$ 2,160
Case Management	\$ 260,393	442	21,033	\$ 589
Outpatient Therapy	\$ 236,240	198	11,366	\$ 1,193
Occupational Therapy	\$ 36,025	23	2,282	\$ 1,566
ACT Program	\$ 45,235	33	4,071	\$ 1,371
Home Based Services	\$ 79,995	47	7,949	\$ 1,702
Med Clinic Services	\$ 48,156	113	3,859	\$ 426
CCBHC Program	\$ 32,608	79	4,083	\$ 413
SUD Services	\$ 38,866	50	4,160	\$ 777
Grand Total	\$ 781,837	800	59,028	\$ 977

Allegan County Community Mental Health Services

Audit Presentation
April 18, 2023





Independent Auditor's Report

To the Members of the Board
Allegan County Community Mental Health Services
Allegan, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of Allegan County Community Mental Health Services (the CMHSP), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CMHSP's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the CMHSP, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CMHSP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in the notes to the financial statements, during 2022 the CMHSP adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMHSP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

Allegan County Community Mental Health Services
Statement of Net Position
September 30, 2022

Current assets

Cash and cash equivalents - unrestricted	\$ 2,760,836
Accounts receivable	79,421
Due from other governmental units	2,136,967
Prepaid expenses	447,203
Total current assets	5,424,427

Noncurrent assets

Cash and cash equivalents - restricted	852,754
Capital assets not being depreciated	4,986,365
Capital assets being depreciated, net	23,050
Total noncurrent assets	5,862,169

Total assets 11,286,596

PY Total Assets 6,833,098

Current liabilities

Accounts payable	3,683,185
Accrued payroll and benefits	291,048
Due to other governmental units	2,619,923
Unearned revenue	544,964
Compensated absences, due within one year	94,855
USDA loan payable, due within one year	256,008
Total current liabilities	7,489,983

Noncurrent liabilities

Compensated absences, due beyond one year	537,509
USDA loan payable, due beyond one year	1,893,586
Total noncurrent liabilities	2,431,095

Total liabilities 9,921,078

PY Total Liabilities 6,802,777

Net position

Net investment in capital assets	2,859,821
Restricted for USDA loan	852,754
Unrestricted	(2,347,057)

Total net position \$ 1,365,518

PY Total Net Position 30,321

Allegan County Community Mental Health Services
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2022

Operating revenues		
Medicaid	\$ 26,263,983	
Healthy Michigan	3,227,835	
State general fund	1,029,330	
County appropriations	346,095	
Grants	7,149,115	
Other charges for services	369,201	
Other operating revenues	105	
Total operating revenues	38,385,664	
		PY Operating revenues 32,721,198
Operating expenses		
Board per diem	3,555	
Capital outlay	134,913	
Communications	156,103	
Contractual expenses	7,851,877	
Depreciation expense	9,615	
Fringe benefits	2,654,971	
Inpatient care	2,846,322	
Local match drawdown	149,564	
Occupancy	298,375	
Personal supports	3,734,362	
Salaries and wages	8,535,102	
Specialized residential	10,225,934	
Supplies	257,883	
Travel and training	183,080	
Total operating expenses	37,041,656	
		PY Operating expenses 32,675,905
Operating income (loss)	1,344,008	
Non-operating revenues (expenses)		
Interest income	476	
Interest expense	(15,087)	
Gain/(loss) on sale of capital assets	5,800	
Total non-operating revenues (expenses)	(8,811)	
Change in net position	1,335,197	
Net position, beginning of year	30,321	
Net position, end of year	\$ 1,365,518	

Total Net position	1,365,518
Total Operating expenses	37,041,656
Net Position as % of operating expenses	3.68%

The notes to the financial statements are an integral part of this statement.

Allegan County Community Mental Health Services
Notes to the Financial Statements
September 30, 2022

NOTE 7 - UNEARNED REVENUE

The amount reported as unearned revenue represents revenues received in advance of the period earned as follows:

Description	Amount
SHP Unearned Rent	47,950
Sensory Room Grant	14,799
Rent - HUD Housing	99,244
State of Michigan - WPS	23,993
MEDC	80,911
USDA	170,672
State of Michigan - General Fund Carryforward	75,467
Other	31,928
Total	544,964

NOTE 8 - LONG-TERM LIABILITIES

Direct Borrowings and Direct Placements

During the current fiscal year, the CMHSP entered into a USDA loan in the amount of \$5,635,000. The loan requires monthly principal and interest of \$21,334, at an interest rate of 2.125%. The proceeds from this loan are being used to purchase and renovate a new location.

	Construction Loan Available Principal	Interest Rate	Final Maturity	Outstanding at Year- end
USDA Loan	5,635,000	2.125%	2052	2,149,594

The CMHSP's outstanding loans from direct borrowings and direct placements related to mental health operations contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The changes in the long-term liabilities are as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Compensated absences	554,561	160,987	(83,184)	632,364	94,855
USDA Loan	-	2,305,179	(155,585)	2,149,594	256,008
Total	554,561	2,466,166	(238,769)	2,781,958	350,863

The requirements to pay principal and interest on the long-term debt outstanding at year-end was not available as of year end because the CMHSP was still making draws on the USDA loan.

NOTE 12 – RELATED PARTY TRANSACTIONS

The County is deemed a related party by management due to the fact that the County is statutorily required to provide local funding to the CMHSP. The required annual local funding amount is \$346,095.

The County owns the land and the building in which the CMHSP conducts its operations. The CMHSP paid \$112,520 (net of \$11,135 lease settlement) during the year in rent to the County.

NOTE 13 – CONTINGENT LIABILITIES

Under the terms of various federal and state grants and regulatory requirements, the CMHSP is subject to periodic audits of its agreements, as well as a cost settlement process under the full management contract with the regional entity and the State. Such audits could lead to questioned costs and/or requests for reimbursement to the grantor or regulatory agencies. Cost settlement adjustments, if any, as a result of compliance audits are recorded in the year that the settlement is finalized. The amount of expenses which may be disallowed, if any, cannot be determined at this time, although the CMHSP expects such amounts, if any, to be immaterial.

The CMHSP is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the CMHSP’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the CMHSP.

NOTE 14 – ECONOMIC DEPENDENCE

The CMHSP receives over 80% of its revenues from the State of Michigan either directly from MDHHS, the Michigan State Housing Development Authority (MSHDA), and the Michigan Economic Development Corporation (MEDC), or indirectly through the CMHSP’s regional entity.

NOTE 15 – DEFICIT UNRESTRICTED NET POSITION

As of the financial statement date, the CMHSP is in a deficit unrestricted net position. As outlined in Numbered Letter 2016-1 issued by the Department of Treasury, this deficit does not pass the 4 Step test for proprietary funds to determine if a deficit elimination plan is required. Therefore, the CMHSP is required to file a deficit elimination plan with the State.

NOTE 16 – CONSTRUCTION COMMITMENTS

The CMHSP has active construction projects as of September 30th. The projects include construction of a building to be used for operations. At September 30th, the CMHSP’s commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Building construction	3,317,752	2,283,579

The building construction project is being funded with a loan through the United States Department of Agriculture (USDA) in the amount of \$5,635,000, and a grant from the Michigan Economic Development Corporation (MEDC) in the amount of \$2,500,000.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to year-end, the CMHSP entered into agreements for an additional \$447,003 in construction commitments to be funded with the grant through the MEDC.

Through the date of issuance, the CMHSP made additional draws on the loan proceeds with the USDA for the renovation of a new building. The draws totaled \$1,073,970 and there is still \$2,255,851 available for draws as the construction completes.

The CMHSP early terminated its lease with the County effective May 2023, based on the expected completion and

in service date of the new building location.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2022, the CMHSP implemented the following new pronouncement: GASB Statement No. 87, *Leases*.

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 19 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, was issued by the GASB in May 2020 and will be effective for the CMHSP's fiscal year ending September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 101, *Compensated Absences*, was issued by the GASB in June 2022 and will be effective for the CMHSP's fiscal year September 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

**Allegan County Community
Mental Health Services**

Financial Statements
September 30, 2022



Allegan County Community Mental Health Services
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September 30, 2022

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Independent Auditor's Report

To the Members of the Board
Allegan County Community Mental Health Services
Allegan, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of Allegan County Community Mental Health Services (the CMHSP), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CMHSP's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the CMHSP, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CMHSP and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in the notes to the financial statements, during 2022 the CMHSP adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMHSP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CMHSP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMHSP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023, on our consideration of the CMHSP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CMHSP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CMHSP's internal control over financial reporting and compliance.

Sincerely,



Roslund, Prestage & Company, P.C.
Certified Public Accountants

March 30, 2023

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**





Allegan County Community Mental Health Services
Financial Statements for the Fiscal Year Ended September 30, 2022
Management's Discussion and Analysis

The following Management Discussion and Analysis (MD&A) provides an introduction into the financial statements of Allegan County Community Mental Health Services (the Community Mental Health Service Provider or "CMHSP") for the fiscal year ending September 30, 2022. The CMHSP does business as OnPoint. This presentation is an effort to inform the reader of the financial statements and the MD&A presents an analysis and overview of the financial activities and conditions of the organization during the past fiscal year. We encourage readers to consider the information presented here in conjunction with the auditors' report and with the financial statements, notes to financial statements, and required supplementary information taken as a whole.

The CMHSP was established by the Board of Commissioners of Allegan County on January 1, 2015, pursuant to the Michigan Mental Health Code to operate, control, and manage an integrated behavioral healthcare system in order to better serve the citizens of Allegan County. The County Board of Commissioners appoints members to the Mental Health Board, which governs the CMHSP.

Funding Structure

The Michigan Department of Health and Human Services (MDHHS) contracts with 10 designated Prepaid Inpatient Health Plans (PIHP) for Medicaid services within a designated geographic area. The CMHSP is a member of the Region 3 Lakeshore Regional Entity (LRE) which consists of the following Community Mental Health Service Providers: HealthWest (Muskegon County CMH), Ottawa County CMH, West Michigan CMH, and Network 180 (Kent County CMH). The Community Mental Health system in the State of Michigan is funded through a capitated arrangement. In this arrangement, each PIHP receives a payment each month for each Medicaid recipient eligible in the member counties. This payment is designed to cover the cost of providing mental health care to those Medicaid recipients in need of such services.

