Northern Michigan Regional Entity

Board Meeting

July 22, 2026

1999 Walden Drive, Gaylord

10:00AM

Agenda

		Page Numbers
1.	Call to Order	
2.	Roll Call	
3.	Pledge of Allegiance	
4.	Acknowledgement of Conflict of Interest	
5.	Approval of Agenda	
6.	Approval of Past Minutes – May 27, 2026	Pages 2 – 8
7.	Presentation FY27 Budget and Legislative Update – Alan Bolter	
8.	Correspondence	Pages 9 – 52
9.	Announcements	
10.	Public Comments	
11.	Reports	
	a. Executive Committee Report – Has Not Met	
	b. CEO's Report –June & July 2026	Page 53
	c. Financial Report – May 2026	Pages 54 – 75
	d. Operations Committee Report – June 16th & July 21st (will be distributed during the meeting)	Pages 76 – 80
	e. NMRE SUD Oversight Board Report – July cancelled. The next meeting is scheduled for September 14th at 10:00AM.	
12.	New Business - None	
	a. FY27 Prevention Services Contracts	Page 81
13.	Old Business	
	a. CMHSP Updates	
	b. PIHP v State	
14.	Comments	
	a. Board	
	b. Staff/CMHSP CEOs	
	c. Public	
15.	Next Meeting Date – August 26, 2026 at 10:00AM	
16.	Adjourn	

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Conference ID: 497 719 399#

NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – MAY 27, 2026
GAYLORD BOARDROOM

ATTENDEES:	**Bob Adrian, Dave Freedman, Ed Ginop, Ron Iseler, Dana Labar, Eric Lawson, Mary Marois, Michael Newman, Jay O'Farrell, Ruth Pilon, Mark Surbrook, Don Tanner, Chuck Varner**
VIRTUAL ATTENDEES:	**Tim Markey (Beulah)**
ABSENT:	**Karen Goodman**
NMRE STAFF/CMHSP CEOs:	**Bea Arsenov, Brian Babbitt, Brady Barnhill, Jodie Balhorn, Carol Balousek, Eugene Branigan, Gail Grangood-Griffin, Lisa Hartley, Chip Johnston, Eric Kurtz, Brie Molaison, Trish Otremba, Pamela Polom, Nena Sork, Denise Switzer, Deanna Yockey, Lynda Zeller**
PUBLIC:	**Erin Barbus, Ann Friend, John Galarza, Sarah Garthe, Genevieve Groover, Sarah Hegg, Terri Henderson, Patricia Henkel, Larry LaCross, Rob Palmer**
GUEST:	**Nicole Hudson**

CALL TO ORDER
Let the record show that Board Chairman, Ed Ginop, called the meeting to order at 10:00AM.

ROLL CALL
Let the record show that Karen Goodman was absent from the meeting on this date. All other 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 additions to the meeting agenda were requested.

MOTION BY CHUCK VARNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR MAY 27, 2026; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

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 BY DON TANNER TO APPROVE THE MINUTES OF THE APRIL 22, 2026 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY MARY MAROIS. MOTION CARRIED.

CORRESPONDENCE

1. Email correspondence from Community Mental Health Association of Michigan (CMHA) CEO, Robert Sheehan, dated May 14, 2026, sharing the "Core Components of a Strengthened and Improved Public Mental Health System in Michigan" as approved by CMHA Board of Directors.
2. Action Alert from CMHA dated May 7, 2026, urging legislators to support House Boilerplate Sections 1020-1022, which:
   - 1020: Prevents MDHHS from moving forward with any major procurement or rebidding process involving public behavioral health services (including PIHP administration) unless specific legislative conditions are met,
   - 1021: Blocks MDHHS from using state or federal funds to implement or advance the proposal commonly called the "Mental Health Framework" (or similar approaches) that would shift responsibilities among PIHPs/CMHSP, and Medicaid Health Plans,
   - 1022: Requires MDHHS to reimburse certain CMHSPs that belong to a PIHP involved in the Waskul settlement case for costs tied to the settlement agreement.
3. Email correspondence from CMHA CEO, Robert Sheehan, dated May 21, 2026, sharing and summarizing the Center for Healthcare Integration & Innovation's (CHI^2) FY26 CMHSP client satisfaction report.
4. Email correspondence from CMHA CEO, Robert Sheehan, dated April 16, 2026, providing an analysis of concerns with recently issued documents by MDHHS regarding the Mental Health Framework.
5. Email correspondence from MDHHS's Specialty Behavioral Health Services Director, Kristin Morningstar, dated May 15, 2026, stated that, "MDHHS will temporarily delay the MHF Coverage Responsibility policy to allow time for system-wide preparation."
6. Savings and Policy Recommendations from Public Sector Consultants' Fiscal Year 2027 Medicaid Savings Workgroup prepared for the Michigan State Budget Office.
7. Request from CMHA for Voting Delegates during the Summer Conference on June 8th in Traverse City.
8. A letter from financial auditors Roslund, Prestage, and Company (RPC) to NMRE Board Members dated May 18, 2026," extending Board Members the opportunity to share with our firm any concerns they may have regarding the PIHP, whether they be in relation to FSR reporting, controls over assets, or issues regarding personnel, and ask any questions they have regarding the FY25 compliance audit."
9. The Quarter 1 FY26 Performance Indicator Consultation Draft Report.
10. The draft minutes of the May 13, 2026 NMRE Regional Finance Committee meeting.

Mr. Kurtz drew attention to the positive CHI^2 satisfaction survey findings, with overall satisfaction calculated at 87.48%.

Mr. Kurtz next drew attention to the letter to NMRE Board Members from RPC. Christina Schaub from RPC is scheduled to present FY25 audit findings to the Board in June.

ANNOUNCEMENTS

New Board Member, Tim Markey, representing Centra Wellness Network, was introduced to the group.

It was noted that the Certificate of Appreciation for former NMRE Board Chair, Gary Klacking, will be mailed to him as he was unable to attend the meeting on this date.

PUBLIC COMMENT
Let the record show that the members of the public attending the meeting 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.

CEO Report
The NMRE CEO Monthly Report for May 2026 was included in the materials for the meeting on this date. Mr. Kurtz highlighted his participation in Northeast Michigan's Board Planning Session on May 14th and thanked Ms. Sork and Mr. Lawson for the invitation.

March 2026 Financial Report
- Net Position showed a net surplus for Medicaid and HMP of $543,878. Carry forward was reported as $2,844,054. The total Medicaid and HMP current year surplus was reported as $3,387,932. The total Medicaid and HMP Internal Service Fund was reported as $20,590,089. The total Medicaid and HMP net surplus was reported as $23,978,021.
- Traditional Medicaid showed $15,574,883 in revenue, and $112,178,716 in expenses, resulting in a net surplus of $3,396,167. Medicaid ISF was reported as $13,519,285 based on the current FSR. Medicaid Savings was reported as $2,844,054.
- Healthy Michigan Plan showed $13,430,188 in revenue, and $16,282,477 in expenses, resulting in a net deficit of $2,852,289. HMP ISF was reported as $7,070,804 based on the current FSR. HMP savings was reported as $0.
- Health Home showed $1,569,239 in revenue, and $1,383,976 in expenses, resulting in a net surplus of $185,263.
- SUD showed all funding source revenue of $11,019,605 and $9,512,296 in expenses, resulting in a net surplus of $1,507,309. Total PA2 funds were reported as $4,938,372.

PA2/Liquor Tax was summarized as follows:

Projected FY26 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,137,481	$1,847,106	$2,096,443	$4,913,143

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,137,481	$507,324	$706,433	$4,938,372

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	$665,191	$1,944,961	$1,426,547	($2,234,909)	$2,540,603
HMP	($275,591)	($158,394)	($59,198)	($1,430,258)	($161,277)
Total	$389,600	$1,786,567	$1,367,349	($3,665,167)	$2,379,325

October 2025 through April 2026 revenue looks like September 2025; however, the NMRE observed a 7% loss in eligibles. FY26 revenue is approximately $12M lower than Milliman projections. A rate adjustment is anticipated.

Quarter 1 PA2 payments were used by the Michigan Department of Treasury to pay on debt. Mr. O'Farrell raised the issue during a recent meeting of the Michigan Association of Counties (MAC). No additional information on what "debt" was covered was provided. Quarter 2 payments were received by both the PIHPs and counties at the end of April.

MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MARCH 2026; SUPPORT BY JAY O'FARRELL. ROLL CALL VOTE.

"Yea" Votes:	B. Adrian, D. Freedman, E. Ginop, R. Iseler, D. Labar, E. Lawson, M. Marois, M. Newman, J. O'Farrell, R. Pilon, M. Surbrook, D. Tanner, C. Varner
"Nay" Votes:	Nil

MOTION CARRIED.

Operations Committee Report
The draft minutes from the May 19, 2026, Operations Committee meeting were included in the materials for the meeting on this date. As stated previously, the Mental Health Framework has been put on pause. During this time, MDHHS will implement a new mental health services benefit plan (BH-COVER). Beneficiaries assigned to the BH-COVER benefit plan will have all medically necessary mental health services covered by their PIHP, including outpatient mental health services delivered outside of the CMHSP network. MHP'S will cover inpatient psychiatric hospital admissions, outpatient partial hospitalization, and crisis residential services delivered to MHP beneficiaries who are not assigned to the BH-COVER benefit plan.

State rural transformation funding has been made available to develop Crisis Stabilization Units. Mr. Kurtz informed MDHHS that the NMRE would not be pursuing CSUs, mainly due to the 72-hour release requirement, cost, and lack of demand for such services. Mr. Kurtz indicated, however, that the NMRE could come up with alternative uses for funding, such as cost settling with regional resources (McLaren Northern Michigan Behavioral Health Center, Grand Traverse Mental Health Crisis and Access Center, Alpine CRU). Ms. Zeller noted that the Grand Traverse Mental Health Crisis and Access Center will be opening a 6-bed pediatric crisis residential unit in the fall of 2026. A 9-bed adult CRU is also planned.

NMRE SUD Oversight Committee Report
The draft minutes from the May 4, 2026, Substance Use Disorder Oversight Committee meeting were included in the materials for the meeting on this date. One liquor tax request was included under "New Business."

NEW BUSINESS
Liquor Tax Request
The Liquor Tax funds parameters approved by the NMRE Board of Directors on April 24, 2024 were included in the meeting materials to inform the SUD Oversight Committee's decision whether to recommend approval of the liquor tax requests brought before the Committee on this date.

The following liquor tax request was recommended for approval by the NMRE Substance Use Disorder Oversight Committee on May 4, 2026.

1. Charlevoix County Jail Individual Counseling Charlevoix $25,000 Continuation

   Meets PA2 Parameters? ☒ Yes ☐ No

   Discussion:
   Clarification was made that, if approved, this request would be retroactive to October 1, 2025. Quarterly reports received by the NMRE have shown positive outcomes.

   MOTION BY DON TANNER TO APPROVE THE REQUEST FROM CHARLEVOIX COUNTY FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) TO PROVIDE INDIVIDUAL COUNSELING TO INMATES OF THE CHARLEVOIX COUNTY JAIL; SUPPORT ERIC LAWSON. ROLL CALL VOTE.

   "Yea" Votes: B. Adrian, D. Freedman, R. Iseler, D. Labar, E. Ginop, E. Lawson, M. Marois, M. Newman, J. O'Farrell, R. Pilon, M. Surbrook, D. Tanner, C. Varner

   "Nay" Votes: Nil

   MOTION CARRIED.

The impact of the liquor tax requests approved on this date on county fund balances was reported as:

	Projected FY26 Available Balance	Amount Approved May 4, 2026	Projected Remaining Balance
Charlevoix	$88,644.40	$25,000.00	$63,644.40

The "Projected Remaining Balance" reflects funding available for projects while retaining a fund balance equivalent of one year's receivables.

OLD BUSINESS

CMHSP Updates

Mr. Johnston reported that he has been working collaboratively with Mr. Babbit and Ms. Zeller to expand the "Bridge to Mental Health" program that originated in Benzie County. The program uses rural transformation funding to train a Sheriff's Deputy (Crisis Response Officer) in mental health and the CMHSP system. Antrim County is applying for a Michigan Health Endowment grant to move forward. Rural transformation funding will be approached for equipment/assets. It was noted that support from MDHHS will be needed. The hope is to have the Crisis Response Officers in place by October 1st.

Ms. Sork reported that Crisis Intervention Team (CIT) training is taking place in Alpena on May 28th – 29th. Ms. Sork met with Rep. Cam Cavitt (106th District) on May 22nd and updated him on several concerns, including a request that standard definitions for "rural" and "frontier" be added to boilerplate language. Northeast Michigan CMHA is applying for a Michigan Health Endowment grant to adapt evidence-based Assisted Outpatient Treatment (AOT) practices for rural and frontier

implementation. The Rural Health Caucus (the 10 CMHSP CEOs from PIHP Regions 1 and 2) is meeting on May 29th in St. Ignace.

Ms. Zeller added that the goal of the Rural Caucus is to inform Medicaid policy before it takes effect. Many evidence-based practices and MDHHS mandates are cost prohibitive in rural areas. A portion of the region's PBIP funds has been reserved to research evidence-based and rural best practices.

PIHP Contract Dispute – COC Update

The Opinion and Order issued by Judge Sima Patel on April 29, 2026, regarding Court of Claims Case #24-000198-MZ regarding the FY25 PIHP Contract was included in the materials for the meeting on this date. The Court issued a mixed ruling. MDHHS succeeded in dismissing claims related to the proposed FY25 contract and any alleged right to future contracts. However, the plaintiffs preserved significant claims related to the ongoing FY24 transition period, and those issues will move into discovery.

A Court of Claims Scheduling Order from Judge Sima Patel dated April 29, 2026, was also included in the materials for the meeting on this date. The Court directed the parties to work together and submit a proposed scheduling order. The parties are required to enter into mediation prior to further litigation

A Motion for Reconsideration and Clarification from Attorney Christopher Ryan (Taft, Stettinius & Hollister, LLP) filed May 18, 2026, on behalf of Plaintiffs asking the Court to revisit a narrow portion of its April 29, 2026, opinion was also included in the materials for the meeting on this date. Mr. Ryan argued that the Court misunderstood or overlooked specific legal distinctions, namely that the Court treated Regional Entities and PIHPs as if they are the same thing when they are legally distinct. Community Mental Health Service Programs (CMHSPs) may choose to create regional entities. Once created, regional entities have statutory "power to contract" with the State to act as the PIHP for their service area. The Court incorrectly concluded that because regional entities are optional, MDHHS can discontinue contracting with them. Plaintiffs argued that once a regional entity exists, MDHHS has an obligation to continue contracting with it. Mr. Ryan contended that correcting this distinction should change the earlier ruling and establish that MDHHS must continue funding/contracting with regional entities.

The Court previously ruled that Plaintiffs lacked standing to challenge provisions in the proposed FY25 contract because no fully executed FY25 contract existed. Plaintiffs say the Court may have unintentionally swept too broadly. Mr. Ryan explained that Plaintiffs were not merely arguing that certain FY25 provisions are unlawful," they were also arguing that "MDHHS cannot force them to follow FY25 provisions when there is no binding FY25 contract."

Mr. Ryan pointed out that the Court simultaneously allowed claims to proceed, alleging MDHHS was already trying to impose FY25 requirements during the FY24 transition period, including applying a more restrictive ISF cap, imposing Waskul settlement requirements as Medicaid policy, and shifting CCBHC responsibilities without funding. If the Court agrees, Plaintiffs should be able to seek a declaration that those FY25 terms are not binding.

<u>PRESENTATION</u>

MDHHS provided a Michigan Medicaid Program update during the CEO retreat on May 11th. Nicole Hudson, Director, Office of Oversight & Program Coordination, was invited to give the same update to the NMRE Board on this date.

Michigan is required to implement HR1 by January 1, 2027, but CMS is not expected to issue final guidance until June 1, 2026. Despite the late release of federal guidance, CMS has indicated it will not offer a good-faith-effort exemption or allow states to delay implementation.

Major Eligibility Changes include:

- **New Work Requirements** – Applies to many Healthy Michigan Plan (HMP) enrollees 19-64, who must work, train or volunteer at least 80 hours for one month. Non-compliance will lead to loss of coverage.
- **Six-Month Redeterminations** – Eligibility checks for HMP every six months, instead of annually. Increased risk of coverage interruptions due to paperwork gaps.
- **Limited Retroactive Eligibility** – 90-day retroactive coverage ceases. HMP = one month prior to application. Other Medicaid enrollees = two months prior to application.
- **Limits on Non-Citizen Eligibility** – Fewer pathways to coverage for lawfully present non-citizens. Affected individuals will lose full coverage. Moving to Emergency Services Only (ESO) coverage.

MDHHS will check if a beneficiary met the work requirements when they apply for Medicaid or renew their Medicaid coverage. Individuals applying for Medicaid (Healthy Michigan Plan) must meet the work requirements for at least one month immediately preceding the month during which the individual applies. Per CMS, the state may not dictate the specific months during which a beneficiary must demonstrate work requirements.

COMMENTS

Board

Mr. Freedman stated that with HR1, the federal government cost shifted a huge burden to states and localities.

CMHSP CEOs/Staff

Mr. Johnston noted that the implementation of Healthy Michigan funding in 2014 reduced the appropriation of general funds to CMHSPs because many individuals who had previously received services funded with state dollars became eligible for federally supported Medicaid coverage. With the new requirements, HMP enrollees are at greater risk of losing coverage, but there has been no talk about increasing general fund allocations. Ms. Zeller suggested working with CMHAM on directed education to the state regarding what CMHSPs gave up in general funds during Medicaid expansion.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on June 24, 2026.

ADJOURN

Let the record show that Mr. Ginop adjourned the meeting at 11:55AM.

April 2, 2026

Eric Kurtz, CEO
Northern Michigan Regional Entity
1999 Walden Dr.
Gaylord, MI 49735

Dear Mr. Kurtz:

Thank you for the cooperation extended to the Northern Michigan Regional Entity (NMRE) staff during January 6, 2026, virtual site visit.

PRESENT AT THE SITE VISIT

NMRE	Jodie Balhorn, SUD Prevention Coordinator Heidi McClenaghan, Quality Manager Chris VanWagoner, Contract and Provider Network Manager Carol Balousek, Executive Administrator Branislava Arsenov, Chief Clinical Officer Denise Switzer, Grant and Treatment Manager
MDHHS	Angie Smith-Butterwick, SUGE Division Director Lisa Coleman, Prevention and Treatment Section Manager Heather Rosales, Women's Treatment Specialist Ecole Barrow-Brooks, Analyst Madison Watts, Site Review Analyst Lisa Miller, State Opioid Treatment Authority

Eric Kurtz

April 2, 2026

SITE VISIT FINDINGS

After careful consideration and review of the requirements and documentation submitted, we have determined that NMRE is in full compliance with the substance use disorder (SUD), Prepaid Inpatient Health Plan (SUD/PIHP) Compliance Protocol.

We greatly appreciate NMRE for the site visit and their commitment to providing our staff with the necessary documentation.

If you have any further questions, please contact Kelli Dodson, Site Review Coordinator at dodsonk@michigan.gov.

