

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, APRIL 22, 2020
VIA TELECONFERENCE/MICROSOFT TEAMS**

BOARD MEMBERS IN ATTENDANCE:	Roger Frye, Ed Ginop, 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, Christian Marcus
CEOs IN ATTENDANCE:	Christine Gebhard, Chip Johnston, Karl Kovacs, Diane Pelts, Nena Sork
STAFF IN ATTENDANCE:	Carol Balousek, Lisa Hartley, Sandy Kintz, Eric Kurtz, Brandon Rhue, Sara Sircely, Deanna Yockey
PUBLIC IN ATTENDANCE:	Chip Cieslinski, Marissa Gunther, Donna Hardies, Derek Miller, Susan Pulaski, 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 Christian Marcus 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

Let the record show that the March meeting of the NMRE Governing Board was cancelled due to the COVID-19 pandemic. The minutes of the February 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 FEBRUARY 26, 2020 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS CORRECTED AS INDICATED; SECOND BY ROGER FRYE.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

“Yea” Votes Recorded: Roger Frye, Ed Ginop, Randy Kamps, Terry Larson, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora

“Nay” Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF AGENDA

Let the record show that no changes to the Agenda were proposed during the meeting on this date.

PRESENTATION

Derek Miller from Roslund Prestage & Company was in attendance to review the NMRE FY19 Financial Audit. NMRE Total assets were reported as \$26,770,151, and total liabilities were reported as \$14,135,537 for a net position of \$12,634,614. Mr. Miller noted the NMRE's Internal Service Fund (\$5,034,468) was down 58% from FY18. The FY19 Operating Revenue was reported as \$188,191,855 (an increase of \$5,627,535 from FY18); Operating Expenses were reported as \$194,376,424 (an increase of \$12,839,969 from FY18). Mr. Miller drew attention to the fact that \$20,976,127 (in excess of the \$250K covered by FDIC) of the NMRE's bank balance of \$21,226,127 was exposed to custodial credit risk because it was uninsured and uncollateralized. Mr. Miller reported no significant issues while conducting the audit and thanked Ms. Yockey and the finance team for their preparedness.

Ms. Sherman asked about the custodial credit risk issue. With a \$250K cap, the NMRE would require 84 banking institutions to eliminate the custodial credit risk. Mr. Kurtz responded that Chase Bank was selected specifically since the State also held its funds with Chase. Mr. Miller clarified that his intent was to bring it to the Board's attention for transparency, not necessarily to require that it be "fixed." Certificate of Deposit Account Registry Service (CDARS) and Insured Cash Sweep (ICS) programs were both named as options used by other governmental institutions to alleviate this issue and things the NMRE could consider.

MOTION MADE BY ROGER FRYE TO APPROVE THE FISCAL YEAR 2019 AUDIT OF THE NORTHERN MICHIGAN REGIONAL ENTITY BY ROSLUND PRESTAGE & COMPANY; SECOND BY GARY NOWAK.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

"Yea" Votes Recorded: Roger Frye, Ed Ginop, Randy Kamps, Terry Larson, Mary Marois, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora

"Nay" Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

CORRESPONDENCE

1. House Bills 5412, 5413, 5414, 1545, and 5416 related to the delivery of services during the COVID-19 pandemic.
2. Memorandum from Adam Carlson, Senior Director of Government and Political Affairs for the Michigan Health and Hospital Association supporting House Bills 5412 through 5416.
3. MDHHS Behavioral Health and Developmental Disabilities Administration Communication #20-01 "Essential Behavioral Health Services and Stay Home Stay Safe Executive Order 2020-21 in the COVID-19 Context" guidance document dated March 25, 2020.
4. MDHHS Behavioral Health and Developmental Disabilities Administration Communication #20-02 "Guidance for Specific Clinically Essential Face to Face Encounters in Behavioral Health Clinics, Substance Use Services, and Residential Settings in the COVID-19 Context" document dated March 25, 2020.

