

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, SEPTEMBER 25, 2019
GAYLORD CONFERENCE ROOM**

BOARD MEMBERS IN ATTENDANCE:	Roger Frye, Ed Ginop, Annie Hooghart, Randy Kamps, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora
BOARD MEMBERS ABSENT:	Gary Klacking
CEOs IN ATTENDANCE:	Stacey Chipman (for Christine Gebhard), Chip Johnston, Karl Kovacs
STAFF IN ATTENDANCE:	Eric Kurtz, Brandon Rhue, Sara Sircely, Deanna Yockey, Carol Balousek
PUBLIC IN ATTENDANCE:	Chip Cieslinski, Sierra Hilt, Sue Winter

CALL TO ORDER

Let the record show that Chairman Randy Kamps called the meeting to order at 10:05AM.

ROLL CALL

Let the record show that Gary Klacking was 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 August 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 AUGUST 28, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY GARY NOWAK. MOTION CARRIED.

APPROVAL OF AGENDA

Mr. Kamps called for approval of the meeting agenda.

MOTION MADE BY JOE STONE TO APPROVE THE AGENDA FOR THE SEPTEMBER 25, 2019 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY JAY O'FARRELL. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the September 5th PIHP CEO meeting.
- 2) A flyer from the State of Michigan's free naloxone distribution day on September 14th.

- 3) A flyer for Applied Suicide Intervention Skills Training on October 3rd - 4th in Traverse City.
- 4) A press release dated September 4th from the Governor's office announcing a state ban on flavored e-cigarettes.
- 5) Email correspondence from Alan Bolter at CMHAM urging legislatures to oppose new LARA rules impacting licensed professional counselors.
- 6) An overview of the process changes for the 1915(i) waiver.
- 7) The Medical Services Administration Policy Bulletin 19-21, "Update of Coverage of Autism Services for Children Under 21 Years of Age."
- 8) The Medical Services Administration Policy Bulletin 19-22, "New Criteria for Substance Use Disorder Crisis Residential Services."
- 9) A letter dated September 17th from Belinda Hawks at MDHHS to Eric Kurtz announcing an increase (from 679 to 689) in the number of HSW slots allocated to the NMRE, effective October 1st.
- 10) Information regarding the formation of the CMHAM Persons Served Advisory Group.
- 11) Email correspondence from Robert Sheehan and Alan Bolter containing the Association's "Vision for a World-Class Mental Health System."
- 12) Email correspondence from Robert Sheehan and Alan Bolter providing the Association's response to the Gongwer News Services article on Advocates' Reports.
- 13) CMHAM Annual Report dated June 2019.
- 14) Draft FY20 Behavioral Health Capitation Rate Development presented by Milliman dated September 9th, 2019.

Distributed during the meeting:

- 15) FY20 Legislative Conference Committee Report on the Executive Budget from CMHAM.
- 16) A letter to Members of the Michigan State Senate and House of Representatives from Robert Sheehan and the CEO's of the three proposed 298 pilot sites denouncing bill language suggested by the legislative conference committee on September 19th that would permit health plans to "circumvent the existing public mental system and contract for services outside the existing network."
- 17) A call to action dated September 24th from CMHAM advising stakeholders to contact the Governor to recommend she veto Section 298 of the Executive Budget.

Mr. Kamps commented on the Call to Action urging Board members to respond. Mr. Kurtz indicated that he would like to see a veto of the entire 298 Section in favor of another means of healthcare integration. Chip Johnston voiced disapproval of addressing these sorts of decisions via the budget process. Mr. Kamps spoke in favor of the Behavioral Health Home expansion as a better approach to integration. Mr. Kurtz noted that the MHPs won't put the effort into establishing an adequate provider network; "People will wane."

In response to Correspondence Item #9, the increase in waiver slots was viewed as a good thing for the region.

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

Executive Committee Report

Let the record show that the NMRE Executive Committee met at 9:30AM on this date to discuss the NMRE CEO's contract and compensation for FY20. Board Members will receive an invitation from Survey Monkey to evaluate the CEO; Mr. Kamps requested a quick turn-around. Three items were brought to the Board as recommendations:

- 1) Replacing the monthly car allowance (plus gas and oil changes) with mileage reimbursement at the IRS rate.

