

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – DECEMBER 18, 2024
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Tom Bratton, Ed Ginop, Gary Klacking, Eric Lawson, Mary Marois, Michael Newman, Gary Nowak, Ruth Pilon, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner
ABSENT:	Jay O’Farrell
NMRE/CMHSP STAFF:	Bea Arsenov, Brady Barnhill, Brian Babbitt, Carol Balousek, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Brandon Rhue, Nena Sork, Denise Switzer, Deanna Yockey
PUBLIC:	Chip Cieslinski, Jackie Guzman, Kevin Hartley, Larry LaCross, Madeline McConnell, Pat McGinn, 5 Unknown

CALL TO ORDER

Let the record show that Board Chairman, Gary Klacking, called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that all NMRE Board Members were in attendance in Gaylord.

PLEDGE OF ALLEGIANCE

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

Let the record show that no conflicts of interest to any of the meeting Agenda items were declared.

APPROVAL OF AGENDA

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

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR DECEMBER 18, 2024; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY CHUCK VARNER TO APPROVE THE MINUTES OF THE OCTOBER 23, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY DON TANNER. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes of the October 1, 2024 Statewide CEO meeting
- 2) MDHHS Service Delivery Transformation Section September 2024 Update.

- 3) 9 and 10 News article by Jodi Miesen and Jacob Johnson dated November 12, 2024 regarding the theft of \$50,000 from Club Cadillac (a psychosocial rehabilitation clubhouse operated by Northern Lakes CMHA).
- 4) Email correspondence from Bob Sheehan, CEO of the Community Mental Health Association of Michigan (CMHAM) dated November 6, 2024 announcing the "Accurate Picture" media campaign.
- 5) Email correspondence from Bob Sheehan, CEO CMHAM dated November 19, 2024 regarding a US Department of Justice (DOJ) investigation of Michigan's state psychiatric hospitals.
- 6) 2025 Healing and Recovery Regional Appropriations – MDHHS and PIHP Contract.
- 7) A press release from MDHHS dated November 20, 2024 announcing the use of a new mapping tool to improve substance use disorder treatment access.
- 8) A document from CMHAM outlining the migration of Medicaid beneficiaries from the Disabled, Aged, and Blind (DAB) category to the Temporary Assistance for Needy Families (TANF), Healthy Michigan Plan (HMP), and Plan First categories.
- 9) PowerPoint slides from MDHHS dated November 22, 2024 titled, "MIHealthyLife: Mental Health-Related Updates" outlining the vision of the Mental Health Framework .
- 10) The FY24 Region 2/Northern Michigan Regional Entity Performance Improvement Project Validation Report from the Health Services Advisory Group (HSAG).
- 11) The draft minutes of the December 11, 2024 regional Finance Committee meeting.

DOJ Investigation of Michigan's State Psychiatric Hospitals

The US Justice Department announced on November 13, 2024 that it opened an investigation under the Americans with Disabilities Act (ADA) into whether the State of Michigan unnecessarily institutionalizes adults with serious mental illness in state psychiatric hospitals. The DOJ indicated that it would investigate whether the state fails to provide necessary community-based mental health services to enable people to transition from the state psychiatric hospitals and remain stable in the community.

Migration of Medicaid Beneficiaries from DAB to TANF, HMP, and Plan First

Using data supplied by the NMRE, CMHAM has advocated on behalf of the persons with Michigan's Disabled, Aged, and Blind (DAB) coverage who were moved to other Medicaid programs with per enrollee per month (PEPM) rates far below those of DAB. For the NMRE, the revenue lost from 2020 – 2024 is greater than \$35M (\$18M for FY24). Systemwide, the loss may equate to as much as \$689M (\$35M in FY24).

As of December 13, 2024, all 10 PIHPs have signed a Letter of Agreement with (electronic health record vendor) PCE to run a similar analysis for the entire state. It was noted that this trend has disproportionately affected the aged population.

Mental Health Framework (MHF)

According to the Department's newly unveiled Mental Health Framework, Medicaid Health Plans will be responsible for new mental health services for enrollees with mild-to-moderate mental health needs, incorporating mental health and physical health care coverage for those individuals, including inpatient care (which violates the mental health code). PIHPs will continue to cover all mental health services for enrollees with intensive needs. A new benefit plan will be identified in CHAMPS called "PIHP+" to identify enrollees for whom the PIHP is responsible for mental health coverage (effective October 1, 2025). MHPs will be responsible for covering most mental health care to enrollees not assigned to the "PIHP+" benefit plan.

