

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, MAY 23, 2018
CROSS STREET CONFERENCE ROOM, GAYLORD**

BOARD MEMBERS IN ATTENDANCE:	Carol Crawford, Roger Frye, Ed Ginop, Annie Hooghart, Randy Kamps, Gary Klacking, Terry Larson, Gary Nowak, Jay O’Farrell, Dennis Priess, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora
STAFF IN ATTENDANCE:	Karl Kovacs, Eric Kurtz, Mary Marlatt-Dumas, Brian Martinus, Cathy Meske, Stewart Mills, Diane Pelts, Christy Pudvan, Rik Rambo, Dee Whittaker, Carol Balousek
PUBLIC IN ATTENDANCE:	Chip Cieslinski, Trina Edwards

CALL TO ORDER

Let the record show that Chairman Randy Kamps called the meeting to order at 10:01AM.

ROLL CALL

Let the record show that all Board Members were in attendance for the meeting on this date.

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

MOTION MADE BY DON TANNER TO APPROVE THE MINUTES OF THE APRIL 25, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY JOE STONE. MOTION

APPROVAL OF AGENDA

Let the record show that Eric Kurtz proposed adding “Partners in Excellence Award” and “MDOC Update” to the agenda for the meeting on this date.

MOTION MADE BY DON TANNER TO APPROVE THE AGENDA FOR THE MAY 23, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS AS AMENDED, SECOND BY JAY O’FARRELL. MOTION CARRIED.

CORRESPONDENCE

1. Community Mental Health Association of Michigan (CMHAM) Strategic Plan for 2018-2023.
2. Paper “Defining the Role of Michigan’s Public Mental Health System in Healthcare Transformation: The Association’s Part of this Effort” from CMHAM, approved by its Executive Board April 30, 2018.
3. The CMHAM Strategic Plan 2018-2023 slide presentation to the Member Assembly, Spring 2018.
4. A request made under the Freedom of Information Act to the NMRE by Andrea Rizer, staff attorney for Michigan Protection & Advocacy Services, Inc. dated May 9, 2018 for the last three assessments of

network adequacy for the region. A regional capacity assessment has not been done at the PIHP-level since 2014 but was included in the NMRE's Strategic Plan; the CMHSPs do individual needs assessments. This was communicated to MP&A with no response back to date.

5. A letter from Kendra Binkley from MDHHS to Eric Kurtz dated May 15, 2018 indicating the FY18 2nd Quarter ABA Quality and System Improvement report for NMRE indicating two areas of noncompliance. A Plan of Correction is due to the Department by May 30, 2018. This topic will be discussed in detail later in the day's meeting Agenda.

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. NMRE staff and public in attendance were introduced to the Board.

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 May 2018 was included in the materials for the meeting on this date. Mr. Kurtz highlighted the readiness meeting held on April 20th regarding the Opioid Health Home. Everything is moving at a very fast pace to have it up and running October 1st. Enhancements to IT, and additional staffing is needed (equivalent of 3 FTEs). The NMRE is moving forward with securing office space and transitioning to NMRE direct employed staff. Mr. Kurtz discussed the PCE cross-disciplinary roundtable meeting on May 8th. The purpose of gathering regional staff was to share information, concerns, and fixes pertaining to PCE software and modules. Additional meetings will be scheduled. It was noted that these discussions will be very beneficial to Northern Lakes CMH as they plan for implementation. Mr. Kurtz discussed his meeting May 14th with Gabe Schneider (Munson lobbyist) regarding advocacy efforts. The Day of Recovery Education, held on May 11th, was a big success with approximately 120 in attendance.

Mr. Tanner asked where things stand with MDHHS-PIHP Contract negotiations and the Medicaid savings issue. Mr. Kurtz responded it was not addressed in Amendment No.2 to the FY18 Contract (later agenda item). He noted Chip Johnston has had some conversations with Lynda Zeller on the topic and he is also discussing it with Alan Bolter and Bob Sheehan at CMHAM. Mr. Tanner asked whether Mr. Kurtz has heard about any current lawsuits; Mr. Kurtz responded he heard something coming from Network 180 but was unaware of the status. Mr. Tanner called the matter "very frustrating."

Dennis Pries noted that Grand Traverse County's liquor tax balance is approaching \$1M. Carol Crawford responded the Board of Commissioners and city officials are aware of the amount and a coalition has been formed to make determinations.

MOTION MADE BY GARY NOWAK TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER REPORT FOR MAY 2018, SECOND BY ANNIE HOOGHART. MOTION CARRIED.

SUD Board Report

The minutes from the May 7, 2018 meeting of the NMRE Substance Use Disorder Oversight Board were included in the materials for the meeting on this date in draft form. Liquor tax requests were recommended and were presented for approval.

