

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM – JULY 26, 2023  
GAYLORD BOARDROOM**

<b>ATTENDEES:</b>	<b>Ed Ginop, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner</b>
<b>VIRTUAL ATTENDEES:</b>	<b>Tom Bratton, Greg McMorrow</b>
<b>ABSENT:</b>	<b>Gary Klacking, Terry Larson, Eric Lawson</b>
<b>NMRE/CMHSP STAFF:</b>	<b>Bea Arsenov, Brian Babbitt, Jodie Balhorn, Chip Johnston, Eric Kurtz, Brian Martinus, Pamela Polom, Brandon Rhue, Denise Switzer, Teresa Tokarczyk, Deanna Yockey, Carol Balousek, Lisa Hartley</b>
<b>PUBLIC:</b>	<b>Chip Cieslinski, Susan Pulaski, Ellen Templeton, Sue Winter, Susan Wojtkowiak, Sharon Vreeland</b>

CALL TO ORDER

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

ROLL CALL

Let the record show that Gary Klacking, Terry Larson, and Eric Lawson, were excused from the meeting on this date; all other NMRE 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 the purchase of United Training Credits and a Proposal from Rehmann were added to the meeting agenda under New Business.

**MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR JULY 26, 2023 AS AMENDED; SUPPORT BY DON SMELTZER. MOTION CARRIED.**

APPROVAL OF PAST MINUTES

Let the record show that the June 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 JUNE 28, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.**

CORRESPONDENCE

- 1) Flyer announcing stakeholder listening sessions on the States Conflict-Free Access and Planning proposals on Tuesday, August 1<sup>st</sup> at 9:00AM and Wednesday, August 9<sup>th</sup> at 3:30PM.
- 2) Michigan Medicaid Policy Bulletin 23-39 regarding Psychiatric Residential Treatment Facilities (PRTF).
- 3) The Community Mental Health Association of Michigan's (CMHAM) FY24 Conference Report – Final Budget.
- 4) CMHAM document titled, "Focused Set of Concrete Approaches to Strengthen the Partnership Between Michigan's Child Welfare and Community Mental Health Systems" dated June 2023.
- 5) CMHAM document titled, "Summary of Concerns and Recommendations: MDHHS-Proposed Conflict-Free Access and Planning Options" dated June 26, 2023.
- 6) Email correspondence from CMHAM Executive Director, Robert Sheehan, announcing the appointment of Kristen Jordan as Bureau Director for the Bureau of Specialty Behavioral Health Services, effective July 24<sup>th</sup>.
- 7) The draft minutes of the July 12, 2023 regional Finance Committee meeting.

Mr. Kurtz highlighted the CMHAM Conflict Free Access & Planning flyer and the summary of concerns and recommendations regarding the MDHHS-proposed Conflict-Free Access and Planning options. This issue has been plagued with controversy. As Governmental Entities, there is no financial gain in the way PIHPs/CMHAPs authorize services. Mr. Johnston emphasized that a federal exemption releases the state of Michigan from these rules.

Mr. Kurtz next drew attention to the FY24 budget specific to mental health and substance use disorder services line items and the announcement of Kristen Jordan to the position previously held by Jeff Wieferich.

ANNOUNCEMENTS

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

PUBLIC COMMENT

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

**Executive Committee Report**

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

**CEO Report**

The NMRE CEO Monthly Report for July 2023 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to the meeting on July 7<sup>th</sup> with Grand Traverse County representatives and Michigan Attorney General, Dana Nessel, regarding opioid settlement dollars. Mr. Kurtz also noted that he met with the Northern Lakes CMHA Board on July 20<sup>th</sup> to discuss continuing contractual oversight efforts; a proposal from Rehmann will be presented under "New Business."

## **May 2023 Financial Report**

- Net Position showed net surplus Medicaid and HMP of \$5,080,994. Budget stabilization was reported as \$16,369,542. The total Medicaid and HMP Current Year Surplus was reported as \$21,450,536. Medicaid and HMP combined ISF was reported as \$16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$37,820,078.
- Traditional Medicaid showed \$131,927,505 in revenue, and \$129,094,179 in expenses, resulting in a net surplus of \$2,833,326. Medicaid ISF was reported as \$9,306,578 based on the current FSR. Medicaid Savings was reported as \$7,742,649.
- Healthy Michigan Plan showed \$23,584,367 in revenue, and \$21,336,699 in expenses, resulting in a net surplus of \$2,247,668. HMP ISF was reported as \$7,062,964 based on the current FSR. HMP savings was reported as \$8,626,893.
- Health Home showed \$1,515,033 in revenue, and \$1,316,788 in expenses, resulting in a net surplus of \$198,245.
- SUD showed all funding source revenue of \$19,757,989, and \$17,332,957 in expenses, resulting in a net surplus of \$2,425,032. Total PA2 funds were reported as \$5,066,632.

