

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM, MAY 27, 2020
VIA TELECONFERENCE/MICROSOFT TEAMS**

BOARD MEMBERS IN ATTENDANCE:	Roger Frye, Ed Ginop, Randy Kamps, Gary Klacking, Terry Larson, Christian Marcus, Mary Marois, Jay O’Farrell, Richard Schmidt, Karla Sherman, Don Smeltzer, Joe Stone, Don Tanner, Nina Zamora
BOARD MEMBERS ABSENT:	Gary Nowak
CEOs IN ATTENDANCE:	Lauri Fischer (for Karl Kovacs), Christine Gebhard, Chip Johnston, Diane Pelts, Nena Sork
STAFF IN ATTENDANCE:	Eric Kurtz, Brandon Rhue, Sara Sircely, Deanna Yockey, Carol Balousek, Lisa Hartley,

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 Nowak 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

Let the record show that the minutes of the April 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 APRIL 22, 2020 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS CORRECTED AS INDICATED; SECOND BY JOE STONE.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

“Yea” Votes Recorded: Roger Frye, Ed Ginop, Randy Kamps, Gary Klacking, Terry Larson, Christian Marcus, Mary Marois, Jay O’Farrell, Richard Schmidt, Karla Sherman, Don Smeltzer, 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.

CORRESPONDENCE

- 1) A letter from Jeffery Wieferich at MDHHS to Executive Directors of PIHPs and CMHSPs regarding Habilitative Support Waiver (HSW) payment updates.
- 2) A summary of House Bills 5412 – 5416 dated May 12, 2020 regarding the use of telemedicine services during the coronavirus pandemic.
- 3) Letter template from MDHHS dated May 12, 2020 to inform Providers of the COVID-19 Response Premium Pay increase to in-home direct care workers.
- 4) A letter from Eric Kurtz to Allen Jansen and Jeff Wieferich of the Behavioral Health and Developmental Disabilities Administration dated May 13, 2020 in response to the memorandum dated April 30, 2020 regarding funding information related to the PIHP Risk Corridor.
- 5) A letter from Calder Lynch, Deputy Administrator and Director for the Centers for Medicaid and CHIP Services Dated May 14, 2020 regarding Medicaid Managed Care Options in Responding to COVID-19.
- 6) Email correspondence from Robert Sheehan at the Community Mental Health Association of Michigan dated May 18, 2020 providing “Foundational context-setting picture upon which CMHA strategy around system redesign will be based.”
- 7) Quarter 1 FY20 NMRE Performance Indicator Report.
- 8) The draft minutes of the May 13, 2020 NMRE Region Finance Committee meeting.
- 9) The draft minutes of the May 19, 2020 NMRE Operations Committee meeting.

Mr. Kurtz drew attention to the premium pay memorandum. A temporary \$2/hour increase is planned for direct services providers for April 1st through June 30th. Funds aren't expected until June. A second \$3/hour (maximum) increase is also planned for April 1st through September 30th; much is unknown currently. Clarification was made that individuals eligible for both increases will receive a maximum increase of \$3/hour.

Mr. Kurtz referred to his memorandum to Allen Jansen and Jeff Wieferich regarding funding information related to the PIHP risk corridor. Mr. Kurtz has requested that the NMRE be allowed (like any another independent entity) to sign or not sign contractual amendments related to risk corridors and/or sub-capitation funding that restricts IFS contributions or mandates funding to downstream providers outside of direct care wage pass through.

Mr. Kurtz highlighted the Community Mental Health Association of Michigan's strategy about a system redesign reboot. Likely scenarios include:

- System redesign is taken permanently off the table
- Carve-in behavioral health services to Medicaid Health Plans
- System redesign picks back up after the coronavirus crisis abates
- Some combination of the options listed.

The NMRE Performance Indicators for Quarter 1 of fiscal year 2020 were shared for informational purposes.