Sincerely,

Angela Smith-Butterwick, Director
Division of Substance Use, Gambling and Epidemiology
Bureau of Specialty Behavioral Health Services
Health Services
Michigan Department of Health and Human Services

ASB/kd

cc: Su Min Oh, Gambling and Epidemiology Section Manager
Kelli Dodson, Site Review Coordinator
Lisa Coleman, Prevention and Treatment Section Manager
Heather Rosales, Women's Treatment Specialist
Ecole Barrow-Brooks, Analyst
Madison Watts, Site Review Analyst
Lisa Miller, State Opioid Treatment Authority

Northern Lakes
COMMUNITY MENTAL HEALTH AUTHORITY

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(800) 492-5742 or
(231) 922-4850

Crisis
1-833-295-0616
TTY 711

June 16, 2026

Northern Michigan Regional Entity
1999 Walden Drive
Gaylord, MI 49735

Dear Eric,

At the most recent Board meeting of NLCMH, our Board engaged in a discussion regarding NLCMH's general relationship with NMRE. Clearly, the tone of that discussion was very positive. Our Board voted unanimously to authorize me to send a letter of appreciation to you, your staff, and the NMRE Board, for your steadfast continuing support.

Perhaps it is a bit of an understatement to say that NLCMH has struggled through some very difficult financial and organizational challenges over the past few years. These challenges resulted from both internal and external circumstances. Many difficult decisions were made to help our Agency regain its footing.

Throughout this process, NMRE has been a reliable partner, challenging us when needed, but more often supporting us as our Board and leadership made difficult decisions.

Our senior Leadership, led by CEO Lynda Zeller, and our entire Board are grateful for the support NMRE has provided as we navigated NLCMH to a position of renewed stability. I know we are united with the entire NMRE organization in our common effort to provide the best behavioral services to all of our Citizens.

Many thanks,

Greg McMorrow
Board Chair

STATE OF MICHIGAN
IN THE COURT OF CLAIMS

NORTHCARE NETWORK MENTAL HEALTH CARE ENTITY, NORTHERN MICHIGAN REGIONAL ENTITY, REGION 10 PIHP, and COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN	Case No. 24-000198-MZ Hon. Sima Patel
Plaintiffs,	
v	
STATE OF MICHIGAN, STATE OF MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES, a Michigan State Agency, and its Director, ELIZABETH HERTEL, in her official capacity,	
Defendants.	

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STIPULATED SCHEDULING ORDER

THIS MATTER comes before the Court upon the stipulation of the Parties, and the Court being fully advised in the premises:

IT IS ORDERED THAT:

1. **Initial Disclosures.** The Parties shall exchange initial disclosures pursuant to MCR 2.302 within **fourteen (14) days** of the entry of this Order, unless such disclosures have already been provided. Each Party shall file a copy of its initial disclosures with the Court Clerk.

2. **Lay Witness Lists.** All Parties shall exchange and file lay witness lists on or before **Friday, August 21, 2026**.

3. **Expert Witness Lists.** All Parties shall exchange and file expert witness lists on or before **Friday, August 28, 2026**. No expert reports shall be required.

4. **Mediator Selection and Mediation.** The Parties shall confer and agree upon the selection of a mediator on or before **Friday, June 5, 2026**, and shall promptly notify the Court of the selection and anticipated mediation date, which must occur by **Friday, September 4, 2026**. If the Parties are unable to agree upon a mediator by June 5, the Parties shall advise the Court, and the Court shall appoint a mediator. In all cases, costs of the mediator are to be split equally between the Parties. An anticipated or estimated damages computation shall be exchanged thirty (30) days prior to mediation; provided, however, that such damages computation is preliminary in nature, is submitted solely for purposes of facilitating mediation, shall not constitute an admission by any Party, shall not be admissible at trial or in connection with any motion, and shall not be binding upon the Parties or operate to cap, limit, or otherwise restrict the damages any Party may seek or recover at trial.

5. **Discovery.** All discovery shall be completed on or before **Friday, January 8, 2027**. The Parties may stipulate to extend discovery deadlines so long as such extension does not require adjournment of any other dates set forth in this Order. Any other extensions of the discovery period shall require a showing of good cause. Unless otherwise stipulated or ordered for good cause, each deposition (fact or expert) shall be limited to one day, defined as no more than seven (7) hours of on-the-record examination.

6. **Dispositive Motions.** Any dispositive motions shall be filed no later **Friday, February 5, 2027**. Responses to any dispositive motion shall be due **twenty-one (21) days** after the motion is filed, and reply briefs shall be due **seven (7) days** after the response is filed. Dispositive motions shall comply with MCR 2.116. The Court will set a hearing date, if necessary. Pursuant to MCR 2.116, each Party may file one (1) dispositive motion as of right under subrules (C)(6), (C)(7), (C)(8), and (C)(10); any additional dispositive motions require leave of Court. A party may combine multiple subsections into one motion. All PDF exhibits filed with a motion shall be bookmarked.

7. **Joint Final Pretrial Order.** The Parties shall confer and submit a Joint Final Pretrial Order within **thirty (30) days** after the resolution of any dispositive motions, or, if no dispositive motions are filed, within thirty (30) days after the dispositive motion deadline has passed.

8. **Trial.** The Court will schedule a date for trial and pre-trial.

9. **Motions in Limine.** All motions in limine shall be filed no less than **twenty-one (21) days** before trial and heard no less than **seven (7) days** before trial.

This Order does not resolve the last pending claim, and does not close the case.

Dated: June 11, 2026

Hon. Sima Patel
Judge of the Court of Claims

I stipulate to entry of the above Order:

/s/Christopher J. Ryan
Attorney for Plaintiffs

/s/Marissa A. Wiesen
Attorney for Defendants

Email Correspondence

From:	Monique Francis
To:	Monique Francis
Cc:	Robert Sheehan; Alan Bolter; David Lowe
Subject:	Governor"s announcement: Elizabeth Hertel to step down; Amy Epkey to serve as Acting MDHHS Director as of July 1
Date:	Monday, June 22, 2026 2:55:13 PM
Attachments:	image001.png

To: CEOs of CMHs, PIHPs, and Provider Alliance members
CC: CMHA Officers; Members of the CMHA Board of Directors and Steering Committee; CMH & PIHP Board Chairpersons
From: Robert Sheehan, CEO, CMH Association of Michigan
Re: Governor's announcement: Elizabeth Hertel to step down; Amy Epkey to serve as Acting MDHHS Director as of July 1

Below is the announcement, issued today, of the departure of Elizabeth Hertel from her role as MDHHS Director. Amy Epkey, currently the Senior Deputy Director for the Financial Operations Administration, within MDHHS, has been named Acting MDHHS Director as of July 1, 2026.

CMHA will be reaching out to Ms. Epkey, with whom CMHA has worked for the past several years, to welcome her to her new position.

Gov. Whitmer Announces Acting MDHHS Director

Governor thanks Director Hertel for leading MDHHS as she moves to a new chapter in her career.

LANSING, Mich. — Today, Governor Gretchen Whitmer announced Amy Epkey will serve as acting director of the Michigan Department of Health and Human Services (MDHHS). The governor also announced additional promotions and hires within the executive office.

“Today, I am proud to announce several talented public servants stepping into new roles to help our administration keep delivering for the people of Michigan," said **Governor Whitmer**. "Amy Epkey brings decades of experience in state government and a proven record of leadership, and I am confident she will continue the important work of the Department of Health and Human Services. I also want to thank Director Hertel for her dedicated service to our state. Under her leadership, MDHHS helped Michigan navigate unprecedented challenges, expanded access to health care, strengthened behavioral health services, and improved outcomes for families across our state. I am grateful for her partnership and wish her continued success in her next chapter.”

Amy Epkey, Acting Director of MDHHS

Amy Epkey will serve as the acting director of MDHHS beginning July 1. Epkey previously held the senior deputy director position for the Financial Operations Administration at MDHHS, where she oversaw the department's budget, contracts and grants, finance and accounting, audit functions and information technology financial support services. Responsible for overseeing the department's nearly $40 billion budget, Epkey has played a key role in negotiating with the Legislature on the passage of four bipartisan balanced budgets, developing and leading the implementation of strategic priorities, and ensuring alignment across all levels of the department.

Epkey has held numerous roles across departments in state government. She served as senior deputy director for the Michigan Department of Environment, Great Lakes and Energy (EGLE), where she oversaw the department's annual budget, helped develop and implement EGLE's strategic plan, coordinated its training and outreach efforts and legal services and testified before the state Legislature on priority issues, among other duties. She also worked for the Michigan Department of Agriculture and Rural Development, where she eventually served simultaneously as policy advisor to the department director and the department's budget officer.

Epkey has a Bachelor of Business Administration from Grand Valley State University.

MDHHS

After leading the department since 2021, Director Hertel has announced her last day at MDHHS will be June 30. Under Director Hertel's leadership, the department has built out the community behavioral health continuum of care and designed two state-of-the-art state psychiatric hospitals, launched the Keep Kids Safe Action Agenda and redesigned the way children's services are delivered through the CSA teaming model, implemented substance use disorder programming which lowered the overdose death rate by 47 percent since 2021, protected residents access to Medicaid and SNAP, created scholarships and stipends to build the health care workforce, and recorded Michigan's lowest infant mortality rate in its history in 2025.

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Behavioral health overhaul future unclear as clock ticks on Whitmer administration

Zach GorchowJul 13, 2026

KEY POINTS

- Uncertainty exists on the state's plans for the Medicaid mental health managed care structure
- Possibly the system will be rebid in August
- The Department of Health and Human Services says there is no timeline

An estimated August opening date for bids on the state's prepaid inpatient health plans, the managed care organizations for Medicaid behavioral health services, has caught the attention of stakeholders.

But the Department of Health and Human Services is saying little about its plans for the request for proposals, noting that it is merely an estimated date.

In 2025, DHHS launched a rebid of the prepaid inpatient health plans, known as PIHPs, which manage behavioral health provider networks under Medicaid, including community mental health service programs.

The idea was to reduce the number of PIHPs from 10 to 3, and the request for proposals was structured so that none of the existing 10 could qualify to bid. Non-government behavioral health services providers had long chafed at the state's behavioral health service structure in which the PIHPs serve as the funder of the 46 community mental health services programs and each county or coalitions of counties provides the actual services or contracts with others to do so.

The DHHS director at the time, Elizabeth Hertel, championed the restructuring, saying it would mean more efficiency and better care. The goal was for the new structure to begin Oct. 1, 2026.

But the move drew the strong opposition of the prepaid inpatient health plans and community mental health agencies, which argued it would potentially hand the managed care/insurer role over to private health insurance plans, leading to less care.

In August 2025, some of the PIHPs and community mental health agencies filed suit against the rebid. The Court of Claims ruled that the drafted RFP conflicted with state law, particularly in how it would restrict community mental health service providers from entering into managed-care contracts. DHHS pulled the RFP about six months ago while considering next steps. For months, even with the specter of Gov. Gretchen Whitmer leaving office Jan. 1, 2027, and a new DHHS director taking the helm of the department, there were no developments.

Then, about two weeks ago, an official with one of the community mental health agencies noticed the state's Vendor Opportunity Dashboard listed "Prepaid Inpatient Health Plans" with an estimated posting date of August 2026, setting off a scramble.

Still, Lynn Sutfin, a spokesperson for DHHS, said there was no official timeline for the new RFP. She noted the Vendor Opportunity Dashboard disclaimer that "the dates are estimates only; the project may be posted in the month prior or the next consecutive month."

"It is an estimated date," she said in an email. "The Michigan Department of Health and Human Services continues to engage community partners as it evaluates paths forward that strengthen Michigan's behavioral health system and better serve individuals and families."

Hertel resigned as department director June 30 with Whitmer appointing Amy Epkey as interim director. How that may affect the situation is unclear.

Alan Bolter, CEO of the Community Mental Health Association of Michigan, said the timing of the rebid is curious. DHHS has huge projects to handle implementing Medicaid work requirements and Medicaid redeterminations mandated by the federal government.

"You also have the end of the administration," he said. "The Whitmer administration's done at the end of the calendar year. If their timeline is somewhat accurate, this almost certainly will go into the next administration. They're essentially tying the hands of the next administration that comes in. If they put this in motion, this would not go into effect until sometime in 2027."

Contrary to Sutfin's statement that the department is working with community partners, neither his association, nor the 46 community mental health agencies it represents, have heard anything about what's happening, Bolter said.

"There's been no communication with the department on this at all," he said. "The communication with us has been through press release only."

The agencies and PIHPs are open to working with the state on changes that mean better care, but the state's goals have tended to address administrative matters, not care, Bolter said.

Daniel Cherrin, founder of the Michigan Behavioral Health & Wellness Collaborative, is a supporter of the rebid. His organization represents non-government providers of mental health services, which he says are poorly served by the existing structure. Reducing the number of PIHPs will reduce the number of layers in the system that prevents funds from getting to providers, Cherrin has said.
His members hoped to see the second try at a rebid sooner but were excited to see it on the Vendor Opportunity Dashboard.

"For us, it's just waiting and seeing what the department will do next," he said. "They have a lot of things they're working on."

Like Bolter, Cherrin noted the Medicaid requirements from the federal government and also noted the rural health transformation grant.

Rumors are rampant about what the new RFP will include, he said, but neither he nor his members have been a part of any discussions.

Time is short, he said.

"Whatever happens is up to the department, but I don't think there's a lot of time to move things forward before a new administration comes in," he said. "Certainly, I hope this is a priority of the next administration. … It will have to be on the radar, nonetheless."

The community mental health agencies and PIHPs are making moves to protect their turf in the interim, Cherrin said. Some of his members have seen their agreements with the local agencies to provide services ended.

"We hope that there could be some guardrails put in place to protect community-based providers and the services they've been providing for decades," he said.

Bolter said such moves occur on a case-by-case basis and are generally the result of the squeeze on Medicaid from the federal One Big Beautiful Bill Act. State law empowers the agencies to provide services themselves or contract with others to do so, he noted.

"They're doing whatever they can to best meet community need," he said. "They do have that within their ability to make those changes. I think it comes down to the financial pressure that everyone is under."

Email Correspondence

From:	Monique Francis
To:	Monique Francis
Cc:	Alan Bolter; David Lowe; Robert Sheehan; Sarah Botruff
Subject:	Methods for ensuring core components become design elements of Michigan"s public mental health system
Date:	Tuesday, June 23, 2026 7:46:26 PM
Attachments:	image001.png Core components document - implementation method grid.pdf

To: CEOs of CMHs, PIHPs, and Provider Alliance members
CC: CMHA Officers; Members of the CMHA Board of Directors and Steering Committee; CMH & PIHP Board Chairpersons
From: Robert Sheehan, CEO, CMH Association of Michigan
Re: Methods for ensuring core components become design elements of Michigan's public mental health system

Thank you, again, for your support of the development of the System Design Core Components document and your work to ensure that these core components become design elements of Michigan's public mental health system.

ATTACHED METHODS GRID: Based on the views of CMHA staff and the Guidance Group (the large and diverse group of CMHA member organizations pulled together to guide CMHA in the development of these core components) CMHA developed a grid, attached, outlining the methods by which CMHA, its members, and allies will work to ensure that these core components are design elements of Michigan's public mental health system.

FOUNDATION IN LAW: Note that, for all of these components, statutory language will be sought to provide a sound basis, in law, for these core components. In some cases, the new statutory language will be detailed, to ensure that the central constructs of a given component are reflected in Michigan's laws. In other cases, the statutory language will provide a broad description of the component, with the details to be spelled out in contracts and inter-organization agreements.

MAKING THESE COMPONENTS REAL:

A. Unanimous support by CMHA Board of Directors: As you know, several weeks ago, the members of the CMHA Board of Directors unanimously approved the Core Components. With this approval and the completion of the attached methods grid, CMHA will be moving ahead with the next steps in this process.

B. Coalition work: Based on the attached document, CMHA to re-initiate its dialogue with the **core coalition leaders (NAMI, Arc, MAC)** to ensure their support of the Core Components document, given that it is a derivative of the preliminary/foundational document developed jointly by these three organizations and CMHA, and to obtain their views as to the methods by which each Core Component will be pursued.

CMHA and the current coalition members will also be **working to grow this coalition**; drawing in groups who have stood with us in previous efforts to ensure the survival and strength of our public system.

C. Bold legislative advocacy effort - seeking statutory changes: CMHA will initiate (some work on this front is already underway) the development of a package of bills to modify Michigan law to reflect the Core Components. This effort will rely upon the work of our allies, in the State Legislature (now and those who will join the Legislature in its next session), and your relationship and ours with those allies. The **communications and media strategies, cited below**, will be a central component of this legislative advocacy effort.

D. Assessing public opinion: In preparation for this advocacy effort, **CMHA through EPIC-MRA** (one of the state's pre-eminent public polling firms) recently surveyed a representative sample of Michiganders regarding their support for a public mental health system and their view of the threat of privatization of that system. You may remember

that a similar survey, conducted by EPIC-MRA on behalf of CMHA a few years back, provided a powerful set of findings which were key to our efforts to thwart the privatization threat led by Senator Shirkey.

The results of this survey, received only days ago by CMHA, **underscore the strong support by Michiganders** for a public locally-driven mental health system and opposition to the privatization of that system. These survey results will be used by CMHA and its allies in the

E. Multi-faceted communication and media strategy around Core Components: CMHA to work with its communications consultant firm, LLYC (formerly Lambert) to put the Core Concepts document into an **eye-catching readily-accessible form** for use in our legislative and media advocacy work. CMHA and its allies, with the expertise and contacts of LLYC, will also be initiating a **media relations effort (traditional and social media)** in support of these components. CMHA will be working with all of you to support your local media relations effort on this front.

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Community Mental Health Association of Michigan

Recommended core components of a strengthened and improved public mental health system in Michigan: Methods for ensuring core components are design elements of Michigan's public mental health system

Origin and purpose of document: This document was developed by the CMHA Guidance Group, a large group representing CMHA's diverse membership of CMHSPs, PIHPs, and private provider organizations founded on a preliminary/foundational document developed by CMHA in partnership with Arc-Michigan, NAMI-Michigan, and the Michigan Association of Counties (MAC). The document is designed to provide a preliminary structure around which the advocacy for more robust and system redesign effort would be designed and pursued, collectively by a broad and diverse coalition of stakeholders.

The methods, outlined below, are designed to ensure that these core components become permanent design elements of Michigan's public mental health system,.

Foundational theme: centrality of CMHSPs to public system: These components are founded upon the role of the state's Community Mental Health Services Programs (CMHSPs), as defined in the Michigan Mental Health Code as a underscored by Judge Yates in the Region 10 et al vs State of Michigan. In this role, the state's CMHSPs are the core community-based providers and managers of the network of other providers, of services to persons with mental illness, emotional disturbance, intellectual and developmental disabilities, or substance use disorders.

