

CHAIRPERSON  
SARAH ANTHONY

VICE-CHAIRPERSON  
CAROL KOENIG

VICE-CHAIRPERSON PRO-TEM  
RANDY MAIVILLE

HUMAN SERVICES COMMITTEE  
TODD TENNIS, CHAIR  
RYAN SEBOLT  
DEB NOLAN  
BRIAN McGRAIN  
SARAH ANTHONY  
TERI BANAS  
ROBIN CASE NAEYAERT

## **INGHAM COUNTY BOARD OF COMMISSIONERS**

*P.O. Box 319, Mason, Michigan 48854 Telephone (517) 676-7200 Fax (517) 676-7264*

THE HUMAN SERVICES COMMITTEE WILL MEET ON MONDAY, OCTOBER 2, 2017 AT 6:30 P.M., IN THE PERSONNEL CONFERENCE ROOM (D & E), HUMAN SERVICES BUILDING, 5303 S. CEDAR, LANSING.

### Agenda

Call to Order

Approval of the [September 18, 2017 Minutes](#)

Additions to the Agenda

Limited Public Comment

1. Health Department
  - a. Resolution to Authorize an Agreement with [Capital Area Community Services](#) to Serve Early Head Start Children through the Family Outreach Services Program
  - b. Resolution to Authorize an Agreement with [Kresge Foundation](#)
  - c. Resolution Honoring [Margaret \(Peggy\) Albrecht](#)
2. Health Services Millage – [Compliance Report](#) from MALannoye Consulting (*Presentation*)

Announcements

Public Comment

Adjournment

**PLEASE TURN OFF CELL PHONES OR OTHER ELECTRONIC DEVICES  
OR SET TO MUTE OR VIBRATE TO AVOID  
DISRUPTION DURING THE MEETING**

The County of Ingham will provide necessary reasonable auxiliary aids and services, such as interpreters for the hearing impaired and audio tapes of printed materials being considered at the meeting for the visually impaired, for individuals with disabilities at the meeting upon five (5) working days notice to the County of Ingham. Individuals with disabilities requiring auxiliary aids or services should contact the County of Ingham in writing or by calling the following: Ingham County Board of Commissioners, P.O. Box 319, Mason, MI 48854 Phone: (517) 676-7200. A quorum of the Board of Commissioners may be in attendance at this meeting. Meeting information is also available on line at [www.ingham.org](http://www.ingham.org).

HUMAN SERVICES COMMITTEE  
September 18, 2017  
Draft Minutes

Members Present: Tennis, Sebolt, Anthony, McGrain, Banas (arrived at 7:03 p.m.), Naeyaert, and Nolan (arrived at 6:31 p.m.)

Members Absent: None

Others Present: Bruce Bragg, Greta Wu, Kim Coleman, Robin Reynolds, Adriena Krul-Hall, Desiree Cook, Jared Cypher, Dave Stoker, Johnie Johnson, Liz Kane and others

The meeting was called to order by Chairperson Tennis at 6:30 p.m. in Personnel Conference Room "D & E" of the Human Services Building, 5303 S. Cedar Street, Lansing, Michigan.

Approval of the August 28, 2017 Minutes

WITHOUT OBJECTION, CHAIRPERSON TENNIS RECOGNIZED THAT THE MINUTES OF THE AUGUST 28, 2017 HUMAN SERVICES COMMITTEE MEETING WERE APPROVED AS PRESENTED. Absent: Commissioners Nolan and Banas

Commissioner Nolan arrived at 6:31 p.m.

Additions to the Agenda

4. Medical Care Facility –
  - a. Resolution to Rescind Resolution 17-234 Authorizing the Issuing of Bonds for the Renovation and Expansion of the Medical Care Facility
  - b. Resolution to Authorize the Issuing of Bonds for the Renovation and Expansion of the Medical Care Facility

Chairperson Tennis stated that the resolutions related to a clerical numbering error that needed to be corrected. He further stated the resolution previously passed by the Board of Commissioners would be rescinded, and replaced with a properly numbered resolution to authorize the bond issues.

Limited Public Comment

Desiree Cook, ICEA Professionals President, stated she had previously sent an email to the Committee regarding the positions affected by Agenda Item No. 3(k). She further stated that after she had a conversation with Anne Scott, Health Department Strategic Project Implementation Manager, she realized her request to table the resolution would cause the Health Department to lose the related grant.

Ms. Cook requested that the County employees in the affected positions be given the chance to apply and be considered for the new positions if they had the right qualifications. She further stated she would be willing to retract her request for the Committee to table the resolution, as long as the current County employees would be able to apply for the positions.

MOVED BY COMM. SEBOLT, SUPPORTED BY COMM. MCGRAIN, TO APPROVE A CONSENT AGENDA CONSISTING OF THE FOLLOWING ACTION ITEMS:

3. Health Department
  - a. Resolution to Authorize a 2017-2018 Agreement with the City of Lansing
  - b. Resolution to Authorize Amendment #4 to the FY 2017 Comprehensive Agreement with the Michigan Department of Community Health
  - c. Resolution to Authorize the Fifth Year of the Americorps\*Vista Grant Cycle for 2017-2018
  - d. Resolution to Authorize a 2017-2018 Americorps State Grant
  - e. Resolution to Authorize an Agreement with Enroll Michigan to Serve as a Local Community Navigator for Ingham County and Surrounding Communities
  - g. Resolution to Amend an Agreement with Health Stream, Inc. for an Online Learning Management System
  - h. Resolution to Authorize a Temporary Emergency Preparedness Consultant Position
  - i. Resolution to Authorize an Agreement with 340Basics for Third Party Administration Services
  - j. Resolution to Accept 2017 Health Center Quality Improvement Funds
  - k. Resolution to Authorize a Consolidated Collaborative, Services, and Referral Agreement with CMH-CEI
  - l. Resolution to Accept Ryan White Title IV Women, Infants, Children, and Youth (Part D) Funding Award for 2017-2020
  - m. Resolution Honoring Rhonda Drullinger
4. Medical Care Facility –
  - a. Resolution to Rescind Resolution 17-234 Authorizing the Issuing of Bonds for the Renovation and Expansion of the Medical Care Facility
  - b. Resolution to Authorize the Issuing of Bonds for the Renovation and Expansion of the Medical Care Facility

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioner Banas

THE MOTION TO APPROVE THE ITEMS ON THE CONSENT AGENDA CARRIED UNANIMOUSLY. Absent: Commissioner Banas

Please note that later in the meeting, the rules were suspended to allow Commissioner Banas to vote on the consent agenda.

Commissioner Banas voted in favor of the items on the consent agenda.

1. Department of Health and Human Services – Update and General Overview of Activities

Bruce Bragg, Chair of the Department of Human Services (DHS) Board, introduced himself and the other board members present at the meeting to the Committee. He provided an overview of what the DHS did and its history.

Commissioner Naeyaert stated that the Ingham Medical Care Facility (ICMCF) was something that was near and dear to her heart, and that she paid a lot of attention to because her mother had been in that facility. She further stated that the ICMCF existed to provide the elderly population a place to be taken care of, whether they had dementia or other disabilities.

Commissioner Naeyaert stated that the Committee would be discussing the Ingham Health Plan Corporation later in the meeting, which she believed should be under the purview of the DHS Board. She further stated that she needed to understand why ICMCF was autonomous and run separately, as well as IHPC, so why they could not both be under the DHS Board.

Mr. Bragg stated that the ICMCF had been established by the Board of Commissioners and established under statute, which was not true for IHPC. He further stated that the ICMCF was not able to support all of the community's needs because of its size, but the goal of it was to provide the vulnerable populations a place to go.

Mr. Bragg stated that very few private, for-profit nursing homes would take Medicaid-eligible patients, whereas ICMCF would take them. He further stated that ICMCF was the Board of Commissioners' effort to provide the vulnerable amongst us a place to go.

