

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – JUNE 28, 2023
GAYLORD BOARDROOM**

ATTENDEES:	Tom Bratton, Ed Ginop, Gary Klacking, Terry Larson, Greg McMorro w, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner,
VIRTUAL ATTENDEES:	Eric Lawson
ABSENT:	Chuck Varner
NMRE/CMHSP STAFF:	Bea Arsenov, Brian Babbitt, Jodie Balhorn, Chip Johnston, Eric Kurtz, Brian Martinus, Tema Pefok, Diane Pelts, Brandon Rhue, Nena Sork, Deanna Yockey, Carol Balousek, Lisa Hartley
PUBLIC:	Kari Barker, Chip Cieslinski

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 Chuck Varner was excused from the meeting on this date; all other NMRE Board Members were in attendance either in person or virtually.

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 JUNE 28, 2023; SUPPORT BY GARY NOWAK. MOTION CARRIED.

APPROVAL OF PAST MINUTES

Let the record show that the May 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 MAY 24, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

CORRESPONDENCE

- 1) Community Mental Health Association of Michigan (CMHAM) document titled "Concerns and Recommendations regarding the MDHHS-Proposed Conflict-Free Access and Planning Options."
- 2) MDHHS Service Delivery Transformation Section June 2023 Update.
- 3) Michigan Medicaid Policy Bulletin 23-39 regarding Psychiatric Residential Treatment Facilities (PRTF) issued May 30, 2023.
- 4) CMHAM document titled, "Sample of Efforts by Member Organizations to Address Michigan's Behavioral Health Workforce Shortage" dated June 2023.
- 5) CMHAM document titled, "Proposal for Rural-Oriented Public Mental Health Policies and Practices in Michigan" dated May 2023.
- 6) Email correspondence from CMHAM CEO, Robert Sheehan, dated June 16, 2023 announcing that the CMHA Board approved the Rural Caucus Recommendations.
- 7) A letter to Eric Kurtz dated June 1, 2023 from Jeffery Wieferrich approving the New Hope Adult Crisis Residential Facility located in Traverse City.
- 8) Media report titled, "For Those Struggling with their Mental Health, Hope is There" by Marc Schollett (UpNorthLive) dated June 21, 2023.
- 9) Nomination of Joe Stone for the CMHAM Hal Madden Outstanding Public Service Award.
- 10) List of NMRE Board Member terms and renewal dates.
- 11) The draft minutes of the June 14, 2023 regional Finance Committee meeting.

Mr. Kurtz drew attention to the passing of the rural-oriented public mental health policies and practices by the CMHAM Board of Directors. Mr. Tanner observed that Michigan State Police was not listed under the local allies. Mr. Kurtz noted that other (rural) areas of the state would like to be included in the proposal.

Mr. Kurtz mentioned the nomination of former NMRE Board Member, Joe Stone, for the Hal Madden Outstanding Public Service Award; Board Members supported this effort.

Board member terms and appointment dates were shared for informational purposes.

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 May Board Meeting.

CEO Report

The NMRE CEO Monthly Report for June 2023 was included in the materials for the meeting on this date. Mr. Kurtz thanked Mr. Johnston for presenting his "Red Book" training on the history of the mental health system to NMRE staff.

April 2023 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$5,332,150. Budget stabilization was reported as \$16,369,542. The total Medicaid and HMP Current Year Surplus was reported as

\$21,701,692. Medicaid and HMP combined ISF was reported as \$16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$38,071,234.

- Traditional Medicaid showed \$115,760,019 in revenue, and \$112,701,515 in expenses, resulting in a net surplus of \$3,058,504. Medicaid ISF was reported as \$9,306,578 based on the current FSR. Medicaid Savings was reported as \$7,742,649.
- Healthy Michigan Plan showed \$20,757,795 in revenue, and \$18,484,149 in expenses, resulting in a net surplus of \$2,273,646. HMP ISF was reported as \$7,062,964 based on the current FSR. HMP savings was reported as \$8,626,893.
- Health Home showed \$1,297,430 in revenue, and \$1,118,296 in expenses, resulting in a net surplus of \$179,134.
- SUD showed all funding source revenue of \$17,249,548, and \$15,106,237 in expenses, resulting in a net surplus of \$2,143,311. Total PA2 funds were reported as \$5,227,061.

Ms. Yockey reported that she anticipates that the internal service fund (ISF) and carry forward will be fully funded at the end of FY23, with a lapse back to the state likely. It was noted that benefit stabilization efforts have been made but Medicaid funding is quite restricted.

Revised rates for May through September reduced monthly revenue by \$116K (\$580K total). FY24 rates are expected in August.

MOTION BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR APRIL 2023; SUPPORT BY DON SMELTZER. MOTION CARRIED.

Operations Committee Report

The minutes from June 20, 2023 were included in the materials for the meeting on this date. The meeting began with a preliminary conversation with attorney Chris Cooke (Secrest Wardle) to discuss the lack of children's pediatric beds and state hospital beds in the state. Youth are being denied inpatient hospitalization (even when court ordered) resulting in situations that put the youth and/or the community at risk. There is great concern that it is just a matter of time before there is a very adverse outcome, leaving CMHSPs in a bad position. The NMRE would like to take proactive measures.

Mr. Johnston noted that a 1985 map showed 6 children's hospitals in the state; currently there is 1 (Hawthorne Center) which is being reduced to 33 beds during the construction of a new facility (there will be an additional 20 children's beds in 2026 when construction is complete). There are zero children's psychiatric hospital beds in the NMRE 21-county region. The State has reached out to the NMRE to inquire about what is being done to increase capacity; the creation of children's inpatient psychiatric beds is the responsibility of the state though its certificate of need process.

