

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM -APRIL 28, 2021  
GAYLORD BOARDROOM**

<b>ATTENDEES:</b>	<b>Roger Frye, Ed Ginop, Gary Klacking, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner</b>
<b>VIRTUAL ATTENDEES:</b>	<b>Joe Stone (Kansas), Nina Zamora (Traverse City)</b>
<b>ABSENT:</b>	<b>Randy Kamps</b>
<b>STAFF:</b>	<b>Christine Gebhard, Lisa Hartley, Chip Johnston, Karl Kovacs, Eric Kurtz, Diane Pelts, Nena Sork, Deanna Yockey</b>
<b>PUBLIC:</b>	<b>Sue Winter</b>

CALL TO ORDER

Let the record show that Chairman Nowak called the meeting to order at 10:02AM.

ROLL CALL

Let the record show that Randy Kamps was absent from the meeting on this date; all other 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 to any of the meeting agenda items were expressed.

APPROVAL OF PAST MINUTES

Let the record show that the March minutes of the NMRE Governing Board were included in the materials for the meeting on this date.

**MOTION MADE BY MARY MAROIS TO APPROVE THE MINUTES OF THE MARCH 24, 2021 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY JAY O’FARRELL.  
ROLL CALL VOTE.**

**“Yea” Votes: R. Frye, E. Ginop, 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: Nil**

**MOTION CARRIED.**

CORRESPONDENCE

- 1) The minutes from the April 1, 2021 PIHP CEO meeting
- 2) MDHHS Letter L 21-30 dated April 2, 2021 extending the premium pay increase for direct care workers to \$2.25 plus \$0.27 for administrative costs from March 1, 2021 through September 30, 2021.
- 3) Community Mental Health Association of Michigan’s (CMHAM) recommendations titled “A Vision for the Design of Michigan’s Public Mental Health System” dated June 12, 2020.

- 4) Email correspondence from Robert Sheehan and Alan Bolter from CMHAM dated April 5, 2021 regarding Savings to State of Well Managed Shared Risk Arrangement.
- 5) "Gearing Towards Integration: A Proposal to move Michigan forward with Behavioral Health Integration" from Michigan Senate Majority Leader Mike Shirkey.
- 6) MDHHS/BHDDA "Draft Consultative Concept Paper" regarding Michigan's Certified Community Behavioral Health Clinic (CCBHC) Demonstration Program, version 1.3 dated March 2021.
- 7) Slides from a presentation by Allen Jansen and Jon Villasurda to the Michigan House titled "Michigan's Behavioral & Opioid Health Homes" dated June 9, 2020.
- 8) The draft minutes from the April 14, 2021 regional Finance Committee meeting.

#### ANNOUNCEMENTS

Let the record show that Don Smeltzer was announced on this date as an NMRE Board Member. Though Mr. Smeltzer joined the Board of Directors in May 2020, this was the first meeting he has attended in person due to the pandemic.

#### PUBLIC COMMENTS

Let the record show that the 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 March Board Meeting.

##### **CEOs Report**

The NMRE CEO Monthly Report for April 2021 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to the Governor's Behavioral Health Budget Call on March 30<sup>th</sup>. The NMRE's Behavioral Health and Opioid Health Homes were acknowledged during the presentation. Following the meeting Governor Whitmer's liaison reached out to Mr. Kurtz to discuss initiatives within the NMRE region. Mr. Kurtz reported that he was approached about Region 2 joining the Upper Peninsula and Oakland County in implementing the Michigan Crisis and Access Line (MiCAL). Mr. Kurtz explained that MiCAL, staffed by Common Ground out of Oakland, is intended to provide crisis and warm line services after-hours. Mr. Kurtz expressed that the NMRE was not interested at this time, preferring to continue utilizing Protocall as its after-hours provider.

##### **February 2021 Financial Report**

- Traditional Medicaid showed \$83,253,266 in revenue, and \$68,757,012 in expenses, resulting in a net surplus of \$14,496,253. Medicaid ISF was reported as \$7,738,320 based on the Preliminary FSR. Medicaid Savings was reported as \$4,515,675.
- Healthy Michigan Plan showed \$12,547,426 in revenue, and \$9,283,601 in expenses, resulting in a net surplus of \$3,283,825. HMP ISF was reported as \$7,058,552 based on the Preliminary FSR. HMP savings was reported as \$0.
- Net Position\* showed net surplus Medicaid and HMP of \$17,760,078; Medicaid and HMP combined ISF based on Preliminary FSR was reported as a \$14,796,872; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$37,072,625.
- Health Home showed \$170,027 in revenue, and \$130,063 in expenses, resulting in a net surplus of \$39,964.
- SUD showed all funding source revenue of \$8,376,038, and \$6,878,910 in expenses, resulting in a net surplus of \$1,497,128. Total PA2 funds were reported as \$5,782,057.

Ms. Yockey noted that approximately \$2.8M of the \$17M surplus is attributable to excess DCW which will lapse back to the State. Ms. Yockey clarified that the Internal Service Fund is currently maxed at \$14.7M.

**MOTION MADE BY ED GINOP TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR FEBRUARY 2021; SECOND BY CHRISTIAN MARCUS. ROLL CALL VOTE.**

**“Yea” Votes:** R. Frye, E. Ginop, 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 SUD Oversight Board Report**

Let the record show that the next meeting of the NMRE Substance Use Disorder Oversight Board is scheduled to occur at 10:00AM on May 3, 2021.