5. Letter from Jackie Glaze, Acting Director Medicaid and CHIP Operations Group Center at the Centers for Medicare and Medicaid Services dated April 1, 2020 regarding Request for Waivers Under Section 1135 of the Social Security Act in response to the coronavirus outbreak along with the 1135 Waiver COVID-19 State/Territory Request Template.
6. Letter to Robert Gordon, MDHHS Director from Calder Lynch at the Centers for Medicare and Medicaid Services dated April 6, 2020 regarding Section 1135 Flexibilities requested in the April 1, 2020 Correspondence.
7. State of Michigan Approval of Federal Section 1135 Waiver Requests dated April 6, 2020.
8. Memorandum from Jeffrey Wieferrich, Director of the Bureau of Community Based Services at MDHHS dated April 8, 2020 regarding Plan of Service and due process concerns during COVID-19 Stay Home Stay Safe Executive Order.
9. CMHAM System Redesign Advisory Group Summary of April 13, 2020 discussion.
10. Acton Alert from Alan Bolter at CMHAM requesting an emergency appropriation of \$38.5 billion for providers of mental health and addiction treatment services to be included in the next stimulus package considered by Congress.
11. Letter from Eric Kurtz to Representative Whiteford in response to CMHAM Information Request Regarding Opioid and Behavioral Health Home Models including Current Integrated Care Initiatives Through Opioid and Behavioral Health Homes dated March 23, 2020.
12. NMRE Operations Committee meeting minutes from March 17, 2020 in draft form.
13. NMRE Finance Committee meeting minutes from April 8, 2020 in draft form.

Mr. Kurtz noted that “MDHHS halted its system design effort and it is clear that the Whitmer administration is unlikely to spend energy and resources on moving system design forward this year.” (More later in the Agenda.)

Mr. Kurtz drew attention to the Call to Action from the National Council requesting that an emergency appropriation of \$38.5 billion for providers of mental health and addiction treatment services to be included in the next stimulus package considered by Congress.

Mr. Kurtz also recognized the Behavioral Health Home and Opioid Health Home overview that he sent to Representative Whiteford at the request of CMHAM. He has since learned that Rep. Whiteford is looking for support to allocate \$4M to alternatives to the specialty integrated plan (SIP). Mr. Kurtz will continue to follow up.

ANNOUNCEMENTS

Let the record show that Chairman Kamps announced that Annie Hooghart was not reappointed to the NMRE Board; her service will be recognized for her contributions at a future date. Mr. Kamps called for the formation of a Nominating Committee to elect Board officers (normally done in April); with no objections, Mr. Kamps appointed Mr. Klacking, Mr. Schmidt, Mr. Ginop, Mr. Larson, and Ms. Marois. Communication will be sent to those named to schedule a meeting.

PUBLIC COMMENT

Let the record show that members of the public were introduced and added to the list of attendees for the meeting on this date; no comments were recorded.

REPORTS

Executive Committee Report

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

CEO's Report

The NMRE CEO Monthly Report for March-April 2020 was included in the materials for the meeting on this date. Mr. Kurtz reported that work hasn't slowed down during shut down, if anything it has gotten busier. Biweekly calls are occurring with the Behavioral Health and Developmental Disabilities Administration to work through COVID-19 related issues. An 1135 emergency waiver, and an Amendment to the 1915(c) Waiver are being considered.

SUD Board Report

The minutes of the March 2, 2020 NMRE Substance Use Disorder Oversight Board were included in the materials for the meeting on this date. Liquor tax requests will be presented under a later Agenda item. Mr. Kamps noted that a lively discussion was reflected in the meeting minutes.

MOTION MADE BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD MINUTES FOR MARCH 2, 2020; SECOND BY KARLA SHERMAN.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

"Yea" Votes Recorded: Roger Frye, Ed Ginop, Randy Kamps, Terry Larson, Mary Marois, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora

"Nay" Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

Financial Report

The NMRE Monthly Financial Report for February 2020 was included in the meeting materials.

- Traditional Medicaid showed \$69,370,880 in revenue, and \$68,463,184 in expenses, resulting in a net surplus of \$ 907,696. Medicaid ISF was reported as \$1,460,876 based in the Interim FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$9,245,687 in revenue, and \$8,493,210 in expenses, resulting in a net surplus of \$752,477. HMP ISF was reported as \$3,573,592 based on the Interim FSR. HMP savings was reported as \$0.
- Net Position* showed Medicaid and HMP ISF combined net surplus of \$1,660,173. Medicaid and HMP combined ISF was reported as \$5,034,468. The Total Medicaid and HMP Net surplus, including carry forward and ISF was reported as \$7,124,542.
- Behavioral Health Home showed \$45,959 in revenue, and \$40,709 in expenses, resulting in a net surplus of \$5,250.
- SUD showed all funding source revenue of \$7,003,523, and \$6,072,664 in expenses, resulting in a net surplus of \$930,859. Total PA2 funds were reported as \$5,673,301.
- *HSW Receivable was reported at \$ 429,901.
- *NMRE Medicaid and HMP combined Net Surplus after the adjustment was reported as \$2,090,074.

