

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – OCTOBER 23, 2024
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Tom Bratton, Ed Ginop, Gary Klacking, Eric Lawson, Mary Marois, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner
NMRE/CMHSP STAFF:	Bea Arsenov, Brady Barnhill, Brian Babbitt, Carol Balousek, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Brie Molaison, Diane Pelts, Brandon Rhue, Nena Sork, Denise Switzer, Chris VanWagoner, Deanna Yockey
PUBLIC:	Samantha Borowiak, Dave Freedman, Kevin Hartley, Madeline McConnell

CALL TO ORDER

Let the record show that Board Chairman, Gary Klacking, called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that all NMRE Board Members were in attendance in Gaylord.

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 declared.

APPROVAL OF AGENDA

Let the record show that no changes to the meeting agenda were requested.

MOTION BY RICHARD SCHMIDT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR OCTOBER 23, 2024; SUPPORT BY DON TANNER. MOTION CARRIED.

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 BY DON TANNER TO APPROVE THE MINUTES OF THE SEPTEMBER 25, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.

CORRESPONDENCE

- 1) The PIHP CEO Meeting Minutes from September 5, 2024.
- 2) The Michigan Department of Health and Human Services (MDHHS) Service Delivery Transformation Section Update dated August 2024.
- 3) Michigan Medicaid Provider L Letter 24-59 authorizing a FY25 \$0.20 pay increase for direct care workers.
- 4) Michigan Medicaid Provider L Letter 24-63 requiring the use of the Michigan Child and Adolescent Needs and Strengths (MichiCANS) assessment tool.
- 5) Draft Memorandum dated September 24, 2024 from attorney Adam Falcone to Bob Sheehan, CEO of the Community Mental Health Association of Michigan (CMHAM) regarding Home and Community-Based Services Conflict-Free Access and Planning.
- 6) Email correspondence from Bob Sheehan (CMHAM) to PIHP and CMHSP CEOs and Provider Alliance Members dated October 11, 2024 urging media relations work around the need to close the system's revenue gap (and press release template).
- 7) Email correspondence from the Actuarial Division of the Bureau of Medicaid Policy, Operations & Actuarial Services, Behavioral and Physical Health and Aging Services Administration at MDHHS announcing a FY24 rate amendment, totaling \$41.6M statewide.
- 8) The NMRE region's Quarter Three Fiscal Year 2024 Performance Indicator Report.
- 9) The Statewide Quarter Three Fiscal Year 2024 Performance Indicator Report.
- 10) The draft minutes of the October 9, 2024 regional Finance Committee meeting.

Mr. Kurtz drew attention to the Action Alert and continued advocacy regarding the state's \$93M revenue gap.

The state has awarded an additional FY24 rate increase totaling 41.6M statewide. The NMRE's portion is likely to be \$2M.

The regional and statewide Performance Indicator reports for Quarter 3 FY24 were shared with the Board for informational purposes. The region has surpassed the 50th percentile benchmark (57%) and is very close to meeting the 75th percentile (62%) benchmark for Table 2. The region is very close to meeting the 50th percentile benchmark (72.9%) for Table 3.

As the legal opinion from attorney Adam Falcone on Home and Community-Based Services Conflict-Free Access and Planning was marked "Privileged and Confidential," the decision was made to collect the document for shredding following the meeting.

ANNOUNCEMENTS

Let the record show that Mr. O'Farrell announced that this date marks his 25th wedding anniversary.

PUBLIC COMMENT

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 September Board Meeting.

CEO Report

The NMRE CEO Monthly Report for October 2024 was included in the materials for the meeting on this date. Mr. Kurtz met with Jill Lebourdais and Dr. Ibrahim to discuss Alpine CRU funding for FY25. The decision was made to extend the current 1/12th arrangement through December 31, 2024. The CMHSPs may pursue fee-for-service contracts beginning January 1, 2025. The occupancy rate for FY24 was roughly 50%.

The NMRE's FY24 block grant allocation was exhausted by the end of June. Treatment services for individuals who qualified for block grant funding will need to be billed to liquor tax funds for Quarter 4. The NMRE is working on methods to bill as much as possible to Medicaid and Healthy Michigan.

The NMRE is currently aware of 324 SUD Residential beds in the region, that are used 76% by out-of-area residents. There are also over 300 recovery/T-Home beds in the region which are utilized to transition individuals from residential treatment; these too are mainly occupied by individuals who lived outside the NMRE region prior to treatment. In these cases, the placing PIHP should continue to fund the treatment until permanent, independent residency is established; however, the NMRE is being asked to fund these placements, which is not feasible. A meeting was held between NMRE staff and MDHHS to address this issue. MDHHS has agreed to direct additional block grant funding to the region.

Mr. Kurtz noted that he was invited to join the Crawford County Opioid Steering Committee.