Commissioner Naeyaert stated she was trying to find every way possible for guidance, leadership and oversight, and she was trying to make herself more comfortable with the programs.

Commissioner McGrain stated he thought when they were appointing Mr. Bragg to the DHS Board, the Committee realized they were not sure what the DHS Board did. He thanked the presenters for providing that information, and gave them kudos for helping to select capable leaders for the divisions.

Commissioner McGrain asked the DHS Board members to introduce themselves and explain their backgrounds.

Greta Wu, DHS Board member, stated she worked for Peckham, and she was passionate about serving disadvantaged populations. She further stated she was a board member for Origami Brain Injury Rehabilitation Center and had a passion for serving the geriatric population and brain injuries.

Kim Coleman, DHS Board member, stated she was the Grand Rapids Bar Association Director and lived in Lansing, where she served on the City of Lansing Economic Development Board. She further stated that she saw serving on the boards as a way to give back to the community and speak for those who were not heard, as she was a social worker by trade and had experience in mental health, adult education and continuing education.

Discussion.

Ms. Coleman stated the DHS Board members brought a variety of things to the table, but they also learned a great deal over the years. She further stated that directors of the divisions provided great leadership, and the DHS Board has tried to be good stewards and be dedicated to the organization.

Mr. Bragg stated he had been a resident of Ingham County for more than 40 years, and served as the Health Department Director. He further stated he had served on other boards around the County, and he appreciated the interesting set of knowledge and experience to help guide the agency from three different perspectives with human services roots.

Commissioner McGrain asked the presenters what they saw as challenges facing the County regarding Human Services, and what they thought was unfunded, unnoticed, or what kept them up at night.

Ms. Coleman stated she believed access was still a challenge, where services for both organizations were available for everyone, but there was only so much to do with the resources the County had. She further stated that the directors were good stewards of resources, but they could always use more to help people live better.

Ms. Wu stated that resources were always a restraint, but she also believed after-care for adults and children was lacking. She stated that when disadvantaged youths aged out of the programs provided to them, they were expected to be independent and fully functioning after they had not had good care for many years and only recently received good care.

Ms. Wu stated that populations needed support when they faced challenges, especially when they became adults and were working hard to keep a job, and if they had not developed coping skills when they had a crisis, they could lose their job. She further stated checking in with these people to help them learn how to cope was very important because the previous investment could go down the drain quickly.

Mr. Bragg stated that creativity and problem solving was a challenge, which were skills they expected and encouraged for their leaders. He further stated directors had to be realistic with available resources, but they could attempt to maximize resources as well.

Mr. Bragg stated the PACE Program was a good example of trying to assure that vulnerable people had access to services even if they were not in the facility. He further stated that a lot could be accomplished by partnering with other agencies.

Commissioner Banas arrived at 7:03 p.m.

Mr. Bragg thanked the Committee for their support in the endeavor.

Chairperson Tennis thanked Mr. Bragg and the DHS Board members for their service.

2. Health Services Millage – Millage Eligibility for Certain IHPC Members (*Discussion*)

Robin Reynolds, Ingham Health Plan Corporation (IHPC) Executive Director, introduced herself and Adriena Krul-Hall, IHPC Operations Manager, to the Committee. She further outlined the presentation that had been submitted to the Committee.

Ms. Reynolds stated that the budget was the reason they were before the Committee, because IHPC was requesting to provide coverage for all uninsured low-income members in the community. She further stated the additional uninsured residents from the County would be about 400 people per year, in addition to the approximately 1000 other people they were already serving.

Ms. Reynolds stated the additional members were considered bridge members, and she thought the millage definition covered them.

Chairperson Tennis stated he understood there was some confusion surrounding the legal position of using the millage language.

Dave Stoker, County Attorney, stated there were both legal and policy interpretations surrounding the question. He further stated the policy issue fell on the Board of Commissioners to decide what they would like to do.

Mr. Stoker outlined the legal interpretation of the millage, and what would have to be a policy decision by the Board of Commissioners, to decide if they wanted to fund something that was contrary to the Affordable Care Act.

Chairperson Tennis clarified that it was not a criminal issue to provide services to the people in the bridge group.

Mr. Stoker stated it was not a criminal issue, although it had civil penalties.

Chairperson Tennis stated the current administration was trying to get rid of those civil penalties. He further stated that the term “violation of law” was a loaded term, and he wanted to be clear on what that meant.

Mr. Stoker stated Chairperson Tennis was correct, and explained that this mechanism would be contrary to the current statutes regarding the individual mandate. He further stated if the person was eligible for Medicaid, it was not going to be under the individual mandate, and there were regulations surrounding family size and income.

Mr. Stoker stated there were also a lot of exceptions, including to the ability to pay and subsidies that could be provided. He further stated nevertheless, it was a mandated statutory requirement and it came down to what role the Board of Commissioners wanted to play in funding those individuals and how they might want to fund them.

Mr. Stoker stated they could not legally do something contrary to the ballot language they passed, for instance, funding someone who made \$28,001. He further stated those grey areas need to be dealt with by policy and put into the contract with IHPC.

Mr. Stoker stated that another issue that had come up years ago had been the question of if the health care navigators could recommend IHPC coverage to the clients, because it was not technically health insurance and created a penalty for the person, although IHPC had disclaimers on the website stating it was not insurance.

Ms. Reynolds clarified that IHPC did not excuse the patients from their civil liability.

Chairperson Tennis stated the question was whether the County could reimburse IHPC for the costs of the individuals in the bridge group. He further stated he understood Mr. Stoker's opinion was that the County could reimburse IHPC for the bridge group.

Mr. Stoker stated there was nothing in the ballot language that said they could not.

Commissioner Anthony stated she wanted to make it clear that this was not giving these individuals health insurance, this was a health product.

Ms. Reynolds stated that was correct.

Chairperson Tennis stated the Board of Commissioners had talked a lot about IHPC coverage over the years, and this particular concern was a policy issue. He asked Ms. Reynolds to clarify the amount of people this bridge group would cover.

Ms. Reynolds stated there were currently 413 people eligible for the bridge group, which was about one-third of the people they usually served. She further stated IHPC sent invoices to Ingham County for billable medical expenses for the individuals currently eligible to be reimbursed, and if they used the current projections of the population, it would cost about \$468,000.

Jared Cypher, Deputy Controller, stated the County was invoiced for billable claims on medical and pharmacy, but the County did purchase dental insurance for each of those individuals as well, which was a fixed cost.

Chairperson Tennis clarified that those costs would be per capita, so those costs would be incurred regardless.

Commissioner Naeyaert stated when IHPC had previously asked for additional funding, the Committee had taken a stand not to cover the bridge group. She further stated she did not know how, in this budget time for the County, they could afford to do this.

She further stated it was not that she was not sympathetic to those who could not afford insurance, but she was baffled at the fact that the Health Department could not provide the same services, since their patient numbers were decreasing, while IHPC could serve people's medical

and dental needs. She further stated she did not know why this needed to continue to be a discussion.

Chairperson Tennis stated the Committee had discussed this issue previously, but they had been under the impression that the legal opinion was no.

Commissioner Nolan stated as a point of order, if Chairperson Tennis would like to take part in the discussion, that he turn the chairing of the meeting over to Commissioner Sebolt.

Chairperson Tennis stated her concern was noted, and he was just answering Commissioner Naeyaert's question.

Mr. Stoker stated that the spend-down issue with Medicaid was not allowed, whereas this particular issue had not been looked at.

Mr. Cypher stated that the spend-down was included in the contract with IHPC as of now.

Chairperson Tennis asked how that was so.

Mr. Cypher stated it was included in the reimbursements. He further stated that they also paid for those with a hardship waiver, so funding the bridge group would be above and beyond that.

Chairperson Tennis asked how many individuals there were, that were able to spend down but would not still be eligible under 28,000.

Ms. Krul-Hall stated it was a small amount of people, she estimated to be about 30 out of the 3800 people they covered.

Discussion.

