

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – FEBRUARY 28, 2024
GAYLORD BOARDROOM**

ATTENDEES:	Tom Bratton, Ed Ginop, Gary Klacking, Michael Newman, Gary Nowak, Ruth Pilon, Richard Schmidt, Don Smeltzer, Don Tanner, Chuck Varner
VIRTUAL ATTENDEES:	Eric Lawson, Karla Sherman
ABSENT:	Bob Adrian, Greg McMorrow, Jay O’Farrell
NMRE/CMHSP STAFF:	Bea Arsenov, Brian Babbitt, Carol Balousek, Eugene Branigan, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Brandon Rhue, Nena Sork, Deanna Yockey
PUBLIC:	Chip Cieslinski, Tiffany Fewins, Dave Freedman, Genevieve Groover, Sue Winter

CALL TO ORDER

Let the record show that Chairman Don Tanner called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Bob Adrian, Greg McMorrow, and Jay O’Farrell were excused from the meeting on this date; all other NMRE Board Members were in attendance either virtually or 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 proposed.

MOTION BY RICHARD SCHMIDT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR FEBRUARY 28, 2024; SUPPORT BY GARY NOWAK. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY GARY NOWAK TO APPROVE THE MINUTES OF THE JANUARY 24, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY TOM BRATTON. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the Community Mental Health Association of Michigan's (CMHAM) Directors Forum dated January 24, 2024.
- 2) Memorandum from Kristen Jordan to PIHP and CMHSP Executive Directors dated February 12, 2024 regarding the Electronic Visit Verification (EVV) implementation.
- 3) Email correspondence from CMHAM dated February 8, 2024 regarding the lack of understanding by MDHHS staff, of the public nature/identity and roles of Michigan's public mental health system, as defined in statute and in the federal Medicaid waivers that undergird Michigan's behavioral health system.
- 4) Correspondence from CMHAM regarding Michigan's FY25 Executive Budget Proposal.
- 5) Communication from MDHHS notifying the Northern Michigan Regional Entity that full compliance with the Performance Bonus Incentive Pool was earned for FY23 totaling \$1,720,949.50.
- 6) Correspondence from Roslund Prestage & Company dated February 13, 2024 to Members of the Northern Michigan Regional Entity Board of Directors extending to them the opportunity to share any concerns they may have regarding the NMRE's finances or other operational areas.
- 7) The draft minutes of the February 14, 2024 regional Finance Committee meeting.

Mr. Kurtz drew attention to the FY25 Executive Budget Proposal, noting that it is just the beginning of the process. It includes a \$150M increase for Medicaid, a slight increase in Health Home funding, and a decrease in Healthy Michigan Plan. Funding for Certified Community Behavioral Health Clinics has increased x4 since FY23.

Mr. Kurtz also spoke about the regional Performance Bonus Incentive Payment. The stated amount is the minimum that the NMRE will receive. Depending on other PIHPs' performances, the NMRE's award could increase. The final award notice will be sent by March 15, 2024.

ANNOUNCEMENTS

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

PUBLIC COMMENT

Let the record show that the members of the public attending the meeting virtually were recognized.

Executive Committee Report

Let the record show that no meetings of the NMRE Executive Committee have occurred since the January Board Meeting.

CEO Report

The NMRE CEO Monthly Report for February 2024 was included in the materials for the meeting on this date. Mr. Kurtz AuSable Valley CMHA for the opportunity to present a regional update to its Board of Directors on February 26th.

Mr. Bratton suggested that the region develop a set of priorities that can be communicated to legislators (such as why Behavioral Health Homes are a better solution than CCBHCs in rural Northern Michigan). He added that Medicaid reimbursement rates in Michigan are terrible and proposed that the Board pass a resolution calling for an increase in Medicaid reimbursement rates. Mr. Tanner noted that the NMRE's Medicaid rate is higher because there is not a CCBHC in the region.

Mr. Kurtz offered to consult with the regional Operations Committee on drafting resolution language.

Mr. Kurtz stressed the need to advocate for more general funds "across the board."

MOTION BY TOM BRATTON TO CHARGE THE NORTHERN MICHIGAN REGIONAL OPERATIONS COMMITTEE WITH DRAFTING RESOLUTION LANGUAGE TO ADVOCATE FOR ADDITIONAL MENTAL HEALTH MEDICAID FUNDING AND RURAL MODELS OF SERVICES INCLUDING ADDITIONAL GENERAL FUNDS OUTSIDE OF CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC SERVICES; SUPPORT BY RUTH PILON. MOTION CARRIED.

December 2023 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$3,515,630. Carry forward was reported as \$13,325,617. The total Medicaid and HMP Current Year Surplus was reported as \$16,841,247. The total Medicaid and HMP Internal Service Fund was reported as \$17,437,845. The total Medicaid and HMP net surplus was reported as \$34,279,092.
- Traditional Medicaid showed \$52,433,750 in revenue, and \$48,266,170 in expenses, resulting in a net surplus of \$4,167,580. Medicaid ISF was reported as \$10,371,825 based on the current FSR. Medicaid Savings was reported as \$2,324,071.
- Healthy Michigan Plan showed \$7,367,072 in revenue, and \$8,019,022 in expenses, resulting in a net deficit of \$651,950. HMP ISF was reported as \$7,066,020 based on the current FSR. HMP savings was reported as \$11,001,546.
- Health Home showed \$694,927 in revenue, and \$564,276 in expenses, resulting in a net surplus of \$130,651.
- SUD showed all funding source revenue of \$7,525,716 and \$6,481,958 in expenses, resulting in a net surplus of \$1,043,758. Total PA2 funds were reported as \$4,898,195.

