Northern Michigan Regional Entity

Board Meeting

September 27, 2023

1999 Walden Drive, Gaylord

10:00AM

Agenda

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1.	Call to Order	
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3.	Pledge of Allegiance	
4.	Acknowledgement of Conflict of Interest	
5.	Approval of Agenda	
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	a. Northern Lakes Update	
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14.	Comments	
	a. Board	
	b. Staff/CMHSP CEOs	
	c. Public	
15.	Next Meeting Date – October 25, 2023 at 10:00AM	
16.	Adjourn	

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NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – AUGUST 23, 2023
GAYLORD BOARDROOM

ATTENDEES:	**Tom Bratton, Gary Klacking, Eric Lawson, Greg McMorrow, Michael Newman, Gary Nowak, Jay O'Farrell, Ruth Pilon, Richard Schmidt, Don Smeltzer, Don Tanner, Chuck Varner**
VIRTUAL ATTENDEES:	**Karla Sherman**
ABSENT:	**Ed Ginop, Terry Larson**
NMRE/CMHSP STAFF:	**Brian Babbitt, Jodie Balhorn, Chip Johnston, Eric Kurtz, Diane Pelts, Brandon Rhue, Nena Sork, Deanna Yockey, Carol Balousek, Lisa Hartley**
PUBLIC:	**Dave Freedman, Hunter Pulaski**

CALL TO ORDER
Let the record show that Chairman Don Tanner called the meeting to order at 10:00AM.

ROLL CALL
Let the record show that Ed Ginop and Terry Larson were excused from the meeting on this date; all other NMRE Board Members were in attendance either in person or virtually.

PLEDGE OF ALLEGIANCE
Let the record show that the Pledge of Allegiance was recited as a group.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST
Let the record show that no conflicts of interest to any of the meeting Agenda items were declared.

APPROVAL OF AGENDA
Let the record show that no changes to the meeting agenda were proposed.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR AUGUST 23, 2023; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.

APPROVAL OF PAST MINUTES
Let the record show that the July minutes of the NMRE Governing Board were included in the materials for the meeting on this date.

MOTION BY RICHARD SCHMIDT TO APPROVE THE MINUTES OF THE JULY 26, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

CORRESPONDENCE

1) The minutes of the July 18 – 19, 2023 Community Mental Health Association of Michigan (CMHAM) Directors Forum.
2) The minutes of the August 3, 2023 PIHP CEO Meeting.
3) MDHHS Service Delivery Transformation Section August 2023 Update.
4) MDHHS MI Kids Now Dashboard dated August 3, 2023.
5) Behavioral Health 1915(c) HCBS Waiver Renewal Feedback Session listing of dates and times.
6) Memorandum dated August 9, 2023 from Kristen Jordan at MDHHS regarding concerns expressed with the Conflict-Free Access and Planning Listening Sessions for individuals served and their family members.
7) Memorandum from Jackie Sproat at MDHHS regarding Corrective Action Plan Incentives for fiscal year 2024.
8) Email correspondence dated July 31, 2023 from Robert Sheehan and Alan Bolter at CMHAM urging persons served to express their concerns about being rejected from participating in MDHHS Conflict-Free Access and Planning Listening Sessions.
9) Document from CMHAM dated June 2023 titled, "Focused Set of Concrete Approached to Strengthening Partnership between Michigan's Child Welfare and Community Mental Health Systems."
10) Document from CHMAM dated August 2023 titled, "Recommendations for a Coordinated and Collaborative Approach to Providing Screening and Assessments of and Mental Health Services to Children, Youth, and Families in Foster Care Settings."
11) Informational flyer promoting the NMRE Day of Education scheduled for September 8, 2023 at Treetops Resort in Gaylord.
12) The draft minutes of the August 9, 2023 regional Finance Committee meeting.

Behavioral Health 1915(c) Home and Community Based Services Waiver Renewal Feedback sessions scheduled for:

- Wednesday, September 6th at 10:00AM
- Thursday, September 7th at 2:00PM
- Tuesday, September 19th at 3:00PM
- Wednesday, September 27th at 10:00AM

Conflict-Free Access and Planning (CFAP) stakeholder listening sessions were held on August 1st and August 9th; many persons served tried to register for the listening sessions but were turned away from participating by MDHHS. The Community Mental Health Association of Michigan (CMHAM) has asked that concerns be directed to Meghan Groan and/or Belinda Hawks at MDHHS. Mr. Tanner expressed that this situation demonstrated "horrible judgement" on the part of the state.

MDHHS will be implementing a new Corrective Action Plan (CAP) incentive for FY24. The state may withhold a portion of the capitation payment to be earned through timely and accurate completion and resolution of CAPs.

Mr. Bratton referred to the August 3rd PIHP CEO meeting minutes, Crisis Services Update section; he asked if the 988 rollout has been successful. Mr. Kurtz responded that it has been less than ideal. Mr. Kurtz noted that all CMHSPs have 24-hour crisis access lines. NMRE Clinical Services Director, Bea Arsenov, added that if calls are made anonymously, no referrals can be made to CMHSPs.

ANNOUNCEMENTS
Let the record show that there were no announcements during the meeting on this date.

PUBLIC COMMENT
Let the record show that the members of the public attending the meeting virtually were recognized.

Executive Committee Report
Let the record show that no meetings of the NMRE Executive Committee have occurred since the July Board Meeting.

CEO Report
The NMRE CEO Monthly Report for August 2023 was included in the materials for the meeting on this date. Mr. Kurtz highlighted his tour of the Standish Prison on August 7th. Michigan Rep. Mike Hoadley (99th District) has proposed revamping the facility into something usable for the public, possibly a health park. Although it was viewed to be a viable facility, major renovations would be needed, which would be extremely costly. Ms. Pilon noted that the central location makes the site advantageous.

Mr. Kurtz next drew attention to his visit to Centra Wellness Network for its Board Planning Session on August 10th; he thanked Mr. Johnston for the invitation.

June 2023 Financial Report
- Net Position showed net surplus Medicaid and HMP of $3,953,501. Budget stabilization was reported as $16,369,542. The total Medicaid and HMP Current Year Surplus was reported as $20,323,043. Medicaid and HMP combined ISF was reported as $16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as $36,692,585.
- Traditional Medicaid showed $148,604,892 in revenue, and $147,284,975 in expenses, resulting in a net surplus of $1,319,917. Medicaid ISF was reported as $9,306,578 based on the current FSR. Medicaid Savings was reported as $7,742,649.
- Healthy Michigan Plan showed $26,426,138 in revenue, and $23,792,554 in expenses, resulting in a net surplus of $2,633,584. HMP ISF was reported as $7,062,964 based on the current FSR. HMP savings was reported as $8,626,893.
- Health Home showed $1,738,486 in revenue, and $1,510,609 in expenses, resulting in a net surplus of $227,877.
- SUD showed all funding source revenue of $23,407,402, and $19,612,791 in expenses, resulting in a net surplus of $3,794,611. Total PA2 funds were reported as $4,836,119.

A $4M lapse to the state is anticipated for FY23. A total of $2,720,209 in PA2 funds were approved for FY23; of that, $809,417 has been billed. The remainder will carry forward into FY24. Mr. Schnidt noted that PA2 may be lower in FY24 as counties have the ability to retain 60% (vs. the current rate of 50%). Ms. Yockey clarified that calculations will be made differently, however, so the overall impact should be minimal.

FY24 budget will be presented to the Board in September. Revenue is expected to be consistent with the current year.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JUNE 2023; SUPPORT BY GREG MCMORROW. MOTION CARRIED.

Operations Committee Report
The minutes from August 15, 2023 were included in the materials for the meeting on this date for informational purposes.

NMRE SUD Oversight Committee Report
Let the record show that the next SUD Oversight Committee meeting is scheduled for September 11, 2023 at 10:00AM. Mr. Schmidt noted that a few of the counties' available liquor tax balances are quite low.

NEW BUSINESS

NMRE Alpine CRU Contract
Regional CEOs met with the North Shores team in July. To keep the Alpine CRU (Gaylord) functioning, the NMRE agreed to pay 1/12th of the facilities operating costs (budget) per month beginning in September for a period of one year. The CMHSPs will issue zero cost contracts with the facility. The projected one-years cost was stated as $1.2M.

PIHP Contract Change Order No.9
Change Notice No. 9 to the current PIHP Contract was included in the meeting materials. The Change Notice amends the current contract to adjust the Direct Care Wage increase and update the MDHHS contact to Meghan Groen. A new contract will be issued for FY24.

MOTION BY GARY NOWAK TO APPROVE CHANGE ORDER NUMBER NINE (NO.9) TO THE NORTHERN MICHIGAN REGIONAL ENTITY'S PREPAID INPATIENT HEALTH PLAN'S SPECIALTY SUPPORTS AND SERVICES CONTRACT WITH THE STATE OF MICHIGAN, SUPPORT BY ERIC LAWSON. ROLL CALL VOTE.

"Yea" Votes: T. Bratton, G. Klacking, E. Lawson, G. McMorrow, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, D. Smeltzer, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

OLD BUSINESS

Grand Traverse County and Northern Lakes CMHA
Rehmann is preparing to begin the contractual oversight of Northern Lakes CMHA per its agreement with the NNRE. An email from Richard Carpenter, CPA with Rehman, to Mr. Kurtz dated August 23, 2023 was distributed during the meeting. The email was intended to serve as an acknowledgement of a potential conflict of interest. Mr. Carpenter disclosed that Rehmann functions as the Chief Financial Officer for Region 10 PIHP. Region 10 Area Agency on Aging and Northern Lakes CMHA compete over enrollment in the MI Choice Waiver Medicaid Program.

MOTION BY CHUCK VARNER TO ACCEPT THE ACKNOWLEDGEMENT OF A POTENTIAL CONFLICT OF INTEREST FROM RICHARD CARPENTER AND REHMANN AS IT RELATES TO ITS ENHANCED AGREEMENT WITH THE NORTHERN MICHIGAN REGIONAL ENTITY FOR CONTRACTUAL OVERSIGHT OF NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY; SECOND BY TOM BRATTON. MOTION CARRIED.

PRESENTATION

Hunter Pulaski from MacDonald Garber Broadcasting was in attendance to present on the NMRE's Substance Use Disorder (SUD) Gambling Prevention Media Campaign.

The NMRE issued a contract with MacDonald Garber Broadcasting to create a targeted display media campaign to focus on problem gambling paid for with state grant funding. Display ads were developed and shown on top popular websites. Throughout the 21-county region there have been 7,875,039 impressions to date (impressions = the number of times the images were shown on a screen); of those, there were 5,877 clicks on the images, which equates to a click rate of 0.07%.

MacDonald Garber Broadcasting also uses geofencing, the use of global positioning system (GPS) or radio frequency identification (RFID) technology, to create a virtual geographic boundary, enabling software to trigger a response when a mobile device enters or leaves a particular area. For the gambling media campaign, the geographic boundary was placed around casinos. Throughout the 21-county region there have been 391,474 impressions to date using geofencing; of those, there were 489 clicks on the images, which equates to a click rate of 0.12%.

It was noted that when an individual clicks on the impression, they are routed to the Michigan Problem Gambing Hotline at 1.800.270.7717.

COMMENTS

Mr. Johnston provided an update on the formation of the Rural and Frontier Caucus within CMHAM. The Rural and Frontier Caucus began with the 10 CMHSPs and 2 PIHPs within the 36 counties in Michigan's upper peninsula and northern lower peninsula to ensure that consideration is given to rural health care providers, particularly behavioral health care providers, before policy is promulgated and agreements are made with the federal government for service delivery; it has since opened up to other rural/frontier areas within the state. Matt Maskart, CEO of Pathways CMH, has been named the Caucus Chair.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on September 27, 2023.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:06AM.

Regional Entity CEO Group

Jim Johnson	Joseph Sedlock	Bradley Casemore
Vice Chair	Chair	Spokesperson

REGIONAL ENTITY CEO MEETING

Date: Tuesday, August 1, 2023, Time: 12:30 pm – 3:30 pm

DRAFT – Minutes

1. Welcome / Introductions

The meeting was called to order by Joe Sedlock at 12:05pm.

Present via Zoom meeting: Megan Rooney (Reg. 1), Eric Kurtz (Reg. 2), Stacia Chick for Mary Marlatt-Dumas (Reg. 3), Mila Todd for Brad Casemore (Reg. 4), Joe Sedlock (Reg. 5), James Colaianne (Reg. 6), Eric Doeh (Reg. 7), Dana Lasenby (Reg. 8), Dave Pankotai (Reg. 9), Jim Johnson (Reg. 10).

Absent: Mary Marlatt-Dumas (Reg. 3), Brad Casemore (Reg. 4)

Guests (selected/applicable portions): Barb Groom (MSHN Autism Lead), Bob Sheehan (CMHA)

CMHA Staff: Monique Francis

2. Agenda Changes / Previous Minutes Approval

Additions/changes to the agenda: None. **The group** agreed by consensus to accept the agenda with no additions/changes for August 1, 2023, and approve the minutes from May 2, 2023.

Priority/Action Items

3. Review current liaison lists (Joe/All)

The group reviewed the liaison list as it appeared in the packet. Joe Sedlock agreed to remain PIHP Chair. Jim Johnson nominated Joe Sedlock and Dave Pankotai to remain on the CMHA Steering Committee. Both accepted. The group agreed by consensus with no objections to this appointment. No action on Clinical group at this time. Utilization Management Directors group needs PIHP liaison representation. Dave Pankotai volunteered for this role. The group agreed by consensus with no objections.

4. Blue Cross/Blue Shield – September Meeting (Joe)

Joe reviewed the PowerPoint presentation sent to him from BC/BS, which is largely built upon behavioral healthcare options. Blue Cross asked Joe to promote the use of BC/BS and ask to have all (or some) of the PIHP Directors, or their representatives, attend a meeting in September for Blue Cross to present this same PowerPoint presentation to the entire group. Jim Johnson stated that Humana has contacted him to ask how they could best partner with his Region in a similar effort to promote partnering with PIHPs. Dana Lasenby reported that she met with Humana yesterday, and they seemed focused on DSNP, not the Health Plan rebid. She stated that she felt PIHPs need to control the discussion to drive what type of roles PIHPs will have in any partnerships to come from this. Eric weighed in stating that he agreed with Dana but felt that the PIHPs need to hold one-on-one meetings with either BC/BS and/or Humana as opposed to using the PIHP group format for any meetings. Eric Kurtz agreed that one-on-one meetings would be better to address distinct regional issues. The group discussed and agreed this would be the response Joe will give Blue Cross/Blue Shield – *PIHPs prefer to meet with the Health Plans on a one-on-one basis to better address regional issues.*

5. Autism Issues (All – Barb Groom, MSHN Autism Lead – 12:45pm)

Barb Groom, MSHN Autism Lead, reported on several issues regarding Autism. She stated that she has been involved with the Autism benefit since its inception in 2013. She reviewed 4 primary concerns, along with a document identifying a pattern of concerns realized by her and other autism leads from other PIHPs. Those 4 concerns are – Issue 1: Proposed new autism language regarding assessments, Issue 2: additional credentialing information requirements for QBHCs to be brought in-house within the Department, Issue 3: requiring PIHPs to submit sample evaluations for review from master's Levels clinicians, and Issue 4: MDHHS continuing to reference the development of Guidelines for Standardization of Autism Services.

Issue 1 – The group discussed the need for a comprehensive assessment prior to being approved for autism services. Barb stated that these changes are being reported in different meetings as in this being a done deal. Dana reported that advocacy discussions at the Autism Council meetings seem to hint at bypassing the process, and she appreciated the notes shared with the group today from Ms. Groom addressing these issues so that she can

share them at the Council meetings. She stated that extending the age for BC/BS covered citizens should be extended to Medicaid citizens as well. Dave stated that the Medicaid claims verification processes create a risk on the providers part and the PIHP part.

Issue 2 – Barb pointed out to the State that this is a duplication of efforts with the PIHPs holding the credentialing information, and that the PIHPs wanted to know in it meant since the State would be housing the credentialing information, would the PIHPs still be responsible for gathering the information. The PIHP group wondered if these changes were a result of the KB Lawsuit, which would make sense with the involvement of Phil Kurdunowicz in these discussions. The group briefly discussed whether creating a CRM would accomplish Universal Credentialing. Joe suggested bringing up the fact that there is a Public Act that references Universal Credentialing. Link to the PA: https://www.legislature.mi.gov/documents/2019-2020/publicact/pdf/2020-PA-0282.pdf. Jim stated that 42CFR states that providers credential the staff, and PIHPs ensure the providers are credentialed… Medicaid rules.

Issue 3 – Barb stated that the Department continues to express a commitment to autism evaluation reporting by master's Level clinicians. The Department now states they are going to require a 5 year look back, and it will not be used as a punitive measure, rather it will be used in development purposes to reevaluate evaluation reporting needs. The group felt this seemed to be a fruitless point with no measurable outcomes evident.

Issue 4 – Barb stated that MDHHS continuing to reference the development of Guidelines for Standardization of Autism Services. She stated that this sounded similar to Best Practices Guidelines from 2019 as Contractual Language. The concern is that new documents are being created outside of benefit policy language with the expectation that everyone will follow these guidelines for the State to ensure standardization across Michigan. Dave Pankotai stated that he felt this is also a result of the KB Lawsuit to address those issues.

Barb stated that the new Bureau is making many decisions without the input of PIHPs, and this may be intentional. That is the consensus of the Autism Leads across the PIHPs.

The group discussed what action could/should be taken by the Regional CEOs. The group agreed to add this to the agenda for their next meeting with the Department to ask them what goals would be accomplished by these actions.

6. FY24 MDHHS/PIHP Base Contract Issues (All)

Joe reported that MSHN raised about 330 points with the Department regarding questions/comments on base contract issues. Joe felt that he cannot present a unified standing from the PIHPs on individual questions/comments made by each PIHP. Eric Kurtz stated that he felt the Department was going to have to do something to present answers to the PIHPs. Joe stated that he felt the Department will likely issue a "here's what we agree to, and here's what we don't agree to…" type of statement. Dave Pankotai will share the response he received from the Department. No others in the group have received a response yet.

7. SUD Prevention Policy 2 – Communicable Disease (Mary/Stacia)

Stacia reported that there is concern with this policy. The GAIN assessment policy was dropped due to being too invasive, but now this policy's assessment tool has questions that encompass the same level of detail as the GAIN originally did. She reported that Mary would like to see this added to the agenda to be discussed at the next meeting on August 3. The group discussed that the issue now becomes how to implement the SUD Prevention Policy 2, without having to administer questions during assessment with this level of depth and invasiveness.

8. OPEN – No agenda items added here.

9. OPEN – No agenda items added here.

10. OPEN – No agenda items added here.

11. OPEN – No agenda items added here.

12. Michigan Opioid Advisory Commission Updates (Brad)

No update, no discussion.

13. Michigan Autism Council Updates (Dana)

- No Update

14. PIHP Contract Negotiations Update (Joe/Brad/Jim)

- No Update – Next meeting will be on August 9, 2023, and will focus on FY24 Base Contract.

15. Provider Network Reciprocity (V. Suder/Dana; S. Sircely/Eric K.)

- Inpatient – Report included in packet. No discussion.

- SUD Provider Performance Monitoring Reciprocity – No meeting; no update.

16. Training Reciprocity (A. Dillon/Joe)

- No Report

17. Chief Finance Officers Group Report (R. Carpenter/Jim)

- Notes from 7/25/23 meeting were included in the packet. Megan reported that the CFOs wondered if the PIHP CEOs wanted to appoint an additional CFO to the Contract Negotiations meeting. Joe clarified that the PIHPs group has not traditionally 'appointed' a liaison to that group, but it is important that there be one in that group. The group agreed with this assessment. Joe asked Megan to instruct those from the CFO group who are interested in being part of that group, reach out to Joe and let him know.

18. SUD Service Directors Group Report (D. Meier/Jim)

- May 26, 2023 and June 23, 2023 notes provided in packet.

19. CIO Forum Report (B. Rhue/Brad)

No Update.

20. Statewide Utilization Management Directors Group

- No liaison has been identified yet.

21. PIHP Compliance Officers Report (K. Zimmerman/Eric K.)

- No Update.

22. PIHP Parity Workgroup – Update/Status (A. Ittner/James) – No Update

- No Update

23. Provider Alliance Update (Joe)

- No Update

24. Diversion Council Update (Brad)

- No Update

25. MDHHS/PIHP Operations Meeting Planning (All)

- Next meeting is August 3, 2023.
- Topics to Add to Agenda (if any)
  - Autism Issues (lead will be Dave, with Joe to provide informational points to the Dept.)

26. CMHA Legislation & Policy Committee (Jim)

- No Update/No Report.