Opioid Settlement Funding

The state has made \$1M in opioid settlement funds available to PIHPs to support infrastructure and inventory and/or invest in community engagement and planning activities. The NMRE will be issuing a Request for Information (RFI) on January 2, 2025 to obtain details regarding provider capabilities for enhancing the region's substance use disorder (SUD) framework, including:

- Infrastructure improvements for treatment providers
- Vehicle purchases
- Anticipatory harm reduction supplies (safer use, wound care, communicable disease testing, and drug checking supplies)

ANNOUNCEMENTS

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

PUBLIC COMMENT

Let the record show that Chip Cieslinski, Chief Executive Officer for Catholic Human Services, shared that he is retiring at the end of December. Larry LaCross will be assuming the position of CEO on January 1, 2025.

REPORTS

Executive Committee Report

The Executive Committee met at 9:15AM on this date to review the FY24 NMRE CEO Evaluation. A full report will be given under "New Business."

CEO Report

The NMRE CEO Monthly Report for November/December 2024 was included in the materials for the meeting on this date. Mr. Kurtz noted that a successful Day of Substance Use Disorder (SUD) Education took place at Treetops Resort on October 30th.

Financial Report

Let the record show that there was no monthly Financial Report for October 2024. The November Report will be reviewed in January.

Ms. Yockey indicated that the NMRE's FY24 Interim FSR showed a \$2.9M carry forward from FY24 into FY25.

The NMRE will continue to submit reports of unpaid Habilitation Supports Waiver (HSW) slots to MDHHS until the end of December; a fix is expected in January 2025. The NMRE is monitoring all payment activity. Currently the region is not being paid for approximately 50 filled HSW placements, amounting to over \$2.5M.

Operations Committee Report

The draft minutes from December 10, 2024 were included in the materials for the meeting on this date.

The monthly 1/12th payment arrangement between the NMRE and Alpine CRU/North Shores Center will be ending on December 31, 2024. Beginning January 1, 2025, The CMHSPs will be contracting with the facility (amend the zero-payment contract) on a fee-for-service arrangement with per diem rates of \$600 for crisis residential and \$350 for respite; the NMRE will continue to

pay 50% of the facility's costs (\$49,229K per month/\$443,061K total). A total of 952 units were billed in FY24.

The Department of Technology, Management, & Budget's Procurement office has completed an RFP to solicit responses for selection of Contractors to provide Highly Integrated Dual Eligible Special Needs Plans (HIDE SNPs). The term of this contract is seven (7) years, with up to three (3) renewal options. Awards for the 21-county NMRE service area were given to:

- Humana Medical Plan of Michigan, Inc.
- Meridian Health Plan of Michigan, Inc.
- Molina Healthcare of Michigan, Inc.
- Priority Health Choice, Inc.
- United Healthcare Community Plan, Inc.

Ms. Arsenov noted that this will affect the MHP/PIHP Joint Metrics (30% of total withhold) portion of the PIHP's annual Performance Incentive Bonus Payment, which requires collaboration between Medicaid Health Plans and PIHPs for ongoing coordination and integration of services.

NMRE SUD Oversight Committee Report

The draft minutes from November 4, 2024 were included in the materials for the meeting on this date.

NEW BUSINESS

Liquor Tax Requests

The following liquor tax requests were recommended for approval by the NMRE Substance Use Disorder Oversight Committee on November 4, 2024.

	Requesting Entity	Project	County	Amount
1.	217 Recovery	"Tipping the Pain Scale" Movie Screening	Grand Traverse	\$2,000.00
2.	Centra Wellness Network	Medication Assisted Treatment (MAT) Clinic Transition	Benzie and Manistee	\$46,000.00
3.	Centra Wellness Network	Safenet Prevention Program	Benzie and Manistee	\$55,000.00
4.	Sunrise Centre	Building and Enhancing Recovery Capital	Alcona, Alpena, Iosco, Montmorency, Oscoda, Presque Isle	\$70,305.00
Total				\$173,035.00

MOTION BY DON TANNER TO APPROVE THE LIQUOR TAX REQUESTS FOR FISCAL YEAR 2025 AS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON NOVEMBER 4, 2024, IN THE TOTAL AMOUNT OF ONE HUNDRED SEVENTY-THREE THOUSAND THIRTY-FIVE DOLLARS (\$173,035.00); SUPPORT BY GARY NOWAK.