MDHHS contracts directly with the CMHSP to serve the non-Medicaid residents of the county (referred to as the General Fund revenue contract). This contract provides funding to provide an array of services for non-Medicaid individuals that are generally of low-income levels and or indigent. The CMHSP holds the financial risk related to these services. Under this arrangement, the revenue does not change when the CMHSP serves more people or provides more services. Beginning October 1, 2018, MDHHS changed how General Fund revenue was allocated to Community Mental Health Service Providers. This revised distribution methodology is being phased in over five years. For fiscal years 2019-2023, the CMHSP is receiving an increase of 139 percent in funding or an additional \$198,389 in General Fund revenue each of the five years covered under the redistribution.

Coronavirus (COVID-19)



In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the CMHSP's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the CMHSP for providing emergency services to its consumers.

During the pandemic, the Michigan Department of Health and Human Services (MDHHS) has frozen eligibility of individuals with Medicaid and Healthy Michigan Plan coverage. Individuals who had a Medicaid deductible were only required to meet the deductible once during the declared state of emergency and were considered to have full Medicaid after that date through the end of the pandemic. Additionally, an increased number of individuals have become eligible for Medicaid or Healthy Michigan Plan coverage due to high unemployment levels and other economic factors during the pandemic. As a result, Community Mental Health Service Providers (CMHSPs) have seen an increase in funding which is calculated on a per member, per month basis. While there was an increase in funding available, the CMHSP saw a decrease in service utilization as consumers were hesitant to participate in services with the ongoing pandemic. The CMHSP started offering additional telehealth services to these consumers, where allowed by MDHHS, to ensure their needs were met. The decrease in utilization and ability to provide additional services via telehealth resulted in an overall lower cost of services than the prior year. Unspent funding will be held within the regional Prepaid Inpatient Health Plan's (PIHP) risk reserve fund for future years.

Additional funding was provided to allow for premium or hazard pay to eligible direct care staff providing face to face services. Effective October 1, 2021, the rate provided by MDHHS for premium pay was \$2.35 an hour, plus \$0.29 an hour for administrative costs. The CMHSP received approximately \$1,789,000 for premium pay which was passed through to contracted provider network staff. This amount is reported as part of Medicaid and Healthy Michigan revenue.

The U.S. Department of Health and Human Services is planning for the federal Public Health Emergency (PHE) for COVID-19, declared under Section 319 of the Public Health Service Act, to expire at the end of the day on May 11, 2023. During the federal COVID-19 PHE, many changes were made to Michigan Medicaid program eligibility, administration, and policies to ease rules for providers and prevent Medicaid beneficiaries from losing health care coverage. Michigan has begun the process of unwinding certain policies that were enacted during the PHE and will continue the unwind process as the authority for these policies expire.

During the federal COVID-19 Public Health Emergency (PHE), Congress enacted the Families First Coronavirus Response Act that required state Medicaid agencies continue health care coverage for all medical assistance programs, even if someone's eligibility changed. Michigan's Medicaid caseload grew by more than 700,000 people during the public health emergency. This requirement was ended by the federal Consolidated Appropriations Act of 2023 signed December 29, 2022. On March 2, 2023, the Michigan Department of Health and Human Services (MDHHS) released Michigan Medicaid Policy Bulletin 23-14 announcing Medicaid beneficiaries will have to once again renew their coverage, starting in June 2023 as Michigan resumes Medicaid eligibility redeterminations to comply with federal



legislation. Renewals for traditional Medicaid and the Healthy Michigan Plan will take place monthly starting in June 2023. Monthly renewal notices will be sent three months prior to a beneficiary's renewal date starting with June renewal dates.

The impact of the PHE ending on the CMHSP's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration is highly uncertain. CMHSP staff will closely monitor the situation and make necessary adjustments as needed to maintain its sound financial position.

Overview of the Financial Statements

The financial statements for the CMHSP have three main components along with the *Notes to the Financial Statements*. The three components are *Statement of Net Position*, *Statement of Revenues, Expenses, and Changes in Net Position*, and the *Statement of Cash Flows*. The brief explanation of the three components are as follows:

The *Statement of Net Position* presents information on the CMHSP's assets and liabilities with the difference between assets and liabilities being reported as net position. The changes in net position can be a useful indicator in determining whether the financial position of the CMHSP is improving and or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* shows information on how the net position changed during the fiscal year. The reporting of activities is on an accrual basis meaning that the change in net position is reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related movement of cash.

The *Statement of Cash Flows* is a financial statement that shows how changes in the balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. The cash flow statement captures both the current operating results and the accompanying change in the balance sheet. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of the organization, particularly its ability to pay bills.

The financial position is defined as the excess of assets over liabilities. A positive financial position is an indicator of financial strength and an increase in current financial position is an indicator of improving financial position. The CMHSP's ending financial position (excess of assets over liabilities) was a positive \$1,365,518, an increase of \$1,335,197 compared to prior year. Current assets consist of cash and cash equivalents, accounts receivable, amounts due from other governments and prepaid expenses. These are available for current operations and to pay current obligations. Current liabilities include accounts payable, accrued payroll, related taxes and benefits, amounts due to other governments and unearned revenue.

Capital assets consist of property and equipment having an estimated useful life of more than one year and an acquisition cost of \$5,000 or more. These assets are included on the statement of net position net of the accumulated depreciation, where applicable. As of the beginning of fiscal 2022, capital assets



Caring for Allegan County

having an original book value of \$458,127 were recorded, net of accumulated depreciation. As of year-end, the net book value of capital assets was \$5,009,415. This increase is primarily due to acquisition and renovation costs for a new building the CMSHP purchased in January 2022. These amounts have been recorded as construction in progress and will not be depreciated until the asset is placed in use. This project is expected to be substantially completed in April 2023, with the building placed into use at the beginning of May 2023. Commitments related to this project have been disclosed in the notes to the financial statements.

Noncurrent liabilities consist of the liability for compensated absences, that includes vested annual vacation and sick leave obligations, as well as a loan from the United States Department of Agriculture (USDA), being used to fund the purchase and renovation of the new building. In addition to the USDA loan, the CMHSP is using \$2,500,000 in grant funds from the Michigan Economic Development Corporation (MEDC) to fund the building renovation project. The proceeds from this grant are recognized as revenue once the funds have been spent, but the corresponding asset has been capitalized and will be depreciated over the expected useful life. Net position includes an investment in capital assets, in the amount of \$2,859,821. Restricted net position of \$852,754 is presented for loan proceeds and grant funds to be distributed for the renovation of the new building. Unrestricted net position at the end of the year was (\$2,347,057).

Excess of revenue over expenses from activities for the current year was \$1,335,197. This is an increase of \$1,289,073 from the prior year. Operating revenue for the year was \$38,385,664 in total, an increase of 5,664,466 or 17.3% from the prior year. Medicaid specialty supports and services revenue of \$29,491,818 represents 76.8% of total revenue and increased \$1,341,312, or 4.8% compared to the prior year. Unspent Medicaid funds are not revenue and would be shown as amounts due to the PIHP. State general fund priority population revenue of \$1,029,330 represents 2.7% of total revenue and increased \$329,745, or 47.1% compared to the prior year. Unspent state general fund dollars are not revenue and would be shown as amounts due to MDHHS, net of an allowable carryforward of \$75,467. Grants and earned contract revenue includes sources for which the use of funds is restricted to a specific purpose. County appropriation revenue, interest income and other local income are available to meet state matching fund requirements. The county appropriation was unchanged. Total expense of \$37,041,656 has increased \$4,365,751 or 13.4% compared to the prior year.



Caring for Allegan County

The following summarizes the assets, liabilities, and net position as of September 30, 2022, and 2021.

	<u>FY2022</u>	<u>FY2021</u>
ASSETS		
Current and Other Assets	\$6,277,181	\$6,374,971
Capital Assets, Net	<u>5,009,415</u>	<u>458,127</u>
Total Assets	<u>11,286,596</u>	<u>6,833,098</u>
LIABILITIES		
Other Liabilities	7,139,120	6,331,400
Long-term Debt	<u>2,781,958</u>	<u>471,377</u>
Total Liabilities	<u>9,921,078</u>	<u>6,802,777</u>
NET POSITION		
Net Investment in Capital Assets	2,859,821	458,127
Restricted	857,754	0
Unrestricted Assets	<u>(2,352,057)</u>	<u>(427,806)</u>
Total Net Position	<u>\$1,365,518</u>	<u>\$30,321</u>

Budgetary Highlights

The budget for any particular fiscal year is developed several months prior to the notification of funding levels from some of the funding sources. The CMHSP board reviews and adopts an annual budget in September every year for the beginning of the next fiscal year starting October 1. The State budget is a collaboration between the legislature and the Governor. The timing of the completion of the State budget is influenced by the changes in elected officials after each election process. Generally speaking, the finalization of the State budget for the upcoming fiscal year is completed by October 1. Funding levels are also subject to change during the fiscal year. The CMHSP is required to provide services to Mental Health Code priority populations and Medicaid-eligible individuals who meet the criteria according to the Michigan Department of Community Mental Health Master Contract. Many of these services must be provided, regardless of the available resources.

Subsequent Events and Planned Changes

As the need for mental health services has expanded in Allegan County, the CMHSP has identified the need for a new building which would be for both administrative and client service staff. For the past several years the agency identified a building it would like to acquire and renovate, worked with an architect to develop plans for the new building, and identified funding for the project. The proposed building is located in Allegan City limits across from the Allegan General Hospital. This new location will allow for easier to access to services for all the residents in Allegan County. A purchase agreement for the new building was entered into and a loan application was placed with the rural development section of the United States Department of Agriculture. The building purchase and execution of the \$5.6 million USDA loan was completed on January 4, 2022. Additionally, in December 2021 the CMHSP was awarded a \$2.5 million grant through the Michigan Economic Development Corporation (MEDC)



Caring for Allegan County

to expand the scope of the building project. Through a formal bid process, the CMHSP was able to select a construction contractor and entered into a construction contract for approximately \$4.5 million. As of September 30, 2022, approximately \$3.4 million in building renovation work had been completed, with an additional approximately \$2.3 million in outstanding commitments related to the project. Subsequent to year-end, the CMHSP entered into an agreement for an additional \$447,000 in construction commitment to be funded with the grant through the MEDC. Work on the building renovation began in January 2022, and is expected to be substantially completed in April 2023 with the building placed into use in May 2023.

Future Financing

Future funding for the Community Mental Health System in the State of Michigan is subject to any number of variables. Medicaid revenue is affected by the rebasing of the rates, and by the fluctuations in the Medicaid-eligible enrollees. Medicaid-eligible enrollees are likely to decrease once the Coronavirus state of emergency ends, resulting in a decrease in funding. The effect of these items on future funding levels for the CMHSP is unknown. The Management team at the CMHSP committed to the Board to manage operations within the current year revenue allocation the CMHSP receives. Additionally, health care reform and integration, future potential Medicaid expansion and or contraction, General Fund levels from the State, all could further change the Community Mental Health landscape in Allegan County.

