

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM, FEBRUARY 27, 2019  
NMRE BOARD ROOM, GAYLORD**

<b>BOARD MEMBERS IN ATTENDANCE:</b>	<b>Roger Frye, Annie Hooghart, Randy Kamps, Gary Klacking, Terry Larson, Gary Nowak, Jay O’Farrell (on phone), Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora (on phone)</b>
<b>BOARD MEMBERS ABSENT:</b>	<b>Ed Ginop, Mary Marois, Dennis Priess</b>
<b>CEOs IN ATTENDANCE:</b>	<b>Christine Gebhard, Chip Johnston, Karl Kovacs (on phone), Cathy Meske, Diane Pelts</b>
<b>NMRE STAFF IN ATTENDANCE:</b>	<b>Eric Kurtz, Brian Martinus, Brandon Rhue, Sara Sircely, Deanna Yockey, Carol Balousek</b>
<b>PUBLIC IN ATTENDANCE:</b>	<b>Chip Cieslinski, Chris Frasz, Sue Winter</b>

CALL TO ORDER

Let the record show that Chairman Randy Kamps called the meeting to order at 10:04AM.

ROLL CALL

Let the record show that Jay O’Farrell and Nina Zamora attended the meeting by phone; Ed Ginop, Mary Marois, and Dennis Pries were absent. All other NMRE 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 January 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 JANUARY 23, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY GARY NOWAK. MOTION CARRIED.**

Let the record show the decision was made to continue sending draft minutes to the CMHSP Boards for their Board packets.

APPROVAL OF AGENDA

Mr. Kamps called for approval of the meeting agenda.

**MOTION MADE BY ROGER FRYE TO APPROVE THE AGENDA FOR THE FEBRUARY 27, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY TERRY LARSON. MOTION CARRIED.**

## CORRESPONDENCE

1. Email between Joe Sedlock (MidState Health Network), Bob Sheehan (CMHAM) and Eric Kurtz dated February 11<sup>th</sup> & 12<sup>th</sup> regarding Monthly Revenue and Expense Reporting.
2. Email from Bob Sheehan to CMHSP and PIHP CEOs/Executive Directors dated February 13<sup>th</sup> "Seeking Advisory Committee Members to Guide the CMH Association/National Council Payer-Relevant Practice Transformation Academy".
3. The slides from MDHHS Medicaid 101 Presentation to the House Appropriations Subcommittee on Health and Human Services dated February 13<sup>th</sup>.
4. Email from Christine Gebhard to Eric Kurtz, Chip Johnston, Karl Kovacs, Cathy Meske, and Diane Pelts dated February 14<sup>th</sup> commenting in response to an email from Alan Bolter on Budget and Policy Considerations.
5. Email from Alan Bolter to CMHSP and PIHP CEOs/Executive Directors dated February 21<sup>st</sup> on the 2019-20 House Republican policy agenda.

Mr. Kurtz drew attention to his email to Bob Sheehan regarding monthly revenue and expenditure reporting (item 1 above). He maintained that the process will not serve the intended purpose (to inform the Legislature that a PIHP is in danger of hitting the risk corridor; PIHPs must notify the Department). He also advocated for CMHSP participation in discussions. Conversations continue. Mr. Kamps voiced support of Mr. Kurtz's stated position.

Discussion of the email correspondence from Alan Bolter regarding budget and policy followed. The Michigan Association of Health Plans has indicated an "actuarially soundness rate increase between 2.4% and 4.9%" for FY20. The increase in FY19 was stated as 2.8%. This information was shared alongside reports of failing PIHP regions (which received no rate increase in FY19).

Karl Kovacs suggested the Region contact a public relations firm to respond timely to news emerging from Lansing. Mr. Stone agreed that "We should communicate these points now."

**MOTION MADE BY GARY NOWAK TO TASK THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER WITH EXPLORING OPTIONS FOR PUBLIC RELATIONS ADVOCACY; SECOND BY KARLA SHERMAN. MOTION CARRIED.**

## ANNOUNCEMENTS

Mr. Stone announced that his grandson won State Championship wrestling. Ms. Gebhard announced that it was Mr. Kurtz's birthday.

