

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM, AUGUST 22, 2018  
CROSS STREET CONFERENCE ROOM, GAYLORD**

|                                         |                                                                                                                                                                                                                  |
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| <b>BOARD MEMBERS<br/>IN ATTENDANCE:</b> | <b>Carol Crawford, Roger Frye, Ed Ginop, Annie Hooghart, Randy Kamps, Terry Larson, Jay O’Farrell, Richard Schmidt, Karla Sherman (on phone), Joe Stone, Don Tanner, Nina Zamora</b>                             |
| <b>BOARD MEMBERS<br/>ABSENT:</b>        | <b>Gary Klacking, Gary Nowak, Dennis Priess</b>                                                                                                                                                                  |
| <b>STAFF IN<br/>ATTENDANCE:</b>         | <b>Jodie Balhorn, Karan Bingham, Christine Gebhard, Chip Johnston, Karl Kovacs, Eric Kurtz, Brian Martinus, Ron Meyer, Diane Pelts, Brandon Rhue, Sara Sircely, Dee Whittaker, Deanna Yockey, Carol Balousek</b> |
| <b>PUBLIC IN<br/>ATTENDANCE:</b>        | <b>Sue Winter</b>                                                                                                                                                                                                |

CALL TO ORDER

Let the record show that Chairman Randy Kamps called the meeting to order at 10:02AM.

ROLL CALL

Let the record show that Gary Klacking, Gary Nowak, and Dennis Priess were absent with notice for the meeting on this date and Karla Sherman attended by phone; 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 July meeting of the NMRE Governing Board were included in the materials for the meeting on this date.

**MOTION MADE BY JOE STONE TO APPROVE THE MINUTES OF THE JULY 25, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY NINA ZAMORA. MOTION CARRIED.**

APPROVAL OF AGENDA

Mr. Kamps called for approval of the meeting agenda.

**MOTION MADE BY DON TANNER TO APPROVE THE AGENDA FOR THE AUGUST 22, 2018 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, SECOND BY ROGER FRYE. MOTION CARRIED.**

CORRESPONDENCE

- An analysis of the insufficiency of state funding for the state’s PIHPs, CMHSPs, and providernetworks from the Community Mental Health Association of Michigan dated June 2018.

- An email from Jon Villasurda, State Assistant Administrator for the Office of the Deputy Director, Behavioral Health and Developmental Disabilities Administration of MDHHS, dated August 3, 2018 regarding Network Adequacy Standards.
- Quarter 2 FY18 PIHP Performance Indicators.
- The PIHP CEO Meeting notes for June 7, 2018.
- An email from Monique Francis on behalf of Bob Sheehan at CMHAM requesting members to participate in the development of the associations vision document for Michigan’s public mental health system.
- A flyer announcing a farewell reception for Lynda Zeller on August 27<sup>th</sup> at the Radisson Hotel in Lansing.
- The Summer 2018 edition of the Consumer Newsletter.

Discussion of Jon Villasurda’s email will occur later in the Agenda. Mr. Kamps referred to it as “the first volley” and emphasized the need to press on. Mr. Kamps stated, for the good of the consumer, we are incumbent to do everything we can to improve their lives. He advised addressing the topic with legislators. A discussion of best ways to continue the dialogue followed. Mr. Johnston expressed he took exception to many of the conclusions drawn by Mr. Villasurda in the email. In his experience as a provider, the BHH is saving money and improving outcomes. Mr. Johnston continued, even if not a cost savings, isn’t the improved outcomes worth it? Ms. Gebhard referenced the \$10M SAMHSA grant the Department recently received to integrate mental health and behavioral health. She noted, expanding the BHH costs nothing. Mr. Kovacs voiced that Northern Lakes CMHA has seen cost savings and has the data to back it up. He acknowledged the Department may have some issues reporting to CMS but that’s not germane to what the NMRE wants to do. Being understaffed at the Department is not a permissible excuse. Mr. Kurtz responded that he’s not sure if more decisions are being made by the State Medicaid Agency as opposed to BHDDA. He added that whomever is selected to fill Lynda Zeller’s vacancy could provide an indication of the Department’s direction. Mr. Kamps commented that he has been corresponding with Senator Stabenow on the matter. Mr. Tanner supported Mr. Kamp’s course of action. Mr. Kurtz was tasked with reaching out to Mr. Villasurda with Chip and/or Karl to provide a counter argument in support of the current behavioral health homes in the region.