Ms. Yockey reported that of the \$1,155,829 of liquor tax funding approved for FY23, \$809,417 (70%) has been billed. Anticipating FY24 revenue will be tricky; final rates have not been received yet, the geographic factor (which has not been favorable for the NMRE region) hasn't been calculated, and the proposed direct care wage increase hasn't moved through the legislature. During the July 10<sup>th</sup> Rate Setting Meeting, Milliman indicated that a 60% decrease due to Medicaid redeterminations should be anticipated. Additionally, capitated rates will be reduced by 1.5% for the PIHPs that have CCBHCs within their regions.

## **MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MAY 2023; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.**

### **Operations Committee Report**

The NMRE Operations Committee did not meet in July due to the CMHAM Directors Forum. The next meeting is scheduled for August 15, 2023 at 9:30AM.

### **NMRE SUD Oversight Committee Report**

The minutes from the July 10, 2023 Substance Use Disorder Oversight Committee meeting were included in the materials for the meeting on this date. Liquor tax requests will be reviewed under "New Business."

### NEW BUSINESS

#### **FY24 Liquor Tax Requests**

The NMRE Substance Use Disorder Oversight Committee reviewed twenty-eight liquor tax requests for FY24 during the meeting on July 10<sup>th</sup>; of those twenty-seven requests were recommended for approval for a total amount of **\$1,922,104.03**.

## **MOTION BY GARY NOWAK TO APPROVE THE LIQUOR TAX REQUESTS FOR FISCAL YEAR 2024 AS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON JULY 10, 2023, FOR A TOTAL AMOUNT OF ONE MILLION NINE HUNDRED TWENTY-TWO THOUSAND ONE HUNDRED FOUR DOLLARS AND THREE CENTS (\$1,922,104.03); SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.**

**“Yea” Votes:** E. Ginop, M. Newman, G. Nowak, J. O’Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

**“Nay” Votes:** Nil

**MOTION CARRIED.**

**Prevention RFP Recommendations**

The NMRE issued an RFP for prevention services for FY24 for the seven counties of Alcona, Alpena, Iosco, Montmorency, Ogemaw, Oscoda, and Presque Isle Counties on May 1, 2023. After a review of the submitted proposals, NMRE staff recommended that contracts be awarded based on the following:

County	Provider	Amount Requested
Alcona	Catholic Human Services	\$16,453.00
Alpena	Catholic Human Services	\$38,258.00
Iosco	Catholic Human Services	\$39,435.00
Montmorency	Catholic Human Services	\$14,701.00
Ogemaw	Catholic Human Services	\$32,830.00
Oscoda	Catholic Human Services	\$14,623.00
Presque Isle	Catholic Human Services	\$18,497.00
<b>Total</b>		<b>\$174,797.00</b>

**MOTION BY KARLA SHERMAN TO AWARD PREVENTION SERVICES CONTRACTS TO CATHOLIC HUMAN SERVICES FOR THE COUNTIES OF ALCONA, ALPENA, IOSCO, MONTMORENCY, OGEMAW, OSCODA, AND PRESQUE ISLE IN THE TOTAL AMOUNT OF ONE HUNDRED SEVENTY-FOUR THOUSAND SEVEN HUNDRED NINETY-SEVEN DOLLARS (\$174,797.00); SUPPORT BY GARY NOWAK. ROLL CALL VOTE.**

**“Yea” Votes:** E. Ginop, M. Newman, G. Nowak, J. O’Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

**“Nay” Votes:** Nil

**MOTION CARRIED.**

**David Bartley Speaking Agreement**

A request to bring David Bartley to the region to speak to staff about mental illness and suicide prevention at a cost of \$11,000 was included in the meeting materials.