## PUBLIC COMMENTS

Let the record show that there were no comments from the public during this time on the agenda.

## REPORTS

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

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

### **CEO's Report**

The NMRE CEO Monthly Report for February 2019 was included in the materials for the meeting on this date. Mr. Kurtz noted many changes are occurring in the SUD system; this topic will be addressed in greater detail later during the meeting. Mr. Kurtz and Ms. Gebhard met with State Senator Wayne Schmidt on February 22<sup>nd</sup>. Mr. Kurtz called it a good meeting. A follow-up with Senate Appropriations is planned sometime around the next Directors Forum.

Mr. Tanner asked how contract negotiations are going. Mr. Kurtz responded that discussions continue about administrative cost reporting/medical loss ratio.

### **SUD Board Report**

Let the record show that the next meeting of the NMRE Substance Use Disorder Oversight Board is scheduled for March 4<sup>th</sup> at 10:00AM in the NMRE Board Room in Gaylord.

### **Financial Report**

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

- Traditional Medicaid showed \$38,805,330 in revenue, and \$39,170,450 in expenses, resulting in a net deficit of \$ 365,120 for three months ending December 31, 2018. Medicaid ISF was estimated at \$10,402,709 as of November 10, 2018. Medicaid Savings was estimated at \$1,100,000 as of November 10, 2018. It was noted that Medicaid ISF and Savings amounts will be updated after the final FSR.
- Healthy Michigan Plan showed \$4,290,994 in revenue, and \$ 4,671,214 in expenses, resulting in a net deficit of \$380,220.
- Behavioral Health Home showed \$63,793 in revenue and expenses of \$29,898, resulting in a surplus of \$33,895.
- SUD showed all funding source revenue of \$3,475,853, and \$ 3,753,739 in expenses, resulting in a deficit of \$277,886.

Mr. Stone noted the Boards operating at a deficit. He asked whether this is likely to continue throughout the year. Cathy Meske replied that Northeast Michigan is working on a plan to get to PM/PM. Ms. Gebhard Ms. Gebhard expressed North Country's goal is to spend up to PM/PM this year. Mr. Johnston indicated Centra Wellness plans to dip into the ISF to get down to 7.5%. Mr. Kovacs is keeping a close eye on Northern Lakes. It was noted that financials for the beginning of the fiscal year are difficult to discern due to the close out of the previous year. No plans to expand services are in process.

Mr. Kamps requested that a percentage be attached to the ISF amount which Ms. Yockey agreed to provide.

Mr. Kurtz stressed that SUD spending is being tracked very closely. A budget amendment will be brought to the Board in the coming months. Five additional OHH providers are onboarding. It was noted that FQHC enrollment has been slower than anticipated.

Ms. Yockey shared that NMRE will receive the full incentive payment for FY18 of \$1.3M; this will be distributed proportionately to the CMHSPs and can be used as local funds.

Mr. Schmidt requested a list of PA2 projects by County which Mr. Kurtz said is being developed.

**MOTION MADE BY GARY NOWAK TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR DECEMBER 2018, SECOND BY ROGER FRYE. MOTION CARRIED.**

### NEW BUSINESS

#### **PIHP CMHSP Monthly Revenue and Expense Reporting**

A memorandum from Jeff Wieferich to CMHSP and PIHP CEOs/Executive Directors dated February 7, 2019 was included in the meeting materials. The Behavioral Health and Developmental Disabilities Administration is instituting a Monthly Revenue and Expenditure Report for each CMHSP and PIHP. The

slides from a PowerPoint presentation on the subject were also included in the meeting materials. This topic was discussed on under the Correspondence portion of the Agenda.

#### **Milliman Risk Adjustment Methodology Evaluation**

The Milliman-MDHHS SFY2020 Behavioral Health Risk Adjustment Methodology Evaluation dated February 5, 2019 presentation was included the meeting materials. The process adds additional morbidity factors to the rate setting process. Mr. Kurtz referred to this as a “moving target.” Monthly meetings are taking place to determine what variables will be included. It is likely that none will demonstrate statistical significance. No additional funds will be allocated to the PIHPs, just shifted from one to another.

