

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM, JUNE 26, 2019  
NMRE BOARD ROOM, GAYLORD**

<b>BOARD MEMBERS IN ATTENDANCE:</b>	<b>Roger Frye, Ed Ginop, Annie Hooghart, Randy Kamps, Gary Klacking, Terry Larson, Mary Marois, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Don Tanner</b>
<b>BOARD MEMBERS ABSENT:</b>	<b>Joe Stone, Nina Zamora</b>
<b>CEOs IN ATTENDANCE:</b>	<b>Christine Gebhard, Chip Johnston, Karl Kovacs, Diane Pelts, Nena Sork</b>
<b>NMRE STAFF IN ATTENDANCE:</b>	<b>Eric Kurtz, Sara Sircely, Deanna Yockey, Carol Balousek</b>
<b>PUBLIC IN ATTENDANCE:</b>	<b>Chip Cieslinski, Sue Winter</b>

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 Joe Stone and Nina Zamora were absent 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 May meeting of the NMRE Governing Board were included in the materials for the meeting on this date.

**MOTION MADE BY ROGER FRYE TO APPROVE THE MINUTES OF THE MAY 22, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY ED GINOP. MOTION CARRIED.**

APPROVAL OF AGENDA

Mr. Kamps called for approval of the meeting agenda.

**MOTION MADE BY GARY NOWAK TO APPROVE THE AGENDA FOR THE JUNE 26, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS AS AMENDED; SECOND BY KARLA SHERMAN. MOTION CARRIED.**

CORRESPONDENCE

1. The Spring 2019 edition of the NMRE Consumer Newsletter.
2. The minutes from the May 2, 2019 PIHP CEOs meeting.

3. A memorandum from Jon Villasurda to PIHP CEOs and CIOs dated May 8, 2019 proposed MSA Policy 1840 which would require PIHPs to submit encounters for Federally Qualified Health Centers, Rural Health Clinics, and Tribal Health Centers.
4. MSA Bulletin 18-49 from Kathy Stiffler proposing the addition of Network Adequacy Standards to the MDHHS-PIHP Contract.
5. Email correspondence from Robert Sheehan dated May 28, 2019 examining “Macro-system/organizational ethics in times of scarcity or treat.”
6. A letter from John Duvendeck to Eric Kurtz dated June 6, 2019 acknowledging that “the NMRE fulfilled the MDHHS expectation to submit a plan to effectuate Network Adequacy Standards.”
7. A memorandum from Jeffery Wieferich dated June 18, 2019 introducing the New State Encounter Data Integrity Team (EDIT) Charter and Attached EDIT Charter.
8. The slides from a PowerPoint presentation by Robert Sheehan delivered at the Improving Outcomes Conference titled, “What are the core themes in Michigan’s public mental health environment – and what, by the way is CMHAM doing about them?”
9. Email correspondence from Robert Sheehan and Alan Bolter dated June 3, 2019 providing an update on the Section 298 Pilots, the 1115 Waiver, and the possibility of BHDDA moving under MSA.
10. A letter from the leaders of the participating 298 Pilot CMH and PIHP dated June 6, 2019 to Legislative Leaders financial providing an update on efforts made to develop a financial integration model for the pilots.
11. A press release from MDHHS dated June 14, 2019 announcing the delay of Section 298 pilot implementation until October 1, 2020.
12. The slides from a PowerPoint presentation by Milliman delivered during the May 29<sup>th</sup> PIHP Meeting Update on the FY20 Capitation Rate Setting methodology.

Distributed during the meeting:

13. Email correspondence from Robert Sheehan and Alan Bolter regarding the MDHHS Contract with Lakeshore Regional Entity.

