

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM – OCTOBER 28, 2020  
GAYLORD BOARDROOM**

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| <b>ATTENDEES:</b>         | <b>Roger Frye, Ed Ginop, Randy Kamps, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Joe Stone</b> |
| <b>VIRTUAL ATTENDEES:</b> | <b>Karla Sherman, Don Tanner, Nina Zamora</b>  |
| <b>ABSENT:</b>            | <b>Gary Klacking, Don Smeltzer</b>   |
| <b>STAFF:</b>             | <b>Eugene Branigan, Eric Kurtz, Pamela Polom, Brandon Rhue, Sara Sircely, Deanna Yockey, Carol Balousek</b>                                  |
| <b>PUBLIC:</b>            | <b>Chip Cieslinski, Sue Winter</b>   |

CALL TO ORDER

Let the record show that Chairman Nowak called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Gary Klacking and Don Smeltzer were 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 September minutes 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 SEPTEMBER 23, 2020 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY JOE STONE. MOTION APPROVED BY CONSENSUS**

CORRESPONDENCE

- 1) The minutes of the October 1, 2020 PIHP CEO meeting.
- 2) Email correspondence from the Community Mental Health Association of Michigan dated September 28, 2020 regarding Advocacy and Promotion of a Vision for the Design of Michigan’s Public Mental Health System.
- 3) A letter to PIHP and CMHSP Executive Directors from Jeffery Wieferich, Director of Community-Based Services at MDHHS dated September 29, 2020 on the topic of Incarcerated Individual Needs for Inpatient Psychiatric Care.

- 4) A letter to stakeholders from Sarah Esty, Senior Deputy Director of the Policy and Planning Administration at MDHHS dated September 29, 2020 providing an update on the proposed Specialty Integrated Plans scheduled for the fall of 2022.
- 5) Third Party Liability Guidelines issued by MDHHS dated October 2020.
- 6) A Press Release issued by MDHHS dated October 19, 2020 announcing the expansion of the Opioid and Behavioral Health Home initiatives.
- 7) An Executive Order Status Update issued by Robert Gordon, MDHHS Director, dated October 9, 2020.
- 8) The draft minutes of the October 14, 2020 NMRE Regional Finance Committee meeting.

Mr. Kurtz drew attention to the Press Release about the Health Home Expansion and the information pertaining to the Open Meetings Act (OMA); he intends to seek a legal opinion for clarification. It was noted that the OMA restricts virtual attendance to individuals experiencing an illness or in active military service. Mr. Tanner had previously addressed this issue with Mr. Kurtz and requested a meeting of the NMRE Board Policy Committee to review the Board's compliance. Mr. Marcus commented that Michigan Association of Counties has been allowing virtual meeting attendance for several years. Mr. Stone noted that CMHAM plans to continue virtual meetings even post-COVID. Mr. Larson suggested that a full review of the NMRE ByLaws be conducted. Mr. Nowak using the "Presentation" portion of a future meeting to review policies.

**MOTION MADE BY DON TANNER TO CONVENE A MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD POLICY COMMITTEE TO REVIEW BYLAWS AND MEASURE OPEN MEETINGS ACT COMPLIANCE; SECOND BY JOE STONE. MOTION APPROVED BY CONSENSUS.**

#### 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 attended the meeting on this date virtually; no other members of the Public were recognized.

#### REPORTS

##### **Executive Committee Report**

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

##### **CEOs Report**

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

Mr. Kurtz spoke about a meeting held with Emmet County staff and Sheriff Peter Wallin on September 21<sup>st</sup> regarding liquor tax. Due to recent layoffs, Emmet County Administrator, Michael Reaves, indicated that the county would like to retain the 50% of PA2 but Mr. Kurtz indicated that it needs to be used for SUD prevention and treatment; if the county is paying for some of those services with county GF, the NMRE would be willing to help. Mr. Kurtz may be called back to speak to the full Board of Commissioners. Ms. Gebhard was also contacted by Emmet County officials.