#### **Beneficiary Grievance and Appeal Policy**

The NMRE Policy Committee met prior to the meeting on this date to review the policy. After discussion, the recommendation for approval was made.

**MOTION MADE BY JOE STONE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BENEFICIARY GRIEVANCE AND APPEAL POLICY, SECOND BY KARLA SHERMAN. MOTION CARRIED.**

#### **Disclosure of Ownership Policy**

The NMRE Policy Committee met prior to the meeting on this date to review the policy. After discussion, the recommendation for approval was made.

**MOTION MADE BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY DISCLOSURE OF OWNERSHIP POLICY, SECOND BY ANNIE HOOGHART. MOTION CARRIED.**

#### **EQR/HSAG Plan of Corrections**

The NMRE’s Plan of Correction to the FY18 External Quality Review was included in the materials. Updates have been made to the NMRE Guide to Services and Provider Directory. Mr. Kamps asked whether there was any indication of fraud found, to which Mr. Kurtz replied there was not.

**MOTION MADE BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2018 EXTERNAL QUALITY REVIEW PLAN OF CORRECTION, SECOND BY GARY NOWAK. MOTION CARRIED.**

#### OLD BUSINESS

##### **SUD Overview and Discussion**

Mr. Kurtz noted the meetings with SUD Providers shown on his monthly CEO report. The NMRE has discontinued using “bundled” services. Strict adherence is being applied to ASAM (American Society of Addiction Medicine) criteria. Large gaps in continuum of care have been discovered which do not allow for appropriate step-down services. Authorization processes have changed. A systematic review of the entire SUD system is upcoming. Mr. Stone asked whether it’s possible for a SUD Provider(s) to present to the NMRE Board. Mr. Kurtz responded “absolutely.” He added that the 1115 Waive approval for SUD outlines processes. He has reached out to the Department to determine at what level NMRE providers are staged.

##### **ProtoCall**

The NMRE and the four CMHSPs that had been using Child & Family Services of Northwestern Michigan/Third Level Crisis Center will all have moved to ProtoCall by April 1<sup>st</sup>. Mr. Kovacs reported there has been some community backlash in Traverse City after communication was sent by Third Level to stakeholders.” Third Level will cease operations in its current form effective April 30<sup>th</sup>. Northern Lakes continues to partner with Child & Family for other services.

#### PRESENTATION

##### **Patriot Award**

Albert Janutolo from the Department of Defense was in attendance to present the ESGR (Employer Support of the Guard and Reserve) Patriot Award to Mr. Kurtz and the NMRE. NMRE Veteran Navigator, Lt Col. Brian Martinus, nominated Mr. Kurtz for the award in recognition of the support he has received to enable him to continue to serve in the Michigan Army National Guard, including flexible scheduling and time off prior to and after deployment. National Guard and Reverses comprise 50% of USA's fighting service. Mr. Kurtz thanked the Board for their support and applauded Lt Col. Martinus for his efforts.

#### COMMENTS

##### **Board**

Mr. Tanner commented on the Cash Advance Request from AuSable Valley noted in the January Operations Committee minutes; he agreed with Mr. Johnston that it's a contractual arrangement between the NMRE and AVCMH. Mr. Kurtz responded that information, particularly regarding Medicaid funds, will always be shared with the Region. Eric commented that transparency, particularly regarding money, will be shared regionally for transparency.

##### **CMHSP CEO**

Mr. Johnston suggested presentations to the Board be made earlier in the meeting to allow the outside presenter to leave when finished.

##### **Public**

Sue Winter thanked the Board for its interest in opioid treatment services and expressed she would be happy to present to the Board as requested.

#### MEETING DATES

The next meeting of the NMRE Board of Directors is scheduled for 10:00AM on March 27, 2019 at 1999 Walden Drive in Gaylord.

#### ADJOURN

Let the record show that Mr. Kamps adjourned the meeting at 11:47AM.