August 2024 Financial Report

- Net Position showed net deficit Medicaid and HMP of \$7,758,515. Carry forward was reported as \$11,624,171. The total Medicaid and HMP Current Year Surplus was reported as \$3,865,656. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$24,441,812.
- Traditional Medicaid showed \$190,483,155 in revenue, and \$191,801,830 in expenses, resulting in a net deficit of \$1,318,675. Medicaid ISF was reported as \$13,510,136 based on the current FSR. Medicaid Savings was reported as \$845,073.
- Healthy Michigan Plan showed \$26,235,057 in revenue, and \$32,674,897 in expenses, resulting in a net deficit of \$6,439,840. HMP ISF was reported as \$7,066,020 based on the current FSR. HMP savings was reported as \$10,779,098.
- Health Home showed \$2,846,438 in revenue, and \$2,487,581 in expenses, resulting in a net surplus of \$358,857.
- SUD showed all funding source revenue of \$26,709,246 and \$24,603,696 in expenses, resulting in a net surplus of \$2,105,550. Total PA2 funds were reported as \$4,648,663.

Four of the five member CMHSPs are overspent on Medicaid and all five member CMHSPs are overspent on Healthy Michigan; Medicaid and HMP savings will be used to offset the deficit.

The preliminary Medicaid and HMP carryforward for FY24 was estimated at \$2.8M. The October (FY24) rate increase will be distributed in a payment to the NMRE on October 31st.

The NMRE will continue to submit reports of unpaid Habilitation Supports Waiver (HSW) slots to MDHHS until the end of December; a fix is expected in January 2025. The issue was first spotted in July 2023, however, MHHS only committed retroactive payments back to October 1, 2023. The

NMRE finance department anticipates \$1.7M - \$2M owed to the NMRE. These funds were not reflected in the current (August) financial report.

Eight additional HSW slots were awarded to the NMRE effective October 1st, bringing the region's total to 697. There are currently four packets pending approval by MDHHS.

Effective October 1st, the NMRE's Opioid Health Home (OHH) and Alcohol Health Home (AHH) have merged to become the SUD Health Home program. Since October 1st, 87 individuals have been enrolled, bringing the total enrollment to 889.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2024; SUPPORT BY DON TANNER. MOTION CARRIED.

Enrollment Trending

The NMRE has been monitoring Medicaid disenrollments and movement of individuals from Disabled, Aged (65+) or Blind (DAB) to Temporary Assistance for Needy Families (TANF), and/or Plan First. Approximately 10% of DABs in the Region have moved to TANF during the enrollment period. The average payment for a DAB individual was provided as \$426.67; the average payment for a TANF individual was provided as \$39.49.

Mr. Kurtz stressed the need for beneficiaries to know they can appeal their Medicaid assignments. The NMRE will continue to run enrollment numbers.

Ms. Pilon asked if the NMRE has the ability to see in what waivers individuals are enrolled. Mr. Kurtz responded that the 1915(i) waiver and HSW have enrollment processes. For Medicaid, DHHS enrolls individuals in the DAB/TANF/HMP buckets.

Internal Service Fund (ISF) Analysis

Ms. Yockey reviewed the results of Milliman's 2024 analysis of the NMRE's ISF. Based on Milliman's analysis, the NMRE's ISF should be funded at approximately 15% of annual revenue.

Mr. Kurtz noted that Milliman (for ISF analysis purposes only) may begin to establish the ISF amounts equal to two months' revenue rather than considering the 7.5% in the future.

The next analysis will take place in the Fall 2025/Spring 2026.

Operations Committee Report

The draft minutes from October 15, 2024 were included in the materials for the meeting on this date.

NMRE SUD Oversight Committee Report

The next meeting of the NMRE Substance Use Disorder Oversight Committee will take place on November 4th at 10:00AM.

NEW BUSINESS

NMRE CEO Evaluation Process

An evaluation of the NMRE CEO is needed for FY24. The survey template that has been used for the past several years was included in the meeting materials. Board Members agreed to use the tool for the FY24 evaluation without changes.

OLD BUSINESS

Northern Lakes CMHA Update

A meeting is scheduled at 3:00PM on this date to discuss the cost allocation findings in the forensic investigation report. A meeting of the NMRE Executive Committee may be convened to determine the need for next steps. Northern Lakes' FY23 financial close-out has been delayed due to the ongoing forensic investigation.

Ms. Marois reported that the Northern Lakes Board of Directors unanimously adopted a new (committee-based) governance model on October 17, 2024.

Mr. Bratton asked how information regarding the forensic investigation will be disseminated. Mr. Kurtz responded that the forensic investigation was initiated at the request of the NMRE Board, therefore, the report will be presented to the NMRE Board first. However, because of the sensitive nature of the subject matter, the report will be kept closed until it is final.

