

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM – JANUARY 27, 2021  
GAYLORD BOARDROOM**

<b>ATTENDEES:</b>	<b>Roger Frye, Ed Ginop, Gary Klacking, Terry Larson, Christian Marcus, Gary Nowak, Richard Schmidt, Joe Stone</b>
<b>VIRTUAL ATTENDEES:</b>	<b>Randy Kamps (Traverse City), Mary Marois (Traverse City), Jay O’Farrell (Whittemore), Karla Sherman (Petoskey), Don Smeltzer (Frankfort), Don Tanner (Benzonia), Nina Zamora (Traverse City)</b>
<b>STAFF:</b>	<b>Christine Gebhard, Chip Johnston, Karl Kovacs, Eric Kurtz, Diane Pelts, Brandon Rhue, Sara Sircely, Nena Sork, 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 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 December 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 DECEMBER 9, 2020 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY JOE STONE. ROLL CALL VOTE.**

**“Yea” Votes: R. Frye, E. Ginop, R. Kamps, G. Klacking, T. Larson, C. Marcus, M. Marois, G. Nowak, J. O’Farrell, R. Schmidt, K. Sherman, D. Smeltzer, J. Stone, D. Tanner, N. Zamora**

**“Nay” Votes: Nill**

**MOTION CARRIED.**

CORRESPONDENCE

1) The minutes from the December 10, 2020 meeting of PIHP CEOs.

- 2) The slides from the Opioids Task Force Stakeholder Advisory Group presentation dated December 7, 2020.
- 3) An Informative flyer from the Community Mental Health Association of Michigan (CMHAM) titled "How We Are Funded."
- 4) A memorandum dated December 17, 2020 from Adam Falcone, Esq. to Robert Sheehan, CEO of CMHAM, regarding Service/Encounter Costs for Community Mental Health Service Programs.
- 5) The draft minutes of the NMRE Regional Finance Committee dated January 13, 2021.

Mr. Kurtz drew attention to the Adam Falcone legal opinion obtained by the Association regarding the medical loss ratio. The opinion asserts that CMHSPs and PIHPs are separate entities and CMHSPs' administrative costs should not be charged to the PIHP unless specific arrangements have been made where a CMHSP is performing an administrative task on behalf of a PIHP. The Department has neither acknowledged the letter nor changed the MLR reporting format.

#### ANNOUNCEMENTS

Let the record show that the NMRE's new Chief Compliance Officer, Tema Pefok, was introduced.

#### 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 December Board Meeting.

##### **NMRE Board Policy Committee Report**

A summary of the January 13<sup>th</sup> Board Policy Committee meeting regarding NMRE ByLaws and Open Meetings Act Compliance was emailed to Board Members on January 26<sup>th</sup>. Mr. Burnham's recommendation was to not make any sweeping changes at this time as changes to the Open Meetings Act regarding virtual meetings are forthcoming given the current environment. Mr. Kurtz added that Mr. Burnham has agreed to draft some "Rules of Engagement" for current and post-pandemic Board operations. Mr. Tanner called it a "great discussion." Mr. Marcus added that changes to FOIA rules are also in the works. NMRE ByLaws and OMA compliance will remain an Agenda topic for February.

##### **CEOs Report**

The NMRE CEO Monthly Report for January 2021 was included in the materials for the meeting on this date. Mr. Stone asked about the impact of the removal of exceptions for Performance Indicators. Mr. Kurtz discussed efforts to move to national HEDIS measures for behavioral healthcare; HEDIS measures do not allow exceptions. Mission Based Performance Indicator System data may be less useful than HEDIS data, some of which is currently being collected as part of the PIHPs' Performance Based Bonus Incentive pool.

##### **November 2020 Financial Report**

- Traditional Medicaid showed \$34,033,028 in revenue, and \$26,693,717 in expenses, resulting in a net surplus of \$7,339,311. Medicaid ISF was reported as \$6,157,679 based on the Preliminary FSR. Medicaid Savings was reported as \$6,182,146.