Chairperson Tennis asked Mr. Cypher to answer Commissioner Naeyaert's question about how this would affect the County's budget.

Mr. Cypher stated this would not affect the General Fund; it would only affect the Health Services Millage Fund. He further stated it would not be sustainable in the long term, because they had set the millage rate based on the continuation of the current contract, and they could only plug the extra gap made by the bridge group for one year before they would have to address the millage rate.

Commissioner Banas stated they had rolled the Health Services Millage back to 1/3 mills from 1 mill when numbers of people enrolled had lowered.

Mr. Cypher clarified that the millage had been approved at .52 mills, and it had been rolled back to .35 mills.

Commissioner Sebolt clarified that it would still be under the cap to fund these individuals.

Mr. Cypher stated it had been approved by the voters to raise and lower the millage, as long as it did not go over the cap.

Chairperson Tennis stated Commissioner Grebner had relayed to him that he was concerned this discussion was about creating new Health Services Millage language and wanted to be involved. He further stated that the millage language would be addressed at a later date.

Commissioner McGrain asked if the \$467,000 cost to fund the bridge group was computed at cost, or if it was estimated actual medical expenses.

Ms. Krul-Hall stated it was estimated, based on what that population was currently using.

Commissioner McGrain clarified that the County was not currently paying for those individuals, and he asked how many individuals there were in the bridge group.

Ms. Krul-Hall stated it could fluctuate between 400 and 500.

Commissioner McGrain stated it had occurred to him that the County reimbursed for 1000 people already, and that was only paying for about 2/3 of them. He stated he was in favor of reviewing the millage language as early as next year.

Chairperson Tennis stated the Committee did get a request from Community Health Centers Board to redo the millage language.

Commissioner McGrain stated he thought until they rewrote the millage language to include more services, he thought when the voters passed the millage, they were stuck with what they had.

Commissioner Sebolt stated he would argue that affordability was a point of access. He further stated that the current Board of Commissioners' hands were not tied by what past boards had done, as they could speak through resolutions on what they wanted to do, and he thought if it was legally allowed and it was the will of the Board, then it should be done.

Commissioner Nolan stated she was concerned that the number of bridge group individuals fluctuated between 400 and 500 currently, but if word on street was they heard the County opened the door to those people eligible and they could not afford insurance on the exchange, it would exceed the .52 mills.

Ms. Reynolds stated IHPC was currently providing benefits to those people, they were just not being reimbursed by the County for them.

Commissioner Nolan stated she understood that, but from her years of teaching middle school, there was an information sharing network and that number of bridge group members would change and go up.

Commissioner Naeyaert asked what IHPC used to determine who was and was not a resident of the County.

Ms. Krul-Hall stated the individual must reside in Ingham County.

Commissioner Naeyaert asked how long they must be a resident for, and how the transient residents were accounted for, if it counted for them to just spend one night in the County.

Ms. Krul-Hall stated IHPC had a policy, which did not have a length of residency requirement, but they must spend time in Ingham County for things other than vacation.

Commissioner Naeyaert asked what proved to IHPC that the person was a resident of the County.

Ms. Krul-Hall stated the person had to provide a written document that proved their residence, which could include a lease, utility bill, license, voter ID card, or other document with their address.

Commissioner Naeyaert asked how IHPC accounted for the transient population's residency.

Ms. Krul-Hall stated an individual must be able to have mail delivered to them. She further stated if the mail was returned, out of county, or undeliverable, then the person was disenrolled from IHPC.

Commissioner Nolan stated the Committee also had a resolution before them regarding the IHPC.

Chairperson Tennis stated that resolution was just an extension and it did not include the bridge group coverage.

Commissioner Nolan stated she would like to know the Committee's feelings on the proposal.

Commissioner McGrain stated he would like to see data and projections for 2017 to see where they lined up with the millage funding.

Mr. Cypher stated they were about right on target, within a few thousand dollars of the millage funding for the year for who the County currently covered.

Commissioner McGrain stated he would like to see data on paper for 2017 and 2018, specifically how these per member, per month costs were calculated.

Chairperson Tennis asked what Commissioner McGrain's thoughts were on the proposal, as Commissioner Nolan had requested.

Commissioner McGrain stated he felt like the County was stuck with their current language in the policy they put forth, and he would like to change that language soon so they were not so constrained by the language.

Commissioner Banas stated the County was right on target with what they were planning to spend for this year, and she was concerned if they were looking at spending a half million more dollars, they could only cover it initially. She further stated that the Committee had previously discussed what the millage could be used for in the future, including services for homeless children, mental health needs and senior citizens, and she thought what was allowed for under the millage language had become the expectation of what was allowed, and she was not sure she wanted to rewrite it today with only a few years left on the millage.

Commissioner Anthony stated she thought the attorney's opinion gave them some flexibility, and she wanted to reach these populations, especially when voters were generous when it came to providing for the vulnerable populations. She further stated that it would not be criminal to cover these people, and it would be in the same spirit as what the millage intended, so she would lean toward having that type of flexibility.

Commissioner Naeyaert stated she felt like the County did not have the means or the luxury to provide for everyone, and if they did, they would need to start looking at other things they could provide for the County. She further stated that there were a lot of things people in the county needed, and if they had access to the services, then they had access.

Commissioner Naeyaert stated she was not in favor of increasing the reimbursement to \$467,000, and she would like to see the projections and data. She further stated she thought the Committee had decided at the last meeting not to do it, and it also did go anywhere during the Finance Committee meeting, so no matter how many times IHPC asked, they would keep saying no.

Commissioner Sebolt stated if the proposal was in a resolution in front of them today, he would support it, because he believed basic health services were not a luxury, they were a matter of life and death. He further stated that knowing the circumstances of some of his constituents, they needed the support, and knowing the circumstances of another set of his constituents, they were generous and would want to provide services to these people.

Chairperson Tennis stated a few years ago, IHPC covered 15,000 people, which they were able to do through mechanisms like matching funds through Medicaid, and it allowed them to provide for a huge population and create a healthier population. He further stated that 90% of people funded by IHPC went away with the Affordable Care Act, mostly due to expanded Medicaid, so the question became who would be covered under this millage.

Chairperson Tennis stated the County funded lower income populations, and this group of people would be covered, the question was if the County reimbursed IHPC for them. He further stated that the fund balance was going down each year, and he thought that as long as there were people out there that qualify, the County should do this.

Chairperson Tennis stated he agreed with Commissioner Sebolt that the County should fund the bridge group, and then readdress the millage question so they could broaden the uses for it.

Commissioner Nolan stated that she would like to remind the Committee that because IHPC was a 501(c)3, it had been able to amass \$10 million from Medicaid Disproportionate Share Hospital (DSH) payments before DSH had gone away. She further stated that there was still \$8 million left from those funds, and she would like to see those 400 people funded by that money, so the County should work with IHPC to do so.

Commissioner Nolan stated she saw this as a way to support a worthy cause and have it go to people who need it. She further stated using the DSH funds would give back to the community, and she would rather see \$2 million per year go toward health care, than have it fill holes in the IHPC budget for staff and facilities.

Commissioner Naeyaert stated that when the County lowered the millage because of lower numbers enrolling, they still knew the fund balance still there to provide for people who did not have access to health care. She further stated fourth criterion for the funds was inability to afford health insurance, and there was an outcry from around the County when the conversation about the fund balance at IHPC happened a few years ago, she did not think that was how the public wanted the money to be spent.

3. Health Department

f. Resolution to Amend the Agreement with the Ingham Health Plan Corporation

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO APPROVE THE RESOLUTION.

Commissioner Naeyaert clarified that this resolution would not change the people covered under the contract to include the bridge group.

Ms. Reynolds stated that was correct, as this resolution was only amending the contract with the Health Centers.

Mr. Cypher explained the agreement between IHPC and the Health Centers.

Commissioner McGrain asked if it was true that a portion of the money reimbursed to IHPC came back to the County.