Requests for Information

This financial report is designed to provide a general overview of the CMHSP's finances for all those with an interest in government finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Chief Financial Officer
OnPoint
3283 122nd Ave.
Allegan, MI 49010

BASIC FINANCIAL STATEMENTS



Allegan County Community Mental Health Services
Statement of Net Position
September 30, 2022

Current assets	
Cash and cash equivalents - unrestricted	\$ 2,760,836
Accounts receivable	79,421
Due from other governmental units	2,136,967
Prepaid expenses	447,203
Total current assets	<u>5,424,427</u>
Noncurrent assets	
Cash and cash equivalents - restricted	852,754
Capital assets not being depreciated	4,986,365
Capital assets being depreciated, net	23,050
Total noncurrent assets	<u>5,862,169</u>
 Total assets	 11,286,596
Current liabilities	
Accounts payable	3,683,185
Accrued payroll and benefits	291,048
Due to other governmental units	2,619,923
Unearned revenue	544,964
Compensated absences, due within one year	94,855
USDA loan payable, due within one year	256,008
Total current liabilities	<u>7,489,983</u>
Noncurrent liabilities	
Compensated absences, due beyond one year	537,509
USDA loan payable, due beyond one year	1,893,586
Total noncurrent liabilities	<u>2,431,095</u>
 Total liabilities	 9,921,078
Net position	
Net investment in capital assets	2,859,821
Restricted for USDA loan	852,754
Unrestricted	<u>(2,347,057)</u>
 Total net position	 <u><u>\$ 1,365,518</u></u>

Allegan County Community Mental Health Services
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2022

Operating revenues	
Medicaid	\$ 26,263,983
Healthy Michigan	3,227,835
State general fund	1,029,330
County appropriations	346,095
Grants	7,149,115
Other charges for services	369,201
Other operating revenues	105
Total operating revenues	<u>38,385,664</u>
Operating expenses	
Board per diem	3,555
Capital outlay	134,913
Communications	156,103
Contractual expenses	7,851,877
Depreciation expense	9,615
Fringe benefits	2,654,971
Inpatient care	2,846,322
Local match drawdown	149,564
Occupancy	298,375
Personal supports	3,734,362
Salaries and wages	8,535,102
Specialized residential	10,225,934
Supplies	257,883
Travel and training	183,080
Total operating expenses	<u>37,041,656</u>
Operating income (loss)	1,344,008
Non-operating revenues (expenses)	
Interest income	476
Interest expense	(15,087)
Gain/(loss) on sale of capital assets	5,800
Total non-operating revenues (expenses)	<u>(8,811)</u>
Change in net position	1,335,197
Net position, beginning of year	<u>30,321</u>
Net position, end of year	<u><u>\$ 1,365,518</u></u>

Allegan County Community Mental Health Services
Statement of Cash Flows
For the Year Ended September 30, 2022

Cash flows from operating activities

Receipts from the State and other governments	\$ 36,629,724
Receipts from customers	329,985
Payments to employees	(11,293,506)
Payments to suppliers and affiliates	(24,357,308)
Net cash provided by (used in) operating activities	1,308,895

Cash flows from capital and related financing activities

Acquisition of capital assets	(4,560,904)
Proceeds from sale of capital assets	5,800
Proceeds from issuance of long-term debt	2,305,179
Payment of principal	(155,585)
Payment of interest	(15,087)
Net cash provided by (used in) capital and related financing activities	(2,420,597)

Cash flows from investment activities

Interest income	476
Net cash provided by (used in) investment activities	476

Net increase (decrease) in cash and cash equivalents (1,111,226)

Cash and cash equivalents, beginning of year 4,724,816

Cash and cash equivalents, end of year \$ 3,613,590

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted	\$ 2,760,836
Cash and cash equivalents - restricted	852,754
Total cash and cash equivalents	\$ 3,613,590

Reconciliation of operating income to net cash provided by (used in) operating activities:

Operating income (loss)	\$ 1,344,008
Depreciation	9,615
Changes in assets and liabilities:	
Accounts receivable	(39,320)
Due from other governmental units	(983,316)
Prepaid expenses	9,201
Accounts payable	1,475,459
Accrued payroll and benefits	(181,236)
Due to other governmental units	(709,070)
Unearned revenue	305,751
Compensated absences	77,803
	77,803

Net cash provided by (used in) operating activities \$ 1,308,895

**NOTES TO THE
FINANCIAL STATEMENTS**



NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Allegan County Community Mental Health Services (the CMHSP) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the CMHSP.

Reporting Entity

The CMHSP operates under provisions of the Michigan Mental Health Code for the purpose of providing services relating to the mental health, developmental disabilities, and substance abuse needs of the residents of Allegan County. As the community mental health services provider for the County, the CMHSP serves community members by assuring local access, organizing and integrating the provision of services, coordinating care, implementing public policy, ensuring interagency collaboration, and preserving public interest. The CMHSP does business as OnPoint.

Financial Statement Presentation

Under GASB 34, the CMHSP is considered a special purpose government and has elected to present the basic statements as an Enterprise Fund (a type of proprietary fund) which is designed to be self-supporting. Enterprise funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the CMHSP are charges related to serving its customers (including primarily “per member per month” capitation and state and county appropriations). Operating expenses for the CMHSP include costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses including investment income and interest expense.

All amounts shown are in U.S. dollars.

Fund Accounting

The accounts of the CMHSP are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The CMHSP reports the following major enterprise fund:

Mental Health Operating Fund – This fund is used to account for those activities that are financed and operated in a manner similar to private business relating to revenues earned, costs incurred, and/or net income. This fund of the CMHSP accounts for its general operations.

Basis of Accounting and Measurement Focus

The accounting and financial reporting treatment is determined by the applicable basis of accounting and measurement focus. Basis of accounting refers to when revenue and expenses are recognized in the accounts and reported in the financial statements. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*.

The proprietary funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred, regardless of the timing of related cash flows. The proprietary funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and all liabilities associated with their activity are included on the statement of net position.

Cash and Cash Equivalents

The CMHSP's cash and cash equivalents are considered to be cash on hand, money market funds, demand deposits, and certificates of deposit.

Accounts Receivable/Payable

Accounts receivable/payable in all funds report amounts that have arisen in the ordinary course of business. Accounts receivable are stated net of allowances for uncollectible amounts, if any.

Due from/Due to Other Governmental Units

Due from/due to other governmental units consist primarily of amounts due from/to the regional entity and the State of Michigan.

Inventories

The CMHSP does not recognize supplies inventory as an asset. The cost of these supplies is considered immaterial to the financial statements and the quantities are not prone to wide fluctuation from year to year. The costs of such supplies are expensed when purchased.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

Capital Assets

Capital assets are tangible and intangible assets, defined by the CMHSP as individual assets with an initial cost equal to or more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible capital assets in the appropriate capital asset class.

The costs of normal maintenance and repairs that do not increase the asset's capacity or efficiency or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in process, if any, are not depreciated. Right to use assets of the CMHSP are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. The other capital assets of the CMHSP are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	3 - 10
Leasehold improvements	3 - 20
Vehicles	3

The CMHSP reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a related expense is recognized in the current year.

Accrued Payroll and Benefits

Accrued payroll and benefits relate to salaries and wages earned in September but not paid until October.

Unearned Revenue

The CMHSP reports unearned revenue when revenue does not meet either the "measurable" and "available" criteria for recognition in the current period, or when resources are received by the CMHSP before it has a legal claim to them, such as when grant money is received prior to the incurrence of qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when the CMHSP has legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Compensated Absences

The CMHSP's policy permits employees to accumulate earned but unused vacation and sick benefits, which are eligible for payment upon separation from the CMHSP's service. The liability for such leave is reported as incurred

in the financial statements. The liability for compensated absences includes salary related benefits, where applicable.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The CMHSP has no items that qualify for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The CMHSP has no items that qualify for reporting in this category.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consist of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the CMHSP will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the CMHSP's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

MDHHS Revenue

State General Fund Revenue

The CMHSP provides mental health services on behalf of the Michigan Department of Health and Human Services (MDHHS). Currently, the CMHSP contracts directly with the MDHHS for General Fund revenues to support the services provided for the priority population residing in the County. The CMHSP performs an annual cost settlement of General Funds with MDHHS.

Medicaid Revenue

Beginning January 2014, Lakeshore Regional Entity assumed the regional entity contract with the MDHHS. The CMHSP contracts to receive Medicaid, Healthy Michigan and other revenues through the regional entity. The CMHSP performs an annual cost settlement of capitated funding with the regional entity.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Michigan’s statutory authority allows governmental entities to invest in the following investments:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified institution.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers’ acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investments Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

A reconciliation of carrying amounts to the basic financial statements follows:

Description	Amount
Cash and Cash Equivalents – Unrestricted	2,760,836
Cash and Cash Equivalents – Restricted	852,754
Total	3,613,590

Cash and Cash Equivalents - Restricted

Funds have been restricted for the amounts required to be set aside by the USDA for building construction and therefore have been shown as non-current.

Custodial credit risk

In the case of deposits, this is the risk that, in the event of a bank’s failure, the CMHSP’s deposits may not be returned to it. The CMHSP evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories. The CMHSP bank balance was \$3,830,832 and \$3,580,832 of that amount was exposed to custodial credit risk because it was uninsured by FDIC.