Mr. Stone commented on an email from Bob Sheehan requesting members to draft the Association’s vision document. He stated the commitment likely involves attending two webinars. Interested people were asked to contact the Association.

**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 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 August 2018 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to his meetings with the FQHCs in the region that will be participating in the Opioid Health Home (Grand Traverse Health Center, Alcona Health Center, and Thunder Bay Community Health Centers). Two additional OHH providers that are not FQHCs are Centra Wellness Network and NMSAS Recovery Center.

## **SUD Board Report**

Let the record show that the next meeting of the NMRE SUD Policy Board is scheduled for September 10<sup>th</sup> at 10:00AM in the Cross Street Conference Room in Gaylord.

## **Financial Reports**

The NMRE Monthly Financial Report for June 2018 was included in the materials for the meeting on this date.

- Traditional Medicaid revenue through June 30<sup>th</sup> was shown at \$111.7M, with a net surplus \$1.5M.
- Healthy Michigan Plan revenue was shown at \$7.9M, with a net deficit of \$1.1M.
- Health Home revenue was shown at 137K, with a net surplus of 31.9K.
- SUD revenue was shown at \$2.4M, with a net deficit of \$567K. Block grant funding is \$484K overspent, redirected from PA2 funds. A transfer from Region 10 of approximately \$600K is pending.

## **Preliminary FY18 Year-End Projections**

Deanna Yockey prepared a regional analysis based on the mid-year MUNC to see where the region will likely land at year end utilizing annualized spending. The FSR was submitted prior to the due date of August 15<sup>th</sup>. Total Medicaid Revenue (including autism and HMP) was reported as \$171,271,795. Carry forward based on expenditures was reported as \$4,779,612 (FY17 was \$4.2M). A regional analysis of expenditures was reviewed by Board.

Mr. Stone asked how the increases are calculated. Ms. Yockey clarified the percentages shown relate to expenditures. She explained payments to the CHMSPs are on a PMPM basis but noted the Boards are "made whole" by the PIHP. Mr. Tanner commented that it's hard to shift to a spending mindset when conservative spending had been instructed historically. Ms. Yockey noted the ISF will be 100% funded. Mr. Kurtz mentioned he is looking at revising the monthly financial report to show Board status with spending up to PMPM and pulling from reserves. Mr. Kamps commented that Northern Lakes CMHA may need to be more judicious; AuSable Valley CMHA more resolute. Mr. Kurtz agreed that the region needs to continue to learn how we can grow without getting "stuck"; it's a balancing act. Mr. Stone emphasized he struggles ideologically with spending just to spend. Mr. Kovacs acknowledged that funds should be directed to services when possible. Mr. Kurtz advised moving forward with "planful spending." Ms. Gebhard acknowledged the CMHSPs have all been frugal throughout the years in various areas; the savings gives them opportunity to invest in infrastructure. She also mentioned that spending on services increases general fund match. Mr. Tanner responded that in the past hard work was rewarded by directing funds "somewhere else." Mr. Johnston emphasized the need to attract staff by having attractive salaries/benefits. Mr. Kurtz agreed, adding that money should be flowing to health professional shortage areas.

## **NEW BUSINESS**

### **Audit Firm Recommendation**

A summary of the responses to the NMRE's RFP for an auditing firm for FY18, FY19, and FY20 was included in the meeting materials.

**MOTION MADE BY DON TANNER TO RECOMMEND THE SELECTION OF ROSLUND, PRESTAGE & COMPANY AS THE NORTHERN MICHIGAN REGIONAL ENTITY'S AUDITING FIRM FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2018, SEPTEMBER 30, 2019, AND SEPTEMBER 30, 2020, SECOND BY JOE STONE. MOTION CARRIED.**

### **Human Resources Software Proposal**

A proposal for HR and payroll software was included in the meeting materials. Since it was created, the NMRE had been paying North Country CMH to provide these functions. After review of several platforms, NMRE staff recommended Paychex Flex at a monthly cost of \$1,120 (\$13,444 annual). The target date for implementation was given as January 1, 2019.