MOTION MADE BY RANDY KAMPS TO APPROVE THE CHANGE IN THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER'S CONTRACT TO REPLACE THE MONTHLY CAR ALLOWANCE, GAS PURCHASES, AND OIL CHANGES WITH MILEAGE REIMBURSEMENT AT THE ANNUAL INTERNAL REVENUE SERVICE RATE; SECOND BY KARLA SHERMAN. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE.

- 2) Changing the "Compensation" section of the Contract to provide a merit-based and/or cost of living increase.

This topic will be discussed by the Executive Committee and its recommendation will be brought to the Board for approval following review of the CEO's performance evaluation.

- 3) Moving the Contract term to align with the October 1st – September 30th fiscal year.

MOTION MADE BY RANDY KAMPS TO APPROVE THE CHANGE IN THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER'S CONTRACT TO ALIGN THE CONTRACT TERM WITH THE OCTOBER 1ST THROUGH SEPTEMBER 30TH FISCAL YEAR; SECOND BY ED GINOP. MOTION CARRIED BY UNANIMOUS ROLL CALL VOTE.

CEO's Report

The NMRE CEO Monthly Report for September 2019 was included in the materials for the meeting on this date. Mr. Kurtz spoke about the one-on-one meetings he's having with the regional CEOs, calling them "very beneficial." Mr. Kurtz noted that he (and another member) may opt to drop out of the Standard Cost Allocation Workgroup. Mr. Tanner asked about the meeting with Matt McCauley, CEO of Networks Northwest, regarding MDOC. Mr. Kurtz indicated that Networks Northwest has been involved in an offender housing program but not any healthcare service delivery. Internal screening processes at NMRE will be updated to capture the MDOC population.

SUD Board Report

The minutes from the September 9th NMRE Substance Use Disorder Oversight Board were included in the materials for the meeting on this date. Mr. Kurtz reported that NMRE is revisiting the liquor tax process. A meeting with SUD providers is being planned to develop a SUD Strategic Plan.

Financial Report

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

- Traditional Medicaid showed \$131,645,213 in revenue, and \$135,396,246 in expenses, resulting in a net deficit of \$3,751,033. Medicaid ISF was reported as \$6,611,541. Medicaid Savings was reported as \$1,408,261.

- Healthy Michigan Plan showed \$15,361,192 in revenue, and \$17,399,318 in expenses, resulting in a net deficit of \$2,038,126. Healthy Michigan ISF was reported as \$5,408,357. HMP carry forward \$0.
- Net Position showed Medicaid and HMP combined net deficit of \$5,789,160, Medicaid carry forward in the amount of \$1,408,261, and Medicaid and HMP ISF in the amount of \$4,380,899 used to offset the deficit for a remaining Medicaid and HMP surplus (including carry forward and ISF) of \$7,638,999.
- Behavioral Health Home showed \$98,640 in revenue and \$60,019 in expenses, resulting in a surplus of \$38,621.
- SUD showed all funding source revenue of \$11,599,553, and \$12,292,042 in expenses, resulting in a net deficit of \$692,489. Total PA2 funds were reported as \$5,789,619 which will increase when the third annual payment is received in December.

Mr. Stone expressed that the region cannot sustain the deficit at the current rate. Mr. Kurtz agreed but noted that rates for FY20 are favorable and may allow for a contribution to be made to the ISF. Boards will be challenged to maintain spending within PMPM. Deanna Yockey referenced the anticipated \$49M supplemental payment which has been discussed and is expected in early FY20.

Clarification was made that the Performance-Based Incentive Payment (PBIP) is a .75% incentive payment based on meeting established criteria.

It was noted that eligibility data will replace the current graphs beginning next month.

MOTION MADE BY JOE STONE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2019; SECOND BY DON TANNER. MOTION CARRIED.

NEW BUSINESS

NMRE FY20 Board Meeting Schedule

The preliminary FY20 Board Meeting schedule was included in the materials for the meeting on this date. A conflict was noted with the December meeting date. A meeting in early December was proposed in lieu of the November and December meetings. Mr. Kamps suggested December 11th.

MOTION MADE BY JOE STONE TO CANCEL THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING FOR NOVEMBER 2019 AND MOVE THE DECEMBER NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING TO DECEMBER 11, 2019, SECOND BY MARY MAROIS. MOTION CARRIED.

