HUMAN SERVICES COMMITTEE
October 15, 2018
Minutes

Members Present: Nolan, Sebolt, Morgan, and Naeyaert

Members Absent: Banas, Koenig, and Tennis

Others Present: Mark Stevens, Jared Cypher, Lindsey LaForte, and others.

The meeting was called to order by Commissioner Nolan, who was acting as Chairperson, 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 October 1, 2018 Minutes

MOVED BY COMM. MORGAN, SUPPORTED BY COMM. SEBOLT, TO APPROVE THE MINUTES OF THE OCTOBER 1, 2018 HUMAN SERVICES COMMITTEE MEETING.

THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioners Banas, Koenig, and Tennis.

Additions to the Agenda

None.

Limited Public Comment

None.

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

3. Health Department

a. Resolution to Accept Substance Use Disorder Funding Award
b. Resolution to Authorize the First Year of a New Funding Cycle of the Americorps*Vista Grant 2018-2019
c. Resolution to Authorize an Amendment with BCBSM Administrative Services Agreement
d. Resolution to Authorize Agreements with Wayne Children’s Healthcare Access Program to Act as the Fiduciary/Payee for Agency Funding
THE MOTION CARRIED UNANIMOUSLY. Absent: Commissioners Banas, Koenig, and Tennis.

THE MOTION TO APPROVE THE ITEMS ON THE CONSENT AGENDA CARRIED UNANIMOUSLY. Absent: Commissioners Banas, Koenig, and Tennis.

1. **Health Center Board** – Interviews

Hope Lovell was not present.

**Acting Chairperson Nolan** asked Jared Cypher, Deputy Controller, to contact Becky Bennett, Board of Commissioners Director, concerning the residency of Ms. Lovell.

2. **Medical Care Facility** – Update on Additions/Renovations

Mark Stevens, Ingham Medical Care Facility Administrator, thanked the Committee for inviting him to update about the medical gas issues at the facility’s addition. He further stated that he looked forward to talking to the Committee in the future about adding an assisted living facility on the Dobie Road property.

Mr. Stevens stated that he had been in conversations with some potential partners for this type of facility. He further stated that there currently were no low cost, affordable assisted living facilities in Ingham County.

**Acting Chairperson Nolan** asked who the potential partners were.

Mr. Stevens stated that they had been in conversations with the Volunteers of America and United Methodist. He further stated that they currently had 175 people in one program who would otherwise be in a nursing home.

Mr. Stevens stated that providing assisted living would provide another level of assisted living in the area for those with lower income. He further stated that the construction was back on track with the medical gas system.

Mr. Stevens stated that a local, Lansing contractor had been brought in to install the medical gas system. He further stated that just last month they received the state permit.

Mr. Stevens stated that the project could now move forward. He further stated that they had to take some walls apart and remove the medical gas system that had already been installed.

Mr. Stevens stated that the cost estimate was about $345,000.

Commissioner Morgan asked how this issue came about. He asked Mr. Stevens to identify any missteps.
Mr. Stevens stated that a national company, Air Gas, brought in a subcontractor to install the medical gas and they had obtained a mechanical permit. He further stated that the subcontractor could install the medical gas if they did so if the contractor was American Society of Safety Engineers (ASSE) certified.

Mr. Stevens stated that the contractor was qualified. He further stated that Meridian Township went to East Lansing to approve the permit, and they did so.

Mr. Stevens stated that after about six weeks of work was completed, East Lansing inspected the job and gave permission to move forward. He further stated that Price Dobernick, Plumbers and Pipefitters Union business representative, pointed out that it needed to be a plumbing permit, not a mechanical permit.

Mr. Stevens stated that East Lansing reexamined the situation and redid the permit. He further stated that the job could not get certified and they needed to do the work over again with a plumbing permit.

Mr. Stevens stated that the major misstep was that Meridian and East Lansing gave the wrong permit and the work needed to be started over again.

Commissioner Nolan asked if there was any way to recuperate the extra cost.

Mr. Stevens stated that they were trying to recuperate the costs and were working with an attorney to figure that out. He further stated that Meridian Township and the City of East Lansing were covered by governmental immunity to some extent.

Mr. Stevens stated that the Medical Care Facility was a governmental nonprofit and every penny counted. He further stated that they would try to find out if they could recoup some costs.

Commissioner Morgan asked about culpability of the contractor or subcontractor in this case.