- Healthy Michigan Plan showed \$4,805,193 in revenue, and \$2,940,652 in expenses, resulting in a net surplus of \$1,864,541. HMP ISF was reported as \$8,659,840 based on the Preliminary FSR. HMP savings was reported as \$0.
- Net Position\* showed net surplus Medicaid and HMP of \$9,203,852; Medicaid and HMP combined ISF based on Preliminary FSR was reported as a \$14,817,519; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$30,203,517.
- Health Home showed \$61,225 in revenue, and \$46,951 in expenses, resulting in a net surplus of \$14,274.
- SUD showed all funding source revenue of \$3,201,832, and \$2,570,238 in expenses, resulting in a net surplus of \$631,594. Total PA2 funds were reported as \$6,068,114.

Ms. Yockey noted that the November surplus included the October direct care wage payment; unspent DCW is paid back to the Department. Medicaid eligibles continue on an upward swing.

**MOTION MADE BY JOE STONE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR NOVEMBER 2020; SECOND BY ED GINOP. ROLL CALL VOTE.**

**“Yea” Votes:** R. Frye, E. Ginop, R. Kamps, G. Klacking, T. Larson, C. Marcus, M. Marois, G. Nowak, J. O’Farrell, R. Schmidt, K. Sherman, D. Smeltzer, J. Stone, D. Tanner, N. Zamora

**“Nay” Votes:** Nill

**MOTION CARRIED.**

**Operations Committee**

The minutes from January 19, 2021 were included in the meeting materials in draft form. Discussion of 928 will occur later in the Agenda.

NEW BUSINESS

**January 4, 2021 SUD Board Report and Liquor Tax Requests**

The minutes from the January 4, 2021 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 \$74,134.

**MOTION MADE BY ROGER FRYE TO APPROVE THE LIQUOR TAX REQUESTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON JANUARY 4, 2021 FOR A TOTAL AMOUNT NOT TO EXCEED SEVENTY-FOUR THOUSAND ONE HUNDRED THIRTY-FOUR DOLLARS (\$74,134.00); SECOND BY TERRY LARSON. ROLL CALL VOTE.**

**“Yea” Votes:** R. Frye, E. Ginop, R. Kamps, G. Klacking, T. Larson, C. Marcus, M. Marois, G. Nowak, J. O’Farrell, R. Schmidt, K. Sherman, D. Smeltzer, J. Stone, D. Tanner, N. Zamora

**“Nay” Votes:** Nill

**MOTION CARRIED.**

## **NMRE Subpoena for CLS Rates (Washtenaw County Case)**

NMRE received a subpoena (along with the other 9 PIHPs) regarding a case originating in Washtenaw County regarding self-determination services for members on the Habilitation Supports Waiver and the processes used to set the SD rates. Mr. Kurtz intends to respond that the NMRE is not a provider of services nor does it set rates for self-determination.

## **PRESENTATION**

### **Local Match Draw Down – the Latest**

Mr. Marcus thanked Mr. Johnston for his straightforward explanation. Through the PIHP Contract Negotiations Workgroup, Mr. Kurtz intends to propose this language be removed from the MDHHS-PIHP Contract; the PIHP simply requests the funds from CMHSPs as directed by MDHHS. It is unclear whether legislators are aware that the intent language in the fiscal boilerplate was not fulfilled.

Christine Gebhard commented that this topic was discussed during Directors Forum earlier on this date. The Association intends to call a special meeting to discuss the matter.

Currently all five Member CMHSPs have decided to pay at 80% while reserving the right to make a proportional adjustment in Quarter 4; the next payment is due on February 10th.

Mr. Nowak requested that Mr. Johnston draft a form letter that can be shared with CMHSP Boards of Directors and legislators, which Mr. Johnston agreed to do. Mr. Ginop suggested inviting local legislators to an upcoming Board meeting.

## **COMMENTS**

### **Board**

- Mr. Stone asked Mr. Kurtz for his thoughts on the new MDHHS Director Elizabeth Hertel. Mr. Kurtz responded that he has worked with her in the past and she possesses a solid foundation in the mental health system and structure.
- Mr. Frye announced that he was reappointed to the NMRE Substance Use Disorder Oversight Board.

### **Staff/CMHSP CEOs**

- Mr. Johnston noted that Sarah Esty (Senior Deputy Director, Policy and Planning Administration) has left MDHHS.
- Mr. Johnston announced that Tim Markey was appointed to the NMRE Substance Use Disorder Oversight Board representing Benzie County.

## **MEETING DATES**

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on February 24, 2021.

## **ADJOURN**

Let the record show that the Meeting adjourned at 11:09AM.