

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM –DECEMBER 9, 2020
GAYLORD BOARDROOM**

ATTENDEES:	Roger Frye, Ed Ginop, Gary Nowak, Jay O’Farrell, Richard Schmidt, Joe Stone
VIRTUAL ATTENDEES:	Randy Kamps, Gary Klacking, Terry Larson, Christian Marcus, Mary Marois, Karla Sherman Don Smeltzer, Don Tanner, Nina Zamora
STAFF:	Eugene Branigan, Christine Gebhard, Chip Johnston, Karl Kovacs, Eric Kurtz, Diane Pelts, Sara Sircely, Nena Sork, Deanna Yockey, Carol Balousek
PUBLIC:	Chip Cieslinski, Ken Kauffman, Kim Van Hooser, Sharon Vreeland, Marjie Rich, Sue Winter

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 all NMRE 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 October minutes of the NMRE Governing Board were included in the materials for the meeting on this date; there was no meeting in November.

MOTION MADE BY ROGER FRYE TO APPROVE THE MINUTES OF THE OCTOBER 23, 2020 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY JOE STONE. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the November 5, 2020 PIHP CEO Meeting.
- 2) Michigan House of Representatives Member Roster and contact information based on November 3, 2020 election results.
- 3) Community Mental Health Association of Michigan 2020 Lame Duck Tracker.
- 4) Community Mental Health Association of Michigan “CMH Financial Reporting System Must Recognize and Support the Unique and Fundamental Roles of Michigan’s CMH System” document dated November 2020.
- 5) Incompass Michigan and Michigan Assisted Living Association Workforce Survey Report dated November 2020.

6) NMRE Regional Finance Committee November 10, 2020 draft meeting minutes.

Distributed during the meeting:

7) Meeting materials from the December 8, 2020 Northern Regional Meeting of the Community Mental Health Association of Michigan.

Karl Kovacs, as Chair of the Northern Region, provided an update of the meeting held via Zoom. One nomination was offered for the "Go to Bat" award; zero nominations were offered for the "Partners in Excellence Award". Mr. Kovacs stated the deadline for additional nominations as January 8, 2021. The five-year phase out of the local match stated in Section 928 of the State Appropriations Act (PA 166 pf 2020) was discussed. Appointments/Assignments were made for FY21 consistent with the previous fiscal year. Don Tanner agreed to serve on the Bylaw Committee. Mr. Stone commented that the CMHAM Spring Conference is planned to be in person.

ANNOUNCEMENTS

Let the record show that there were no announcements during the meeting on this date.

PUBLIC COMMENTS

Let the record show that members of the public attending the meeting virtually 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 November 2020 was included in the materials for the meeting on this date. Mr. Kurtz highlighted the interview on November 19th with the Association's Public Relations firm regarding the Opioid Health Home and Behavioral Health Home.

September 2020 Preliminary Financial Report

- Traditional Medicaid showed \$181,536,928 in revenue, and \$166,349,998 in expenses, resulting in a net surplus of \$15,186,930. Medicaid ISF was reported as \$1,460,876 based on Final FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$25,453,611 in revenue, and \$21,607,363 in expenses, resulting in a net surplus of \$3,846,248. HMP ISF was reported as \$3,573,592 based on the Final FSR. HMP savings was reported as \$0.
- Net Position* showed net surplus Medicaid and HMP of \$19,033,179; Medicaid and HMP combined ISF based on Final FSR was reported as a \$5,034,468; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$24,067,647.
- Behavioral Health Home showed \$113,182 in revenue, and \$129,819 in expenses, resulting in a net deficit of \$16,637.
- SUD showed all funding source revenue of \$18,364,949, and \$15,484,415 in expenses, resulting in a net surplus of \$2,880,534. Total PA2 funds were reported as \$6,118,259.

Deanna Yockey clarified that of the \$19M surplus, \$3.2M was unspent direct care wage funds which were returned to the Department. Ms. Yockey also indicated that the NMRE's Internal Services Fund will be fully funded going into FY21 with an estimated carry forward \$6M (\$9.8 can be retained before causing a lapse back to the State).

MOTION MADE BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY PRELIMINARY MONTHLY FINANCIAL REPORT FOR SEPTEMBER 2020; SECOND BY RICHARD SCHMIDT. MOTION CARRIED.

Operations Committee

The minutes from November 24, 2020 were included in the meeting materials in draft form.

NEW BUSINESS

November 2, 2020 SUD Board Report and Liquor Tax Requests

The minutes from the November 2, 2020 meeting of the NMRE Substance Use Disorder Oversight Board were included in the materials for the meeting on this date in draft form.