NOTE 3 – ACCOUNTS RECEIVABLE

The CMHSP believes that the accounts receivable will be collected in full and therefore the receivable balance has not been offset by an allowance for doubtful accounts.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units as of September 30th consists of the following:

Description	Amount
Lakeshore Regional Entity	1,168,373
State of Michigan	179,366
Federal grants	772,978
Other	16,250
Total	2,136,967

Allegan County Community Mental Health Services
Notes to the Financial Statements
September 30, 2022

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated					
Construction in process	425,461	4,560,904	-	-	4,986,365
Total capital assets not being depreciated	425,461	4,560,904	-	-	4,986,365
Capital assets being depreciated					
Equipment	304,694	-	-	-	304,694
Leasehold improvements	154,024	-	-	-	154,024
Vehicles	20,000	-	(20,000)	-	-
Total capital assets being depreciated	478,718	-	(20,000)	-	458,718
Accumulated depreciation					
Equipment	(303,296)	(1,399)	-	-	(304,695)
Leasehold improvements	(122,756)	(8,216)	-	-	(130,972)
Vehicles	(20,000)	-	20,000	-	-
Total accumulated depreciation	(446,052)	(9,615)	20,000	-	(435,667)
Total capital assets being depreciated, net	32,666	(9,615)	-	-	23,050
Total capital assets, net	458,127	4,551,289	-	-	5,009,415

NOTE 6 - DUE TO OTHER GOVERNMENTAL UNITS

Due to other governmental units as of September 30th consists of the following:

Description	Amount
State of Michigan	645,786
Lakeshore Regional Entity	1,974,137
Total	2,619,923

Allegan County Community Mental Health Services
Notes to the Financial Statements
September 30, 2022

NOTE 7 - UNEARNED REVENUE

The amount reported as unearned revenue represents revenues received in advance of the period earned as follows:

Description	Amount
SHP Unearned Rent	47,950
Sensory Room Grant	14,799
Rent - HUD Housing	99,244
State of Michigan - WPS	23,993
MEDC	80,911
USDA	170,672
State of Michigan - General Fund Carryforward	75,467
Other	31,928
Total	544,964

NOTE 8 - LONG-TERM LIABILITIES

Direct Borrowings and Direct Placements

During the current fiscal year, the CMHSP entered into a USDA loan in the amount of \$5,635,000. The loan requires monthly principal and interest of \$21,334, at an interest rate of 2.125%. The proceeds from this loan are being used to purchase and renovate a new location.

	Construction Loan Available Principal	Interest Rate	Final Maturity	Outstanding at Year- end
USDA Loan	5,635,000	2.125%	2052	2,149,594

The CMHSP's outstanding loans from direct borrowings and direct placements related to mental health operations contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The changes in the long-term liabilities are as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Compensated absences	554,561	160,987	(83,184)	632,364	94,855
USDA Loan	-	2,305,179	(155,585)	2,149,594	256,008
Total	554,561	2,466,166	(238,769)	2,781,958	350,863

The requirements to pay principal and interest on the long-term debt outstanding at year-end was not available as of year end because the CMHSP was still making draws on the USDA loan.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

As of September 30th, the composition of net investment in capital assets was comprised of the following:

Net investment in capital assets	Amount
Capital assets not being depreciated	4,986,365
Capital assets being depreciated, net	23,050
Capital related long-term liabilities	(2,149,594)
Net investment in capital assets	2,859,821

NOTE 10 – RETIREMENT PLANS

Defined Contribution Retirement Plan – 401(a)

Plan Description

The CMHSP offers all employees a retirement plan created in accordance with the Internal Revenue Code, Section 401(a). The assets of the plan were held in trust for the exclusive benefit of the participants (employees) and their beneficiaries. Empower acts as the custodian for the plan and holds the custodial account for the beneficiaries of this Section 401(a) plan. The assets may not be diverted to any other use. Plan balances and activities are not reflected in the CMHSP’s financial statements. Plan provisions are established or amended by Board resolution.

Eligibility

Any full-time employee working 20 or more hours per week is eligible to enroll immediately following their date of hire.

Contributions

When the employee contributes before-tax to the 457b plan, the CMHSP will contribute a match in the 401(a) plan based on the following formula:

Employee contribution	Employer contribution
2.0%	1.0%

When the employee contributes to the 401(a) plan, the CMHSP will contribute a match in the 401(a) plan based on the following formula:

Employee contribution	Employer contribution
0.0%	4.0%
1.0%	5.0%
2.0%	6.0%

Normal Retirement Age & Vesting

Retirement age for the plan is 59 ½. Employee contributions are vested immediately. The value of employer matching contributions to the Plan, and any earnings they generate, are vested as follows:

Years of Service	Vested % of Employer Contributions
1 year	10.0%
2 years	20.0%
3 years	40.0%
4 years	100.0%

Forfeitures

Forfeitures are first used to pay administrative expenses and remaining funds are reallocated as an employer required and/or match contribution.

Funding

For the year ended September 30, employer contributions (reduced by \$52,003 in forfeitures) amounted to \$517,094. Employee contributions amounted to \$222,632. The outstanding liability to the plan at year-end was \$24,787.

Defined Contribution Retirement Plan – 457(b)

Plan Description

The CMHSP offers all employees a retirement plan created in accordance with the Internal Revenue Code, Section 457(b). The assets of the plan were held in trust for the exclusive benefit of the participants (employees) and their beneficiaries. Empower acts as the custodian for the plan and holds the custodial account for the beneficiaries of this Section 457(b) plan. The assets may not be diverted to any other use. Plan balances and activities are not reflected in the CMHSP's financial statements. Plan provisions are established or amended by Board resolution. This plan is funded solely by employee contributions.

Eligibility

Any full-time or permanent part-time employee is eligible to enroll immediately following their date of hire.

Contributions

Employees may make voluntary contributions up to the annual total of allowable contributions as established by the Internal Revenue Service. When the employee contributes before-tax to the 457b plan, the CMHSP will contribute a match in the 401(a) plan based on the following formula:

Employee contribution	Employer contribution
2.0%	1.0%

Normal Retirement Age & Vesting

Retirement age for the plan is 59 ½. Employee contributions are vested immediately.

Forfeitures

There are no forfeitures as this plan is funded entirely with employee contributions.

Funding

For the year ended September 30, employee contributions amounted to \$257,270. The outstanding liability to the plan at year-end was \$13,442.

NOTE 11 - RISK MANAGEMENT

The CMHSP is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The CMHSP participated in the public entity risk pool – Michigan Municipal Risk Management Authority (MMRMA) for general liability, vehicle physical damage and property and crime coverage.

MMRMA, a separate legal entity, is a self-insured association organized under the laws of the State of Michigan to provide self-insurance protection against loss and risk management services to various Michigan governmental entities.

As a member of this pool, the CMHSP is responsible for paying all losses, including damages, loss adjustment expenses and defense costs, for each occurrence that falls within the member's self-insured retention. If a covered loss exceeds the CMHSP's limits, all further payments for such loss are the sole obligation of the CMHSP. If for any reason MMRMA's resources available to pay losses are depleted, the payment of all unpaid losses of the CMHSP is the sole obligation of the CMHSP. Settled claims have not exceeded the amount of coverage in any of the past three years.

The CMHSP's coverage limits are \$10,000,000 for general liability and approximately \$7,000,000 for buildings and personal property.

NOTE 12 – RELATED PARTY TRANSACTIONS

The County is deemed a related party by management due to the fact that the County is statutorily required to provide local funding to the CMHSP. The required annual local funding amount is \$346,095.

The County owns the land and the building in which the CMHSP conducts its operations. The CMHSP paid \$112,520 (net of \$11,135 lease settlement) during the year in rent to the County.

NOTE 13 – CONTINGENT LIABILITIES

Under the terms of various federal and state grants and regulatory requirements, the CMHSP is subject to periodic audits of its agreements, as well as a cost settlement process under the full management contract with the regional entity and the State. Such audits could lead to questioned costs and/or requests for reimbursement to the grantor or regulatory agencies. Cost settlement adjustments, if any, as a result of compliance audits are recorded in the year that the settlement is finalized. The amount of expenses which may be disallowed, if any, cannot be determined at this time, although the CMHSP expects such amounts, if any, to be immaterial.

The CMHSP is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the CMHSP’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the CMHSP.

NOTE 14 – ECONOMIC DEPENDENCE

The CMHSP receives over 80% of its revenues from the State of Michigan either directly from MDHHS, the Michigan State Housing Development Authority (MSHDA), and the Michigan Economic Development Corporation (MEDC), or indirectly through the CMHSP’s regional entity.

NOTE 15 – DEFICIT UNRESTRICTED NET POSITION

As of the financial statement date, the CMHSP is in a deficit unrestricted net position. As outlined in Numbered Letter 2016-1 issued by the Department of Treasury, this deficit does not pass the 4 Step test for proprietary funds to determine if a deficit elimination plan is required. Therefore, the CMHSP is required to file a deficit elimination plan with the State.

NOTE 16 – CONSTRUCTION COMMITMENTS

The CMHSP has active construction projects as of September 30th. The projects include construction of a building to be used for operations. At September 30th, the CMHSP’s commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Building construction	3,317,752	2,283,579

The building construction project is being funded with a loan through the United States Department of Agriculture (USDA) in the amount of \$5,635,000, and a grant from the Michigan Economic Development Corporation (MEDC) in the amount of \$2,500,000.

NOTE 17 – SUBSEQUENT EVENTS

Subsequent to year-end, the CMHSP entered into agreements for an additional \$447,003 in construction commitments to be funded with the grant through the MEDC.

Through the date of issuance, the CMHSP made additional draws on the loan proceeds with the USDA for the renovation of a new building. The draws totaled \$1,073,970 and there is still \$2,255,851 available for draws as the construction completes.

The CMHSP early terminated its lease with the County effective May 2023, based on the expected completion and

in service date of the new building location.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2022, the CMHSP implemented the following new pronouncement: GASB Statement No. 87, *Leases*.

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 19 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, was issued by the GASB in May 2020 and will be effective for the CMHSP's fiscal year ending September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 101, *Compensated Absences*, was issued by the GASB in June 2022 and will be effective for the CMHSP's fiscal year September 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

To the Members of the Board
Allegan County Community Mental Health Services
Allegan, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Allegan County Community Mental Health Services (the CMHSP), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the CMHSP’s basic financial statements, and have issued our report thereon dated March 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CMHSP’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CMHSP’s internal control. Accordingly, we do not express an opinion on the effectiveness of the CMHSP’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CMHSP’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

March 30, 2023



Communication with Those Charged with Governance at the Conclusion of the Audit

To the Members of the Board
Allegan County Community Mental Health Services
Allegan, Michigan

We have audited the financial statements of the business-type activities and each major fund of Allegan County Community Mental Health Services (the CMHSP), for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you during planning. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the CMHSP are described in the notes to the financial statements. The CMHSP changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87 Leases. We noted no transactions entered into by the CMHSP during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the CMHSP's financial statements were:

Management's estimate of the payout of employee compensated absences is based on expected payout. We evaluated the key factors and assumptions used to develop the balance of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's allocation of current and noncurrent compensated absences is based on an estimate of the percentage of employee's use of compensated absences.