FY25 PIHP Contract Update

The NMRE was one of seven PIHPs that returned a red-line version of the FY25 PIHP Contract to the state. The seven PIHPs disagree with Waskul language and ISF cap at 7.5%. The modified contracts were not accepted by the Department. The PIHPs are actively engaging in good-faith negotiations with the state to resolve FY25 contract concerns. A meeting was held on October 18th, during which MDHHS asked the PIHPs to explain their issues (though they were included in the contract). A meeting is scheduled with CMHAM on October 25th to discuss next steps.

Ms. Sherman inquired about the status of the letter from attorney Chris Cooke to Elizabeth Hertel requested by the Board in July. Mr. Kurtz responded that it hasn't been drafted yet due to the FY25 Contract not being signed. It is likely that a letter from legal counsel is not needed. Mr. Kurtz offered to write the letter himself on behalf of the Board. In addition to outlining the region's opposition to FY25 Contract issues and other concerns (rates, conflict-free access and planning, multiple waivers), Mr. Kurtz will highlight the region's numerous strengths.

PA 152 Opt Out

A legal opinion on Public Act 152 of 2011 from attorney Steve Burnham to Chip Johnston dated October 12, 2011 was included in the meeting materials.

Public Act 152, the Publicly Funded Health Insurance Contribution Act, created a law that limits the amount that public employers pay toward employee medical benefit plans, effective January 1, 2012. Although the NMRE is not over the 80% cap currently, Mr. Kurtz asked the Board for permission to opt out of the Act. It was noted that a $\frac{2}{3}$ vote of the governing body is needed to opt out.

MOTION BY DON TANNER TO ALLOW THE NORTHERN MICHIGAN REGIONAL ENTITY TO COMPLY WITH PUBLIC ACT 152 OF 2011, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT, BY ADOPTING THE ANNUAL EXEMPTION OPTION

FOR THE MEDICAL BENEFIT PLAN COVERAGE FOR JANUARY 1, 2025 THROUGH DECEMBER 31, 2025; SUPPORT BY ERIC LAWSON. ROLL CALL VOTE.

“Yea” Votes: B. Adrian, T, Bratton, E. Ginop, G. Klacking, E. Lawson, M. Marois, M. Newman, G. Nowak, J. O’Farrell, R. Pilon, R. Schmidt, K. sherman, D. Smeltzer, D. Tanner, C, Varner

“Nay” Votes: Nil

PRESENTATION

Customer Satisfaction Survey

NMRE Compliance and Customer Services Officer, Brie Molaison, was in attendance to present the NMRE regional Mental Illness and Intellectual/Developmental Disabilities Mental Health Services Satisfaction Survey Report to the Board.

The 2024 Region 2 NMRE Mental Illness and Intellectual/Developmental Disabilities Mental Health Services Satisfaction Survey took place from June 1, 2024 – June 30, 2024. The survey contained 18 questions and was available in paper or electronic (SurveyMonkey) format.

CMHSP Participation

CMHSP	Percentage	Number of Responses	Percentage of Total Individuals Served	Overall Satisfaction
AuSable Valley	36.94%	348	20%	98%
Centra Wellness	4.35%	41	5%	98%
North Country	30.89%	291	10.5%	99%
Northeast Michigan	2.55%	24	14%	92%
Northern Lakes	25.27%	238	<1%	80%
Total		942		

Highlights

- 96% if service recipients feel that they are actively involved in their healthcare decisions and the development of their treatment plan.
- 96% of service recipients are satisfied with the services they receive.
- 99% of service recipients feel that they are treated with dignity and respect.

Areas for Improvement

- Informing service recipients about their right to file a grievance and/or appeal.
- Informing service recipients about mediation services.
- Informing service recipients about sharing their health information with their medical providers.

Ms. Molaison intends to bring a group of regional staff together to discuss the survey process and questions prior to implementing the survey for FY25.

Ms. Pelts suggested that regional training be recorded for future viewing.

Mr. Babbitt applauded the high scores and recognized CMHSP staff for the work that they do.

COMMENTS

Board

Mr. Adrian inquired about Michigan Medicaid Provider L Letter 24-59 which authorized FY25 \$0.20 pay increase for direct care workers. It was noted that the increase would set base pay for direct care workers at \$14.48 per hour; the CMHSPs' contract rates already exceed this amount.

Mr. Tanner referenced the expression "May you live your life in interesting times," noting that he doesn't need times "to be quite this interesting."

Mr. Smeltzer suggested that, to get a higher satisfaction survey response rate, the NMRE reach out directly to individuals served.

Staff/CMHSP CEOs

Mr. Johnston reported that in an email dated October 10, 2024, Centra Wellness Network was approached about becoming a (rural) CCBHC. In a follow-up phone call Mr. Johnston highlighted several reasons why the CCBHC is not a viable service model in rural PIHP Regions 1 and 2.

MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on December 18, 2024.

ADJOURN

Let the record show that Mr. Klacking adjourned the meeting at 11:40AM.