Mr. Cypher stated a significant portion of the reimbursed money came back to the County through the Health Centers. He further stated that someone would present at a future meeting and provide a breakdown of the money.

Commissioner McGrain asked if the amount of money that was returned to the County was 40 to 50% of the funds reimbursed to IHPC.

Mr. Cypher stated the amount was closer to 40%, as Sparrow and Cristo Rey were also facilities used most often in the program.

Ms. Krul-Hall stated the County and Cristo Rey were equally frequented, possibly due to the population that was involved in the program.

Chairperson Tennis thanked the presenters for joining the Committee.

THE MOTION CARRIED UNANIMOUSLY.

Announcements

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. ANTHONY, TO SUSPEND THE RULES AND ALLOW COMM. BANAS TO VOTE ON THE ITEMS ON THE CONSENT AGENDA.

THE MOTION CARRIED UNANIMOUSLY.

Commissioner Banas voted in favor of the items on the consent agenda.

Public Comment

None.

Adjournment

The meeting was adjourned at 7:53 p.m.

# **OCTOBER 2, 2017 HUMAN SERVICES AGENDA STAFF REVIEW SUMMARY**

## **ACTION ITEMS:**

**The Deputy Controller is recommending approval of the following resolutions**

1. *Health Department*

a. *Resolution to Authorize an Agreement with Capital Area Community Services to Serve Early Head Start Children through the Family Outreach Services Program*

This resolution authorizes an agreement by which Capital Area Community Services (CACS) provides up to \$31,944 for the provision of Early Head Start (EHS) home visiting services with the county also agreeing to provide, as a non-federal share, an in-kind match in an amount of at least \$15,678 with the required match derived from staff wages and benefits, indirect costs, facilities, advisory committee participation, and parent participation. Due to changes in the program requirements, it was determined that CACS would deliver home visiting EHS services, rather than ICHD. As a result, this contract is effective for a three month period in order to transition families and wrap up project deliverables. The CACS/EHS grant and County general funds provided support to 3 FTE positions, one of which has been vacant since May 2017 and will be eliminated. ICHD will maintain the remaining 2 FTE positions as part of the Family Outreach Services unit, utilizing general funds currently allocated to the CACS/EHS grant, along with Medicaid match.

b. *Resolution to Authorize an Agreement with Kresge Foundation*

This resolution authorizes an agreement with the Kresge Foundation by which Ingham County will receive \$125,000 for the grant period of August 1, 2017 to September 30, 2018 as a part of the Emerging Leaders in Public Health project. The funding and agreement allows for establishing a new role for the Ingham County Health Department (ICHD) in creating a designation of best practice for exemplifying Health Equity & Social Justice (HESJ) in everyday practice and service; providing technical assistance, consultation, and training for improved service delivery; and positioning the ICHD to pilot test, incubate, and disseminate trainings with applied HESJ concepts. Ultimately, this project will provide ICHD the opportunity to establish a training and consultation tool box for eliminating health inequities. These transformations are all a part of a larger transformation by which ICHD will utilize existing positions and expertise to form an Office of Innovation, Policy, and Planning. No positions will be created with these funds.

c. *Resolution Honoring Margaret (Peggy) Albrecht*

This resolution honors Peggy Albrecht upon her retirement after 13 years of dedicated service to Ingham County.

## **OTHER ITEMS:**

2. *Health Services Millage - Compliance Report from MALannoye Consulting (Presentation)*

Mary Lannoye will attend the meeting to present the 2016 compliance report on the health services millage contract between Ingham County and the Ingham Health Plan Corporation.

**TO:** Board of Commissioners Human Services & Finance Committees  
**FROM:** Linda S. Vail, MPA, Health Officer  
**DATE:** September 1, 2017  
**SUBJECT:** Early Head Start Agreement with Capital Area Community Services  
For the meeting agendas of October 2 & 4, 2017

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**BACKGROUND**

The Early Head Start (EHS) home visiting model is a federally recognized, evidence-based approach to working with at-risk families in our community. As a school readiness program, it provides opportunities for families to prepare their children for both preschool Head Start and elementary school.

Capital Area Community Services (CACS) has contracted with the Ingham County Health Department (ICHD) to deliver EHS home visiting services since 2002. Due to changes in the program requirements, it was determined that CACS would deliver home visiting EHS services, rather than ICHD. As a result, this contract is effective for a three month period in order to transition families and wrap up project deliverables.

The CACS/EHS grant and County general funds provided support to 3 FTE positions, one of which has been vacant since May 2017 and will be eliminated. ICHD will maintain the remaining 2 FTE positions as part of the Family Outreach Services unit, utilizing general funds currently allocated to the CACS/EHS grant, along with Medicaid match.

**ALTERNATIVES**

There are no alternatives.

**FINANCIAL IMPACT**

The agreement with CACS provides up to \$31,944 for the provision of EHS home visiting services. ICHD also agrees to provide, as a non-federal share, an in-kind match in an amount of at least \$15,678. The required match is derived from staff wages and benefits, indirect, facilities, advisory committee participation, and parent participation.

**OTHER CONSIDERATIONS**

There are no other considerations.

**RECOMMENDATION**

Based on the information presented, I respectfully recommend approval of the attached resolution to authorize the EHS home visiting services agreement between ICHD and CACS for the period of August 1, 2017 through October 31, 2017 in an amount not to exceed \$31,944.00.

Introduced by the Human Services and Finance Committees of the:

**INGHAM COUNTY BOARD OF COMMISSIONERS**

**RESOLUTION TO AUTHORIZE AN AGREEMENT WITH CAPITAL AREA COMMUNITY SERVICES TO SERVE EARLY HEAD START CHILDREN THROUGH THE FAMILY OUTREACH SERVICES PROGRAM**

WHEREAS, the Early Head Start (EHS) home visiting model is a federally recognized, evidence-based approach to working with at-risk families in our community, providing opportunities for families to prepare their children for both preschool Head Start and elementary school; and

WHEREAS, Capital Area Community Services (CACS) has contracted with the Ingham County Health Department (ICHD) to deliver EHS home visiting services since 2002; and

WHEREAS, due to changes in the program requirements, it was determined that CACS would deliver home visiting EHS services, rather than ICHD; and

WHEREAS, as a result, this contract is effective for a three month period in order to transition families and wrap up project deliverables; and

WHEREAS, the CACS/EHS grant and County general funds provided support to 3 FTE positions, one of which has been vacant since May 2017 and will be eliminated. ICHD will maintain the remaining 2 FTE positions as part of the Family Outreach Services unit, utilizing general funds currently allocated to the CACS/EHS grant, along with Medicaid match; and

WHEREAS, the agreement with CACS provides up to \$31,944.00 for the provision of EHS home visiting services with ICHD also agreeing to provide, as a non-federal share, an in-kind match in an amount of at least \$15,678.00 with the required match derived from staff wages and benefits, indirect costs, facilities, advisory committee participation, and parent participation; and

WHEREAS, the Health Officer recommends approval of the attached resolution to authorize an EHS home visiting services agreement with CACS for the period of August 1, 2017 through October 31, 2017 in an amount not to exceed \$31,944.00.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners authorize the EHS home visiting services agreement between ICHD and CACS for the period of August 1, 2017 through October 31, 2017 in an amount not to exceed \$31,944.00.

BE IT FURTHER RESOLVED, that the Controller is authorized to make any necessary budget adjustments consistent with this resolution.

BE IT FURTHER RESOLVED, that the Chairperson of the Board of Commissioners is hereby authorized to sign any necessary contract documents on behalf of the County after approval as to form by the County Attorney.

**TO:** Board of Commissioners Human Services and Finance Committees  
**FROM:** Linda S. Vail, MPA, Health Officer  
**DATE:** September 19, 2017  
**SUBJECT:** Kresge Foundation Emerging Leaders in Public Health Grant  
For the meeting agendas of Oct. 2 & 4, 2017

---

**BACKGROUND**

The Kresge Foundation’s Emerging Leaders in Public Health is an ongoing leadership development initiative launched in 2014 as a way to equip local public health officers with knowledge and skills to lead in today’s changing health care environment. Pairs of public health leaders embark on the 18-month, action-oriented experience to undertake projects designed to enhance organizational and leadership competencies in business, planning and public health systems development.