The regional CEOs would like Mr. Cooke to compose a "legal letter" on behalf of the region, detailing concerns (supported with data) to share with MDHHS and state legislators to shed light to this issue.

Ms. Pelts shared that Rep. Mike Hoadley (99th District) is interested in transforming the Standish Correctional Facility (built in 1990) into a site to be used for behavioral health services. Although the facility has been empty since 2012, the cost of renovations is currently unknown. It is not known whether the site was considered as an alternative to the Hawthorne rebuild.

NMRE SUD Oversight Committee Report

Let the record show that the next SUD Oversight Committee meeting is scheduled for July 10, 2023 at 10:00AM. Mr. Kurtz sent a memorandum to SUD Oversight Committee members on June 2, 2023 explaining that the SUD Oversight Committee will operate as a subcommittee of the NMRE Governing Board. Although meetings will continue to be posted publicly, the SUD Oversight Committee will not be subject to all the requirements of the Michigan Open Meetings Act.

NEW BUSINESS

Expanded Agreement with Roslund, Prestage & Company, PC

Email communication from Derek Miller, CPA, of Roslund, Prestage & Company to Mr. Kurtz dated June 22, 2023 was distributed to Board Members on this date. Because there has been confusion about the Standard Cost Allocation (SCA) methodology and how the state is calculating the PIHP's medical loss ratio (MLR), the NMRE would like to engage Roslund, Prestage & Company to conduct a "Standard Cost Allocation Research Project" on behalf of the region. Work to be done through this project will include but is not limited to:

- A detailed comparison of the allocation methodology for each standard expense category identified in the SCA to its comparable allocation methodology in 2 CFR 200.
- A detailed comparison of the Medical Loss Ratio Reporting (MLR) requirements to relevant guidance (including 42 CFR and 45 CFR).

MOTION BY KARLA SHERMAN TO APPROVE THE ENGAGEMENT OF ROSLUND, PRESTAGE AND COMPANY TO PERFORM A STANDARD COST ALLOCATION RESEARCH PROJECT ON BEHALF OF THE NORTHERN MICHIGAN REGIONAL ENTITY AND ITS FIVE-MEMBER COMMUNITY MENTAL HEALTH SERVICES PROGRAMS AT A COST NOT TO EXCEED SIXTY-SIX THOUSAND DOLLARS (\$66,000.00); SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

"Yea" Votes: T. Bratton, E. Ginop, G. Klacking, T. Larson, G. McMorrow, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

OLD BUSINESS

Grand Traverse County and Northern Lakes CMHA

Mr. Kurtz announced that Northern Lakes received \$5M in American Rescue Plan Act (ARPA) funding from Grand Traverse County for a regional mental health crisis center. The center is intended to provide 24-hour crisis services to adults and children, regardless of insurance type or ability to pay.

A memorandum from Mr. Kurtz to Northern Lakes Board Chair, Ben Townsend, dated June 5, 2023 was included in the materials for the meeting on this date. In the memorandum, Mr. Kurtz requested that the Northern Lakes CMHA Board delay the CEO search until the bylaws have been reviewed/revised and NMRE continues its contractual oversight obligation by conducting a targeted services and financial audit, including a deeper review of grant sustainability and some delegated function reviews. After these tasks have been completed, the NMRE will conduct an RFP to secure a search firm (likely in September). Mr. Kurtz agreed to attend the Northern Lakes CMHA Board meeting on July 20th.

PRESENTATION

NMRE Quality Assurance and Performance Improvement Program Update

NMRE Compliance Director, Tema Pefok, was in attendance to provide an update on the NMRE's Quality Assurance and Performance Improvement Program (QAPIP). Ms. Pefok explained that the FY23 QAPIP was revised to include recommendations made by the Health Services Advisory Group (HSAG) during the NMRE's Compliance Examination.

Ms. Pefok next presented the results of the FY23 regional mental health services satisfaction survey. The survey was administered to individuals who receive outpatient, medical, Assertive Community Treatment (ACT) peer support, clubhouse/psychosocial rehabilitation, and long-term support services that are funded in whole or in part by the NMRE. A total of 920 survey responses were received, for a participation rate of 6%. The objectives of the survey were identified as:

- Receive feedback about how providers are meeting the needs of their clients.
- Identify opportunities for quality and performance improvement activities.
- Access clients' perspectives about quality of care, access to care, interpersonal relationships, service delivery, and service environment.

The survey revealed that:

- 98% of recipients reported being involved in their healthcare decisions and the development of their treatment plan.
- 95% of recipients reported feeling that staff explained information in a way that they can understand.
- 99% of recipients reported feeling that they were treated with dignity and respect.

MOTION BY JAY O'FARRELL TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY REVISED 2022 QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PROGRAM EVALUATION AND THE FISCAL YEAR 2023 QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PROGRAM DESCRIPTION AND WORKPLAN; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.

COMMENTS

Board Members

Mr. McMorro congratulated Mr. Martinus (and Northern Lakes staff) on securing the ARPA grant. It was noted that, although the NMRE will not have any direct involvement with the crisis center, Mr. Kurtz will continue to attend meetings with NLCMHA and Munson as needed.

Mr. Nowak stated that he saw a billboard for North Country CMHA in Presque Isle County.

Staff/CMHSP CEOs

Mr. Johnston acknowledged the NMRE "Red Book" training he provided to NMRE staff on June 19th. He emphasized that a lot of newer MDHHS staff lack this historical knowledge. He will continue to provide the training to interested entities and future leaders.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on July 26, 2023.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:44AM.