Mr. Stevens stated that they were looking at that too. He further stated that the contractor should have realized code requirements, but the State rules and laws were not clear-cut on this issue.

Mr. Stevens stated that the Medical Care Facility’s attorney’s opinion was that medical gas could be done both ways – with plumbing or with mechanical permits. He further stated that State Law states that if the code allows it to be done, then the local government should allow for it.

Mr. Stevens stated that they had discussed pursuing the contractor but it appeared to be a more difficult way. He further stated that their attorney stated that the Medical Care Facility could have gone to a judge to have a declaratory statement in order to continue the work under the mechanical license.

Commissioner Morgan asked if a local union was now doing the work.
Mr. Stevens stated that was the case and he was confident in their work.

Commissioner Sebolt stated that he had to push back, but he thought that the attorney’s advice was wrong and they should hold the contractor held liable. He further stated that the State Licensing stated that a plumber was needed for mechanical gas and it was clear on that issue.

Mr. Stevens stated that he would go over that again with the Medical Care Facility Board and their attorney. He further stated that he only shared that to show that this was a very convoluted case.

Mr. Stevens stated that attorneys followed what was the chain of law and evidence. He further stated that he was not trying to defend anyone but he just wanted to get the system built and provide good care.

Mr. Stevens stated that the Medical Care Facility did not want to want to use good money to chase bad either, so they needed to decide if they have a chance to get anything back. He further stated that they did not want to throw another $25,000 into attorney and court fees to end up with nothing.

Mr. Stevens stated that they would first try to work amicably with the City of East Lansing and then try to work with Air Gas next. He further stated that there was harm but they needed to decide when to pursue further action as they did not want any further delays while addressing this problem.

Mr. Stevens stated that at this point, everything was on the table and he was just sharing the story to show that this was not a clear case.

Acting Chairperson Nolan asked if Mr. Stevens had read Alice Dreger’s report in East Lansing Info. She asked who he felt she had blamed for this issue.

Mr. Stevens stated that he had read the report in East Lansing Info. He further stated that he felt Ms. Dreger laid the blame at the City of East Lansing since they did the inspection work.

Mr. Stevens stated that the City of East Lansing reported that it was the facility’s fault for pulling the wrong permit, but he did not agree with that. He further stated that the Medical Care Facility was good at senior care and relied on builders and construction contractors to do their piece.

Jared Cypher, Deputy Controller, asked if the Medical Care Facility had an owner’s representative for this construction project.

Mr. Stevens stated that the Medical Care Facility had Plante Moran as their owner’s representative.

Mr. Cypher asked what Plante Moran’s role as owner’s representative was.
Mr. Stevens stated that Plante Moran helped to get the bids and select Air Gas as the contractor for medical gas.

Acting Chairperson Nolan stated that this was a complicated issue and it seemed that there was a need for additional legislation and clarification.

Commissioner Naeyaert stated that she felt that regardless of the attorney’s opinion, the construction code was the be-all-end-all for this issue. She further stated that whether this was a mechanical or plumbing code needed to be clarified to take interpretation out of it.

Commissioner Naeyaert stated that the City of East Lansing had issued permit based on their idea of what was necessary and their interpretation. She further stated that she respected Mr. Stevens for everything he has done, and that he handled finances and the facility well.

Mr. Stevens stated that this was probably not the right time to remedy the situation, but they wanted to avoid lawsuits, if possible. He further stated that the contractor worked around the state with mechanical permits and it was evident that they did not have this problem in multiple other venues.

Mr. Stevens stated that this was the first time the contractor claimed to have a problem with medical gas being done under a mechanical permit.

Commissioner Sebolt asked if the contractor had produced the permits in the other venues.

Mr. Stevens stated that the contractor provided the cities they had worked on around the State, but would not provide the names of the facilities they had worked on.

Commissioner Sebolt stated that he would not believe it until he saw it. He further stated that the State Licensing Board stated that medical gas was considered a plumbing issue and they had the final say.

Mr. Stevens stated that it was difficult working this issue out with attorneys. He further stated that sometime they treated the issues as if they were right and everyone else was wrong.

Commissioner Morgan stated that if the attorney thought everyone else was wrong, there was often a lesson to be learned. He further stated when you thought everyone else was wrong, you were often the problem and the one who was wrong.