Ms. Marois asked whether all the PIHPs are holding off on implementing the premium pay increases. Mr. Kurtz responded that they've been “all over the map.” Some areas that were heavily hit with COVID crisis took immediate measures in order to maintain staffing and keep

recipients in their homes. Other areas (MidMichigan/Oakland) “jumped the gun” and provided hazard pay increases. Mr. Kurtz noted that previous direct care wage passthroughs were legislatively appropriated where the current increase came out of the Governor’s office. The specifics of how the increase will be reported in rates to the Department are being worked out by regional finance officers. Mr. Kamps expressed the need to assure Providers that the increases are coming.

Mr. Marcus recommended being proactive regarding a likely rate decrease in FY21 due to the economic impact of coronavirus. He asked whether it is known when those discussions will start. Mr. Kurtz responded that they have already begun. The region is preparing by contributing to its internal service fund and considering system redesign alternatives.

ANNOUNCEMENTS

Let the record show that Chairman Kamps welcomed new NMRE Board Member Don Smeltzer from Centra Wellness Network.

PUBLIC COMMENT

Let the record show that no public was in attendance for the meeting on this date.

REPORTS

Executive Committee Report

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

Nominating Committee Report

Let the record show that the NMRE Board Nominating Committee met at 9:00AM on this date to discuss the Election of Officers. Ms. Marois will speak on behalf of the group under “New Business.”

CEO’s Report

The NMRE CEO Monthly Report for April 2020 was included in the materials for the meeting on this date.

Mr. Kurtz spoke about his participation on the CMHAM System Redesign Advisory Group. Certified Community Behavioral Health Clinics (CCBHC) have come to the forefront (again) gaining focus from the Association. He noted that there are many financial complications associated with becoming a CCBHC state. The upside is that Allen Jansen and staff as well as Bob Sheehan, Alan Bolter, Chip Johnston, Karl Kovacs and Mr. Kurtz have been asked to advise the Department on the process. It is also viewed as an opportunity to promote the expansion of the Behavioral Health Home.

Mr. Kurtz remarked about his virtual environmental scan presentation to the Northeast Michigan CMH Board.

Mr. Tanner asked whether the CCBHC designation and the BHH expansion can they coexist; his concern would be a dilution of the funding stream. Mr. Kurtz responded that they can if done properly.

Mr. Marcus indicated that Senator Stabenow appears to be engaged and informed on the topic and receptive to the Association’s position.

SUD Board Report

Let the record show that the May 4, 2020 meeting of the Northern Michigan Regional Entity Substance Use Disorder Oversight Board was cancelled due to a lack of Agenda items in light of the coronavirus pandemic. The next meeting is scheduled for July 6, 2020 at 10:00AM.

Financial Report

The monthly financial report for March 2020 was included in the materials for the meeting on this date.

- Traditional Medicaid showed \$83,952,351 in revenue, and \$82,124,883 in expenses, resulting in a net surplus of \$1,827,468. Medicaid ISF was reported as \$1,460,876 based on the Interim FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$11,129,652 in revenue, and \$10,070,990 in expenses, resulting in a net surplus of \$1,058,662. 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 \$2,886,131. 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 \$8,448,632.
- Behavioral Health Home showed \$64,342 in revenue, and \$59,066 in expenses, resulting in a net surplus of \$5,276.
- SUD showed all funding source revenue of \$8,423,943, and \$7,343,218 in expenses, resulting in a net surplus of \$1,080,725. Total PA2 funds were reported as \$5,590,084.

- *HSW Receivable was reported at \$528,033.
- *NMRE Medicaid and HMP combined Net Surplus after the adjustment was reported as \$3,414,164.

Ms. Yockey confirmed that annual contributions to the ISF are done at year end.

The first payment of PA2 for fiscal year 2020 is due to NMRE but has not yet received. The NMRE receives payments from the counties annually totaling approximately \$1.5M.

FY20 PMPM Activity

Through April 2020, actual revenue is shown to be \$1.3M over projections (including HSW receivables).