27. CMHA Coordination (B. Sheehan – 3:00pm)

Discussion topics from Bob Sheehan:

- Conflict free access and planning
  Bob reported that the Department has a listening session scheduled today, and August 9th, with many persons served being denied access to these sessions. He asked if any of the CEOs had heard of any other issues with clients trying to access these sessions. Most had heard the same stories of those being turned away. Joe asked if the Association could advocate for a third date for an additional listening session. The group discussed and most agreed that there is a broader issue being understood by the general public that the Department just does not care for clients' input.
- CCBHC: financing and development of TA Center
  Bob stated that the Association has listed comments and concerns regarding CCBHC financing. He stated that the application process is complex, and he is working to develop a technical assistance center and the financing required to do that.
- Getting views of PIHPs on Milliman's recent FY 24 rate presentation
  James Colaianne stated it was a lot of "to be determined" – a lot of information was lacking. Wakely put together some questions that were sent into the State, but no answers have been given yet. Joe stated that MSHN is requesting that FY23 utilization data is used for adjustments. Megan stated that she found the Healthy Michigan decrease extremely concerning. There is no risk mechanism to offset bad years that PIHPs are going to have. Eric stated that the base rates seemed a little wonky. He has indicated the risk corridor is a benefit to the State, reducing their risk. He hoped that someone within the Department would understand and realize this.

- Mental health services to children in child welfare system – group being pulled together by Patty Neitman
  Bob Sheehan reported that a group is being formed by Patty Neitman at the Department, which she would like to see include CMH representation, PIHP representation and State representation to work on Child welfare interface issues. Patty will be reaching out to the PIHPs for names of members for this group. Joe stated that MSHN and SWMBH have been involved in pre-planning discussions on this topic of services to children in the child welfare system, to define access issues and address them on a systemic basis. The hope was for some type of training or learning collaboratives to be created.

OTHER:
Dave Pankotai spoke about boilerplate language and the section regarding the requirement for fingerprinting. He asked if anyone was doing this or if everyone was taking the position that this did not apply to PIHPs. Most in the group agreed that this did not apply to them.
Jim Johnson reported problems with the SIGMA and CHAMPS systems, wherein the system is not allowing them access as a governmental agency. This is delaying checks as well as 834 processing for everybody.

ADD to September Agenda:
1. No items identified.

The meeting adjourned at 2:34pm.
Respectfully Submitted,
Monique Francis, CMHA Committee Clerk

Meghan Groen
Senior Deputy Director

BEHAVIORAL & PHYSICAL HEALTH & AGING SERVICES ADMINISTRATION (BPHASA)

BUREAU OF SPECIALTY BEHAVIORAL HEALTH SERVICES

The bureau is responsible for the implementation and management of a community-based system of care serving people with serious mental illness, serious emotional disturbance, co-occurring disorders, substance use disorders and intellectual developmental disabilities. Services are delivered through 10 prepaid inpatient health plans, 46 community mental health services programs and other community-based organizations. Funding sources for services in this system of care are through state general funds, federal grant funds, and federal funds supporting Medicaid and the Healthy Michigan Plan. The bureau is responsible for ongoing contract, program, and quality management activities and for assuring that federal and state conditions (applications, renewal requests, service, reporting and evaluation requirements) associated with these funding sources are met

Kristen Jordan, SBA Phone 517-388-7421 Jordank4@michigan.gov
Teri Baker, Executive Secretary 517-241-5066 bakert3@michigan.gov

Crisis Services & Stabilization Section

Overview: Responsible for the development and oversight of behavioral health crisis services and supports. Works closely with other areas of the administration and department to ensure that the vision and priorities related to crisis services for all populations are consistent with the overall direction of MDHHS and individual administrations.

Krista Hausermann, SAM 517-335-4952 hausermannk@michigan.gov

DIVISION OF CONTRACTS & QUALITY MANAGEMENT

Overview: Division responsible for contract oversight and performance monitoring for the public behavioral health system. Ensures Community Mental Health Services Programs (CMHSPs)/Prepaid Inpatient Health Plans (PIHPs) contract compliance with legislative and department policy and procedures, and applicable federal statutes, regulations, and waivers. Oversees the area responsible for monitoring and addressing PIHP and CMHSP compliance with contract requirements, administrative functions, financial management and reporting and performance outcomes. Oversees the various reporting requirements from the PIHPs and CMHSPs as dictated through the contract. Provides management support and financial direction related to the distribution of the Mental Health and Substance Use Disorder Block Grants and other categorical grants.

Jackie Sproat, SDA 517-230-8847 sproatj@michigan.gov
Julie Harrison, Executive Secretary 517-335-3768 harrisonj10@michigan.gov

Grants & Project Management Section

Overview: The Grants & Project Management Section oversees the management of the federal Center for Mental Health Services block grant, using those funds in part to facilitate the development of innovative or proven services for adults with serious mental illness. This section is also responsible for grant agreements with forty-six (46) CMHSPs and ten (10) PIHPs. This includes agreement maintenance, monitoring, and enforcement inclusive of financial and audit requirements. Ensures CMHSP compliance with the certification rules promulgated in supplement No.7 to the 1987 MDCH Administrative Rule for Certification.

Darrell Harden, SAM 517-335-5934 HardenD1@michigan.gov
Melissa Rai, GOA 517-241-8971 raim@michigan.gov

Data Payment & Integrity Section

Overview: Oversees & performs activities & prepares a series of annual technical reports to measure the performance of the CMHSPs in serving persons with mental illness & developmental disabilities &the PIHPs in serving Medicaid beneficiaries.

Debora Andrews, SAM 517-241-9438 andrewsd11@michigan.gov

Contract Management Section

Overview: This Contract Management Section oversees $3B in General Fund and Medicaid service contracts between MDHHS and 50+ contractors across the state. These contracts serve as the vehicle used by the state to provide the public with a full array of Medicaid community-based mental health (MH) and substance use disorder (SUD) services, non-Medicaid funded substance use disorder (SUD) services and innovative pilot program services such as health homes. Monitors contractor performance and compliance with contract terms and conditions, including recertification of Community Mental Health Services Programs (CMHSPs). Reports on the contractors' program and service implementation activities, their compliance with various data and fiscal reporting requirements, and their fiscal soundness. Enforces the terms and conditions set forth in the contracts through corrective action plans.

June White, SAM whitej53@michigan.gov

DIVISION OF ADULT HOME AND COMMUNITY-BASED SERVICES

Overview: The division is responsible for assuring PIHPs' and CMHSPs' compliance with federal and state regulations and rules, departmental policy, and contractual agreements as they operate various Medicaid programs, SUD services, and evidenced based practices serving people with developmental disabilities, serious mental illness, serious emotional disturbance, and co-occurring disorders. This assurance is operationalized through data collection and analyses, on-site review, and technical assistance and consultation. The division also coordinates and provides technical expertise in the development of the State's applications to the federal government for new or renewed Medicaid programs that serve these populations.

Belinda Hawks, SDA 517-256-7522 hawksb@michigan.gov
Cindy Gilpin 517-241-2596 gilpinc@michigan.gov

Community Based Practices & Innovation Section

Overview: The Community-Based Practices & Innovation (CPI) Section oversees many of the Medicaid specialty behavioral health services & supports for adults, and the programmatic oversight of adult mental health block grant projects. The overarching mission of the section is to assure the provision of effective evidence-based or innovative programs for adults with serious mental illness, co-occurring disorders, and/or intellectual/developmental disabilities, peer services, and assisting Veterans and Military families connecting to and served in the publicly funded behavioral health system.

Brenda Stoneburner, SAM 517-335-4419 stoneburnerb@michigan.gov
Lorianne Fall, Secretary 517-335-0552 falll2@michigan.gov

Federal Compliance Section

Overview: The Federal Compliance Section oversees Home & Community Based Services (HCBS) approved by the Centers of Medicare & Medicaid (CMS) for adults with serious mental illness, children and adults with intellectual & developmental disabilities and adults with autism spectrum disorder (ASD). This includes oversight of the Habilitation Services Waiver (HSW), the 1915(i)SPA, Person-Centered Planning and Self-Directed services.

Lyndia Deromedi, SAM 517-335-0678 deromedil@michigan.gov
Alana Blaha, Secretary 517-335-0678 blahaa1@michigan.gov

Substance Use, Gambling and Epidemiology Section

Overview: Prevention & Treatment Section oversees State & Federal funds that are used to support & expand the prevention, treatment and recovery infrastructure in Michigan for the Problem Gambling funds, Substance Abuse Block Grant (SABG), State Opioid Response Grant (SOR), Prescription Drug Overdose Grant (PDO), and Pregnant and Postpartum Women-Pilot Grant (PPW-PLT). Section serves as the primary source to the field for prevention, treatment and recovery services data related to the publicly funded system.

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Intensive Community Transition Services Section

Overview: The Intensive Community Transition Services (ICTS) Section oversees the area responsible the development and oversight of behavioral health intensive residential treatment services and supports. Develops and reviews BHIRTS contracts that support the establishment and advancement of IRT services and supports related to community residential placement for adults, children, and youth transitioning from institutional levels of care. Responsible for ensuring the necessary policies, procedures, and potential Medicaid changes are developed and processed along with any required reporting needs

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Revised: June 2023

Community Mental Health Association of Michigan

Michigan's Electronic Visit Verification system development: CMHA analysis and recommendations related to EVV process proposed by MDHHS and HHAX

August 2023

The state's CMHSPs, PIHPs, and providers in the CMHSP and PIHP system **support the implementation of an Electronic Visit Verification (EVV) system, as required by the federal Centers for Medicare and Medicaid**.

However, the process proposed by MDHHS and its EVV vendor, HHAX, is overly complex and does not align with how Michigan's PIHPs/CMHSPs are funded nor how they operate. A system such as this would require at least 9-12 months to implement and at a significant cost. Our goal is to meet the CMS requirements by implementing a simple solution that does not require complex systems and diverts dollars away from consumer care. These concerns and recommendations for an alternate EVV approach are outlined in this paper.

Fundamental to the design of Michigan's EVV system, for the state's Medicaid behavioral health system, is an understanding that Michigan's CMHSPs are funded via a capitated system, where CMHSP's are responsible for authorizing services within their EHRs through the person-centered planning process. CLS (H2015) and Respite (T1005) can be directly provided or contracted out. The CMH holds the contract with the provider and gives the authorizations for those services. The analysis and recommendations contained in this document are founded on an understanding of this structure.

Analysis and concerns related to proposed EVV process

Below are outlined the concerns around the EVV approach proposed by MDHHS and HHAC, a description of the EVV approaches used in other states, the design and implementation questions that led to the concerns, and a recommendation for an alternate and more efficient EVV process for Michigan.

The MDHHS/ HHAX proposed EVV system raises a number of concerns:

1. The process proposed by MDHHS and its EVV vendor, HHAX, is **overly complex and does not align with how Michigan's PIHPs/CMHSPs are funded nor how they operate**.

2. **Adds multiple layers of unnecessary complexity and administration** to the EVV process, far beyond that required by CMS for the development of an EVV system that serves as a mechanism for providers of Community Living Supports (CLS)- and Respite to report the physical location, day, start and end time, and type of service provided.

3. **Unnecessarily delays the start of CLS and Respite services** (including emergency respite services) and any changes to the CLS and Respite services package needed by persons served. If there are any technical issues with transmitting the data, this would also result in a delay of services.

4. **Draws Medicaid dollars away from service delivery**, by requiring the development of a service authorization system, within each PIHP, in addition to the service authorization process

carried out by the state's CMHSP. PIHPs with a hub-spoke model who do not currently hold this data would be most impacted. Including the increased staffing at the PIHP/MCO to support the system.

5. **Potentially conflicts with the service authorization responsibility held by the state's CMHSPs** for CLS and Respite services (and all Medicaid services) moving that responsibility to the state's PIHPs and MDHHS – while the CMHs bear, as sub-capitated organizations, the financial risk for the payment for these services.

6. **Additional 837 process required:** The process of returning an 837 to the PIHP and then on to the CMHSP creates additional processing time and serves no purpose. CMHSPs are capitated, the 837/835 is reflective of a fee for service model so could not be used to determine payment. Adjudication of a service occurs within the provider EHR as the consumer may have additional insurance coverage.

7. A system such as this would **require at least 9-12 months to implement and at a significant cost**.

EVV approaches of other states

The EVV systems that have been implemented in Ohio, Indiana and New York do not have prior authorization linked to EVV. They also do not have systems creating an 837 file that is turned back into the payer.

The approach used in these states uses the general workflow outlined below:

EVV system is simply used as a mechanism for any provider of community services to report the physical location and start and end times of a service in real-time.

The states use the clients Medicaid ID or other standard unique identifier to link the EVV data to services the state receives via the already used billing workflows.

The workflow is simple in that the providers must use the state's EVV system to prove the location and start and end times of services. This is done either by directly entering into the EVV system, calling by a land line phone, or a file submission to the EVV system by an EHR where the EHR gathers the information in the service entry workflows.

Questions that underscore the concerns identified by CMHA and its members

Several questions around the process are listed below. Clarification around these questions is needed for a fuller understanding of the process and the purpose of the complex model being proposed.

1. Will MDHHS honor the authorizations from the CMHSP, or is there a risk of de-authorizing the CLS and Respite services? If it does not accept it, this model separates the EVV authorization process from the CMHSP's service authorization process leading to opportunities for the EVV authorization to de-authorize CLS and Respite services that have already been authorized in the individual's person-centered plan - services that the person served is counting on receiving. If PIHPs or MDHHS are able to de-authorize services, it will disrupt the receipt of services by Medicaid

beneficiaries and require a 30-day notice to persons served and the initiation of an appeal process by the person served.

2. Providers who are using EVV systems already that don't interact with PIHP systems, what would the PIHP do to collect their information?

3. Does this now mean PIHPs or MCO's have to authorize ALL services in which EVV applies or else a provider would not be able to enter information in the EVV system?

4. Why does MDHHS want the authorization data if the MCO's are still responsible to pay? Isn't the authorization the agreement between the MCO as payer and the provider? It shouldn't be needed in the EVV process.

5. What happens when there is an urgent need for care, and an authorization isn't entered into the system prior, will the provider simply have to wait to enter the EVV data until the authorization is established? And if so, doesn't that contradict the intent of gathering the information of location and start and end times in real time? Or does this mean that they will not be able to provide the service until after the authorization is entered from the EVV system?

6. If there is the ability for a provider to manually enter their authorization, it seems like that opens a door for fraud. How is HHAX or the state ensuring what the provider manually enters is what the MCO approved? And why does it matter if the MCO is still payer, why can't authorizations just remain in the MCO system?

7. How do contract providers who perform CLS and Respite for multiple CMHSPs using different EVV solutions manage using multiple EVV programs to verify their visits? One residential setting can have consumers from multiple CMHSPs.

8. What file format will be used for passing the data from the MCO to the HHAX system for authorization automation? Is it a 278 file? And what is the means for sending the data? If authorization is required, vendors will need specifications to build it out and ensure all data fields are present for what is being asked for.

9. If the HHAX system is sending back an 837 to the MCO payer, what does this do for Provider Agencies who already have established billing mechanisms with their own EHR systems to the MCO? The Provider still needs to be able to reconcile their billing in their own system so they need their claims in the MCO system to match their EHR's data so that the 835 payment posting can work properly. How will HHAX know the claim IDs from the provider's system to send in the 837?

10. Are there any consequences for MCO's if they do not use the 837's created by HHAX? Services/claims may not be fully adjudicated at the time the 837 is received.

11. How does any of this EVV data then get matched to encounters received by the State via the encounter submission process? And how will the State be using this service/billing data generated by HHAX (if at all) in comparison to the encounters submitted? Will authorization ID's have to be sent in encounters that prove there was a matching authorization in HHAX?

12. If a provider does not use HHAX and selects their own EVV solution, how will the data be reconciled/matched? MDHHS will not have the base data in the provider EVV solution, so they will have to assume it is correct and accept the encounter. If this does not get addressed, this is a disincentive to use the State's system.

13. What is the plan in regards to reconciliation? How does the EVV data match to the encounter data sent? The 837 file may not match the final service data once it is fully adjudicated, e.g. the consumer may have other insurance so COB loop may no longer reflect Medicaid as a payer.

14. For services that are directly provided there is not billing or payment process with an 835. This does not fit the model for direct service providers, so unclear the purpose of the 835 and how this would be used.

15. How do contract providers that provide CLS for multiple CMHSPs using different EVV solutions manage using multiple EVV programs to verify their visits? In fact, there are a number of residential settings in which residences, served by a number of CMHSPs live together.

Recommended approach

It is recommended that, rather than pursue the EVV course outlined by MDHHS and HHAX, the State of Michigan design and implement a focused and efficient EVV system that provides, as required by CMS, a mechanism for providers of Community Living Services (CLS) and Respite to report the physical location, start and end times and type of service by their direct care workers.

The recommended design elements for such a straightforward system are outlined below:

- HHAX collects EVV data (either directly or via 3rd party system)
- If the EVV data is sent from an EHR system to HHAX, HHAX responds back to the EHR with a unique confirmation Id for the service that will be linked to the EVV data or the confirmed EVV data for that service so it can be stored with the service. (MCO's can offer direct service entry and connection to HHAX within their system.)
    - Not addressed: if provider is using HHAX or 3rd party system not integrated with EHR, how will HHAX have a patient / client list in order to create EVV data for service? This will need to be determined.
- If a provider manually enters the EVV data to HHAX, the provider has to note the confirmation ID or confirmed EVV data for that service. The provider is then responsible for including that ID or data into their EHR and include it in the billing and reporting to the MCO.
- In the encounter submission, this ID (or the confirmed EVV data) is now a new field so that the EVV ID is directly linked to the encounter the state has.
- A manual entry or phone in option to enter the EVV data real-time, without the need for an authorization is needed. This will allow for emergency Respite type services to be provided or in areas where cell/internet service is not available.
- If HHAX requires that a member be registered, prior to the EVV service occurring, this should be a very simple file format to include the member and provider information.
  Or if HHAX requires an authorization, this should meet the 278 file format, currently the national standard for authorization data exchange.

- Alternatively, a much simpler solution (for those providers with their own EVV systems) the member, service and EVV data could be submitted to HHAX once a service is complete and validated by the EVV system. The submitted encounter would also include the EVV data or unique ID as confirmation that the service was validated. This would not require a pre-load of member nor service data into the state's system nor require an authorization file.

Conclusion

The model proposed by MDHHS and HHAX is overly complex and does not align with how PHIPs/CMHSPs are funded or how they operate. A system such as this would require at least 9-12 months to implement and at a significant cost. The effort should be driven by the goal of meeting the CMS EVV requirements by implementing a simple solution that does not require complex systems and diverts dollars away from consumer care.

DATE: September 21, 2023

TO: Prepaid Inpatient Health Plans (PIHPs) and
Community Mental Health Service Providers (CMHSPs)

FROM: Kristen Jordan, Director KJ
Bureau of Specialty Behavioral Health Services
Behavioral and Physical Health and Aging Services Adm.

SUBJECT: Electronic Visit Verification (EVV) Implementation

As you are aware the Michigan Department of Health and Human Services (MDHHS), as outlined under Section 12006(a) of the 21st Century Cures Act, must implement EVV for personal care and home health care services that require an in-home visit by a provider. The services for Behavioral Health that will be affected will be Community Living Supports and Respite rendered in the individual's home. The EVV system must verify type of service performed, along with the date, time, and location of the service, as well as the individual receiving and individual providing the service.

In March 2023, the state executed a contract with HHAeXchange (HHAX), a nationally recognized EVV vendor, to support Michigan and impacted providers with the implementation of a solution that includes data collection, data aggregation and a pre-billing module. MDHHS is implementing an "Open Vendor Model." This model allows providers and managed care organizations to use the state EVV system at no cost, or an alternate EVV system of their choosing that directly integrates with the state system.

Discovery with HHAX determined it is not effective to require the PIHPs to aggregate CMHSP information and transmit it to the EVV system, as well as receive 837 provider claims transactions and forward on to the appropriate CMHSP payer system for adjudication. The state's HHAX EVV system will require direct integration with each payer's (CMHSP) source system. The state will be moving forward with working directly with the CMHSPs and associated PIHPs to ensure a successful EVV implementation.

Additionally, there have been questions about the state's pre-payment validation process for EVV. The state required a vendor EVV solution that includes a pre-billing and billing module. This ensures the state's compliance with CMS' requirement to tie EVV to payment. This solution results in the state's EVV system generating a HIPAA 837-claim transaction that will be transmitted to the identified payer clearinghouse/system for adjudication using the payer's already established adjudication rules. Only verified complete and compliant claims will be transmitted. Provider agencies and fiscal intermediaries will need to reconcile any EVV discrepancies before an EVV record can be approved for claim creation/submission.

Having the reconciliations and pre-billing validations take place within the EVV system eliminates the need for the current payment systems supporting the Medicaid programs from making additional IT changes/updates. This also allows for an easier approach to capturing the data points needed for the federal reporting on key performance metrics required by CMS each month following implementation.

