

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, AUGUST 28, 2019
GAYLORD CONFERENCE ROOM**

BOARD MEMBERS IN ATTENDANCE:	Ed Ginop, Annie Hooghart, Randy Kamps, Gary Klacking, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O'Farrell, Richard Schmidt, Joe Stone, Don Tanner, Nina Zamora
BOARD MEMBERS ABSENT:	Roger Frye, Karla Sherman
CEOs IN ATTENDANCE:	Christine Gebhard, Karl Kovacs, Diane Pelts, Nena Sork
STAFF IN ATTENDANCE:	Eric Kurtz, Sara Sircely, Deanna Yockey, Carol Balousek
PUBLIC IN ATTENDANCE:	Chip Cieslinski, 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 Roger Frye and Karla Sherman were excused from 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 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 GARY NOWAK TO APPROVE THE MINUTES OF THE JULY 31, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY RICHARD SCHMIDT. MOTION CARRIED.

APPROVAL OF AGENDA

Mr. Kamps called for approval of the meeting agenda.

MOTION MADE BY ED GINOP TO APPROVE THE AGENDA FOR THE AUGUST 28, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY DON TANNER. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the August 1st PIHIP CEO Meeting.
- 2) A letter to Director Gordon dated August 7th from various Michigan advocacy organizations opposing the plan to move the Behavioral Health and Developmental Disabilities Administration (BHDDA) under the Medical Services Administration (MSA).

- 3) Email correspondence from Kaylee Nellet, Policy Analyst for CMHAM regarding proposed Medicaid policy 1917-SBS, Caring for Students.
- 4) A letter to Director Gordon dated August 2nd from Stephan Currie, Executive Director of Michigan Association of Counties (MAC) regarding the proposed Lakeshore Regional Entity Board, established by MDHHS.
- 5) Model resolution to express opposition to termination of state contract with the Lakeshore Regional Entity.
- 6) Email correspondence from CMHAM announcing the schedule for several mental health forums with Senator Debbie Stabenow.
- 7) Correspondence from CMHAM titled, "Analysis of causes of unit cost (RVU) increases from FY 2017 to FY 2018" dated August 2019.
- 8) Email correspondence from Robert Sheehan and Alan Bolter regarding Components of CMHA advocacy around funding adequacy for the public behavioral health system.
- 9) A summary of the July 24, 2019 rate setting meeting.
- 10) Email correspondence from Robert Sheehan and Alan Bolter regarding Milliman's fee screen site visits at CMHSPs.
- 11) Correspondence from Community Mental Health Association of Michigan Healthy Michigan outlining the growth in HMP expenditures related to the services typically provided to DAB enrollees dated May 2019.
- 12) The MDHHS Organizational Chart(s).

Distributed during the meeting:

- 13) "Perspectives of the Advocacy Community on the Lakeshore Regional Entity & the Public Mental Health System in Michigan, Part One: Steps to Be Taken in the Lakeshore PIHP Region," dated August 5, 2019.
- 14) "Perspectives of the Advocacy Community on the Lakeshore Regional Entity & the Public Mental Health System in Michigan, Part Two: Steps to be Taken Statewide," dated August 26, 2019.
- 15) Email correspondence from Robert Sheehan and Alan Bolter regarding the Gongwer News Service Article and advocates' reports in the articles referenced in correspondence numbers 13 and 14.

Mr. Kurtz referred to article picked up by Gongwer News Services regarding the Advocacy Reports. He highlighted inaccuracies in the report and the article. The assumption appears to be that if PIHPs go away, there will be a resulting huge influx of revenue. (It was noted that NMRE Administrative overhead is 3.45% while the state average is 5.48%.) The report takes a general "shot" at the entire system (poor structure and organization, overly complicated bureaucracy, lack of funding). Mr. Stone commented that any/all local control would be lost and that we need to fight to keep it.

Mr. Kurtz emphasized the system is not broken; it is underfunded, but not broken. Ms. Pelts expressed concern about what effect these articles have on the perceptions of the general public and CMHSP/PIHP staff. She added that the cloud of doubt is not helpful given the inherent staffing crisis. Ms. Gebhard voiced support of a public relations campaign stressing the stability of the current system. Mr. Kurtz noted that NMRE is working on an Annual Report to share with community stakeholder. Mr. Tanner agreed with the need to "toot our own horn," as a different story is being told in Lansing. Mr. Kamps agreed with the idea of a public relations campaign to project a consistent, fair message that is tied to the communities and that highlights successes ("These services saved my life!") Mr. Kovacs supported a proactive, broad-based

communication showing the economic impact of regional services. Mr. Kamps added that the local communities need to associate value with what we do. The closer the money is to the local communities, the more effectively it gets spent.

ANNOUNCEMENTS

Let the record show that no announcements were made from Board Members during the meeting on this date.