Mr. Kamps asked about the HSW receivable amount. Ms. Yockey clarified that HSW is a moving number; NMRE is verifying whether payments have been received for all the individuals enrolled. Ms. Yockey reported that a rate adjustment is due at the end of April; \$2.3M was estimated based on high-level calculations. Mr. Kamps asked how likely we are to receive the

\$429K for HSW. Ms. Yockey responded that NMRE is digging into the data to evaluate its legitimacy based on the number of slots and historical payments. Mr. Kurtz added that he believes the issue is “starting to get fixed.” Payments for the first quarter of the fiscal year were incorrect. Mr. Kamps expressed concern as it relates to ISF; he is hopeful that improved rates moving forward will help with build it back up. Mr. Kurtz emphasized that money moving forward is a moving target. Medicaid enrollment is likely to increase due to COVID-19 and related unemployment levels.

Ms. Yockey announced that the first of three PA2 revenue payments for the year is expected in May.

MOTION MADE BY NINA ZAMORA TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR FEBRUARY 2020; SECOND BY JAY O’FARRELL.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

“Yea” Votes Recorded: Roger Frye, Ed Ginop, Randy Kamps, Terry Larson, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora

“Nay” Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

NEW BUSINESS

PA2 Requests

1. Health Department of Northwest Michigan – Otsego County – \$10,613
2. 53rd Circuit Court – Cheboygan County – \$6,000
3. Catholic Human Services – Grand Traverse County – \$24,945
4. Catholic Human Services – Alcona and Presque Isle Counties – \$38,892 and \$10,08 respectively.
5. District Health Department #2 – Alcona, Alpena, Cheboygan, Iosco, Montmorency, Ogemaw, Oscoda, and Presque Isle Counties – \$61,359 split proportionately among the eight counties.
6. Health Department of Northwest Michigan – All 21 Counties in the NMRE Region - \$110,000 split among the 21 counties based on interest and use.

MOTION MADE BY JOE STONE TO APPROVE THE LIQUOR TAX RECOMMENDATIONS OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON MARCH 2, 2020; SECOND BY MARY MAROIS.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

“Yea” Votes Recorded: Roger Frye, Ed Ginop, Randy Kamps, Terry Larson, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Karla Sherman, Joe Stone, Don Tanner, Nina Zamora

“Nay” Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

COVID-19 Response

Mr. Kurtz expressed that regional leaders have worked collaboratively to ensure that essential services continue to be provided in the safest manner possible. The expansion of telehealth has been very effective; Mr. Kurtz is hopeful some of that continues after the crisis abates.

CMHAM System Redesign Advisory Group

The state's FY20 budget is expected to have a \$1 – \$3 billion budget gap with a \$4 billion gap in FY21. The State's system redesign hibernation and budget pressures open the door for other options now or in future.

- 1) System redesign will be taken off the table permanently
- 2) Legislators and Health Plans will propose a carve-in for Medicaid Managed specialty supports and services
- 3) The SIP will resurface after the pandemic
- 4) Other options will be considered

The Advisory Group collectively supported Option 4, including the possibility of a “reverse carve-in.” Mr. Johnston commented that he finds the fixation on the SIP and Certified Community Behavioral Health Clinics (CCBHC) astounding. Mr. Johnston is attempting to tie BHH efforts into the CCBHC; CCBHC is essential a health home model. Mr. Kurtz called the payment model for the CCBHC “archaic at best.” A lot of education to thwart still lingering “bad ideas” will be needed. Mr. Johnston stressed the importance of a rural exemption. Mr. Stone agreed that now is a great time to put something together that's best for all. The next meeting is scheduled for May 11th.

OLD BUSINESS

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

COMMENTS

Board

- Mr. Frye asked whether the SUD Board meeting scheduled for May 4th is moving forward. Ms. Sircely responded that due to a lack of liquor tax requests, the meeting has been cancelled. The next meeting is planned for July 6th at 10:00AM.
- Mr. Schmidt commented that he was impressed how the lively conversation during the March NMRE SUD Board meeting was handled; Members asked the same questions he would have asked if he was in attendance.
- Mr. Kamps stated he was glad that there was no meeting in March; the financial report reviewed on this date (February 2020) showed improvement.
- Mr. Tanner implored everyone to stay healthy.
- Mr. Kamps expressed that he felt the meeting on this date went as well as it could in the virtual environment.

MEETING DATES

The next meeting of the NMRE Board of Directors will take place on May 27, 2020. Communication will be sent regarding whether the meeting will take place at the NMRE office in Gaylord or via teleconference.

ADJOURN

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