

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, APRIL 24, 2019
NMRE BOARD ROOM, GAYLORD**

BOARD MEMBERS IN ATTENDANCE:	Roger Frye, Ed Ginop, Annie Hooghart, Randy Kamps, Terry Larson, Mary Marois, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora
BOARD MEMBERS ABSENT:	Gary Klacking, Dennis Priess
CEOs IN ATTENDANCE:	Christine Gebhard, Chip Johnston, Karl Kovacs, Cathy Meske, Diane Pelts, Nena Sork
NMRE STAFF IN ATTENDANCE:	Eric Kurtz, Valerie McBain, Brandon Rhue, Deanna Yockey, Carol Balousek
PUBLIC IN ATTENDANCE:	Chip Cieslinski, Misty Smith, Sue Winter

CALL TO ORDER

Let the record show that Chairman Randy Kamps called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Gary Klacking and Dennis Priess were absent with notice for the meeting on this date; all other NMRE 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 March 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 MARCH 27, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY DON TANNER. MOTION CARRIED.

APPROVAL OF AGENDA

Mr. Kamps called for approval of the meeting agenda. Mr. Kurtz added a discussion of liquor tax allocations for initiatives spanning all 21-counties; this was a request of the NMRE Operations Committee.

MOTION MADE BY ROGER FRYE TO APPROVE THE AGENDA FOR THE APRIL 24, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS AS AMENDED; SECOND BY KARLA SHERMAN. MOTION CARRIED.

CORRESPONDENCE

- 1) A letter from Jeffery Wieferich to Eric Kurtz dated April 1, 2019 regarding Intensive Crisis Stabilization Services (ICSS) for children from Centra Wellness Network; Mr. Kurtz' s response to Mr. Wieferich dated April 3, 2019.
- 2) The minutes from the April 8th–9th Directors Forum.
- 3) Email correspondence from Bob Sheehan regarding Funding adequacy for Michigan's public mental health system.
- 4) Community Mental Health Association of Michigan (CMHAM) "Funding Advocacy Initiative 2018-2019 Work Plan and Status Report" dated April 3, 2019.
- 5) CMHAM messaging for "Ensuring a Financially Sound Public Mental Health System for the Future."
- 6) Email correspondence from Bob Sheehan and Alan Bolter advocating that the state 1) recognize and close the underfunding of the public mental health system, and 2) retain and strengthen the carve-out.
- 7) CMHAM "Mid-year FY19 and FY20 Medicaid Behavioral Health Rate Adjustment" dated April 2019.
- 8) CMHAM document titled "Impacts on Medicaid Revenue for PIHP/CMH System" dated March 2018.
- 9) Article by Jeff Goldsmith, David Mosley, and Anne Jacobs titled "Medicaid Managed Care: Lots of Unanswered Questions" dated May 3, 2018.
- 10) Information regarding School-based Mental Health Funding.
- 11) A Press Release from the State announcing CMS approval of "Michigan's Demonstration Waiver for Substance Use Disorder Treatment Services."
- 12) The NMRE FY19 Quarter 1 Performance Indicator Report.
- 13) Email correspondence from Bob Sheehan and Alan Bolter clarifying mechanisms to implement the \$0.25 direct care wage increase.
- 14) A flyer for the NMRE Day of Recovery Education on May 29th from 10:00am – 3:00pm at Treetops resort in Gaylord.

Mr. Kurtz drew attention to the approval of the 1115 Waiver for SUD services, the Day of Recovery Education on May 29th, and the funding adequacy information from 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 offered from the public during the meeting on this date.

REPORTS

Board Chair Report/Executive Committee

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

CEO's Report

The NMRE CEO Monthly Report for April 2019 was included in the materials for the meeting on this date. Mr. Kurtz highlighted the meeting with the Judge Powers' committee on April 4th to discuss SUD issues, transitions from jail to community, and use of high-level residential services. He also had an impromptu meeting with community corrections workers after the initial meeting; overall very positive, open dialogues. Mr. Kurtz will meet with other communities in the coming weeks and months; Northeast Michigan and AuSable Valley have both identified the need. Mr. Kamps added that one of the judges pulled him aside to tell him that the meeting was "time well spent."

SUD Board Report

Let the record show that no meetings of the NMRE Substance Use Disorder Oversight Board have occurred since the March Board Meeting. Mr. Frye announced that the next meeting is scheduled for 10:00AM on May 6th.

Financial Report

The NMRE Monthly Financial Report for February 2019 was included in the meeting materials.