MDHHS recognizes there are many more questions and concerns related to EVV. In the coming weeks there will be more information provided by the state and HHAX. We value your commitment to ensuring CMS compliance. We appreciate your continued partnership as we move from development to implementation.

c: Belinda Hawks, MDHHS
Barbara Spadafore, MDHHS
Lyndia Deromedi, MDHHS
Michelle Hill, MDHHS

Community Mental Health Association of Michigan

Formation of the Rural and Frontier Caucus with CMHA and its initial advocacy platform

August 2023

Background

Michigan's communities, and the public mental health providers and payers which serve them, are extremely diverse along a number of dimensions.

One of those dimensions – the theme of this paper - centers around the diversity across Michigan's urban (large and small), suburban, rural, and frontier communities. The rural vs urban diversity (simplified to this two-segment framework for ease in communication and analysis) is reflected in the very different strengths, cultures, approaches, relationships, and challenges of these community types.

Understanding this rural vs urban diversity is key when designing and implementing policies that guide and practices that are used by the state's public mental health system. [1]

Failing to reflect, in policy and practice, the unique qualities (strengths, cultures, approaches, relationships, and challenges) of Michigan's rural and frontier communities and regions, and the public mental health system serving them, results in ineffective or inefficient (or, at times, impossible to meet) mandates and approaches to serving the mental health needs of these communities and regions.

Central to efforts to meet the needs of rural communities is the recognition that approaches to meet the needs of rural communities cannot be simply rural derivatives of urban models. Rather, the approaches to meet the needs of rural communities must be developed by those living and working in those communities and reflect the unique qualities (strengths, cultures, approaches, relationships, and challenges) of Michigan's rural and frontier communities and regions, and the public mental health system serving them.

Aims of this initiative

1. To ensure that state statutes, policies, and practices meet the unique qualities (strengths, cultures, approaches, relationships, and challenges) of Michigan's rural and frontier communities and regions, and the public mental health system serving them.

2. To develop and implement a set of dialogue, information-sharing, and input/influence venues and methods to ensure that state statutes, policies, and practices reflect the unique qualities (strengths, cultures, approaches, relationships, and challenges) of Michigan's rural and frontier communities and regions, and the public mental health system serving them.

[1] The terms "mental health" and "behavioral health" are used interchangeably in this paper and refer (for simplicity in communication) to a system that serves the need of persons with mental health illness, children and adolescents with emotional disturbance, persons with intellectual/developmental disabilities, and/or persons with substance use disorders.

Purpose, structure, and functioning of the CMHA Rural and Frontier Caucus

1. CMHA will form a Rural and Frontier Caucus, within CMHA, to:
   - Serve as CMHA's expertise center on issues facing rural and frontier communities and the CMHs, PIHPs, and providers who serve them.
   - Serve as the sounding board for and the source of recommendations to the CMHA staff, CMHA Committees, and Board of Directors, related to a range of rural and frontier issues.

2. A member of this caucus would be any CMHSP, PIHP, or provider in the CMHSP or PIHP networks which serves rural or frontier communities.

3. The Rural and Frontier Caucus will be led by a Rural Caucus Core Group. This Core Group will be made up of those CMHSP and PIHP CEOs who have led CMHA's work around rural and frontier community issues. This Core Group is composed of the CEOs of: AuSable Valley CMH Authority, Centra Wellness, Copper Country CMH Services, Gogebic CMH Authority, Hiawatha Behavioral Health, North Country CMH Authority, NorthCare Network, Northeast Michigan CMH Authority, Northern Lakes CMH Authority, Northern Michigan Regional Entity, Northpointe Behavioral Healthcare Systems, and Pathways Community Mental Health.

Changes to the core group may be made as the leadership needs of the Caucus evolve and change.

4. The Caucus, with and through CMHA, will ally with other health and human services providers serving rural and frontier communities and regions in Michigan to advocate for the adoption, by MDHHS, the State Legislature, and other parties, of the recommendations identified by the Caucus,

Potential allies include but are not limited to:

Local allies: sheriffs, courts, school districts and RESAs/ISDs, DNR offices, EMS offices, hospitals, community foundations, UPCAP

State association allies: Michigan Association of Counties, four major statewide advocacy groups (NAMI, Arc, MHAM, ACMH), Michigan Health and Hospital Association and its staff working to support the work of Critical Care Hospitals (rural hospitals), Michigan Center for Rural Health at Michigan State University, Michigan Sheriffs Association, Rural Health Equity Group

5. The Caucus, with and through CMHA, will identify and enlist the support of Michigan legislators representing rural and frontier communities in the advocacy effort around the adoption of the recommendations of the Caucus and CMHA.

6. While the Rural and Frontier Caucus is a workgroup, within CMHA, and its decisions, statements, and actions are used, in the main to guide and drive the work of CMHA, the Caucus members are free to make decisions, statements, and actions independent of CMHA.

Initial advocacy agenda of the CMHA Rural and Frontier Caucus:
Issues unique, in kind or degree, to rural and frontier communities and mental health organizations who serve them and recommendations to address them.

A. Lack of rural/frontier-specific guidance in policy and practice development and adoption: Needed is a venue or method, supported by MDHHS, to obtain the views and guidance of behavioral health leaders from rural and frontier communities on a range of topics:

Recommended action:

1. MDHHS to form a **Rural/Frontier Advisory Group** to review and provide to guidance on MDHHS proposed evidence-based or promising practices, proposed policies, and other initiatives.

2. Require that Medicaid policies and waivers, all behavioral health policies, and MDHHS contract (CMHSP and PIHP) proposals be reviewed by the Rural/Frontier Advisory Group, and comments from this group received, prior to the public comment period and prior to promulgation of the final policy.

3. **Require that the Office of Rural Development** within the Michigan Department of Agriculture and Rural Development seek the views of the Rural/Frontier Advisory Group in efforts to foster rural development.

4. MDHHS to form an **Office of Rural Health Affairs** to ensure a rural/frontier perspective on a range of health care issues, policies, and practices, including behavioral health.

B. Behavioral health workforce shortage: Rural CMHs, PIHPs, and providers have long experienced uniquely high vacancy and turnover rates. It is key to note that this workforce has existed long before the recent pandemic.

Recommended:

1. Develop a **student stipend program** available to persons while they are enrolled graduate degrees in clinical disciplines needed by rural/frontier CMHs and providers in the networks of these CMHs, in exchange for the person's commitment to work at the CMH and/or provider in the CMH network for a number of years.

2. Provide funding, to rural/frontier CMHs and the providers in their networks, to provide **signing bonuses** to attract staff.

C. Lack of MDHHS-endorsed rural/frontier centered or tailored clinical models: Too often clinical models are based on serving communities with moderate to high population density, with public transportation, and with urban/suburban cultural views of behavioral health.

Recommended action:

1. MDHHS, with guidance from rural/frontier mental health leaders, to **revise the following** to ensure flexibility in the clinical models allowed and/or required to carry out the clinical/service delivery purposes of the modalities listed above (and others), to allow for the tailoring of these service delivery/clinical models to meet the needs of rural/frontier communities:

- Michigan Medicaid Provider Manual
- Michigan's Medicaid State Plan and relevant Medicaid waivers
- MDHHS-CMHSP and MDHHS-PIHP contracts

2. MDHHS, in partnership with **rural/frontier persons served and mental health leaders** and the **Rural/Frontier Advisory Group**, develop, identify, and endorse **evidence based and promising practices designed around rural/frontier needs**.

3. MDHHS, in partnership with rural/frontier persons served and mental health leaders, to **tailor to meet the needs of rural and frontier communities, a range of mental health clinical models, designed for urban/suburban communities**, Examples include:

- ACT teams
- Psychosocial Rehabilitation units (clubhouses)
- Consumer-run drop in centers
- Mobile crisis teams
- Crisis Stabilization Units
- Adult and Children's Crisis Residential Settings

Community Mental Health Association of Michigan

Process and timeline for development of 2024-2029 CMHA Strategic Plan

July 2023

Premise for development and structure of CMHA's 2024-2029 Strategic Plan

The **non-traditional planning process and structure** of CMHA's current Strategic Plan – covering the years 2018 through 2023 – was **nimble and highly successful in pre-empting and responding** to the environment in which CMHA and its members work.

During that period, the **CMHA and its members accurately identified the key opportunities and challenges,** leading to a large number of **wise tactical approaches** all **within the strategic framework** of the current strategic plan.

Given the success of the current strategic plan in guiding CMHA's success in capturing opportunities and thwarting threats, the **same plan development process and structure, used in building the current strategic plan will be used to build the 2024-2029 strategic plan.**

Description of CMHA's non-traditional planning process and structure of the current and upcoming (2024-2029) Strategic Plan

The environment in which this Association, its members, and those served by this system live and work **has become increasingly fast paced, with opportunities and challenges emerging, dissipating, and/or growing with considerable speed making them unforeseeable in a traditional strategic planning process.**

CMHA has used a process, in the development of its current strategic plan, that was **better suited to this environment than the traditional strategic planning model.**

The key components of this non-traditional strategic planning approach include:

A. Using a planning process that is more nimble and responsive than traditional strategic planning: The strategic planning process outlined in this document does not follow the traditional strategic planning process. This more traditional process often involved:

- point-in-time, retreat-like, sessions involving the organization's leadership and often key stakeholders
- time-intensive reconsideration of the organization's mission and vision
- time-intensive environmental scan efforts (often including: surveys of constituents, key informant interviews, focus groups, literature searches, data analysis and similar method)
- the development of a detailed work plan with a large number of goals and objectives

This traditional process, while once the commonly accepted approach to strategic planning, is a **lengthy and slow process, difficult to implement (and, as a result, often not implemented), and not nimble nor responsive enough to adapt to and/or anticipate opportunities nor challenges nor challenges in the environment.**

This critique of the traditional strategic planning process is underscored (and has been for years) by the writing of leading business and strategic planning thinkers and researchers, most notably, Henry Mintzberg, Andrew Campbell, and Laura Nash. 1

These authors argue that the speed by which opportunities and challenges emerge, the lack of solid data on those emerging opportunities and challenges, and the length of the traditional strategic planning process make traditional strategic planning no longer as valuable as in the days when trends could be seen and measured, well in advance.

In contrast, **CMHA's non-traditional strategic planning process is built on two components:**

- Continual and regular observation and analysis of the environment and dialogue with key stakeholders.
- A broad set of strategic platforms.

The strategic planning process used by CMHA,, often known as **"Strategic Doing"** is based on:

- the need for rapid and, at times, evolving (not fully formed) approaches to rapidly emerging opportunities and challenges.
- the fact that strategic decisions are continually made by (and demanded of) the leadership and key stakeholders of this organization and cannot be limited to a single point-in-time analysis and plan development set of sessions.
- the fact that strategic planning related dialogue with key stakeholders is also a continual process and should not be constrained to a point-in-time set of sessions, interviews, or surveys.
- the success that this Association and its members have demonstrated in identifying and addressing emerging opportunities and challenges, over the past decade.

B. Components of this strategic planning/doing process: The strategic planning process that developed this plan, consisted of the following components:

1. The use of the **regular mechanisms and venues of Association governance, dialogue, and leadership** to craft the plan, revise it as needed to meet changing conditions, and monitor the implementation of the plan. These mechanisms and venues include: the meetings of the Association's Executive Board, Steering Committee, Officers, Standing and Ad hoc Committees. These venues would be used to provide the rich and thoughtful dialogue needed to craft, revise, and monitor the implementation of the Association's strategic plan.

2. The use of **regular, frequent, on-line (formal) and off-line (informal) communication, over time, with key stakeholders and other key informants** as to their needs, goals, insights, concerns, observations, and resources. This communication takes place via many modes, including: one-on-one discussions, partnership and coalition meetings, email and letters, newsletters, rumors). This Association, in fact, has a great many robust stakeholder and key informant dialogue methods and venues that regularly provide the information needed to guide the development and refinement of the Association's strategic plan. These methods and venues include: Directors Forum, Provider Alliance meetings, PIHP

1 The Rise and Fall of Strategic Planning, Mintzberg, Henry; 1994; The Free Press, New York, New York; A Sense of Mission, Campbell, Andrew and Nash, Laura L;1992; Addison-Wesley Publishing, Reading, Massachusetts

CEOs meetings, SAPT Directors meetings, regular dialogue and meetings with advocacy partners, quarterly meetings with MDHHS leadership, regular meetings with legislators and staff, discussions with the Boards of Directors and staff of the Association's members, dialogue with other state associations, review of industry and legislative literature, discussions with consultants on contract with the Association

3. The synthesis of the information collected via the methods outlined above to form a **cogent list of key opportunities and challenges.** The identification of too great of a list of opportunities and challenges, without the synthesis needed to find the common threads between them, causes a flurry of unfocused, tactical and not strategic actions.

4. Because the purpose of CMHA is to serve its members, the **Association's identification of opportunities and challenges has two components**.

- **The opportunities and challenges facing the Association's membership**
- **The opportunities and challenges facing the Association**

5. Use of a small number of relatively stable **strategic platforms.** These strategic platforms represent the core competencies of the Association and form the architecture for the strategic plan. CMHA's strategic platforms – strategic platforms that have served CMHA and its members well are:

- Strategic Platform: Education and training
- Strategic Platform: Government relations/advocacy
- Strategic Platform: Policy and data analysis
- Strategic Platform: Linking with information, resources, partnerships; representation of members interests in a range of policy making settings
- Strategic Platform: Media and public relations

6. As with the identification of key opportunities and challenges, **the issues to be addressed, within each strategic platform**, are determined via the synthesis of the information collected via the methods outlined above.

7. The actions and resources to be applied within each strategic platform **build upon the currently successful efforts of the Association** as well as **charting new courses of action or the tapping of new resources**. This **"building on what works"** reflects the recognition, by many in the business strategy community, that a healthy organization has already, intuitively, responded to its environment by taking actions in anticipation of or in response to key opportunities and challenges in the environment. The strategic planning process allows for the Association to add to, delete from, and/or modify the existing actions and resources, to address the opportunities, challenges, and issues identified by the information synthesis components of the strategic planning process.

These resources and actions that are already in place in the Association and those missing from the Association's resource/skill set, within each strategic platform, are the strengths and weaknesses that typically accompany the identification of opportunities and challenges in the traditional SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). In this process, they are imbedded as the strengths and weaknesses analysis into each strategic platform rather than in the initial SWOT analysis. In this process, they are not identified in the initial SWOT analysis in that they should be in response to or anticipation of the opportunities and challenges and within the strategic platform framework. To do otherwise leads to the identification of a number of strengths and weaknesses that are not key to addressing the identified opportunities and challenges and not clearly linked to the Association's strategic platforms.

Process and timeline for plan development

July 14, 2023

CMHA Strategic Planning Committee (the CMHA Executive Committee serving, as it has, in that role) reviews, revises and recommends the proposed 2024-2029 CMHA strategic plan development process to the CMHA Board of Directors for approval.

August 4, 2023

The CMHA Board of Directors is updated as to the 2024-2029 CMHA strategic plan development process.

Late-August to Mid-September 2023

- Current CMHA Strategic Plan and CMHA report, Impact 2022, is distributed to the CMHA Board of Directors, CEOs of members, and members of CMHA Persons Served Advisory Group – to acquaint or reacquaint them with the plan, its structure, contents, and impact.
- CMHA Board of Directors, CEOs of members, and members of CMHA Persons Served Advisory Group are asked to start to think about opportunities and challenges facing the member organizations of CMHA and those facing CMHA

October 2023

In-person session to obtain views of CMHA board members: facilitated in-person strategic planning dialogue

- Time: 1:00 – 3:00 pm
- October 22, 2023 (the same day as CMHA Board meeting; the day before the kick-off of the CMHA Fall Conference)
- Location: Grand Traverse Resort
- Participants: CMHA Board members and alternates, CEOS of members, and Persons Served Advisory Group members
- Aim of Session:
    - Provide picture of accomplishments of CMHA in each of the association's five strategic platforms (Using the report, CMHA Impact 2022, as basis for this discussion
    - Obtain views, via small group discussion, from participants sought in 2 areas:
        - Opportunities and challenges facing the Association's membership – using those identified in the current strategic plan as the spark for this discussion.
        - Opportunities and challenges faced by the Association in its work to assist its members in meeting the opportunities and challenges that they face - using those identified in the current strategic plan as the spark for this discussion.

October – December 2023

- CMHA organizes views shared during October 22 session.
- CMHA polls CMHA Board members, CEOs of members, and Persons Served Committee members, asking them to prioritize these views for inclusion in the draft 2024-2029 strategic plan.
- CMHA staff identify strategic initiatives for each of the five strategic platforms, based on these prioritized views.

January 2024:

CMHA Strategic Planning Committee (the CMHA Executive Committee serving, as it has, in that role) reviews, revises and recommends the strategic initiatives proposed to be included in the 2024-2029 CMHA Strategic Plan to be presented to the CMHA Board of Directors

February 5, 2024

The CMHA Board of Directors reviews, revises, and approves 2024-2029 CMHA strategic plan.

March 1, 2024

CMHA's 2024-2029 Strategic Plan is implemented.

CRISIS AND EMERGENCY RISK COMMUNICATION COURSE

with Kerry Chamberlain, Ph.D., MPH
Outreach Evaluation and Exercise Liaison

This **FREE** course provides training, tools, and resources to help communicate effectively during emergencies:

- Explain the psychology of crisis and its impact
- Describe the media's role and useful ways to communicate with them
- Understand the importance of social media during a crisis
- Identify the elements of successful communication

Friday, October, 13, 2023
8am - noon
Grand Traverse County Health Department
2600 LaFranier Rd, Traverse City, MI 49686

Register by October 10

Email:
Cara Eule
GTCHD Emergency Preparedness Coordinator
ceule@gtcountymi.gov
Name, Title, Agency, and Phone Number

Health Department
GRAND TRAVERSE
COUNTY

NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – SEPTEMBER 13, 2023
VIA TEAMS

ATTENDEES:	**Brian Babbitt, Connie Cadarette, Lauri Fischer, Ann Friend, Chip Johnston, Nancy Kearly, Eric Kurtz, Donna Nieman, Larry Patterson, Erinn Trask, Jennifer Warner, Tricia Wurn, Deanna Yockey, Carol Balousek**

REVIEW AGENDA & ADDITIONS
Donna requested that a discussion about Choices, Inc. be added to the meeting agenda.

REVIEW PREVIOUS MEETING MINUTES
The August minutes were included in the materials packet for the meeting.

MOTION BY CONNIE CADARETTE TO APPROVE THE MINUTES OF THE AUGUST 9, 2023 NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY LAURI FISCHER. MOTION APPROVED.

MONTHLY FINANCIALS
July 2023

- Net Position showed net surplus Medicaid and HMP of $3,616,682. Budget stabilization was reported as $16,369,542. The total Medicaid and HMP Current Year Surplus was reported as $19,986,224. Medicaid and HMP combined ISF was reported as $16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as $36,355,766.
- Traditional Medicaid showed $165,815,764 in revenue, and $165,0574,292 in expenses, resulting in a net surplus of $761,472. Medicaid ISF was reported as $9,306,578 based on the current FSR. Medicaid Savings was reported as $7,742,649.
- Healthy Michigan Plan showed $29,823,192 in revenue, and $26,967,982 in expenses, resulting in a net surplus of $2,855,210. HMP ISF was reported as $7,062,964 based on the current FSR. HMP savings was reported as $8,626,893.
- Health Home showed $2,036,446 in revenue, and $1,782,878 in expenses, resulting in a net surplus of $253,568.
- SUD showed all funding source revenue of $25,221,967, and $22,186,328 in expenses, resulting in a net surplus of $3,035,639. Total PA2 funds were reported as $5,243,450.

A fully funded ISF is anticipated at the close of FY23. A $4M lapse to the state is also expected. Clarification was made that NMRE Board approval is required for spending carry forward/budget stabilization funds. The expectation is for the CMHSPs to spend within their PM/PMs. Brian noted that North Country's surplus will likely be reduced by $1M at year end.

MOTION BY LAURI FISCHER TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2023; SUPPORT BY ERINN TRASK. MOTION APPROVED.

EDIT UPDATE
The next EDIT meeting is scheduled for October 19th at 10:00AM.

INTERIM FSR
A question has been raised regarding the due date of the Interim FSR. Schedule E of the PIHP contract lists the due date as November 1st; the CMHSP General Fund contract lists the due date as November 11th. Deanna has sought clarification from the Department. Until instructed otherwise, the NMRE is moving forward with the November 1st due date as timely reporting is tied to the Performance Based Bonus Incentive Payment (PBIP). CMHSP reports to the NMRE will be due October 16, 2023.

EQI
Tricia reminded the CMHSPs that the data pull date will be September 5th. Reports are due to NMRE on September 20, 2023. The eight-month (October through May) report is due from the NMRE to MDHHS on September 30th.