- AuSable Valley – \$48,881
- Centra Wellness – \$22,579
- North Country – \$93,275
- Northeast Michigan – \$141,431
- Northern Lakes – \$1,070,047

FY20 .75% Calculations

During a joint meeting of the regional Finance and Operations Committees, it was suggested that the NMRE withhold .75% of payments prior to passing on the PMPMs to the Boards. The calculations show what PMPMs would look like if that amount was budgeted to the ISF (\$599,042.36 regionally).

MOTION MADE BY ROGER FRYE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MARCH 2020; SECOND BY DON TANNER.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

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

“Nay” Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

NEW BUSINESS

Election of Officers

Ms. Marois reported on behalf of the NMRE Board Nominating Committee. It was noted that Randy Kamps was not eligible for reappointment as Chair since he has held the office for three consecutive terms.

During its meeting at 9:00AM on this date, the NMRE Nominating Committee Recommended Gary Nowak as Chair, Don Tanner as Vice-Chair, and Ed Ginop as Secretary of the Governing Board. Additionally, the Nominating Committee recommended that Joe Stone be reappointed to the Executive Committee and that Randy Kamps be newly appointed to the Executive Committee.

Mr. Kamps called three times for additional nominations from the floor.

MOTION MADE BY JOE STONE TO CLOSE THE NOMINATIONS AND CAST A UNANIMOUS BALLOT TO APPROVE THE SLATE OF OFFICERS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY NOMINATING COMMITTEE; SUPPORT BY MARY MAROIS.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

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

“Nay” Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

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

- ★ Chair – Gary Nowak
- ★ Vice-Chair – Don Tanner
- ★ Secretary – Ed Ginop

FY20 MDHHS-PIHP Contract Amendment No.3

Let the record show that Amendment No.3 to the MDHHS-PIHP FY20 Contract was included in the materials for the meeting on this date.

- SFY 2020 Behavioral Health Capitation Rate Certification Amendment
- 18. Assurances subsection 18.1.15 Electronic Visit Verification

- 6.3.1 Recipient Rights and Grievance and Appeals
- 8.4.2.1 2020 Performance Bonus Integration of Behavioral and Physical Health Services
- CMS technical corrections for Information Requirements and Standard Consent Form
- Contract attachment P7.7.1.1 PIHP Reporting Requirements – technical corrections to remove Strategic Enhancement Report and change other reporting due dates

MOTION MADE BY MARY MAROIS TO APPROVE THE SIGNING OF AMENDMENT NUMBER THREE (NO.3) TO THE CONTRACT BETWEEN THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE NORTHERN MICHIGAN REGIONAL ENTITY FOR FISCAL YEAR 2020; SUPPORT BY CHRISTIAN MARCUS.

ROLL CALL VOTING TOOK PLACE ON THE MOTION.

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

“Nay” Votes Recorded: Null

MOTION CARRIED BY UNANIMOUS VOTE.

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 thanked Mr. Kamps for his service as Chair of the NMRE Board of Directors for the past three years; Mr. Tanner echoed the appreciation.

Staff/CMHSP CEOs

- Ms. Gebhard expressed gratitude to Mr. Kurtz, Mr. Johnston, and Mr. Kovacs for advising the Behavioral Health and Developmental Disabilities Administration on the CCBHC and BHH models.
- Ms. Pelts welcomed Don Smeltzer to the “best region in the state.”

NEXT MEETING

The next meeting of the NMRE Board of Directors will take place on June 24, 2020. Communication will be sent regarding whether the meeting will take place at the NMRE office in Gaylord or via teleconference.

Mr. Kamps closed the meeting by acknowledging that a number of people are receiving extra \$600 monthly in unemployment; these individuals are able to maintain their finances better than was seen during the 2008 economic decline. He noted that the Traverse City area was very active during the Memorial Day weekend. Hopefully, this means that economic impact of the corona crisis is not as severe as projected.

ADJOURN

Let the record show that Mr. Kamps adjourned the meeting at 11:05AM.