Mr. Marcus noted two potential bills regarding transportation which are not supported by local sheriffs who favor (less bureaucratic) alternatives.

Mr. Kurtz provided an update on the premium pay increased to direct-care workers. The state issued the April – June payment using Medicaid authority through the K-waiver; July – Sept (and now through January) payment used COVID CARES Act (Federal) financing. The Department has begun a cost-settlement process (giving one day to comply). The NMRE and others were able to get a statewide extension to prepare the information. It was noted that the NMRE is at full risk for DCW funding. A \$2.5M payback to the Department is likely. Mr. Kurtz didn't feel that the April – June DCW should have been calculated outside of the current risk corridor but to date the state has not concurred and is still hoping to use COVID relief funds.

Mr. Kurtz noted the update from the Association regarding the behavioral health system redesign included in the correspondence items. A small group, coordinated through CMHAM, met on October 22<sup>nd</sup> to develop a unified approach to inform discussions with Medicaid Health Plans.

### **August 2020 Financial Report**

- Traditional Medicaid showed \$162,783,729 in revenue, and \$151,956,538 in expenses, resulting in a net surplus of \$10,827,191. Medicaid ISF was reported as \$1,460,876 based on Final FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$22,995,096 in revenue, and \$19,367,922 in expenses, resulting in a net surplus of \$3,627,174. HMP ISF was reported as \$3,573,592 based on the Final FSR. HMP savings was reported as \$0.
- Net Position\* showed Medicaid and HMP ISF combined net surplus of \$5,034,468. The Total Medicaid and HMP Net surplus, including carry forward and ISF was reported as \$19,488,833.
- Behavioral Health Home showed \$103,578 in revenue, and \$104,870 in expenses, resulting in a net deficit of \$1,292.
- SUD showed all funding source revenue of \$16,651,387, and \$13,602,323 in expenses, resulting in a net surplus of \$3,049,064. Total PA2 funds were reported as \$5,760,154.

Ms. Yockey acknowledged that sizable expenditures will be coming in for year-end closeouts which will be reflected in the September report. Ms. Sherman expressed that current financials look very positive; she inquired about what could possibly change. Mr. Kurtz responded that FY20 final accruals will certainly bring the surplus funds down some. It was noted that Block Grant SUD funds for FY21 were reduced Statewide. Mr. Marcus asked about how PA2 funds may be requested; Mr. Marcus was referred to Section (3) of the State Convention Facility Development Act (1985 PA 106, MCL 207.630).

### **MOTION MADE BY CHRISTIAN MARCUS TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2020; SECOND BY JOE STONE. ROLL CALL VOTE.**

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

**“Nay” Votes:** Null

### **MOTION CARRIED.**

### **Operations Committee**

The minutes from October 20, 2020 were included in the meeting materials in draft form. Mr. Kurtz noted the discussion regarding the 5-year phase out of the local match drawdown; the November

16<sup>th</sup> payment was not reduced per legislative intent. Two additional informational items were supplied to Board Members:

- 1) The MDHHS and Medical Services Administration Mental Health and Substance Use Disorder Parity Assessment and Corrective Action Plan dated April 2018.
- 2) Regional Entity – PIHP Complex Care Coordination Pilot for Medicaid Unenrolled with SMI and Comorbid Physical Health Conditions issued jointly by the ten PIHPs dated October 8, 2020.

### **SUD Oversight Board Report**

Let the record show that the next meeting of the NMRE Substance Use Disorder Oversight Board is scheduled for 10:00AM on November 2, 2020.

### **NEW BUSINESS**

#### **NMRE Succession Policy**

The NMRE Succession Policy was drafted by Mr. Kurtz and shared with the Board in draft form. Mr. Kurtz stated that the “Purpose” statement was taken from the NMRE ByLaws. It was noted that the NMRE has recently posted for a Chief Compliance and Operations Officer.