DCW FY24 RATE
Milliman's August 2023 Behavioral Health Capitation Rate update added $0.85 per hour to the existing DCW increase from $2.35 to $3.20 per legislative language. The wage increase reflects $3.59 increase per hour ($3.20 plus an additional 12% for employer-related costs). The per hour increases are applicable to both direct and indirect time, consistent with SFY 2023. It was noted that the DCW increased likely doesn't have to be tracked separately. No L-Letter has been issued announcing the additional $0.85 increase. Eric agreed to contact the department stating that the NMRE and its five CMHSPs will not fully implement the $0.85 increase until an updated L-Letter is received.

It was noted that L 23-04 states that "The $2.35 per hour should be a base wage increase paid in addition to the worker's regular wage but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on March 1, 2020." The committee discussed whether the DCW increase must be applied to individuals who began employment after March 1, 2020, or whether it can be included in the rates. The market rate was provided as $16 - $17.50 per hour. Deanna offered to raise the topic during the statewide PIHP CFO meeting on September 26th.

HSW
The NMRE currently has 28 of its 689 HSW slots open (4%). Each slot is equivalent to $5,000 in monthly revenue ($140,000). Eric noted that other regions are requesting additional slots from the Department. MDHHS will be reviewing the number of slots allocated per PIHP region. NMRE is at risk of losing slots that remain unfilled.

FY24 BUDGET
The NMRE's preliminary budget for FY24 was included in the meeting materials. Deanna reviewed the Significant Assumptions and Key Points:

- Medicaid and Healthy Michigan flat revenue projections.
    - The ISF was anticipated to be fully funded at the close of FY23.
- Medicaid and Healthy Michigan – Expenses
    - Substance Abuse costs were based on projected current year utilization.

- Autism program revenue was included in the capitation methodology.
- Substance Abuse Prevention and Treatment Block Grant revenue was based on current year actual MDHHS allocation.
    - Block grant allocation was broken down into separate programs with distinct allowable uses (prevention, treatment, and SDA).
    - All services were expected to be provided through NMRE's provider network.
- PA2 funding revenue was anticipated to stay consistent with the current year.
    - PA2 funds must be used in the county from which they originated for prevention or treatment but may not be used on administration.
- Affiliate local match and local match drawdown was based on historical amounts.

The NMRE's proposed FY24 operating revenue was provided as **$266,464,918**.
The NMRE's proposed FY24 operating expenses were provided as **$247,725,521**.
The NMRE's anticipated FY24 surplus was provided as **$18,739,397**.

The CMHSPs' Projected Budgets for FY24 were provided as:

	AVCMH	CWN	NCCMH	NEMCMH	NLCMH
Medicaid	$26,147,913	$16,028,174	$50,796,056	$31,234,256	$60,480,238
Healthy Michigan	$2,541,419	$1,682,633	$6,120,442	$2,508,216	$7,356,338
TOTAL	$28,689,332	$17,710,807	$56,916,498	$33,742,472	$67,836,576

MOTION BY BRIAN BABBITT TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY PRELIMINARY BUDGET FOR FISCAL YAR 2024; SUPPORT BY DONNA NIEMAN. MOTION CARRIED.

CHOICES, INC.
Choices, Inc.'s license was pulled effective August 15, 2023. Donna asked whether invoices received in June and July can be paid. Chip responded that the directive from the Attorney General's Office was to pay. Lauri noted that Northern Lakes paid claims through August 15th and terminated the contract effective that date.

OTHER
Chip indicated that Centra Wellness would be interested in purchasing a portion of an FTE for a dedicated DHHS worker. This topic will be placed on the September 19th Operations Committee meeting Agenda for further discussion.

NEXT MEETING
The next meeting was scheduled for October 11th at 10:00AM.

Chief Executive Officer Report

September 2023

This report is intended to brief the NMRE Board on the CEO's activities since the last Board meeting. The activities outlined are not all inclusive of the CEO's functions and are intended to outline key events attended or accomplished by the CEO.

Aug 23: Attended and participated in PIHP/MDHHS PIHP rate setting meeting.

Aug 28: Attended and participated as PIHP CEO liaison in statewide compliance meeting.

Aug 28: Attended and participated in MDHHS PIHP contract negotiations meeting.

Aug 30: Attended and participated in MIOG and AG prehearing adjournment discussion.

Sep 5: Attended and participated in PIHP CEO meeting.

Sep 6: Attended and participated in NMRE Internal Operations Committee meeting.

Sep 7: Attended and participated in MDHHS/PIHP CEO meeting.

Sep 8: Attended and presented in MDHHS meeting regarding NLCMHA ongoing oversight.

Sep 11: Attended and participated in SUD Oversight Committee meeting.

Sep 13: Attended and participated in NMRE Regional Finance Committee meeting.

Sep 18: Attended and participated in MDHHS network adequacy meeting for Region 2.

Sep 19: Chaired NMRE Operations Committee meeting.

Sep 20: Attended and participated in NMRE Internal Operations Committee meeting.

Sep 21: Attended NLCMHA Board Meeting.

Sep 22: Plan to attend MDHHS PIHP Contract Negotiations Committee meeting.

Northern Michigan Regional Entity

July 2023 Finance Report

July 2023 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	761,472	7,742,649	9,306,578
Healthy Michigan	2,855,210	8,626,893	7,062,964
	$ 3,616,682	$ 16,369,542	$ 16,369,542

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	982,859	2,696,515	(2,271,138)	2,077,309	(1,332,200)	2,014,994	(551,656)	$ 3,616,682
Budget Stabilization Full Year		1,878,908	4,919,342	4,095,691	2,272,462	1,955,236	1,247,903	16,369,542
Total Med/HMP Current Year Surplus	982,859	4,575,423	2,648,204	6,173,000	940,262	3,970,230	696,247	$ 19,986,224
Medicaid & HMP Internal Service Fund								16,369,542
Total Medicaid & HMP Net Surplus								$ 36,355,766

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2022 through July 31, 2023

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	$ 160,533,170	$ 5,282,594						$ 165,815,764
CMHSP Distributions	(154,148,523)		50,579,515	42,306,076	26,069,040	21,729,904	13,463,988	(0)
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	6,384,647	5,282,594	50,579,515	42,306,076	26,069,040	21,729,904	13,463,988	165,815,764
Expense								
PIHP Admin	1,993,893	51,899						2,045,792
PIHP SUD Admin		70,229						70,229
SUD Access Center		34,152						34,152
Insurance Provider Assessment	1,738,502	41,795						1,780,297
Hospital Rate Adjuster	1,729,112							1,729,112
Services		4,043,630	52,081,809	41,287,202	27,993,141	20,022,325	13,966,603	159,394,710
Total expense	5,461,507	4,241,705	52,081,809	41,287,202	27,993,141	20,022,325	13,966,603	165,054,292
Net Actual Surplus (Deficit)	$ 923,140	$ 1,040,889	$ (1,502,294)	$ 1,018,874	$ (1,924,101)	$ 1,707,579	$ (502,615)	$ 761,472

Notes

Medicaid ISF - $9,306,578 - based on current FSR

Medicaid Savings - $7,742,649

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2022 through July 31, 2023

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	$ 18,890,539	$ 10,932,653						$ 29,823,192
CMHSP Distributions	(16,954,190)		6,170,640	5,136,123	2,103,936	2,129,352	1,414,139	-
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	1,936,349	10,932,653	6,170,640	5,136,123	2,103,936	2,129,352	1,414,139	29,823,192
Expense								
PIHP Admin	202,973	113,471						316,444
PIHP SUD Admin		153,546						153,546
SUD Access Center		74,670						74,670
Insurance Provider Assessment	166,614	94,453						261,067
Hospital Rate Adjuster	1,507,044							1,507,044
Services		8,840,887	6,939,484	4,077,688	1,512,035	1,821,937	1,463,180	24,655,211
Total expense	1,876,631	9,277,027	6,939,484	4,077,688	1,512,035	1,821,937	1,463,180	26,967,982
Net Surplus (Deficit)	$ 59,718	$ 1,655,626	$ (768,844)	$ 1,058,435	$ 591,901	$ 307,415	$ (49,041)	$ 2,855,210

Notes
HMP ISF - $7,062,964 - based on current FSR
HMP Savings - $8,626,893

Net Surplus (Deficit) MA/HMP	**$ 982,859**	**$ 2,696,515**	**$ (2,271,138)**	**$ 2,077,309**	**$ (1,332,200)**	**$ 2,014,994**	**$ (551,656)**	**$ 3,616,682**
Medicaid Carry Forward								**16,369,542**
Total Med/HMP Current Year Surplus								$ 19,986,224
Medicaid & HMP ISF - based on current FSR								**16,369,542**
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								**$ 36,355,766**

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2022 through July 31, 2023

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	$ 420,868		573,010	283,420	127,355	155,268	476,525	$ 2,036,446
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	420,868	-	573,010	283,420	127,355	155,268	476,525	2,036,446
Expense								
PIHP Admin	22,154							22,154
BHH Admin	34,592							34,592
Insurance Provider Assessment	-							-
Hospital Rate Adjuster								
Services	110,554		573,010	283,420	127,355	155,268	476,525	1,726,132
Total expense	167,300	-	573,010	283,420	127,355	155,268	476,525	1,782,878
Net Surplus (Deficit)	$ 253,568	$ -	$ -	$ -	$ -	$ -	$ -	$ 253,568

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health
October 1, 2022 through July 31, 2023

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	$ 5,282,594	$ 10,932,653	$ 3,739,020	$ 3,607,972	$ 1,659,728	$ 25,221,967
Expense						
Administration	122,128	267,017	96,837	227,834		713,816
OHH Admin			96,795	-		96,795
Access Center	34,152	74,670	-	19,243		128,065
Insurance Provider Assessment	41,795	94,453	-			136,248
Services:						
Treatment	4,043,630	8,840,887	3,206,264	2,278,341	1,659,728	20,028,850
Prevention	-	-	-	970,734	-	970,734
ARPA Grant	-	-	-	111,820	-	111,820
Total expense	4,241,705	9,277,027	3,399,896	3,607,972	1,659,728	22,186,328
PA2 Redirect			-	-	-	-
Net Surplus (Deficit)	$ 1,040,889	$ 1,655,626	$ 339,124	$ (0)	$ -	$ 3,035,639

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds
October 1, 2022 through July 31, 2023

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	$ 160,533,170	$ 5,282,594	$ -	$ 165,815,764
Medicaid Savings	7,742,649	-	-	7,742,649
Healthy Michigan	18,890,539	10,932,653	-	29,823,192
Healthy Michigan Savings	8,626,893	-	-	8,626,893
Health Home	2,036,446	-	-	2,036,446
Opioid Health Home	-	3,739,020	-	3,739,020
Substance Use Disorder Block Grant	-	3,607,972	-	3,607,972
Public Act 2 (Liquor tax)	-	1,659,727	-	1,659,727
Affiliate local drawdown	446,112	-	-	446,112
Performance Incentive Bonus	626,931	-	-	626,931
Miscellanous Grant Revenue	-	4,000	-	4,000
Veteran Navigator Grant	77,897	-	-	77,897
SOR Grant Revenue	-	1,367,735	-	1,367,735
Gambling Grant Revenue	-	103,456	-	103,456
Other Revenue	960	-	5,975	6,935
Total operating revenue	198,981,597	26,697,157	5,975	225,684,729
Operating expenses				
General Administration	2,488,792	572,110	-	3,060,902
Prevention Administration	-	98,989	-	98,989
OHH Administration	-	96,795	-	96,795
BHH Administration	34,592	-	-	34,592
Insurance Provider Assessment	1,905,116	136,248	-	2,041,364
Hospital Rate Adjuster	3,236,156	-	-	3,236,156
Payments to Affiliates:				
Medicaid Services	155,228,569	4,043,630	-	159,272,199
Healthy Michigan Services	15,778,458	8,840,887	-	24,619,345
Health Home Services	1,726,132	-	-	1,726,132
Opioid Health Home Services	-	3,206,264	-	3,206,264
Community Grant	-	2,278,341	-	2,278,341
Prevention	-	871,745	-	871,745
State Disability Assistance	-	-	-	-
ARPA Grant	-	111,820	-	111,820
Public Act 2 (Liquor tax)	-	1,659,728	-	1,659,728
Local PBIP	2,185,113	-	-	2,185,113
Local Match Drawdown	446,112	-	-	446,112
Miscellanous Grant	-	4,000	-	4,000
Veteran Navigator Grant	77,897	-	-	77,897
SOR Grant Expenses	-	1,367,735	-	1,367,735
Gambling Grant Expenses	-	103,456	-	103,456
Total operating expenses	183,106,937	23,391,748	-	206,498,685
CY Unspent funds	15,874,660	3,305,409	5,975	19,186,044
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	2,636,590	5,408,166	16,369,542	24,414,298
Unspent funds - ending	$ 18,511,250	$ 8,713,575	$ 16,375,517	$ 43,600,342

Northern Michigan Regional Entity

Statement of Net Position

July 31, 2023

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	$ 45,953,792	$ 6,415,279	$ 16,375,517	$ 68,744,588
Accounts Receivable	16,230,522	3,448,252	-	19,678,774
Prepaids	115,928	-	-	115,928
Total current assets	62,300,242	9,863,531	16,375,517	88,539,290
Noncurrent Assets				
Capital assets	125,002	-	-	125,002
Total Assets	62,425,244	9,863,531	16,375,517	88,664,292
Liabilities				
Current liabilities				
Accounts payable	43,660,462	1,149,971	-	44,810,433
Accrued liabilities	253,532	-	-	253,532
Unearned revenue	-	-	-	-
Total current liabilities	43,913,994	1,149,971	-	45,063,965
Unspent funds	$ 18,511,250	$ 8,713,560	$ 16,375,517	$ 43,600,327

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health
October 1, 2022 through July 31, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	$ 187,752,708	$ 156,460,590	$ 160,533,170	$ 4,072,580	2.60%
Carryover	11,400,000	11,400,000	7,742,649	(3,657,351)	(0)
Healthy Michigan					
Capitation	19,683,372	16,402,810	18,890,539	2,487,729	15.17%
Carryover	5,100,000	5,100,000	8,626,893	3,526,893	69.15%
Health Home	1,451,268	1,209,390	2,036,446	827,056	68.39%
Affiliate local drawdown	594,816	446,112	446,112	-	0.00%
Performance Bonus Incentive	1,334,531	1,334,531	626,931	(707,600)	(53.02%)
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	91,670	77,897	(13,773)	(15.02%)
Other Revenue	-	-	960	960	0.00%
Total operating revenue	227,426,695	192,445,103	198,981,597	6,536,494	3.40%
Operating expenses					
General Administration	3,591,836	2,968,380	2,488,792	479,588	16.16%
BHH Administration	-	-	34,592	(34,592)	0.00%
Insurance Provider Assessment	1,897,524	1,581,270	1,905,116	(323,846)	(20.48%)
Hospital Rate Adjuster	4,571,328	3,809,440	3,236,156	573,284	15.05%
Local PBIP	1,737,753	-	2,185,113	(2,185,113)	0.00%
Local Match Drawdown	594,816	446,112	446,112	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	76,430	77,897	(1,467)	(1.92%)
Payments to Affiliates:					
Medicaid Services	176,618,616	147,182,180	155,228,569	(8,046,389)	(5.47%)
Healthy Michigan Services	17,639,940	14,699,950	15,778,458	(1,078,508)	(7.34%)
Health Home Services	1,415,196	1,179,330	1,726,132	(546,802)	(46.37%)
Total operating expenses	208,177,013	171,943,092	183,106,937	(11,163,845)	(6.49%)
CY Unspent funds	$ 19,249,682	$ 20,502,011	15,874,660	$ (4,627,351)	
Transfers in			-		
Transfers out			-	183,106,937	
Unspent funds - beginning			2,636,590		
Unspent funds - ending			$ 18,511,250	15,874,660	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse
October 1, 2022 through July 31, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	$ 4,678,632	$ 3,898,860	$ 5,282,594	$ 1,383,734	35.49%
Healthy Michigan	11,196,408	9,330,340	10,932,653	1,602,313	17.17%
Substance Use Disorder Block Grant	6,467,905	5,389,920	3,607,972	(1,781,948)	(33.06%)
Opioid Health Home	3,419,928	2,849,940	3,739,020	889,080	31.20%
Public Act 2 (Liquor tax)	1,533,979	1,022,653	1,659,727	637,074	62.30%
Miscellanous Grants	4,000	3,333	4,000	667	20.00%
SOR Grant	2,043,984	1,703,320	1,367,735	(335,585)	(19.70%)
Gambling Prevention Grant	200,000	166,667	103,456	(63,211)	(37.93%)
Other Revenue	-	-	-	-	0.00%
Total operating revenue	29,544,836	24,365,033	26,697,157	2,332,124	9.57%
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,082,576	852,150	572,110	280,040	32.86%
Prevention Administration	118,428	98,690	98,989	(299)	(0.30%)
Insurance Provider Assessment	113,604	94,670	136,248	(41,578)	(43.92%)
Medicaid Services	3,931,560	3,276,300	4,043,630	(767,330)	(23.42%)
Healthy Michigan Services	10,226,004	8,521,670	8,840,887	(319,217)	(3.75%)
Community Grant	2,074,248	1,728,540	2,278,341	(549,801)	(31.81%)
Prevention	634,056	528,380	871,745	(343,365)	(64.98%)
State Disability Assistance	95,215	79,347	-	79,347	100.00%
ARPA Grant	-	-	111,820	(111,820)	0.00%
Opioid Health Home Admin	-	-	96,795	(96,795)	0.00%
Opioid Health Home Services	3,165,000	2,637,500	3,206,264	(568,764)	(21.56%)
Miscellanous Grants	4,000	3,333	4,000	(667)	(20.00%)
SOR Grant	2,043,984	1,703,320	1,367,735	335,585	19.70%
Gambling Prevention	200,000	166,667	103,456	63,211	37.93%
PA2	1,533,978	1,022,652	1,659,728	(637,076)	(62.30%)
Total operating expenses	25,222,653	20,713,219	23,391,748	(2,678,529)	(12.93%)
CY Unspent funds	$ 4,322,183	$ 3,651,814	3,305,409	$ (346,405)	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			5,408,166		
Unspent funds - ending			$ 8,713,575		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration
October 1, 2022 through July 31, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	$ 1,921,812	$ 1,601,510	$ 1,406,785	$ 194,725	12.16%
Fringes	666,212	528,020	478,851	49,169	9.31%
Contractual	683,308	569,430	358,914	210,516	36.97%
Board expenses	18,000	15,000	13,956	1,044	6.96%
Day of recovery	14,000	14,000	2,210	11,790	84.21%
Facilities	152,700	127,250	116,035	11,215	8.81%
Other	135,804	113,170	112,041	1,129	1.00%
Total General Admin	$ 3,591,836	$ 2,968,380	$ 2,488,792	$ 479,588	16.16%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration
October 1, 2022 through July 31, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	$ 502,752	$ 418,960	$ 227,772	$ 191,188	45.63%
Fringes	145,464	121,220	57,073	64,147	52.92%
Access Salaries	220,620	183,850	91,838	92,012	50.05%
Access Fringes	67,140	55,950	36,227	19,723	35.25%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	62,500	129,812	(67,312)	(107.70%)
Board expenses	5,000	4,170	4,125	45	1.08%
Day of Recover	-	-	11,040	(11,040)	0.00%
Facilities	-	-	-	-	0.00%
Other	12,600	5,500	14,223	(8,723)	(158.60%)
Total operating expenses	$ 1,082,576	$ 852,150	$ 572,110	$ 280,040	32.86%