	Methods for ensuring or fostering the existence of Core Component				
	Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	Comments
A. Defining public nature and roles of PIHPs (Michigan's Medicaid behavioral health plans) and CMHSPs					
1 All of Michigan's Medicaid behavioral health plans [also known, in federal terms as Prepaid Inpatient Health Plans (PIHPs)] should be public/governmental bodies formed via collaboration of the counties, in the region which they are designed to serve, and the state of Michigan. They can be formed via: multi-county authority, Urban Cooperation Act, or Regional Entity section of the Michigan Mental Health Code.					
2 The statutorily-defined authorities, responsibilities, functions, and roles of the CMHSPs will not be encroached upon, including by the PIHPs (absent mutual agreement), or by the State of Michigan via contract requirements and policies issued by the State of Michigan.					
3 The PIHPs shall not circumvent the authority of the counties in the region which they are designed to serve.					
4 The number and size of regions served by the PIHPs should be structured, by the counties and CMHSPs which form them, to ensure: local guidance and responsiveness to local needs, effective management capacity, , and low administrative costs (with greatest level of funding, as possible, dedicated to service delivery), while avoiding dominance in relationships with state policymakers by any one PIHP.					
5 There should be no more than one PIHP per defined region to ensure efficiency and effective management capacity.					
6 PIHPs should have a well-defined and focused administrative role that ensures the statutory roles and responsibilities of the state's CMHPs. The PIHP roles would include: ensuring high levels of performance and compliance with federal and state requirements by the CMHSPs in the region and providers in its network; and distributing Medicaid funds to CMHSPs within the PIHP's region.					Foundation established in statute with detail in contracts

	Methods for ensuring or fostering the existence of Core Component				Comments
	Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	
B. Balancing uniformity of service array while ensuring community and person- specific variance					
7 The system should ensure uniformity, to the greatest extent possible, that the array of Medicaid services and the processes for authorizing those services are as uniform across the state as possible. Variances from this uniformity, when they occur, must be tied to differences in community needs and resources or differences in the needs and choices of persons served and their families.					Foundation established in statute with detail in contracts
C. Aligning governance with distinct sets of stakeholders					
8 The board of directors of the PIHPs should reflect the voices of several distinct sets of key stakeholders: o Those individuals served by the region's public mental health system o Representatives of the communities served by region's public mental health system					
9 Echoing the Michigan Mental Health Code's requirements related to board make up, at least 1/3 of the members of the board of directors of a PIHPs must be persons with lived experience in the receipt of behavioral health service and who live in the region served by the PIHP. These persons can be persons served by the CMHSP system, or an equivalent system, or a family member of a person served. o At least 1/3 of the members of the board of directors of a PIHPs must be persons with lived experience in the receipt of behavioral health service and who live in the region served by the PIHP. These persons can be persons served by the CMHSP system, or an equivalent system, or a family member of a person served. o At least 1/2 of this 1/3 (1/6 of the board) must be persons with direct lived experience (often known as "primary consumers" in the receipt of behavioral health service through the CMHSP system or an equivalent system.					
10 The public bodies which appoint these board members should be the public entities which hold unique roles and responsibilities in the design and operation of Michigan's community-based mental health system. Those appointing bodies and the unique roles and responsibilities which they hold include: o County governments hold unique roles and responsibilities, in statute and in practice, in the structure, governance, and financing of Michigan's public mental health system o CMHSPs hold unique roles and responsibilities, including financial risk, in statute and practice, in the structure, governance, and financing of Michigan's public mental health system.					

	Methods for ensuring or fostering the existence of Core Component				
	Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	Comments
D: Financing model, risk sharing, and ability to build essential risk reserves					
11 The financing of the Michigan behavioral health plan must be in the form of a risk-sharing capitation structure, with the risk sharing structure clearly delineated among the State of Michigan, the PIHP, the CMHSPs, and counties in the region.	■				
12 These capitation payments must be actuarially sound, in accordance with GAAP and GASB, and provide sufficient revenue to the PIHPs and the CMHSPs in their regions to meet the mental health services and supports needs of the residents of their counties.	■				
13 A secondary confirmation of the actuarial soundness of the initial actuarial rate setting should be established by a secondary review by an actuarial firm identified jointly by the public PIHPs and MDHHS. Both sets of actuaries should be required to provide these two parties and other stakeholders with the background documents upon which their actuarial determinations were made. When the two actuarial rate sets do not match, there must be a process including public discussion as to the differences and the resolution of this disagreement. The actuarial rates and projected revenues resulting from this process should be used to drive the annual state appropriations process.	■				Could be implemented via budget boilerplate as well as statutory change
14 An alternative financing design, not a fee-for-service method, will be used by the PIHPs to finance the CMHSPs in their regions.	■	■			Foundation established in statute with detail in contracts; May differ for CMHSPs versus CCBHC financing
15 The level of risk reserves allowed to be held by PIHPs and CMHSPs must represent an actuarially sound risk reserve (via a method of ensuring actuarial soundness akin to that outlined above) - thus allowing both of these local public bodies to retain their fiscal stability in this shared risk arrangement.	■	■			Foundation established in statute with detail in contracts
16 As with any health care, education, governmental, non-profit, or for-profit organization, CMHSPs shall be allowed to hold cost savings, earned incentives, and funds earned through other methods to ensure fiscal stability in light of changing financing and demand factors. As with all fund balances held by CMHSPs and the PIHPs, these reserves must be spent on services to persons with mental health needs, to ensure fiscal stability, and to carry out other statutorily mandated functions of the state's CMHSPs and PIHPs.	■	■			Foundation established in statute with detail in contracts
17 The fiscal distress of a PIHP or any CMHSP should be addressed jointly by the PIHP, the CMHSP, the county government served by the CMHSP, and the State of Michigan.	■				Needed is clarity relative to the roles of each of these parties relative addressing fiscal distress of CMHSPs and PIHPs.
18 All of the state's PIHPs and the CMHSPs in their region should be required to provide, on a regular basis, to the counties which formed them, the public, providers in the PIHP's and CMHSP's network, and other stakeholders with a clear lay-person friendly picture of its: o Financial condition, current and projected o Service authorization standards and processes o Service demand patterns	■	■	■	■	Foundation established in statute with detail in contracts and agreements among community-based system

	Methods for ensuring or fostering the existence of Core Component				
	Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	Comments
E. Partnership relationship between PIHPs, CMHSPs, and providers in the networks of the health plans and CMHSPs					
19 Commitment to increased consistency through uniformity in contract templates, provider costing/rate setting, alternative payment models, billing systems, and data sharing.					Foundation established in statute with detail in contracts and agreements among community-based system
20 Commitment to increased transparency through sharing of uniform level of care determinations, funding and fiscal conditions, network adequacy and choice, and changes in direct-run versus contractual services.					Foundation established in statute with detail in contracts and agreements among community-based system
21 Commitment to reducing administrative burdens through training reciprocity, streamlining of audit requirements, and consistency in recipient rights processes.					Foundation established in statute with detail in contracts and agreements among community-based system
22 Commitment to the value and importance of having an equally strong system for provision of substance use disorder services.					Foundation established in statute with detail in contracts and agreements among community-based system

Email Correspondence

From: Alan Bolter
To: Alan Bolter
Cc: Robert Sheehan; David Lowe
Subject: FW: Results of Mental Health Q"s
Date: Wednesday, June 24, 2026 1:05:23 PM
Attachments: 2026 June SW Poll FREQUENCY -- Mental Health Q"s .doc

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All,

I wanted to share with you the recent poll results we received. As you may know, EPIC/MRA (one of the large Lansing polling firms) last week conducted a statewide poll of likely November 2026 voters conducted by live interviewers – we paid them to include three questions on mental health privatization. As you will see the results were quite eye-popping , there is very strong opposition to mental health privatization, in fact the numbers went up slightly from the last time we conducted a full survey back in January of 2022.

- Do you support or oppose the privatization of the Michigan mental health care system that currently serves Medicaid mental health patients by shifting management to private health insurance companies?
    - 2022 – 64% total oppose privatization / 21% total support privatization / 2026 – 70% total oppose & 19% total support

- If an elected official is in favor of the privatization of mental health services for Medicaid patients, would you be more likely to vote for that elected official in the next election, less likely to vote for that elected official, or would you say this one issue would not influence your vote one way or the other?
    - 2022 – total less likely 40% / 11% total more likely / 42% don't care about – 2026 – 49% total less likely / 11% total more likely / 34% don't care about

We will be issuing a press release on these numbers in the coming days and include this in our overall messaging of our core concepts / vision for the future.

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From: Bernie Porn <bernie@epicmra.com>
Sent: Sunday, June 21, 2026 9:41 AM
To: Alan Bolter <ABolter@cmham.org>
Subject: Results of Mental Health Q's

Alan,
Here are the top-line results of your questions. Cross tabs should be coming tomorrow.
Bernie

For the past 50 years, Michigan's public mental health system has been administered through county-based public agencies that provide services to Medicaid recipients with serious mental illness and developmental disabilities. Each year, more than 350,000 Michiganders receive services through the state's public mental health system.

Governor Whitmer's administration has proposed changing Michigan's public mental health system by shifting management from county-based public mental health agencies to private health insurance companies, which would effectively end local control and local accountability in the public mental health system.

__26. Do you support or oppose the proposal by the Whitmer administration to make significant changes to the existing public mental health system by effectively ending local control and local accountability during the final few months of the governor's term? **[IF SUPPORT/OPPOSE, ASK: "**Would that be strongly or somewhat **(*support/oppose)****?"* **AND CODE BEST RESPONSE]**

9%	Strongly support
10%	Somewhat support
19%	***TOTAL SUPPORT***
69%	***TOTAL OPPOSE***
15%	Somewhat oppose
54%	Strongly oppose
12%	Undecided/Refused

__27. Do you support or oppose the privatization of the Michigan mental health care system that currently serves Medicaid mental health patients by shifting management to private health insurance companies? **[IF SUPPORT/OPPOSE, ASK: "**Would that be strongly or somewhat **(*support/oppose)****?"* **AND CODE BEST RESPONSE]**

8%	Strongly support
11%	Somewhat support
19%	***TOTAL SUPPORT***
70%	***TOTAL OPPOSE***
12%	Somewhat oppose
58%	Strongly oppose
11%	Undecided/Refused

__28. If an elected official is in favor of the privatization of mental health services for Medicaid patients, would you be more likely to vote for that elected official in the next election, less likely to vote for that elected official, or would you say this one issue would not influence your vote one way or the other? **[IF MORE/LESS LIKELY, ASK: "**Would that be much more or somewhat?" **AND CODE BEST RRESPONSE]**

4%	Much more likely
7%	Somewhat more likely
11%	***TOTAL MORE LIKELY***
34%	Would not influence me
49%	***TOTAL LESS LIKELY***
15%	Somewhat less likely
34%	Much less likely
6%	Undecided/Refused

Email Correspondence

From: Alan Bolter
To: Alan Bolter
Cc: David Lowe; Robert Sheehan
Subject: HB 6022 - Mental Health Framework Legislation - UPDATE (06/08/26)
Date: Monday, June 8, 2026 1:29:31 PM
Attachments: The Mental Health Framework Infographic FINAL.pdf

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All,

As you know, last week Rep. VanderWall took testimony on HB 6022, which addresses preadmission screening requirements under the Mental Health Code and is intended to advance certain components of the Mental Health Framework initiative.

Friday, the House Health Policy Committee, which Rep. VanderWall chairs, posted committee for Wednesday at 9am with HB 6022 on the agenda – I expect him to attempt to pass the bill. Below is a message I sent to committee members and staff regarding an alternative to HB 6022:

Oppose HB 6022 and Advance HB 5334

HB 6022 was introduced as a legislative response to the Mental Health Framework proposal advanced by the Michigan Department of Health and Human Services (MDHHS). While supporters have characterized the bill as a solution to challenges within Michigan's behavioral health system, we believe it is based on a flawed policy premise and fails to address the actual barriers individuals face when seeking timely psychiatric care.

The timing of HB 6022 is particularly concerning given recent developments. **On May 15, MDHHS announced that implementation of the Mental Health Framework would be paused.** Additionally, the House-passed FY 2027 budget includes boilerplate language (Section 1021) prohibiting MDHHS from expending funds to implement the framework. **If the framework is delayed, paused, or restricted through the budget process, it raises a fundamental question: why is legislation designed to operationalize that framework being advanced at this time?**

Further, if HB 6022 were enacted while implementation of the Mental Health Framework remains blocked, Medicaid health plans would gain authority to conduct assessments and preadmission screenings for psychiatric inpatient care, while Community Mental Health (CMH) agencies would remain financially responsible for those services. This creates a significant misalignment between decision-making authority and financial

accountability and could ultimately worsen the very challenges the legislation seeks to address.

Instead, **CMHA recommends passage of Representative Bierlein's HB 5334**. This legislation directly addresses the primary concern raised during Health Policy Committee discussions: the three-hour preadmission screening requirement. Under HB 5334, if a CMH is unable to complete a screening within the required three-hour timeframe, the hospital may utilize a qualified behavioral health professional to perform the screening. This targeted solution addresses the operational challenges identified by stakeholders without introducing broader and unnecessary system changes.

Here are our suggested changes to HB 5334:

(4) If the preadmission screening unit is unable to assess an individual not later than 3 hours after the notice described in subsection (3), a clinically qualified individual ***mental health professionals or licensed bachelor's social workers licensed under part 185 of the public health code, 1978 PA 368, MCL 333.18501 to 333.18518*** may assess the individual for the hospital, hospital as that term is defined in 3 section 20106 of the public health code, 1978 PA 368, MCL 4 333.20106, community mental health services program, crisis stabilization unit, or other entity under contract to perform the assessment and screening services under this act. The preadmission screening unit is responsible for the costs of performing an assessment under this subsection. (5) Telehealth service, as that term is defined in section 10 16283 of the public health code, 1978 PA 368, MCL 333.16283, may be used to assess an individual described in this section. ***A hospital shall ensure the availability of telecommunication technology, as that term is defined in section 16283 of the Public Health Code, 1978 PA 368, MCL 333.16283, to patients when receiving telehealth services.***

1. HB 6022 advances a broader Mental Health Framework proposal that is **opposed by** numerous stakeholders, including the **Michigan Sheriffs' Association, Michigan Association of Counties,** mental health advocacy organizations, providers, and **thousands of consumers and families across Michigan**.

2. The three-hour preadmission screening issue is separate from the Mental Health Framework and can be addressed through HB 5334. The provision appears to have been added to HB 6022 to build support for a much broader policy proposal that otherwise lacks stakeholder consensus.

3. The Mental Health Framework would create new paperwork, reporting, regulatory,

and administrative burdens for patients, providers, and CMH organizations, potentially delaying services and treatment, without increasing system capacity or producing better outcomes for individuals seeking care.

4. CMHA and its members were not included in the development of HB 6022 and had no opportunity to review or provide input before the bill was introduced. Meaningful reform should be developed collaboratively with all affected stakeholders.

For these reasons, we respectfully urge the committee to oppose HB 6022 and instead advance HB 5334 as a targeted, practical solution that addresses the concerns raised by hospitals while avoiding unnecessary and far-reaching changes to Michigan's behavioral health system.

Thank you for your consideration and leadership on this important issue.

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Email Correspondence

From: Info CMHAM
To: Carol Balousek (NMRE)
Subject: ACTION ALERT: Tell Legislators to STOP HB 6022
Date: Tuesday, June 23, 2026 11:18:40 AM
Attachments: The Mental Health Framework Infographic FINAL.pdf

Community Mental Health Association of Michigan

Last week, the House Health Policy Committee, chaired by Representative Curt VanderWall, passed HB 6022. The bill addresses preadmission screening requirements under the Mental Health Code and is intended to advance certain components of the Mental Health Framework initiative.

Representative VanderWall is moving this legislation through the process at an accelerated pace without sufficient due diligence regarding its broader operational and policy impacts. His goal is to secure passage by the full House before the summer recess.

The Michigan Health & Hospital Association also supported language it has long advocated for that would allow any qualified professional to conduct a preadmission screening if a Community Mental Health (CMH) representative is unable to respond within the current three-hour contractual timeframe.

CMHA testified in opposition to HB 6022. In our view, the bill does not improve care for the individuals we serve. Instead, it creates additional regulatory requirements, administrative barriers, and procedural steps for both individuals seeking services and providers attempting to deliver them. Currently, CMHs serve as the single point of responsibility for coordinating preadmission screening and placement activities. HB 6022 would fragment those responsibilities by assigning different entities to perform those functions depending on an individual's level of care. This approach is likely to result in more paperwork, additional patient handoffs, increased service delays, and

greater administrative complexity related to funding and care coordination—without directing additional resources toward treatment.

Because the bill is moving so quickly, many legislators appear to believe that the Mental Health Framework is primarily about determining who may conduct a preadmission screening within a three-hour period and that delays in completing those screenings are the primary reason individuals remain in hospital emergency departments for extended periods. As you know, that is not the reality. Individuals are not waiting in emergency departments because assessments have not been completed; they are waiting because there are insufficient psychiatric beds and a lack of appropriate treatment placements.

CMHA and its members were not included in the development of HB 6022. We were not consulted during the drafting process, were not given an opportunity to provide input, and did not see the bill language until it was formally introduced. Given the significant operational and policy changes proposed, it is critical that all stakeholders—including CMHs, providers, hospitals, health plans, MDHHS, and consumers—be brought together to identify meaningful system improvements and develop solutions collaboratively.

We also noted that MDHHS recently announced a delay in implementation of the Mental Health Framework and that the House-passed budget includes language prohibiting the department from expending funds to implement the framework. If implementation of the framework is being delayed, paused, or restricted through the budget process, it raises a fundamental question: why is legislation designed to operationalize that framework being advanced with such urgency at this time?

As for next steps, HB 6022 has now been referred to the House Rules Committee. If the committee approves the bill, it will advance to the full House for consideration and a floor vote.

REQUEST FOR ACTION: We are asking you to reach out to your House and Senate members to stop the passage of HB 6022 and the Mental Health Framework. Why is legislation intended to operationalize that framework being advanced so quickly at this time when MDHHS announced on May 15 that is has paused the implementation. This proposal does not improve care for the people we serve.

Please feel free to customize your response as you see fit

We also need you **to ask that the members of your Board of Directors, your staff, and your community partners make those same contacts – SIMPLY FORWARD THIS EMAIL TO THEM**.

ACTION ALERT: Tell Legislators to STOP HB 6022

The Mental Health Framework:

A Solution in Search of a Problem?

The Michigan Department of Health and Human Services recently announced their intent to move forward and implement the Mental Health Framework (MHF) policy on October 1, 2026. The MHF will alter how people on Medicaid access behavioral health services.

Don't be fooled, the MHF is not supported by key stakeholders or people receiving services, it is a bureaucratic shell game that shifts roles and responsibilities which increases administrative burdens and costs while not improving care for people receiving services.

Please take immediate action and call on MDHHS to STOP their work on the Mental Health Framework. **It is truly a solution in search of a problem.**

The Mental Health Framework DOES

- MHF DOES create fragmentation in care, instead of one coordinated public system, responsibility is split between CMH, Medicaid Health Plans (MHPs), and PIHPs depending on a person's classification. That means more handoffs, more confusion about who pays, and more time spent navigating the system rather than receiving care – this will slow down admissions, approvals, and treatment initiation
- MHF DOES add additional barriers to care by requiring providers to become certified in new lengthy assessment tools for Medicaid recipients and creating complex billing structures that will make it harder for individuals to access services.
- MHF DOES increase the cost of providing Medicaid services by turning over control of large portions of Michigan's Medicaid behavioral health system to private health plans that have higher administrative costs and profit. Hospitals, CMHs, and providers have raised serious concerns about the operational strain this framework would create—requiring new contracts, duplicative processes, and shifting payment responsibilities.
- MHF DOES circumvent the Michigan legislature by making significant policy changes through administrative rules as the proposal appears to conflict with Michigan's Mental Health Code and recent Court of Claims rulings.