Management's estimated lives of capital assets are based on the expected life of the asset. We evaluated the key factors and assumptions used to develop the estimated lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the CMHSP's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the CMHSP's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board and management of the CMHSP and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,



Roslund, Prestage & Company, P.C.
Certified Public Accountants



**Allegan County Community Mental Health Services
Financial Statements
September 30, 2022**

AGENDA

**OnPoint
Program Committee
Tuesday, April 18, 2023
4:15 pm**

County Services Building, 3283 122nd Avenue, Allegan
Allegan County Commission Board Room

Also available virtually at the link or phone number below:

Microsoft Teams meeting

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

[+1 616-327-2708,896969400#](#) United States, Grand Rapids

Phone Conference ID: 896 969 400#

NOTE: At this time, in-person attendance capacity is limited. Social distancing is required.

1. Call to Order – Alice Kelsey, Chair
2. Public Comment – Agenda Items Only, Subject to 5-Minute Limit Per Person
3. Approval of Agenda
4. Approval of Minutes
5. Program Presentation: ACT Team – Shandra Stewart & Melissa Potvin
6. Written Reports to Program Committee
 - a. Integrated Health – Leanne Kellogg
 - b. Clinical Services – Dr. Geniene Gersh
 - c. Quality Improvement/Performance Management – Mandy Padgett
 - d. Customer Service – Cathy Potter (Feb/May/Aug/Nov)
7. Program Committee Member Comments
8. Public Comment – Any Topic, Subject to 5-Minute Limit Per Person
9. Adjournment – Next meeting May 16, 2023 – **540 Jenner Drive**

Program Committee: Alice Kelsey, Chair; Vacant, Vice Chair;
Kim Bartnick, Robin Klay, Emily Schwartz, John Weerstra

Program Committee. (Excerpt from Board Bylaws, Art. VII. Section 1c (page 5) approved by OnPoint Board May 2021.)

The Program Committee shall consist of not less than 4 and not more than 6 Board members and shall include the Authority's chief program officer as an advisor. It shall review data and narrative information provided by Authority staff regarding services delivered by community-based service providers and hospital providers; review proposed new programs and existing programs and make recommendations relating thereto; make recommendations which encourage improvement in quality of services; review information with a view towards policy which encourages accountability in areas of programmatic, fiscal, compliance and clinical performance; and review compliance program issues and initiatives and make recommendations relating thereto. The Program Committee shall meet monthly, on a regular basis, at a date and time determined by the committee chairperson.

**Program Committee Minutes
March 21, 2023 – 4:15 pm**

Board Members Present: Alice Kelsey, Kimberly Bartnick and Emily Schwartz (virtual)

Board Members Absent: Robin Klay

OnPoint Staff Present: Susan Conrad, Geniene Gersh, Brenda Holquist, Leanne Kellogg, Mandy Padget, Dreka Payne, Brenda Polmanteer, Cathy Potter and Lauren Tordaro

Others: None

1. Call to Order

Ms. Kelsey called the meeting to order at 4:16 pm.

2. Public Comment

None.

3. Approval of Agenda – tabled – no quorum

Moved: _____ Supported: _____

Motion carried.

4. Approval of Minutes of February 21, 2023 – tabled no quorum. Agreed to proceed with the agenda as is.

Moved: _____ Supported: _____

Motion carried.

6. Program Presentation – Crisis Services

Ms. Payne and Ms. Potvin presented and were available for questions.

7. Program Committee Reports

a. Integrated Health

Ms. Kellogg reviewed her report and was available for questions.

b. Clinical Services

Dr. Gersh reviewed her report and was available for questions.

c. Quality Improvement/Performance Management

Ms. Padget reviewed her report and was available for questions.

d. Customer Service

No report this month.

7. Program Committee Member Comments

None.

8. **Public Comment**

None.

9. **Adjournment**

Meeting adjourned at 5:05 pm.

Assertive Community Treatment Presentation

April 18, 2023

The ACT team is working hard and adjusting to new supervision and team members, re-evaluating how we engage with clients, increasing duration of client contact, improving treatment services, and properly assess referring for a lower level of care. Currently, there are 35 active consumers on the ACT team. Out of the 36, seven have been within the last three months, reasons due to decompensation in mental health, psychiatric instability, and medical necessity.

Client specific goals include housing, social security benefits, employment, physical health, and maintenance of recovery efforts from substance use. The team is actively working with OnPoint's housing department to obtain a housing choice voucher (HCV) or housing support for three of our consumers. Two members of the team are SSI/SSDI Outreach, Access, and Recovery (SOAR) trained practitioners and working through the application process of filing for financial benefits for two ACT consumers. OnPoint's supports employment staff will be assisting and training the training the ACT team on how best to broker services for our consumers. Currently, we have 11 consumers who could benefit from this service.

Clients of the ACT team commonly use community resources such as, Michigan Department of Health and Human Services to obtain food benefits, Secretary of State for driver's licenses, Social Security Administration to secure financial security, or Allegan County Jail (as clients are sometimes jailed) they allow us to maintain contact routinely. Referrals have been made to Sacred Heart, Pivot, Ascension Borgess, Robert Brown Crisis, Building Men for Life, Gilmore and Gateway Mission for needs associated with substance abuse treatment, hospitalization, recovery housing, and emergency shelter.

A few goals for the ACT team specifically are improvement in identifying the intensity of services deemed medically necessary for all ACT participants. This involves increasing objective assessment of medication monitoring, precise evaluation for stage of change or treatment readiness, and proper interventions that result in reduced psychiatric hospitalizations.

ACT consumers overall are engaged in treatment and report adequate services as indicated from recent CARF interview. For those who are limited in their participation, the ACT team is working toward evaluating for step down to a lower level of care and implementing additional efforts by use of motivational interviewing.

Respectfully submitted,

Shandra Stewart, LLMSW

OnPoint COO BOARD REPORT

April 2023

Submitted by: Leanne Kellogg, Chief Operating Officer, MS, BSN, RN,
269-673-6617 ext. 4868 email: lkellogg@onpointallegan.org

Chief Operating Officer

Continued preparations take place for our new building. Workflows, EMR changes, room capacity, identification of processes continue to be prioritized until we have successfully moved.

Support and preparation for strategic planning have also been prioritized in the month of March and April, we are looking to sequence internal meetings for development of interventions to support the overall goals.

CCBHC (Certified Community Behavioral Health Clinic) Grant

Progress for the implementation of the CCBHC continues. Some of the highlights throughout the month of March include the following:

- Efforts on continued use and implementation of data monitoring occurring throughout clinical program areas, more definition yet to come with ongoing dashboard efforts
 - Clarification on workflows and processes continue with clinical managers
- Identification and prioritization of reassessment NOMs collection
- Continued progress on efforts underway with Rubix for data supports to enhance reporting and auditing options, progress on some data elements for reporting
- Sustainability efforts will be more closely explored through a CCBHC-IA notice of funding opportunity through SAMHSA. Allowable activities similar to our current grant with adjust metrics which we were anticipating. Potential for 1,000,000 for 4 years through this funding.
- State demonstration conversation and advocacy efforts will still be supported and on our radar for further exploration

Ongoing project management efforts have also completed the following:

- Submission of quarterly narrative report inclusive of a variety of data dashboards from IBH Analytics for progress on our overall programmatic goals
- Ongoing Grant Project Officer Meeting
 - Postponed until May

Outpatient Psychiatric Medical Clinic

Our outpatient psychiatric medical clinic team staff continue to be flexible in our remote working arrangement to accommodate our consumer needs.

The medical clinic continues to strive for high quality of care for our consumers and the community.

- Staffing
 - Dr. Jamison the contracted psychiatrist from Iris Telehealth began seeing individuals for remote video appointments on 3.15.23. He is contracted for 16 hours a week, so he is working Wednesdays and Thursdays.

- Psych Services
 - Telehealth services are being used by individual choice while offering in person appointments also.
- Streamline EMR
 - Streamline completed our first ever provider training virtually for Dr. Jamison with success.
- RN Medication Reviews
 - Our nursing staff within their triage and scheduled duties are conducting nurse medication reviews more now, utilizing their licensure to the fullest extent as well as extending our provider capacity. Provider capacity is low with the abundance of new CCBHC individuals seeking psychiatric services.
- Community/Residential Nursing continues to work with the outpatient team for individuals needing nursing services.
- Pharmacy
 - The Medical Clinic and ACT team are working on changing our pharmacy over to Allegan Medical Clinic Pharmacy.

Integrated Health Efforts

- The Med Office RN continues to teach the health and medications classes for the agency every 3 weeks.
- Juvenile Home visits and assessments are being conducted twice weekly and as needed.

Submitted by: Rebecca DeHart-Elkins, Occupational Therapist

Occupational Therapy

- The OT and COTA continue in-home services weekly to bi-weekly based on consumer need, and we are continuing to adhere to stricter sanitization of equipment to prevent the spread of illness. We will continue to mask as needed and with our medically fragile population throughout this cold and flu season due to the close nature of our job.
- The OT and COTA are working on organizing the large amount of equipment in the OT office and Sensory Room in preparation for the building move. In coordination with this, we are researching equipment that may work in the space given for a sensory room/outpatient treatment room in the new building using grant money that was secured for this project years ago.
- The OT and COTA are continuing to work through new referrals. We continue to get new referrals regularly.
- The OT continues to assist in trauma-informed parenting classes with members of the children's team as needed and requested.
- The OT team will welcome a new student intern from Western Michigan University to the team in June. She will be with us for 12 weeks, and we will have another student this fall.

OnPoint Substance Use Disorder (SUD) Services April 2023 Board Report

Department Report by Lauren Todaro, MSW, LMSW, CAADC, CCJP-M
SUD Services Manager, 269-249-7288; ltodaro@onpointallegan.org

Current OnPoint SUD Services Enrollment as of April 11, 2023:

Program	Individuals Enrolled*
OnPoint SUD Services	34
OnPoint Corrections – SUD Services*	43

*Corrections enrollment designates the referral source coming from Allegan County Probation & Parole.

Jail-Based Medication-Assisted Treatment (MAT):

SUD Services is initiating the implementation of jail-based MAT for inmates within Allegan County Correctional Center (ACCC), with the support of Allegan County Correctional Center staff. Current status is as follows;

- 1) MAT medication trainings are scheduled, so ACCC medical staff are able receive clinical training on administration.
- 2) Policy and procedures for MAT administration are being created within ACCC for medication provision.

Ongoing updates will be provided as this project moves forward. This implementation follows the evidence-based model of MAT in corrections settings, and will be supported by State Opioid Response Grant 3 (SOR 3).