Discussion: Ms. Marois asked how Board Members can be assured that recipients of liquor tax funds are doing what they've indicated. Ms. Arsenov responded that the NMRE receives quarterly

updates and checks billing codes to ensure services are being provided. NMRE staff meets monthly to review projects and outcomes. Ms. Marois indicated that she would like to see annual reports come to the Board. Presentations from providers will continue to be placed on the agenda for both the SUD Oversight Committee and the NMRE Board.

Madeline McConnell, Executive Director of Sunrise Centre, noted that money spent on SUD prevention lowers money needed for SUD treatment. Clarification was made that at the end of the fiscal year, any (allocated) unspent funds remain with the county.

Ms. Yockey confirmed that the amount of PA2 funds needed to supplement block grant funds for SUD treatment in FY24 did not affect the counties' one-year fund balances.

ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

NMRE CEO Evaluation

The NMRE Executive Committee met earlier on this date to review the NMRE Chief Executive Officer FY24 Evaluation Report and contract terms. The decision was made to offer Mr. Kurtz a 3% cost of living adjustment (COLA) for FY25, which is the same amount that has been budgeted but not yet issued to NMRE staff. The 3% staff COLA (approximately \$77K), which may be made in the form of a salary adjustment or one-time retention payment, will be placed on the Agenda for the January meeting.

MOTION BY GARY NOWAK TO APPROVE A THREE PERCENT COST OF LIVING ADJUSTMENT TO THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER'S SALARY FOR FISCAL YEAR 2025; SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

New Horizons Training Credits

NMRE Chief Information Officer, Brandon Rhue, reported that the NMRE purchased \$50K in training credits in February 2024 for a total of \$100K in training credits, due to a 1:1 match offered by the vendor. November 1st, there was a balance of \$50K remaining. Mr. Rhue proposed an additional purchase of \$20K, for a total of \$40K in training credits.

MOTION BY RICHARD SCHMIDT TO APPROVE THE PURCHASE OF NEW HORIZONS LEARNING CREDITS IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000.00); SUPPORT BY ERIC LAWSON. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

OLD BUSINESS

Northern Lakes CMHA Update

An NMRE Board Executive Committee meeting has been scheduled for January 3, 2025 at 10:00AM to review the Rehmann forensic investigation report of Northern Lakes.

Mr. Bratton added that, since a governing model has been established and bylaws have been approved, the Northern Lakes Board is preparing to restart the search for a permanent CEO. A CEO Search Committee meeting has been scheduled for January 9th.

FY25 PIHP Contract Injunction and Complaint

An injunction and complaint filed against the State of Michigan, State of Michigan Department of Health and Human Services, and Elizabeth Hertel by the law firm of Taft, Stettinius & Hollister, LLP on behalf of Northcare network Mental Health Care Entity, Northern Michigan Regional Entity, and Region 10 PIHP were included in the materials for the meeting on this date. An article by Ben Solis appearing in Gongwer on December 18, 2024 titled, "3 Prepaid Inpatient Health Plans Sue DHHS Over Allegedly Illegal Provisions", was distributed to Board Members during the meeting.

The suit stems from the fact that, although the plaintiffs signed modified versions of the FY25 Contract (striking out language related to the Waskul settlement, IFS capitation, and Certified Community Behavioral Health Clinics), the Department refused to counter-sign. The defendants recently retaliated against the plaintiffs by stating that MDHHS will not provide Medicaid dollars to fund the expansion of the Substance Use Disorder Health Home (SUDHH) in the plaintiff's regions. This decision by the state could have potentially affected additional services to approximately 7,886 eligible beneficiaries (as of December). It was noted that the three disputed areas of the contract have nothing to do with client care. After discussions with the Attorney General's Office and legal counsel, this MDHHS decision has been reversed.

The CHM Partnership of Southeast Michigan has received approval from its Board of Directors to join the lawsuit as an additional plaintiff. Several CMHSPs have also expressed interest in joining.

The Attorney General's office has asked for a 60-day extension to respond. In the interim, MDHHS has offered to reinstate the SUD Health Home program.