The liquor tax requests recommended by the NMRE Substance Use Disorder Oversight Board on November 2, 2020 were reviewed; the total amount requested for approval was stated as \$649,891.

MOTION MADE BY RICHARD SCHMIDT TO APPROVE THE LIQUOR TAX RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON NOVEMBER 2, 2020 FOR A TOTAL AMOUNT NOT TO EXCEED SIX HUNDRED FORTY-NINE THOUSAND EIGHT HUNDRED NINETY-ONE DOLLARS (\$649,891.00); 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, Karla Sherman, Don Smeltzer, Joe Stone, Don Tanner, Nina Zamora.

“Nay” Votes: Nill

MOTION CARRIED.

Mr. Schmidt requested that the date of the last PA2 payments be added to the information sheet.

MDHHS-PIHP FY21 Contract Amendment No.1

Amendment No.1 to the MDHHS-PIHP FY21 Contract was included in the materials for the meeting on this date. Mr. Kurtz stated that the Amendment adds the certified rates including \$2.00/hour increase for direct care workers (CARES Act funding) through December 31, 2020.

MOTION MADE BY DON TANNER TO APPROVE AMENDMENT NUMBER ONE (NO.1) TO THE CONTRACT BETWEEN THE STATE OF MICHIGAN/MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THE NORTHERN MICHIGAN REGIONAL ENTITY FOR FISCAL YEAR 2021; SECOND BY JOE STONE. 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, Karla Sherman, Don Smeltzer, Joe Stone, Don Tanner, Nina Zamora.

“Nay” Votes: Nill

MOTION CARRIED.

OLD BUSINESS

NMRE ByLaws and Open Meetings Act Compliance

Mr. Kurtz provided an update on a review of NMRE ByLaws and Open Meetings Act Compliance. Legal counsel, Steve Burnham, has been contacted for an opinion. Mr. Burnham will be looking specifically at Virtual Attendance allowance (veteran, medical) as stated in the OMA. His judgment will be brought to the Board for review. Mr. Tanner expressed a preference for bringing the topic before the NMRE Board Policy Committee prior to the full Board. Clarification was made that updates to the ByLaws must be unanimous.

PRESENTATION

Local Match Draw Down

Mr. Johnston and Mr. Kurtz addressed the Board about Local Match Obligations.

The NMRE is required to collect local funds from the CMHSPs pursuant to Schedule B of the MDHHS-PIHP Contract and pay those funds to the Department as local match. Mr. Kurtz noted that this obligation has been controversial for many years. The Michigan legislature agreed to a five-year phase out and in FY20 the commitment was reduced to 80% with the intent that it would be further reduced to 60% in FY21, etc. Notice of Obligation amounts were billed to the NMRE in October at 80% (rather than 60%). When NMRE raised concerns, the Budget Office responded that “the language referenced in the Budget bill was intent language” and “there was no funding appropriated to support a further reduction.” As a matter of principle, Centra Wellness opted to pay at 60%, leaving the region \$12,622 short; the NMRE cannot generate local funds to pay the difference. The State will likely go after Centra Wellness’ general fund, which contradicts PIHP Contract language.

Mr. Johnston provided a brief history of his dealings with this issue since 2014. Mr. Johnston stressed that appropriated line-item amounts in PA166 of 2020 may not be moved (as would be the case if the State takes general funds to use as local match). Mr. Tanner voiced support for the stand that Centra Wellness has taken.

Mr. Kamps commented that Northern Lakes paid the full 80%; he suggested that the region stick together at either 80% or 60%. Mr. Kurtz clarified that only Quarter 1 has been paid to date; the next payment is due February 12, 2021. Mr. Johnston will provide a status update in January.

MOTION BY JAY O’FARRELL IN SUPPORT OF CENTRA WELLNESS NETWORK ADHERING TO CURRENT BOILERPLATE LANGUAGE WHILE CONDUCTING FURTHER INVESTIGATION INTO LOCAL MATCH OBLIGATIONS; SECOND BY KARLA SHERMAN. ROLL CALL VOTE.

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

“Nay” Votes: Nill

MOTION CARRIED.

Mr. Johnston requested support of the CMHSP Boards of Directors as well and offered to attend their Board meetings to present the issue.

COMMENTS

Board

Mr. Tanner thanked Board Members and CMHSP CEOs for their support of Centra Wellness regarding local match.

Staff/CMHSP CEOs

Christine Gebhard wished everyone in attendance Happy Holidays; Mr. Nowak echoed the sentiment.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on January 27, 2021.

ADJOURN

MOTION MADE BY JOE STONE TO ADJOURN THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING FOR DECEMBER 9, 2020; SECOND BY ED GINOP. MOTION CARRIED.

Let the record show that the Meeting adjourned at 11:02AM.