1. Grand Traverse County for Dann's House in the amount of \$30,000.
2. Alcona, Alpena, Oscoda, Montmorency, and Presque Isle Counties for Hidden in Plain Sight program provided by Catholic Human Services in the amount of \$2,112 per county for a total request of \$10,560.
3. Each of the 21 counties in the NMRE region for Keith Graves training provided by Catholic Human Services in the amount of \$335 per county for a total request of \$7,035.
4. Each of the 21 counties in the NMRE region to establish for Community Anti-Drug Coalition training at a cost of \$380 per county for a total request of \$8,001.

MOTION MADE BY ROGER FRYE TO APPROVE THE LIQUOR TAX REQUESTS RECOMMENDATION OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON MAY 7, 2018, SECOND BY TERRY LARSON. MOTION CARRIED.

Financial Reports

The NMRE Monthly Financial Report for March 2018 was included in the materials for the meeting on this date. Deanna Yockey reported that eligible have remained constant for six months into the year; revenue is following. Medicaid surplus of \$2.81M is offset by HMP deficit of \$900K (\$1.91M). Medicaid ISF was reported as \$6.6M and Medicaid savings was reported as \$4.2M. Healthy Michigan ISF was reported as \$5.4M. Overall, the NMRE is in a favorable financial position. Community reinvestment strategies are in process to address the Medicaid surplus. Cathy Meske spoke about increased residential placement costs. Karl Kovacs commented on the development of Supported Independent Placement (SIP) homes as an alternative to specialized residential. Joe Stone requested a summary of how the surplus funds are being spent which Mr. Kurtz agreed to provide and add as a standing item to future Board meeting agenda. Mr. Kurtz noted the report shows the NMRE \$1M over budget for mental health; this reflects money out the door for autism due to the change in funding and not an actual overage. SUD Block grant over-expenditures are being closely monitored by NMRE; courts/probation officers have been pushing individuals into residential treatment. Staff is looking at ASAM criteria and adhering to appropriate levels of care. Bringing this in line opens block grant to enhanced prevention services.

Mr. Kamps asked about the eligible and revenue graphs pertaining to DAB and TANF. Ms. Yockey clarified the revenue included use tax that is no longer being collected.

MOTION MADE BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MARCH 2018, SECOND BY ED GINOP. MOTION CARRIED.

NEW BUSINESS

FY18 MDHHS/PIHP Amendment No.2

A memorandum dated April 24, 2018 from John Duvendeck at MDHHS to PIHP Executive Directors introducing Amendment No.2 to the FY18 MDHHS/PIHP Contract, the Amendment Summary Page, and the edited FY18 MDHHS/PIHP Contract were included in the materials for the meeting on this date. The signed Amendment is due to the Department by June 1, 2018. Mr. Kamps asked Mr. Kurtz if 1) he recommends it be signed, and 2) if there is anything contained in the amendment the Board should be aware of; Mr. Kurtz responded "yes" to both. The Centers for Medicare and Medicaid Services (CMS) reviewed the waiver and added technical corrections; the biggest one deals with program integrity/OIG interplay. Beginning FY19, quarterly reporting to the OIG will be required, consistent with MHPs. Mr. Tanner asked if the current contract still "violates federal law and the mental health code." Mr. Kurtz responded the language in question still exists. Mr. Tanner asked whether the OIG has any interest in the matter. Mr. Kurtz responded there are two opposing sides to the issue. Other changes in the Amendment include Medical Loss Ratio replacing the administrative cost report and the (required) use of the GAIN assessment to stage individuals into appropriate ASAM level of care.

MOTION MADE BY DENNIS PRIESS TO APPROVE THE AMENDMENT TWO (NO.2) TO THE CONTRACT BETWEEN THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE NORTHERN MICHIGAN REGIONAL ENTITY FOR FISCAL YEAR 2018, SECOND BY CAROL CRAWFORD. MOTION CARRIED WITH ONE OPPOSITION VOTE RECORDED FROM MR. TANNER.

It was noted this is a good time to discuss the supplemental payment distribution and what to do in the event the NMRE lapses Medicaid to the State.

NMRE Autism Sanction Letter

The letter to Eric Kurtz from Kendra Binkley at MDHHS dated May 15, 2018 was included in the materials for the meeting on this date under Correspondence. Mr. Kurtz distributed a document showing regional compliance with timeliness of services. He acknowledged, as a region, we can do better. The letter identifies two areas with which the NMRE is out of compliance.

- 1) Data shows 132 open cases were approved for ABA services, 292 of which have active Plans of Services. Of the remaining 35, 24 individuals have not received ABA services for greater than 90 days.
- 2) Data shows of 156 cases receiving ABA services in Q4 FY17, 115 were out of compliance with the amount, scope, and duration authorized in the Plan of Services.

A shortage of BCBAs in the region was noted (7-8 currently). In terms of services not being delivered at the authorized level, it was noted that likely half is due to client/family cancellations. Mr. Kurtz intends to address the matter with the Department. It was also mentioned that an autism services provider is currently under OIG investigation and is over 200 days behind in billing in some cases. Diane Pelts expressed frustration that no consideration is given for services that have been performed (with proof available) but have not been billed from the provider.

