

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD MEETING  
10:00AM, JANUARY 24, 2018  
CROSS STREET CONFERENCE ROOM, GAYLORD**

<b>BOARD MEMBERS IN ATTENDANCE:</b>	<b>Roger Frye, Ed Ginop, Annie Hooghart, Gary Klacking, Terry Larson, Jay O'Farrell, Dennis Priess, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora</b>
<b>BOARD MEMBERS ABSENT:</b>	<b>Carol Crawford, Randy Kamps, Gary Nowak</b>
<b>STAFF IN ATTENDANCE:</b>	<b>Richard Carpenter, Christine Gebhard, Chip Johnston, Karl Kovacs, Eric Kurtz, Mary Marlatt-Dumas, Brian Martinus, Cathy Meske, Christine Pudvan, Paul Rebandt, Dee Whittaker, Deanna Yockey, Carol Balousek</b>
<b>PUBLIC IN ATTENDANCE:</b>	<b>Chip Cieslinski, Sue Winter</b>

CALL TO ORDER

Let the record show that, in the absence of Chairman Kamps, Vice-Chairman Roger Frye called the meeting to order at 10:03AM.

ROLL CALL

Let the record show that Carol Crawford, Randy Kamps, and Gary Nowak were absent with notice for the meeting on this date. All other Board Members were present.

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 were expressed with any of the meeting agenda items.

APPROVAL OF PAST MINUTES

The minutes of the November meeting of the Northern Michigan Regional Entity Governing Board were included in the materials for the meeting on this date.

**MOTION MADE BY RICHARD SCHMIDT TO APPROVE THE MINUTES OF THE DECEMBER 27, 2017 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY ANNIE HOOGHART.  
MOTION CARRIED.**

APPROVAL OF AGENDA

No additions or changes were proposed to the agenda for the meeting on this date.

**MOTION MADE BY DENNIS PRIESS TO APPROVE THE AGENDA FOR THE JANUARY 24, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY DON TANNER.  
MOTION CARRIED.**

CORRESPONDENCE

- THE PIHP Revenue Analysis for DAB population from Rehman dated December 2017.
- A letter to Eric Kurtz from Jeff Wieferich, Director of Quality Management and Planning Division, Bureau of Community Based Services at MDHHS, dated December 28, 2017 requesting additional data

on Assertive Community Treatment, Intensive Crisis Stabilization, Crisis Residential, Crisis Intervention, Pre-Admission Screening, and Partial Hospitalization services offered throughout the region.

- Proposed Policy Draft from MDHHS and MSA on the MI Marketplace Option benefit plan and Healthy Michigan Plan program updates (effective date April 1, 2018).
- An email from Robert Sheehan at CMHAM discussing the Association's activity relative to Section 298 Pilot RFI.
- Recommended principles and design elements of the system redesign and refinement effort (related to Section 298 Pilots) from CMHAM listing eight essential core elements.
- Several documents from the Michigan Consortium for Healthcare Excellence (MCHE). (Further discussion under "New Business.")
- The CMHAM Director's Report for January 2018.
- Enrolled Senate Bill No. 649, dated December 19, 2017 (effective March 20, 2018) to release 298 pilots from the Act.
- MDHHS/BHDDA Veteran and Military Service Members Three-Year Strategic Plan Supplement, updated December 2017.
- House CARES Task Force Final Report, Michigan House of Representatives, issued January 17, 2018.

Regarding the DAB issue, Karla Sherman asked whether the Rehman report was widely distributed. Mr. Kurtz responded, it was, but there are two sides to the information. From the standpoint of MDHHS, it reflects the changes in enrollment, and from the standpoint of CMHAM and its partner CMHSPs (and PIHPs), it's a real loss in revenue.

#### ANNOUNCEMENTS

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

#### PUBLIC COMMENTS

Let the record show that no comments were made from the public during the meeting on this date.

#### REPORTS

##### **Board Chair/Executive Committee Report**

Let the record show that no meetings have occurred, and no report was given on this date.

##### **CEO Report**

The CEO Report for January 2018 was included in the materials for the meeting on this date. Mr. Kurtz mentioned that the meeting with War Memorial, on January 22<sup>nd</sup>, was turned into a conference call due to the ice storm. Mr. Kurtz attended the Centra Wellness Network Board retreat on the 19<sup>th</sup>; Don Tanner thanked him for being present.

##### **SUD Board Report**

The minutes of Northern Michigan Regional SUD Oversight Board meeting for January 8, 2018 were included in the materials for the meeting on this date. Jay O'Farrell informed the Board that a law firm out of Traverse City has been contacting various Boards of Commissioners regarding filing lawsuits pertaining to the opioid crisis. The intent is to take civil action against drug companies and potentially insurance companies. NMRE SUD Oversight Board Member, Chuck Welsh, stated, in the January 8<sup>th</sup> meeting, that Grand Traverse, Chippewa, and Leelanau Counties had already engaged with the law firm. Chip Johnston added that Manistee and Benzie Counties are also involved, and the number of counties is growing. It was noted that another firm from Grand Rapids is involved.

A discussion of the potential that the PIHPs may have some damages to recoup followed. A significant amount of resources is being spent to combat the opioid/heroin epidemic. At this point, there is a question

of whether the PIHPs would have standing in court; it's clear that counties would. The law firm has stressed it is not a class action law suit. Funds returning to counties are not necessarily earmarked to address the crisis. Mr. Stone commented that steering funds toward prevention and treatment makes the most sense. Cathy Meske noted that tobacco tax launched respite care and some current b3 services. Mr. O'Farrell added that he believes there was a stipulation with the tobacco tax to direct funds to CMHSPs, noting it took about 10 years to do so.