The Kresge Foundation selected Ingham County Health Department (ICHD) as one of the 20 health departments for the 2017 cohort. ICHD will receive \$125,000 for the grant period of August 1<sup>st</sup>, 2017-September 30, 2018 to support this project. The project includes: establishing a new role for ICHD in creating a designation of best practice for exemplifying Health Equity & Social Justice (HESJ) in everyday practice and service; providing technical assistance, consultation and training for improved service delivery; and positioning ourselves to pilot test, incubate and disseminate trainings with applied HESJ concepts. Ultimately, this project will provide ICHD the opportunity to establish a training and consultation tool box for eliminating health inequities. These transformations are all a part of a larger transformation by which ICHD will utilize existing positions and expertise to form an Office of Innovation, Policy, and Planning. No positions will be created with these funds.

**ALTERNATIVES**

There are no other alternatives.

**FINANCIAL IMPACT**

The Kresge Foundation has awarded \$125,000 to the Ingham County Health Department to support its Emerging Leaders in Public Health project.

**OTHER CONSIDERATIONS**

There are no other considerations.

**RECOMMENDATION**

Based on the information presented, I respectfully recommend approval of the attached resolution to accept funds from the Kresge Foundation in the amount of \$125,000 and to allow the Health Officer to sign the agreement electronically after approval as to form.

Introduced by the Human Services and Finance Committees of the:

**INGHAM COUNTY BOARD OF COMMISSIONERS**

**RESOLUTION TO AUTHORIZE AN AGREEMENT WITH KRESGE FOUNDATION**

WHEREAS, the Kresge Foundation's Emerging Leaders in Public Health is an ongoing leadership development initiative launched in 2014 as a way to equip local public health officers with knowledge and skills to lead in today's changing health care environment; and

WHEREAS, the Kresge Foundation selected Ingham County Health Department (ICHD) as one of the 20 health departments for the 2017 cohort; and

WHEREAS, ICHD will receive \$125,000 for the grant period of August 1st, 2017-September 30, 2018 to support this project; and

WHEREAS, the project includes: establishing a new role for ICHD in creating a designation of best practice for exemplifying Health Equity & Social Justice (HESJ) in everyday practice and service; providing technical assistance, consultation and training for improved service delivery; and positioning ourselves to pilot test, incubate and disseminate trainings with applied HESJ concepts; and

WHEREAS, ultimately this project will provide ICHD the opportunity to establish a training and consultation tool box for eliminating health inequities; and

WHEREAS, the Health Officer has recommended that the Board of Commissioners authorize the Amendment.

THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners authorizes an agreement with the Kresge Foundation to receive \$125,000 for the purpose of establishing a new role for ICHD in creating a designation of best practice for exemplifying Health Equity & Social Justice (HESJ) in everyday practice and service; providing technical assistance, consultation and training for improved service delivery; and positioning ourselves to pilot test, incubate and disseminate trainings with applied HESJ concepts.

BE IT FURTHER RESOLVED, that the term of the agreement shall be from August 1, 2017 through September 30, 2018.

BE IT FURTHER RESOLVED, that the Controller/Administrator is authorized to amend the Health Department's 2018 Budget in order to implement this resolution.

BE IT FURTHER RESOLVED, that the Health Officer, Linda S. Vail, MPA, is authorized to accept the grant through the Kresge Foundation's electronic grants system after approval as to form by the County Attorney.

Introduced by the Human Services Committee of the:

**INGHAM COUNTY BOARD OF COMMISSIONERS**

**RESOLUTION HONORING MARGARET (PEGGY) ALBRECHT**

WHEREAS, Margaret (Peggy) Albrecht began her career with Ingham County Health Department (ICHD) in September 2004 as a Family/Child/Infant Advocate working in what was then the Jump Start Family Outreach Program (later Family Outreach Services), where she provided home visiting services to pregnant women and parenting families; and

WHEREAS, Peggy transitioned to the role of Family/Child/Infant Advocate with the Women, Infants, and Children Supplemental Nutrition (WIC) Program in September 2011 where she was responsible for contacting potential clients to inform them of available services, explain benefits, and encourage participation in the WIC Program; and

WHEREAS, in this role, she conducted detailed assessments regarding client social and economic status to determine eligibility for services and need for additional resources, provided referrals when those needs were identified; and

WHEREAS, Peggy was a tremendous advocate for women and children who were at nutritional risk, assisting them in navigating the social service system and facilitating referrals to services and supports as needed; and

WHEREAS, Peggy performed various outreach activities representing WIC in the community that educated families about the value of the WIC Program and worked tirelessly toward improving the health and quality of life for women and children in Ingham County; and

WHEREAS, with years of dedicated hard work and supportive enthusiasm, Peggy built strong relationships within both the community and at ICHD and will be greatly missed by those who have had the opportunity to work with her; and

WHEREAS, Peggy has been a highly skilled, productive, loyal, committed, and passionate advocate whose legacy at ICHD will never be forgotten; and

WHEREAS, her career path reflects her longstanding commitment to public health and health promotion.

THEREFORE BE IT RESOLVED that the Ingham County Board of Commissioners hereby honors Peggy Albrecht upon her retirement after 13 years of dedicated service to the community and for the contributions she has made to ICHD.

BE IT FURTHER RESOLVED, that the Board wishes her continued success in all of her future endeavors.

**INGHAM HEALTH PLAN 2016 YEAR-END COMPLIANCE REPORT  
SUBMITTED TO INGHAM COUNTY BY  
MALannoye Consulting, LLC  
September 2017**

**INTRODUCTION**

This compliance report reviews the 2016 activities of the Ingham Health Plan Corporation (IHP) as they relate to millage requirements as well as the contract between the County and IHP. More specifically it summarizes invoice reviews, enrollment, active members, millage eligibility factors, changes in IHP's Net Assets, and IHP's Medical payments and related vendors.

**BACKGROUND**

On September 22, 2015 the Ingham County Board of Commissioners authorized 2 one-year agreements (2015 and 2016) between Ingham County and the IHP to provide basic health care services to Ingham County residents. The services would be provided to residents who are not eligible for Medicaid and whose individual income is less than \$28,000 and who do not have medical insurance. The services were to be paid for by a countywide health services millage level of 52/100 of one mill originally authorized by the electorate in November 2012 and subsequently renewed in November 2014.

The two one-year contracts began on January 1 and ended on December 31. The 2015 contract, however, was not fully executed until December 22, 2015. The contract called for the County to reimburse IHP by monthly invoice for medical, pharmacy, dental and detox services. The annual reimbursement was capped at \$1 million dollars and administrative costs were capped at 10% of reimbursements. The Board of Commissioners authorized a renewal in February 2017. The only major change was an increase in administrative costs from 10 to 20%.

On December 8, 2015 the Board of Commissioners approved a resolution authorizing a contract with MALannoye Consulting, Inc., herein after referred to as the Contractor, to review IHP invoices. More specifically that the IHP members listed on the monthly invoices are millage eligible and that the individual services are within the scope of the contract between Ingham County and IHP. The agreement was to begin upon execution and end February 28, 2017. The Contractor would submit monthly invoices based on hours worked in an amount not to exceed \$14,700. The contract was fully executed on January 11, 2016. This contract was recently extended to March 31, 2018 and the amount was increased by 100 hours or \$7,000.

