

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – APRIL 27, 2022
GAYLORD BOARDROOM**

ATTENDEES:	Roger Frye, Ed Ginop, Gary Klacking, Terry Larson, Mary Marois, Gary Nowak, Jay O’Farrell, Justin Reed, Richard Schmidt, Karla Sherman, Don Smeltzer, Joe Stone, Don Tanner
ABSENT:	Christian Marcus
NMRE/CMHSP STAFF:	Joanie Blamer, Eugene Branigan, Christine Gebhard, Eric Kurtz, Diane Pelts, Brandon Rhue, Tricia Wurn, Deanna Yockey, Carol Balousek, Lisa Hartley
PUBLIC:	Chip Cieslinski, Marie Fielder, Brandon, Hausbeck, Andrew Keller, Samantha Mishra, Carter Severs, Justin Severs, Sue Winter

CALL TO ORDER

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

ROLL CALL

Let the record show that Christian Marcus was absent from the meeting on this date; all NMRE Board Members were in attendance either in Gaylord or remotely.

PLEDGE OF ALLEGIANCE

Let the record show that the Pledge of Allegiance was recited as a group.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

Let the record show that no Conflicts of Interest to any of the meeting Agenda items were declared.

APPROVAL OF AGENDA

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

MOTION BY ROGER FRYE TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR APRIL 27, 2022; SUPPORT BY JOE STONE. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY KARLA SHERMAN TO APPROVE THE MINUTES OF THE MARCH 23, 2022 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY MARY MAROIS. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the April 7, 2022 PIHP CEO meeting.
- 2) A letter to Eric Kurtz dated March 29, 2022 from Jackie Sproat reporting that the NMRE’s FY22 Risk Management Strategy was determined to be in compliance.
- 3) MDHHS’s Michigan Psychiatric Care Improvement Project (MPCIP) April 2022 Update.

- 4) Slides from the MDHHS Conflict-Free Access and Planning Workgroup's Update on State Reorganization presentation to PIHP CEOs dated April 7, 2022.
- 5) Slides from MDHHS Behavioral and Physical Health and Aging Services Administration Section 1513 Inpatient Tiered Rate Workgroup Update dated April 7, 2022.
- 6) Letter to Eric Kurtz dated April 7, 2022 from Belinda Hawks announcing the results from the March 22, 2022 State Opioid Response (SOR) grant virtual site visit; the NMRE was determined to be in compliance.
- 7) Correspondence announcing Southwest Michigan Behavioral Health's intent to Withdraw from MI Health Link Demonstration effective December 31, 2022.
- 8) Correspondence from Community Mental Health Association of Michigan's (CMHAM) titled, "Summary of Advocacy Efforts to Ensure the Strength and Survival of Michigan's Public Mental Health System in the Face of Legislative Threat" dated April 2022.
- 9) Announcement from Health and Human Services Office if the Assistant Secretary for Preparedness and Response extending the Federal Public Health Emergency to July 15, 2022.
- 10) Email correspondence from NMRE Provider Network Manager, Chris VanWagoner, announcing the NMRE's issuance of a Request for Proposals for American Rescue Plan Act (ARPA) grant funds to be used for identified substance use disorder prevention, treatment, and recovery support services.
- 11) Northern Michigan Regional Entity Q1 FY22 regional performance indicator report.
- 12) Flyer promoting the NMRE Day of Education scheduled for May 22, 2022 at Treetops Resort in Gaylord.
- 13) Draft minutes of the April 13, 2022 NMRE Regional Finance Committee meeting.

Mr. Kurtz underscored that the NMRE was found to be compliant with the State Opioid Response (SOR) audit.

Southwest Michigan Behavioral Health's intention to withdraw from the State's dual eligible demonstration effective January 1, 2023 was discussed.

Mr. Stone offered to meet with Mr. Kurtz about the Association's position on advocating for the PIHIPs (PIHP structure) in response to the system transformation bills.

Ms. Gebhard asked whether the NMRE Region is represented on the Conflict-Free Access and Planning Workgroup. Mr. Kurtz responded that the workgroup recently resurfaced with TBD Solutions involved; he was unclear about the current representation but agreed that Region 2 representation is needed.

