

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – AUGUST 26, 2020
TREETOPS RESORT, GAYLORD**

ATTENDEES:	Roger Frye, Ed Ginop, Gary Klacking, Terry Larson, Mary Marois, Gary Nowak, Jay O’Farrell, Joe Stone, Nina Zamora
VIRTUAL ATTENDEES:	Randy Kamps, Christian Marcus, Richard Schmidt, Don Smeltzer, Don Tanner
ABSENT:	Karla Sherman
STAFF IN ATTENDANCE:	Brian Babbitt, Joanie Blamer (virtual), Regina Demetrakeas (virtual), Chip Johnston, Eugene Branigan, Eric Kurtz, Nena Sork, Deanna Yockey, Carol Balousek
PUBLIC:	Chip Cieslinski

CALL TO ORDER

Let the record show that Chairman Nowak called the meeting to order at 10:04AM.

ROLL CALL

Let the record show that Karla Sherman was excused from the meeting on this date. All other Board Members were in attendance either virtually or in person.

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 July 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 JULY 22, 2020 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY TERRY LARSON. MOTION APPROVED BY CONSENSUS

CORRESPONDENCE

- 1) Milliman Behavioral Health Fee Schedule Development Project Status Update presentation dated June 18, 2020.
- 2) A Memorandum dated July 23, 2020 from Jon Villasurda, State Assistant Administrator for the Behavioral Health and Developmental Disabilities Administration, outlining the Michigan Crisis and Access Line (MiCAL) next steps an operational timeline.
- 3) Milliman draft State Fiscal Year 2021 Behavioral Health Capitation Rate Development presentation dated July 23, 2020.

- 4) A Memorandum dated July 29, 2020 from Jeffery Wieferich, Director of the Bureau of Community Based Services for the Michigan Department of Health and Human Services, providing clarification on the premium pay increase for direct-care workers for July 1, 2020 – September 20, 2020.
- 5) A letter dated August 13, 2020 from Alan Bolter, Associate Director of the Community Mental Health Association of Michigan, to Members of the Michigan Legislature requesting clarification on the intent for the wage increase to direct-care workers and provider stability payments during the coronavirus pandemic.
- 6) The minutes from the NMRE Regional Finance Committee dated August 12, 2020 in draft form.

Mr. Kurtz drew attention to the behavioral health fee screen development update; more information will be brought forward as time goes on.

ANNOUNCEMENTS

Let the record show no announcements were brought forward during the meeting on this date.

PUBLIC COMMENTS

Let the record show that Chip Cieslinski, President and CEO of Catholic Human Services was introduced as a virtual attendee 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 May Board Meeting.

CEOs Report

The NMRE CEO Monthly Report for August 2020 was included in the materials for the meeting on this date. Mr. Kurtz noted that Al Jansen, Deputy Director of the Behavioral Health and Developmental Disabilities Administration, has split PIHP CEOs into two groups to facilitate open discussions on the MDHHS Behavioral Health Strategic Planning Pillars document. The five pillars were developed to:

- 1) Drive improved outcomes and more funding to the front lines through streamlined oversight PIHP/CMHP accountability reforms.
- 2) Integrate physical and behavioral health care at the point of service with a person-centered approach and inclusion of social determinates of health.
- 3) Ensure all Michiganders have access to behavioral health, mental health and substance use prevention, treatment, services and follow up services for the best quality life.
- 4) Provide people with outreach, service delivery, and access to behavioral health services at their preferred locations and mechanisms. *Consider telehealth and telephone services utilized during COVID-19.*
- 5) Provide quality and time efficient patient care flow from community to residential treatment or institution (hospital, juvenile detention centers, jail) to community with individualized clinical treatment.

SUD Oversight Board Report

Let the record show that the next meeting of the NMRE Substance Use Disorder Oversight Board is scheduled to take place virtually at 10:00AM on Monday, September 14, 2020.

June 2020 Financial Report

- Traditional Medicaid showed \$133,124,311 in revenue, and \$122,361,911 in expenses, resulting in a net surplus of \$10,762,400. Medicaid ISF was reported as \$1,460,876 based on the Final FY19 FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$18,622,963 in revenue, and \$15,676,540 in expenses, resulting in a net surplus of \$2,946,423. HMP ISF was reported as \$ 3,573,592 based on the Final FY19 FSR. HMP savings was reported as \$0.
- Net Position* showed Medicaid and HMP ISF combined net surplus of \$13,708,823. The Total Medicaid and HMP Net surplus, including carry forward and ISF was reported as \$18,743,291.
- Behavioral Health Home showed \$83,960 in revenue, and \$70,474 in expenses, resulting in a net surplus of \$13,486.
- SUD showed all funding source revenue of \$13,609,891, and \$11,217,277 in expenses, resulting in a net surplus of \$2,392,614. Total PA2 funds were reported as \$6,041,323.

Discussion of the surplus followed. Ms. Yockey cautioned that spending could ramp up as the Boards undergo closeout processes. Several of the CMHSPs have indicated that they expect to implement staff incentive payments for FY20 prior to the end of the fiscal year.

FY20 PMPM Revenue Activity through July 31, 2020 was reviewed. Ten months into the fiscal year, the region is \$6.9M over FY20 projections. It was noted that the additional revenue was due to increased eligibles, retro rate adjustment, and the \$2/hour direct care wage increase.

Ms. Marois asked what it means when there is a surplus at the end of the year. Mr. Kurtz responded that a 5% carry forward into FY21 is allowed as is the ability to fully fund the risk reserve at 7.5%. Spending will need to be enhanced for FY21 to prevent a state lapse. Operations Committee will discuss how best to direct funding to services over the next few months.

