

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – APRIL 24, 2024
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Ed Ginop, Gary Klacking, Eric Lawson, Greg McMorrow, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner
VIRTUAL ATTENDEES:	Tom Bratton
ABSENT:	Richard Schmidt
NMRE/CMHSP STAFF:	Bea Arsenov, Brian Babbitt, Jodie Balhorn, Carol Balousek, Brady Barnhill, Lisa Hartley, Chip Johnston, Brooke Kleinert, Eric Kurtz, Brian Martinus, Diane Pelts, Pamela Polom, Nena Sork, Denise Switzer, Deanna Yockey
PUBLIC:	Chip Cieslinski, Dave Freedman, Amy Horstman, Christian Marcus, Susan Pulaski, Kara Steinke, Ellen Templeton, 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 Richard Schmidt was absent for the meeting on this date; all other NMRE Board Members were in attendance either in Gaylord or virtually.

PLEDGE OF ALLEGIANCE

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

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

APPROVAL OF AGENDA

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

MOTION BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR APRIL 24, 2024; SUPPORT BY JAY O’FARRELL. 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 GARY NOWAK TO APPROVE THE MINUTES OF THE MARCH 27, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ERIC LAWSON. MOTION CARRIED.

CORRESPONDENCE

- 1) A memorandum from Belinda Hawks, Director of Adult Home and Community Based Services Division of the Behavioral and Physical Health and Aging Services Administration (BPHASA) at MDHHS, dated March 21, 2024 regarding 1915(i) Enrollment for Children's Services.
- 2) Email correspondence from Bob Sheehan, CEO of the Community Mental Health Association of Michigan, dated April 5, 2024 to CMHSP and PIHP CEOs and Provider Alliance Members "Clearing up Misconceptions regarding CFAP and Opposition to MDHHS Proposal."
- 3) Slide deck from MDHHS Presentation dated April 1, 2024 on Conflict-Free Access and Planning Implementation.
- 4) Quarter 1 FY24 regional Performance Indicator Report.
- 5) Quarter 1 FY24 statewide Performance Indicator Report.
- 6) Email correspondence from Kelsey Bowen, Opioid Health Home Service Delivery Transformation Section of the Behavioral and Physical Health and Aging Services Administration (BPHASA) at MDHHS, dated April 12, 2024 announcing that the NMRE earned its full Pay-for-Performance (P4P) amount plus additional funds due to other regions not hitting their P4P measures.
- 7) The draft minutes of the April 10, 2024 regional Finance Committee meeting.

Mr. Kurtz highlighted the Conflict-Free Access and Planning (CFAP) information provided by CMHAM and MDHHS. The implementation of these plans continues to be questioned. MDHHS wants to see an (organizational) separation between those who do assessments and those who do services planning. Region 2 currently separates these functions by provider but not all by organization.

It was noted that the statewide Performance Indicator report shows that the NMRE has the highest penetration rate in the state.

Ms. Sherman inquired about the meeting that took place between regional leadership and Rep. Betsy Coffia (103rd House District) on March 4th. Mr. Kurtz responded that it was a positive conversation though he's had no additional feedback. Information requested by Rep. Coffia had been provided by Centra Wellness. Ms. Sherman stressed the need to educate legislators on various mental health-related topics and state mandates.

ANNOUNCEMENTS

Mr. Kurtz recognized the retirement of NMSAS Recovery Center Executive Director, Sue Winter, effective April 26, 2024. Samantha Borowiak has been hired as her replacement.

PUBLIC COMMENT

- Former NMRE Board Member, Christian Marcus, announced that he is running for Representative of Michigan's 105th House District, which covers portions of Otsego, Crawford, Kalkaska, Oscoda, and Roscommon Counties.
- Susan Pulaski, Project Coordinator for SAFE in Northern Michigan Prevention Coalition (Antrim, Charlevoix, and Emmet Counties) expressed her appreciation for the support that the NMRE has given to the youth coalition through liquor tax funding.

- Ellen Templeton, Project Coordinator for RISE Otsego Substance Free Coalition expressed her appreciation for the support that the NMRE has given to the youth coalition through liquor tax funding.

PRESENTATION

PhotoVoice

Amy Horstman, Community Health Coordinator with the Health Department of Northwest Michigan was in attendance to present on the Drug-Free Northern Michigan (DFNM) 21-County Alliance Photovoice Project. In PhotoVoice, participants take photographs and provide narratives to translate their experiences into a visual representation. For this project, which was supported with liquor tax funds, youth were asked to comment on the positive and negative influences on youth substance use by responding to one of the following framing questions:

- 1) *What influences youth to use substances?*
- 2) *What influences youth to stay substance free?*
- 3) *What could be done to increase the number of youth who are substance free?*

Submissions were received from youth representing the counties of Alcona, Alpena, Antrim, Charlevoix, Emmet, Montmorency, and Presque Isle.

