

Presentation Outline

- Brief Background
- Current Organizational Arrangements
- Issues Related to Current Configuration
- Proposed Changes and Rationale
- Logistics of Change
- Q & A

Community Mental Health

- Mental Health Code (1974) - Section 116
 - “...it shall be the objective of the department to shift from the state to a county the primary responsibility for the direct delivery of public mental health services whenever the county shall have demonstrated a willingness and capacity to provide an adequate and appropriate system of mental health services for the citizens of the county.”
- 1979 Governor’s Committee on Public System Unification
 - Committee Recommends: “...establishing a single point of responsibility for voluntary and involuntary entry into Michigan’s public mental health system, for determination and oversight of the services it provides, for system exit, and for the resources that support service delivery. That single point of responsibility is to be located in the community. It is designated as a local mental health authority encompassing one or more counties.”

Types of CMHSPs

- Historically, community mental health services programs (CMHSP) were established as a formal agencies or departments of county government
- Amendments to the Mental Health Code in 1996 expanded the type and form of CMHSP entities
 - A CMHSP can now be established as an agency of county government, as an organization under the Urban Cooperation Act (UCA), or as a mental health authority
 - A community mental health organization or a community mental health authority is a public governmental entity separate from the county or other governmental agencies that establish it.
 - Procedures and policies for a community mental health organization or a community mental health authority are set by the board of the community mental health services program.

The Creation of the WCHO

- Following the passage of necessary enabling legislation, Washtenaw County and the University of Michigan Health System established (in 2000) - under the provisions of the Urban Cooperation Act - new entity designated as the Washtenaw Community Health Organization (WCHO).
- The WCHO is a public governmental entity, separate from the parties that created it, with powers and duties delimited by the UCA agreement, and its governing board appointed by the County Commission and the Regents of the University.

WCHO Auspices and Service Obligations

- Roles and Responsibilities of the WCHO:
 - It is the CMHSP for Washtenaw County under the MH Code
 - It is the Designated Medicaid Prepaid Inpatient Health Plan (PIHP) for Washtenaw and three (Monroe, Lenawee and Livingston) adjacent counties.
 - It also functions as the substance abuse Coordinating Agency (CA) - under the Public Health Code - for Washtenaw and Livingston counties.
- Total Budget of \$112 Million; Many Funding Sources

Populations Served & Funding Complexities

- The populations served by the WCHO are individuals with serious mental illness, developmental disabilities and substance abuse disorders
- *However*, identifying, specifying, and differentiating various state and federally mandated and discretionary service activities of the WCHO involve complex considerations
- This complexity stems from the fact that the WCHO manages multiple funding sources - under different statutory auspices and authority - each of which has particular legal constraints, eligibility determinates, service-use qualifications, and benefit arrangements.

Organizational Peculiarities

- Since its initial formation in 2000, the WCHO has utilized lease and contract agreements with the County to obtain personnel, support functions, direct services operation, facilities and equipment necessary to fulfill its contractual obligations to the state
- Despite the scope of its responsibilities, the scale of its funding (\$112 Million), the extent of its financial risk (under capitation) and the complexity of its regulatory obligations, the WCHO Board currently has no employees of its own.

Problems Posed by Current Arrangements

- The continuing reliance on personnel lease arrangements for key administrative and operational staff appears contrary to the language and intent of various statutory, regulatory and contractual provisions.
- Moreover, the continuing use of lease/contracting arrangements over such an extended period (i.e., since the establishment of the organization 11 years ago) has raised concerns regarding potential liability exposure (e.g., *respondeat superior* liability; apparent/ostensible agency liability; etc.) for the County.

Proposed Changes

- WCHO Board, after discussions with County Administration, has elected to request the transfer of a number of currently leased, non-represented, county employees to the employ of the WCHO. Such transfers and appointments will conform to all requirements and employee protections in statute and with any transfer provisions in the interlocal renewal agreement.
- These transfers and/or appointments will be limited to a small number of non-represented administrative positions (currently leased) “...who are necessary for the operation of an undertaking created by an interlocal agreement” (MCL 124.505g), *and there is no plan or consideration of further transfers beyond this core group*

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Next Steps and Other Considerations

- The technical aspects of transfer arrangements - including employee rights, status and benefits - are currently being examined to ensure compliance with statute protections and requirements.
- We will have more information for you later this summer, pending completion of the research on these technical issues and employee protections.
- This change will not affect the flow of funds through the Treasurer's Office, will not materially affect the Cost Allocation Plan contribution from the WCHO, and will not provide compensation or benefits above or beyond current county approved arrangements for the WCHO.