ANNOUNCEMENTS

Let the record show that Ms. Marois announced that Joanie Blamer was named Northern Lakes Chief Executive Officer. Marie Fielder, candidate for State Representative for the 106th District, introduced herself to the Board.

PUBLIC COMMENTS

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

REPORTS

Executive Committee Report

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

CEOs Report

The NMRE CEO Monthly Report for April 2022 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to his presentation to the Emmet County Board of Commissioners on April 21st.

Financial Report

March 2022

- Net Position* showed net surplus Medicaid and HMP of \$8,910,933. Medicaid carry forward was reported as \$16,358,117. The total Medicaid and HMP Current Year Surplus was reported as \$25,269,050. Medicaid and HMP combined ISF was reported as \$16,358,117; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$41,067,167.
- Traditional Medicaid showed \$82,905,388 in revenue, and \$73,350,750 in expenses, resulting in a net surplus of \$9,554,638. Medicaid ISF was reported as \$9,298,368 based on the unaudited FSR. Medicaid Savings was reported as \$11,296,867.
- Healthy Michigan Plan showed \$12,890,175 in revenue, and \$10,562,014 in expenses, resulting in a net surplus of \$2,328,160. HMP ISF was reported as \$7,059,749 based on the unaudited FSR. HMP savings was reported as \$5,061,250.
- Health Home showed \$572,681 in revenue, and \$426,233 in expenses, resulting in a net surplus of \$146,448.
- SUD showed all funding source revenue of \$9,977,841, and \$7,987,460 in expenses, resulting in a net surplus of \$1,990,381. Total PA2 funds were reported as \$5,646,552.

Mr. Stone asked whether funds are available for major purchases (vehicles). Mr. Kurtz responded that it looks to be so; however, he noted that purchases over \$5K must be depreciated over 5 years. October 1, 2021 – March 31, 2022 revenue was reported as \$1.9M above the same period in FY21.

MOTION BY GARY NOWK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR FEBRUARY 2022; SUPPORT BY ED GINOP. MOTION CARRIED.

Operations Committee Report

The draft minutes from April 19, 2022 were included in the materials for the meeting on this date. Mr. Kurtz spoke about the addition of a CFO “bench” and regional recruitment position to work with each CMHSP’s HR department and create a centralized Job Bank on the NMRE website.

Mr. Tanner addressed the self-determination discussion that occurred during the April 19th Operations Committee meeting. Mr. Kurtz expressed that there was a breakdown in contract negotiation discussions. A joint PIHP/CFI workgroup worked with the Department to get the Self-Determination policy in place. In mid-December, during one of the Contract Amendment processes, the policy was agreed to; the Implementation Guide was placed on hold. Communication received from Department staff with MDHHS-PIHP Contract Amendment #4 included the Implementation Guide. Mr. Kurtz requested clarification and was informed that although the self-determination policy was agreed to, the Implementation guide has not been finalized (best practice). The workgroup that put the Implementation Guide together has been resurrected, to address issues raised (Brian Babbitt, North Country Chief Operating Officer/Compliance Officer sits on the workgroup). Ms. Blamer stressed that Finance (CFO) representation is also needed on the workgroup.

Ms. Marois asked for a summary of the CMHSPs' FY22 budget stabilization/retention payments.

- Ms. Pelts reported that a COLA was given to AuSable Valley staff and two appreciation/retention payments are planned (2 lump sum payments of \$750 to coincide with holidays). Appreciation payments are not for provider staff; Providers must request stabilization payments.
- Ms. Gebhard reported that the North Country Board of Directors authorized up to \$2M in retention payments; Providers must apply for funds. Additionally, North Country is looking at modifying its rate structure and is investigating offering health benefits to part-time staff.
- Ms. Sork reported that Northeast Michigan hasn't done anything yet for staff but will likely do a percentage based retention payment toward the end of the year.
- Ms. Blamer reported that a 5% COLA was issued to staff on January 1st.
- Mr. Tanner reported that a 4% salary increase was implemented for Centra Wellness staff in April.