**MOTION MADE BY ROGER FRYE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY PURCHASE PAYCHEX FLEX HUMAN RESOURCES AND PAYROLL SOFTWARE FOR AN ANNUAL COST OF THIRTEEN THOUSAND FOUR HUNDRED FORTY DOLLARS (\$13,440.00), SECOND BY TERRY LARSON. MOTION CARRIED.**

Mr. Kamps asked what accounts for the cost variance between Human Resources and payroll administration through North Country CMH and Human Resources and payroll administration through Paychex Flex. Mr. Kurtz responded North Country CMH bills based on FTE which includes a percentage of the agency's overhead.

### **NMRE Office Space**

The NMRE is in the process of separating from North Country CMH. As Mr. Kurtz put it, "the NMRE is growing up and becoming independent." Part of this process is securing a new office space. North Country CMH has leased office space in Petoskey and Gaylord to the NMRE since 2014. Two options were presented for considerations: 1) a main office in Gaylord, with a small satellite office in Petoskey, or 2) a main office in Petoskey with a small satellite office in Gaylord. A price comparison was distributed during the meeting. Mr. Kurtz emphasized that either option is less costly than the current arrangement (which includes administrative overhead). He added that the Operations Committee voiced a preference for the Gaylord location to be more centrally located in the 21-counties. The pros and cons of each site were briefly discussed. Mr. Stone asked for clarification if the NMRE was paying for mileage for staff to commute to work; Mr. Kurtz confirmed we do not.

The Board voiced preference for option 1, main office in Gaylord with a small footprint in Petoskey due to its large conference room to host regional meetings. It was noted that many current staff will incur a significant increase in driving time and distance and that some may seek alternative employment. The option of working remotely was also discussed. Mr. Kurtz expressed that it is currently allowed and would continue as long as work gets done and supervisors provide adequate support to staff. He noted the need to explain the process in policy and procedure more precisely. In time, it is hoped that the travel becomes less of an issue for staff. It was noted there will also be a drop spot in Petoskey (one or two offices) for staff unable to travel due to weather or personal conflict. Mr. Kurtz proposed addressing the financial impact by movement on the pay scale once the NMRE is its own employer. He added that is a topic for another discussion.

Mr. Kamps asked, since no one from the Gaylord Chamber of Commerce was in attendance, whether anyone had any further questions. Mr. Kurtz informed the Board that the proposed location is a former DHHS office and requires only slight modifications.

**MOTION MADE BY JOE STONE TO APPROVE THE SEPARATION OF THE NORTHERN MICHIGAN REGIONAL ENTITY FROM NORTH COUNTRY COMMUNITY MENTAL HEALTH AND TO AFFIRM THE RECOMMENDATION OF THE OPERATIONS COMMITTEE TO RELOCATE THE NORTHERN MICHIGAN REGIONAL ENTITY'S MAIN OFFICE TO GAYLORD, SECOND BY ED GINOP.**

Discussion: Ms. Gebhard noted the discontinuation of the lease agreement will result in a revenue loss to North Country CMH and to note that expenses will increase.

**Voting took place on Mr. Stone's motion. MOTION CARRIED.**

Mr. Kamps asked about the timeline. Mr. Kurtz answered he has the lease to send to Cohl, Stoker & Toskey for review. It is likely nothing will happen until November at the soonest.

Mr. Frye thanked North Country CMH on behalf of the Board for housing the NMRE the past four years.

**MDHHS-PIHP Contract Amendment No.3**

Amendment No.3 to the FY18 Contract was sent to PIHPs on July 16<sup>th</sup>. The only change in the Amendment was enacting Q4 rates. Mr. Kurtz signed and returned the Amendment to the Department on June 27, 2018.

**MOTION MADE BY ROGER FRYE TO RETROACTIVELY APPROVE AMENDMENT THREE (NO.3) TO THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES' CONTRACT WITH THE NORTHERN MICHIGAN REGIONAL ENTITY FOR FISCAL YEAR 2018, SECOND BY DON TANNER. MOTION CARRIED.**

**ProtoCall**

In response to the NMRE's Request for Information, two bids were received for after-hours telephone crisis services. The NMRE would like to proceed with securing ProtoCall for substance use disorder calls; CMHSPs are also moving forward with ProtoCall. The proposal included all six entities; therefore, it was difficult to ascertain costs for NMRE though a per-call rate is charged. Mr. Kurtz expressed he anticipates the cost to be lower than what is currently being paid (SUD services only). Mr. Kamps requested a firmer number prior moving to approve. The implementation date is likely January 1, 2019.