Approved PA2 projects include those approved by the NMRE Board in January.

The NMRE's carry forward and ISF are both fully funded.

Ms. Yockey reported that 11,000 eligibles have dropped Medicaid since Sept. 2023; this is a statewide trend. Because the decline in eligibles has exceeded Milliman's projections and to account for direct care wage overtime costs, a rate change is being discussed. The decline in DAB, TANF, and HMP revenue is currently being offset by increased Habilitation Supports Waiver (HSW) revenue. There are currently 11 open HSW slots in the region with four packets in the queue. Additional block grant funds have been requested for substance use disorder services given the decline in HMP. Mr. Babbit informed the group that the 1115 waiver renewal includes a rate increase effective April 1st.

MOTION BY RICHARD SCHMIDT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR DECEMBER 2023; SUPPORT BY ED GINOP. MOTION CARRIED.

Operations Committee Report

The minutes from February 20, 2024 were included in the materials for the meeting on this date in draft form.

NMRE SUD Oversight Committee Report

The next meeting of the NMRE Substance Use Disorder Oversight Committee is scheduled for 10:00AM on March 4, 2024 at the NMRE office in Gaylord.

NEW BUSINESS

New Horizons Learning Credits

The NMRE has purchased training credits to be used by staff from the NMRE and its five Member CMHSPs for the past several years. Current training funds have been reduced to \$1,400 with registrations pending. During promotional periods, New Horizons matches purchase credits dollar for dollar (\$20,000 minimum). Mr. Kurtz recommended that the region purchase \$50,000 to meet the ongoing needs of the region (for a total of \$100,000 in training credits).

MOTION BY DON SMELTZER TO APPROVE THE PURCHASE OF UNITED TRAINING CREDITS IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,00.00); SUPPORT BY RICHARD SCHMIDT. ROLL CALL VOTE.

"Yea" Votes: T. Bratton, E. Ginop, G. Klacking, M. Newman, G. Nowak, R. Pilon, R. Schmidt, D. Smeltzer, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

OLD BUSINESS

Northern Lakes CMHA Update

A meeting of the six County Administrators is scheduled for February 29th to continue the discussion of the Dispute Resolution process.

Mr. Bratton stated that the Northern Lakes CMHA Board of Directors is working on developing bylaws and selecting a governance model. The CEO search will not begin until after the forensic investigation has concluded. Mr. Kurtz is meeting with Mr. Carpenter and Brian Martinus for an update on March 1st.

PRESENTATIONS

NMRE Quality Assessment and Performance Improvement Program FY23 Evaluation and FY24 Workplan

The NMRE's Quality Assessment and Performance Improvement Program (QAPIP) FY23 Evaluation and FY24 Workplan were included in the materials for the meeting; they are due to the State by close of business on this date. NMRE Clinical Services Director, Branislava Arsenov, guided the Board through the documents.

The NMRE is required to provide the Board with routine updates on QAPIP activities. The Board was asked whether it would be beneficial to them to receive the minutes from the regional Quality and Compliance Oversight Committee in their meeting packets; Mr. Tanner indicated he would like to have the minutes added.

MOTION BY CHUCK VARNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY’S QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT FISCAL YEAR 2023 EVALUATION AND FISCAL YEAR 2024 WORKPLAN; SUPPORT BY TOM BRATTON. MOTION CARRIED.

Certified Community Behavioral Health Clinics (CCBHC) Overview

Mr. Kurtz provided a brief history and overview of Michigan’s CCBHCs.

Certified Community Behavioral Health Clinics (CCBHCs) are designed to ensure access to coordinated comprehensive behavioral health care. CCBHCs are required to serve anyone who requests care for mental health or substance use, regardless of their ability to pay, place of residence, or age. This includes developmentally appropriate care for children and youth.

CCBHC Background and Timeline:

2020	Michigan and Kentucky authorized to join demonstration as a result of the CARES Act.
2021	Demonstration launched on October 1, 2021 beginning with 13 sites.
2022	CCNHC demonstration extended through FY27 and site expansion authorized by the bipartisan Safer Communities Act.
2023	Demonstration expanded October 1, 2023 adding 17 additional sites.
2024	FY25 budget recommendation proposes additional expansion of the demonstration.

Potential risks and rewards of the CCBHC program were presented as:

- A CMH as a CCBHC will be at 100% risk for funding and serving all individuals regardless of third-party billing or ability to pay.
- Financing for non-traditional Medicaid services (e.g., CCBHC services) is based on annual legislative appropriations.
- The PIHP must ensure that if funding is moved from base regional rates for CCBHC services, it does not affect other non-CCBHC CMHSPs within the region.
- Rural areas must have an adequate CCBHC service array which may have higher costs and very low service volume.
- Newly proposed language may make Federal Qualified Health Centers (FQHC) qualified almost by default.
- Being a state certified CCBHC may prevent other non CMHSP providers from entering the market.

Ms. Pilon remarked that she heard during the CMHAM’s Winter Conference that many organizations are pursuing CCBHC status because of SAMHSA grant funding. Mr. Kurtz responded that once an organization becomes certified, the grant money ceases.

It was noted that MDHHS recently reported that 15% of Medicaid daily (CCBHC) visits were served to beneficiaries with mild to moderate behavioral health needs in FY 2023, meaning that 85% qualify for CMHSP services.

COMMENTS

Mr. Johnston supported the idea of a board resolution.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on March 27, 2024.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:57AM.