Mr. Kurtz led a conversation about Lakeshore Regional Entity. Discussions are swirling Statewide about privatizing LRE. MDHHS intends to discontinue its contract with LRE in favor of an arrangement with Beacon Health Options. Informal communications indicate it would not be met without resistance from the PIHPs. Mr. Kurtz expressed concerns with bypassing procurement processes. Mr. Tanner questioned whether adjoining PIHPs had been contacted. Mr. Kurtz responded that a discussion occurred a few years ago; he and Joe Sedlock (MidState) had been anticipating that option. Ms. Sherman asserted that the focus must remain on the beneficiaries and service quality during the process. Mr. Kamps also recognized the importance of maintaining employee morale. Mr. Kurtz indicated there is no quick path regardless of what decision is made. Mr. Kovacs shared his prior experience at Community Choice.

Milliman rates, or at least the method to determine the rates, is expected late July. In applying the “Risk and Area Factor Methodology,” Milliman is looking at Bureau of Labor Statistics and CMHSP survey data. Regions will be penalized (by means of rates) for paying below the average. It was noted that the Health Professional Shortage Area (HPSA) funding, which was beneficial for NMRE, will be removed and replaced by a transportation costs and other factors yet totally known. Mr. Kamps questioned the transportation factor disparity of 0.99 urban/1.03 rural. Mr. Kurtz is hopeful that enough information will be available to have an informed financial discussion during the July planning session.

#### 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 May NMRE Board Meeting.

### **CEO's Report**

The NMRE CEO Monthly Report for June 2019 was included in the materials for the meeting on this date. Mr. Kurtz made note of his presentation to the AuSable Valley Board of Directors and his participation in an interview for Northeast Michigan's CARF accreditation.

Ms. Gebhard requested an update on the medical loss ratio (MLR) discussions. Mr. Kurtz noted that there was a meeting last week. At the moment, MDHHS, based on recently releases CMS guidance is considering CMHSPs as "Third Party Vendors" which would require CMHSPs to separate administrative costs between services they directly provide and those contracted for. He is drafting a memo to the Department. In the meantime, correspondence will be direct to CMS.

Mr. Kovacs noted that Mr. Kurtz spends a considerable amount of his time working on behalf of the region/system. He suggested looking at the NMRE's organizational structure/staffing and consider adding a Director of Operations. Mr. Nowak expressed that Mr. Kurtz has authority over his staff and can reach out to the Board if he feels the needed.

### **SUD Board Report**

Let the record show that the next meeting of the NMRE Substance Use Disorder Oversight Board is scheduled for July 1, 2019 at 10:00AM.

### **Financial Report**

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

- Traditional Medicaid showed \$91,922,095 in revenue, and \$93,858,480 in expenses, resulting in a net deficit of \$1,936,385. Medicaid ISF was reported as \$6,611,541. Medicaid Savings was reported as \$1,408,261.
- Healthy Michigan Plan showed \$10,613,891 in revenue, and \$11,245,537 in expenses, resulting in a net deficit of \$631,646. Healthy Michigan ISF was reported as \$5,408,357. HMP carry forward \$0.
- Behavioral Health Home showed \$67,360 in revenue and \$55,495 in expenses, resulting in a surplus of \$11,865.
- SUD showed all funding source revenue of \$8,281,312 and \$8,676,738 in expenses, resulting in a net deficit of \$395,426. Total PA2 funds were reported as \$5,199,614.
- The Total Medicaid and Healthy Michigan Net Surplus including Carry forward and ISF was reported as \$10,860,128.

Mr. Kamps noted that the NMRE had savings of \$4,220,865 in FY17; FY18 savings was down to \$1,408,261. Though spending was planned, he questioned whether it moved faster than intended. Mr. Kurtz agreed that spending was planned to have the ability to be pulled back if needed. He is being pragmatic about FY20 rates, assuming no increase. A reversal of Health Home recoupments found to be inappropriate is still pending resolution. The migration of individuals from (higher paying) DAB to HMP continues.

**MOTION BY ROGER FRYE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY FINANCIAL REPORT FOR APRIL 2019; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.**

## NEW BUSINESS

### **MDHHS-PIHP FY19 Contract Amendment No.4**

Mr. Kurtz explained that the changes, requested by CMS, were things the NMRE is already doing. The Amendment was created to get the items into the MDHHS Contract.

