

**GRAND TRAVERSE COUNTY**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES BOARD**  
1000 Pavilions Circle, Traverse City, MI 49684

**MINUTES OF THE AUGUST 10, 2023 MEETING**

**PRESENT:** Cecil McNally, Gordie LaPointe, Mary Marois Board  
Rose Coleman, Darcey Gratton Staff

**ABSENT:** Penny Morris Commission

**GUESTS:** Rob Hentchel, Grand Traverse County Commissioner

The regular meeting of the Grand Traverse County Department of Health and Human Services Board was called to order at 1:00 pm by Board Chair Cecil McNally at the Garfield Township Hall.

**First Public Comment** – None

**County Liaison Report** – Grand Traverse County Commissioner, Rob Hentchel filled in for Penny Morris. Hentchel shared discussions from behind the scenes regarding the Pavilions covering losses with a shared interest-bearing account with the County and noted there is talk about scheduling a special meeting to discuss. Hentchel stated the topic came up at the April 18<sup>th</sup> Board of Commissioner’s (BOC) meeting to which County Administration told commissioners no decisions had been made at that time. Commissioners recently learned from County Administration that \$3.4 million of county funds have been used to cover the Pavilions since April’s meeting. Hentchel stated County Administration failed to update the BOC board. Hentchel wanted to let the DHHS board know there will be future discussions with the BOC regarding this topic. McNally stated he was under the impression it was \$2.5 million but noted that the \$3.4 might be the number before receivables.

**Approval of Agenda** – Chair McNally asked if there were additions, changes or corrections to the agenda. Motion was made by LaPointe to approve the agenda as presented, seconded by Marios and carried unanimously.

McNally shared a handout on a cash flow projection. LaPointe reviewed the need to discuss the realization on market share and market with nursing homes in the area. LaPointe inquired what would happen if it is found there is no need for six Pavilions or assisted living due to the competition in the area. The board discussed what other MCF’s were doing to adjust. Coleman shared some have a millage or in the process to get one. Coleman asked the board to keep in mind that when evaluating the use of the six pavilions, the current bed plan options are due to expire September of 2024 and that is when facilities can move their offline beds around all while still maintaining the beds. Coleman further reviewed when delicensing beds they go back to the state in the bed pool and are unlikely to receive back. The board discussed the state has already determined the county is over bedded by 50 beds and could take years to go through the certificate of need process to attempt to get the beds back if delicensed. Coleman is not aware of any facilities delicensing their beds but has heard of others adjusting their admissions according to staffing.

Going forward, LaPointe stated he would like to discuss alternative uses for space as an option and suggested the need for child care in the area. Marois disagreed and shared her thoughts

on licensed daycare not being a revenue maker due to state reimbursements not applying to many. Coleman shared she has had conversations with Hospice to see if they have a need for beds as well as with Goodwill about the use of the cottages for senior housing for the homeless population. Coleman stated nothing has been concluded but continues to investigate those two options for additional income. Coleman shared discussions out of the strategic planning with Board Chair McNally, to combine Hawthorn and Evergreen to potentially allow the use of Evergreen cottage for housing options with Goodwill. LaPointe suggested looking into hospitality apartments for either families or traveling nurses and discussed working with Munson. Coleman shared that a contract was drawn up with Munson about a year ago and they decided to back out. LaPointe thought it would be good to check into again.