**INVOICE REVIEW**

The Contractor developed a checklist that was used to recommend payment to Ingham County in 2016 for 2015 invoices. The checklist was used again to review 2016 invoices and is attached as Attachment A. The checklist included the following:

- Total monthly invoice submitted by IHP
- Year to date (YTD) totals
- Total members and total millage eligible members
- Medical expense claims equaled the check register
- Medical services are millage eligible
- Pharmacy expenses on the invoice matched detailed pharmacy claims
- Pharmacy claims exceeding \$100 are included in the IHP formulary
- Administrative costs do not exceed 10% of reimbursements
- Dental expenses equal # of millage eligible members X the \$16 per member per month charge from Delta Dental

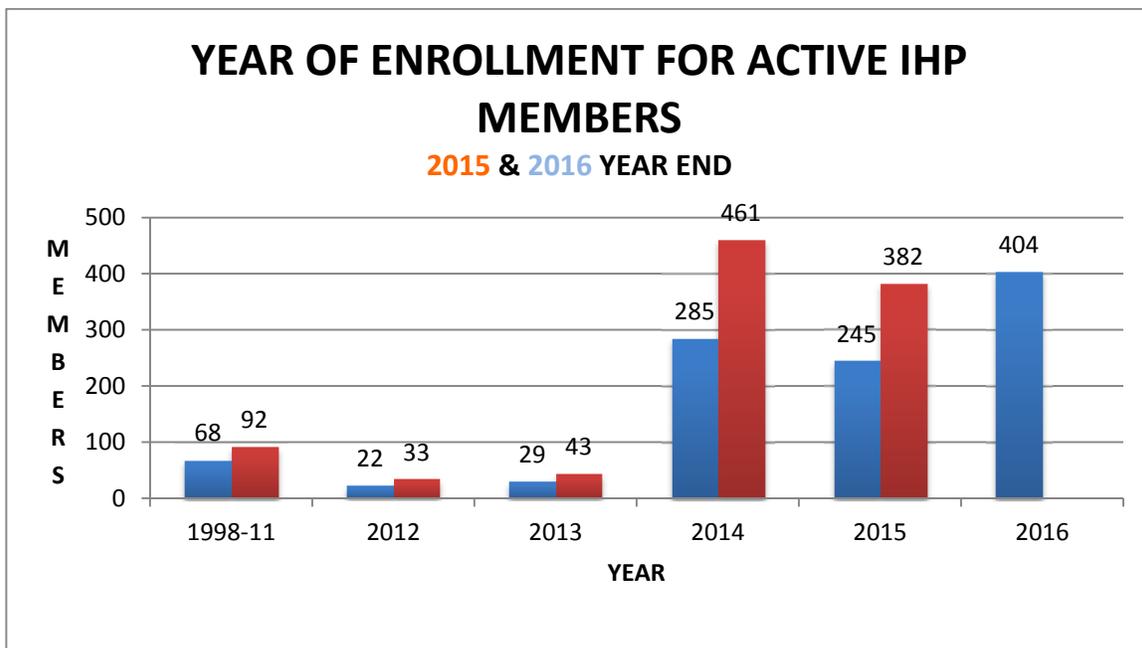
In total the IHP requested \$812,081 in payments and was reimbursed for \$809,356. A spreadsheet detailing the charges by month is attached as Attachment B.

## ENROLLMENT

The average millage funded enrollment in 2015 was 882, increasing to 1,053 in 2016. In the prior three years the average monthly enrollment in what was known as IHP's Plan B was 10,790 in 2012, 10,576 in 2013, and 4,358 in 2014.

The millage-funded enrollment as of 12/31/15 was 1,011, increasing to 1,053 on 12/31/16. During 2016 473 members were removed and 402 were added. The additions and removals may not represent the change in overall enrollment from 2015 to 2016 due to some members being both added and removed.

Please refer to the chart below, which examines enrollment memberships at the end of 2015 and 2016. More specifically it details the year in which the members were enrolled. For instance, of the 1,053 members as of 12/31/2016, 404 were enrolled in 2016, 245 in 2015, 285 in 2014, 29 in 2013, 22 in 2012, and 68 were enrolled prior to 2012. Of the total caseload, 934 or 89% were enrolled between 2014 and 2016.



Source: IHP Year End Enrollment Reports

## ACTIVE MEMBERS<sup>1</sup>

In the 2015 Year End Compliance Report the Contractor examined the utilization activities of the active members as of December 31, 2015. The Contractor reported that there were 98 members with effective dates prior to January 1, 2015 that had not received any medical or pharmacy services in 2015. The Contractor requested that IHP contact Delta Dental and request a sample of the 98 as to whether or not they had accessed dental services. Ultimately the Contractor concluded that the sample size was too small to draw any conclusions.

The reason the Contractor examined this information was to assure that the IHP active millage eligible list was not inflated and the County was therefore not reimbursing IHP for dental services for inactive members. The agreement between the County and IHP specified that the County would reimburse the costs of actual services provided. That is the case for pharmacy and medical services. Delta Dental, however, processes dental claims, and IHP was charged and reimbursed \$23.46 per member per month in 2015 and \$16 per member per month in 2016.

<sup>1</sup> Active members are defined as members who used IHP's services, while inactive members are members who did not use services.

The Contractor followed the same group of 98 in 2016. After reviewing spreadsheets provided by IHP that detailed use of medical and pharmacy services in 2016, a list of cancelled members, and the December 2016 active member list the contractor narrowed the list of members to 49. In other words, there were 49 members with effective dates prior to January 2015 that had not received any medical or pharmaceutical services in 2015 and 2016. The Contractor submitted 15 of the 49 member numbers to IHP and requested that Delta Dental check to see if any of them accessed dental services in 2015 or 2016. Of the 15-member sample only 2 received dental services.

The Contractor also followed a group of 65 members that were enrolled in 2015 and that did not access medical or pharmaceutical services in 2015. Based on information supplied by IHP as noted above, the list of 2015 enrollees that did not access medical or pharmacy services in 2015 and 2016 was narrowed to 15. A sample of 5 of the 15 members was submitted to Delta Dental. Of the 5 member sample 1 member accessed dental services in 2015 or 2016.

IHP’s December 2016 invoice reflected a \$27,245.82 credit from Delta Dental. IHP indicated that the “Delta Dental Plan (DDP) allows IHPC to go back 6 months retroactively to disenroll a member from the dental plan, if the member has not generated a claim for payment of dental services through the IHP contract with DDP”. IHP provided the Contractor with a list of 439 members for which they received a dental credit. IHP received a credit for only 1 of the 49 members that had not accessed medical or pharmacy services in 2015 or 2016.

IHP also supplied the Contractor with a list of 473 members who were cancelled by IHP in 2016. The Contractor used that list to reduce the 2015 group of 98 by 21 members. IHP received a credit from Delta Dental for 13 of the 21.

**SUMMARY OF MILLAGE MEMBERS ENROLLED PRIOR TO 1/01/2015 WHO DID NOT UTILIZE ANY MEDICAL, DENTAL, OR PHARMACY SERVICES**

Active members as of 12/31/15 enrolled prior to 1/01/15, w/o medical or Rx services in 2015	98
Members cancelled in 2016 from the group of 98	-21
Members receiving services in 2016 from group of 98	-28
Active members as of 12/31/2016 w/o medical or pharmacy services in 2015 or 2016	49
3 of 15 members submitted to Delta Dental received services--extrapolated	-6.5
IHP received a credit from Delta Dental for 1 member	-1
Estimated # of members w/o services in 2015 and 2016	41.5
Estimated County costs for inactive members—2015	\$11,683.08
Estimated County costs for inactive members –2016	\$7,968.00
Estimated Total Costs for Inactive members in 2015 & 2016	\$19,651.08

Based on the data detailed above it appears as if the County reimbursed IHP for dental services for inactive members. The turnover volume in 2016 (i.e. 473 cancellations and 402 new enrollees) increases the difficulty in correctly identifying millage eligible members and assuring that the caseload is not inflated with inactive members. IHP should be acknowledged for recovering \$27,246 from Delta Dental for members that have been removed from the rolls.

### **MILLAGE ELIGIBILITY FACTORS**

The Contractor reviewed 30 randomly selected application files as to millage eligibility based on household income, residency status, and lack of eligibility for other insurance. One of the 30 case files reviewed was missing documentation of residency status. The review is summarized below and the shaded bullets indicate non-compliance with the residency factor.