**MOTION MADE BY DON TANNER TO APPROVE THE SIGNING OF AMENDMENT NUMBER FOUR (NO.4) TO THE CONTRACT BETWEEN THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE NORTHERN MICHIGAN REGIONAL ENTITY; SECOND BY KARLA SHERMAN. MOTION CARRIED.**

### **NMRE Board Recording Secretary**

NMRE Secretary Don Tanner asked to name the NMRE Executive Assistant as the NMRE Recording Secretary.

**MOTION MADE BY KARLA SHERMAN TO NAME THE NORTHERN MICHIGAN REGIONAL ENTITY EXECUTIVE ASSISTANT AS THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD RECORDING SECRETARY; SECOND BY DON TANNER. MOTION CARRIED.**

### **UPACC Resolution**

A resolution from the UP Association of County Commissioners from 2017 was included in the meeting materials. Mr. Kurtz has been communicating with Tim Kangas at Northcare Network about developing similar language to preserve the public mental health system for the combined regions (36 counties). A draft resolution will be presented during a future Board meeting.

### **NMRE Medical Director**

Mr. Kurtz expressed the need for the NMRE to recruit a Medical Director, preferably one with SUD strength. The NMRE currently contracts with North Country CMH for a small portion of Dr. Lapo's time. Mr. Kurtz added that the NMRE budget allots for the position.

## OLD BUSINESS

### **Behavioral Health Home Update**

The expansion of the Behavioral Health Home to the NMRE's 21-counties continues to move forward. The State is also entertaining expanding the Opioid Health Home to additional regions.

## PRESENTATION

### **NMRE Performance Improvement Projects**

Mary Marlatt-Dumas, NMRE Managing Director of Quality and Customer Services, presented on the FY19 Quality Assessment and Performance Improvement Program. The two current Performance Projects were stated as: 1) Increasing Diabetic Screenings for Consumers with SMI Prescribed an Antipsychotic Medication; 2) Follow-up Care for Children Prescribed ADHD Medication (ADD).

Mr. Kamps requested a copy of the QAPIP which NMRE staff agreed to provide.

**MOTION MADE BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PROGRAM FOR FISCAL YEAR 2019; SECOND BY ED GINOP. MOTION CARRIED.**

## COMMENTS

### **Board Members**

- Mr. Tanner expressed that he felt the presentation during the CMHSM Spring Conference on SSI/SSDI benefits was very good.

- Mr. Ginop announced that the North Country CMH Board of Directors appointed Christian Marcus (Antrim County) to the NMRE Board.

#### **Staff/CMHSP CEOs**

- Ms. Gebhard shared that 11 counties have passed resolutions to remove section 928 from the Budget Boilerplate. Mr. Kurtz and Mr. Kamps will develop a statement of support on behalf of the NMRE. Ms. Pelts added that she is bringing the topic to AuSable Valley's Board in the coming weeks.
- Ms. Pelts stated she received a resolution from the Wexford County Board of Commissioners supporting CARO center in Tuscola County. She questioned offering support as it could appear that it would speak against the extreme need for psychiatric beds in the north. Mr. Kurtz advised not supporting the referenced resolution.
- Ms. Gebhard noted that she and Mr. Kurtz are meeting with McLaren Northern Michigan President, Todd Burch, about inpatient psychiatric needs and possible utilization of the former Cheboygan hospital facility.
- Mr. Kovacs commented that he is co-chair of the statewide workgroup on behavioral health and criminal justice. The next meeting is scheduled for July 19<sup>th</sup> by conference call; he invited others to participate (meetings occur quarterly).

#### **MEETING DATES**

The next meeting of the NMRE Board of Directors will be is Annual Board Planning Session on July 31, 2019 from 10:00am – 3:00pm at The Gaylord University Center located at 80 Livingston Boulevard.

#### **ADJOURN**

Let the record show that Mr. Kamps adjourned the meeting at 11:58AM.