

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – OCTOBER 26, 2022
GAYLORD BOARDROOM**

ATTENDEES:	Ed Ginop, Eric Lawson, Christian Marcus, Mary Marois, Gary Nowak, Jay O’Farrell, Richard Schmidt, Karla Sherman, Don Tanner, Chuck Varner
VIRTUAL ATTENDEES:	Kate Dahlstrom (Traverse City), Angie Griffis (Roscommon), Terry Larson (Rogers City)
ABSENT:	Gary Klacking, Don Smeltzer
NMRE/CMHSP STAFF:	Brian Babbitt, Chip Johnston, Eric Kurtz, Brian Martinus, Tema Pefok, Diane Pelts, Brandon Rhue, Nena Sork, Deanna Yockey, Carol Balousek, Lisa Hartley
PUBLIC:	Chip Cieslinski, Dave Freedman, 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 Gary Klacking and Don Smeltzer 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 requested.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR OCTOBER 26, 2022; SUPPORT BY MARY MAROIS. 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. Mr. Lawson will be added to the list of attendees and roll call voting.

MOTION BY KARLA SHERMAN TO APPROVE THE MINUTES OF THE SEPTEMBER 28, 2022 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS AS AMENDED; SUPPORT BY JAY O’FARRELL. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the October 6th PIHP CEO meeting.
- 2) Notes from the September 28th-29th CMHAM Directors Forum.
- 3) MDHHS Financial Liability for Mental Health Services rules filed with the Secretary of State on September 20, 2022.
- 4) Letter from Farah Hanley at MDHHS to Timothy Engelhardt at CMS dated September 30, 2022 regarding the state's transition plan to move its Medicare-Medicaid Plans into an Integrated Special Needs Plan (SNP) model by January 1, 2026 (with attached Plan).
- 5) Document titled, "Harm Reduction: A Consensus Statement of Support by Michigan's 10 Community Mental Health Entities (Prepaid Inpatient Health Plans)."
- 6) MDHHS Michigan Psychiatric Care Improvement Project (MPCIP) update dated October 2022.
- 7) MDHHS Michigan Integration Efforts: Service Delivery Transformation Update dated October 2022.
- 8) Memorandum from Jeffery Wieferich at MDHHS to PIHPs dated October 3, 2022 regarding Veteran Affairs (VA)/ Medicaid Service Requests.
- 9) Action Alert from CMHAM dated October 17th urging the public to reach out to legislators and the Governor requesting they not support a lame duck deal on Senate Bills 597 and 598.
- 10) Email correspondence from CMHAM clarifying the use of the state's MiCAL for after-hours services.
- 11) CMHAM document titled, "Exploring Partnership with Wakely for Actuarial Consultation" dated September 9, 2022.
- 12) CMHSM document titled, "Advancing Michigan's Mental Health System by Strengthening the Partnership between MDHHS and Michigan's Community Based Mental Health System" dated September 2022.
- 13) Email correspondence from CMHAM providing a summary of recent discussions with the CCBCHC team at MDHHS.
- 14) The NMRE Organizational Chart effective October 1, 2022.
- 15) The draft minutes from the October 12th NMRE Regional Finance Committee meeting.

Mr. Kurtz referred to the correspondence from Farah Hanley, Chief Deputy for Health, announcing the approval of a one-year extension to the MI Health Link (dual eligibles) pilot. He noted that a couple of PIHPs have requested to opt out, which has prompted the state to look to the future. There is a possibility that this population will be handed to the Medicaid Health Plans (along with the funding).

Mr. Kurtz next highlighted the memorandum from Jeffery Wieferich requiring that Veterans with Medicaid who meet medical necessity criteria for behavioral health services be served by the PIHPs/CMHSPs regardless of veteran status.

Mr. Kurtz drew the Board's attention to the Action Alert from CMHAM regarding SB 597 & 598 and HBs 4925 - 4928.

Mr. Kurtz informed the Board of CMHAM's intent to engage with Wakely actuarial firm to look at the legitimacy of what Milliman's activities (dueling actuaries). It was noted that the State MIChoice Waiver program uses Wakely.