NMRE SUD Oversight Board Report

Let the record show that the next meeting of the Northern Michigan Regional Entity Substance Use Disorder Oversight Board is scheduled virtually for May 9, 2022 at 10:00AM.

NEW BUSINESS

NMRE Nominating Committee Report and Election of Officers

Let the record show that the NMRE Board Nominating Committee met virtually on April 25th to discuss the Election of Board Officers. Mr. Smeltzer reported that it was the recommendation of the Board Nominating Committee to re-elect the current officers and maintain the current Members of the NMRE Executive Committee.

- Chair – Don Tanner
- Vice-Chair – Ed Ginop
- Secretary – Gary Nowak

Additional Members of the NMRE Board acting with the officers as the NMRE Executive Committee were stated as Mary Marois and Joe Stone.

Mr. Stone announced that he is moving out of the NMRE 21-county region in the near future; once he officially resigns from the NMRE Board, his position on the NMRE Executive Committee will be reassigned.

Let the record show that Mr. Tanner called three times for additional nominations; no additional nominations were declared.

MOTION BY JOE STONE TO APPROVE THE RECOMMENDATION OF THE NORTHERN MICHIGAN REGIONAL ENTITY NOMINATING COMMITTEE TO REAPPOINT THE CURRENT NORTHERN MICHIGAN REGIONAL ENTITY BOARD OFFICERS AND MEMBERS OF THE NORTHERN MICHIGAN REGIONAL ENTITY EXECUTIVE COMMITTEE FOR AN ADDITIONAL ONE-YEAR TERM; SUPPORT BY GARY NOWAK. MOTION CARRIED.

Mid-Year COLA/Retention

Mr. Kurtz requested that the Board consider a midyear COLA for NMRE staff. A COLA of 2% would total \$43,700; a COLA of 3% would total \$66,000.

MOTION BY JOE STONE TO APPROVE A COST OF LIVING INCREASE TO NORTHERN MICHIGAN REGIONAL ENTITY STAFF AT THREE PERCENT (3%) FOR A TOTAL AMOUNT OF SIXTY-SIX THOUSAND DOLLARS (\$66,000.00); SUPPORT BY MARY MAROIS. ROLL CALL VOTE.

“Yea” Votes: R. Frye, E. Ginop, G. Klacking, T. Larson, M. Marois, G. Nowak, J. O’Farrell, J. Reed, R. Schmidt, K. Sherman, D. Smeltzer, J. Stone, D. Tanner

“Nay” Votes: Nil

MOTION CARRIED.

OLD BUSINESS

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

Ms. Gebhard and Ms. Blamer attended the recent Northern Michigan Counties Meeting that also had Rep. Whiteford in attendance. Ms. Gebhard expressed that she feels our region is doing a good job of educating commissioners and representatives. Rep. Whiteford has offered nothing new but has expressed that she is open to additional changes. Ms. Gebhard feels Rep. Whiteford doesn’t fully understand Managed Care or the current funding mechanism. She indicated that the latest substitution included some positive changes (much about self-determination.) A clear understanding of the rural exemption is lacking. It was noted that the proposed Administrative Services Organization (ASO) not a fiduciary.

PRESENTATION

Information Technology Security Assessment

Brandon Rhue was in attendance to present on the NMRE’s independent IT Security Assessment. The NMRE received a security rating of 7.1, out of a possible 8.5 (83.5%).

Findings and Recommendations:

- **Virus Protection** – Antivirus protection was detected and up-to-date on each system.
- **Classification** – Strong passwords should be used at all levels, but should also increase in complexity as the device(s) becomes more critical to overall security.
- **SpyWare** – Antivirus and web filtering installations are working to reduce this security threat by blocking and detecting many SpyWare variants.
- **External Exposure** – No High or Critical vulnerabilities were identified.
- **System/Software Updates** – 100% of reviewed workstations and servers are running supported versions of their operating systems.

A Periodic Security Assessment is scheduled for January 2023.

COMMENTS

Mr. Tanner called for any closing comments; none were expressed.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on May 25, 2022.

ADJOURN

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