

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, MARCH 28, 2018
CROSS STREET CONFERENCE ROOM, GAYLORD**

BOARD MEMBERS IN ATTENDANCE:	Roger Frye, Annie Hooghart, Terry Larson, Gary Nowak, Jay O'Farrell, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora
BOARD MEMBERS ABSENT:	Carol Crawford, Randy Kamps, Gary Klacking, Dennis Priess
STAFF IN ATTENDANCE:	Shannon Avenall, Brian Babbitt (for Christine Gebhard), Richard Carpenter, Chip Johnston, Sandy Kintz, Eric Kurtz, Karl Kovacs, Mary Marlatt-Dumas, Brian Martinus, Diane Pelts, Christie Pudvan, Paul Rebandt, Nena Sork (for Cathy Meske), Dee Whittaker, Deanna Yockey
PUBLIC IN ATTENDANCE:	Chip Cieslinski, Donna Hardies, Susan Pulaski, Kristine Wilmoth

CALL TO ORDER

Let the record show that in the absence of Chairman Randy Kamps, Vice Chairman Roger Frye called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Carol Crawford, Ed Ginop, Randy Kamps, Gary Klacking, Dennis Priess, and Richard Schmidt were absent with notice for the meeting on this date. All other Board Members were in attendance.

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 February meeting of the NMRE Governing Board were included in the materials for the meeting on this date.

**MOTION MADE BY GARY NOWAK TO APPROVE THE MINUTES OF THE FEBRUARY 28, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY KARLA SHERMAN.
MOTION CARRIED.**

APPROVAL OF AGENDA

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

**MOTION MADE BY JOE STONE TO APPROVE THE AGENDA FOR THE MARCH 28, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY ANNIE HOOGHART.
MOTION CARRIED.**

CORRESPONDENCE

- A memorandum dated March 16th from Jeff Wieferich at MDHHS to PIHP Executive Directors, CMHSP Executive Directors, and SUD Services Directors regarding 1115 Waiver Clarification for SUD Services.
- Correspondence from CMHAM on “Defining the role of Michigan’s public mental health system in healthcare transformation: the Association’s part in this effort” dated March 2018.
- Information about Electronic Visit Verification (EVV) which is mandated under Section 12006 of the CURES Act to improve the effectiveness of all programs that provide Personal Care Services (January 1, 2019) and Home Health Care Services (January 1, 2023).
- A memorandum from Jeff Wieferich dated March 9, 2018 to PIHP Executive Directors announcing the schedule for Health Services Advisory Group’s on-site compliance reviews (June 19th -20th).
- A summary of discussion topics for CMHAM’s Directors’ Forum held on March 20th – 21st.
- A document from CMHAM dated March 2018 on the “Impacts of Medicaid Revenue for PIHP/CMH System,” subtitled “Transfer of DAB enrollees to HMP and TANF status in the Face of growing Medicaid Enrollment.” Issues experienced with individuals who turn 21YO and remain in the under 21 age rate category. A rate adjustment is likely at some point in the future.
- The FY19 Executive Budget Proposal highlights supplied by CMHAM.
- The House CARES Task Force report.
- A press release from CMHAM announcing the three pilot sites selected to coordinate physical and behavioral health services in Michigan: 1) Muskegon County CMH and West Michigan CMH, 2) Genesee Health System, and 3) Saginaw County CMHA. Also, “Evaluation of the pilot(s) and demonstration models”, and “Michigan’s Section 298 Pilot Evaluation Plan Conducted by the University of Michigan.”
- MDHHS Update on the MiPAD Initiative from Philip Kurdunowicz dated March 21, 2018.
- The MiPAD Final Workgroup Report dated February 13, 2018.
- The Healthcare Integration and Coordination 2017/2018 Update from CMHAM Center for Healthcare Research and Coordination dated February 2018.
- Template for Letter of Interest to the Delta Center for a Thriving Safety Net State Learning and Action Collaborative.

ANNOUNCEMENTS

Mr. Stone noted the lengthy paper Board packet. Mr. Kurtz explained the reason for the full liquor tax documents. Several Board Members indicated they require only paper copies of action items in the future, with the full packet sent by email. This will be implemented beginning with the April Board meeting.