The Mental Health Framework DOES NOT

- MHF DOES NOT offer better access to care
- MHF DOES NOT identify a clear problem that is attempting to be solved
- MHF DOES NOT better clarify roles and responsibilities
- MHF DOES NOT speak for thousands of persons served across Michigan as MDHHS has stated – they do NOT want this change

JOIN THE FOLLOWING GROUPS IN OPPOSING THE MENTAL HEALTH FRAMEWORK

MAC Michigan Association of Counties

CMHA Community Mental Health Association of Michigan

MHA Mental Health Association in Michigan

NAMI National Alliance on Mental Illness

Michigan Sheriffs' Association

The Arc Michigan

Community Mental Health Association of Michigan Proposed Budget FY2026-27 (10/01/26-09/30/27)			
	Current FY25-26 Budget	Proposed Budget FY26-27 Budget	Variance
Core Services Revenue			
Membership Dues- CMHSP	864,801	907,478	42,677
Membership Fees- PIHP	57,328	58,480	1,152
Affiliate Membership	147,464	147,464	-
Interest Income	140,000	180,000	40,000
Miscellaneous Income	50,625	6,000	(44,625)
Miscellaneous Contract Income	-	54,000	54,000
Total Core Revenue	1,260,218	1,353,422	93,204
Core Services Expenditures			
Payroll Expense	1,178,722	1,261,840	83,118
Fringes - Payroll and non payroll	45,000	23,843	(21,157)
Health Insurance	183,345	232,803	49,458
Retirement	70,723	70,086	(637)
Payroll Taxes	102,211	108,653	6,442
Office Supplies	12,000	12,000	-
Telephone	14,500	14,500	-
Postage	5,500	5,500	-
Printing	4,500	4,500	-
National Council Dues	107,568	110,795	3,227
NACBHDD Dues	51,438	45,900	(5,538)
Dues for Organizations	16,564	20,616	4,052
Staff Travel	19,250	25,815	6,565
Committee Expenses	6,000	2,500	(3,500)
Travel (UP)	2,500	1,000	(1,500)
Building Maintenance	2,500	6,500	4,000
Insurance	19,463	19,463	-
Copier	5,500	5,500	-
Computer Expenses	127,000	213,000	86,000
Building & Eqpt. Depreciation	11,000	12,329	1,329
Miscellaneous Expenses	35,000	132,500	97,500
Rental Expenses- MBHA	127,585	130,565	2,980
Professional/Contractual	394,456	584,000	189,544
The alg Group-Audit	16,000	18,000	2,000
Government Consultant - MHS	64,260	64,260	-
Governmental Consultant - McCall Hamil	27,254	-	(27,254)
Education & Advocacy	150,000	150,000	-
Staff Development	5,000	20,000	15,000
Subscriptions	5,100	5,253	153
Equipment	19,250	5,000	(14,250)
Aggregated Staffing/Costs Credit*	(1,311,915)	(1,580,835)	(268,920)
Total Core Expenses	1,517,274	1,725,887	208,613
Other Income (See page 2 for detail)			
Conference (net)	249,279	259,206	9,927
Training (net)	17,750	10,435	(7,315)
Products (net)	28,130	28,925	795
MDHHS MH Grant (net)	-	895,897	895,897
MHEF/CMHAM SA/CCBHC/Digital Magazine (net)	(38,103)	(178,386)	(140,283)
Net Revenue/Expense	-	643,612	643,612

Community Mental Health Association of Michigan			
Proposed Budget FY2026-27 (10/01/26-09/30/27)			
	Current FY25-26 Budget	Proposed Budget FY26-27 Budget	Variance
GRANTS:			
MDHHS Mental Heath Grant			
Revenue	13,374,560	16,620,382	3,245,822
Expense	13,374,560	15,724,485	2,349,925
Excess Revenue/(Expense)	-	895,897	895,897
CMHAM CONFERENCES:			
CMHAM Conferences			
Revenue	685,641	720,736	35,095
Expense	436,362	461,530	25,168
Excess Revenue/(Expense)	249,279	259,206	9,927
CMHAM TRAININGS:			
CMHAM Trainings			
Revenue	519,457	510,957	(8,500)
Expense	501,707	500,522	(1,185)
Excess Revenue/(Expense)	17,750	10,435	(7,315)
PRODUCTS			
Revenue	95,046	102,950	7,904
Expense	66,916	74,025	7,109
Excess Revenue/(Expense)	28,130	28,925	795
MHEF/CMHAM SA/CCBHC/Digital Magazine			
Revenue	-	1,000	1,000
Expense	38,103	179,386	141,283
Excess Revenue/(Expense)	(38,103)	(178,386)	(140,283)
Excess Revenue/(Expense) from Conferences, Trainings, Products etc.	257,056	1,016,077	759,021
Net Revenue/(Expense)	-	-	-
Total Revenue	15,934,922	19,309,447	3,374,525
Total Expenditures	15,934,922	18,665,835	2,730,913
Net Revenue/Expense- CMHAM	-	643,612	643,612

*The Aggregated Staffing/Costs Credit are those costs removed from the CMHA Core Services budget and allocated to the other revenue sources of CMHA, including: MDHHS Mental Health Grant, CMHA Conferences, CMHA Trainings, Products, and other grant revenues.

FY27 Conference Report (Final Budget)

Specific Mental Health/Substance Abuse Services Line items

	FY'27 (Exec Rec)	FY'27 (House)	FY'27 (Senate)	FY'27 (Final)
-CMH Non-Medicaid services	$125,578,200	$125,578,200	$125,578,200	$125,578,200
-Medicaid Mental Health Services	$3,667,513,800	$3,329,969,700	$3,663,869,500	$3,429,794,900
-Medicaid Substance Abuse services	$84,902,600	$84,902,600	$84,902,600	$86,779,200
-State disability assistance program	$2,018,800	$1,922,000	$2,018,800	$1,865,200
-Community substance abuse (Prevention, education, and treatment programs)	$79,221,100	$79,207,900	$78,186,700	$77,133,400
-Health Homes Program	$50,239,800	$50,239,800	$50,239,800	$34,239,800
-Autism services	$560,716,600	$560,716,600	$560,716,600	$552,239,000
-Healthy MI Plan (Behavioral health)	$525,256,200	$375,780,500	$518,153,900	$392,882,000
-CCBHC	$916,062,700	$916,062,700	$916,062,700	$916,062,700
-Total Local Dollars	$9,943,600	$9,943,600	$9,943,600	$9,943,600

Other Highlights of the FY27 Final Budget:

Boilerplate sections NOT included:

Sec. 1020. PIHP Request for Proposal – NOT INCLUDED

Sec. 1021. "Mental Health Framework" Prohibition – NOT INCLUDED

Sec. 1022. Waskul Cost Reimbursements – NOT INCLUDED

Direct Care Worker Wages

- Executive includes $351.8 million Gross ($118.9 million GF/GP) to backfill federal COVID-19 Public Health Emergency (ARPA) revenue and retain $3.40 per hour wage add-on, incorporate state minimum wage increases for CY 2025 and 2026, include an additional $1.27 per hour increase to recognize minimum wage rate effective January 1, 2027, and provide for statutorily-required sick-leave payment costs for Medicaid reimbursed Direct Care Worker wages. **Conference does not include in FY 2026-27, but includes in a FY 2025-26 supplemental.**

- FY26 Supplemental Budget Boilerplate: Sec. 409. Direct Care Wages Allocates funds for minimum wages increases in 2026, 2027, and sick leave costs related to changes to state law; designates unexpended funds as a work project appropriate.

Applied Behavior Analysis (ABA) Service Delivery

- Conference reduces $21.6 million Gross ($7.4 million GF/GP) from the department implementing service and delivery changes to ABA services either independently or associated with federal policy or regulatory modifications. Section 923 is related boilerplate.

Certified Community Behavioral Health Clinics (CCBHCs)

- Includes $7.9 million GF/GP to offset a like amount of federal funds based on updated, anticipated federal cost reimbursements.

- **Conference moves $242.3 million Gross ($46.0 million GF/GP) to the one-time unit.** This results in a net $0 change in FY 2026-27.

Crisis Stabilization Unit Expansion – One-Time

- Conference includes $5.0 million GF/GP on a one-time basis.to expand the number of crisis stabilization units.

Medicaid Efficiencies – (479,703,400 Gross savings) / (185,000,000 GF/GP savings)

- The Conference reduced funding due to changes to the pharmaceutical program such as participation in the GENEROUS program, utilization of a single pharmaceutical benefits manager, increased utilization of generic and biosimilars, and prescription fee alignment ($311.2 million Gross and $84.0 million GF/GP)
- Carving out of the Medicaid adult dental program ($48.8 million Gross and $11.3 million GF/GP)
- Medicaid autism services utilization review ($21.6 million Gross and $7.4 million GF/GP)
- Medicaid Health Maintenance Organization administrative reductions ($20.3 million Gross and $5.0 million GF/GP)
- Medicaid third-party contract savings ($7.0 million Gross and $3.5 million GF/GP)
- Eliminated the non-Medicaid long term care direct care worker wage backfill ($73.9 million Gross and GF/GP)

Conference One-Time Items

Conference includes 5.4 million GF/GP for the following one-time items:

- Center for Behavioral Health - $2.0 million GF/GP.

- Common Ground Crisis Center - $405,000 GF/GP.
- St. Louis Center - $2.0 million GF/GP.
- First Responder Mental Health Supports - $1.0 million GF/GP.

Behavioral Health Boilerplate Changes

Sec. 226. U.S. Citizenship Requirement **– NOT INCLUDED**

Sec. 227. Prohibition on DEI Programs – **NOT INCLUDED**

REVISED Sec. 231. 264. Direct Care Worker Wage Increase and Report – Conference revises to remove specific direct care wage and references rate of previous fiscal year; requires pass-through of wage uplift directly to direct care workers, and requires documented proof from contractors; and requires the department to recoup payments from employers that do not provide for the wage uplift pass-through.

REVISED Sec. 920. Rate-Setting Process for PIHPs – Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases. **Conference adds requirement that DHHS complete rate setting process before requiring PIHPs to implement new direct care worker wage requirements, and requires a report.**

NEW Sec. 923. ABA Adjustments – Conference requires DHHS to identify and implement services delivery and policy modifications to realize utilization efficiencies for ABA either independently or in alignment with federal policy modifications.

REVISED Sec. 924. Autism Services Fee Schedule – Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not less than $66.00 per hour. **Executive revises to only require a minimum fee of not less than $66.00 per hour for behavioral technicians. Conference concur with the Executive.**

NEW Sec. 925. Autism Services Quality Control – Requires DHHS to dedicate up to $1.0% from the autism line to contract with an independent agency to identify fraud, institute quality control measures, and provide technical assistance to improve outcomes and accountability.

RETAINTED: Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – House retains Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines “national accrediting entity.”

RETAINED Sec. 1002. Prohibition on using appropriated funds to expand the certified community behavioral health clinic (CCBHC) demonstration.

Sec. 1020. PIHP Request for Proposal – NOT INCLUDED

Sec. 1021. “Mental Health Framework” Prohibition – NOT INCLUDED

Sec. 1022. Waskul Cost Reimbursements – NOT INCLUDED

NEW Sec. 1530. Medicaid Waiver Approvals – House prohibits the department from requesting or implementing a CMS waiver or Medicaid State Plan amendment prior to statutory approval. Senate does not include. Conference concurs with the House.

NEW Sec. 1762/1793. Medicaid Health Plan – Medical Loss Ratio – House requires department to ensure adherence to CMS guidance for Medicaid health plans medical loss ratio requirements. Conference requires adherence to CMS guidance for medical loss ratio requirements, and disallows use of investment income as part of medical loss ratio.

Email Correspondence

From:	Monique Francis
To:	Monique Francis
Cc:	Robert Sheehan; Alan Bolter; David Lowe
Subject:	Requesting your posting, on your social media sites, two social media sets: findings of survey or Michiganders finding deep opposition to privatization; opposition to HB 6022
Date:	Friday, July 10, 2026 10:31:30 AM
Attachments:	image001.png

To: CEOs of CMHs, PIHPs, and Provider Alliance members
CC: CMHA Officers; Members of the CMHA Board of Directors and Steering Committee; CMH & PIHP Board Chairpersons
From: Robert Sheehan, Outgoing CEO, CMH Association of Michigan
Re: Requesting your posting, on your social media sites, two social media sets: findings of survey or Michiganders finding deep opposition to privatization; opposition to HB 6022

BACKGROUND:

A. POLL FINDING DEEP OPPOSITION TO PRIVATIZATION OF MICHIGAN'S PUBLIC MENTAL HEALTH SYSTEM: As you may remember, EPIC-MRA (one of Michigan's most respected public opinion polling firms), in partnership with CMHA, recently conducted a statewide poll of likely voters regarding their views on the potential privatization of Michigan's public mental health system. **The findings of that poll underscore the strong opposition to attempts to privatize Michigan's public mental health system.**

Below are excerpts from the recent press release describing the poll results.

> Of likely November 2026 voters, 70% are against shifting the management of Medicaid mental health services to private health insurance companies, up from 64% in 2022. Conversely, public support for privatization has continued to erode, falling to just 19% from 21% four years ago.
>
> Additional findings from the survey include:
>
> - 69% oppose ending local control and local accountability of Michigan's public mental health system, compared to just 19% who support the proposal.
> - 70% oppose shifting management of Medicaid mental health services to private insurance companies, while only 19% support the change.
> - 58% strongly oppose privatization, compared to only 8% who strongly support it.
> - 49% would be less likely to support a candidate who favors privatization, while only 11% would be more likely to support such a candidate.
>
> The full press release can be found here.

B. STRONG OPPOSITION TO FLAWED HOUSE BILL: As you may remember, CMHA, its members, and allies have raised serious concerns regarding HB 6022. This bill, as CMHA has repeatedly underscored, does not improve access to timely crisis assessments nor to psychiatric inpatient care, while privatizing a longstanding role of Michigan's public CMH system and making service access far more complex.

REQUEST: CMHA is placing the series of posts, highlighting the findings of this survey and the flaws in HB 6022, on the association's social media sites over the next few weeks.

We are asking that, as part of this campaign, that your organization do the same – placing these social media posts, found here, on your organization's social media sites, with a post weekly over the next few weeks.

Thank you, in advanced, for your participation in this effort.

Robert Sheehan
Outgoing Chief Executive Officer
Community Mental Health Association of Michigan
2nd Floor
507 South Grand Avenue
Lansing, MI 48933
517.374.6848 main
517.237.3142 direct
www.cmham.org

NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – JUNE 10, 2026
VIA TEAMS

ATTENDEES:	**Bea Arsenov, Melissa Bentgen, Connie Cadarette, Ann Friend, Nancy Kearly, Allison Nicholson, Rob Palmer, Pamela Polom, Brandon Rhue, Jennifer Warner, Tricia Wurn, Deanna Yockey, Carol Balousek**

REVIEW AGENDA & ADDITIONS
No additions to the meeting agenda were requested.

REVIEW PREVIOUS MEETING MINUTES
The May minutes were included in the materials packet for the meeting.

MOTION BY CONNIE CARARETTE TO APPROVE THE MINUTES OF THE MAY 13, 2026, NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY ANN FRIEND. MOTION APPROVED.

MONTHLY FINANCIALS
April 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of $3,616,894. Carry forward was reported as $2,844,054. The total Medicaid and HMP current year surplus was reported as $6,460,948. The total Medicaid and HMP Internal Service Fund was reported as $20,590,089. The total Medicaid and HMP net surplus was reported as $27,051,037.
- Traditional Medicaid showed $137,862,959 in revenue, and $132,572,795 in expenses, resulting in a net surplus of $5,290,164. Medicaid ISF was reported as $13,519,285 based on the current FSR. Medicaid Savings was reported as $2,844,054.
- Healthy Michigan Plan showed $18,045,600 in revenue, and $19,718,869 in expenses, resulting in a net deficit of $1,673,269. HMP ISF was reported as $7,070,804 based on the current FSR. HMP savings was reported as $0.
- Health Home showed $1,823,499 in revenue, and $1,819,890 in expenses, resulting in a net surplus of $3,609.
- SUD showed all funding source revenue of $12,765,317 and $10,987,578 in expenses, resulting in a net surplus of $1,777,739. Total PA2 funds were reported as $4,826,819.

PA2/Liquor Tax was summarized as follows:

Projected FY26 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,137,481	$1,847,106	$2,071,443	$4,913,143

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,137,481	$507,324	$817,985	$4,826,819

When the NMRE reconciles the FSR at the completion of the compliance audit, it is anticipated that some funds will be transferred from the ISF to carry forward. A retroactive Health Home payment (to October 1st) will be reflected in the May Financial Report.

A $23.43 rate increase for BHH is expected, which will be retroactive to October 1, 2025. The MDHHS Actuarial Division is considering a gross adjustment approach, which may mean that updates to encounters will not be necessary; the total rate difference would be distributed to Lead Entities. The rate increase will be passed onto the CMHSPs; however, the NMRE retains 10% of BHH payments for administrative overhead.

MOTION BY ALLISON NICHOLSON TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR APRIL 2026; SUPPORT BY ANN FRIEND. MOTION APPROVED.

EDIT UPDATE
The next EDIT meeting is July 16th at 10:00AM.

EQI UPDATE
The October 2025 – May 2026 EQI Report is due to MDHHS on September 30th.

ELECTRONIC VISIT VERIFICATION (EVV)
Brandon was unable to attend the meeting on May 13th. The next meeting is scheduled for July 8th at 11:00AM. North Country staff received an email from the state indicating that the billing/adjudication piece is coming soon. Compliance reports go out on the 15th of each month. To date, the CMHSPs have not implemented any sanctions for noncompliance.

HSW OPEN SLOTS UPDATE
Bea reported that the region currently has 9 open HSW slots (702 filled) with 2 packets in the queue.

CHAMPS Issue
A retraction occurred (back 24 months) for one individual who was residing in a foster care home. The issue in CHAMPS is in the process of being fixed. Bea stressed the need to monitor HSW enrollees temporarily residing in nursing facilities moving forward. The NMRE's "HSW Payment Tracking" Power BI Report has been shared with the CMHSPs. Ann requested access to the report. Because Connie is unable to access the report, she asked Brandon to run it and share it with her. Brandon agreed, adding that the NMRE may purchase a license for Northeast Michigan to enable real-time access.

MID-YEAR RATE ADJUSTMENT
A meeting regarding FY27 rates was held at 9:00AM on this date. A FY26 rate adjustment is planned but the details have not been made available. Although FY27 rates will not be presented until early September, preliminary rates will be provided in late June/early July and can be used for budgeting. Connie noted that Northeast Michigan has pushed its budget meeting to October.

No update has been provided on the recoupment of October and November HSW (higher rate) payments. The HSW payment received on this date includes a lookback for North Country totaling $100K.

Ann drew attention to the significant drop in DABs as noted in the April Financial Report. Bea clarified that individuals are placed in HMP if documentation is not completed as HMP does not have an asset test.

CHILD WAIVER/COFR

Allison brought up an issue involving a child on the CWP for which Centra Wellness is providing services and another CMHSP is receiving the payment. Allison asked whether the payment can be redirected to Centra Wellness. Brandon responded that the NMRE sends the payment to the CMHSP that oversees the county of residence listed in CHAMPS. Brandon suggested asking the parents to switch the County to Manistee. After some discussion, the decision was made to request that the topic be added to the June 16th Regional Operations Committee meeting agenda.

OTHER

Brandon announced that Jackie Sproat alerted staff during the CIO forum to prepare for an upcoming change concerning incarcerated individuals. Resulting from an MDHHS audit, payment for individuals incarcerated for an entire month (not 30 days) will be recouped. The lookback period will change from 36 months to the start date of incarceration. It is unclear when this will become effective, likely sometime this summer). It is likely that this will involve only a small number of individuals that were not updated properly in the BRIDGES system.

Ann asked when the CMHSPs are normally paid if there is a surplus at the end of the year. Deanna responded they will occur for the previous year once the compliance audits are completed (before September 30th).

NEXT MEETING

The next meeting was scheduled for July 8th at 10:00AM.

NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – JULY 8, 2026
VIA TEAMS

ATTENDEES:	**Bea Arsenov, Brian Babbitt, Melissa Bentgen, Connie Cadarette, Ann Friend, Chip Johnston, Eric Kurtz, Allison Nicholson, Donna Nieman, Pamela Polom, Nena Sork, Jennifer Warner, Tricia Wurn, Deanna Yockey, Lynda Zeller, Carol Balousek**

REVIEW AGENDA & ADDITIONS
Deanna added NMRE representation on the SCA workgroup to the meeting agenda.

REVIEW PREVIOUS MEETING MINUTES
The June minutes were included in the materials packet for the meeting.

MOTION BY CONNIE CADARETTE TO APPROVE THE MINUTES OF THE JUNE 10, 2026, NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY MELISSA BENTGEN. MOTION APPROVED.

MONTHLY FINANCIALS
May 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of $5,673,008. Carry forward was reported as $2,844,054. The total Medicaid and HMP current year surplus was reported as $8,517,062. The total Medicaid and HMP Internal Service Fund was reported as $20,590,089. The total Medicaid and HMP net surplus was reported as $29,107,151
- Traditional Medicaid showed $156,375,097 in revenue, and $148,848,732 in expenses, resulting in a net surplus of $7,526,365 Medicaid ISF was reported as $13,519,285 based on the current FSR. Medicaid Savings was reported as $2,844,054.
- Healthy Michigan Plan showed $20,202,802 in revenue, and $22,056,159 in expenses, resulting in a net deficit of $1,853,357. HMP ISF was reported as $7,070,804 based on the current FSR. HMP savings was reported as $0.
- Health Home showed $2,445,003 in revenue, and $2,054,883 in expenses, resulting in a net surplus of $390,120.
- SUD showed all funding source revenue of $14,756,923 and $12,489,370 in expenses, resulting in a net surplus of $2,267,553. Total PA2 funds were reported as $ 4,720,992.

PA2/Liquor Tax was summarized as follows:

Projected FY26 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,137,481	$1,847,106	$2,071,443	$4,913,143

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,137,481	$507,324	$923,812	$4,720,992

Lynda asked whether the counties received their share of Quarter 1 liquor tax payments. Deannaresponded that Quarter 1 payments were skipped entirely to pay on "debt services." Quarter 2 liquor tax payments were not consistent with prior activity.

It was noted that Northern Lakes' debt was reduced by $1.9M since the April Financial report. Melissa attributed the reduction to corrections to accruals, depreciation entries, and clean-up of general ledger issues. Lynda acknowledged that Northern Lakes still can't completely generate automated revenue & expense charts but is getting close. Current reliance on manual processes is needed due to prior system inconsistencies and lack of documentation. Expenses that had hit claims but had not yet hit the general ledger (unpaid) had not been entered manually as accruals. Lynda recognized the help that Northern Lakes has received throughout the region as it rebuilds its accounting system.

It was noted that a retroactive BHH payment (to October 1st) was reflected in the May Financial Report; OHH retroactivity remains pending.

No update has been provided on the recoupment of October and November HSW (higher rate) payments, though it has been addressed with Keith White. A response is pending from MDHHS.

MOTION BY NENA SORK TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MAY 2026; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

EDIT UPDATE

The next EDIT meeting is July 16th at 10:00AM. The EDIT meeting agenda was included in meeting materials.

A new member is needed to represent the NMRE due to Donna's upcoming retirement. Allison and Connie both expressed interest. The decision was made to appoint Connie to EDIT with Allison acting as an alternate, if allowed.

EQI UPDATE

The October 2025 – May 2026 EQI Report is due to MDHHS on September 30th. A data pull date will be selected in August. An EQI workgroup meeting is scheduled for August 13th. Melissa and Connie requested the meeting invitation. The meeting organizer was shared as Joseph Domorsky DomorskyJ@michigan.gov.

ELECTRONIC VISIT VERIFICATION (EVV)

An EVV meeting is scheduled for 11:00AM on this date. No additional updates were provided.

HSW OPEN SLOTS UPDATE

The region currently has 8 open HSW slots (703 slots filled).

Bea referenced an email from Lyndia Deromedi dated July 1st regarding HSW unduplicated slot counts. MDHHS specified the maximum number of unduplicated participants served annually in the waiver at 8,268. Currently there are 104 slots available to fill in the remainder of FY26. So that the state does not exceed the unduplicated number of participants served, MDHHS will be pausing all HSW enrollments until July 13th to assess needs across the state.

MDHHS' request for the number of HSW pending enrollments for the region was due on July 7th. MDHHS will review the information to help inform next steps.

CHAMPS Issue
The July payment showed 771 payments processed. Recoupments related to residential living arrangement (RLA) changes were appropriate. A large recoupment for North Country (23 months) was determined to be in error (CHAMPS issue) and was repaid in full.

NMRE FY26 REVENUE & ELIGIBLES ANALYSIS
October 2025 through June 2026 revenue looks like September 2025; however, the NMRE observed a 7.6% decrease in eligibles between DAB, TANF, and HMP.

Overall, June revenue (all funding sources) was $637,528 lower than September 2025.

DAB			
	October 2023	June 2026	% Change
Revenue	$10,003,003	$10,922,545	9.19%
Enrollees	28,444	24,727	-13.07%
Average Payment per Enrollee	$352	$442	25.61%

HMP			
	October 2023	June 2026	% Change
Revenue	$2,369,569	$2,097,420	-11.49%
Enrollees	47,550	26,828	-43.58%
Average Payment per Enrollee	$50	$78	56.88%

TANF			
	October 2023	June 2026	% Change
Revenue	$2,865,200	$2,719,086	-5.10%
Enrollees	66,801	49,468	-25.95%
Average Payment per Enrollee	$43	$55	28.15%

Children's Waiver Program			
	October 2023	June 2026	% Change
Revenue	$36,882	$31,620	-14.27%
Enrollees	11	9	-18.18%
Average Payment per Enrollee	$3,353	$3,513	4.78%

HSW			
	October 2023	June 2026	% Change
Revenue	$4,638,399	$5,196,707	12.04%
Enrollees	650	709	9.08%
Average Payment per Enrollee	$7,136	$7,330	2.71%

SED			
	October 2023	June 2026	% Change
Revenue	$40,846	$23,545	-42.36%

Enrollees	21	32	56.38%
Average Payment per Enrollee*	$1,945	$736	-62.17%

*SED revenue was moved into DAB October 1, 2024.

TOTAL			
	October 2023	June 2026	% Change
	$19,953,899	20,990,923	5.20%

Clarification was made that the November HSW payment included prior year retroactivity totaling $616K and the January HSW payment included prior year retroactivity totaling $136K.

Mid-Year Rate Adjustment
Although FY27 rates will not be presented until early September, preliminary rates will be expedited so the CMHSPs can use them for budgeting.

MA/HMP EXPENDITURES
NMRE requested MA & HMP expenditures from the CMHSPs on the Friday before any future Finance Committee meetings.

SCA REPRESENTATION
Deanna shared an email from Joseph Domorsky at MDHHS requesting participation in the SCA Workgroup as it is being reconstituted by the state. All five CMHSP CFOs expressed interest in participating, agreeing that unified participation is beneficial.

Chip provided an overview of the long history of disagreement between CMHSPs and the state regarding:
- Administrative cost allocation
- Treatment of contracted services
- Managed care vs. delegated functions
- EQI reconciliation

Donna noted that she records the following statement on Centra Wellness' EQI reports: "We are compliant with SCA only to the extent permissible by law and GAAP."

Lynda requested a followup sidebar following the first SCA meeting.

OTHER
The PIHP Medicaid FSR bundle is due August 15th (Saturday). Projections will be due from the CMHSPs to the NMRE two weeks prior (August 3rd or 4th).

NEXT MEETING
The next meeting was scheduled for August 12th at 10:00AM.

Chief Executive Officer Report

June-July 2026

This report is intended to brief the NMRE Board on the CEO's activities since the last Board meeting. The activities outlined are not all inclusive of the CEO's functions and are intended to outline key events attended or accomplished by the CEO.

May 28: Attended and participated in NMRE Internal Operations Committee meeting.

June 2: Attended and participated in PIHP CEO meeting.

June 4: Attended and participated in MDHHS PIHP Operations meeting.

June 9 &10: Attended and participated in the CMHAM Spring Conference.

June 11: Attended and participated in NMRE Internal Operations Committee meeting.

June 16: Chaired NMRE Regional Operations Committee meeting.

June 22: Attended MDHHS PIHP Rate Comparison meeting.

June 25: Attended and participated in NMRE Internal Operations Committee meeting.

June 26: Attended and participated in Rural Caucus meeting.

July 8: Attended and participated in NMRE Regional Finance Committee meeting.

July 9: Attended and participated in NMRE Internal Operations Committee meeting.

July 10: Attended case consultation meeting with legal regarding PIHP v. State.

July 14: Attended and participated in PIHP CEO meeting.

July 21: Plan to chair NMRE Operations Committee meeting.

Northern Michigan Regional Entity

May 2026 Finance Report

May 2026 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	7,526,365	2,844,054	13,519,285
Healthy Michigan	(1,853,357)	-	7,070,804
	$ 5,673,008	$ 2,844,054	$ 20,590,089

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	686,165	1,882,000	(3,427,935)	1,800,654	1,708,238	2,736,571	287,315	$ 5,673,008
Carry Forward		-	-	-	-	-	-	2,844,054
Total Med/HMP Current Year Surplus	686,165	1,882,000	(3,427,935)	1,800,654	1,708,238	2,736,571	287,315	$ 8,517,062
Medicaid & HMP Internal Service Fund								20,590,089
Total Medicaid & HMP Net Surplus								$ 29,107,151

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2025 through May 31, 2026

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	$ 153,355,036	$ 3,020,061						$ 156,375,097
CMHSP Distributions	(147,097,128)		47,624,434	39,867,121	24,139,350	22,515,779	12,950,445	-
1st/3rd Party receipts								-
Net revenue	6,257,908	3,020,061	47,624,434	39,867,121	24,139,350	22,515,779	12,950,445	156,375,097
Expense								
PIHP Admin	2,127,118	29,687						2,156,805
PIHP SUD Admin		77,134						77,134
SUD Access Center		-						-
Insurance Provider Assessment	733,924	11,048						744,972
Hospital Rate Adjuster	2,709,038							2,709,038
Services	-	1,970,496	49,316,732	37,707,093	22,299,950	19,464,771	12,401,740	143,160,783
Total expense	5,570,080	2,088,365	49,316,732	37,707,093	22,299,950	19,464,771	12,401,740	148,848,732
Net Actual Surplus (Deficit)	$ 687,828	$ 931,696	$ (1,692,299)	$ 2,160,028	$ 1,839,400	$ 3,051,007	$ 548,705	$ 7,526,365

Notes

Medicaid ISF - $13,519,285 - based on current FSR
Medicaid Savings - $2,844,054

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2025 through May 31, 2026

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	$ 13,928,898	$ 6,273,904						$ 20,202,802
CMHSP Distributions	(11,133,416)		4,066,332	3,142,631	1,444,676	1,516,917	962,861	-
1st/3rd Party receipts								-
Net revenue	2,795,482	6,273,904	4,066,332	3,142,631	1,444,676	1,516,917	962,861	20,202,802
Expense								
PIHP Admin	209,946	75,678						285,624
PIHP SUD Admin		196,634						196,634
SUD Access Center		-						-
Insurance Provider Assessment	306,326	28,050						334,376
Hospital Rate Adjuster	2,280,873							2,280,873
Services	-	5,023,238	5,801,969	3,502,004	1,575,839	1,831,353	1,224,250	18,958,653
Total expense	2,797,145	5,323,600	5,801,969	3,502,004	1,575,839	1,831,353	1,224,250	22,056,159
Net Surplus (Deficit)	$ (1,663)	$ 950,304	$ (1,735,637)	$ (359,373)	$ (131,163)	$ (314,437)	$ (261,389)	$ (1,853,357)

Notes
HMP ISF - $7,070,804 - based on current FSR
HMP Savings - $0

Net Surplus (Deficit) MA/HMP	**$ 686,165**	**$ 1,882,000**	**$ (3,427,935)**	**$ 1,800,654**	**$ 1,708,238**	**$ 2,736,571**	**$ 287,315**	**$ 5,673,008**
Medicaid/HMP Carry Forward								**2,844,054**
Total Med/HMP Current Year Surplus								$ 8,517,062
Medicaid & HMP ISF - based on current FSR								**20,590,089**
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								**$ 29,107,151**

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2025 through May 31, 2026

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	$ 862,492		277,257	301,296	393,803	193,068	417,087	$ 2,445,003
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	862,492	-	277,257	301,296	393,803	193,068	417,087	2,445,003
Expense								
PIHP Admin	30,003							30,003
BHH Admin	33,394							33,394
Insurance Provider Assessment	-							-
Hospital Rate Adjuster								
Services	408,975		277,257	301,296	393,803	193,068	417,087	1,991,486
Total expense	472,372	-	277,257	301,296	393,803	193,068	417,087	2,054,883
Net Surplus (Deficit)	$ 390,120	$ -	$ -	$ -	$ -	$ -	$ -	$ 390,120

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health
October 1, 2025 through May 31, 2026

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	$ 3,020,061	$ 6,273,904	$ 2,859,101	$ 1,680,044	$ 923,813	$ 14,756,923
Expense						
Administration	106,821	272,312	124,016	190,996		694,145
OHH Admin			61,850	-		61,850
Block Grant Access Center	-	-	-	-		-
Insurance Provider Assessment	11,048	28,050	-			39,098
Services:						
Treatment	1,970,496	5,023,238	2,287,683	920,280	923,813	11,125,510
Prevention	-	-	-	564,789	-	564,789
Healing and Recovery Grant				3,978		3,978
Alcohol Use Disorder Services				-		
ARPA Grant	-	-	-	-	-	-
Total expense	2,088,365	5,323,600	2,473,549	1,680,044	923,813	12,489,370
PA2 Redirect			-	-		-
Net Surplus (Deficit)	$ 931,696	$ 950,304	$ 385,552	$ 0	$ -	$ 2,267,553

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds
October 1, 2025 through May 31, 2026

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	$ 153,355,036	$ 3,020,061	$ -	$ 156,375,097
Medicaid Savings	2,636,820	-	-	2,636,820
Healthy Michigan	13,928,898	6,273,904	-	20,202,802
Healthy Michigan Savings	-	-	-	-
Health Home	2,445,003	-	-	2,445,003
Opioid Health Home	-	2,859,101	-	2,859,101
Substance Use Disorder Block Grant	-	1,680,044	-	1,680,044
Public Act 2 (Liquor tax)	-	923,813	-	923,813
Affiliate local drawdown	446,112	-	-	446,112
Performance Incentive Bonus	859,452	-	-	859,452
Miscellanous Grant Revenue	-	-	-	-
Healing & Recovery Revenue	-	-	-	-
Veteran Navigator Grant	96,979	-	-	96,979
SOR Grant Revenue	-	1,086,742	-	1,086,742
Gambling Grant Revenue	-	142,405	-	142,405
Other Revenue	105	-	2,679	2,784
Total operating revenue	173,768,405	15,986,070	2,679	189,757,154
Operating expenses				
General Administration	2,506,897	554,315	-	3,061,212
Prevention Administration	-	83,963	-	83,963
OHH Administration	-	61,850	-	61,850
BHH Administration	33,394	-	-	33,394
Insurance Provider Assessment	1,040,250	39,098	-	1,079,348
Hospital Rate Adjuster	4,989,911	-	-	4,989,911
Payments to Affiliates:				
Medicaid Services	141,190,286	1,970,496	-	143,160,782
Healthy Michigan Services	13,935,415	5,023,238	-	18,958,653
Health Home Services	1,991,486	-	-	1,991,486
Opioid Health Home Services	-	2,287,683	-	2,287,683
Community Grant	-	920,280	-	920,280
Prevention	-	480,826	-	480,826
State Disability Assistance	-	-	-	-
Alcohol Use Disorder Services	-	-	-	-
ARPA Grant	-	-	-	-
Public Act 2 (Liquor tax)	-	923,814	-	923,814
Local PBIP	2,463,598	-	-	2,463,598
Local Match Drawdown	446,112	-	-	446,112
Miscellanous Grant	-	-	-	-
Healing & Recovery Grant	-	3,978	-	3,978
Veteran Navigator Grant	96,979	-	-	96,979
SOR Grant Expenses	-	1,086,742	-	1,086,742
Gambling Grant Expenses	-	142,405	-	142,405
Total operating expenses	168,694,328	13,578,688	-	182,273,016
CY Unspent funds	5,074,077	2,407,382	2,679	7,484,138
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	(513,990)	10,600,637	20,586,761	30,673,408
Unspent funds - ending	$ 4,560,087	$ 13,008,019	$ 20,589,440	$ 38,157,546

Northern Michigan Regional Entity

Statement of Net Position

May 31, 2026

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	$ 47,470,442	$ 12,572,416	$ 20,589,440	$ 80,632,298
Accounts Receivable	7,312,595	1,637,051	-	8,949,646
Prepaids	59,988	-	-	59,988
Total current assets	54,843,025	14,209,467	20,589,440	89,641,932
Noncurrent Assets				
Capital assets	373,818	-	-	373,818
Total Assets	55,216,843	14,209,467	20,589,440	90,015,750
Liabilities				
Current liabilities				
Accounts payable	50,333,657	1,201,448	-	51,535,105
Accrued liabilities	323,099	-	-	323,099
Unearned revenue	-	-	-	-
Total current liabilities	50,656,756	1,201,448	-	51,858,204
Unspent funds	$ 4,560,087	$ 13,008,019	$ 20,589,440	$ 38,157,546