Mr. Lawson asked what is meant by a "contract type candidate" as referenced in the Directors Forum minutes under "Changes in county commission make-up." Mr. Varner responded that he

believes that the term refers to candidates who align with views similar to those in the 1994 Contract with America.

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 September Board Meeting.

CEOs Report

The NMRE CEO Monthly Report for October 2022 was included in the materials for the meeting on this date. Mr. Kurtz noted that he attended a meeting of the Northern Lakes six county administrators on October 3rd; all six counties have signed Memorandum of Understanding (MOU) to revisit the enabling agreement that formed NLCMHA. Lakeview Consultants (Sarah Bannon) will be conducting listening sessions throughout the Northern Lakes region.

Ms. Dahlstrom asked whether a press release or letter to NLCMHA services recipients, contractors, and the public has been considered. Mr. Kurtz responded that a letter should originate with the counties; Nate Alger mentioned doing something similar recently. Brian Martinus will speak to the NLCMHA Board about issuing a communication to services recipients. Ms. Marois emphasized that Northern Lakes is appreciative of the support provided by Mr. Kurtz and the NMRE, stating that "it has made a huge difference."

Mr. Kurtz has spoken with Dr. Ibrahim and the staff at the North Shores Center about the status of the Gaylord Crisis Residential Unit (Alpine CRU). The building is on track for a January 1, 2023 opening. A lease has been signed and LARA has given an unofficial acknowledgement that licensing should go smoothly.

August 2022 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$12,475,178. Medicaid carry forward was reported as \$16,358,117. The total Medicaid and HMP Current Year Surplus was reported as \$28,833,295. Medicaid and HMP combined ISF was reported as \$16,358,117; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$45,191,412.
- Traditional Medicaid showed \$186,405,461 in revenue, and \$171,709,461 in expenses, resulting in a net surplus of \$14,696,000. Medicaid ISF was reported as \$9,298,368 based on the unaudited FSR. Medicaid Savings was reported as \$11,296,867.
- Healthy Michigan Plan showed \$29,858,005 in revenue, and \$25,540,724 in expenses, resulting in a net surplus of \$4,317,281. HMP ISF was reported as \$7,059,749 based on the unaudited FSR. HMP savings was reported as \$5,061,250.
- Health Home showed \$1,359,717 in revenue, and \$1,168,106 in expenses, resulting in a net surplus of \$191,611.
- SUD showed all funding source revenue of \$23,280,348, and \$19,949,895 in expenses, resulting in a net surplus of \$3,330,453. Total PA2 funds were reported as \$5,326,234.

The direct care wage surplus was estimated at \$5,326,234. A potential lapse of \$10M for FY22 is anticipated (not including the DCW).

It was noted that the Public Health Emergency (PHE) scheduled to end on January 11th at which time Medicaid redeterminations will resume and revenue could (sharply) decrease. Ms. Dahlstrom asked whether CCBHC funding be pursued. Mr. Kurtz responded that CMHSPs are at full risk for the CCBHC service costs. He added that becoming certified for those entities that were not part of the original 14 could be up to a two-year process.

Mr. Lawson asked Ms. Yockey if she was able to determine the NMRE's overall percentage of administrative overhead per his request in September. Ms. Yockey responded that she calculated the NMRE's admin at approximately 2%. Mr. Kurtz noted that it is too low but due to the staffing crisis the NMRE is actively looking to fill some vacant positions.

Ms. Yockey was asked to explain the \$1,026,665 deficit shown for Northeast Michigan on the Financial Summary page of the report. Ms. Yockey clarified that Northeast Michigan overspent its per member/per month payment in FY22. However, \$15.6M of DCW is included in the NMRE's rates. Of that, only half is actually spent; the other half will be returned to the state.

Ms. Sherman asked how much of the surplus can be attributed to open positions; Mr. Kurtz replied that it is likely a significant amount.

Ms. Yockey turned attention to the Schedule of PA2 by county page of the financial report. The "FY22 Approved Projects" column shows approved funding; however, the "Current Receipts" shows how much has actually been billed. Currently, there is a difference of \$2.3M which will be added to the \$5.3M balance. Mr. O'Farrell shared that House Bill 5732 would allow the use of the counties' portion of liquor tax funds to be used for secondary road patrol.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2022; SUPPORT BY CHUCK VARNER. MOTION CARRIED.