Additionally, communication was received from MDHHS on December 16th stating that the PIHPs FY24 FSR Bundle submission, due on February 28, 2025, will not be accepted if any IFS balance shown is greater than 7.5% of the annual operating budget. Rejected FSR bundles will be considered "late" and will be disqualified from receiving the performance bonus incentive payment for timely reporting. This issue has been added to the injunction and complaint.

PRESENTATION

Quality Assessment and Performance Improvement Program (QAPIP) Update

NMRE Chief Clinical Officer, Bea Arsenov, provided an update on the NMRE Quality Assessment and Performance Improvement Program (QAPIP) to the Board. A QAPIP is required for all PIHPs.

The QAPIP is intended to serve several functions, including but not limited to:

- Serve as the quality improvement structure for the managed care activities of the NMRE as the PIHP for the twenty-one-county service area.
- Provide oversight of the CMHSPs’ quality improvement structures and ensure coordination with PIHP activities, as appropriate.
- Provide leadership and coordination for the PIHP Performance Improvement Projects (PIPs).
- Coordinate with the regional Compliance Coordinator and regional Compliance Committee for verification of Medicaid claims submitted.
- Describe how these functions will be executed within the NMRE’s organizational structure.

The NMRE’s QAPIP lists 13 goals. Ms. Arsenov provided updates on the following:

Goal 1/Objective 1: To Improve the number of individuals enrolled in the Opioid Health Home (OHH) Program by September 30, 2024. This goal has been achieved, as evidenced below.

WSA OHH Breakout: Eligible vs. Enrolled						
Time Period	Running Date	Enrolled	Eligible	% of PE Enrolled	% Enrolled Change	% Eligible Change
Pre-Baseline	<= 9/30/20	284	5,372	5.29%	0%	0%
Baseline	<= 9/30/21	587	7,603	7.72%	106.69%	41.53%
Post-Baseline	<= 9/30/22	890	8,398	10.90%	51.62%	10.46%
Year 1 (NEW)	<= 9/30/23	936	6,400	14.63%	5.17%	-23.79%
Year 2 (NEW)	<= 9/30/24	820	7,142	11.48%	-12.39%	11.59%
Year 3 SUDHH	<= 9/30/25	986	7,174	13.74%	5.34%	12.09%

Goal 2/Objective 2: To improve the number of individuals enrolled in the CMHSP Behavioral health Home (BHH) Program from 3.56% to 5% by September 30, 2024. This goal has been achieved, as evidenced below.

BHH Comparison of Receiving BHH Waiver Services vs. Potential Enrollees			
CMHSP	Receiving BHH Waiver Services	Enrolled + Potential Enrollees who are actively enrolled w/CMHSP	Percent Enrolled
Centra Wellness	155	907	17.09%
North Country	88	2,662	3.31%
Northeast MI	97	1,560	6.22%
Northern Lakes	170	3,858	4.41%
Wellvance	84	1,774	4.74%
Total	594	10,761	5.52%

Goal 2: The NMRE QOC, as part of the QAPIP, will continue to review and follow-up on sentinel events and other critical incidents and events that put people at risk of harm. The QOC will also work on improving the data quality and timeliness in reporting events.

- Jan 2024: An ITR was created to make the changes necessary in the PCE system to allow for timely and accurate reporting of events.
- December 2024: Changes were in place and active in the system.

Goal 6/Objective 2: The NMRE will establish regional Healthcare Effectiveness Data and Information Set (HEDIS) measures to demonstrate the effectiveness of improvements in the quality of healthcare and services for members.

- Follow-Up After Hospitalization for Mental Illness within 30 Days (FUH) – The NMRE surpassed the MDHHS defined benchmark of 58% for FY22 (73.49%) and FY23 (68.21%).
- Follow-Up After Emergency Department Visit for Substance Use – The NMRE surpassed the MDHHS defined benchmark of 36.4% for FY22 (43.89%) and FY23 (41.87%).

COMMENTS

Board

Mr. Nowak wished everyone a safe and happy holiday.

Staff/CMHSP CEOs

Ms. Pelts announced that she will be retiring from the position of Chief Executive Officer of Wellvance effective August 1, 2025. Wellvance will be working with Rehmann to conduct a CEO Search.

MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on January 22, 2025.

ADJOURN

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