PUBLIC COMMENTS

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

REPORTS

Board Chair Report/Executive Committee

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

CEO’s Report

The NMRE CEO Report for March 2018 was included in the materials for the meeting on this date. Mr. Kurtz discussed the MDHHS/PIHP call regarding higher acuity inpatient setting (from the MiPAD workgroup). He reported the State is considering using a Medicare rate structure for inpatient. Mr. Kurtz referred to this as a “step in the right direction.” Mr. Kovacs asked whether this move would eliminate the need to negotiate with hospitals. Mr. Kurtz responded yes, and it would also call for rates to drop after a set time (days). The impact in terms of cost is to be determined, but they will likely go up somewhat. Ms. Sherman voiced she has seen several television spots recently from the “Drug Free Northern Michigan” prevention campaign. She was complimentary, calling them “very well done.”

Don Tanner asked about the PIHP Contract Negotiations meeting on March 23rd and whether any of the issues about whether or not a CMHSP can be held at risk for a PIHP's overspending is being discussed. Mr. Kurtz said that issue will be discussed later in the agenda under "Dueling legal Opinions." Mr. Kurtz reported that no more extensions to the 1915(b) will be given; the waiver needs to be redone and will likely point to 1115, which should remove the troubling language. The PIHPs would retain excess funds, though one legislator is trying to define them as valid Medicaid expenses. Savings and incentives could potentially be used as local funds. It could also fix the issue that contributions to ISF are not factored into base rates.

SUD Board Report

The minutes from the March 5, 2018 meeting of the NMRE SUD Oversight Board were included in the materials for the meeting on this date. Selected topics will be discussed later in the Agenda.

Financial Reports

The NMRE Monthly Financial Report for January 2018 was included in the materials for the meeting on this date. Mr. Carpenter discussed the revenue graphs. He noted the NMRE received retro payments for October in February. FY17 figures showed DAB, HMP, and HSW high as they included revenue and expenses for use tax. Revenue in all categories show higher this year than last. Autism is lumped in to revenue and expenses. The Medicaid ISF shows \$6.6M and Medicaid Savings shows \$4.2M. The report for the first four months of the fiscal year shows Medicaid underspent by \$2.5M. Mr. Carpenter said he has asked the State how much of each payment is the direct care wage pass through; this is needed to calculate the anticipated surplus. Autism revenue increased significantly, another increase is expected in FY19. Mr. Stone asked if Autism is still being tracked, even though it is included in the Traditional Medicaid cap payment. Mr. Carpenter responded that he could probably back it out, but he has not done so to date. Healthy Michigan shows a slight deficit of \$135K (relatively minor) which can be offset with traditional Medicaid. Healthy Michigan ISF is \$5.4M and Health Michigan Savings is zero. Revenue for SUD services is being closely monitored. Mr. Carpenter noted that overspending is a statewide trend.

Mr. Carpenter expressed he will likely revise FY18 projections with 6 months of data available. Mr. Kurtz mentioned the \$1.1M incentive payment received by NMRE, which can be used as local funds. This will be passed proportionately to the CMHSPs. Mr. Kurtz also noted the MUNC was submitted timely.

MOTION MADE BY GARY NOWAK TO RECEIVE AND FILE THE NORTHERN MICHIGAN MONTHLY FINANCIAL REPORT FOR JANUARY 2018, SECOND BY TERRY LARSON. MOTION CARRIED.

NEW BUSINESS

Liquor Tax Requests

The Liquor tax requests approved by the NMRE SUD Oversight Board were included in the materials for the meeting on this date.

MiPHY

Liquor tax funds used to incentivize the use of the MiPHY regional needs assessment on health risk behaviors including substance use, violence, physical activity, nutrition, sexual behavior, and emotional health for students in grades 7, 9, and 11. To provide incentive for schools to participate, the request was made to provide \$1,000 to each school district that participates.

Talk Sooner

Liquor tax request in the amount of \$44,900 to implement the Talk Sooner Campaign in each of the twenty-one counties in the NMRE services area. Talk Sooner sends a common message to parents about alcohol, tobacco and other substances using factual information, trends, and tips on how to talk to youth.

MOTION MADE BY GARY NOWAK TO ACCEPT THE LIQUOR TAX REQUESTS APPROVED BY THE NORTHERN MICHIGAN SUBSTANCE USE DISORDER OVERSIGHT BOARD ON MARCH 5, 2018, SECOND BY KARLA SHERMAN. MOTION CARRIED.