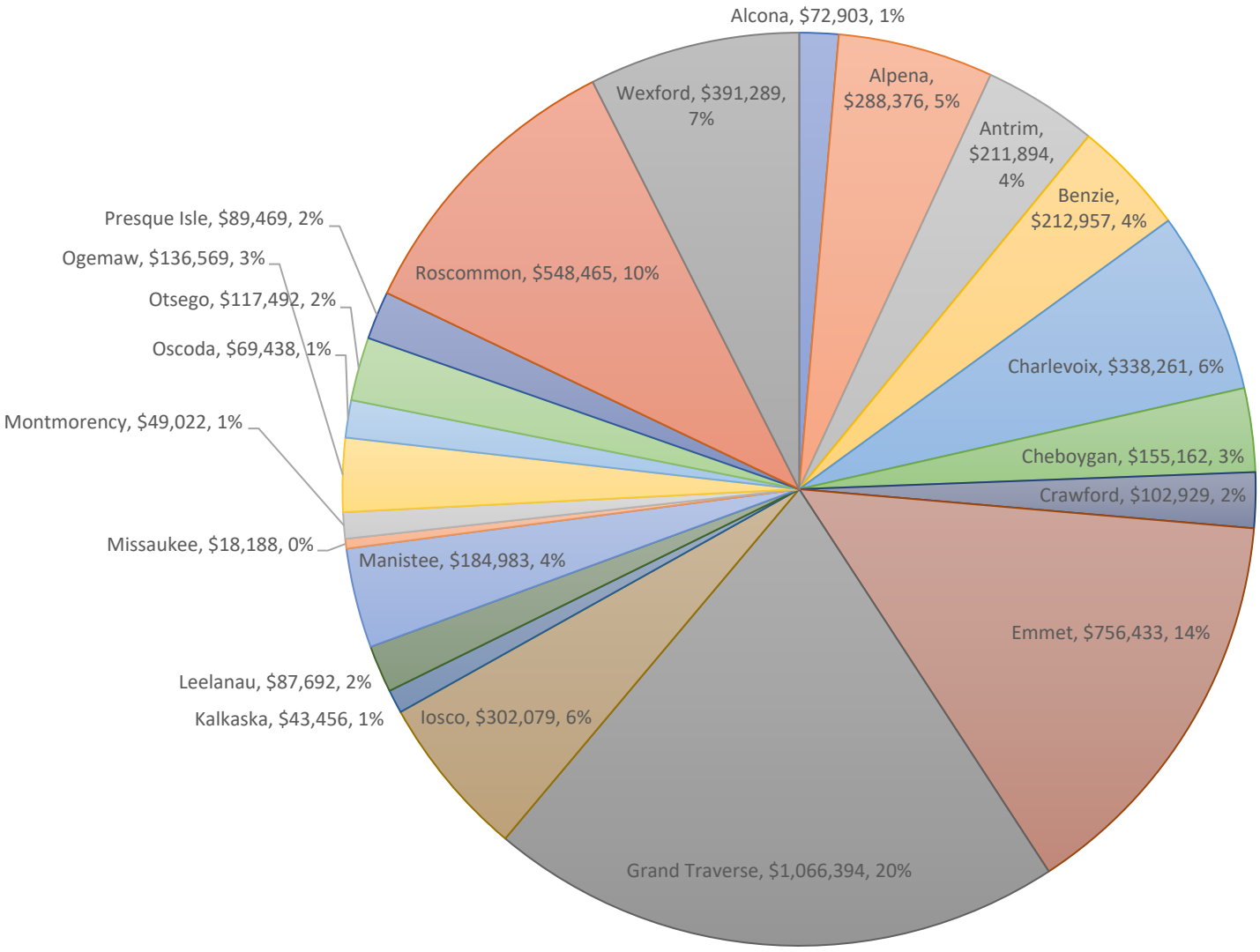
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2022 through July 31, 2023

	Projected FY23 Activity				Actual FY23 Activity			
	Beginning Balance	FY23 Projected Revenue	FY23 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
County						Actual Expenditures by County		
Alcona	$ 59,376	$ 20,389	$ 4,410	$ 75,355	$ 18,856	5,329	$ -	$ 72,903
Alpena	263,254	69,040	45,317	286,976	66,207	41,085	-	288,376
Antrim	219,249	59,729	80,820	198,158	56,149	63,504	-	211,894
Benzie	173,705	52,923	14,857	211,771	50,841	11,589	-	212,957
Charlevoix	359,548	89,334	110,699	338,183	84,674	105,961	-	338,261
Cheboygan	191,247	74,954	138,728	127,472	70,669	106,754	-	155,162
Crawford	92,406	31,228	17,903	105,731	30,332	19,809	-	102,929
Emmet	716,610	155,245	115,175	756,679	154,676	114,853	-	756,433
Grand Traverse	1,282,987	406,430	1,248,209	441,208	377,466	594,059	-	1,066,394
Iosco	329,202	70,865	180,735	219,332	67,927	95,050	-	302,079
Kalkaska	74,226	31,700	83,823	22,103	32,912	63,683	-	43,456
Leelanau	102,658	56,613	117,817	41,454	52,641	67,607	-	87,692
Manistee	131,924	68,873	10,407	190,390	65,633	12,575	-	184,983
Missaukee	37,771	18,044	48,883	6,931	17,307	36,891	-	18,188
Montmorency	54,974	27,338	42,322	39,990	24,256	30,207	-	49,022
Ogemaw	154,130	50,286	142,919	61,497	52,943	70,505	-	136,569
Oscoda	65,061	20,039	36,568	48,532	16,711	12,334	-	69,438
Otsego	108,477	88,483	94,620	102,340	83,121	74,106	-	117,492
Presque Isle	75,221	22,256	5,450	92,027	20,832	6,585	-	89,469
Roscommon	524,550	74,697	72,090	527,157	69,311	45,396	-	548,465
Wexford	396,468	79,925	108,457	367,936	76,670	81,849	-	391,289
	5,413,044	1,568,386	2,720,209	4,261,221	1,490,135	1,659,729	-	5,243,450
PA2 Redirect								-
								5,243,450

PA2 FUND BALANCES BY COUNTY



Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2022 through July 31, 2023

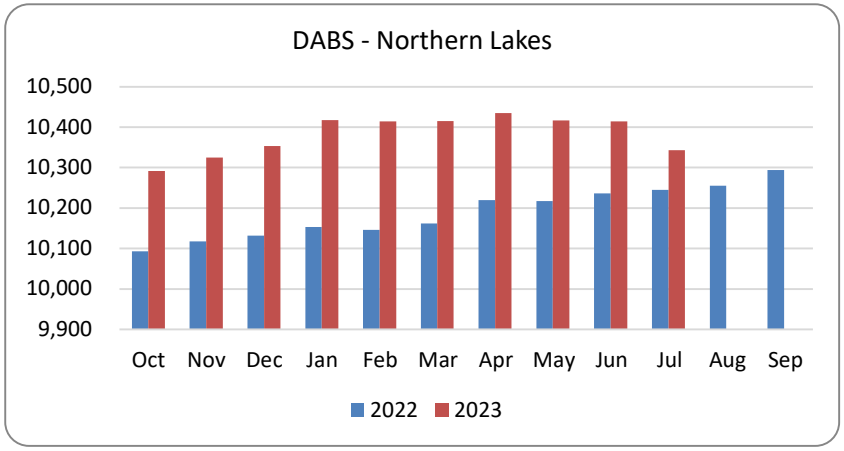
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	$ -	$ -	$ -	$ -	0.00%
Interest and Dividends	7,500	6,250	5,975	(275)	(4.40%)
Total operating revenue	7,500	6,250	5,975	(275)	(4.40%)
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	$ 7,500	$ 6,250	5,975	$ (275)	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			16,369,542		
Unspent funds - ending			$ 16,375,517		