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health
October 1, 2025 through May 31, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	$ 229,702,368	$ 153,134,912	$ 153,355,036	$ 220,124	0.14%
Carryover	4,449,500	2,966,333	2,636,820	(329,513)	(0)
Healthy Michigan					
Capitation	17,969,268	11,979,512	13,928,898	1,949,386	16.27%
Carryover	-	-	-	-	0.00%
Health Home	2,844,551	1,896,367	2,445,003	548,636	28.93%
Affiliate local drawdown	594,816	446,112	446,112	-	0.00%
Performance Bonus Incentive	2,184,505	2,184,505	859,452	(1,325,053)	(60.66%)
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	73,336	96,979	23,643	32.24%
Other Revenue	-	-	105	105	0.00%
Total operating revenue	257,855,008	172,681,078	173,768,405	1,087,327	0.63%
Operating expenses					
General Administration	4,481,376	2,987,584	2,506,897	480,687	16.09%
Health Home Administration	-	-	33,394	(33,394)	0.00%
Insurance Provider Assessment	2,038,488	1,358,992	1,040,250	318,742	23.45%
Hospital Rate Adjuster	7,687,213	5,124,809	4,989,911	134,898	2.63%
Local PBIP	2,184,505	2,184,505	2,463,598	(279,093)	(12.78%)
Local Match Drawdown	594,816	446,112	446,112	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	135,336	90,224	96,979	(6,755)	(7.49%)
Payments to Affiliates:					
Medicaid Services	218,897,134	145,931,423	141,190,286	4,741,137	3.25%
Healthy Michigan Services	15,738,212	10,492,141	13,935,415	(3,443,274)	(32.82%)
Health Home Services	2,844,551	1,896,367	1,991,486	(95,119)	(5.02%)
Total operating expenses	254,601,631	170,512,157	168,694,328	1,817,829	1.07%
CY Unspent funds	$ 3,253,377	$ 2,168,921	5,074,077	$ 2,905,156	
Transfers in			-		
Transfers out			-	168,694,328	
Unspent funds - beginning			(513,990)		
Unspent funds - ending			$ 4,560,087	5,074,077	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse
October 1, 2025 through May 31, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	$ 7,015,245	$ 4,676,830	$ 3,020,061	$ (1,656,769)	(35.43%)
Healthy Michigan	12,312,158	8,208,105	6,273,904	(1,934,201)	(23.56%)
Substance Use Disorder Block Grant	3,525,032	2,350,021	1,680,044	(669,977)	(28.51%)
Opioid Health Home	3,556,831	2,371,221	2,859,101	487,880	20.58%
Public Act 2 (Liquor tax)	1,794,486	598,162	923,813	325,651	54.44%
Miscellanous Grants	4,000	2,667	-	(2,667)	(100.00%)
Alcohol Disorder Grant	285,600	190,400	-	(190,400)	(100.00%)
Healing & Recovery Grant	150,000	100,000	-	(100,000)	(100.00%)
SOR Grant	1,546,979	1,031,319	1,086,742	55,423	5.37%
Gambling Prevention Grant	200,000	133,333	142,405	9,072	6.80%
Other Revenue	-	-	-	-	0.00%
Total operating revenue	30,390,331	19,662,059	15,986,070	(3,675,989)	(18.70%)
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,025,044	683,363	554,315	129,048	18.88%
Prevention Administration	143,928	95,952	83,963	11,989	12.49%
Insurance Provider Assessment	120,208	80,139	39,098	41,041	51.21%
Medicaid Services	3,700,000	2,466,667	1,970,496	496,171	20.12%
Healthy Michigan Services	8,634,200	5,756,133	5,023,238	732,895	12.73%
Community Grant	2,130,419	1,420,279	920,280	499,999	35.20%
Prevention	838,096	558,731	480,826	77,905	13.94%
State Disability Assistance	93,043	62,029	-	62,029	100.00%
Alcohol Use Disorder Services	285,600	190,400	-	190,400	100.00%
ARPA Grant	-	-	-	-	0.00%
Opioid Health Home Admin	-	-	61,850	(61,850)	0.00%
Opioid Health Home Services	3,556,813	2,371,209	2,287,683	83,526	3.52%
Miscellanous Grants	4,000	2,667	-	2,667	100.00%
Healing & Recovery Grant	150,000	100,000	3,978	96,022	96.02%
SOR Grant	1,546,979	1,031,319	1,086,742	(55,423)	(5.37%)
Gambling Prevention	200,000	133,333	142,405	(9,072)	(6.80%)
PA2	1,794,492	598,164	923,814	(325,650)	(54.44%)
Total operating expenses	24,222,822	15,550,384	13,578,688	1,971,696	12.68%
CY Unspent funds	$ 6,167,509	$ 4,111,675	2,407,382	$ (1,704,293)	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			10,600,637		
Unspent funds - ending			$ 13,008,019		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration
October 1, 2025 through May 31, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	$ 2,442,372	$ 1,628,248	$ 1,391,538	$ 236,710	14.54%
Fringes	768,300	512,200	439,907	72,293	14.11%
Contractual	952,800	635,203	497,380	137,823	21.70%
Board expenses	13,500	9,000	12,373	(3,373)	(37.48%)
Day of recovery	14,000	9,333	9,279	54	0.58%
Facilities	133,000	88,664	97,650	(8,986)	(10.13%)
Other	157,404	104,936	58,770	46,166	43.99%
Total General Admin	$ 4,481,376	$ 2,987,584	$ 2,506,897	$ 480,687	16.09%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration
October 1, 2025 through May 31, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	$ 646,392	$ 430,928	$ 351,757	$ 79,171	18.37%
Fringes	227,940	151,960	116,283	35,677	23.48%
Access Salaries	-	-	-	-	0.00%
Access Fringes	-	-	-	-	0.00%
Access Contractual	-	-	-	-	0.00%
Contractual	114,000	76,000	65,725	10,275	13.52%
Board expenses	5,000	3,333	2,330	1,003	30.10%
Day of Recover	9,000	6,000	3,977	2,023	33.72%
Facilities	-	-	-	-	0.00%
Other	22,712	15,141	14,243	898	5.93%
Total operating expenses	$ 1,025,044	$ 683,363	$ 554,315	$ 129,048	18.88%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2025 through May 31, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	$ -	$ -	$ -	$ -	0.00%
Interest and Dividends	3,500	2,333	2,679	346	14.81%
Total operating revenue	3,500	2,333	2,679	346	14.81%
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	$ 3,500	$ 2,333	2,679	$ 346	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			20,586,761		
Unspent funds - ending			$ 20,589,440		

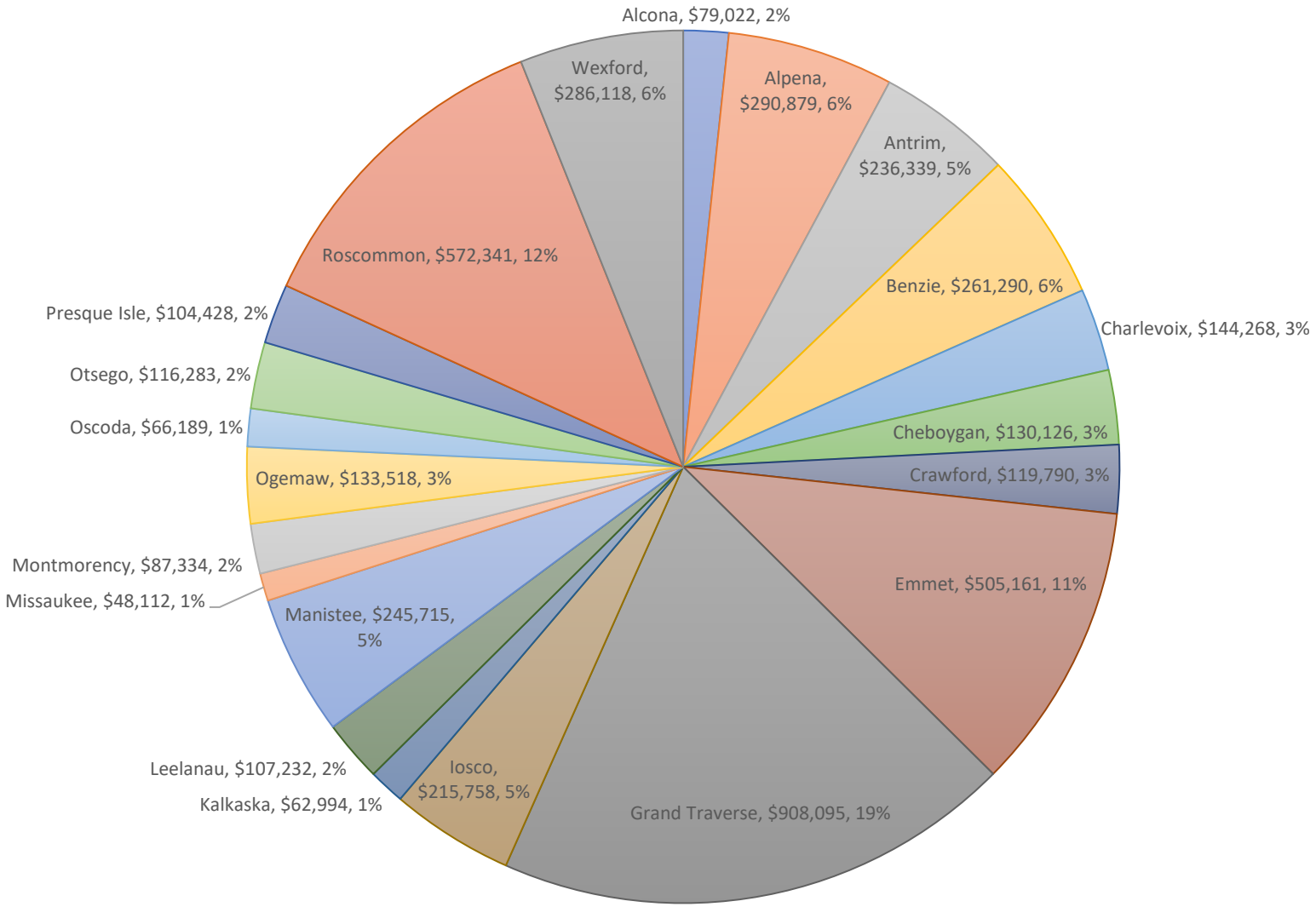
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2025 through May 31, 2026

	Projected FY26 Activity				Actual FY26 Activity			
	Beginning Balance	FY26 Projected Revenue	FY26 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
County						Actual Expenditures by County		
Alcona	$ 79,981	$ 23,013	$ 24,001	$ 78,993	$ 5,860	6,819	$ -	$ 79,022
Alpena	315,153	81,249	87,854	308,548	23,248	47,523	-	290,879
Antrim	247,799	71,430	46,424	272,805	19,924	31,384	-	236,339
Benzie	276,050	64,021	47,793	292,278	17,520	32,280	-	261,290
Charlevoix	180,985	106,977	92,341	195,621	28,595	65,312	-	144,268
Cheboygan	161,840	85,508	81,361	165,987	23,808	55,523	-	130,126
Crawford	127,739	36,205	33,849	130,095	11,928	19,876	-	119,790
Emmet	573,810	182,951	332,159	424,602	48,924	117,573	-	505,161
Grand Traverse	1,036,830	464,163	698,152	802,841	126,337	255,072	-	908,095
Iosco	217,704	84,319	66,511	235,512	23,374	25,319	-	215,758
Kalkaska	53,910	41,796	3,936	91,770	11,520	2,436	-	62,994
Leelanau	109,318	63,811	44,237	128,892	16,333	18,419	-	107,232
Manistee	250,122	82,480	40,719	291,883	22,657	27,064	-	245,715
Missaukee	48,934	22,352	7,175	64,112	6,353	7,175	-	48,112
Montmorency	85,825	30,318	14,262	101,881	6,970	5,461	-	87,334
Ogemaw	123,654	68,787	26,413	166,029	19,339	9,476	-	133,518
Oscoda	65,547	21,668	17,149	70,065	6,847	6,204	-	66,189
Otsego	135,933	105,067	111,286	129,714	29,432	49,081	-	116,283
Presque Isle	104,651	24,977	20,080	109,548	7,335	7,558	-	104,428
Roscommon	613,222	87,317	130,060	570,480	23,737	64,619	-	572,341
Wexford	328,472	98,696	145,681	281,487	27,281	69,635	-	286,118
	5,137,481	1,847,106	2,071,443	4,913,143	507,324	923,812	-	4,720,992
PA2 Redirect								-
								4,720,992