SUD PREVENTION CHANGES SUMMARY

A summary of changes to the NMRE Prevention Process was included in the materials for the meeting on this date. The change in contracting would eliminate the Performance Based Contract as well as the associated withholds and incentives. Contracts would be based upon county needs as identified in a needs assessment. Services would be required to be evidence based. Planning would identify services and units. Providers would include the rates per service while staying within the total funding per county.

MOTION MADE BY DON TANNER TO APPROVE THE CHANGES TO THE NORTHERN MICHIGAN REGIONAL ENTITY SUD Prevention Contracts FROM PERFORMANCE BASED CONTRACTS USING FINANCIAL INCENTIVES AND WITHHOLDS TO CONTRACTS BASED ON NEEDS IDENTIFIED THROUGH COUNTY NEEDS ASSESSMENTS, AND REQUIRING THE USE OF EVIDENCE-BASED PRACTICES, SECOND BY GARY NOWAK. MOTION CARRIED.

FINANCIAL AND COMPLIANCE AUDIT RFP

The NMRE Request for Proposals for Auditing Services (Financial, Single Audit Compliance, and Compliance Examination) for Fiscal years ended on September 30, 2018, 2019, and 2020 was included in the materials for the meeting on this date. The RFP includes Auditing services for the five Member Boards, though it is not necessary that all entities contract with the same auditing firm.

MOTION MADE BY DON TANNER TO APPROVE THE REQUEST FOR PROPOSALS FOR AUDITING SERVICES FOR THE NORTHERN MICHIGAN REGIONAL ENTITY, AUSABLE VALLEY COMMUNITY MENTAL HEALTH AUTHORITY, CENTRA WELLNESS NETWORK, NORTH COUNTRY COMMUNITY MENTAL HEALTH, NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH AUTHORITY, AND NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018, 2019, AND 2020, SECOND BY KARLA SHERMAN.

Discussion: The single RFP was begun to possibly use the same auditing firm throughout the region. Clarification was made the Rehmann cannot bid on the NMRE audits as long as Richard Carpenter is acting CFO. Mr. Johnston explained that accounting firms are not allowed to sub-delegate the responsibility.

Voting took place on Mr. Tanner's motion. MOTION CARRIED.

TELEPHONIC AFTER-HOURS CRISIS RESPONSE RFI

The NMRE Request for Information for after-hours telephonic crisis intervention services was included in the materials for the meeting on this date. The RFI includes after-hours crisis phone services for the NMRE and all of its Member Boards except Centra Wellness Network.

MOTION MADE BY JOE STONE TO APPROVE THE REQUEST FOR INFORMATION FOR AFTER-HOURS TELEPHONIC CRISIS INTERVENTION SERVICES FOR THE NORTHERN MICHIGAN REGIONAL ENTITY, AUSABLE VALLEY COMMUNITY MENTAL HEALTH AUTHORITY, NORTH COUNTRY COMMUNITY MENTAL HEALTH, NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH AUTHORITY, AND NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY, SECOND BY JAY O'FARRELL. MOTION CARRIED.

CMT CONTRACT NON-RENEWAL

Mr. Kurtz asked for a motion to approve not renewing the contract between the NMRE and Care

Management Technologies for data analytics. The reports supplied by CMT were underutilized by staff. The NMRE's data warehouse will allow NMRE staff to create needed reports at reduced cost.

MOTION MADE BY DON TANNER TO APPROVE THAT THE NORTHERN MICHIGAN REGIONAL ENTITY NOT RENEW THE CONTRACT WITH CARE MANAGEMENT TECHNOLOGIES IN FULL, SECOND BY ANNIE HOOGHART. MOTION CARRIED.

DUELING LEGAL OPINIONS ON EXPENDITURE OVERRUNS

Opinions from Timothy Perrone from Cohl, Stoker & Toskey and Roslyn Parmenter were included in the materials for the meeting on this date. The question up for debate is, "Is a CMH responsible for Medicaid Over-expenditures?" According to Mr. Perrone, the answer is no, it is the PIHPs responsibility to handle risk. Ms. Parmenter took it a step further; PIHPs were created by Member CMHSPs, which were created by the County Commissions. County Boards (not Authorities or Organizations) would then bear some liability. Mr. Kurtz called the matter an "interesting discussion." Mr. Tanner recognized "they are all subdivisions of the State." Mr. Kurtz noted the waiver decision will inform where this goes.