PUBLIC COMMENT

Let the record show that no comments were offered from the public during the meeting on this date.

REPORTS

CEO's Report

The NMRE CEO Monthly Report for August 2019 was included in the materials for the meeting on this date. Mr. Kurtz discussed his meeting with Sen. Stabenow's staffer, Brandon Fewins, on August 14th. Mr. Fewins expressed interest in attending an upcoming meeting of the NMRE Operations Committee or Board.

SUD Board Report

The next meeting of the NMRE SUD Oversight Board is scheduled for September 9, 2019 at 10:00AM in the NMRE Board Room in Gaylord.

Financial Report

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

- Traditional Medicaid showed \$118,890,021 in revenue, and \$121,712,634 in expenses, resulting in a net deficit of \$2,822,613. Medicaid ISF was reported as \$6,611,541. Medicaid Savings was reported as \$1,408,261.
- Healthy Michigan Plan showed \$13,908,456 in revenue, and \$14,853,173 in expenses, resulting in a net deficit of \$944,717. Healthy Michigan ISF was reported as \$5,408,357. HMP carry forward \$0.
- Net Position showed Medicaid and HMP combined net deficit of \$3,767,331. Medicaid carry forward in the amount of \$1,408,261 and Medicaid and HMP ISF in the amount of \$2,359,070 were used to offset the deficit for a remaining Medicaid and HMP surplus (including carry forward and ISF) of \$9,660,878.
- Behavioral Health Home showed \$87,802 in revenue and \$59,900 in expenses, resulting in a surplus of \$27,902.
- SUD showed all funding source revenue of \$10,455,972 and \$11,004,203 in expenses, resulting in a net deficit of \$548,231. Total PA2 funds were reported as \$5,127,641.

Ms. Gebhard asked about the anticipated supplemental payment from the state and how much is anticipated. Mr. Kurtz responded it likely won't cover current deficit but will offset it. He added that he's not counting on a set amount.

Mr. Marcus asked about the Behavioral Health Home offered by Northern Lakes and Centra Wellness. Mr. Kovacs summarized the pilot project for Manistee and Grand Traverse counties (Section 2703 of the Affordable Care Act). The Health Home model is designed to coordinate physical and mental health care through the provision of specific person-centered services. The Health Home concept is in the process of expanding to the entire 21-county NMRE region. The expansion will have greater backing from MDHHS than the current two-county model.

Mr. Kurtz acknowledged that the change in payment methodology effective October 1st will cause a cash flow issue necessitating the use of the ISF. The CMHSPs will need to spend within the PM/PM. A preliminary budget for FY20 will be presented to the Board in September.

NEW BUSINESS

NMRE Mission

The NMRE Mission Statement, revised during the NMRE Board Planning Session on July 31, 2019 was included in the materials for the meeting on this date.

MOTION MADE BY DON TANNER TO APPROVE THE REVISION TO THE NORTHERN MICHIGAN REGIONAL ENTITY MISSION STATEMENT; SECOND BY JOE STONE. MOTION CARRIED.

The NMRE Mission will read:

Develop and implement sustainable, managed care structures to efficiently support, enhance, and deliver publicly funded behavioral health and substance use disorder services.

SUD Providers' Strategic Planning Meeting

A meeting is being scheduled in September or October for in-network SUD providers to develop a Strategic Plan to look at gaps in the service continuum and planful ways of using liquor tax to supplement the system. The Plan will be presented to the NMRE Board and then the SUD Oversight Board after it is developed.

OLD BUSINESS

BHH Update

This topic was discussed previously on the Agenda. Mr. Kurtz reported that the expansion is moving forward. A handbook has been developed. The project will include Oakland County. The state has received \$500K from the Health Endowment Fund for the project, expected to get underway in FY20. Mr. Kurtz acknowledged that some education will be needed.

PRESENTATION

Liquor Tax

Mr. Kurtz provided an overview of the collection (The General Property Tax Act 206 of 1893) and use (State Convention Facility Development Act 106 of 1985) of liquor tax funds. Public Act 500 of 2012 (the Poleski Bill) named PIHPs as the designated Substance Abuse Coordinating Agency and created the SUD Oversight Board.

COMMENTS

- Mr. Kovacs suggested that the NMRE and Boards consider an auction basket for the CMHAM Fall Conference.
- Mr. Stone announced that Robert Gordon will be a speaker during the Fall Conference.
- Mr. Cieslinski voiced he is glad PA2 will be monitored to avoid duplication of efforts.

MEETING DATES

The next meeting of the NMRE Board of Directors will take place on September 25, 2019 at 10:00AM at the NMRE office in Gaylord.

ADJOURN

Let the record show that Mr. Kamps adjourned the meeting at 11:54AM.