PA2/Liquor Tax Fund Balances by County

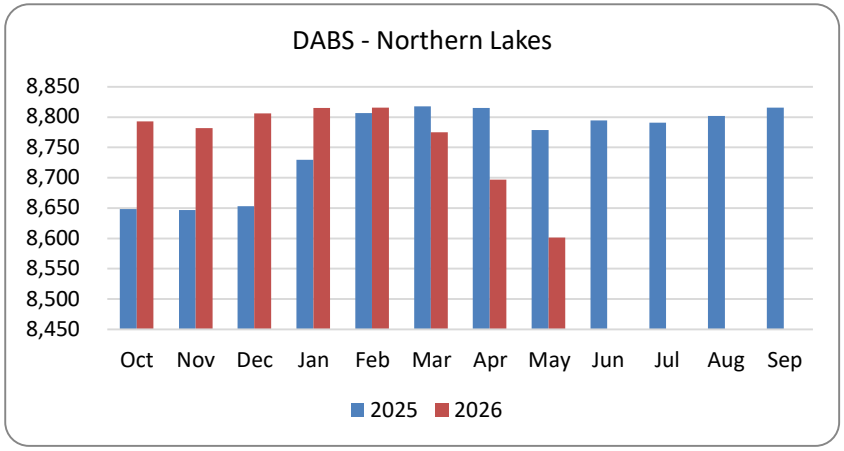


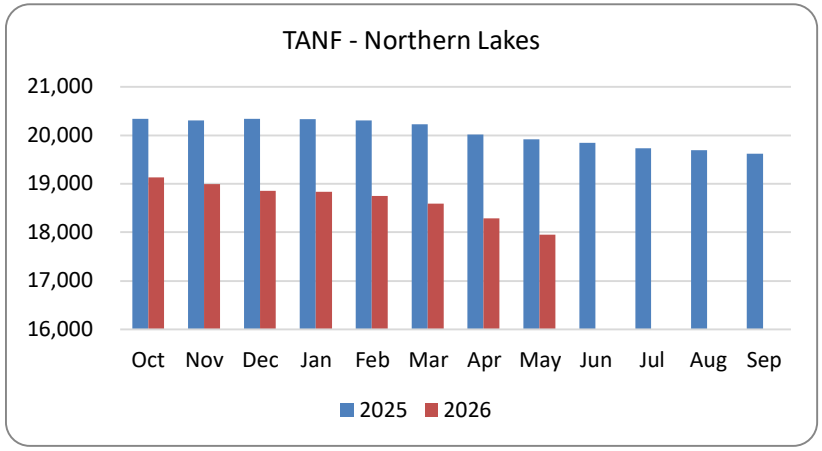
Northern Michigan Regional Entity

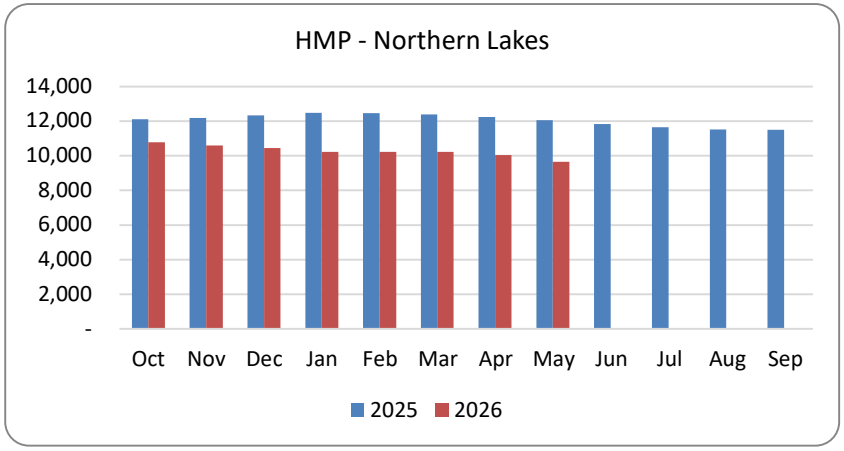
Narrative

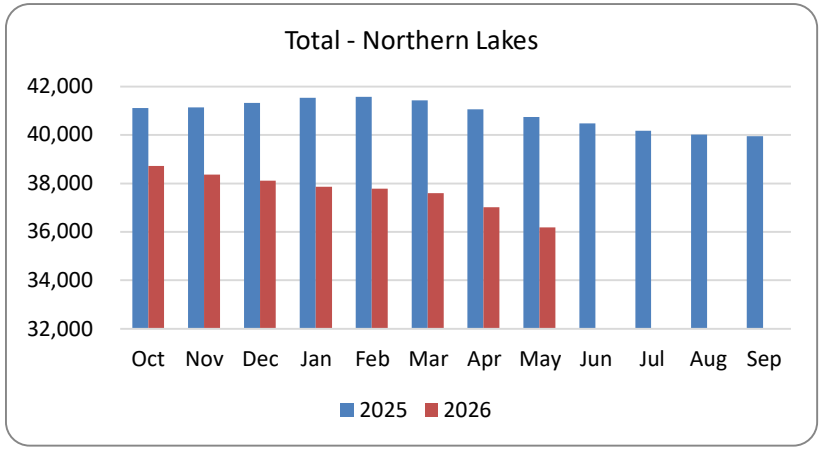
October 1, 2025 through May 31, 2026

Northern Lakes Eligible Members Trending - based on payment files







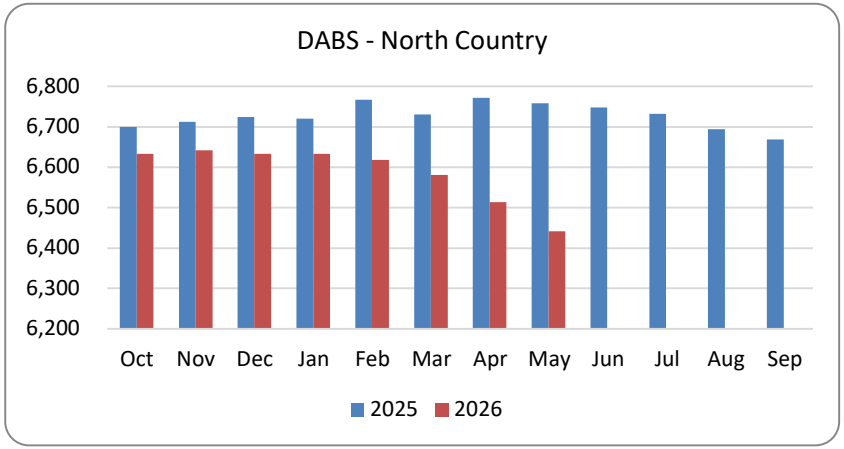


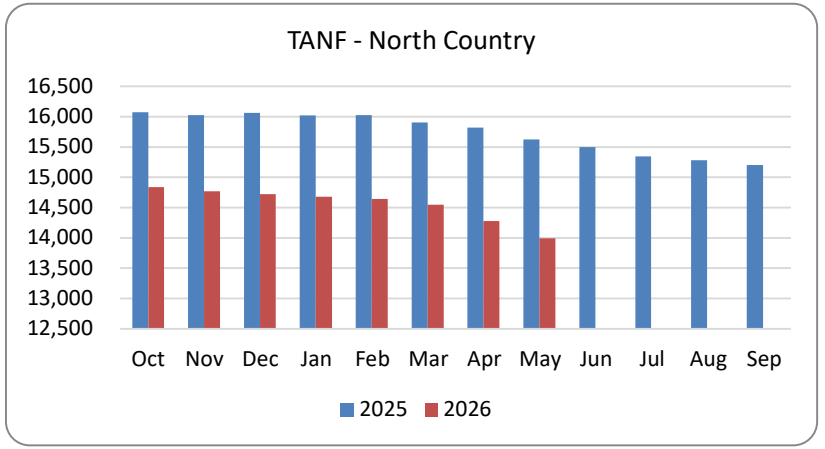
Northern Michigan Regional Entity

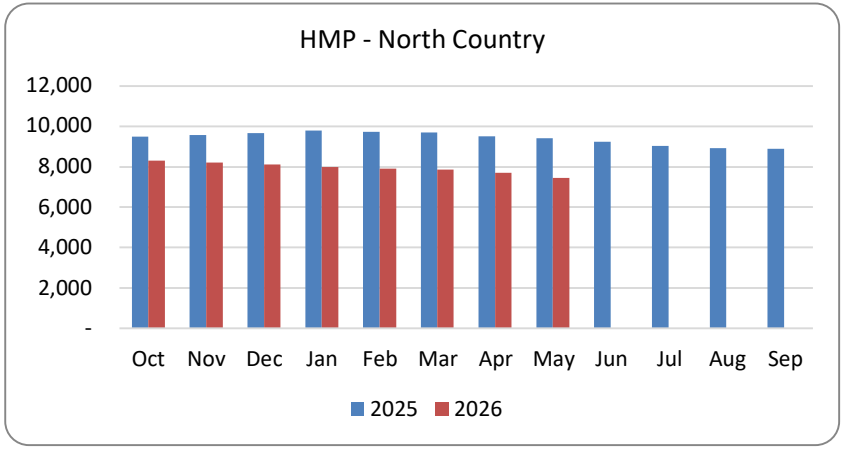
Narrative

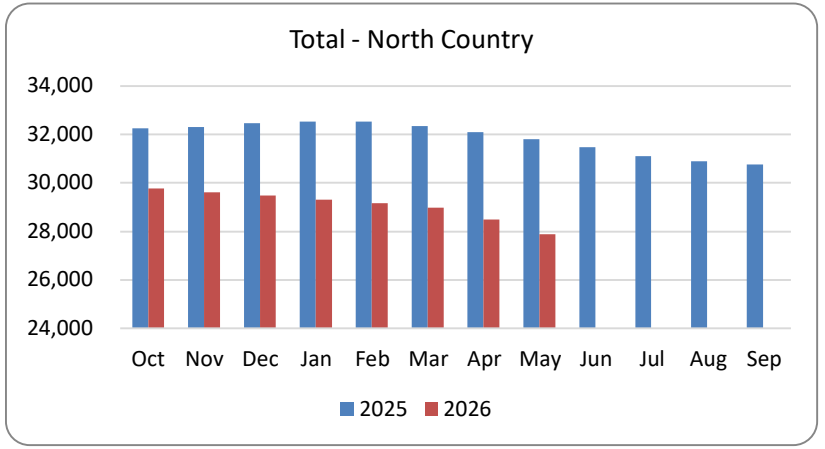
October 1, 2025 through May 31, 2026

North Country Eligible Members Trending - based on payment files







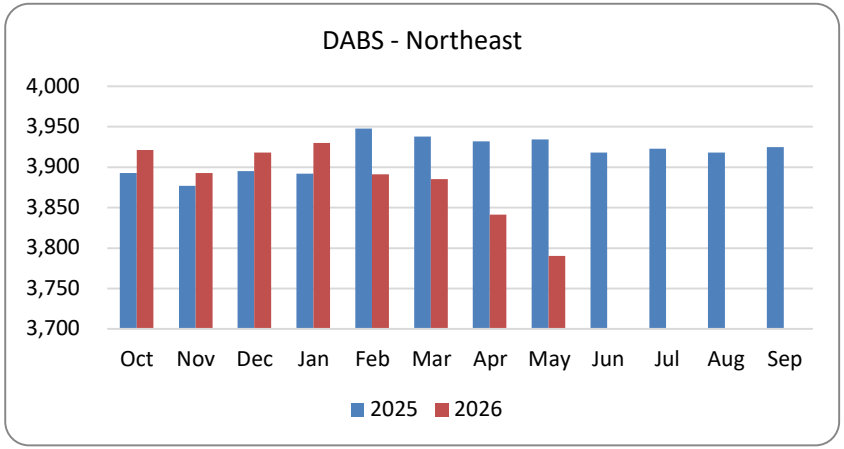


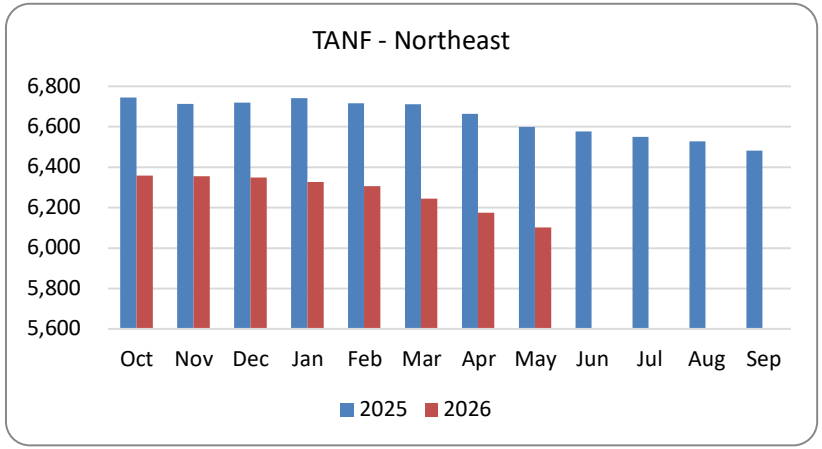
Northern Michigan Regional Entity

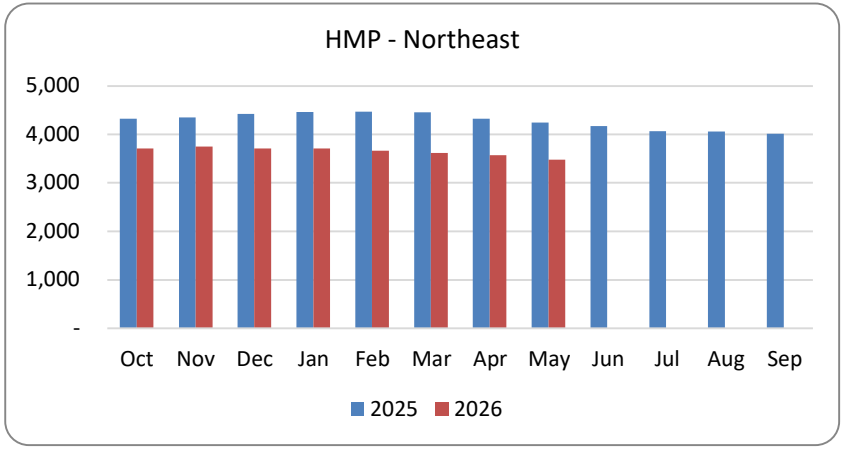
Narrative

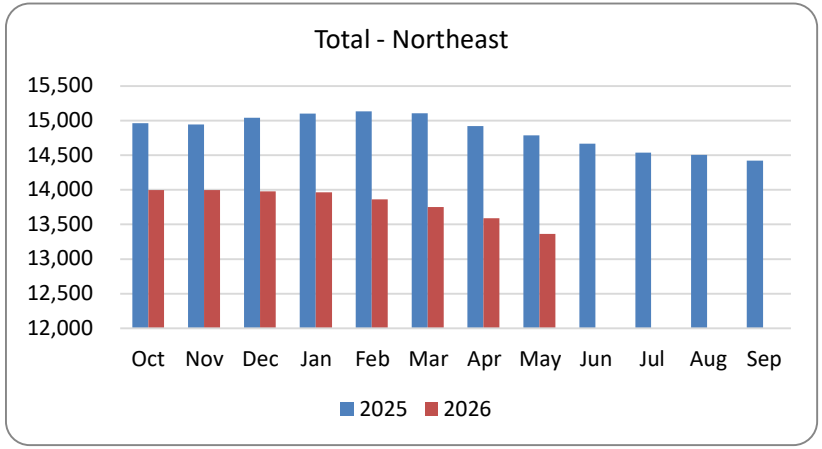
October 1, 2025 through May 31, 2026

Northeast Eligible Members Trending - based on payment files







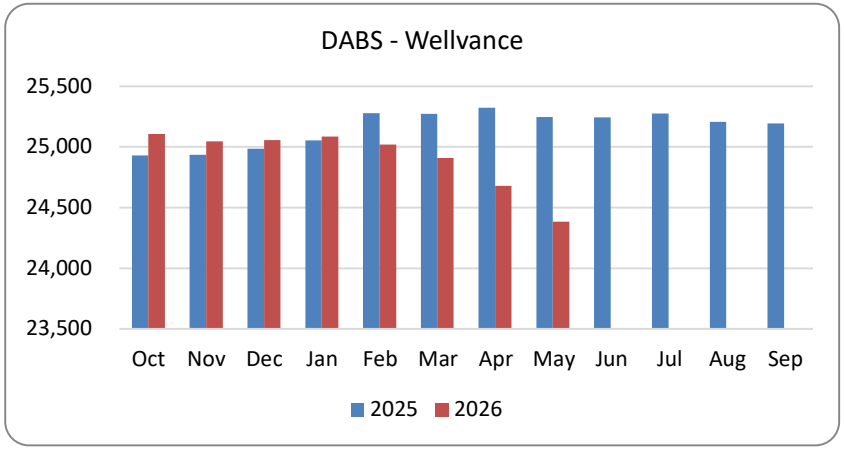


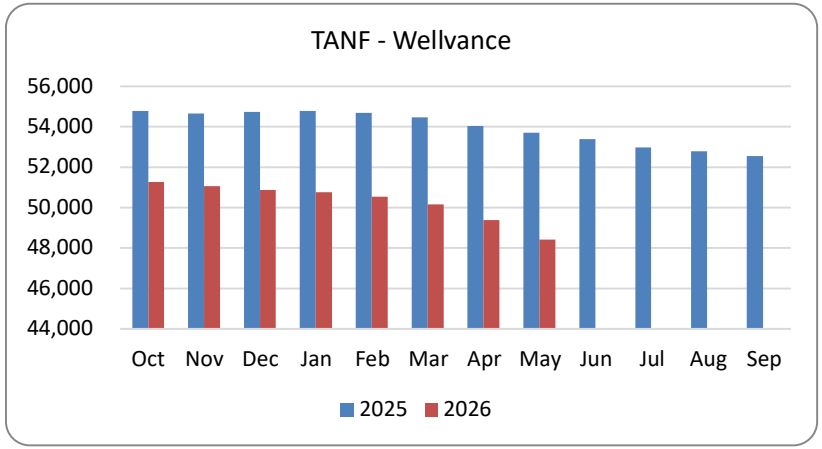
Northern Michigan Regional Entity

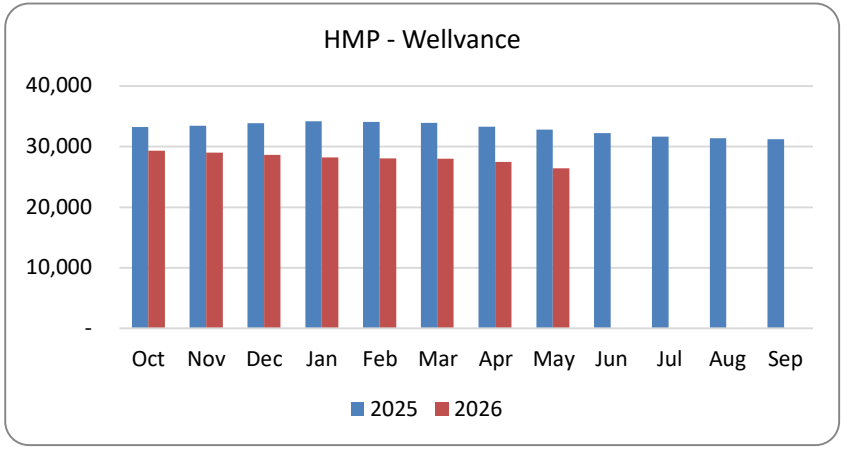
Narrative

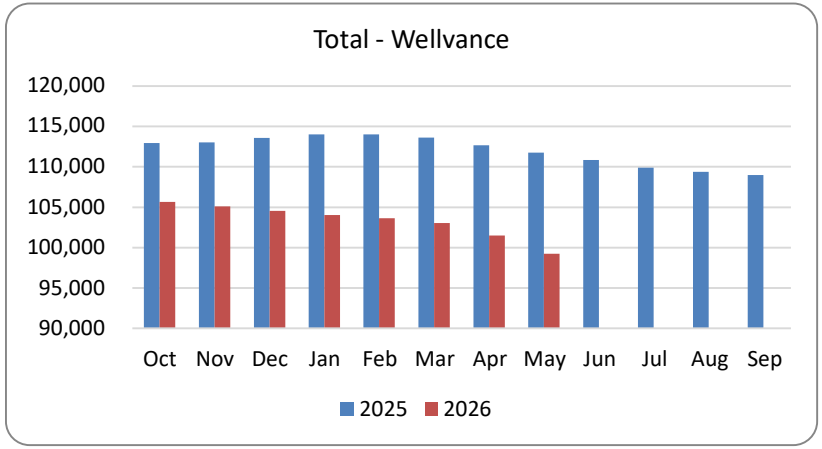
October 1, 2025 through May 31, 2026

Wellvance Eligible Members Trending - based on payment files







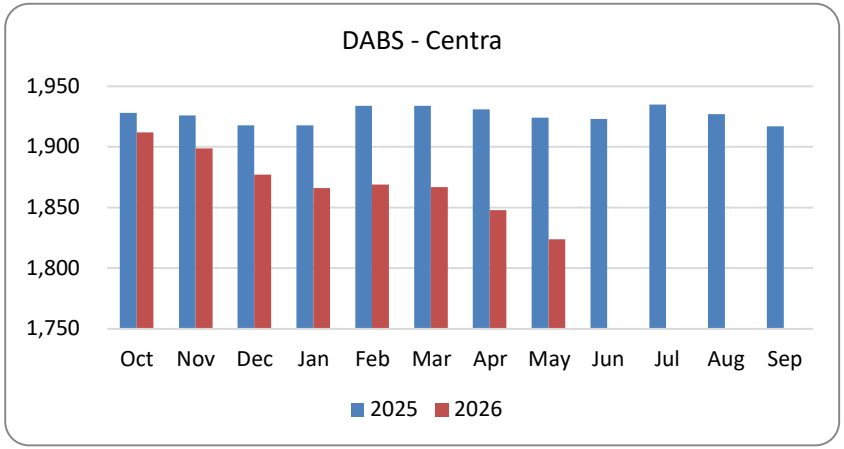


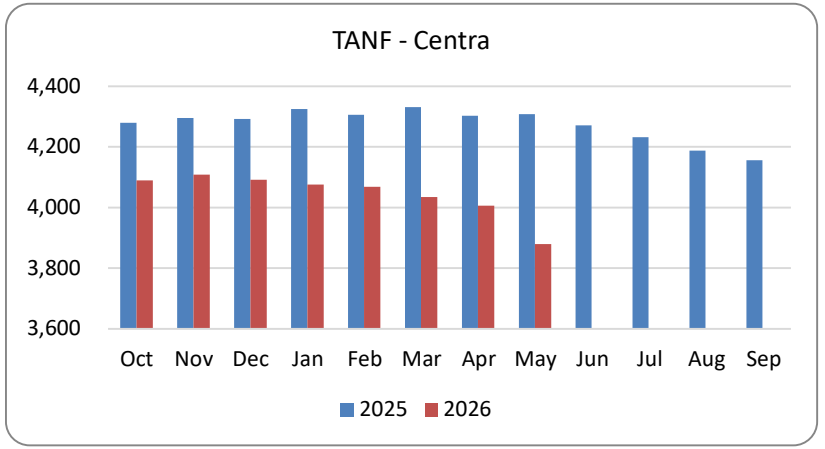
Northern Michigan Regional Entity

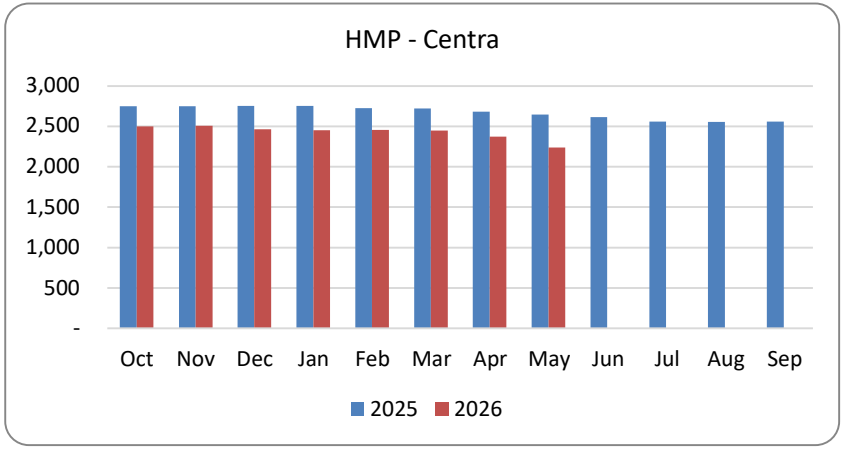
Narrative

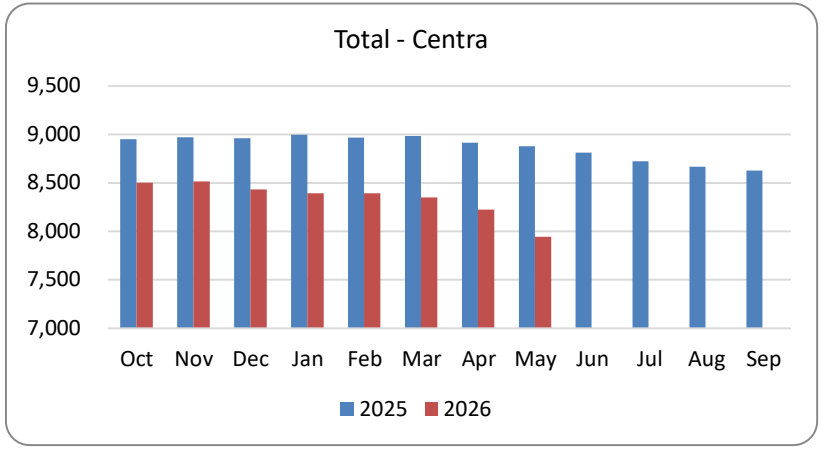
October 1, 2025 through May 31, 2026

Centra Wellness Eligible Members Trending - based on payment files







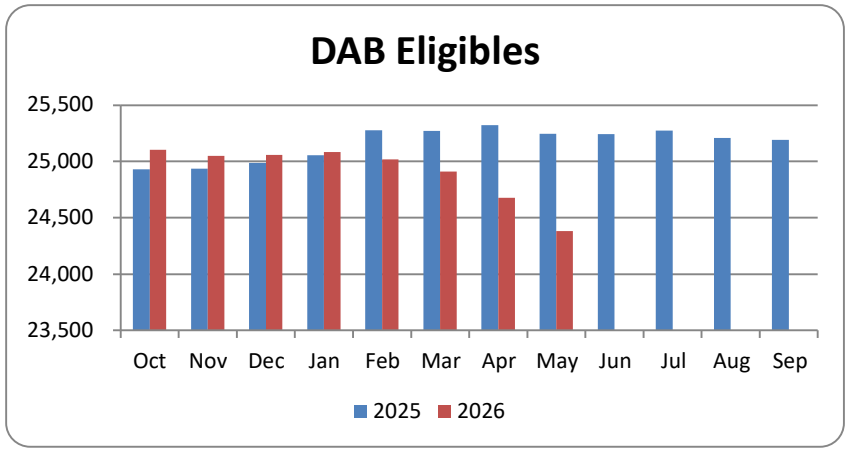


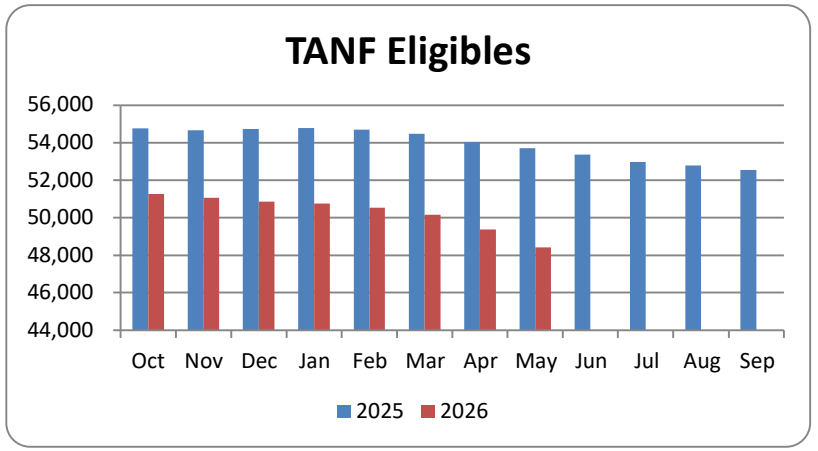
Northern Michigan Regional Entity

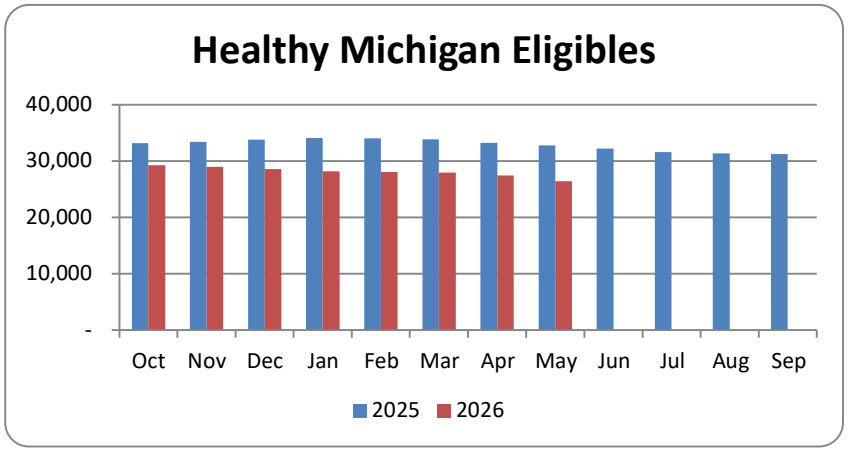
Narrative

October 1, 2025 through May 31, 2026

Regional Eligible Trending





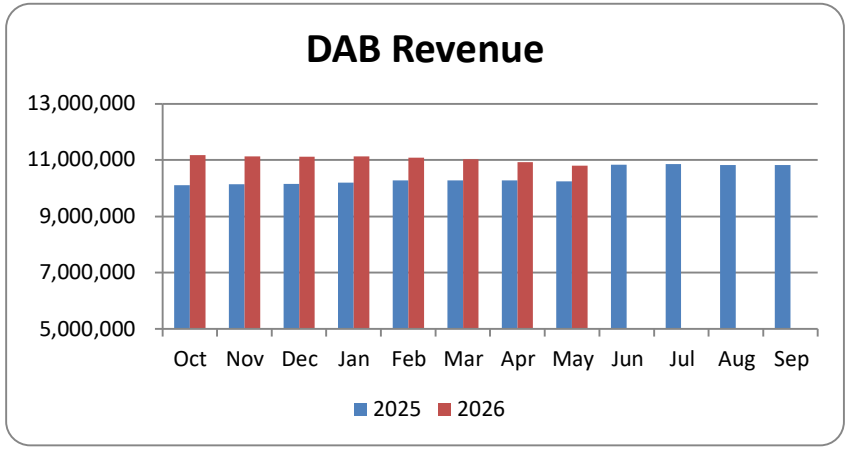


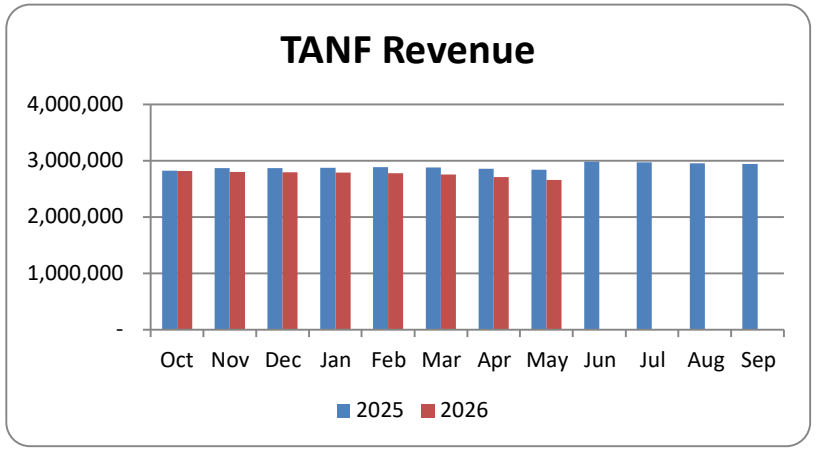
Northern Michigan Regional Entity

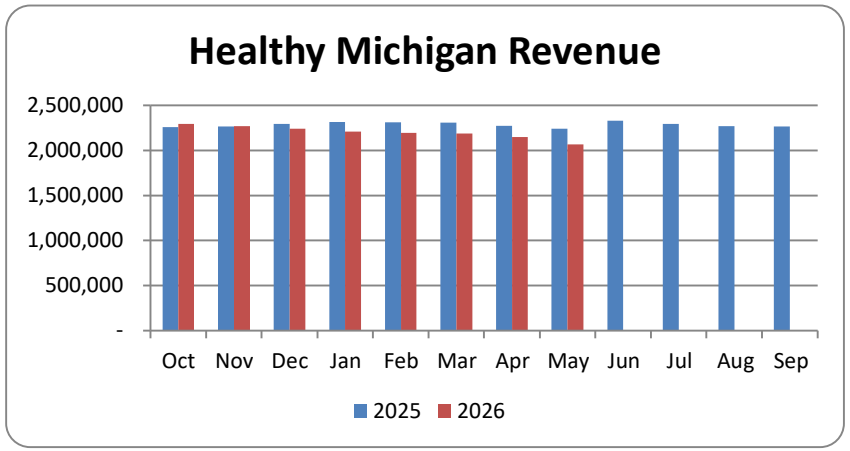
Narrative

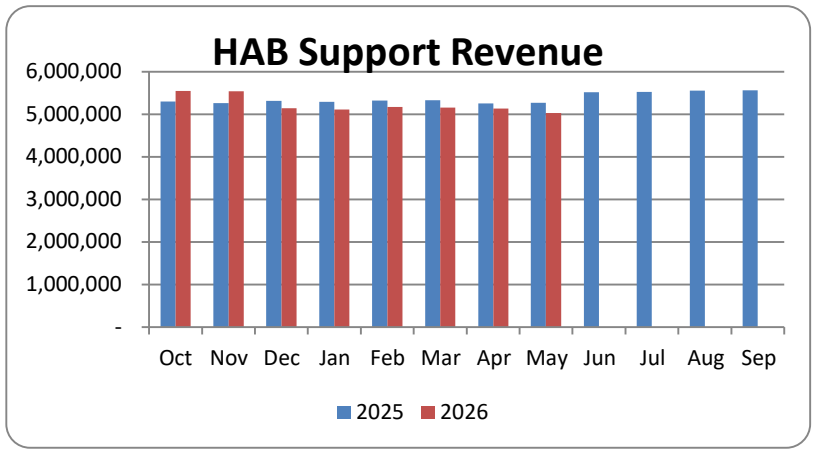
October 1, 2025 through May 31, 2026

Regional Revenue Trending









NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – JUNE 16, 2026
GAYLORD CONFERENCE ROOM

ATTENDEES:	**Brian Babbitt, Chip Johnston, Eric Kurtz, Trish Otremba, Nena Sork, Deanna Yockey, Lynda Zeller, Carol Balousek**

REVIEW OF AGENDA AND ADDITIONS
Mr. Kurtz added PBIP Update to the meeting agenda.

APPROVAL OF PREVIOUS MINUTES
The minutes from May 19th were included in the meeting materials. Ms. Zeller requested clarification in one area, which was made.

MOTION BY TRISH OTREMBA TO APPROVE THE MAY 19, 2026 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE AS AMENDED; SUPPORT BY LYNDA ZELLER. MOTION CARRIED.

FINANCE COMMITTEE AND RELATED
April 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of $3,616,894. Carry forward was reported as $2,844,054. The total Medicaid and HMP current year surplus was reported as $6,460,948. The total Medicaid and HMP Internal Service Fund was reported as $20,590,089. The total Medicaid and HMP net surplus was reported as $27,051,037.
- Traditional Medicaid showed $137,862,959 in revenue, and $132,572,795 in expenses, resulting in a net surplus of $5,290,164. Medicaid ISF was reported as $13,519,285 based on the current FSR. Medicaid Savings was reported as $2,844,054.
- Healthy Michigan Plan showed $18,045,600 in revenue, and $19,718,869 in expenses, resulting in a net deficit of $1,673,269. HMP ISF was reported as $7,070,804 based on the current FSR. HMP savings was reported as $0.
- Health Home showed $1,823,499 in revenue, and $1,819,890 in expenses, resulting in a net surplus of $3,609.
- SUD showed all funding source revenue of $12,765,317 and $10,987,578 in expenses, resulting in a net surplus of $1,777,739. Total PA2 funds were reported as $4,826,819.

PA2/Liquor Tax was summarized as follows:

Projected FY26 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,137,481	$1,847,106	$2,071,443	$4,913,143

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,137,481	$507,324	$817,985	$4,826,819

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	$729,601	$1,864,689	$1,873,031	($3,577,785)	$3,010,948
HMP	($312,589)	($93,549)	($100,622)	($1,783,678)	($188,329)
Total	$417,012	$1,771,139	$1,772,408	($5,361,463)	$2,822,619

It was noted that Northern Lakes' total deficit increased $1.7M between the March and April Financial Reports. Northern Lakes had been averaging $600K/month in MA/HMP deficit. The NMRE was informed by Northern Lakes of a change to the EQI for period 1 FY26, which would lower Medicaid and increase General Funds ($4M adjustment made by then Interim CFO Laura Argyle). One high-cost individual's services were charged to Medicaid that should have been GF, however, that shouldn't account for the increased Medicaid/HMP deficit. Ms. Zeller, Ms. Yockey, and Northern Lakes' CFO, Melissa Bentgen, will meet to discuss the matter further.

A $23.43 rate increase for the Behavioral Health Home (BHH) program has been implemented, retroactive to October 1, 2025. The SUD Health Home program received $203,500 in Pay-for-Performance funding.

A FY27 Behavioral Health Capitation Rate Methodology Meeting took place on June 10th at 9:00AM. Final rates should be issued in September according to Milliman, which doesn't align with PIHP/CMHSP FY27 budget preparations. A FY26 rate adjustment is planned though the details have not been made available.

Quarter 3 PA2 payments are due in July. The SUD Oversight Committee meeting scheduled for July 6th was cancelled/delayed. Because July is the month when annual liquor tax request renewals are generally brought forward, the NMRE felt it was best to delay these approvals until the July payments are received. Quarter 1 payments were retained to "pay on debt," and Quarter 2 payments were not consistent with prior activity.

No timeline has been provided regarding the recoupment of the October and November HSW (higher rate) payments.

MOTION BY CHIP JOHNSTON TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR APRIL 2026; SUPPORT BY BRIAN BABBITT. MOTION APPROVED.

PM/PM Revenue Projections

Ms. Yockey sent the "NMRE Revenue and Enrollee Data Analysis" report through May 2026 during the meeting.

Overall, May revenue (all funding sources) was $1,021,818 lower than September 2025.

May data showed a 7% drop in DAB, HMP, and TANF enrollees.

	DAB	HMP	TANF
Drop in Enrollees since September 2025	-2.9%	-12.1%	-6.0%

CWP and Payment/COFR or Not
During the regional Finance Committee meeting on June 19th, Centra Wellness brought up an issue involving a child on the CWP for which Centra Wellness is providing services and another CMHSP is receiving the $3,513 monthly payment. Clarification was made that payments are sent to the CMHSP based on the county of residence listed in CHAMPS; the NMRE is unable to redirect the payment. Mr. Kurtz advised that a meeting occur between Centra Wellness and the other CMHSP.

Mr. Babbitt requested that the larger issue of COFRs be discussed regionally. Many nuances exist regarding spenddowns and general funds that need to be worked through.

Mr. Johnston referenced Michigan Attorney General's Opinion No.6356, issued by Frank Kelly on April 24, 1986, which states that community mental health services may not be denied to a person who is physically located within a county simply because the person's legal or original residence is in another county. Eligibility for services depends on where the person is living at the time services are sought, not on which county is responsible for funding or where the person previously resided. This is intended to prevent gaps in services for individuals placed in residential facilities outside their original county.