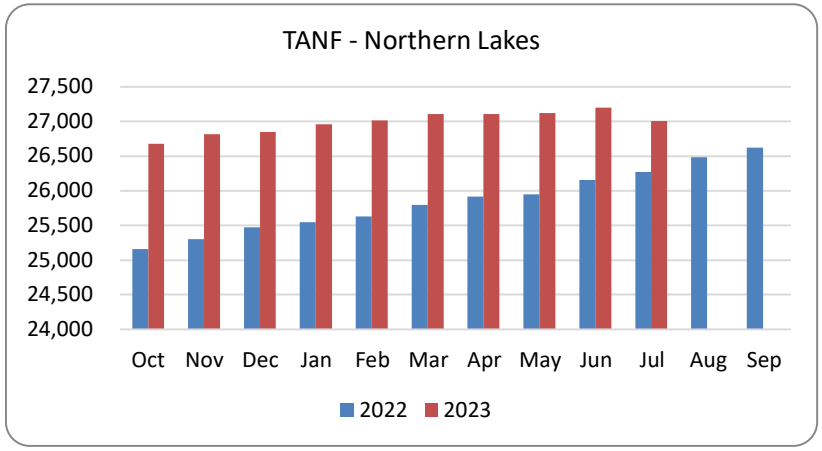
Northern Michigan Regional Entity

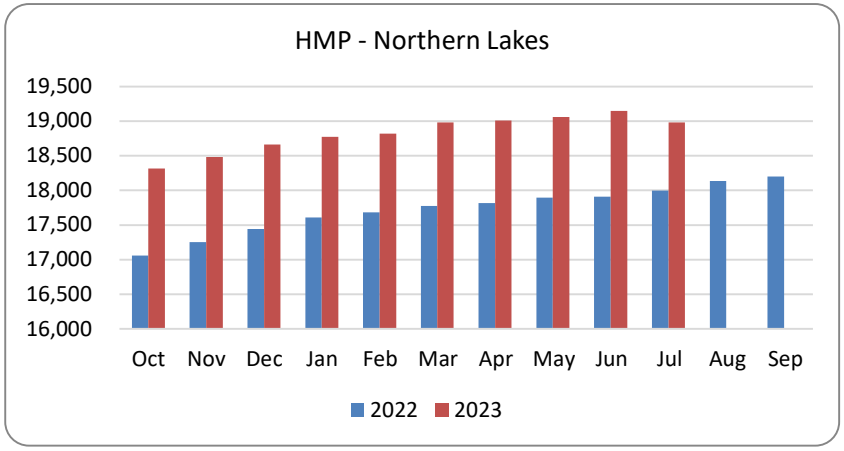
Narrative

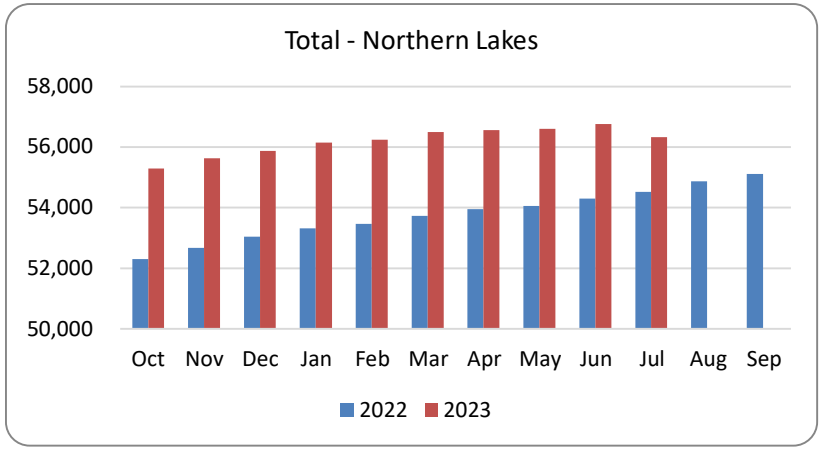
October 1, 2022 through July 31, 2023

Northern Lakes Eligible Members Trending - based on payment files







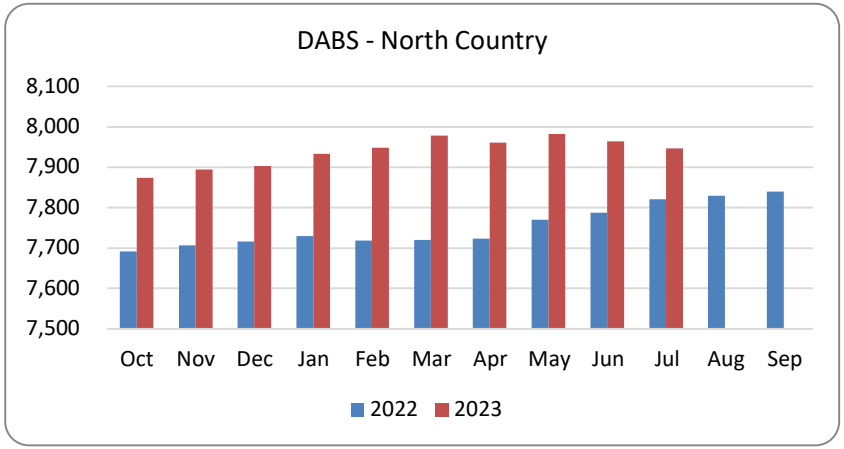


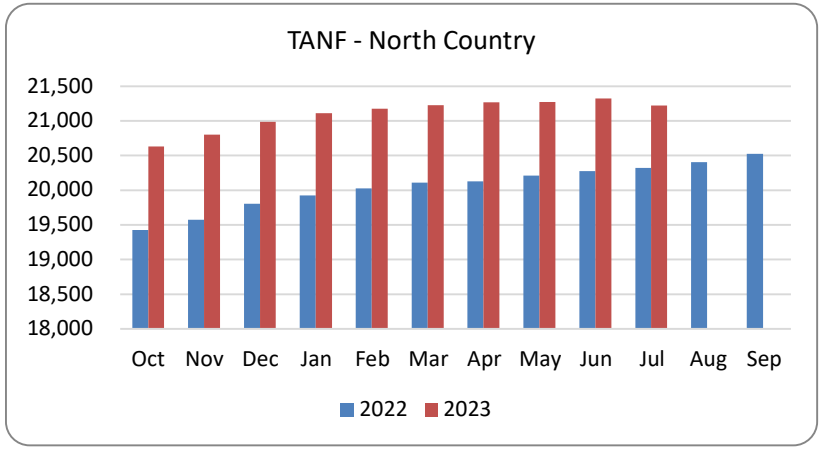
Northern Michigan Regional Entity

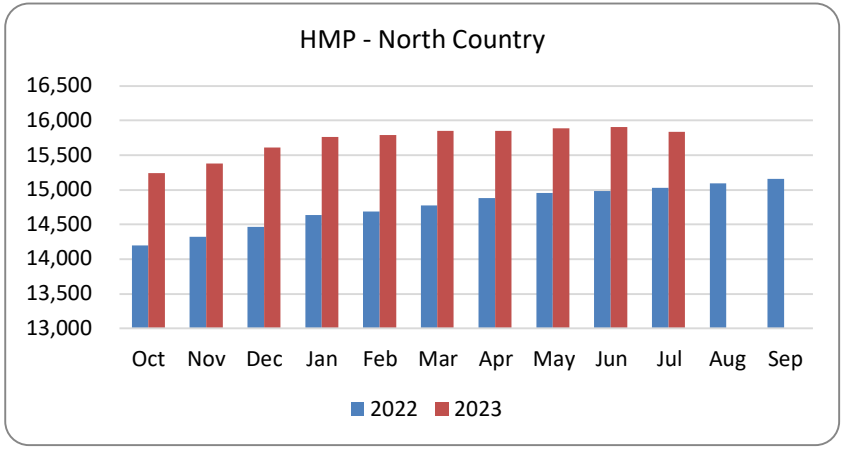
Narrative

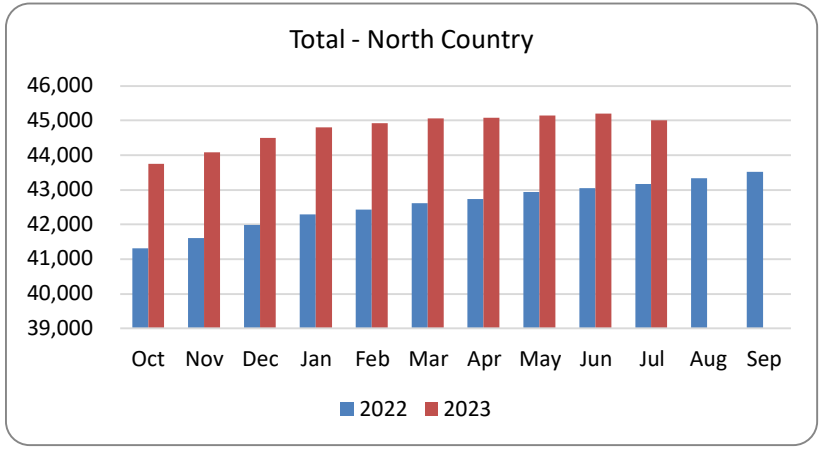
October 1, 2022 through July 31, 2023

North Country Eligible Members Trending - based on payment files







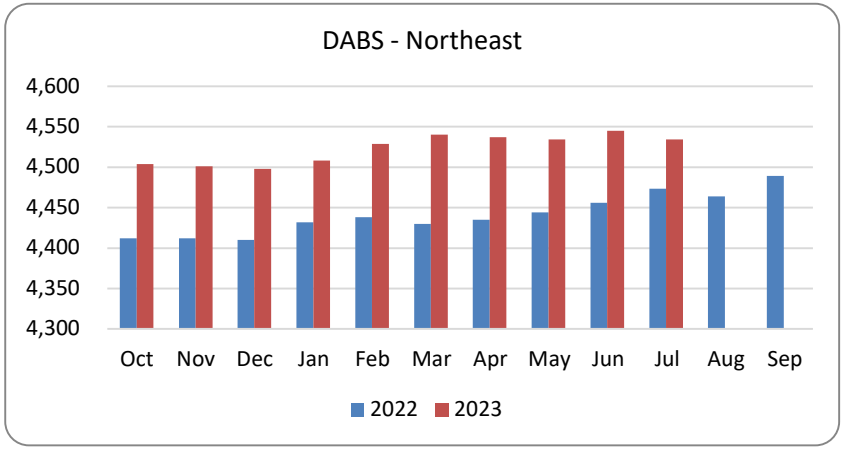


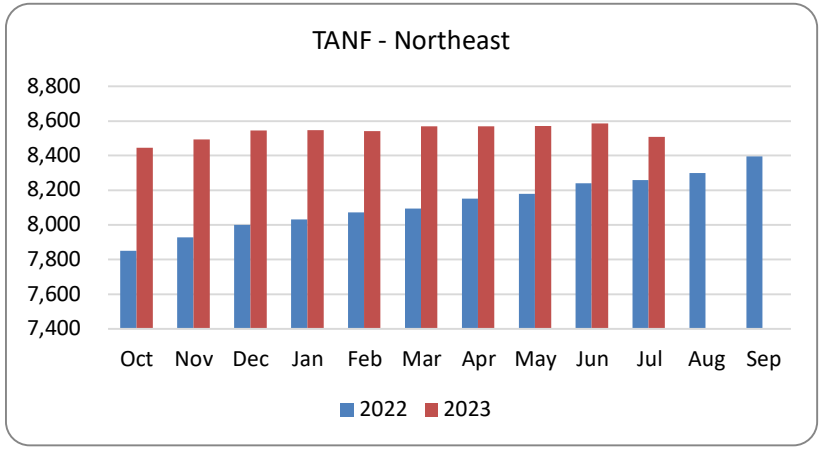
Northern Michigan Regional Entity

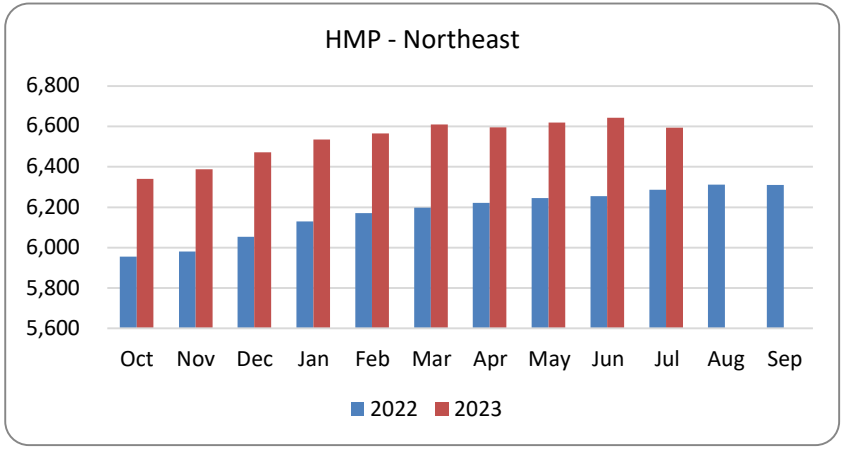
Narrative

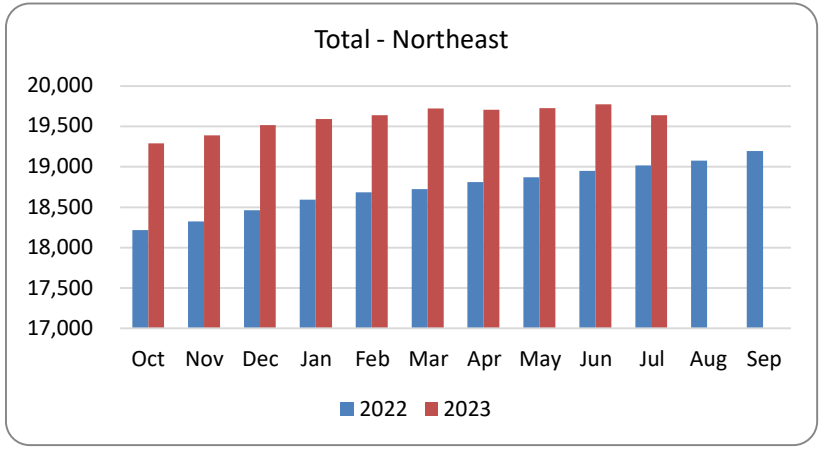
October 1, 2022 through July 31, 2023

Northeast Eligible Members Trending - based on payment files







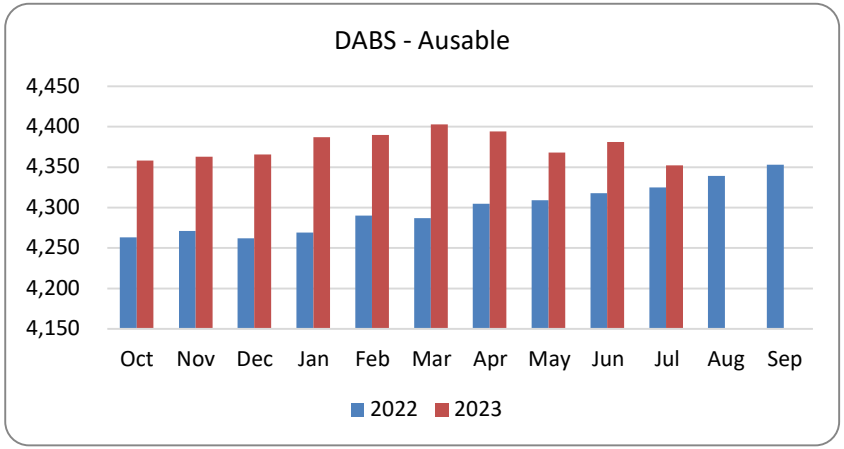


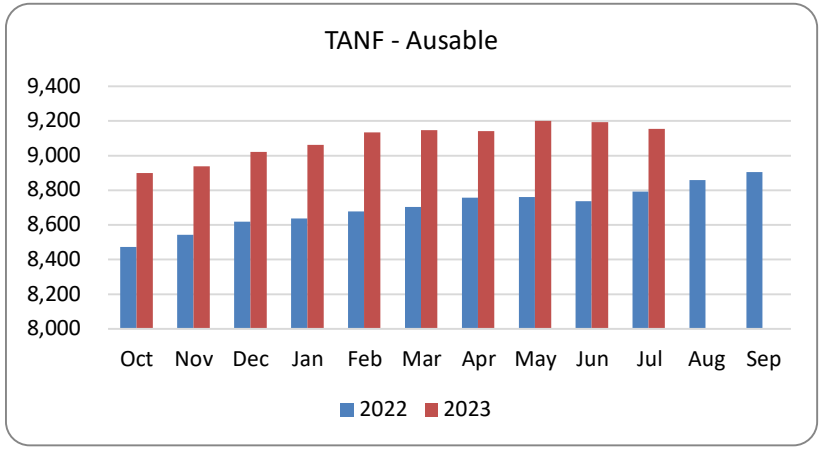
Northern Michigan Regional Entity

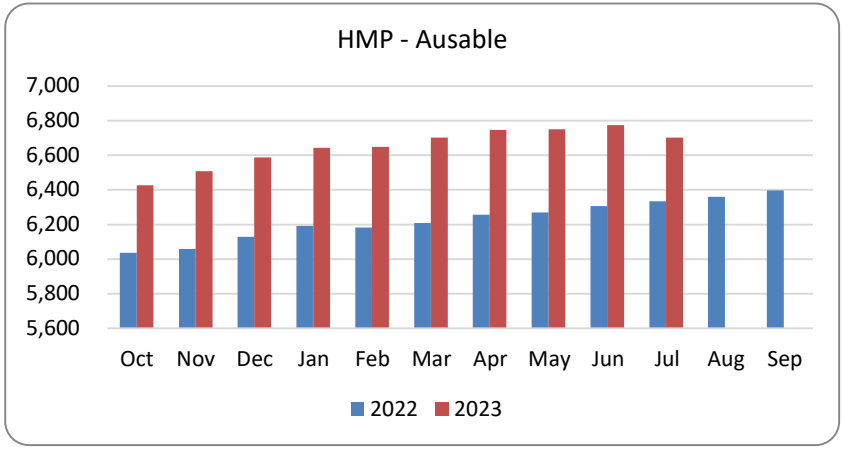
Narrative

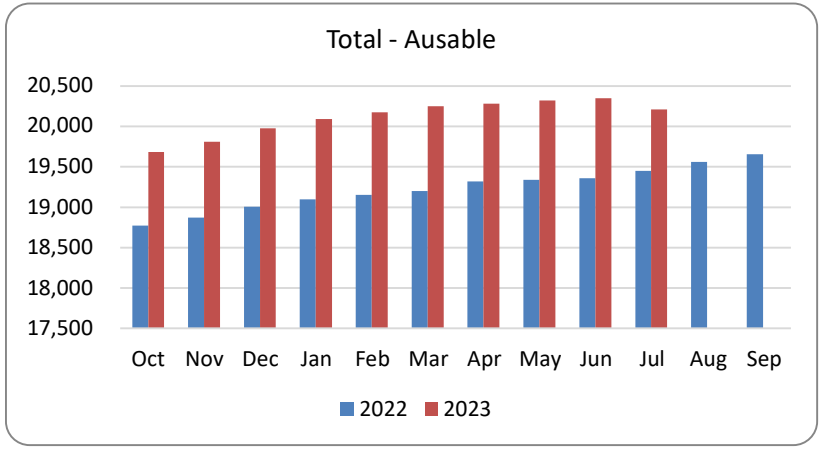
October 1, 2022 through July 31, 2023

Ausable Valley Eligible Members Trending - based on payment files







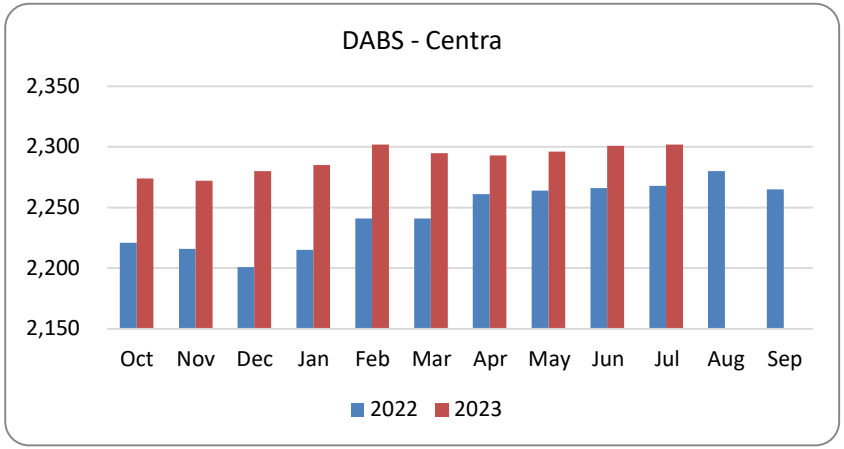


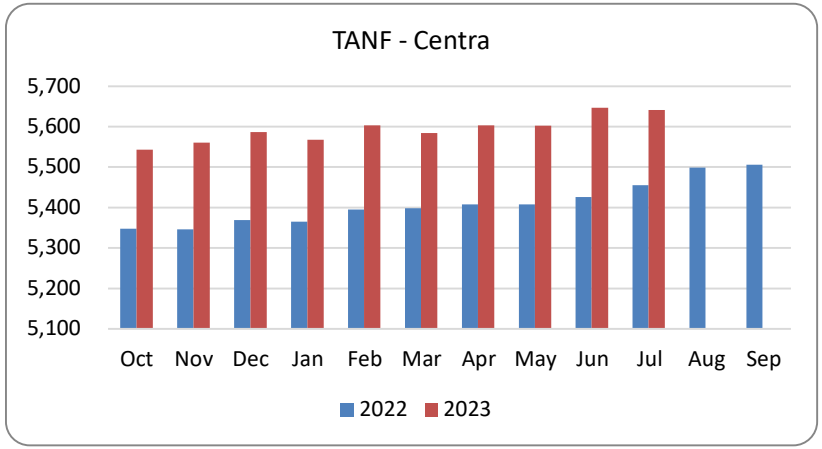
Northern Michigan Regional Entity

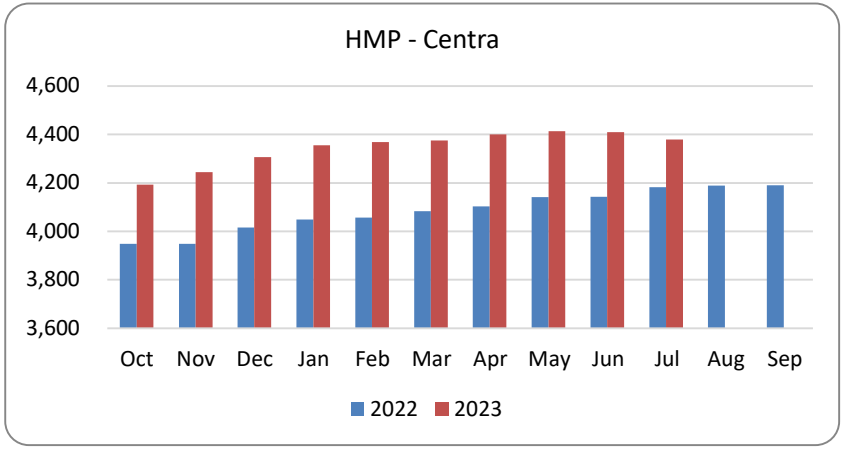
Narrative

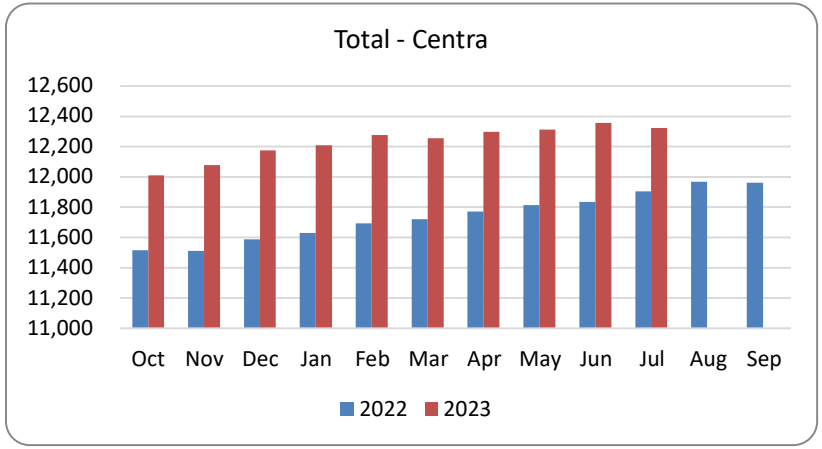
October 1, 2022 through July 31, 2023

Centra Wellness Eligible Members Trending - based on payment files







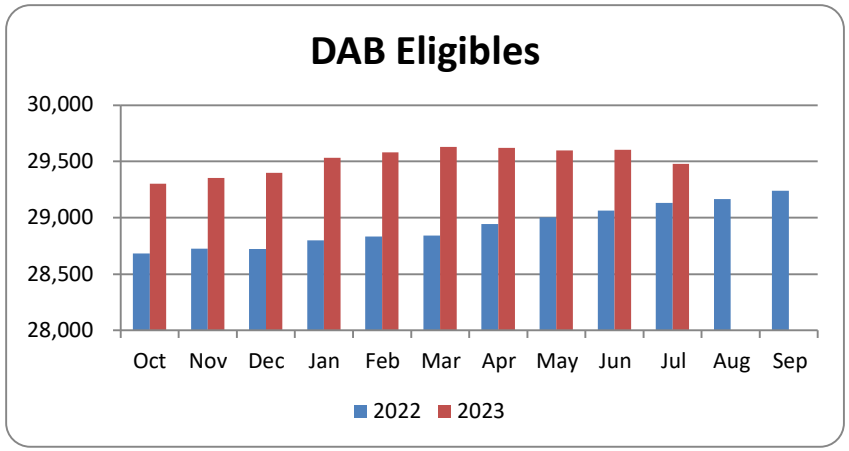


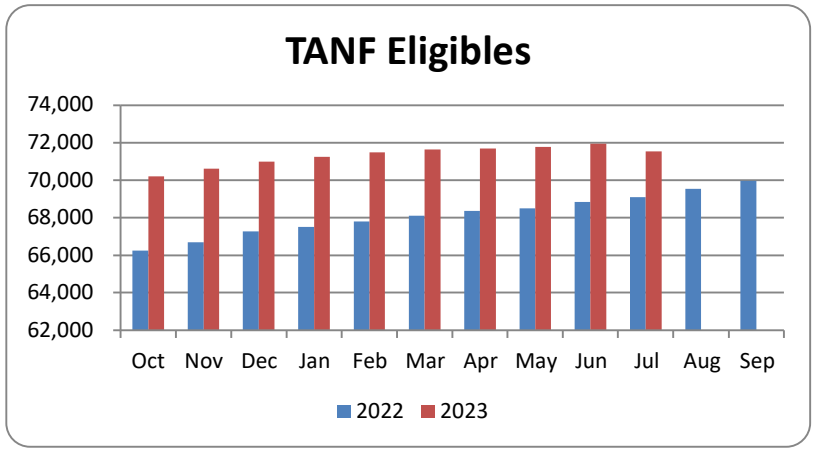
Northern Michigan Regional Entity

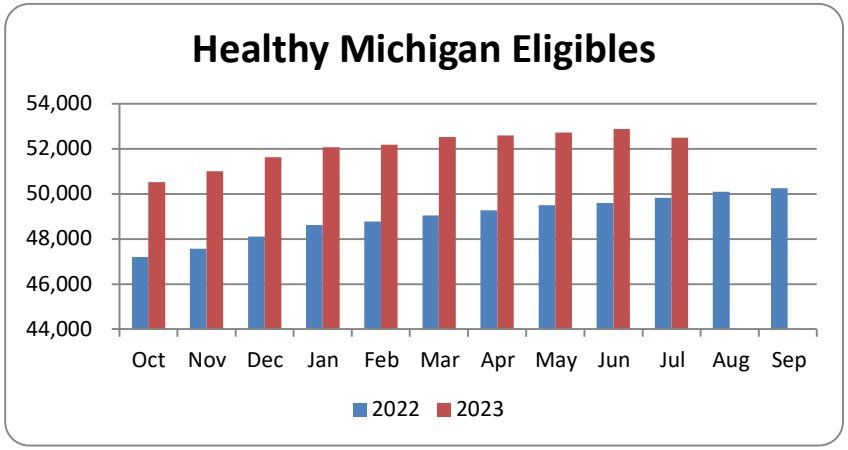
Narrative

October 1, 2022 through July 31, 2023

Regional Eligible Trending





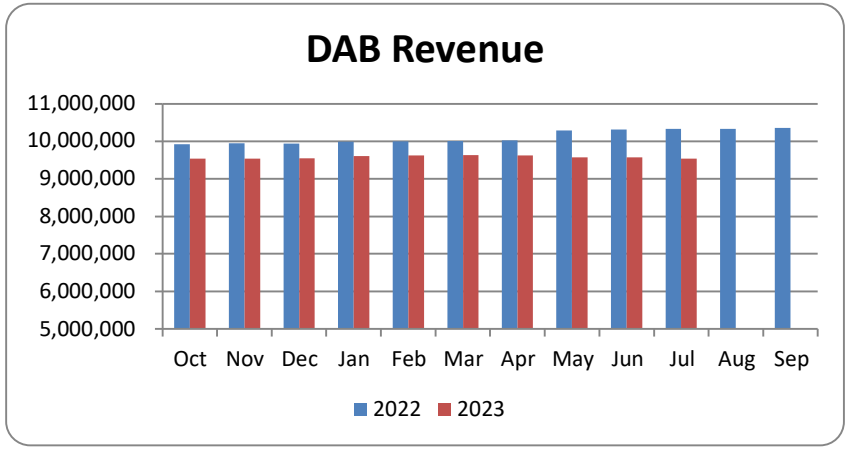


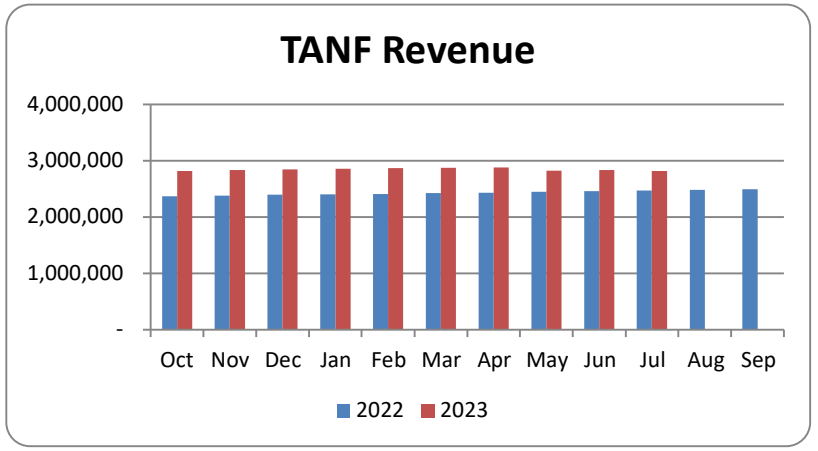
Northern Michigan Regional Entity

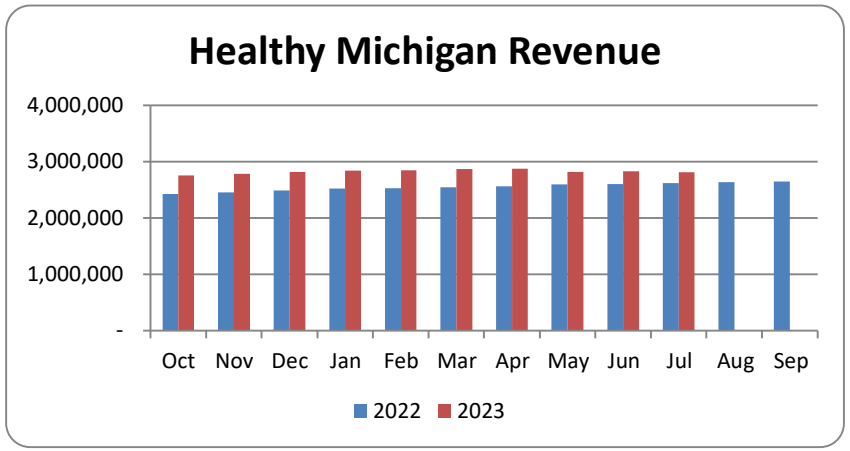
Narrative

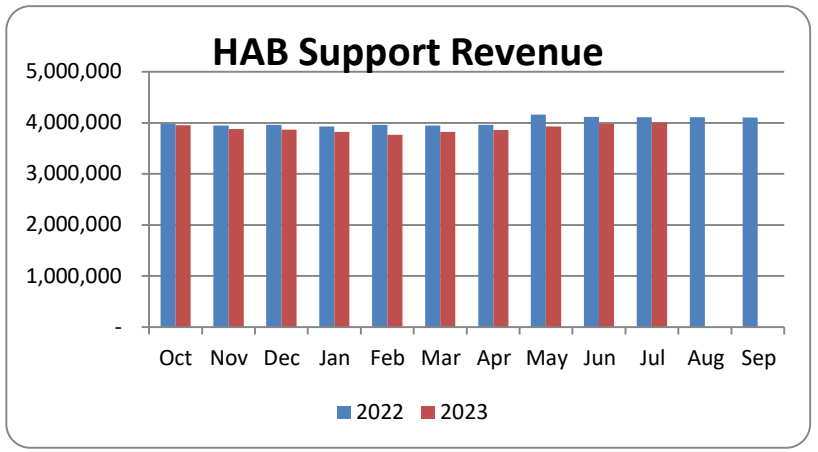
October 1, 2022 through July 31, 2023

Regional Revenue Trending









NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – SEPTEMBER 19, 2023
GAYLORD CONFERENCE ROOM

ATTENDEES:	**Brian Babbitt, Ann Friend, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Nena Sork, Carol Balousek**

REVIEW OF AGENDA AND ADDITIONS

Mr. Martinus requested that a discussion about human trafficking training be added to the meeting agenda. Mr. Kurtz added a network adequacy discussion. Ms. Sork requested that the Electronic Visit Verification (EVV) and the October meeting with Jeff Chang be discussed. Ms. Pelts requested a debrief on the meeting of the Rural and Frontier Caucus.

APPROVAL OF PREVIOUS MINUTES

The minutes from August 15th were included in the meeting materials.

MOTION BY DIANE PELTS TO APPROVE THE AUGUST 15, 2023 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY CHIP JOHNSTON. MOTION CARRIED.

FINANCE COMMITTEE AND RELATED

July 2023

- Net Position showed net surplus Medicaid and HMP of $3,616,682. Budget stabilization was reported as $16,369,542. The total Medicaid and HMP Current Year Surplus was reported as $19,986,224. Medicaid and HMP combined ISF was reported as $16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as $36,355,766.
- Traditional Medicaid showed $165,815,764 in revenue, and $165,0574,292 in expenses, resulting in a net surplus of $761,472. Medicaid ISF was reported as $9,306,578 based on the current FSR. Medicaid Savings was reported as $7,742,649.
- Healthy Michigan Plan showed $29,823,192 in revenue, and $26,967,982 in expenses, resulting in a net surplus of $2,855,210. HMP ISF was reported as $7,062,964 based on the current FSR. HMP savings was reported as $8,626,893.
- Health Home showed $2,036,446 in revenue, and $1,782,878 in expenses, resulting in a net surplus of $253,568.
- SUD showed all funding source revenue of $25,221,967, and $22,186,328 in expenses, resulting in a net surplus of $3,035,639. Total PA2 funds were reported as $5,243,450.