**OLD BUSINESS**

**Incentive Bonus Payment Distribution**

A worksheet showing the distribution of the FY17 bonus payment to the CMHSPs was included in the meeting materials. The region received \$1,174,026 which may be used by the Boards as local funds. The distributed August 17<sup>th</sup> were shown as: AuSable Valley CMH – \$142,882; Centra Wellness Network – \$94,937; North Country CMH – \$313,276; Northeast Michigan CMH – \$188,634; Northern Lakes CMH – \$351,569; NMRE – \$82,728. Mr. Tanner expressed gratitude for the additional funds.

**Opioid Health Home**

The MDHHS Kick-off was held at the Great Wolf Lodge on July 30<sup>th</sup>. Select PowerPoint presentations were included in the materials packet for the meeting on this date. Mr. Kurtz noted that Mr. Kamps attended the morning session. Individuals involved in the Vermont discussed the State's OHH model and best practices. Care model training is scheduled September 6<sup>th</sup> and 7<sup>th</sup> at Shanty Creek in Bellaire. Mr. Stone expressed that the data was not well-received by local law enforcement. Mr. Kurtz called it a "mixed bag;" there is some perception that methadone clinics are popping up in communities unnecessarily.

**Behavioral Health Home**

A string of emails between Mr. Kurtz, Lynda Zeller, and Jon Villasurda was included in the meeting materials. This topic was discussed previously under "Correspondence."

PRESENTATION

**Substance Use Disorder Services Statistics**

Sara Sircely, Managing Director of Substance Use Disorder Services, presented data previously shared with the SUD oversight board. Substance Use Disorder services include Prevention, Treatment, and Recovery Supports.

- **Prevention**

Prevention includes Synar checks for underage tobacco sales, school-based services, services targeted for youth determined to be at high risk for developing a substance use disorder, and community services. The focus of prevention services is on underage drinking, opioid misuse/illicit use, and youth marijuana use. The number of individuals served by prevention services in FY18 year to date was reported as 41,821. Ms. Sircely reviewed the numbers served by County; Roscommon was the highest at 3,996, Crawford the lowest at 620. Some liquor tax funds and State Targeted Response (STR) grant funds are also used for prevention efforts, such as providing the opioid-reversal drug Naloxone to first responders, schools, and the general public.

- **Treatment**

Treatment includes early intervention initiatives, outpatient, intensive outpatient, low-intensity residential, high-intensity residential, and withdrawal management (detox), and women’s specialty services. Treatment services are delivered to adults and adolescents. Admissions into treatment services for FY18 year to date was reported as 4,201 (61.5% male/38.5% female). Of the 4,201 admissions 47.4% were to individuals age 26-39; 62.4% were referred to outpatient treatment; 53.4% were for alcohol misuse; 59% were to individual who reported being unemployed. Of the 4,201 admissions, 8.2% of individuals were discharged from services; 34.5% completed treatment (goals met); 29.2% dropped out of treatment. Some liquor tax funds and State Targeted Response (STR) grant funds are also used for treatment services, provider staff training, and supplying gas cards to individuals who otherwise would not have access to needed services.

- **Recovery Supports**

Recovery Supports includes recovery housing, peer recovery coaches, and “Multiple Pathways to Recovery” programs. The number of active recovery coaches in the region was reported as 122, with 24 (19.6%) from Grand Traverse County. Some liquor tax funds and State Targeted Response (STR) grant funds are also used for Recovery Supports, including training for recovery coaches, and recovery housing efforts.

## COMMENTS

### Public

Sue Winter, Executive Director of the NMSAS Recovery Center, informed the Board that a lot is being done to treat alcohol addiction. NMSAS Recovery Center alone has 122 active coaches. She added, “We honor all pathways to recovery.” This was viewed as very important. Data shows that volunteers donated over 1000 hours, 800 for community presentations. Ms. Gebhard asked who to contact if an individual presents as co-occurring. Ms. Winter responded that they may contact the NMSAS Recovery Center. Ms. Zamora asked about the difference between a recovery coach and a sponsor. Ms. Winter replied that sponsor helps an individual work through a blueprint (12-step program). A Recovery Coach applies his/her real-life experience to help others (e.g., How do you approach an employer about a past felony?).

### MEETING DATES

The next meeting of the NMRE Board of Directors is scheduled for 10:00AM September 26, 2018 in the Cross Street Conference Room in Gaylord.

### ADJOURN

Let the record show that Mr. Kamps adjourned the meeting at 11:48PM.