MOTION MADE BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JUNE 2020; SECOND BY JAY O'FARRELL. ROLL CALL VOTE.

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

“Nay” Votes: Null

MOTION CARRIED.

Operations Committee

The minutes from August 18th were included in the meeting materials in draft form. A Behavioral Health Home (BHH) Statewide Kickoff is planned (virtually) for August 25th and 26th. It was noted that Michigan has been named a Certified Community Behavioral Health Clinic (CCBHC) state. Both the BHH and CCBHC will require coordination of mental health and substance use disorder services. The NMRE is looking to restructure its Access to Services function, which will include CMHSPs playing a role in Access and some service delivery as required by both BHH and CCBHC status if pursued.

Mr. Marcus asked whether surplus funds can be used to implement the BHH. Mr. Kurtz responded that the BHH has its own payment structure. He further clarified that no facility development is needed.

Mr. Kamps called the progression of revenue over expenses “miraculous.” Mr. Kurtz noted that the NMRE received a rate increase of approximately 8% for FY20 after remaining flat the previous 3-4 years. Then, the coronavirus crisis hit in March 2020; much of the service delivery aspect transitioned to telehealth or “virtual” services. Mr. Tanner asked how the other Regions are faring. Mr. Kurtz responded that MidState has enhanced spending, NorthCare is in a position similar to the NMRE.

Mr. Kamps asked whether the financial risk pertaining to BHH has been alleviated. Mr. Kurtz expressed that there is still a risk portion, but rates were redone and the PIHP will not have to cost settle with CMHSPs. If done correctly, BHH funding can be considered “local.” The NMRE will have to cost settle with the state and the NMRE can take a portion of the revenue off the top to account for the administrative portion.

NEW BUSINESS

MDHHS-NMRE FY20 Contract Amendment No.4

Amendment No.4 to the MDHHS-PIHP Contract was included in the materials for the meeting and is due back to the Department by September 4th. Changes were made to account for the \$2/hour premium pay increase and provider stability payments

MOTION MADE BY JOE STONE TO APPROVE AMENDMENT NUMBER FOUR (NO.4) TO THE CONTRACT BETWEEN THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE NORTHERN MICHIGAN REGIONAL ENTITY FOR FISCAL 2020; SUPPORT BY TERRY LARSON. ROLL CALL VOTE.

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

“Nay” Votes: Null

MOTION CARRIED.

One-Time NMRE Staff Incentive Payment

Mr. Kurtz stated that a cost of living increase of up to 2% for staff was built into the FY20 budget. A COLA is not being requested, but Mr. Kurtz would like to do a 2% one-time incentive payment for staff. A 1% incentive payment would result in a \$17,700 expense; a 2% increase would result in a \$35,500 expense to the NMRE.

MOTION MADE BY JOE STONE TO APPROVE A TWO PERCENT (2%) INCENTIVE PAYMENT FOR NORTHERN MICHIGAN REGIONAL STAFF FOR FISCAL YEAR 2020 AND A TWO PERCENT (2%) COST OF LIVING INCREASE FOR NORTHERN MICHIGAN REGIONAL ENTITY STAFF FOR FISCAL YEAR 2021; SUPPORT BY MARY MAROIS. ROLL CALL VOTE.

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

“Nay” Votes: Null

MOTION CARRIED.

OLD BUSINESS

Board Survey

A summary of the Board Survey responses was included in the materials for the meeting on this date. Overall, results were very positive. Mr. Nowak thanked those who provided feedback.

PRESENTATION

NMRE FY21 Proposed Budget

Key Assumptions

- 1) Medicaid and HMP revenue were projected with a 2.5% increase.
- 2) The ISF is anticipated to be fully funded at the close of FY20.
- 3) SUD costs were based on FY20 utilization.
- 4) Autism revenue is included in the capitation payments.
- 5) SUD Block Grant revenue was based on FY20 actual MDHHS allocation, broken down into Treatment, Prevention, and SDA programs).
- 6) PA2 funding was projected consistent with FY20 revenue.
- 7) Affiliate local match and local match drawdown was based on actual historical amounts.

Mr. Kurtz noted that actual projected rate increase for the NMRE was 3.1% but he budgeted conservatively at 2.5%. With a fully funded ISF, plus a 5% carry forward, the region is showing a \$10,292,341 increase at current spending.

Mr. Kurtz emphasized the Benefit Stabilization Plans for FY21 will need to be created, reviewed, and put in writing. Additional hiring at the NMRE is likely.

MOTION MADE BY RANDY KAMPS TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2020 BUDGET AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY MARY MAROIS. ROLL CALL VOTE.

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

“Nay” Votes: Null

MOTION CARRIED.

COMMENTS

Board

- Ms. Marois relayed a concern about the unprecedented closure of residential homes for the Intellectual/Developmental Disability population, namely due to the inability to retain staff, likely due to the rate of pay. She called it “very concerning” and asked what might be done. Mr. Stone noted that staffing has been issue for a long time, over and above current political

climate. Ms. Marois asserted that advocacy efforts are needed. Mr. Kurtz noted that it's a Statewide issue.

- Mr. Stone reported that the Board Association looking to conduct the next conference as a hybrid of virtual and on-site participation.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on September 23, 2020.

ADJOURN

Let the record show that Chairman Nowak adjourned the August 26, 2020 meeting of the NMRE Board at 11:12AM.