The approved meeting schedule will be posted in accordance with the Open Meetings Act.

Training Requests

New Horizons Computer Learning Centers

NMRE is planning to move to a different method of purchasing training utilizing a Prepaid Learning Account. The cost of \$80K was included in the FY20 proposed budget; approximately \$18K will roll over from FY19. Feedback within the region on the trainings has been very positive.

MOTION MADE BY JOE STONE TO APPROVE THE PAYMENT OF EIGHTY THOUSAND DOLLARS (\$80,000.00) TO NEW HORIZONS COMPUTER LEARNING CENTERS FOR A REGIONAL PREPAID LEARNING ACCOUNT FOR FISCAL YEAR 2020; SECOND BY MARY MAROIS. MOTION CARRIED.

Clinical Leadership Training

Mr. Kurtz explained that the Regional Clinical Leadership Committee requested some leadership training. They had asked whether the NMRE would fund the training out of its training budget, which Mr. Kurtz agreed to do.

- Facility cost (Treetops) – \$3,423.50
- Trainer cost (Warner Norcross and Judd LLP) – \$3,780.90

MOTION MADE BY JOE STONE TO APPROVE THE TOTAL PAYMENT OF SEVEN THOUSAND TWO HUNDRED FOUR DOLLARS AND FORTY CENTS (\$7,204.40) FOR REGIONAL LEADERSHIP TRAINING; SECOND BY ANNIE HOOGHART. MOTION CARRIED.

PA2 Requests

- 1) Child and Family Services of Northwestern Michigan – Grand Traverse County \$27,469 and Leelanau County \$4,700.
- 2) Catholic Human Services – Cheboygan County \$56,874
- 3) Catholic Human Services – Crawford County \$41,219
- 4) Health Department of Northwest Michigan – Grand Traverse County \$102,180
- 5) Health Department of Northwest Michigan – Otsego County \$76,237
- 6) Health Department of Northwest Michigan – Antrim County \$23,963, Charlevoix County \$23,963, and Emmet County \$24,069.

MOTION MADE BY JOE STONE TO APPROVE THE LIQUOR TAX REQUESTS PRESENTED FOR APPROVAL ON THIS DATE AND AS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON SEPTEMBER 9, 2019; SECOND BY GARY NOWAK. MOTION CARRIED.

Presentation

The Proposed NMRE FY20 Budget was included in the materials for the meeting on this date. Mr. Kurtz gave a presentation on the proposed budget and rates. A base increase of 8.2% is expected; when the blended risk factor is added, the rates are upped to 10%. Broken down by funding source, an increase of 7.05% is expected for Traditional Medicaid (DAB, TANF, Autism) including SUD for an annual estimated revenue increase of \$10,985,480. An increase of 18% is expected for Healthy Michigan plan including SUD for an annual estimated revenue increase of \$4,581,206. SUD prevention, treatment, block grant, and PA2 funds were projected at the current year. Mr. Kurtz summarized anticipated grant revenue and NMRE projected expenses.

MOTION MADE BY RICHARD SCHMIDT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BUDGET FOR FISCAL YEAR 2020; SECOND BY ROGER FRYE.

Mr. Kamps noted that the budget based on several assumptions that may not surface. He asked whether it is possible to amend the budget at a later date. Mr. Kurtz responded that it is, and that the region may want to consider possible contributions to the ISF.

Voting took place on Mr. Schmidt's Motion. MOTION CARRIED.

OLD BUSINESS

Let the record show that there was no “Old Business” on the Agenda for the meeting on this date.

COMMENTS

Board

Mr. Tanner expressed that he’s never seen rate increases like those discussed for FY20.

CMHSP CEOs and Staff

Stacey Chipman thanked the Board for approving the funding for the Clinical Leadership training.

Karl Kovacs thanked Mr. Kurtz and Ms. Yockey for the “behind the scenes analysis” of finances and rates that was done in order to create the Projected FY20 budget; he called it “extensive and impressive.”

Public

Sue Winter shared that Mr. Kurtz and Ms. Sircely were recognized during the recent CMHAM SUD Conference for implementing the Opioid Health Home.

MEETING DATES

The next meeting of the NMRE Board of Directors will take place on October 23, 2019 at 10:00AM at the NMRE office in Gaylord.

ADJOURN

Let the record show that Mr. Kamps adjourned the meeting at 11:57AM.