Coleman shared that the industry keeps indicating as well as Plante Moran who had provided the data to the board of a significant rebound being expected in 2024 in health care. Coleman believes that is the reasoning behind facilities holding off on delicensing their beds. Marois stated she felt the discussion was good for long-term planning but believes there is a real short-term issue. Marois expressed her concern about not getting clear advice from Plante Moran. McNally requested for Coleman to handout the notes from the strategic working group meeting held on August 3, 2023 that included the overall goals to subsidize business units that are losing revenue and to create a timeline for the 2023 budget cycle. McNally reviewed the option of using a management company structure to help with reimbursement and shared the need to improve marketing strategies. LaPointe requested for Financial Director, Lindsey Dood to provide the board with a time frame on restructuring. McNally explained that Dood is going to run two budget cycles with one being at 135 census and another at 155 to see exactly what the Pavilions would look like under those two scenarios and will have Plante Moran validate those numbers. Regarding PACE North, McNally shared that the financial director, John Jacobs, indicated at the last PACE North board that some repayment will be starting in October of this year. McNally shared that from what he can tell from the attorneys, mediation is planned with PACE North on October 6 to pursue collection of outstanding receivables. Regarding Assisted Living, McNally shared options for the cottages which could include consolidating Evergreen and Hawthorn to allow using one of the buildings for Independent Living through Goodwill and a potential to work with Community Mental Health. McNally also reviewed the need of a significant rate increase for willow dementia units. Coleman shared the comparison with other memory care facilities who charge \$5,000-\$7,500 a month and noted that the Pavilions are not even at the baseline of those fees for Willow. Marois stated that the Board needs to put on the table the idea of looking at an alternative to provide assisted living and memory care. Coleman stated she would like to consolidate Evergreen and Hawthorn to move those services into one and would need board action to move in that direction and noted it would provide a short-term impact by decreasing utilities at one cottage and sharing the staff into the one, all while recognizing the time it'll take to go through the process of a move for the residents. McNally continued reviewing senior living options with independent living at Willow based on three levels of progressive acuity, the use of Medicaid waivers and adult day.

Marois stated the process of the strategic planning by Plante Moran has been to slow. Hentchel noted a consultant should be sharing a plan. LaPointe shared that Plante Moran provided data on where the market was going, and noted there is no simple straight forward answer. Hentchel spoke of another local facility who have filled their beds and full of staff with talk of opening another facility. Hentchel noted that some have this figured out. LaPointe inquired if it was skilled facility which is a big difference, but Hentchel was unable to answer and didn't want to name names. McNally stated he thought it would be appropriate for Rob Long from Plante Moran to attend the next Board meeting with Financial Director, Lindsey Dood to discuss the two budget cycles of 135 versus 155 census. Marois would like to hear from Long on what

would make an immediate impact financially and the direction the Board needs to go in now. The board discussed the current options in the community for seniors have changed the need for the cottages.

After much discussion, McNally gave an overview of each goal alignment provided in the handout which shares what Plante Moran is recommending. Coleman shared she believed the first step is to do something with the Assisted Living right away as recommended by Plante Moran. The board agreed to have Plante Moran come back in for recommendations.

Marois inquired who oversaw Marketing and inquired if there was an overall marketing plan. Coleman stated no, there is not and shared Community Relations and Volunteer Assistant, Clayton Wagatha handles some of the marketing. However, Residential Services Director, Shelby Mack handles the cottages and Amy Coneset handles the Therapy department. Coleman gave an overview of advertisements in senior publications, miscellaneous ads, presentations on health and wellness, social media posts, participating in several forums. Coleman noted that for many years advertisements have been place in the record eagle and hasn't brought up a significant amount of referrals. Coleman stated senior publications as well as a strong relationship with Munson on referrals has been successful. Coleman doesn't feel that advertisement is the issue. McNally suggested using local news. Marois would like to see a marketing plan.

Marois suggested to set up a meeting with Long prior to the next board meeting to discuss the strategic plan to find out what he can do for the Pavilions in terms of looking at moving forward with the intent of trying to live within the budget and increase the Pavilions market share.

**Corporate Compliance Appointment** – Coleman removed the approval of Corporate Compliance Officer until August 31 Board meeting.

**Grand Traverse Pavilions Announcements**

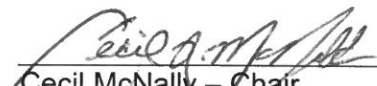
(1) Next Board Meeting August 31, 2023

**Second Public Comment**

Claudia Bruce

Meeting adjourned at 2:54 pm

Signatures:

  
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Cecil McNally – Chair  
Grand Traverse County Department of Health and Human Services Board

  
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Rose Coleman, Assistant-Secretary

Date: 8/31/23 Approved  
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Corrected and Approved