#### Household Income:

- 30 of 30 files were eligible based on reported income.
- 18 of 30 provided proof of income such as a pay stub.
- 26 of 30 signed an attestation form as to their income.
- 14 of 30 provided proof of income and the signed attestation form.

#### Residency Status:

- 30 of 30 reported addresses were in Ingham County.
- 26 of 30 provided proof of address in the file such as a driver's license or utility bill.
- 3 of the 30 signed an attestation form.
- 1 file contained an expired ID card as proof of residency.

#### Eligibility for Other Insurance:

- 20 of 30 files included a signed attestation as to non-citizenship\*
- 22 of 30 files included proof of non-citizen status. \*
- 13 files included both proof of citizenship status and a signed attestation form.
- 1 file-included proof of eligibility for Medicaid spend down.

\*Lack of the proper citizenship status is important because while they might qualify for Medicaid or Healthy Michigan based on household income, their citizenship status makes them otherwise ineligible.

Please note that the Contractor reviewed documentation provided by IHP that was not originally included in the application file. Please also note that in the absence of proof of income or citizenship status in the application file, IHP has developed attestation forms that the applicant signs and are accepted as proof of millage eligibility.

During the implementation of the Affordable Care Act, IHP required members that may have appeared to be eligible for Medicaid, Healthy Michigan, or access to the Market Place to either sign up for the new insurance or reapply. Since that time IHP utilizes what they refer to as annual "passive" reapplication process. Each year they attempt to contact each member at their last known address and rely on the member to tell them if their eligibility status has changed. If the individual responds that they are still eligible they are considered an active member. If they do not respond they are also considered active. However, if the reapplication correspondence is returned undeliverable IHP removes the individual from the eligibility list. Likewise, if any correspondence is returned undeliverable the individual is removed. In addition, if IHP is aware that a member may be eligible for Medicaid or Healthy Michigan, IHP will routinely check the CHAMPS system to see if their eligibility is confirmed.

In 2015 the Contractor reviewed 20 case files. Five of the twenty case files reviewed were missing documentation for one or more of the factors, including 7 specific findings. In 2016 the findings improved in that only 2 of the 30 files reviewed were missing documentation.

### **IHP'S CHANGE IN NET ASSESTS**

IHP's net assets have changed significantly from 2011 through 2016. At the end of 2011 the net assets were \$5.68 million, increasing to \$13.5 million at the end of 2014, and declining to \$8.5 million at the end of 2016. Please refer to the chart below.

### **IHP SUMMARY OF YEAR END FINANCIAL ACTIVITY**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015 15 months</b>	<b>2016</b>
REVENUES	18,560,378	15,396,135	15,590,569	13,602,084	2,796,689	1,316,000
EXPENSES	18,465,749	14,449,389	12,132,245	10,202,514	5,656,014	3,461,300
NET ASSETS	5,678,786	6,625,532	10,083,856	13,483,426	10,624,101	8,478,801
<b>CHANGE IN NET ASSETS</b>		<b>946,746</b>	<b>3,458,324</b>	<b>3,399,570</b>	<b>(2,859,325)</b>	<b>(2,145,300)</b>
FISCAL YEAR END (FYE)	9/30/11	9/30/12	9/30/13	9/30/14	12/31/15	12/31/16
<b>MILLAGE REVENUES</b>			<b>3,477,954</b>	<b>3,490,156</b>	<b>765,937</b>	<b>778,608</b>

#### Sources:

2013 & 2014 Ingham County Audited Financial Statements

IRS 990's for FY2011-2014

IHPC Audited Financial Statements for 2015 & 2016

Net assets increased significantly in the first few years of the millage. For example, fiscal years 2013 and 2014 net assets increased by \$3.5 and \$3.4 million, respectively. In 2015 the County entered into a contract with IHP to reimburse them for only costs associated with millage eligible members, capped at \$1 million. The result was a decline in net assets in 2015 and 2016 of \$2.9 million and \$2.1 million respectively.

Please note that the 2013 and 2014 increase in net assets were roughly equivalent to the new revenue generated by the County health care millage. In 2013 and 2014 IHP received \$3.5 million.

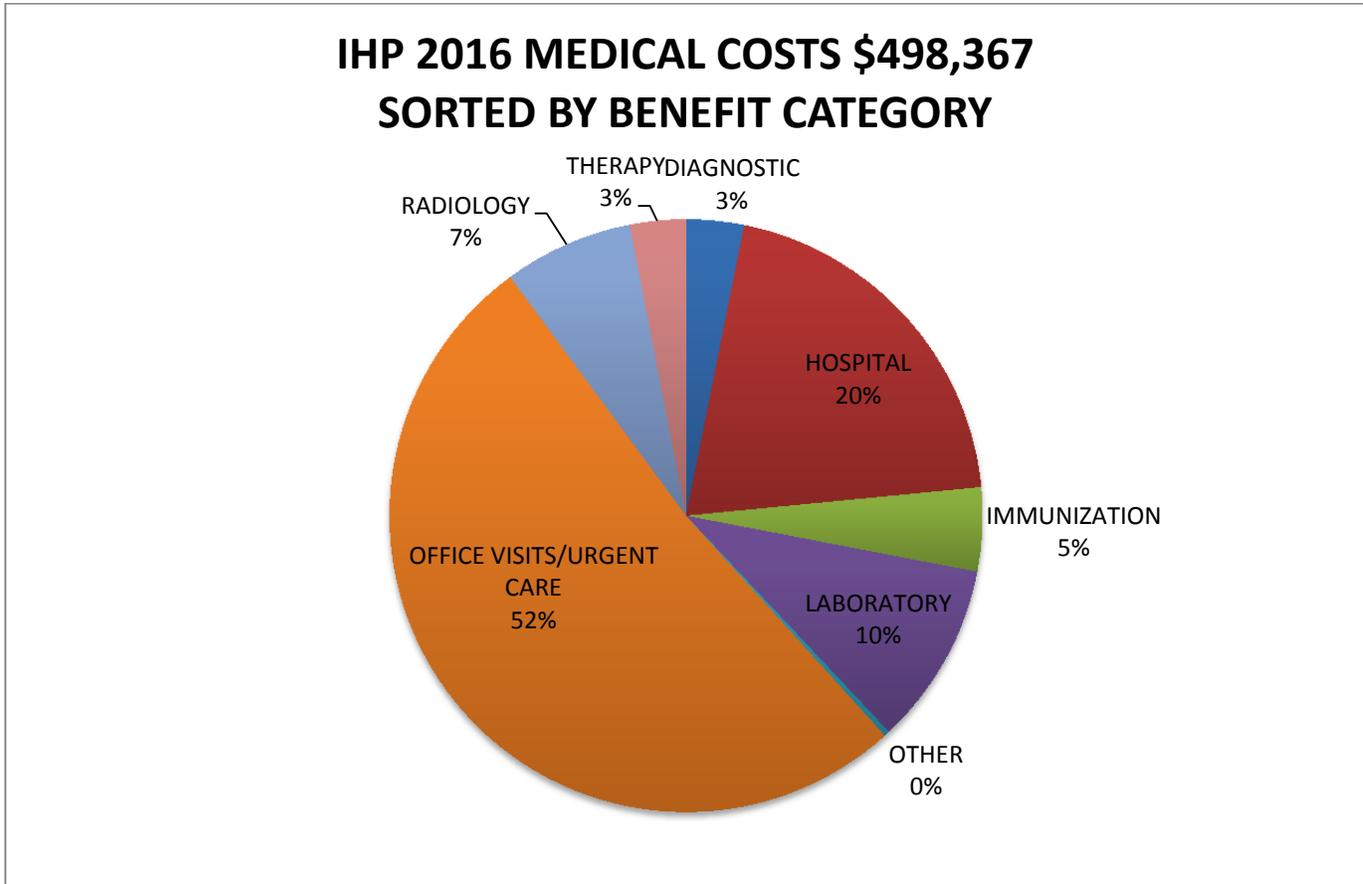
Concerns have been raised as to whether the increase in net assets in 2013 and 2014 are directly linked to the millage revenue. Based on the ballot language approved by the voters, IHP cannot spend the portion of net assets associated with millage revenue on non-millage members.