- Traditional Medicaid showed \$65,671,786 in revenue, and \$67,426,507 in expenses, resulting in a net deficit of \$1,754,722 for five months ending February 28, 2019. Medicaid ISF was reported as \$6,611,541 Medicaid Savings was reported as \$1,428,126
- Healthy Michigan Plan showed \$7,591,855 in revenue, and \$7,778,568 in expenses, resulting in a net deficit of \$186,713. Healthy Michigan ISF was reported as \$5,408,357. HMP carry forward \$0.
- Behavioral Health Home showed \$86,841 in revenue and \$50,761 in expenses, resulting in a surplus of \$36,080.
- SUD showed all funding source revenue of \$5,788,968 and \$6,038,476 in expenses, resulting in a net deficit of \$249,508.

Ms. Marois asked what it would mean if a deficit remains at year end. Ms. Yockey replied that the NMRE would dip into Medicaid savings. Ms. Marois inquired about the impact of that. Mr. Kurtz explained that in FY18 carry forward and Medicaid savings neared \$4M-\$6M; NMRE was at risk of lapsing funds back to the state. A planned reinvestment strategy was implemented to spend down the Medicaid savings. Investment strategies will remain active until new rates are rolled out. Mr. Kurtz expressed that the FY19 budget planned for a 1.5% increase, but none was given. Mr. Kamps confirmed that, unlike for-profit businesses, it is prudent for the NMRE to run at a slight loss. Mr. Kurtz noted rates are currently based on 100% morbidity.

Ms. Yockey referred to a statewide push to measure autism rates; currently blended into Traditional Medicaid. Rates are based on the fee screen amounts, which are less than adequate. Mr. Kurtz said the he is more than willing to speak with Autism Council as well as Legislature about the rate issue.

Mr. Kurtz added that SUD spending continues to be monitored closely; a meeting is scheduled with SUD CEOs on April 29, 2019.

A brief discussion of Opioid Health Home financials and payment methodology followed. Enrollment is currently over 200; five new providers are being added which should increase numbers quickly.

Clarification was made that the PA2 redirect refers to the allowable use of liquor tax to supplement block grant funds which are overspent by \$120K. Mr. Tanner requested some education on this funding mechanism.

Ms. Marois asked about liquor fund balances. She asked why the counties don't spend it all? Mr. Kurtz commented that restrictions are placed on how it can be used. Ms. Marois requested a definition of what can fall under "prevention." Mr. Kovacs added that use of PA2 must run through a licensed SUD Provider.

MOTION BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY FINANCIAL REPORT FOR FEBRUARY 2019; SUPPORT BY GARY NOWAK. MOTION CARRIED.

NEW BUSINESS

Election of Officers

Let the record show that the NMRE Nominating committee met at 9:30AM on this date. Ms. Marois spoke on behalf of the Nominating Committee.

MOTION MADE BY ED GINOP TO RECOMMEND THAT MR. KAMPS BE REAPPOINTED AS CHAIR AND MR. FRYE BE REAPPOINTED AS VICE-CHAIR OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY TERRY LARSON.

It was noted that Annie Hooghart was not eligible for reappointment as secretary since she has held the office for three consecutive terms.

Ms. Marois opened the nominations to the floor.

MOTION MADE BY ROGER FRYE TO AMEND MR. GINOP'S MOTION BY STRIKING ROGER FRYE AS VICE-CHAIR AND REPLACING WITH GARY NOWAK AS VICE-CHAIR; MR. TANNER SUPPORTED THE AMENDED MOTION.

MOTION MADE BY ED GINOP TO RECOMMEND THAT MR. KAMPS BE REAPPOINTED AS CHAIR OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS AND THAT GARY NOWAK BE APPOINTED AS VICE-CHAIR AND DON TANNER BE APPOINTED AS SECRETARY; SUPPORT BY TERRY LARSON. MOTION CARRIED.

MOTION MADE BY MARY MAROIS TO APPOINT ED GINOP AND JOE STONE TO THE NORTHERN MICHIGAN REGIONAL ENTITY EXECUTIVE COMMITTEE; SUPPORT BY TERRY LARSON. MOTION CARRIED.

Let the record show that the NMRE Board Officers shall be:

- ★ Chair – Randy Kamps
- ★ Vice-Chair – Gary Nowak
- ★ Secretary – Don Tanner

MDHHS-PIHP FY19 Contract Amendment No.3

Amendment No.3 to the FY19 MDHHS-PIHP Contract added reporting requirement for the direct care wage (DCW) passthrough. The Milliman Capitation Rate Amendment was also added to the Contract. Karl Kovacs asked whether the State has done any follow-up to measure the effectiveness of the previous \$0.50 DCW increase (in terms of retention, etc.). Mr. Kurtz responded he has not seen anything. It was acknowledged that the directive is well intentioned but flawed.