Michigan State Police (MSP) Overdose Fatality Review (OFR) Grant:

First Allegan County OFR Welcome and Introduction Meeting is scheduled for April 12th at 11:00AM with the first mock session occurring in early May. Overdose Fatality Review (OFR) teams are multidisciplinary and include individuals who can share information about a decedent or contribute to the analysis of available data to make recommendations that will prevent future overdose deaths. To receive the link and survey, or forward to a community member who could benefit from membership, please contact ltodaro@onpointallegan.org

State Opioid Response (SOR) Grant 3; Treatment Overdose & Education, Naloxone Distribution:

The *OnPoint Overdose Response Kit* have been created for community and staff distribution, alongside support from the Grand Rapids Red Project for Narcan Administration training. The *OnPoint Overdose Response Kit* is designed to be an overdose “first-aid kit” to be carried and kept in case of recognition of overdose. The kit contains two nasal-administration doses of Narcan (naloxone), “opioid antagonist” used to counter the effects of opioid overdose, for example morphine and heroin overdose. The kit also contains a disposable CPR face shield, non-latex gloves, fentanyl test strips, informational cards for post-administration, and contact cards for further aftercare. The OnPoint goal for distribution is approximately 500 kits within the community and staff. As of March 1, 79 kits have been distributed within the community.

Please contact Lauren at ltodaro@onpointallegan.org or (260)249-7288 if you are interested in obtaining an *OnPoint Overdose Response Kit*.

SUD Services: Prevention Services

Report Submitted by Heidi Denton, MSW, CPS-M
SUD Prevention Supervisor, hdenton@onpointallegan.org

Allegan County Substance Abuse Prevention Coalition (ASAP):

Save the date was sent out for an event on August 15th with a national drug trends presenter- "Tall Cop". This will be an in-person event hosted in Grand Rapids.

Prime for Life:

Adult: Next class is scheduled for May.

Youth: 11 youth completed the class in February from 4 middle and high schools. We continue to see an increase in youth using vape products containing THC in schools. This is the majority of our referrals.

Suicide Prevention Coalition:

Meeting was held March 1st. Sherrie Chase will be sending out the meeting minutes.

Covid funds: No update this month.

LARA funds: Application was approved by the state for funding of marijuana related education.

Stop act funds: Go Media is in the beginning stages of planning a spring campaign focused on safe celebrating for prom and graduation season.

SUD Services: Treatment Services

Report Submitted by Brooke Hickman, LMSW-C, CAADC, DP-CCS, JD
SUD Program Supervisor, 269-512-2594; bhickman@onpointallegan.org

SUD Services Internal Staff Credentialing:

The SUD Program Supervisor has confirmed the following MCBAP (Michigan Certification Board of Addiction Professionals) CAADC (Certified Advanced Alcohol and Drug Counselor) staff within the agency, achieving a CCBHC goal of having 8 CAADC's or CAADC DP's (Development Plan) staff within the agency.

Full CAADC in Clinical Direct-Care Role: 4 staff

Full CAADC in Agency-Total: 6 staff

CAADC Development Plan Approved: 22 staff

CADC Development Plan Approved: 1 staff

Total: 33 staff

SUD Services Internal Program Development:

The OnPoint SUD Intensive Outpatient Program (IOP) provides ASAM Level 2.1 Services to Allegan County. Currently, there are 6 clients who are participating in this program, which is a 100% increase since last month. The IOP runs three times weekly

for 3 hours each group over 10 weeks. Additionally, each participant is engaged in SUD individual therapy. This is being achieved through the combined efforts of the OnPoint Outpatient Clinic and OnPoint SUD Services Department. ASAM (American Society of Addiction Medicine) CONTINUUM Assessments are being completed by Integrated Health Teams and Access/Crisis staff to evaluate level of care and treatment recommendations.

State Opioid Response (SOR) Grant 3; Peer Outreach & Linkage:

We welcomed a new peer recovery coach to the SUD Services team; Nichole Troutman!

With this new service, the SUD Peer Recovery Coach will focus on engagement and support of these individuals with the goal of increasing the number of individuals who are admitted to the authorized SUD Higher Level of Care. Additionally, the Peer Recovery Coach will continue to engage with these individuals while they are in residential treatment and up through their second aftercare appointment.

OnPoint SUD Treatment & Allegan County Probation & Parole Department:

Additionally, the SUD Services Department is continuing to build our relationship and referral base with Allegan County Probation and Parole Department. During the month of January, they referred 7 individuals for SUD services at OnPoint. At present, they have referred 63 individuals for SUD services at OnPoint since the end of September 2022. These clients have either been scheduled for an SUD Intake (ASAM Continuum assessment) or are currently receiving SUD services at an Outpatient level (ASAM level 1) or through IOP (ASAM level 2.1).

CLINICAL SERVICES BOARD REPORT ~ April 2023

Geniene Gersh, PhD, Director of Evidence Based Services

269-673-6617, email ggersh@onpointallegan.org

Clinical Program Data for the Month of March

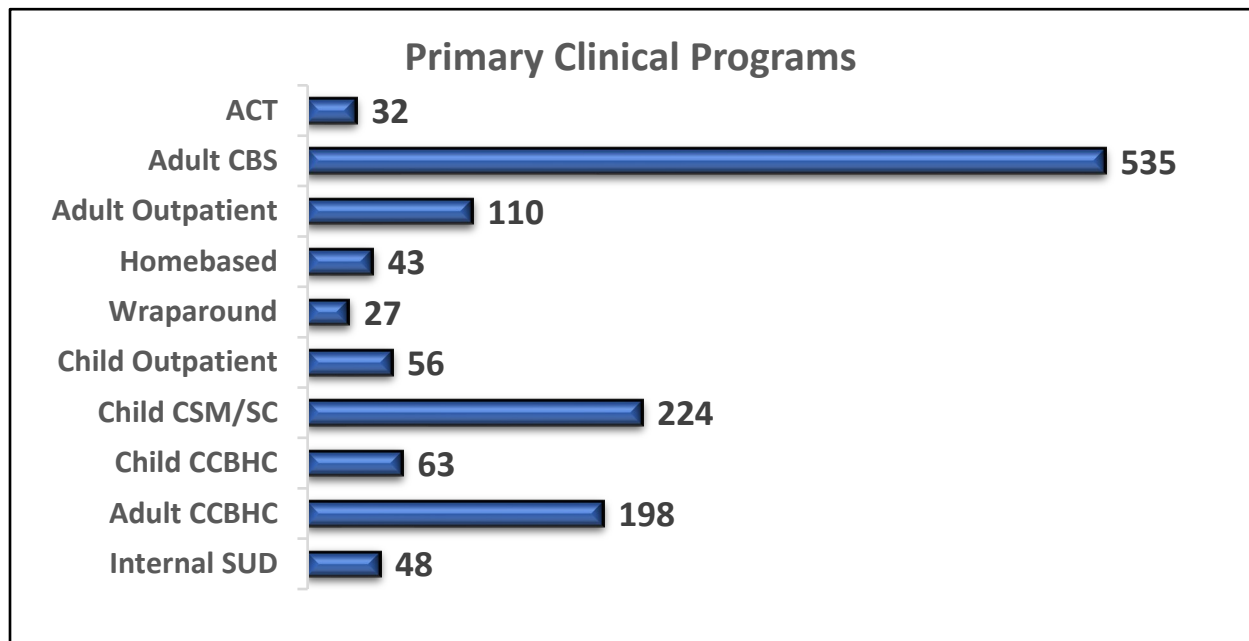
Primary Clinical Programs

The graph and table below illustrate the number of individuals who are receiving services within each of the clinical programs for the month of March. There was a total 1336 of clients served across clinical programs during the month of March as compared to 1303 during the month of February. There was a slight decrease in those adults who were enrolled in Certified Community Behavioral Health Clinic (CCBHC) Services during the month of March. A total of 198 adults were enrolled in March as compared to 200 in the month of February. The number of children and adolescents that were enrolled in CCBHC increased with 63 in March compared to 57 in February.

There was a significant increase in internal Substance Use Disorder (SUD) Services during the month of March with 48 individuals who received Outpatient Counseling and/or Intensive Outpatient Group treatment compared to 34 people in the month of February.

The Children's Services team experienced an increase in the number of children receiving Case Management and Supports Coordination Services with 224 during the month of March as compared to 215 in February. In addition, there was a small increase in the number of children and families receiving Homebased and Wraparound Services.

In Adult Services, there was a total of 535 individuals receiving Case Management Services in March compared to 530 during the month of February. There was also an increase in the number of individuals receiving Outpatient Counseling with 110 people in March compared to 105 in February. The Assertive Community Treatment (ACT) team provided treatment for 32 people in the month of March compared to 35 in February.



Primary Clinical Programs	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Six-Month Average
Child Outpatient	40	43	49	53	61	56	50
Child CSM/SC	188	200	201	204	215	224	205
Wraparound	14	11	13	24	25	27	19
Homebased	49	45	44	42	41	43	44
Adult Outpatient	104	104	106	107	105	110	106
Adult CBS	492	498	504	513	530	535	512
ACT	34	35	34	34	35	32	34
Child CCBHC	44	53	57	54	57	63	55
Adult CCBHC	152	162	171	184	200	198	178
Internal SUD	4	13	19	29	34	48	25
Total	1121	1164	1198	1244	1303	1336	1228

Intakes Conducted During the Month of March

The table below illustrates the number of intakes conducted by the Access Team during the month of March. There was a total of 67 intakes completed in March with 65 of the individuals admitted to services and 2 people who were referred to resources within the community.

Intake Disposition	Count
Admitted to OnPoint	65
Referred to Community Resources	2
Grand Total	67

Discharges During the Month of March

The table below illustrates the number of discharges with a total of 34 during the month of March. A total of 13 of these discharges were planned and 21 were unplanned.

Discharges	Count
Planned	13
Unplanned	21
Grand Total	34

The following reports summarize what is occurring in each of the programs within Clinical Services.

Melissa Potvin MA, LPC – Manager of High Intensity Services

Access

There were 181 inquiries/requests for services for the month of March. 178 assessments were scheduled in March, 114 were completed and 64 were either cancellations or no shows. 55 assessments were referred to adult mental health services, 36 were referred to children's mental health services, 3 were referred to adult I/DD services, 10 to the Autism Benefit Waiver, and 7 were referred to SUD outpatient services.

Mental Health Treatment Court

There are currently 7 people in the program and they are all in phase one. There was one graduation last month and 3 new people enrolled. Two of the previous cases were discharged from the program after multiple program violations and there are still two people in the program who are not participating and have active warrants out for their arrest.

