

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – MAY 26, 2021
GAYLORD BOARDROOM**

ATTENDEES:	Roger Frye, Ed Ginop, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Joe Stone, Don Tanner
VIRTUAL ATTENDEES:	Randy Kamps (Gallup, NM), Karla Sherman (Petoskey), Don Smeltzer (Frankfort), Nina Zamora (Traverse City)
ABSENT:	Gary Klacking
STAFF:	Joanie Blamer, Christine Gebhard, Chip Johnston, Eric Kurtz, Diane Pelts, Sara Sircely, Nena Sork, Tricia Wurn, Deanna Yockey, Carol Balousek, Lisa Hartley
PUBLIC:	Chip Cieslinski, Bill Hirschman, Sue Winter, Jackie Wurst

CALL TO ORDER

Let the record show that Chairman Nowak called the meeting to order at 10:03AM.

ROLL CALL

Let the record show that Gary Klacking was excused 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 April minutes of the NMRE Governing Board were included in the materials for the meeting on this date.

MOTION MADE BY JOE STONE TO APPROVE THE MINUTES OF THE APRIL 28, 2021 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SECOND BY ROGER FRYE. ROLL CALL VOTE.

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

“Nay” Votes: Nil

MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes of the May 6, 2021 PIHP CEO meeting.
- 2) Flyer from Community Mental Health Association of Michigan on Certified Community Behavioral Health Clinics in Michigan.

- 3) Memorandum from Eric Kurtz to judges, sheriffs, prosecutors, administrators, and county commissions within the 21-county region regarding liquor tax.
- 4) The draft minutes from the May 12th NMRE Regional Finance Committee meeting.

Mr. Marcus inquired about the May 13th PIHP/CMH meeting in which Elizabeth Hertel agreed to participate, as referenced in the May 6th PIHP CEO meeting notes. Mr. Kurtz responded that it was fairly uneventful. Director Hertel discussed the two System Transformation Plans (Shirkey, Whiteford) indicating current neutrality to both. At this time, the KB lawsuit is the Department's focus.

In reference to the liquor tax memo, Mr. Schmidt requested that each county's representative to the NMRE Substance Use Disorder Oversight Board be named; Mr. Kurtz agreed.

ANNOUNCEMENTS

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

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 April Board Meeting.

CEOs Report

The NMRE CEO Monthly Report for May April 2021 was included in the materials for the meeting on this date.

March 2021 Financial Report

- Traditional Medicaid showed \$98,969,434 in revenue, and \$83,587,383 in expenses, resulting in a net surplus of \$15,382,051. Medicaid ISF was reported as \$7,738,320 based on the unaudited Final FSR. Medicaid Savings was reported as \$4,515,675.
- Healthy Michigan Plan showed \$15,026,631 in revenue, and \$11,379,231 in expenses, resulting in a net surplus of \$3,647,400. HMP ISF was reported as \$7,058,552 based on the unaudited Final FSR. HMP savings was reported as \$0.
- Net Position* showed net surplus Medicaid and HMP of \$19,029,451. Medicaid carry forward was reported as \$4,515,675. The total Medicaid and HMP Current Year Surplus was reported as \$20,083,126. Medicaid and HMP combined ISF based on unaudited Final FSR was reported as a \$14,796,872; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$34,879,998.
- Health Home showed \$209,804 in revenue, and \$168,186 in expenses, resulting in a net surplus of \$41,618.
- SUD showed all funding source revenue of \$10,078,572, and \$8,414,956 in expenses, resulting in a net surplus of \$1,663,616. Total PA2 funds were reported as \$5,661,162.

Ms. Yockey noted that she added the line "Total Medicaid/HMP Current Year Surplus" to the summary page. Clarification was made that this figure (\$20,083,126) includes unspent DCW.

MOTION MADE BY DON TANNER TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MARCH 2021; SECOND BY RICHARD SCHMIDT. ROLL CALL VOTE.

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

“Nay” Votes: Nil

MOTION CARRIED.

NMRE SUD Oversight Board Report

The minutes of the May 3, 2021 NMRE Substance Use Disorder Oversight Board meeting were included in the materials for the meeting on this date in draft form. Ms. Sircely summarized the PA2 requests recommended by the NMRE SUD Oversight Board.

The liquor tax requests recommended by the NMRE Substance Use Disorder Oversight Board on May 3, 2021 were reviewed; the total amounts requested for approval was provided as \$105,359 for FY21 and \$296,638 for FY22.

MOTION BY JAY O’FARRELL TO APPROVE THE LIQUOR TAX REQUESTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON MAY 3, 2021 FOR TOTAL AMOUNTS OF ONE HUNDRED FIVE THOUSAND THREE HUNDRED FIFTY-NINE DOLLARS (\$105,359.00) FOR FISCAL YEAR 2021 AND TWO HUNDRED NINETY-SIX THOUSAND SIX HUNDRED THIRTY-EIGHT DOLLARS (\$296,638.00) FOR FISCAL YEAR 2022; SECOND BY TERRY LARSON. ROLL CALL VOTE.

“Yea” Votes: R. Frye, E. Ginop, T. Larson, M. Marois, G. Nowak, J. O’Farrell,

“Nay” Votes: R. Kamps, C. Marcus, R. Schmidt, K. Sherman, J. Stone, D. Tanner

MOTION DEFEATED.

Those who voted “nay” expressed that their vote was due to the fact that the request from Central Wellness Network for \$40,075 would put Manistee County into a negative liquor tax balance.