Operations Committee Report

The draft minutes from October 18, 2022 were included in the materials for the meeting on this date.

NMRE SUD Oversight Board Report

The next meeting of the Northern Michigan Regional Entity SUD Oversight Board is scheduled for 10:00AM on November 7, 2022 at the NMRE office in Gaylord.

NEW BUSINESS

Christine Gebhard Contract

Mr. Kurtz reached out to Christine Gebhard to determine whether she would be interested in taking on some projects on behalf of the region. Areas of focus were discussed as:

- Participation on the Northern Michigan CHIR
- General Advocacy
- Traverse City Crisis Services Unit
- Other as needed

It was noted that Ms. Gebhard possesses strong relationships and historical knowledge that would benefit the region. Ms. Dahlstrom shared that good things are coming out of the CHIR; Action Teams have yielded very positive results.

Ms. Marcus asked about termination of the agreement. Mr. Kurtz responded that general terms for professional contracts state that either party may terminate the agreement for any reason by providing the other party with sixty days prior written notification.

MOTION BY MARY MAROIS TO CONTRACT WITH CHRISTINE GEBHARD FOR PROFESSIONAL SERVICES ON BEHALF OF THE NORTHERN MICHIGAN REGIONAL ENTITY AT A RATE OF ONE HUNDRED TWENTY-FIVE DOLLARS (\$125.00) PER HOUR PLUS TRAVEL EXPENSES; MS. GEBHARD WILL BE REQUIRED TO PROVIDE MONTHLY EXPENDITURE REPORTS TO THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY KATE DAHLSTROM. ROLL CALL VOTE.

“Yea” Votes: E. Ginop, E. Lawson, C. Marcus, M. Marois, G. Nowak, J. O’Farrell, R. Schmidt, K. Sherman, D. Tanner, C. Varner

“Nay” Votes: Nil

The final contract will be brought back to the Board in December.

OLD BUSINESS

Senate Bills 597 & 598/House Bills 4925 – 4929 – The Latest

The Action Alert from CMHAM dated October 17th and Alan Bolter’s comments during the CMHAM Fall Conference were discussed. It is rumored that that Sen. Shirkey & Rep. Whiteford are drafting a compromise bill that would combine SBs 597 & 598 and HBs 4925 – 4928 in an attempt to get “something” done before the end of the year. It is speculated that a compromise bill could move all of the Medicaid children’s services including autism and foster care over to private insurance companies and then the state would create one statewide entity to manage the other populations.

Grand Traverse County and Northern Lakes CMHA

Mr. Kurtz stated that he had nothing further to report on this topic; he will continue to keep the Board apprised of any developments.

PRESENTATION

Compliance and Quality Workplan Update

NMRE Compliance Officer, Tema Pefok, was in attendance to provide an update on the NMRE’s Compliance and Quality Workplan.

Ms. Pefok reported that the Board that the NMRE is engaged in two regional Quality Improvement Initiatives in FY23:

- 1) Improve the percentage of individuals enrolled in the Behavioral Health Home program from 3.56% to 5%.
- 2) Decrease no-show/missed appointment rate for psychiatric services.

Ms. Pefok reviewed regional risk event, critical incident, sentinel event, and performance indicator data.

Ms. Pefok informed the Board that the NMRE implemented two additional regional committees in response to MDHHS/HSAG compliance reviews:

- 1) Behavior Treatment Plan Review Committee (BTPRC)
- 2) Utilization Review Committee

Mr. Tanner asked whether the Boards have explored out-of-state residential or inpatient placements. The mental health systems in Indiana, Ohio, and Wisconsin have been vetted through the Michigan Attorney General's office and approved for use by residents of Michigan. To date, the CMHSPs have not placed clients out-of-state.

Regarding no-show rates, the CMHSPs were asked if they provide appointment reminder calls; the CEOs responded yes, reminder calls and text messages are made prior to the scheduled appointments. The importance of peer engagement was emphasized. The NMRE will continue to track no-show rates for psychiatric services.

COMMENTS

Let the record show that there were no comments offered from Board Members, CMHSP CEOs, NMRE staff, or members of public at the close of the meeting on this date.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on December 7, 2022.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 12:00PM.