Mr. Stevens stated that he saw recovering these additional costs as an important thing since he was the steward of the funding for the facility. He further stated that he the positive part of this was that the new facility was very nice.

Mr. Stevens stated that the facility had private rooms and private baths which were so nice that some of the Board members had already reserved spots. He further stated that he has his own private business as a consultant to care facilities and often visits various facilities around the state.
Mr. Stevens stated that the Medical Care Facility was the best facility around. He further stated that many people in the hospitals that could be able to come to this facility and be well cared for at the new facility.

Mr. Stevens stated that this was the best facility in Michigan and provided care at a third of the cost of the hospital. He further stated that this addition was perfectly aligned for value-based care that the Medicaid system was looking for.

Mr. Stevens stated that the medical gas system allowed them to care for a greater number of people, including those that required ventilator-dependent care. He further stated that a number of people were leaving the State for this type of care because it was not readily available.

Commissioner Naeyaert stated that this was an emotional issue for her as her mother was at the Dobie facility many times. She further stated that this facility had their finger on the pulse of what seniors needed.

Commissioner Naeyaert stated that it was nice to have the care for the elderly and dementia care at the Medical Care Facility. She further stated that knowing that there was outstanding care available was so wonderful.

Mr. Stevens stated that they have a mission to improve lives and their mission did not really include needing to know so much about medical gas.

Acting Chairperson Nolan asked how many people were on the waiting list for the Medical Care Facility.

Mr. Stevens stated that the long-term, memory care was at 100 percent capacity. He further stated that the rehabilitation unit had an average stay of 17 days and occupancy was often fluctuating.

Mr. Stevens stated that the county-wide occupancy rate for nursing facilities was about 85% and they had about a 94% occupancy rate.

Acting Chairperson Nolan asked how many people were on the waiting list.

Mr. Stevens stated that the memory care unit had a list of about 10-12 people, but the waiting list was shorter than usual. He further stated that there had been some changes in reimbursements from Medicaid and if there was less than 85% occupancy for nursing homes, reimbursements were lessened.

Mr. Stevens stated that facilities were competing more for placements and they were taking patients that they historically had not taken. He further stated that the State’s Medicaid reimbursements made it difficult to have a low occupancy and recover costs.
Acting Chairperson Nolan stated that she wanted to thank Mr. Stevens for the facility and care provided. She further stated that additions such as the therapeutic pool and walking path were very nice.

Commissioner Morgan asked Mr. Stevens to come back and provide an update on this issue in a few months.

Mr. Stevens stated that he would like to.

Acting Chairperson Nolan stated that an update could probably happen in March or April.

Mr. Stevens stated that if the Committee did not mind he would like to come back and share affordable assisted living information too.

Commissioner Naeyaert stated that she thought that was wonderful and affordable health care for seniors was important. She further stated that being on the forefront of this issue was important.

Mr. Stevens stated that this was a business move also. He further stated that they were considering adding a 120 bed unit on the property for the next step of care. He further stated that the larger community reasons to provide this care was because of value-based purchasing reimbursements which encouraged this type of care.

Mr. Stevens stated that affordable assisted living was far less costly and could provide wraparound services with organizations such as the Tri-County Agency on Aging. He further stated that this type of facility was proven to reduce readmissions to the hospital which could be very costly.

Mr. Stevens stated that there were strategic reasons for looking at providing this services since it provided the right care, at the right time, with the right services. He further stated that there was a silver tsunami coming and this was the next public health crisis.

Mr. Stevens stated that many people were not paying attention, but the Medical Care Facility wanted to be there to provide good, affordable care.

Acting Chairperson Nolan stated that it reminded her of what was discussed a few years ago about the choice between care provided by a for-profit or nonprofit facility. She further stated that nonprofits put every penny back into the care and were not profiting off people’s misfortune.

Commissioner Naeyaert stated that the staff and social workers, and physical therapists were all important, and provided great care for and loved their clients. She further stated that staff was so important in fostering the environment.

Commissioner Morgan stated that it was so important to have good staff to provide these services. He further stated that he had done a lot of work with home care workers.
Commissioner Morgan stated that there were two types of people who did this work, the people who really loved to work there or the people who really needed a job. He further stated that when the environment was right and the staff really loved their work, it benefitted all.

Announcements

None.

Public Comment

None.

Adjournment

The meeting was adjourned at 7:05 p.m.

BARB BYRUM, CLERK OF THE BOARD