MOTION BY DON TANNER TO APPROVE THE LIQUOR TAX REQUESTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON MAY 3, 2021, WITH THE EXCEPTION OF THE REQUEST FROM CENTRA WELLNESS NETWORK FOR FORTY-THOUSAND SEVENTY-FIVE OF (\$40,075.00) MANISTEE COUNTY LIQUOR TAX DOLLARS, FOR THE REVISED AMOUNTS OF SIXTY-FIVE THOUSAND TWO HUNDRED EIGHTY-FOUR DOLLARS (\$65,284.00) FOR FISCAL YEAR 2021 AND TWO HUNDRED NINETY-SIX THOUSAND SIX HUNDRED THIRTY-EIGHT DOLLARS (\$296,638.00) IN FISCAL YEAR 2022; SECOND BY JAY O’FARRELL. ROLL CALL VOTE.

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

“Nay” Votes: R. Kamps

Mr. Kamps stated his vote was due to being unclear about the motion due to the poor audio quality during the meeting for virtual attendees.

It was noted that for the July SUD Oversight Board meeting, a recommendation will be brought forward to establish minimum fund balance percentages for each county.

Operations Committee

The minutes from May 18, 2021 were included in the meeting materials in draft form. Ms. Gebhard commented on the change to the Michigan No-Fault insurance law effective July 1, 2021, that auto insurance companies will not be obligated to pay for more than 56 hours per week of in-home, family-provided attendant care. Sen. Hertel is working on a bill to address the potential impact to the public behavioral health system.

Nominating Committee

Let the record show that the NMRE Board Nominating Committee met virtually on May 24th.

NEW BUSINESS

Election of Officers

Mr. Schmidt reported on behalf of the NMRE Board Nominating Committee. During a meeting on May 24, 2021, the NMRE Nominating Committee recommended Don Tanner as Chair, Ed Ginop as Vice-Chair, and Nina Zamora as Secretary of the Governing Board. Additionally, the Nominating Committee recommended that Gary Nowak and Joe Stone be reappointed to the Executive Committee.

Mr. Schmidt Nominated Don Tanner as Board Chair; support by Joe Stone.

Mr. Nowak called three times for additional nominations; no additional nominations were offered.

Mr. Schmidt nominated Ed Ginop as Board Vice-Chair; support by Christian Marcus.

Mr. Nowak called three times for additional nominations; no additional nominations were offered.

Mr. Schmidt nominated Nina Zamora as Board Secretary; support by Don Tanner.

Mr. Nowak called three times for additional nominations; no additional nominations were offered.

MOTION MADE BY ROGER FRYE TO CLOSE THE NOMINATIONS AND CAST A UNANIMOUS BALLOT TO APPROVE THE SLATE OF OFFICERS AND EXECUTIVE COMMITTEE APPOINTMENTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY NOMINATING COMMITTEE; SUPPORT BY CHRISTIAN MARCUS. ROLL CALL VOTE.

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

“Nay” Votes: Nil

MOTION CARRIED.

Budget Stabilization Plans

The CMHSP benefit stabilization plans were included in the meeting materials for informational purposes. The NMRE benefit stabilization plan was distributed on this date; clarification was made that these are non-recurring retention expenditures. The estimated total of the NMRE’s expenditures was given as \$323, 928 which includes extending the DCW for SUD Providers an one-time staff retention payments. The regional total was given as \$7,258,550.

MOTION BY JOE STONE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BENEFIT STABILIZATION PLAN FOR NON-RECURRING EXPENDITURES FOR FISCAL YEAR 2021 IN THE AMOUNT OF THREE HUNDRED TWENTY-THREE THOUSAND NINE HUNDRED TWENTY-EIGHT DOLLARS (\$323,928.00); SECOND BY DON TANNER. ROLL CALL VOTE.

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

“Nay” Votes: Nil

Compliance Program Description and Workplan

The Plan was developed by NMRE’s Chief Compliance Officer to reflect the objectives of the Compliance Program.

MOTION BY ROGER FRYE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY COMPLIANCE PROGRAM DESCRIPTION AND WORKPLAN ON THIS DATE; SECOND BY MARY MAROIS. ROLL CALL VOTE.

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

“Nay” Votes: Nil

MOTION CARRIED.

OLD BUSINESS

System Redesign Proposals

Information from CMHAM regarding Senator Sirkey’s and Representative Whiteford’s System Redesign Proposals were included in the materials for the meeting on this date. The NMRE has begun discussions with Lambert Public Relations firm to begin to develop a counter narrative. A resolution passed by the Northeast Michigan Board opposing moving the proposals was included in the meeting materials as an example for other entities to consider.

PRESENTATION

NMRE Financial Audit

Bill Hirschman, CPA with Roslund Prestage & Company was in attendance to provide a summary of the NMRE FY20 Financial Audit. During the audit, no deficiencies in internal control that would be considered to be material weaknesses were identified, nor were any instances of noncompliance or other matters that are required to be reported disclosed.

MOTION BY ROGER FRYE TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2020 FINANCIAL AUDIT; SECOND BY JOE STONE. ROLL CALL VOTE.

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

“Nay” Votes: Nil

MOTION CARRIED.

COMMENTS

Board

Mr. Stone thanked Mr. Nowak for his services as Board Chair for the past year; the other Board Members echoed the sentiment.

Mr. Stone stressed the importance of contacting State Representatives regarding the System Design Proposals as many are not aware of the impact.

Staff/CMHSP CEOs

Mr. Kurtz thanked Ms. Yockey and the NMRE Finance Department for a clean audit.

Mr. Johnston thanked the Board and for their advocacy efforts regarding Section 928 (Local Match) of the MDHHS budget boilerplate (PA 166).

Ms. Gebhard noted that she met with State Senator and stressed her appreciation for the Senate's proposal regarding Section 928.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on June 23, 2021.

ADJOURN

Let the record show that Mr. Nowak adjourned the meeting at 11:03AM.