

Ottawa County
Community
Mental Health
Authority –
Public Hearing



Ottawa County



COMMUNITY
MENTAL HEALTH

OTTAWA COUNTY

Introductions

- Patrick Waterman, Ottawa County Administrator
- Dr. Michael Brashears, CMHOC Chief Executive Officer
- Karen Karasinski, Ottawa County Fiscal Services Director
- Doug VanEssen, Ottawa County Corporation Counsel

miottawa.org/cmhauthority

Why are we considering this now?

- We are in an era of unprecedented instability and risk with Medicaid funding, which puts CMH services to our residents at risk.
- We are concerned about the funding running out. We asked the state to confirm that as a county department, we wouldn't be expected to cover any Medicaid deficit, but we received no response.
- 78 of 83 Michigan counties currently operate as CMH authorities. We believe there is tremendous benefit and value in aligning with the majority of CMH systems in the state.
- There is strength in numbers – We believe that by transitioning to an authority, we will be better positioned to ensure funding security and thereby continuing to provide the highest levels of service.
- We believe that transitioning to an authority model effectively shifts the responsibility for Medicaid shortfalls squarely where it belongs, with the State.

What would change?

ITEM	COUNTY CMH DEPARTMENT	CMH Authority
Procedures and Policies	Approved by CMH Board and County BOC	Approved by CMH Board
CMH Budget, Annual Plan, Requests for Funds	Approved by CMH Board and County BOC	Copy Sent to County BOC
Liability	Potentially the County	State of Michigan
CMH Staff	County Employees	CMH Authority Employees
Employee Retirement	MERS DC and DB	MERS DC and DB remain in place for at least 1 year.
Employee Healthcare	County Health Plan	Must be comparable but is offered by the Authority
Purchase or Lease Property and Equipment	Approved by CMH Board and County BOC	Approved by CMH Board
Transfer, Divide, or Distribute Assets/Liabilities	Approved by County BOC	Approved by CMH Board
Enter into Contracts and Agreements	Approved by CMH Board and County BOC	Approved by CMH Board
Accept Gifts/Grants and Determine their Use	Approved by County BOC	Approved by CMH Board
Incur Debts, Liabilities or Obligations	Legal uncertainty in who is obligated to fund Medicaid and CCBHC liabilities and, therefore, whether the CMH Board and/or County BOC	Approved by CMH Board with state of Michigan underwriting of deficits
Commence and Defend Litigation	Approved by County BOC	Approved by CMH Board
Manage Finances and Investments	Approved by County Treasurer and County BOC	Approved by CMH Board
Fix and Collect Charges, Fees and Rents	Approved by CMH Board and County BOC	Approved by CMH Board
Governance	12-member Board, appointed by County BOC	12-member Board, appointed by County BOC
Financial Audit	Reported as a Special Revenue Fund of the County and included as a portion of the County's audit.	Has its own audit and its own separate financial statements.
Funding Sources	State contracts and external grantors, appropriated for CMHs, general obligation of revenue bonds subject to municipal finance act, fundraising and donations.	State contracts and external grantors, County appropriations, borrowed funds, agreements, fundraising and donations.

What would this mean for our service recipients?

- Under an Authority model, the same professionals will be using the same eligibility and service criteria to provide the same behavioral health services in the same locations using the same amount of dollars.
- The Authority would be nimbler to achieve cost savings with joint ventures with other private or public entities and would have access to short-term borrowing that the County may not undertake if there is a gap in funding between fiscal years.
- As the CMH departmental impact analysis indicates, there is expected to be no change in the services offered and/or the population served resulting from the transition to an Authority.

What would this mean for our CMH employees?

- County employees would become employees of an authority.
- No longer tied to employee-related decisions by the county – good or bad
- No changes in job duties
- 1 year guarantee of wages and benefits
- To our knowledge, in the 78 counties, employees have not moved to return to a county department
- County will continue to provide support services via contract to support staff

What would this mean for our County?

- The County would see a potential loss in revenue from CMH for support services
- The Board Of Commissioners will still appoint CMH Board members (i.e. continuation of oversight)
- Reduction in administrative burden on county staff
- Reduction in financial risk to county taxpayers and threat to AAA bond rating
- County can decide at any point to revert to department model if it is deemed necessary.

How would this happen?

- If BOC approves a resolution creating an authority at the end of February, the change will not occur for one (1) year (i.e., February 2027), unless the state directs an earlier transition date to align with the fiscal year (i.e., October 2026).
- Once authority status occurs, a 3+ year transition plan will commence that will extend county services by contract with the Authority at current county charges. This keeps revenue flowing to the county for services it currently provides the department at the same rates to protect the Authority's budget.
- Once the Authority becomes operational, CMH staff will be Authority staff, subject to the decision making of the Mental Health Board, except that wages and benefits cannot be diminished during the first year. Thereafter CMH wages and benefits are compared against those in other behavioral health care providers or other CMH Authorities and not to comparable county positions.
- Once the Authority becomes operational, the Mental Health Board, not County Board, will determine all provider contracts.
- Once the Authority becomes operational, the County Board will still be obligated to appropriate the general fund contribution at 10% as it is now, and the County Board will still be obligated to appropriate 100% of the millage funds collected.

What are the next steps?

- County will hold the remaining required public hearings to continue to gain feedback.
- County will compile all oral and written comments/questions on a website and continuously provide written responses.
- After it has had the opportunity to review all of the public input, the Board of Commissioners is expected to make a final decision on this matter at an upcoming Board meeting.
- For more information: miottawa.org/cmhauthority