It was noted that a $3M – $4M lapse to the state is anticipated for FY23.

The NMRE currently has 28 of its 689 HSW slots open (4%). Each slot is equivalent to $5,000 in monthly revenue ($140,000). Mr. Kurtz noted that other regions have requested additional slots

from the Department. MDHHS will be reviewing the number of slots allocated per PIHP region. NMRE is at risk of losing slots that remain unfilled.

MOTION BY CHIP JOHNSTON TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2023; SUPPORT BY NENA SORK. MOTION APPROVED.

FY24 NMRE Budget

The NMRE's preliminary budget for FY24 was included in the meeting materials. Mr. Kurtz reviewed the Significant Assumptions and Key Points:

- Medicaid and Healthy Michigan Plan (HMP) flat revenue projections with understanding that HMP revenue will be hit the hardest based on redetermination process.
    - The ISF was anticipated to be fully funded at the close of FY23.
- Medicaid and Healthy Michigan – Expenses
    - Substance Abuse costs were based on projected current year utilization.
- Autism program revenue was included in the capitation methodology.
- Substance Abuse Prevention and Treatment Block Grant revenue was based on current year actual MDHHS allocation.
    - Block grant allocation was broken down into separate programs with distinct allowable uses (prevention, treatment, and SDA).
    - All services were expected to be provided through NMRE's provider network.
- PA2 funding revenue was anticipated to stay consistent with the current year.
    - PA2 funds must be used in the county from which they originated for prevention or treatment but may not be used on administration.
- Affiliate local match and local match drawdown was based on historical amounts.

Other items of note were stated as:

- The NMRE received a positive geographic factor of 2.1%. How it affects DAB/TANF will not be known until the rate sheet detail is reviewed and payments begin to be received.
- The rationale for the $10 decrease in the HMP rate is unclear, especially with the anticipated decrease in enrollees.
- A 3.5% ($112K) or 4% ($122K) COLA for NMRE staff will be requested of the Board.
- Although counties PA 2 tax revenue % will be reduced to 40%, it is expected to that the counites and the NMRE will receive nearly the same amounts.

The NMRE's proposed FY24 operating revenue was provided as **$266,464,918**.
The NMRE's proposed FY24 operating expenses were provided as **$247,725,521**.
The NMRE's anticipated FY24 surplus was provided as **$18,739,397**.

The CMHSPs' Projected Budgets for FY24 were provided as:

	AVCMH	CWN	NCCMH	NEMCMH	NLCMH
Medicaid	$26,147,913	$16,028,174	$50,796,056	$31,234,256	$60,480,238
Healthy Michigan	$2,541,419	$1,682,633	$6,120,442	$2,508,216	$7,356,338
TOTAL	$28,689,332	$17,710,807	$56,916,498	$33,742,472	$67,836,576

MOTION BY NENA SORK TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY PRELIMINARY BUDGET FOR FISCAL YAR 2024; SUPPORT BY DIANE PELTS. MOTION CARRIED.

NMRE Employee Retention FY23

Mr. Kurtz will be requesting approval from the NMRE Board for a one-time staff reinvestment payment of $3,500 per staff for a total of $84,000 for FY23.

MOTION BY DIANE PELTS TO RECOMMEND APPROVAL OF A FISCAL YEAR 2023 REINVESTMENT PAYMENT TO EACH NORTHERN MICHIGAN REGIONAL ENTITY STAFF MEMBER IN THE AMOUNT OF THREE THOUSAND FIVE HUNDRED DOLLARS ($3,500.00); SUPPORT BY NENA SORK. MOTION CARRIED.

NMRE REORG/REDISTRIBUTION

Due to recent staff turnover, some duties at the NMRE have been reassigned. Mr. Kurtz noted the following changes:

- Carol Balousek will be the lead for all NMRE policies and procedures.
- Heidi McClenaghan will oversee NMRE, HSAG, and MDHHS site reviews as well as retaining oversight of the Health Home Programs. Her new title is Quality Manager.
- Dan Rockne will have an enhanced role with the Health Home programs.
- Bea Arsenov and Aaron Biery will be taking over HCBS setting and compliance reviews.
- Chris VanWagoner will be dedicated 100% to contracts and network management and will report directly to the CEO.
- Brie Molaison will have added compliance duties and will transition into the position of Compliance Officer. Her new title is Customer Services & Compliance Specialist.

A revised organizational chart will be posted to the NMRE.org website.

BUILDING LEASE EXTENSION

Mr. Kurtz requested approval of an extension of the NMRE's office space lease at an additional $500 per month effective November 1, 2023, for a period of 5 years. This increased amount will be for total control of the site basement.

MOTION BY CHIP JOHNSTON TO RECOMMEND APPROVAL OF EXTENDING THE NORTHERN MICHIGAN REGIONAL ENTITY'S OFFICE SPACE LEASE AT 1999 WALDEN DRIVE, GAYLORD, MICHIGAN, 49735, AT THE RATE OF TEN THOUSAND FIVE HUNDRED NINETEEN DOLLARS ($10,519.00) PER MONTH FOR SIXTY MONTHS BEGINNING ON NOVEMBER 1, 2023; SUPPORT BY DIANE PELTS. MOTION CARRIED.

DHHS WORKERS

Mr. Johnston stated that Centra Wellness would like to purchase a portion of an FTE for a DHHS worker. AuSable Valley, North Country, and Northern Lakes all have dedicated DHHS workers and may be willing to share time, though it was noted that DHHS workers may be limited by geography. The Boards will consult with their DHHS workers and respond directly to Mr. Johnston.

1915(i) ENROLLMENT

1915(i) SPA enrollment is scheduled to conclude on September 30, 2023. The NMRE region's enrollment numbers were shared as follows:

	PIHP Projection – Updated 9/12/23	**Point in Time Enrollment – 9/14/23**	**% of Completed Enrollments 9/14/23**
AuSable Valley	190	196	103.2%
Centra Wellness	139	127	91.04%
North Country	375	377	100.5%
Northeast Michigan	272	287	105.5%
Northern Lakes	450	459	102.0%
TOTAL	**1426**	**1446**	**101.4%**

HCBS

To maintain compliance with the HCBS rule implemented on March 17, 2023, contractors will be required to complete annual physical setting assessments and biennial comprehensive assessments of all providers of HCBS services using a tool provided by MDHHS. For new providers, the HCBS New Provider assessment must be completed within 90 days of the beneficiary's IPOS. The assessments will likely be conducted by the case managers who have clients placed in the homes. Mr. Kurtz offered the assistance of NMRE staff as needed.

MCLAREN CHEBOYGAN PSYCH UNIT

Mr. Babbitt reported that the 18-bed adult psychiatric unit in Cheboygan is up and running. North Country made its first referral to the facility over the past weekend. Two inpatient stays must be tracked admission through discharge for CMS approval. Payment may be made through general funds but maybe retroactive to Medicaid once CMS approval has been granted. Contact information was provided as:

Leslie Lemanski (Contract Manager)
Managed Care Coordinator
leslie.lemanski@mclaren.org
managedcarecontracts@mclaren.org
248. 484.4928

Megan Tierney
Behavioral Health Unit, Nurse Manager
megan.tierney@mclaren.org
231.627.1370 ext 21340

Donna Appold-Dunn
Cheboygan Behavioral Health, Social Work Care Manager
Donna.Dunn@McLaren.org
Phone: 231.627.1339/231.627.1370

INPATIENT RATE REQUESTS

NMRE Provider Network Manager, Chris VanWagoner, supplied the following FY24 hospital rate requests for consideration.

Havenwyck

	FY23 Rate	Proposed FY24 Rate	% Increase
Adult Psychiatric Inpatient	$937.00	$970.00	3.5%
Partial Hospitalization	$413.00	$427.00	3.5%

Harbor Oaks

	FY23 Rate	Proposed FY24 Rate	% Increase
Adult R&B All Inclusive	$757.00	$800.00	5.6%
Specialized Pediatric Inpatient	$1,312.00	$1,350.00	2.8%

Trinity Health St. Mary's

	FY23 Rate	Proposed FY24 Rate	% Increase
Adult R&B All Inclusive	$1,143.00	$1,200.15	5%
Partial Hospitalization	$487.00	$511.35	5%

Trinity Health Hackley

	FY23 Rate	Proposed FY24 Rate	% Increase
Adult R&B All Inclusive	$1,000.00	$1,050.00	5%

MOTION BY DIANE PELTS TO APPROVE THE RATE INCREASE REQUESTS FROM HAVENWYCK, HARBOR OAKS, TRINITY HEALTH SAINT MARY'S, AND TRINITY HEALTH HACKLEY HOSPITALS FOR FISCAL YEAR 2024 AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY BRIAN MARTINUS. MOTION CARRIED.

FY24 PIHP CONTRACT

The PIHP Specialty Supports and Services Contract with the State of Michigan for FY24 was included in the meeting materials. The contract will be for a single year beginning October 1, 2023. Mr. Kurtz acknowledged that the contract boilerplate is not suited to the relationship between the PIHPs and the state, but some updates and progress was made.

HUMAN TRAFFICKING TRAINING

A staff from Catholic Human Services is looking to complete training in human trafficking. A request has been made for the NMRE to supply the $6,500 in training costs. The staff would then be available to provide training to the region. The request was brought forward for discussion. After discussing the topic, the request was not supported.

NETWORK ADEQUACY DISCUSSION

Mr. Kurtz, Brandon Rhue, and Chris VanWagoner met with Amanda Zabor, Michael Banks, and June White from MDHHS on September 18th to discuss network adequacy. Mr. Kurtz reported that the meeting went well. There was some indication that rural exceptions will be offered for some of the time/distance standards and staffing ratios, particularly in PIHP Regions 1 and 2.

EVV

The Electronic Visit Verification (EVV) proposed by MDHHS and its EVV vendor, HHAX has been viewed to be overly complex and does not align with how PIHPs and CMHPs are funded or how they operate. An alternative EVV approach has been requested by the CMHAM. Mr. Babbitt noted that he has asked North Country's CIO to look at alternatives to HHAX. HHAX was intended to interface with PCE. The preauthorization component was viewed to be problematic.

JEFF CHANG/PCE FACE-TO-FACE MEETING

A face-to-face meeting with Jeff Chang is scheduled for October 5th. Mr. Kurtz will check with NMRE CIO/Operations Director, Brandon Rhue, regarding agenda topics. Mr. Babbitt suggested a high-level look at AI. A regional PIHP Lead, and an inventory of modules and customizations made throughout the state will be requested. It was noted that developers are often unaware of what other developers have created.

RURAL CAUCUS DEBRIEF

It was noted that the Rural and Frontier Caucus was formed to address the difficulties faced by these communities in meeting mandates designed for urban environments. Although the Caucus began with PIHP Regions 1 and 2, several downstate areas have recently joined. The Caucus will continue to be led, however, by the PIHP and CMHSP CEOs from the UP and NMRE.

OTHER

It was noted that Directors' Forum is scheduled for September 28th – 29th in Lansing.

NEXT MEETING

The next meeting was scheduled for 9:30AM on October 17th in Gaylord.

NORTHERN MICHIGAN REGIONAL ENTITY
SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING
10:00AM – SEPTEMBER 11, 2023
GAYLORD CONFERENCE ROOM & MICROSOFT TEAMS

Alcona	☐ Carolyn Brummund	**Kalkaska**	☐ David Comai
Alpena	☒ Burt Francisco	**Leelanau**	☒ Greg McMorrow
Antrim	☒ Pam Singer	**Manistee**	☒ Richard Schmidt
Benzie	☒ Tim Markey	**Missaukee**	☐ Vacant
Charlevoix	☒ Annemarie Conway	**Montmorency**	☒ Don Edwards
Cheboygan	☒ John Wallace	**Ogemaw**	☒ Ron Quackenbush
Crawford	☒ Sherry Powers	**Oscoda**	☒ Chuck Varner
Emmet	☒ Terry Newton	**Otsego**	☒ Doug Johnson
Grand Traverse	☒ Dave Freedman	**Presque Isle**	☐ Terry Larson
Iosco	☒ Jay O'Farrell	**Roscommon**	☒ Darlene Sensor
		Wexford	☒ Gary Taylor

Staff	☒ Bea Arsenov	Clinical Services Director
	☐ Jodie Balhorn	Prevention Coordinator
	☒ Carol Balousek	Executive Administrator
	☒ Eric Kurtz	Chief Executive Officer
	☒ Brian Martinus	Veteran Navigator/Northern Lakes Interim CEO
	☐ Brandon Rhue	Chief Information Officer/Operations Director
	☐ Denise Switzer	Grant and Treatment Manager
	☒ Deanna Yockey	Chief Financial Officer

Public Laci Basham, Chris Frasz, Lou Gamalski, Molly Harvey, Max Huber, Caitlin Koucky, Hayden Laudenslager, Kathy McGeathy, Shelby Pasch, LeighAnn Theunick, Sue Winter

CALL TO ORDER
Let the record show that Mr. Schmidt called the meeting to order at 10:00AM.

ROLL CALL
Let the record show that Carolyn Brummund, David Comai, and Terry Larson were absent for the meeting on this date; all other SUD Oversight Committee members were in attendance either in Gaylord or virtually.

MOMENT OF SILENCE
Mr. Schmidt called for a moment of silence in remembrance of those who lost their lives on September 11, 2001.

PLEDGE OF ALLEGIANCE
Let the record show that the Pledge of Allegiance was recited as a group.

APPROVAL OF PAST MINUTES
The July minutes were included in the materials for the meeting on this date.

MOTION BY DON EDWARDS TO APPROVE THE MINUTES OF THE JULY 10, 2023 NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

APPROVAL OF AGENDA
Let the record show that no additions or revisions to the meeting Agenda were proposed.

MOTION BY JAY O'FARRELL TO APPROVE THE AGENDA FOR THE SEPTEMBER 11, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE; SUPPORT BY RON QUACKENBUSH. MOTION CARRIED.

ANNOUNCEMENTS
Let the record show that new NMRE SUD Oversight Committee Member, Annemarie Conway, representing Charlevoix County, was introduced to the group.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST
Let the record show that Mr. Schmidt called for any conflicts of interest to any of the meeting agenda items; none were declared.

INFORMATIONAL REPORTS

Admissions

The admissions report through July 31, 2023 was included in the materials for the meeting on this date. Admissions in the first ten months of FY23 were up 7.61% from the same period in FY22. The data showed that outpatient was the highest level of treatment admissions at 47%, and alcohol was the most prevalent primary substance at 55%, methamphetamine was second at 17%, and heroin was the third most prevalent primary substance at 12%. It was noted that stimulant use is rising sharply throughout the 21-county region.

June Financial Report

SUD services through June 30, 2023 showed all funding source revenue of $23,407,402 and $19,612,791 in expenses, resulting in a net surplus of $3,794,811. Total PA2 funds were reported as $4,836,119.

FY24 LIQUOR TAX REQUESTS

Single County

1) Bear River Health – Recovery Home (New)

Emmet	$	47,418.00

The recommendation by NMRE was to approve.

Discussion: The committee asked what would happen to the assets purchased with liquor tax funds if the provider was to go out of business. Mr. Kurtz responded that an asset pullback isn't likely unless the recovery home never opened. Chris Frasz, Program Director with Bear River Health, clarified that the funds would mainly be used for furnishings (not a capital investment into the home itself.). Mr. Francisco asked how long Bear River Health has been in operation. Mr. Frasz responded that Bear River Health has been operating for 7 years; recovery homes have been operating in Pigeon River for 3 years at 90% - 100% occupancy,

and Jordan River for 1 year at 80% - 100% occupancy. There is no minimum length of stay for the 12-bed facility; after 12-16 months, staff assist residents with transitioning out of recovery homes and into permanent housing.

MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM BEAR RIVER HEALTH FOR EMMET COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FORTY-SEVEN THOUSAND FOUR HUNDRED EIGHTEEEN DOLLARS ($47,418.00) TO FUND A RECOVERY HOME; SUPPORT BY DOUG JOHNSON. MOTION CARRIED.

2) Community Recovery Alliance, Inc. – Community Recovery Alliance and Recovery Center (New)

Emmet	$	205,000.00

The recommendation by NMRE was to approve.

Discussion: Committee members expressed some concerns regarding the program's sustainability. Caitlin Koucky, Executive Director of Community Recovery Alliance, Inc., responded that 76% of the request is for a percentage of (four) staff salaries and fringe benefits for one year. Mr. Newton asked what other revenue sources are being pursued. Ms. Koucky responded that the focus in FY24 will be on fund raising. She will be working with partners in the state and seeking local community fund grants and other grant opportunities. Funding applications look positive, though no funding has been confirmed to date. Community Recovery Alliance, Inc. was able to utilize State Opioid Response (SOR) funds from the NMRE in FY23 in addition to State of Michigan funding from a recovery support services grant; the NMRE determined that PA2 funding would be more appropriate than SOR funding for this project for FY24.

Clarification was made that an existing facility has been recently expanded to accommodate the Recovery Center, though it is not currently ADA compliant. Mr. Schmidt requested that, if the request is approved, a program update be presented to the NMRE SUD Oversight Committee in six months.

MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM COMMUNITY RECOVERY ALLIANCE, INC. FOR EMMET COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF TWO HUNDRED FIVE THOUSAND DOLLARS ($205,000.00) TO SUPPORT THE COMMUNITY RECOVERY ALLIANCE AND RECOVERY CENTER WITH THE CONDITION THAT A PROGRAM UPDATE BE PROVIDED IN MARCH 2024; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

The total of the liquor tax requests approved during the meeting on this date was provided as **$252,418.00**.

Emmet County Overview
Factoring in the two liquor tax use requests approved previously on this date, the fund balance for Emmet County was provided as $213,448.60.

FY24 MEETING SCHEDULE

The proposed Northern Michigan Regional Entity Substance Use Disorder Oversight Committee meeting schedule for FY24 was included in the materials for the meeting on this date. Clarification was made that the meetings for July and September 2024 were scheduled on the second Monday to not conflict with holidays.

MOTION BY RON QUACKENBUSH TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER COMMITTEE MEETING SCHEDULE FOR FISCAL YEAR 2024 AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY GARY TAYLOR. MOTION CARRIED.

PRESENTATION

Cheboygan Coalition – "Pulling Together"

LeighAnn Theunick and Molly Harvey from Catholic Human Services, were in attendance to give a presentation on the Cheboygan County Prevention Coalition, "Pulling Together." "Pulling Together" is a substance misuse prevention coalition formed in 2018 that coordinates initiatives and family resources to empower youth to choose a substance free lifestyle.

Youth Component

Hayden Laudenslager, Laci Basham, and Max Huber were in attendance to share their experiences with "Prevent 2 Protect," a youth-led coalition formed from the "Pulling Together" initiative. Youth receive training, develop and implement their own action plans, and build leadership skills by engaging with the community to prevent and reduce youth substance use.

Hayden expressed that he has gained a greater sense of empathy and mindfulness for those dealing with substance misuse through his participation in the coalition.

Laci shared that she is proud to be a member of "Prevent 2 Protect." She has attended youth conferences and bonded with others with a similar passion; she has then been able to bring what she learned back to her local area. Laci thanked the NMRE Substance Use Oversight Committee for continuing to supply funding for coalition activities.

Max highlighted the importance of prevention education. He added that the peer-run aspect of the coalition makes it understandable to its youth members. He has been able to receive CADCA training and attend conferences.

Mr. Freedman applauded the work of the local coalitions.

PUBLIC COMMENT

Kathy McGeathy, Client and Community Liaison with the Substance Use Recovery Focus (SURF) Club program with Bear River Health, distributed SURF Club brochures to committee members. The program provides transitional and ongoing support to people pursuing recovery. A liquor tax request for continued funding will be presented to the SUD Oversight Committee in November.

NEXT MEETING

The next meeting was scheduled for November 6, 2023 at 10:00AM.

ADJOURN

Let the record show that Mr. Schmidt adjourned the meeting at 11:01AM.

BEAR RIVER HEALTH RECOVERY HOME (NEW)

Organization/Fiduciary:	**Bear River Health**
County:	**Emmet**
Project Total:	**$ 47,418.00**

DESCRIPTION:

Bear River Health currently owns and operates two Sober Living Homes in Northern Michigan and have purchased an additional home in Alanson. Funds will be used to purchase furnishings, complete the MARR certification, and to cover the cost of project oversight. Our homes provide a safe, sober environment that offers life skills training and peer-based recovery support while assisting the client in transitioning from inpatient care back into the community. Crooked River House will be an approximately 12-bed recovery home in Emmet County, at this time there is not an estimated open date. All homes operated by Bear River Health are Level 3 MARR Certified, or future MARR certified homes.