Crisis

For the month of March, the Crisis team screened 32 adults and 17 minors which is a moderate increase in the number of screens usually done for children. The team authorized a higher level of care for 65 percent of those screened and 35 percent were safety planned home for further follow-up and care. Inpatient hospitalization was authorized for 68% of the screens and 32% were authorized for crisis residential or partial hospitalization level of care.

There were less than 10 mobile crisis calls for the month of March.

Assertive Community Treatment (ACT)

The ACT team is holding steady near previous numbers reported last month. The team is starting to work with clients who have upcoming Medicaid redetermination dates to assist them in submitting their documents and working to increase their contact times with client in the community.

Autism Behavioral Health Treatment (Autism BHT) and Children's Supports Coordination

Megan Ford- Supervisor of Autism & I/DD Services

269-673-6617; mford@onpointallegan.org

The Autism BHT program at OnPoint has had some changes since the start of the year. First being the state (MDHHS) will no longer be monitoring enrollment and qualification for ABA services of those individuals on Medicaid. The Autism Benefit is now managed internally at each individual CMH, with each region expected to monitor and report to the state specific enrollment data. OnPoint is currently auditing the present enrollment of individuals listed as eligible for the Autism Benefit, creating appropriate tracking systems within our own EMR and modalities, and gearing up to report all Benefit data to the LRE starting May 1st, 2023. This reporting will continue monthly.

Regionally, Autism Services worked to create an updated Parent Handbook for all consumers engaging in Autism services to be provided. The Supervisor of Autism Services was part of the workgroup that developed both this Handbook and the Participation Guidelines that were a result. All clients currently engaging in Autism Services at OnPoint were sent this updated Parent Handbook and a letter explaining the changes. The hopes of this Handbook are to give better understanding of the services provided under the Autism Benefit, clarify and explain participation requirements as listed in the Medicaid Provider, and create processes to ensure the consumers are receiving the best possible outcomes when engaging in services.

OnPoint is currently serving about 200 individuals under the Autism BHT Services, whether that be through testing for a diagnosis or intervention with ABA therapy. We now have six Supports Coordinators/Case Managers that oversee these individuals, who all bring different job experiences that lend to providing these individuals more efficient case management specific to needs. These experiences range from Case Management in other counties, School teaching, Counseling, Adult services, and ABA direct therapy.

Family Support and Training services is currently being provided both by OnPoint and with a contracted provider. This service has made an impact for those individuals who: do not qualify for ABA or an Autism Diagnosis and have behavioral concerns, have been discharged from ABA but have additional needs, or are currently waiting for testing and have a need for support. Family Support and Training (FST) is an intervention used to provide parents and caregivers the tools to decrease problem behaviors, and increase communication, living skills, and social skills in the home and community. Through FST, the clinician will work through curriculum and individually catered sessions to help the family reach their goals. With the main goal being to teach the family how to respond to behaviors appropriately, the clinician will also provide education on behavior principles that could be useful down the road. Even though this program is intended to be short-term and fade to more natural supports, FST can give the tools to success by teaching the family how to respond to behaviors appropriately and create ongoing success into the future no matter what situation arises.

OnPoint Adult Community-Based Services

John Eagle LMSW, QIDP, QMHP Jeagle@accmhs.org

Laura Furey BS, QIDP, QMHP Lfurey@onpointallegan.org

Adult Clinical Services:

Certified Community Behavioral Health Center (CCBHC)- The Adult Clinical Leadership and identified staff continue to improve workflows and processes as we implement the CCBHC Grant. With the implementation of the CCBHD Grant we hope to increase access to mental health and substance use disorder treatment, expand established relationships with community partners, and reduce recidivism and prevent hospital readmission.

Intellectual and Developmental Disability (IDD) and Mental Health Case Managers/Case Manager Assistants: Staff continue to complete a hybrid model of telehealth and face-to-face contacts. Our new Peer Support Specialist has begun to receive referrals and has started meeting with individuals to provide additional supports along with Case Management to bolster individuals' skills in managing mental health symptoms. 3 CMs continue to move forward with SUD development plans training and supervision. The Peer Support Specialist continues to increase her footprint throughout the Adult Team. Caitlin Clemens is transitioning to the Outpatient Therapy Team and we are excited to announce the Hiring for Sherrie Chase, formerly from prevention to the Adult Community-Based Team.

Omnibus Budget Reconciliation ACT (OBRA)- Program used to assist in determining if a nursing facility is the most appropriate place for an individual with a serious mental illness and/or an intellectual/developmental disability to receive services and whether they require specialized behavioral/mental health services. This is completed through a comprehensive assessment process that is completed to determine initial eligibility as well as annually or if there is a significant change in condition to ensure whether they continue to require the current level of service and support. OnPoint continues work on systemic change within the Adult Team to provide support to the OBRA Coordinator.

Supported Employment Services- Continues to help people with disabilities find employment opportunities. The foundation of this services is that all people, no matter the disability should have the opportunity to work in an integrated setting. Employment can provide meaning and

purpose to a person's life, along with promoting recovery and wellness. Joshua Behymer (Supported Employment Coordinator) continues to provide quality work to those people we serve, looking for jobs in their community. He currently has 22 people on his caseload. He provides job development, job coaching, benefit counseling, general employment advice, and other support as needed.

Support Intensity Scale (SIS)- The SIS is an assessment tool that measures practical supports that a person with an intellectual disability needs to be successful in the community has been discontinued by MDHHS. This came as a complete surprise to both the CMHPs and the PIHPs throughout the state. We are excited to announce that Corie Demski, formerly the SIS assessor, will be transitioning to the Adult Outpatient Therapy Team.

Behavioral Services- Behavioral services such as Positive Support Plans, Functional Behavioral Analysis, and Behavior Treatment Plans, are determined using the person-centered planning process. The behavior treatment committee provides oversight and reviews all behavior treatment plans. According to the Michigan Medicaid Provider Manual, "any behavior treatment plan that proposes aversive, restrictive or intrusive techniques, or psycho-active medication for behavioral control purposes and where the target behavior is not due to an active substantiated psychotic process, must be reviewed and approved by specially constituted body comprised of at least three individuals, one of whom shall be a fully- or limited licensed psychologist and one of whom shall be a licensed physician/psychiatrist. The psychiatrist or physician must be present during the review and approval process. At least one of the committee members shall not be the developer or implementer of the behavior treatment plan. OnPoint's BTC meets bi-weekly to review all behavior plans. These meeting have moved to the 2nd and 4th Wednesday of each month.

Outpatient Clinicians- The OnPoint Outpatient Clinicians continue to provide Allegan County residents with research and recovery based mental health treatment, which is both effective and efficient. The Adult Outpatient Program makes use of ongoing assessments and provides therapy and behavioral services for adults who suffer from symptoms of a chronic mental illness. Our staff provide evidence-based treatments with proven results in symptom reduction, positive management of emotions, community participation and integration. The Outpatient therapists continue to use a hybrid model to provide therapy services to the consumers of Allegan County. Adult Outpatient along with the SUD department continues the process of incorporating services for people with primary substance use diagnosis by way of starting an Intensive Outpatient (IOP) group therapy that meets 3 times a week for 3 hours. This is the first in-person group therapy to be provided at the OnPoint clinic since the pandemic. Providing primary substance use services is a landmark accomplishment for OnPoint, which has historically been provided by contract agencies. The Outpatient Team continues to offer more opportunities for people receiving services to have face-to-face appointments and are playing an interictal role in expanding our service array. This includes being available after traditional hours of operation. The Outpatient Team has gone through some changes over the past few months. Rob Chapuran and Mark Kole have moved on from OnPoint. Caitlin Clemens and Corie Demski are transitioning on to the Outpatient Team from other departments. The OPT currently has 2 clinicians with their Certified Advanced Alcohol and Drug Counselor credentials (CAADC) and 3 more outpatient therapist on a development plans. The OPT still does not have a full-time supervisor.

Respectfully submitted by,

Geniène Gersh, Ph.D.

Director of Evidence Based Services



Caring for Allegan County

**Quality Innovation, Utilization Management and Compliance Board Report
April 2023**

Submitted by Mandy Padget, Director of Quality Innovation and Compliance
mpadget@onpointallegan.org (269) 673-6617 ext. 2718

Quality Innovation Activities

OnPoint's triennial CARF accreditation took place on March 23 and March 24, 2023. Overall, the organization did an exceptional job demonstrating conformance to the rigorous standards set forth by CARF. The surveyors reviewed over 1,500 standards during the survey and were impressed with OnPoint's commitment to the people we serve and the organization's commitment to the community. Surveyors noted that OnPoint staff are engaged in their work and also noted that the individuals and families served by OnPoint reported high levels of satisfaction with their treatment team and clinicians.

A tremendous thanks to all OnPoint staff for their direct and indirect involvement in the preparation activities leading up to the survey. It was a pleasure to observe the incredible teamwork and coordination across the organization. Special thanks to Brenda Holquist, Kim Bectel, Janice August, Jennifer Taylor, and Michell Truax for their work supporting the CARF accreditation preparation.

Corporate Compliance Activities

A total of 1 open internal and 2 external investigations are currently open and under active investigation.

Utilization Management Activities

- Several hundred authorizations were entered during the month of March. This does not include concurrent reviews completed by Utilization Management.
- ISPA applications continue to be entered into the state system. As of March 27, 2023, 55.1% of eligible enrollee ISPA applications were received and accepted by the state. This exceeds the goal of 50% by April 1 set forth by the region.