The PhotoVoice project was shared with the Board. The PhotoVoice project was also shared during the DFNM 21-County Alliance meeting on April 19th, which included legislative staffers as attendees. The project will next be presented at various Town Halls throughout the region.

A regional media campaign will be created by MacDonald Garber Broadcasting based on the content of the submissions; these will show as advertisements on prominent webpages.

Executive Committee Report

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

CEO Report

The NMRE CEO Monthly Report for April 2024 was included in the materials for the meeting on this date. Mr. Kurtz highlighted the gathering at North Country CMHA on April 10th to introduce McLaren Northern Michigan's Chief Medical Officer, John Kennedy, MD. McLaren Northern Michigan.

February 2024 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$2,577,994. Carry forward was reported as \$11,624,171. The total Medicaid and HMP Current Year Surplus was reported as \$14,202,165. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$34,778,321.
- Traditional Medicaid showed \$86,296,279 in revenue, and \$81,660,704 in expenses, resulting in a net surplus of \$4,635,575. Medicaid ISF was reported as \$13,510,136 based on the current FSR. Medicaid Savings was reported as \$845,073.
- Healthy Michigan Plan showed \$11,609,868 in revenue, and \$13,667,449 in expenses, resulting in a net deficit of \$2,057,581. HMP ISF was reported as \$7,066,020 based on the current FSR. HMP savings was reported as \$10,779,098.

- Health Home showed \$1,173,810 in revenue, and \$1,013,493 in expenses, resulting in a net surplus of \$160,317.
- SUD showed all funding source revenue of \$12,872,838 and \$11,515,860 in expenses, resulting in a net surplus of \$1,356,978. Total PA2 funds were reported as \$4,759,803.

Eligibles are trending down faster than what will be offset by the April 1st rate increase. The increased rates will be retroactive to October 1, 2023; revenue that would have been received from October through March will be added to the April through September payments. The NMRE is working on preliminary numbers showing the effect, if any, of the rate increase. More will be known after the April payments are received.

Ms. Sherman asked about Medicaid reenrollment efforts. An increase in retroactive reinstatements is anticipated. The CMHSPs are hyper focused on getting individuals reenrolled and at the proper level.

Ms. Yockey noted that the final quarter of the fiscal year (July 1st through September 30th) generally shows elevated expenditures. The region is currently losing about 2,000 eligibles a month, which is higher than Milliman anticipated, leading to the rate change.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR FEBRUARY 2024; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

Operations Committee Report

The draft minutes from April 16, 2024 were included in the materials for the meeting on this date.

Ms. Sherman asked whether a waiver from Electronic Visit Verification (EVV) requirements can be requested. Mr. Kurtz pointed to the federal EVV requirements under the 21st Century Cures Act.

Mr. Johnston asserted that the Department's approaches are "way over the top" and the Department seems to lean on vendors who benefit from their contract as opposed to managing the vendor. New mandates should be run through the rural caucus before they are promulgated in policies. Mr. Lawson spoke on behalf of the CMH Political Action Committee (PAC).

NMRE SUD Oversight Committee Report

The next meeting of the NMRE Substance Use Disorder Oversight Committee is scheduled for May 6, 2024 at 10:00AM.

NEW BUSINESS

Election of Officers/NMRE Board Nominating Committee Report

The draft minutes of the April 12, 2024 NMRE Board Nominating Committee were included in the materials for the meeting on this date. The NMRE Board Nominating committee recommended the following slate of officers:

- Chair – Gary Klacking (AuSable Valley)
- Vice-Chair – Don Tanner (Centra Wellness Network)
- Secretary – Karla Sherman (North Country)

- Additional Executive Committee Members – Ruth Pilon (Northern Lakes), Eric Lawson (Northeast Michigan)

MOTION BY GARY NOWAK TO APPROVE THE SLATE OF NORTHERN MICHIGAN REGIONAL BOARD OFFICERS recommended BY THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD NOMINATING COMMITTEE; SUPPORT BY GREG MCMORROW.

Mr. Tanner called three times for additional nominations from the floor; none were voiced.

Voting took place on Mr. Nowak’s motion. Motion carried.

The newly elected officers will assume their positions at the next NMRE Board meeting on May 22, 2024.