### **Finance Report**

The NMRE Monthly Financial Report for November 2017 was included in the materials for the meeting on this date. Richard Carpenter reported first couple of pages show that DAB enrollees are below last year at this time, but close to the end of FY17. The hope is that this remains flat. Mr. Carpenter noted TANF is also staying flat, though HMP has increased. Revenue is above FY17 due to rate adjustment, much of which has already been spoken for (direct care wage increase, autism revenue backed into DAB/TANF). HAB waiver decline is likely due to a payment issue at the State that has been experienced by additional PIHPs. NMRE received twenty-three additional slots in FY17, and five or six more recently. Packets are kept on standby at the NMRE.

Traditional Medicaid shows a surplus of \$1.5M. The CMHSPs have estimated direct care wage (DCW) increase in costs, which may fluctuate as actual payments go out. A small deficit is shown for HMP of \$13K; Medicaid may be used to offset. Mr. Carpenter cautioned that we are still in audit prep for FY17; numbers could change a bit as accruals are booked. Mr. Stone asked about using Medicaid to pay for HMP shortfall. If the State is shorting HMP, using Medicaid to subsidize isn't a long-term solution. Mr. Carpenter agreed. A discussion of the impact of the HMP shortage and the impact on DAB rates followed.

### NEW BUSINES

#### **SUD Liquor Tax Requests**

A summary of the liquor tax requests recommended by the NMRE SUD Oversight Board were included in the materials for the meeting on this date. Richard Schmidt expressed that the summary is inconsistent with the full requests reviewed by the SUD Board; he stressed the need for that the information be the presented in the same manner. The second request was for Crawford County in the amount of \$59K, 66.5% of its \$90K balance. Representatives from Crawford County were in attendance and supported the expense.

**MOTION MADE BY JOE STONE TO APPROVE THE LIQUOR TAX REQUESTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON JANUARY 8, 2018, SECOND BY NINA ZAMORA. MOTION CARRIED.**

**MOTION MADE BY JOE STONE TO INCLUDE LIQUOR TAX BALANCE AMOUNTS, ALONG WITH AMOUNTS REQUESTED FOR TARGETED SPENDING, WHEN SEEKING APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY GOVERNING BOARD FOR LIQUOR TAX FUNDS, SECOND BY KARLA SHERMAN. MOTION CARRIED.**

#### **NMRE Board Meeting Schedule**

The fiscal year 2018 Board meeting schedule was included in the materials packet for the meeting on this date.

**MOTION MADE BY DENNIS PRIESS TO ADOPT THE NORTHERN MICHIGAN REGIONAL ENTITY GOVERNING BOARD SCHEDULE AS PRESENTED, SECOND BY ED GINOP. MOTION CARRIED.**

#### **NMRE Policy/Procedure Review & Revamp**

Mr. Kurtz stated he has reviewed the NMRE's Bylaws and the Policies and Procedures submitted to the state in the Application for Participation (AFP) to form the Regional Entity. He reported NMRE staff

members are in the process of reviewing policies to reflect current business practices and adherence to Managed Care Rules. He asked what role the Board wanted to play in the process of approving policies, noting there will be many coming through in the coming months. Mr. Tanner recommended that the Board Policy Committee be reconvened. Mr. Larson suggested that the full Board review a few policies each Board meeting after they have been recommended by the Policy Committee. Policies will be reviewed by the Operations Committee as needed.

### **Michigan Consortium for Healthcare Excellence (MCHE)**

When it transitioned from the Michigan Association of Substance Abuse Coordinating Agencies (MASACA), the MCHE was formed as a new non-for profit. When Mr. Kurtz joined the NMRE last year, he was appointed to its Board (replacing the previous CEO). The Board meets every other month. Current financial reports show a balance of \$2,050 in the account. Mr. Kurtz discussed the group's activities. The NMRE Board previously indicated that, if dues are charged for membership, it no longer wishes to participate. Clarification was made that this still holds true, but a new board vote would be requested, or if other factors leading toward its continuation arise.

### OLD BUSINESS

#### **SUD Health Home Update**

Mr. Kurtz indicated that progress is moving rapidly. The State is looking at an October 2018 kickoff. There is not anticipated problems from CMS. Licensing revenue from marijuana facilities is coming through as expected. The State is scheduling a visit to the region in February. The Budget Office is on board, Medicaid is at the table, and everything seems to be coming into place. Mr. Kurtz will update as progress is made.

### PRESENTATION

#### **PIHP Regional Environmental Update**

Mr. Kurtz distributed a handout to attendees on this date. He discussed the current external environment, which he felt was important prior to the upcoming Board Association Conference. Mr. Kurtz emphasized that the Regional Entities were formed "pursuant to the authority granted under the Mental Health Code." Mr. Kurtz reiterated the powers granted to a regional entity. He discussed his view of the NMRE as a "provider sponsored" health plan. Mr. Kurtz continued, "the NMRE is here to serve the regional partners as an administrative support system." The NMRE's draft Strategic Plan will come to the Board for discussion in February.

### COMMENTS

#### **Board**

Mr. Stone announced the CMHAM Spring Conference will be held in Novi. Discussions of eliminating the Winter Conference are stalled but will be addressed in February.

#### **Staff/CEOs**

It was noted that Roger Frye and Dennis Priess will both be in Florida for the February Board meeting. Attempts will be made for them to attend via Skype.

### NEXT MEETING

The next meeting of the Northern Michigan Regional Entity Governing Board is scheduled for 10:00AM on February 28, 2018 in the Cross Street Conference Room in Gaylord.

### ADJOURN

**MOTION MADE BY JOE STONE TO ADJOURN THE MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY GOVERNING BOARD FOR JANUARY 27, 2018, SECOND BY ED GINOP. MOTION CARRIED.**

Let the record show that Mr. Frye adjourned the meeting at 11:43AM.