Recommendation: Approve

County	Project	Requested Budget
Emmet	Bear River Health Recovery Home	$47,418.00

COMMUNITY RECOVERY ALLIANCE & CENTER (NEW)

Organization/Fiduciary:	**Community Recovery Alliance, Inc**
County:	**Emmet**
Project Total:	**$ 205,000.00**

DESCRIPTION:

As a Community Recovery Organization and Center, CRA serves anyone impacted by substance misuse and co-occurring mental health concerns by creating safe and healthy Recovery Friendly Communities in Northern Michigan. We are seeking funding to support the ongoing operations of Recovery Community Organization and Center, located in Petoskey, MI. With our PA2 funding request, we will focus on building a Recovery Friendly Community in Emmet County. Recovery Community Organizations and Centers are a newer industry, and empirical data has not yet been collected. Recovery Community Organizations in Michigan are working on a unified data collection method which will help us show the impact of RCOs and RCCs in Michigan. CRA is participating in this and was one of the first organizations to adopt using the Recovery Data Project (RDP) to collect data about the services we offer here. CRA is currently obtaining Certification through Face's and Voices of Recovery's Association of Recovery Centered Organizations (ARCO). Michigan is their pilot site to go from a membership organization to a national accreditation process. With this project, we will continue operate our Recovery Community Organization and Center in Petoskey Michigan where we will: host multiple pathway meetings, allow other people to host meetings (with no charge for using the space), will have a Recovery Library to share books about Recovery, allow visitors access to computers, phones, and private space to work (they can also use the computer and space for telemedicine meetings, to attend a virtual group, etc.). In addition to these services, we will also have open hours where people can come hang out in the Center, have coffee, relax, play games, and more. We now offer daily "open coaching" hours in our Center based in Downtown Petoskey where people can come drop in and receive Recovery Coaching services and find assistance with any other resources they might need. We focus on being a hub of Recovery and connecting people to other sources, including helping individuals find long-term coaches with other agencies such as NMSAS, Families Against Narcotics, and Catholic Human Services. We work with our visitors on a short-term basis and help meet immediate needs, then connect them with an agency with more coaches to be matched with a long-term coach based on their needs. While we always serve individuals and families, we have seen an increase in the number of family members that come to CRA looking for help on how to help their loved one and how to manage their own experience of SUD and recovery. In 2024, we hope to be able to increase our supports of families with family-focused meetings and coaches with more specialized trainings on working with families.

Recommendation:	Approve

County	Project	Requested Budget
Emmet	Community Recovery Alliance & Center	$205,000.00

EMMET COUNTY OVERVIEW

Projected FY24 Available Balance	$465,866.60

Project	Requested Budget	Remaining County Running Balance
Community Recovery Alliance & Center	$205,000	$260,866.60
Bear River Health Recovery Home	$47,418	$213,448.60

County	One Year Fund Balance (withheld)	Projected FY24 Beginning Balance	Projected Remaining FY24 Available Balance	Sum of Current Requested Project Amounts	Projected Remaining Balance
Emmet	**$155,244.50**	**$689,209.76**	**$465,866.60**	**$252,418.00**	**$213,448.60**

SECREST
SW
WARDLE

September 19, 2023

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Grand Rapids, MI 49546
Tel: 616-285-0143
Fax: 616-285-0145
www.secrestwardle.com

Christopher K. Cooke
616-272-7974
ccooke@secrestwardle.com

Mr. Eric Kurtz
Chief Executive Officer
Northern Michigan Regional Entity
(mailing address)
Re: Retainer Agreement

Dear Mr. Kurz:

Thank you for retaining Secrest, Wardle, Lynch, Hampton, Truex and Morley as your attorneys. This letter will confirm the scope and terms of our engagement and advise you regarding our fees and billing practices.

SCOPE OF REPRESENTATION

We are pleased to have the opportunity to represent regarding the legal needs of your organization.

FEES AND BILLING PROCEDURES

A retainer of $10,000 will be required for the Firm to proceed with this matter. When your retainer is received, the retainer will be placed in our client trust account and that amount will be applied against monthly billings during the progress of this case. The retainer must be renewed at the end of each month.

Pursuant to our usual practice, we will bill you monthly for services rendered, expenses incurred and incidental in-house services provided. Our fees are charged on an hourly basis, based upon the hourly rates of the attorneys and legal assistants working on your matter, and reflect their experience and expertise. Time is accounted for in one-tenth hour segments. It is our expectation that the current matter will be serviced primarily by Christopher K. Cooke, but other firm personnel may also provide services as we deem appropriate. Presently, Mr. Cooke's rate is $250 per hour, an associate rate is $160 per hour and the legal assistant's rate is $95 per hour. A complete billing rate schedule is available to you upon request.

For your information, time for which fee charges apply includes, but is not limited to, telephone calls, correspondence, meetings, legal analysis and research, review and drafting of documents, interviewing witnesses, discovery proceedings (such as depositions and interrogatories), pleadings, motions, court appearances, conferences and travel.

Generally, each invoice will include both our fees and our charges for any expenses incurred, and in-house incidental services provided with respect to your matter. These expenses and services include investigative expenses, service of process, travel expense, long distance telephone charges, facsimile charges, postage, filing fees, messenger service, court reporter services, expert witness fees, filing or search services, document reproduction, document collation and binding, computer research time, staff overtime on specific rush projects, and all other out-of-pocket expenses. We will require that you advance the cost of larger expenses or pay such expenses directly to our vendor. The Firm charges for photocopying at the rate of .20¢ per page and $35.00 per hour for major document processing projects. These charges include an administrative charge in addition to our actual costs. Charges for computer-assisted research are at the vendor's standard base rate.

Our bills are due and payable upon receipt. If you have questions regarding the amounts or descriptions set forth on a bill, please raise them immediately. Time often dims memories as to details, and review of older records is time consuming and costly. If no objection is made within thirty (30) days, we will assume that you have agreed to the statement amount. Please call me immediately if at any time you have any question about an invoice or if you anticipate that you will be unable to pay an invoice promptly.

Please be advised if you fail to pay an invoice timely, we have the right to immediately withdraw from our representation of you. It is the policy of our Firm that we will perform no further legal services for you if you become delinquent in the payment of our bills.

It is also a material condition of the Firm's representation that you agree that you and your authorized agents, officers or representatives will be available to the Firm to assist in factual inquiries and factual determinations, Court determinations, transactions and other matters regarding the matters for which the Firm has been retained. The Firm reserves the right to terminate its representation if you do not adequately cooperate with the Firm to accomplish the objectives with regard to which the Firm has been retained.

LATE PAYMENT CHARGE

Invoices that are not paid within thirty (30) days are assessed a late payment charge at the rate of 1.5% per month (*i.e.*, an 18% annual percentage rate) on the unpaid balance. Monthly late payment charges are retroactive to the dates of the statements on which the charges for services and/or other charges first appeared. All late charges are posted to each client's accounts as of the last day of the month.

The purpose of the late payment charge is to encourage prompt payment of our invoices, thus reducing our billing and collection costs.

All payments received are first applied to charges for expenses incurred and in-house incidental services provided, next to fees and last to late charges. Within each of these three categories, payments are applied to the oldest balances first. Installment payments are not contemplated unless specific arrangements are made in advance.

REFERRALS TO EXPERTS AND PROFESSIONALS

The Firm may refer you to professionals, expert witnesses, consultants and other service providers or product vendors ("Professionals"). You are free to select Professionals other than those recommended by the Firm. We do not guarantee the performance of Professionals and it is understood that you agree to hold the Firm harmless for any act or omission (including negligence) of any such Professionals, including any Professional recommended to you by the Firm. You agree to be responsible for the payment of all fees and costs incurred by such Professionals. We will direct the Professionals to contract directly with you, and to make direct payment arrangements with you.

NO GUARANTEE OF OUTCOME OR ESTIMATES

We do not guarantee the outcome or disposition of any matter with respect to which we are representing you, and you agree to pay our fees and other charges regardless of any outcome unless we have a specific written agreement with you to the contrary.

While we cannot guarantee a successful conclusion of this matter, the attorneys of this Firm will use their best efforts on your behalf. It is understood that the Firm will not settle or compromise this matter without your consent.

From time to time you may wish to ask us for budgetary estimates of the fees and charges for the work we will perform for you. We will be happy to provide you with such budgetary estimates, but they will be just estimates. We cannot guarantee estimated amounts because business and personal transactions often involve unexpected complications that take time and effort to resolve. Likewise, litigation often involves unexpected difficulties of facts and law. We cannot anticipate the number, length or complexity of negotiations, conferences, motions, depositions, interrogatories and other discovery matters, or the length of trial. We will, however, do our best to provide you with an accurate estimate of the average number of events and average time for such activities if you request that information. Unfortunately, these and other matters make the cost and outcome of any legal matter unpredictable.

FEE DISPUTE/BINDING ARBITRATION

Any claim or controversy arising out of or relating to our engagement, this agreement, or our performance or non-performance of services shall be determined by binding arbitration before the American Arbitration Association. The arbitration shall utilize the then prevailing commercial arbitration rules of the American Arbitration Association, except that discovery may be taken in that arbitration pursuant to the Michigan Rules of Civil Procedure. The claims or controversies subject to this provision shall include, without limitation, any claim of professional negligence or malpractice. The arbitration shall be held in the metropolitan Detroit area, unless we mutually select another venue, and judgment may be entered upon the arbitrator's award by any court having jurisdiction. Should you refuse or neglect to appear or participate in the arbitration proceedings, the arbitrator is empowered to decide the claim or controversy in accordance with the evidence presented. You should realize that by accepting the arbitration provision, YOU WILL WAIVE YOUR RIGHT TO A JURY TRIAL AND THE RIGHT, EXCEPT UNDER LIMITED CIRCUMSTANCES, TO APPEAL THE ARBITRATOR'S DECISION.

RETENTION OF FILES

At the conclusion of this matter, you may have the contents of your file. The Firm may, however, retain a copy of any attorney notes, motions and briefs, or work product, at its expense, that the Firm deems necessary to retain. If you choose to leave all or part of the file in the Firm's possession, the Firm has your authority to destroy the file within two (2) years without further notice to you.

THIS LETTER CONSTITUTES AN AGREEMENT

Please review this letter carefully since it will be a binding fee agreement when signed by both of us; it may only be modified by a subsequent written agreement between us. You may, of course, discuss its terms with other counsel if you so desire.

To indicate your understanding of and agreement to these terms, please execute the enclosed copy of this letter and return it to me for our records. The original is for your files.

Thank you again for retaining Secrest, Wardle, Lynch, Hampton, Truex and Morley as your attorneys. We appreciate the confidence which you have placed in our Firm and look forward to a mutually satisfactory relationship. Please feel free to call me if you have any questions.

Name
Case Name
Date

Very truly yours,

SECREST, WARDLE, LYNCH, HAMPTON, TRUEX AND MORLEY

_____

By: Mark Masters
A Professional Corporation

I confirm that I have read, understand and agree to the terms and conditions expressed in the above letter.

Dated: _____, 2020

By:_____
Eric Kurtz
Chief Executive Officer
Northeast Michigan Community Mental Health Authority

Notice of Public Meeting

The Northern Michigan Regional Entity (NMRE) will hold meetings of its Board of Directors in accordance with the schedule supplied herein. Anyone who has special needs should contact the NMRE at 231.487.9144 or email adminsupport@nmre.org. Reasonable accommodations will be provided upon notification or request. Auxiliary aids and services are available upon request to individuals with disabilities.

This meeting is open to all members of the public under Michigan's Open Meeting Act.

NORTHERN MICHIGAN REGIONAL ENTITY
MEETINGS OF THE BOARD OF DIRECTORS

All meeting times are 10:00am.
Meetings are held on the 4th Wednesday of every month.
unless otherwise noted, at the NMRE main office located at
1999 Walden Drive in Gaylord.

October 25, 2023

November 22, 2023

December 27, 2023

January 24, 2024

February 28, 2024

March 27, 2024

April 24, 2024

May 22, 2024

June 26, 2024

July 24, 2024

August 28, 2024

September 25, 2024

2024

Proposed Budget

Fiscal Year 2024 Budget

Significant Assumptions and Key Points

I. Medicaid and Healthy Michigan (HMP) flat revenue projections.

- The ISF is anticipated to be fully funded at close of fiscal year 2023

II. Medicaid and Healthy Michigan (HMP) - Expenses

- Substance Abuse costs based on projected current year utilization.

III. Autism program - revenue is included in capitation methodology.

IV. Substance Abuse Prevention and Treatment Block Grant - revenue based on current year actual MDHHS allocation.

- Block grant allocation is broken down into separate programs with distinct allowable uses (Treatment, Prevention, and SDA).

- All services expected to be provided through NMRE's provider network.

V. Public Act 2 (PA2) funding - revenue anticipated to stay consistent with current year.

- PA2 funds must be used in the county from which they originated for prevention or treatment but may not be used on administration.

VI. Affiliate local match and local match drawdown - based on actual historical amounts.

Northern Michigan Regional Entity

Fiscal Year 2024 Budget

	MH Proposed Budget	SUD Proposed Budget	ISF Proposed Budget	Proposed FY 2024 Budget	Projected FY 2023	Proposed Increase (Decrease)
Operating revenue						
Medicaid:						
Medicaid Capitation	$ 192,180,792	$ 6,321,520	$ -	$ 198,502,312	$ 198,500,000	$ 2,312
Carry Forward	3,473,000	-	-	3,473,000	3,473,000	-
HMP Capitation	22,529,836	13,085,776	-	35,615,612	35,600,000	15,612
Carry Forward	12,710,000	-	-	12,710,000	12,710,000	-
Health Home	2,027,162	-	-	2,027,162	1,800,000	227,162
SUD Block Grant	-	3,298,538	-	3,298,538	3,116,676	181,862
Interest Revenue	-	-	7,500	7,500	7,283	217
PA 2 - Liquor Tax Revenue	-	1,533,979	-	1,533,979	1,533,979	-
Opioid Health Home	-	4,017,419	-	4,017,419	3,900,000	117,419
Grant Revenue	110,000	4,574,580	-	4,684,580	4,684,580	-
Affiliate Local Drawdown	594,816	-	-	594,816	594,816	-
Total operating revenue	233,625,606	32,831,812	7,500	266,464,918	265,920,334	544,584
Operating expenses						
General Administration						
Salaries	2,113,160	590,424	-	2,703,584	2,529,361	174,223
Fringes	685,620	176,928	-	862,548	826,893	35,655
Access salaries	-	234,468	-	234,468	224,235	10,233
Access fringes	-	90,636	-	90,636	75,856	14,780
Contractual	495,300	129,000	-	624,300	612,300	12,000
Board expenses	21,000	5,000	-	26,000	21,100	4,900
Day of recovery	14,000	-	-	14,000	14,000	-
Facilities	158,400	-	-	158,400	152,700	5,700
Other	137,600	13,800	-	151,400	137,400	14,000
IPA Tax	2,540,152	181,664	-	2,721,816	2,011,134	710,682
Hospital Rate Adjuster	4,037,264	-	-	4,037,264	4,037,264	-
Grant Expenses	-	4,574,580	-	4,574,580	3,312,760	1,261,820
Local Match Drawdown	594,816	-	-	594,816	594,816	-
Payments to Providers:						
Medicaid Services	184,686,637	4,926,934	-	189,613,571	193,642,573	(4,029,002)
Healthy Michigan Services	20,209,048	10,813,073	-	31,022,121	31,028,923	(6,802)
Health Home Services	1,995,198	-	-	1,995,198	1,995,198	-
Opioid Health Home Services	-	3,766,272	-	3,766,272	3,766,272	-
PA2 Services	-	1,533,978	-	1,533,978	1,533,978	-
Comunity Grant	-	2,365,692	-	2,365,692	2,075,447	290,245
Prevention	-	541,829	-	541,829	598,000	(56,171)
State Disability Assistance	-	93,048	-	93,048	95,215	(2,167)
Total operating expenses	217,688,195	30,037,326	-	247,725,521	249,285,425	(1,559,904)
Revenue over (under) expenses	$ 15,937,411	$ 2,794,486	$ 7,500	$ 18,739,397	$ 16,634,909	$ 2,104,488

Note: Payments to providers are based on the actual projected PMPM by CMH.

Northern Michigan Regional Entity

2024 Proposed Budget

By Funding Source

	Medicaid	Healthy Michigan	Health Home/ OHH	SAPT Block Grant/ PA2 Funds	Total
Mental Health/Developmental Disability					
Operating revenue	$ 195,653,792 *	$ 35,239,836 *	$ 2,027,162	$ -	$ 232,920,790
Operating expenses					
General Administration	2,548,508	278,866	27,532	-	2,744,906
MH Admin	410,274	44,894	4,432	-	459,600
IPA Tax	2,318,000	222,152	-	-	2,540,152
Hospital Rate Adjuster	2,156,000	1,881,264	-	-	4,037,264
Payments to Providers	184,686,637	20,209,048	1,995,198	-	206,890,883
Total operating expenses	192,119,419	22,636,224	2,027,162	-	216,672,805
Unspent (Overspent) MH/DD Funds	$ 3,534,373	$ 12,603,612	$ (0)	$ -	$ 16,247,985
Substance Use Disorder					
Operating revenue	$ 6,321,520	$ 13,085,776	$ 4,017,419	$ 4,832,517	$ 28,257,232
Operating expenses					
General Administration	67,987	149,211	51,971	41,405	310,574
SUD Admin	189,389	318,136	144,774	213,222	865,152
SUD Access Admin	71,168	156,191	54,403	43,342	325,104
IPA Tax	55,727	125,937	-	-	181,664
PA2 Expenditures	-	-	-	1,533,978	1,533,978
Payments to Providers	4,926,934	10,813,073	3,766,272	3,000,569	22,506,848
Total operating expenses	5,311,205	11,562,548	4,017,419	4,832,517	25,723,320
Unspent SUD (Overspent) Funds	1,010,315	1,523,228	(0)	0	2,533,912
Total Unspent (Overspent) Funds	$ 4,544,688	$ 14,126,840	$ (0)	$ 0	$ 18,781,897

* Medicaid and HMP Revenue includes FY23 Carryforward flowing into FY24

Northern Michigan Regional Entity

Fiscal Year 2024 Budget

Summary of Revenue Contracts

Revenue Source (Grantor/Payor)	Contract Type	Amount
MDHHS/PIHP Master Contract	Service	252,328,086
MDHHS/Substance Abuse Prevention and Treatment (Community Grant)	Grant-SUD	3,298,538
MDHHS/Veteran Navigator	Grant-PIHP	110,000
MDHHS/Block Grant	Grant-SUD	3,116,676
MDHHS/Michigan Gambling Disorder Prevention Project	Grant-SUD	155,182
MDHHS/Substance Use Disorder - Tobacco	Grant-SUD	4,000
MDHHS/COVID	Grant-SUD	1,945,888
MDHHS/Pregnant and Postpartum Women	Grant-SUD	258,225
MDHHS/MI Partnership for Advancing Coalitions	Grant-SUD	322,787
MDHHS/State Opioid Response (SOR III)		2,043,989

Northern Michigan Regional Entity

Fiscal Year 2024 Budget

Summary of Admin Contracts over $10,000

Vendor	Contract Type/Department	Amount
Behavioral Medicine Associates PLLC	Medical Director	10,000
Roslund, Prestage & Company	Audit/Finance	28,000
General Consulting	Miscellaneous Contracts	200,000
Peter Chang & Associates	Data - IT	150,000
Legal	Legal	50,000
Paychex	HR/Payroll	18,540
United Training	Training/Regional	50,000
SS IL Real Estate LLC	NMRE Office Lease	125,728
Jefferson Wells	SUD MEV Audits	25,000

Northern Michigan Regional Entity

Fiscal Year 2024 Budget

Summary of Substance Use Treatment Contracts

Vendor	Outpatient	Residential	Withdrawl Management	Recovery Homes	Access
Addiction Treatment Centers	X	X	X	X	
BASES	X				
Bear River Health	X	X	X	X	
Catholic Human Services	X				
DOT Caring Center	X	X	X		
Grace Center	X				
Great Lakes Recovery		X	X		
Harbor Hall	X	X	X	X	
Holy Cross		X	X		
Meridian		X	X		
Michigan Therapeutic Consult	X				
Munson	X				
NMSAS	X				
Recovery Pathways	X				
Sacred Heart	X	X	X		
Sunrise	X	X	X		
Ten Sixteen Recovery Network		X			
ProtoCall					X
Wedgwood		X			

Northern Michigan Regional Entity

Fiscal Year 2024 Budget

Summary of Program Contracts

Vendor	Contract Type/Department	Amount
Northeast CMH	Service/Mental Health	$ 33,742,472
North Country CMH	Service/Mental Health	56,916,498
Northern Lakes CMH	Service/Mental Health	67,836,576
AuSable Valley CMH	Service/Mental Health	28,689,332
Centra Wellness	Service/Mental Health	17,710,807