**Operations Committee**

The minutes from April 20, 2021 were included in the meeting materials in draft form. Mr. Johnston voiced that the Department’s relationship with Milliman is too close; Milliman is driving the Department in terms of looking at the system from an actuarially viewpoint rather than from a clinical services delivery viewpoint. A wide variety of assumptions are being made (standard cost allocation, tiered rates, addition of numerous code modifiers, etc.) which are causing significant disruptions. Ms. Gebhard noted that very little is going through the Contract Negotiations process. Ms. Pelts cited the Self-Direction Technical Requirement Implementation Guide, which was issued in October 2020 and recently pulled back, as an example of the pervasive disconnect. Mr. Kurtz expressed that the Medical Services Administration would like to see a fee schedule for all public behavioral health services.

NEW BUSINESS

**Lambert Public Relations Proposal**

A proposal from Lambert Public Relations for services to the NMRE was included in the materials for the meeting on this date. Mr. Kurtz explained that the NMRE needs to combat reports/Crain’s articles arising out of southeast Michigan with its own message. It was noted that Lambert is used by CMHAM as its main public relations firm. Freed Communications, which works with North Country and Northern Lakes, was also contacted but was unable to take on a project of this size at the current time. Operations Committee recommended the approval of the Lambert proposal.

Mr. Marcus requested regular progress reports of the work being done. A performance evaluation is scheduled after six months.

**MOTION BY RICHARD SCHMIDT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY LAMBERT PUBLIC RELATIONS PROPOSAL AT A COST OF FIVE THOUSAND DOLLARS (\$5,000.00) PER MONTH FOR A MINIMUM OF TWELVE (12) MONTHS FOR A TOTAL COST OF SIXTY THOUSAND DOLLARS (\$60,000.00); SECOND BY MARY MAROIS. ROLL CALL VOTE.**

**“Yea” Votes:** R. Frye, E. Ginop, 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.**

OLD BUSINESS

**928 Update**

A letter from MDHHS Director Elizabeth Hertel to a Manistee County Commissioner (in response to a request to remove Section 928 from the budget boilerplate) dated April 2, 2021 was included in the

materials for the meeting on this date. Mr. Kurtz noted he has also requested that removal of local match contribution be put on the PIHP Contract Negotiations meeting agenda. Mr. Johnston reported that the Michigan Senate continued the reduction to zero by FY24 and lowered the amount from \$20M to \$10M; the House opted to leave the language as it stands currently. The matter will be debated further during caucus sessions. Mr. Johnston suggested meeting next with Governor Whitmer's liaison.

#### PRESENTATION

##### **FY20 Year-End Financial Report**

Ms. Yockey shared the recently finalized FY20 Financial Status Report Review with attendees.

Direct care wage revenue was reported as \$6,905,262 and expenditures were reported as \$3,440,945 resulting in a lapse in the amount of \$3,464,317.

Carry forward was reported as \$4,515,675; Ms. Yockey noted that the NMRE can carry forward up to \$9,868,332 (based on revenue), leaving \$5,352,657 to carry forward in FY21 (prior to lapsing funds).

Mr. Stone asked whether any portion of the surplus funds can be used for staff recruitment and retention efforts. Mr. Kurtz responded that adequate staffing is a top priority; he noted that some beneficiaries have contacted the State about services being denied due to lack of staffing. Because this cannot be allowed to continue, several options have been proposed to obtain an adequate number of staff (sign-on bonuses, lump sum payments, assistance with student loan debt, internships, partnering with colleges and universities, etc.)

Ms. Yockey continued with the FY20 FSR Review. Going into FY21, the ISF is fully funded at \$14,796,872 (\$6,113,501 added in Medicaid and \$3,473,082 added in Healthy Michigan).

FY20 year-end PA2 balance was reported as \$6,278,942.

##### **FY21 Expectations**

###### Through February 28, 2021

- Medicaid and HMP net surplus was reported as \$17,760,078 (including DCW surplus of \$2.8M).
- Carry forward was reported as \$4,515,675.
- Total surplus was reported as approximately \$21M, only \$9,868,635 of which may be carried forward into FY22.

In response to Mr. Stone's previous comment and a discussion with the CMHSPs during the April 20<sup>th</sup> Operations Committee Meeting, Mr. Kurtz requested permission to author a memorandum regarding the use of Medicaid funds to recruit and retain staff.

**MOTION BY KARLA SHERMAN TO AUTHORIZE THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER TO OUTLINE IN A MEMORANDUM THE OPTIONS THAT THE MEMBER COMMUNITY MENTAL HEALTH SERVICES PROGRAMS CAN EMPLOY TO RECRUIT AND RETAIN STAFFING USING MEDICAID DOLLARS; SECOND BY MARY MAROIS. ROLL CALL VOTE.**

**"Yea" Votes:** R. Frye, E. Ginop, 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:** Nil

**MOTION CARRIED.**

## COMMENTS

### **Board**

Mr. Frye commented on the growing PA2 fund balances. Mr. Larson asked whether other PIHPs are having the same issue to which Mr. Kurtz responded that COVID put a halt on a lot of prevention activities. After discussion, the decision was made to charge Mr. Kurtz with drafting a letter to local Judges, Prosecutors, Sheriff's, and County Administrators/Commissioners informing them of the funds available per county. Mr. Schmidt noted the importance of SUD Oversight Board Members reporting to their County's Board of Commissioners regarding the use and balance of PA2 funds. Mr. Marcus suggested that periodic updates be posed to the nmre.org website.

Mr. Schmidt commented that some counties are in jeopardy of depleting liquor tax fund balances in the next couple of years. Mr. Kurtz noted that Healthy Michigan insured a lot of individuals that were previously covered by block grant, supplemented with liquor tax. Mr. Tanner suggested setting minimum balances per county.

Mr. Tanner noted that Election of Officers is needed next month.

### MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on May 26, 2021.

### ADJOURN

Let the record show that Mr. Nowak adjourned the meeting at 11:39AM.