COHL, SOTKER & TOSKEY ENGAGEMENT

Mr. Kurtz expressed the need for the NMRE to engage a law firm for Human Resources development, general contract approval, and consultation. He said he will pursue Cohl, Stoker & Toskey; there were no objections.

OLD BUSINESS

NMRE Draft Strategic Plan

The NMRE Strategic was included in the February meeting materials in draft form. The Plan will be discussed during the April meeting. Input/feedback may be forwarded to Carol Balousek at the NMRE.

SUD Rates

The NMRE revised SUD rates for FY18 were distributed on this date. Initially the rates were issued based on responses to the RFP. Since then, Providers have voiced concerns with some of the standardized rates, particularly in light of the healthy fund balance. The revised rates would be used for FY18 and rates will be reviewed again in October for FY19. It was noted that no cuts were made, rates either stayed the same or increased. New services are being offered per the benefit plan.

MOTION MADE BY JOE STONE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER PROVIDER RATES FOR FISCAL YEAR 2018 AS PRESENTED AND REVIEWED ON THIS DATE, SECOND BY KARLA SHERMAN.

Discussion: Mr. Tanner voiced the NMRE should be moving toward integration of the SUD and mental health systems (including funding). Chip Cieslinski, Catholic Human Services, thanked Mr. Kurtz for taking another look at the rates; he was also appreciative of the "rural rates." Mr. Kovacs commented that, "as a system, we put forth a tremendous amount of money for remediating peoples' problems; we need to put increased effort toward prevention."

Let the record show that Mr. Stone's MOTION CARRIED.

MCHE

The Bylaws of the Michigan Consortium for Healthcare Excellence were sent to Board Members prior to the meeting on this date. Mr. Kurtz expressed his ambivalence with some of the "projects" being discussed by the group, most of which will undoubtedly have a financial implication. Mr. Kurtz stressed these initiatives will have a financial implication.

Mr. Stone commented that the MCHE began as a SUD organization (MASACA) and was intended to continue as such; it has morphed into something else. The Bylaws do not set a dollar amount for “dues.” Mr. Kurtz said that “fees” could be charged as 1/10th (proportional to funding) for all projects. Mr. Kurtz expressed the recommendation of the Operations Committee to withdraw membership in the MCHE.

Mr. Stone proposed that the NMRE remain a member as long as there is no financial obligation attached.

MOTION MADE BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY WITHDRAW MEMBERSHIP IN THE MICHIGAN CONSORTIUM OF HEALTH CARE EXCELLENCE EFFECTIVE March 28, 2018, SECOND BY ANNIE HOOGHART.

Discussion: Mr. Johnston voiced strong support of the Motion.

Roll call voting took place on Mr. Tanner’s Motion.

“aye” votes: Roger Frye, Annie Hooghart, Terry Larson, Gary Nowak, Jay O’Farrell, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora

“no” votes: None recorded

Let the record show that Mr. Tanner’s MOTION CARRIED.

PRESENTATION

Data Warehouse Update

Slides from the PowerPoint presentation delivered by Chris Ackerley from Afia were included in the materials for the meeting on this date. A regional meeting held on March 19th was well attended. The data warehouse will enable NMRE staff to build reports and eliminate costly contracts with external sources. The cost to Afia is approximately \$33,000.

COMMENTS

Board

- Mr. Nowak asked Mr. Stone about CMHAM Regional Workshops. Mr. Stone replied that Regions/PIHPs put them together themselves, with information provided by the Association.
- Ms. Hooghart stated she is on the committee to revise the CMHAM Bylaws. A meeting is scheduled for March 29th. She will provide an update in April.
- Mr. Tanner wished all in attendance a Happy Easter.

Staff/CEOs

Mr. Kovacs announced that Northern Lakes Community Mental Health will be moving to PCE for its electronic health record software platform. He thanked the Member Boards for their cooperation.

MEETING DATES

The next meeting of the NMRE Board of Directors is scheduled for 10:00AM on April 25th in the Cross Street Conference Room in Gaylord.

ADJOURN

MOTION MADE BY TERRY LARSON TO ADJOURN THE MARCH 28, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY KARLA SHERMAN. MOTION CARRIED.

Let the record show that Mr. Frye adjourned the meeting at 11:40 AM.