#### **MOTION MADE BY JOE STONE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY SUCCESSION POLICY AS REVIEWED ON THIS DATE; SUPPORT BY JAY O’FARRELL. ROLL CALL VOTE.**

Discussion: Mr. Kamps stressed the need to name an individual under Part B of the Procedure. It is difficult for a Board to decide on an individual. Mr. Kamps stated that he would be more comfortable if an individual is named (the identity of whom may remain confidential between the COE and Board Chair.)

#### **MOTION BY RANDY KAMPS TO POSTPONE VOTING TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY SUCCESSION POLICY AND PROCEDURE UNTIL ONE PRIMARY AND ONE BACK-UP INDIVIDUAL, TO BE VIEWED ANNUALLY, IS NAMED UNDER THE “UNPLANNED PERMANENT ABSENCE” SECTION OF THE PROCEDURE.**

Discussion: Mr. Nowak voiced that the CEO should be given the authority to execute his succession plan. In the event he is indisposed, the Policy and Procedure presented on this date for review the NMRE Board would be charged with initiating a search for an Interim or Permanent CEO. Ms. Marois voiced that a benefit if naming a specific individual is so that he/she can work with the CEO to prepare to take on the duties of the CEO. Mr. Marcus questioned whether the individual named would receive a change to title and/or compensation. Mr. Kamps expressed that additional compensation during the time the individual is acting as CEO would be appropriate.

#### **MR. KAMPS’S MOTION WAS SUPPORTED BY DON TANNER. ROLL CALL VOTE.**

“Yea” Votes: Randy Kamps, Don Tanner, Nina Zamora

“Nay” Votes: Roger Frye, Ed Ginop, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Karla Sherman, Joe Stone

#### **MOTION DEFEATED.**

**VOTING TOOK PLACE ON MR. STONE’S MOTION. MOTION CARRIED 11:2 WITH “NAY” VOTES RECORDED FROM RANDY KAMPS AND TERRY LARSON.**

### **Appointment to Board Policy Committee**

Mr. Nowak noted that previously during the meeting on this date, Mr. Tanner requested a meeting of the NMRE Board Policy Committee Member to review the ByLaws and OMA compliance. Mr. Nowak explained that new representative from Centra Wellness is needed on the Board Policy Committee. Let the record show that Don Tanner was appointed to the NMRE Board Policy Committee; Mr. Tanner accepted the appointment.

### OLD BUSINESS

#### **MDHHS-PIHP FY21 Master Contract**

Mr. Kurtz provided a status update following communication with Attorney Steve Burnham. The Procurement/Purchasing division of the State of Michigan responded to Mr. Kurtz's concerns, pointing to "due process" language in the Contract. Mr. Burnham advised that, because of Mr. Kurtz's written concerns and conflicting language within the Contract, the NMRE is "covered." Both MDHHS and the PIHPs have agreed to add the conflicting language and the lack of recognition that PIHPs are governmental entities to the "contracting grid" to be reviewed by the Contract Negotiations Workgroup.

### PRESENTATION

#### **NMRE Contracting and Network Management**

NMRE Provider Network Manager, Chris VanWagoner, was in attendance to give an update on Contracting and Network Management. The NMRE Provider Panel consists of Contracts for:

- 1) SUD Prevention
- 2) SUD Treatment (outpatient, intensive outpatient, residential, withdrawal management)
- 3) Opioid Health Home
- 4) Behavioral Health Home
- 5) Community Mental Health Services Providers

Mr. VanWagoner expressed that a highlight of FY20 was getting the five Member CMHSPs using the same contracting boilerplate templates.

### COMMENTS

- **Board**

Mr. Frye announced that he is running for Montmorency County Board of Commissioners; if elected, the meeting times may pose a conflict with NMRE Board meetings.

- **Staff/CMHSP CEOs**

Mr. Kovacs Karl voiced that it's good to be back to work following his 12-week leave of absence.

### MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on November 25, 2020.

### ADJOURN

**MOTION MADE BY JOE STONE TO ADJOURN THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING FOR OCTOBER 28, 2020; SECOND BY MARY MARTIN. MOTION CARRIED.**

Let the record show that the October 28, 2020 NMRE Board Meeting adjourned at 11:36AM.