Regional Waiver Coordinator, Stewart Mills, was in attendance and summarized the handout. There is a region-wide capacity issue. Mr. Kovacs asked whether the NMRE's ruralness is a factor or is this systemic through the State. Mr. Mills responded that it's a bit of both. Travel distance and client/family cancellations are both factors affecting provider retention.

Mr. Tanner asked if other PIHPs received a similar letter. Mr. Kurtz was unaware of any other letters at the time of the meeting. A plan of correction is due to the Department from the NMRE by May 30, 2018. The NMRE must "improve in areas of concern by 60% within 180 calendar days of this notice." Failure to comply could escalate the penalty from level C to level D sanctions. Level D would "delay" 25% of total Medicaid funding.

Mr. Kamps commented, "It appears we've been put on double-secret probation." He expressed faith in staff to handle appropriately. He offered the support of the Board to legislators if needed.

SUD Liquor Tax Requests

Let the record show his was addressed and moved under the SUD Policy Board update earlier on the Agenda.

298 Call for Action

Mr. Kurtz was contacted by Bob Sheehan, and was informed legislators are not going to remove language from the 298 pilot sites that would restrict contracting to local CMHSPs. Ms. Sherman asked if advocacy efforts are needed. Mr. Kurtz responded yes, they are. An amended target date of October 1, 2019 has

been proposed. Mr. Kamps noted that there is a high learning curve for legislators and many don't fully understand the issue.

Mr. Kamps asked what is needed to expand the Behavioral Health Homes the NMRE region. Mr. Kurtz responded all that is need is a revision to the current language to include all 21 counties. Board Members agreed to contact legislators to make the ask.

Partners in Excellence Award

Diane Pelts discussed follow-up to the regional meeting held during the Spring Board conference. She distributed information about the proposed nominated program. The application is due to the Association by June 1st. Mr. Sherman congratulated Ms. Pelts on the great work.

OLD BUSINESS

Opioid Health Home

Mr. Kurtz distributed the "Opioid Health Home" proposed policy on this date. Mr. Kovacs acknowledged a proposal to legalize recreational marijuana has a lot of momentum but can still be fought; not a foregone conclusion. Though the legislature can pass the "marijuana legalization citizens' initiative," it looks as though the proposal will be on the November 2018 ballot. A lot of information is available. Mr. Kovacs shared information from District Health Department #10 with the Board. Christie Pudvan, NMRE Prevention Coordinator, shared a PowerPoint presentation developed by the NMRE and approved by the Office of Recovery Oriented Systems of Care. She will present to the Board on the topic in June.

MDOC Update

Mr. Kurtz informed the Board that, although NMRE withdrew from the Michigan Consortium for Healthcare Excellence (MCHE), he is still open to participating in this effort. He noted nothing has been produced to review to date, but he will keep the Board apprised of developments.

PRESENTATION

NMRE FY17 Financial Audit

Trina Edwards, CPA, from Dennis, Gartland & Niergarth was in attendance to present the audit reports for fiscal year 2017. The cover letter to Board Members, Financial Statements report, and the Single Audit Act Compliance report (for SUD block grant and STR grants) were included in the packet for the meeting on this date. The NMRE's total net position was shown at \$17,749,857. The net position increased by \$1,763,589 during the fiscal year, primarily related to the performance-based incentive payment and PA2 funds collected and unspent at the end of the fiscal year. Ms. Edwards summarized the remainder of the report and offered to answer questions. Mr. Tanner asked whether governmental accounting standards (GASB) were used, to which Ms. Edwards responded "yes."

Ms. Edwards noted the Compliance Examination has not closed as the last report from CMHSPs was received the week before. Overall, the NMRE performed very well.

MOTION MADE BY DON TANNER TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY AUDIT REPORTS FOR FISCAL YEAR 2017 AS REVIEWED ON THIS DATE, SECOND BY GARY NOWAK. MOTION CARRIED.

COMMENTS

Board

Mr. Stone asked whether anyone was disappointed in Lynda Zeller's presentation at the Spring Board Conference, to which Board Members indicated a resounding "yes."

Mr. Stone also informed the Board that CMHAM started a gun violence workgroup; a white paper has been developed. The charge is mainly addresses stigma steered to mental health consumers every time there is an incident. Ms. Meske indicated she will send suggested edits to Mr. Sheehan.

Staff

Mr. Kovacs noted several recent incidences of good collaboration between the CMHSP Boards and NMRE.

MEETING DATES

The next meeting of the NMRE Board of Directors is scheduled for 10:00AM on June 27th in the Cross Street Conference Room in Gaylord.

ADJOURN

Let the record show that Mr. Frye adjourned the meeting at 11:51AM.