MOTION BY MARY MAROIS TO APPROVE THAT THE NORTHERN MICHIGAN REGIONAL ENTITY SIGN AMENDMENT NUMBER THREE (NO.3) TO THE CONTRACT WITH THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR FISCAL YEAR 2019; SUPPORT BY ANNIE HOOGHART. MOTION CARRIED.

FY20 Capitation Rate Structure & Methodology

The slides from the Milliman presentation to the FY20 Behavioral Health Capitation Rate Kick-Off Meeting on April 9th were included in the meeting materials. New rates for FY20 are anticipated in July. Fee-for-Service Medicaid beneficiaries who are unenrolled in Medicaid Health Plans have been broken out from the other rate cell categories. Mr. Kurtz explained that since the unenrolled population can't be forced into a health plan; this was the Department's way to address this population for the 298 pilots. Movement is gaining momentum at the State to put the unenrolled beneficiaries back with the PIHPs. Mr. Kovacs advocated for fully integrating the BH/Physical health within the public system and to stop trying to force funding through the MHPs.

Mr. Kamps drew attention to the PIHP Structural Deficit FY18 and FY19 documents included with the meeting materials. He noted the \$21M surplus and \$41.5M ISF for MidState PIHP in FY18 and \$25M surplus and \$41.5M ISF projected for FY19.

State Budget Section 928

Christine Gebhard led the discussion about her efforts to eliminate section 928 (Local Match Drawdown) from the FY20 budget. Kudos were given to Ms. Gebhard for her dedication to this issue. Mr. Kurtz added that the message needs to emphasize that we want the State to come up with those matching funds. Ms. Meske agreed.

A discussion of the history and impact of the local match drawdown followed. Ms. Gebhard informed the Board that a second survey is being developed.

MOTION MADE BY JOE STONE TO SEND A REGIONAL FLYER AND RESOLUTION FROM THE NORTHERN MICHIGAN REGIONAL ENTITY GOVERNING BOARD TO ALL TWENTY-ONE (21) COUNTIES SERVED BY THE NORTHERN MICHIGAN REGIONAL ENTITY; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

PA2 County Fund Allocation

Region-wide projects using liquor tax dollars have historically been spread equally among the 21 counties. Discussion occurred April 23rd during the NMRE Operations Committee that the funds be split based on county census for a proportional allocation. Mr. Larson asked whether this topic should go back to the SUD Oversight Board with a recommendation to come back to the full Board.

MOTION MADE BY DON TANNER TO REQUEST THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD DISCUSS THE ALLOCATION OF LIQUOR TAX FUNDS USED FOR REGIONAL INITIATIVES AND RETURN A RECOMMENDATION TO THE NORTHERN MICHIGAN REGIONAL ENTITY GOVERNING BOARD IN MAY; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

OLD BUSINESS

Behavioral Health Home

Letters of support were sent to Jon Villasurda at MDHHS yesterday. Jon is applying to the Michigan Health Endowment Fund for additional funding.

SUD Services and Communication

Let the record show that this topic was discussed previously on the agenda. Mr. Kurtz and Ms. Sircely have a meeting scheduled with SUD Provider CEO's on April 29th; the discussion will focus on CMS requirements.

PRESENTATION

Performance Indicators Historical Trend

NMRE Information Systems Analyst, Valerie McBain shared an Interactive Tableau workbook showing performance indicators over time. Christine Gebhard requested the unduplicated mandate be revisited during the NMRE's Information Systems Capabilities Assessment Tool (ISCAT) portion of the External Quality Review in May. Mr. Kovacs noted that the separation of mental health and substance use disorder data is indicative of the bifurcated system. It was noted that exceptions to performance indicators are being eliminated; performance expectations will be revised to reflect the change.

COMMENTS

- Christine Gebhard thanked the Board and her fellow CEOs for their support of her efforts to remove Section 928 from the budget boilerplate.
- Cathy Meske introduced Nena Sork to the Board. Ms. Sork will be replacing Ms. Meske as Director of Northeast Michigan CMH upon her retirement July 1st.
- Karl Kovacs announced the retirement of long-time Northern Lakes CMH staff Becky Vincent.

MEETING DATES

The next meeting of the NMRE Board of Directors is scheduled for 10:00AM on May 22nd, 2019 at 1999 Walden Drive in Gaylord.

ADJOURN

Let the record show that Mr. Kamps adjourned the meeting at 12:12PM.