The CMHSPs were asked to create and share lists of current in-region COFR arrangements, which they agreed to do. A group will then be assembled to work out processes, with the goal of creating a regional COFR policy.

Mr. Babbitt alluded to measures being taken to move individuals in out-of-catchment placements back to the region as the regional Clinical Leadership Committee was tasked with including Olmstead considerations as a standing meeting agenda item. Ms. Otremba noted that Wellvance is internally bringing individuals back to the region. Ms. Zeller reported that Northern Lakes has received resistance from guardians. Ms. Zeller asked to meet with Mr. Johnston to further discuss the topic. Mr. Johnston suggested that Northern Lakes retain attorney Chris Cooke to address the pushback from guardians. Mr. Johnston, Ms. Zeller, and Mr. Babbitt agreed to meet and discuss current COFR arrangements, bringing in Ms. Sork and Ms. Otremba as needed.

<u>RATE METHODOLOGY AND TIMELINE FY27</u>
Slides from Milliman's "SFY 2027 Behavioral Health Capitation Rate Methodology" presentation dated June 2026 were included in the meeting materials. As stated previously, final rates won't be issued until mid-August – September 1st, which makes PIHP/CMHSP FY27 budgeting difficult. It was noted that each PIHP's capitation rates are developed using region-specific base data rather than using the historical risk/area factor approach. This approach should result in some stability in a couple of years.

Several entities are advocating for the Department to recognize wage compression; however, this is unlikely to go anywhere.

A SFY 2027 Comparison Rate Methodology meeting is scheduled for June 22nd at 11:30AM.

OVERPAYMENTS

The OIG's Overpayment Report was discussed in May. Mr. Kurtz followed up by stating that the CMHSPs were instructed several months ago not to complete the report, as it will be completed by the NMRE. It was noted that the report doesn't make sense in a capitated system.

MDHHS DISCUSSION FOLLOW-UP

Mr. Kurtz contacted MDHHS Specialty Behavioral Health Services Director, Kristin Morningstar on June 11th. During the conversation, Mr. Kurtz informed her that he had signed and submitted the FY26 PIHP contract. Whether or not a new RFP is issued, both NMRE and NorthCare Network want to move forward with Bridge Health. Although the NMRE will not be exploring Crisis Stabilization Units (CSU), mainly due to the 72-hour release requirement, cost, and lack of demand for such services, other rural initiatives may be implemented with the funding opportunity, including cost settling arrangements with private rural hospitals for psychiatric inpatient services and implementing an adolescent SUD unit. Mr. Kurtz explained that these services could be bundled under an 1115 waiver with a rural exemption.

Ms. Zeller referenced rural transformation/CCBHC expansion funds. She shared the Letter of Intent with the group, noting that Northern Lakes is not currently in a position to move forward with it.

Dr. Ali Ibrahim (North Shores Center, Alpine CRU) approached Mr. Kurtz a few months ago about interest in a children's crisis residential unit. Because Dr. Ibrahim is dually certified in mental health and SUD, the facility could serve both populations.

MOU AND BAAs BETWEEN REGIONS 1 AND 2

EQI reports from NorthCare Network and NMRE have been combined for comparison and analysis. Although Business Associate Agreements (BAA) were implemented recently, the decision was made to also create a Memorandum of Understanding (MOU) between the two entities.

PIHP CONTRACT DISPUTE

Judge Sima Patel issued a Stipulated Scheduling Order on June 11th in Court of Claims case #24-000198-MZ regarding the FY25 PIHP Contract. The order moves the lawsuit into the discovery and mediation phase and establishes a timeline that could lead to dispositive motions in early 2027 and, if necessary, a later trial. The schedule suggests the Court expects the parties to complete fact-finding and attempt mediation before addressing any summary disposition motions. Mediation is scheduled to take place on September 4th.

BRIDGE HEALTH

There was nothing new to report on Bridge Health other than what was previously stated.

HOSPITAL UPDATES

Helen DeVos Children's Hospital (Corewell Health) is currently charging its local CMHSP $1,700 per diem. Beginning October 1st, the rate will increase to $2,000. The NMRE would like to standardize a $2,000 out-of-network rate for the facility.

Kalamazoo Behavioral Health (Indiana-based Neuropsychiatric Hospitals) requires a $1,450 per diem rate utilizing the 0124 per diem revenue code rather than 0100. The 0124 includes physician fees. The NMRE has informed the CMHSPs that it is acceptable to use the 0124 code in single case agreements, but physicians' services are not authorized for payment or eligible for reimbursement.

MOTION BY CHIP JOHNSTON TO APPROVE SINGLE CASE AGREEMENTS RATES FOR HELEN DEVOS CHILDREN'S HOSPITAL AT A PER DIEM RATE OF $1,700 FOR THE REMAINDER OF FISCAL YEAR 2026 AND $2,000 FOR FISCAL YEAR 2027 AND KALAMAZOO BEHAVIORAL HEALTH AT A PER DIEM RATE OF $1,450 USING THE 0124 PER DIEM REVENUE CODE; SUPPORT BY NENA SORK. MOTION CARRIED.

CMHSP UPDATES

Ms. Sork reported that Northeast Michigan CMHA's auditing firm, Straley, Lamp & Kraenzlein, PC recently passed an audit by State (Treasury Department). Mr. Johnston had heard that several accounting firms were audited.

Ms. Zeller announced that CMHA CEO, Alan Bolter, will be attending Northern Lakes' Board meeting on July 16th.

Ms. Otremba attended meeting with CMHA and advocacy groups on June 15th. Ms. Zeller noted that the advocates are making inroads with Legislators.

PBIP

Mr. Kurtz cautioned the CMHSPs not to count on PBIP funding in FY27. After pointing out that PIHPs don't receive SUD data and have no way to intervene to meet performance metrics, MDHHS removed SUD access from CC360 due to 42 CFR Part 2 concerns. Additionally, all the shared metrics have been removed. Ms. Zeller offered to reach out to Megan Vanderstelt at MDHHS to obtain clarification and confirmation.

NEXT MEETING

The next meeting was scheduled for July 21st at 9:30AM.

NMRE Fiscal Year 2027
Prevention Service Request for Proposal Recommendation for Contract Awards
Issued May 4, 2026- June 29, 2027

Counties:

Alpena, Alcona, Iosco, Montmorency, Ogemaw, Presque Isle, Oscoda,

Key Dates:

RFP issue Date: May 4, 2026
Proposal Due Date: June 29, 2026
Scoring Team Meeting: June 19, 2026
Award Effective Dates: October 1, 2026 - September 30, 2027

Bids by county :

Alpena: Catholic Human Services, Midwestern Broadcasting, Inc.
Alcona: Catholic Human Services, Midwestern Broadcasting, Inc.
Iosco: Catholic Human Services, Midwestern Broadcasting, Inc.
Montmorency: Catholic Human Services, Midwestern Broadcasting, Inc.
Ogemaw: Catholic Human Services, Midwestern Broadcasting, Inc.
Presque Isle: Catholic Human Services, Midwestern Broadcasting, Inc.
Oscoda: Catholic Human Services, Midwestern Broadcasting, Inc.

NMRE County Recommendations for Contract Award,	Provider	Amount Requested of NMRE Estimated Allocation ($)
Alcona	Catholic Human Services	$ 8,670.47
Alpena	Catholic Human Services	$ 28,799.27
Iosco	Catholic Human Services	$ 24,857.29
Montmorency	Catholic Human Services	$ 7,581.32
Ogemaw	Catholic Human Services	$ 20,059.25
Oscoda	Catholic Human Services	$ 6,578.10
Presque Isle	Catholic Human Services	$ 11,694.08
	Total	**$108,239.78**