Respectfully submitted,

Mandy Padget, BSW, CHC
Director of Quality Innovation and Compliance
OnPoint

OnPoint
Executive Committee Meeting Minutes DRAFT
March 17, 2023 – 2:30 pm
Location: OnPoint, 3283-122nd Street, Allegan, MI 49010

Board Members [X] Commissioner Gale Dugan, OnPoint Board Chairperson
 [X] Alice Kelsey, OnPoint Board Vice-Chairperson
 [X] Elizabeth Johnston, OnPoint Board Treasurer
 [X] Commissioner Mark DeYoung, OnPoint Board Secretary
OnPoint Staff [X] Mark Witte, OnPoint Executive Director

1. **Call to Order** – Chairperson Dugan called the meeting to order at 2:40 pm.
2. **Members Present/Excused** – All members were present.
3. **Review of Agenda** – Members reviewed the agenda. No additions or revisions identified. Kelsey moved, and Johnston supported, to approve the agenda as drafted. All in favor. Motion approved.
4. **Review/Approval of Minutes of Prior Meeting** – Members reviewed the minutes of 2/17/2023. No changes identified. Johnston moved, and DeYoung supported, to approve the minutes as presented. All in favor. Motion approved.
5. **Compliance Update** – No report today.
6. **Updates on Prior Meeting Topics**
 - a. Building Updates – Witte passed around recent pictures of the building and reviewed notes from the construction update meeting of 3/16/2023.
 - b. Building Open House – Witte requested input from the members regarding invitations for the community open house. Due to a conflict for some board members with the Michigan Association of Counties conference on 4/24-25/2023, a request was made to hold the open house on 4/17/2023.
 - c. Director Evaluation – Chairperson Dugan noted that he is collecting the last remaining feedback sheets from board members and will compile them by next Tuesday.
7. **Executive Director Items**
 - a. Board Meeting Packet Review/Opportunity for Clarifications – Nothing noted for action.
 - b. Review of “Key Board Tasks by Month” – Noted the responsibility to process the report from the Nominations Committee and vote on leadership, as well as to take action on Bylaws and Board Policies drafts that have been distributed to the board last month. Chairperson Dugan stated he will address these items during the report-out of the Executive Committee at the March board meeting next Tuesday.
 - c. Strategic Plan – Witte distributed a draft of the goals proposed by administration following the board input session on 3/7/2023. Support expressed for advancing them to the full board for review on 3/21/2023 with the request that original and final proposed be shown side by side for ease of comparison.
 - d. LRE Updates – Witte reviewed what is known about the status of LRE legal activities with HealthWest, Network180 and MDHHS.
 - e. Director’s PTO Awareness – Witte noted he will be away between 3/23/2023 and 4/8/2023, though he will be remotely participating in our CARF accreditation review and other essential meetings as needed during that time. He will return to work on Mon 4/11/2023.
8. **Discussion Items Requested by Members** – None identified.
9. **Next Meeting Date/Time** – Friday, April 14, 2023 at 2:30 pm.
10. **Adjournment** – Kelsey moved, and Johnston supported, adjournment of the meeting. All in favor. Motion approved. Meeting adjourned at 4:00 pm.

MINUTES

ONPOINT BOARD

Tuesday, March 21, 2023, at 5:30 P.M.

COUNTY SERVICES BUILDING, 3283 122ND AVENUE, ALLEGAN
Allegan County Commission Board Room

Present: Kim Bartnick, Glen Brookhouse, Commissioner Mark DeYoung, Commissioner Gale Dugan, Alice Kelsey, Emily Schwartz, Karen Stratton and John Weerstra

Absent: Robin Klay, Beth Johnston and Pastor Craig Van Beek

Staff: Susan Conrad, Geniene Gersh, Brenda Holquist, Leanne Kellogg, Kelsey Newsome, Mandy Padget, Brenda Polmanteer, Cathy Potter, Lauren Tordaro, Erinn Trask and Mark Witte

Visitors: Stephanie VanDerKooi

1. Call to Order

Commissioner Dugan called the meeting to order at 5:31 pm. Roll call was taken and a quorum was reached.

2. Pledge of Allegiance

Recited.

3. Provision for Public Comment

None.

4. Approval of Agenda with the addition of Amy Clugston's resignation, report from the nominating committee and approval of the strategic plan.

Moved: Ms. Bartnick

Supported: Mr. Brookhouse

Motion carried by roll call.

5. Consent Agenda – All items listed are routine and to be enacted by one motion.

a. **Recommended Motion:** Approval of prior minutes for the following:

- i. Executive Committee Meeting (02.17.2023)
- ii. Board Meeting (02.21.2023)
- iii. Building Committee Meeting (02.21.2023)
- iv. Finance Committee Meeting (02.21.2023)
- v. Program Committee Meeting (02.21.2023)

Moved: Mr. Weerstra

Supported: Ms. Stratton

Motion carried by roll call.

6. Building Committee

Commissioner Dugan gave a report on the most recent meeting and was available for questions.

7. Program Committee Report

Ms. Kelsey briefly reviewed the activities of the Program Committee, highlighting reports of interest and was available for questions.

8. Finance Committee Report

- a. The Finance Committee recommends that the OnPoint Board approve the February 2023 disbursements totaling \$3,620,926.01.

Moved: Mr. Brookhouse

Supported: Mr. Weerstra

Motion carried by roll call.

Mr. Pierre was introduced as the new CFO and Ms. Trask was thanked for her services.

Ms. Trask gave an overview of the January financials and was available for questions. She also reviewed the LRE Bucket Report and FSR.

9. Recipient Rights Advisory Committee (May/Aug/Nov)

No report this month.

10. Chairperson's/Executive Committee Report

Commissioner Dugan reported on the Executive Committee meeting and was available for questions. Please complete the conflict-of-interest form and return it to Ms. Holquist.

Motion: That the Board approve the draft OnPoint Bylaws for 2023 with the changes that were presented at the February 2023 board meeting.

Moved: Mr. Weerstra

Supported: Mr. Brookhouse

Motion carried by roll call.

Motion: That the Board approve the draft OnPoint Board Policy & Procedure (#201) for 2023 with the changes that were presented at the February 2023 board meeting.

Moved: Mr. Brookhouse

Supported: Mr. Weerstra

Motion carried by roll call.

Motion: To accept the resignation of Amy Clugston from the board.

Moved: Mr. Weerstra

Supported: Ms. Kelsey

Motion carried by roll call.

Motion: To adopt the strategic plan goals as presented.

Moved: Mr. Weerstra

Supported: Ms. Stratton

Motion carried by roll call.

Mr. Brookhouse gave a review of the recommendations of the following from the Nomination Committee:

Gale Dugan – Chair

Alice Kelsey – Vice Chair

Mark DeYoung – Secretary

Beth Johnston – Treasurer

Motion: To adopt the recommendations of the nomination committee.

Moved: Ms. Stratton

Supported: Ms. Bartnick

Motion carried by roll call.

11. LRE Update

Stephanie VanDerKooi gave an update on the LRE and was available for questions.

12. OnPoint Executive Director's Report

Mr. Witte reviewed his report and was available for questions.

13. Provision for Public Comment

None.

14. Board Member Comments

None.

15. Motion to Adjourn:

Moved: Mr. Weerstra

Supported: Ms. Bartnick

Motion carried.

Meeting adjourned at 6:40 pm.

Respectfully submitted,

Brenda Holquist
Executive Assistant

Gale Dugan
Board Chair

OnPoint Board of Directors
Executive Director Report
April 2023

1. Agency

Building – What a momentous time in the history of this agency and of Allegan County! This month is the final month of our occupancy of the county’s facilities on 122nd Avenue. Final touches are being applied to the interior of the new building as we await the return of warmer weather to complete the final exterior elements. The large signpost on Jenner Drive now proudly sports the OnPoint logo!

As you know from your invitation, we are continuing to plan for an open house/ribbon-cutting celebration with the community on April 17. Invitations have been disseminated to many people, organizations, system partners, and the media. We anticipate a good turnout for this long-awaited event.

We have begun to use our website and social media accounts to announce this event as well as our move. We have engaged the support of a moving company to transfer those materials and equipment that will need to go from our current offices to Jenner Drive on May 4.

Thank you, board members, for your steadfast support and continued patience as this long and occasionally difficult process of acquisition and remodeling has filled much of our dialogue over the past four years. It is a testament to your vision for services to the people of Allegan County that this highly visible and accessible facility becomes a reality!

Accreditation – I'm pleased to report that the agency enjoyed a good, brief (and a little stressful) virtual visit over March 23 and 24 from the Commission on the Accreditation of Rehabilitation Facilities (CARF). Many hands were involved in making preparations and providing “proofs” of adherence to the hundreds of applicable standards for our work. We especially thank Director of Quality Innovation and Compliance, Mandy Padgett for her quick work of coming up to speed on CARF following her relatively recent appointment to her position, and for the work of her team in leading and supporting the agency’s efforts. Their hard work made it easier for all of us and impressed the CARF reviewers too. Our formal report will be shared once we receive and process it.

2. Board

Strategic Plan – In keeping with the discussion at our March board meeting, we will take a couple of months to prepare the next level of detail to flesh out the updated goals statements that was approved last month.

3. Community

Community Health Improvement Plan (CHIP) – We expect the Community Health Improvement Project (CHIP) to pick up steam in the coming weeks, which will engage our housing and behavioral health leadership. The MACC leadership is transitioning from United Way of Ottawa/Allegan to the Allegan County Community Foundation (ACCF), which is itself also going through some changes in project leadership for the CHIP. Interim coverage of those duties will be provided by ACCF Director Stephanie Calhoun.

Allegan County Housing Survey – ACCF is also providing the lead on the 2023 Allegan County Community Housing Survey. We are encouraging all board members to participate in this survey. It will serve as the basis of a county-wide housing assessment. If you are interested in participating via a phone call, online survey, or person to person interview, please use this

link: <https://tinyurl.com/4r3buchv>. Bowen Research will reach out to stakeholders in the spring and summer of 2023.

4. Region

LRE Board Meetings – The LRE has learned that Judge Shapiro of the state Court of Appeals has ruled in the LRE’s favor concerning their action against the state and request for summary judgment. In the end, it appears that the state’s prior acceptance of an LRE plan for risk management (which specified the intent to use of subsequent year assets to satisfy prior year obligations) led Judge Shapiro to rule in the LRE’s favor. A hearing is scheduled for April 10 that will, presumably, deal with HealthWest’s related lawsuit.

I would like to express a special word of thanks to Commissioner Mark DeYoung for his efforts in support of the LRE as chairperson of LRE board. It has been a long, stressful, confusing and sometimes thankless process. We hope that this outcome will signal a time for the work of the LRE and its member agencies to turn our collective attention to improving care for all the people in our seven-county region.

5. State

Certified Community Behavioral Health Clinic (CCBHC) – We have been working with state staff to chart a course for transition of our CCBHC project from our current federal Substance Abuse and Mental Health Services Administration (SAMHSA) grant to ongoing state (Medicaid) funding. Much will depend on the level of state funding in the MDHHS budget to achieve this transition. The legislature may not supply enough funding to support the transition of all federally funded CMH-based projects to the state’s Medicaid system. Meanwhile we have received notice of an opportunity for a 4-year, \$1,000,000 per year SAMHSA grant for continuation of our CCBHC efforts. Several of our fellow CMH’s with CCBHC grants from years past continue to receive this grant despite being a part of the state’s demonstration project. I anticipate we will apply as our current SAMHSA grant technically ends this August (though unspent funds will continue until exhausted through a “no cost extension” option).

Sincerely,

Mark Witte
April 10, 2023