OLD BUSINESS

Northern Lakes CMHA Update

The Human Resources review by Rehmann has been finalized. A report should come before the NMRE Board in May or June. The forensic investigation is underway. Mr. McMorrow added that revised bylaws were adopted by Northern Lakes CMHA Board of Directors during its meeting on April 18, 2024.

Liquor Tax Parameters

A list of proposed parameters for liquor tax applications were included in the materials and discussed during the meeting as follows:

- The NMRE will update projected end balances for each county for the current fiscal year monthly. New applications will be compared to projected end balances to ensure that there is adequate funding in the county to financially support the request.
- If possible, depending on SUD Block Grant usage, a balance equivalent to one year’s revenue will remain as a fund balance for each county.
- Project requests for services that can be covered by routine funding from other sources (Medicaid, Healthy Michigan) will not be considered.
- To be considered, applications must be for substance use disorder prevention, treatment, or recovery services or supports.
- Region-wide (21 county) requests should be limited to media requests; other region-wide requests will be evaluated on a case-by-case basis.
- Multi-county requests (2 or more) must include detailed information on the provision of services and/or project activities for each county from which funds are requested.
- Staff who receive staffing grants via liquor tax approvals will not be eligible to bill services to the NMRE.
- Applications that include any purchase of buildings or automobiles, renovations of any kind, or any other capital investments* will not be considered.
- Budget Requirements:
 - Budgets must include information in all required fields.
 - Fringe benefit budget requests that exceed 30% should be broken out by Health, Dental, Vision, Retirement, taxes, etc. totals and be subject to NMRE staff and Board approval.

- Indirect costs, when applicable, should **not** exceed 10% of the requested budget total.
- Liquor tax funds may be used to cover up to one FTE (across all projects) per person.
- The amount requested for salaries should be based on the staff person's actual salary and not the billable rate.
- All staff participating in PA2 funded activities are to be listed under budget FTEs (not under indirect cost).
- Requests for liquor tax funds should be coordinated with area stakeholders (CMHSPs, SUD Oversight Committee Members, County Commissioners, courts, law enforcement, SUD services providers) whenever possible.
 - Requestor should inform the county of the request submission at the same time submission to NMRE is completed.

* *"Capital investment" refers to funds invested in a company or enterprise to further its business objectives. Capital investments are often used to acquire or upgrade physical assets such as property, buildings, or equipment to expand or improve long-term productivity or efficiency. (Source: Nasdaq)*

If at the end of the NMRE's fiscal year there is excess SUD Block Grant funding available, it will be used to offset liquor tax expenses as opposed to lapsing SUD Block Grant funding. In reverse, if SUD Block Grant funding runs a deficit, PA2 funding is used for treatment deficits, normally for under or uninsured clients.

Mr. Tanner Don suggested that an Annual Report be issued detailing liquor tax activity which can be shared with community stakeholders.

Mr. Adrian suggested that Boards of Commissioners have an annual meeting with courts, sheriff, etc. to discuss liquor tax funds their use.

MOTION BY ERIC LAWSON TO ADOPT THE PARAMETERS FOR LIQUOR TAX USE AND APPLICATIONS AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY DON SMELTZER. MOTION CARRIED.

COMMENTS

Board

- Mr. Adrian thanked Ms. Pulaski and Ms. Templeton for the work they do in youth substance prevention.
- Mr. Smeltzer referenced an article by Mardi Link dated April 20, 2024 in the Traverse City Record Eagle titled, "Northern Lakes Staff, Board Grapple with Challenges." The article reported that during the April 18th Northern Lakes CMHA Board Meeting, a staff member expressed her disappointment with the behaviors of several board members, calling them inappropriate. Mr. Smeltzer said that Board Members need to make decisions based on what's right for the "whole operation." Board Members take time out of their lives to serve because they believe in the mission they are helping to fulfill.
- Mr. McMorro thanked Mr. Tanner for his three years of services as NMRE Board Chair.
- Mr. O'Farrell asked if a television monitor could be placed on south wall of the Boardroom.

Staff/NMRE CEOs

Mr. Babbitt expressed appreciation for the Board's support related to growing Department mandates and compliance challenges.

Ms. Arsenov announced that the NMRE earned its full Pay for Performance (P4P) withhold of \$209,042.82 plus and additional \$62,794.23 due to other regions not meeting all the required metrics for the Opioid Health Home. Program. The NMRE will pass all of the \$217,837.06 total amount to its Opioid Health Home partners.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on May 22, 2024.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:36AM.