The Contractor's 2017 contract amendment requires a review of IHP's net assets. The Contractor will attempt to link prior year's revenues to specific expenditures, particularly as they relate to the 2013 and 2014 fiscal years.

Please note that IHP continued to receive federal disproportionate hospital payments through 2015, that may account for all or a portion of the increase in net assets. Please also note that in 2014 the Affordable Care Act increased Medicaid coverage for hundreds of thousands of Michigan citizens. This increase in coverage caused a significant drop in IHP members.

### **IHP MEDICAL PAYMENTS AND VENDORS**

In 2016 the County reimbursed IHP \$809,356 for millage related costs. Medical payments represented \$498,367, or 61.6% of the total reimbursements. Please refer to the pie chart below for more details. The largest benefit category is Office Visits/Urgent Care at \$258,645 (52%), followed by Hospital payments at \$101,882 (20%), and Laboratory Services at \$49,999 (10%).



Source:  
IHP monthly Invoices

The Contractor selected four large vendors and determined the total payments made by IHP to each vendor. The vendors were Edward W Sparrow, Ingham County, Cristo Rey and Lansing Urgent Care. Edward W Sparrow was the largest vendor related to millage expenses at \$122,361. Cristo Rey was the next largest at \$72,559, followed by Ingham County at \$65,900, and Lansing Urgent Care at \$50,579. The four vendors combined for \$311,400 or 62% of the total vendor payments. Please refer to the chart below for additional detail.

## SUMMARY OF SELECT IHP MEDICAL VENDORS--FY 2016 PAYMENTS

VENDOR	WITHIN MILLAGE	OUTSIDE MILLAGE	TOTAL
SPARROW	122,361	41,165	163,526
INGHAM COUNTY	65,900	28,327	94,228
CRISTO REY	72,559	9,717	82,275
LANSING URGENT CARE	50,579	18,911	69,490
TOTAL SELECT VENDORS	311,400	98,119	409,519
TOTAL IHP MEDICAL PAYMENTS	498,367	198,949	697,316
SELECT VENDORS AS A PERCENT OF TOTAL PAYMENTS	62%	49%	59%

Source:

IHP Monthly Invoices

The Contractor reviewed a sampling of 2016 Sparrow payments. The payments reviewed included millage and non-millage related services. Based on the sample the single largest benefit category was Surgery at 50%. The second largest benefit category was laboratory operations at 22%. The third largest benefit category was Radiology at 9%.

The Contractor reviewed these vendor payments in order to determine if the Ingham County Community Health Center (CHC) is providing the same type of services as other IHP vendors. It would appear based on the information above, that the largest vendor, Edward W Sparrow, is providing benefit services that are not also provided by the CHC. The County may wish to engage in a dialogue with the Health Department as to whether or not the CHC has the ability or the willingness to provide more or less medical services to IHP members.

### SUMMARY

Based on the information detailed above please note the following conclusions:

#### Invoice Review

- Total payments made by the County to IHP in 2016 totaled \$809,356. The Contractor's review of the monthly invoices from IHP did not yield any significant discrepancies

#### Enrollment

- Millage member enrollment increased from 1,011 as of 12/31/2015 to 1,053 as of 12/31/2016. In 2016 473 millage members were removed from the rolls and 402 were added.

#### Inactive Members

- Based on an ongoing review by the Contractor, it would appear that IHP billed the County for dental services for 41 inactive members in 2015 and 2016.

### Millage Eligibility

- The Contractor reviewed 30 randomly selected application files as to millage eligibility based on household income, residency status, and lack of eligibility for other insurance. One of the 30 case files reviewed was missing documentation of residency status.
- This was a significant improvement from 2015 when the Contractor reviewed 20 files. Five of the 20 case files reviewed were missing documentation for one or more of the factors, including seven specific findings.
- Please note that the Contractor accepted proof from IHP that was not originally included in the application file. Please also note that in the absence of proof of income, residency or citizenship status in the application file, IHP has developed attestation forms that the applicant signs and are accepted as proof of millage eligibility. The use of attestation forms is a less than ideal proof of eligibility.

### Change in Net Assets

- IHP's change in net assets has changed significantly since 2011. At the end of 2011 the net assets were \$5.68 million, increasing to \$13.5 million at the end of 2014, and declining to \$8.5 million at the end of 2016. The Contractor will review IHP's financials over the last few years to try and determine what if any portion of current net assets is related to millage revenues.

### IHP Medical Payments

- A review of IHP payments to four large vendors indicates that approximately \$311,400 of the \$498,367 went to Edward W Sparrow, Ingham County, Cristo Rey, and Lansing Urgent Care.

**ATTACHMENT A**  
**CHECKLIST**  
**INGHAM HEALTH PLAN**  
**MONTHLY INVOICE REVIEW**

Month December 2016

Total Monthly Invoice \$33,860.70

Total YTD \$812,080.41

Total Members 1,498

Total Millage Eligible Members 1,057

Medical Expenses Invoice=Check Register Yes

Medical Services are Millage Eligible Yes

Pharmacy Expenses Invoice=Pharmacy Report Yes

Pharmacy Expenses Millage Eligible Yes

Tested 13 of 200 claims and \$2,691 of \$4,827 pharmacy expenses

Dental Expenses = \$16 PMPM Yes

List of Ineligible Medical Expenses None

List of Pharmacy Expenses not in Formulary None

Exceed 10% Admin cap for month \$2,724.58\*

Total Approved Monthly Invoice \$31,136.12

\*The December invoice includes a \$27,245.82 credit from Delta Dental representing up to 6 months retroactivity for disenrolled members, that had not generated a claim for payment. The December invoice did not reflect the 10% administrative costs that had been paid by Ingham County in prior months on this \$27,246 credit.

Reviewer \_\_\_\_\_

Date \_\_\_\_\_

**ATTACHMENT B  
SUMMARY OF INGHAM HEALTH PLAN 2016 MONTHLY INVOICES**

<b>MONTH</b>	<b>TOTAL MEMBER S</b>	<b>MILLAGE MEMBER S</b>	<b>MEDICA L</b>	<b>PHARMAC Y</b>	<b>DENTAL *</b>	<b>ADMIN.</b>	<b>TOTAL</b>
JANUARY	1360	965	51,009	5,037	15,440	7,149	78,634
FEBRUARY	1330	1010	33,976	5,653	16,160	5,579	61,367
MARCH	1343	1037	47,998	5,896	16,592	7,049	77,535
APRIL	1397	1044	44,785	5,786	16,704	6,727	74,002
MAY	1421	1057	51,624	3,659	16,912	7,220	79,415
JUNE	1445	1040	47,328	4,678	16,640	6,865	75,511
JULY	1538	1065	38,450	3,877	17,040	5,937	65,303
AUGUST	1535	1109	37,935	7,288	17,744	6,297	69,264
SEPTEMBE R	1535	1046	37,533	6,626	16,736	6,090	66,985
OCTOBER	1493	1048	29,627	5,709	16,768	5,210	57,314
NOVEMBE R	1499	1056	44,289	5,078	16,896	6,626	72,889
DECEMBER	1498	1057	33,812	4,827	(10,334)	2,831	31,136
<b>TOTAL</b>			<b>498,367</b>	<b>64,113</b>	<b>173,298</b>	<b>73,578</b>	<b>809,356</b>

Mo. Average      1449.50      1044.50

\*The December invoice includes a \$27,246 credit from Dental, representing up to 6 months retroactivity for disenrolled members that had not generated a claim for payment. The Administrative costs have been reduced by an additional 10% of the credit or \$2,725.