**MOTION BY RICHARD SCHMIDT TO APPROVE THE SPEAKING AGREEMENT WITH DAVID BARTLEY IN AN AMOUNT NOT TO EXCEED ELEVEN THOUSAND DOLLARS (\$11,000.00); SUPPORT BY JAY O’FARRELL. ROLL CALL VOTE.**

**“Yea” Votes:** E. Ginop, M. Newman, G. Nowak, J. O’Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

**“Nay” Votes:** Nil

**MOTION CARRIED.**

### **United Training Credits**

A proposal for learning credits from United Training was distributed during the meeting. NMRE Chief Information Officer/Operations Manager, Brandon Rhue, explained that the NMRE has purchased training credits to be used by staff from the NMRE and its five Member CMHSPs for the past several years. Current training funds have been expended with 17 class registrations pending, at a cost of \$10,605. During promotional periods, United Training matches purchase credits dollar for dollar (\$20,000 minimum). The regional CEOs spoke highly of the quality of training that staff have received through this program. Mr. Kurtz recommended that the region purchase \$50,000 to cover the pending class registrations and meet the ongoing needs of the region (which will be matched for a total of \$100,000 credits).

### **MOTION BY DON SMELTZER TO APPROVE THE PURCHASE OF UNITED TRAINING CREDITS IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,00.00); SUPPORT BY ED GINOP. ROLL CALL VOTE.**

**"Yea" Votes:** E. Ginop, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

**"Nay" Votes:** Nil

### **MOTION CARRIED.**

### **Rehmann Proposal**

A proposal for Contractual Oversight of Northern Lakes Community Mental Health Authority from Rehmann was distributed during the meeting. The NMRE intends to contract with Rehmann for consultation services. Services will begin upon approval and extend until October 31, 2023 at a cost not to exceed \$35,000. Rehmann will produce a final written report detailing the scope of the assessment, significant observations/findings, and recommendations for improvement.

### **MOTION BY CHUCK VARNER TO APPROVE THE PROPOSAL FROM REHMANN TO CONDUCT CONTRACTUAL OVERSIGHT OF NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY AT A COST NOT TO EXCEED THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00); SUPPORT BY RICHARD SCHMIDT. ROLL CALL VOTE.**

**"Yea" Votes:** E. Ginop, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

**"Nay" Votes:** Nil

### **MOTION CARRIED.**

### OLD BUSINESS

#### **Grand Traverse County and Northern Lakes CMHA**

During its Board Meeting on July 2, 2023, the Northern Lakes CMHA Board voted to name Northern Lakes CMHA as the fiduciary of the \$5,000,000 in ARPA funding awarded to Grand Traverse County for the regional mental health crisis center. With the approval of the proposal by Rehmann, the NMRE's enhanced Contractual oversight will be getting underway.

## PRESENTATION

NMRE Clinical Services Director, Branislava Arsenov, was in attendance to present the NMRE's Three-Year Strategic Plan in response to state and federal guidelines for substance use disorder prevention, treatment, and recovery services.

Based on USDA Economic Research Service Rural-Urban Continuum Codes (2013), in the NMRE's 21-county region:

- 8 counties are considered completely rural (38.10%)
- 12 counties are considered urban population 2,500 – 19,000, not adjacent to a metropolitan area (57.14%)
- 1 county is considered an urban population of 20,000 or more, not adjacent to a metropolitan area (4.75%)

The NMRE contracts with five providers in its region for prevention services. Prevention goals include:

1. Reduce underage drinking.
2. Reduce marijuana use in youth and young adults.
3. Reduce prescription drug misuse, including a reduction in the misuse of opioids for non-medical purposes.
4. Increase prevention services for adults aged 55 and older.
5. Reduce youth access to tobacco.

The NMRE contracts with ten providers in its region for treatment services. Treatment goals include:

1. Increase access to medication assisted treatment services (Methadone specific OTP services).
2. Expand behavioral health and primary care services for persons at risk for and with mental health and substance use disorder.
3. Increase access to treatment and harm reduction for individuals living with an opioid use disorder.
4. Increase access to treatment for the criminal justice involved population returning to communities.
5. Increase access to trauma responsive services.
6. Reduce the percentage of substance exposed births/infants.
7. Increase access to treatment services for adults aged 55 and older.

The NMRE currently does not contract with any providers in its region only for recovery support services. Recovery support goals include:

1. Enhance coordination of prevention, follow-up, and continuing care in the recovery process.
2. Expand treatment services to include ongoing support and multiple coordinated strategies to support recovery.
3. Increase access to recovery services that promote life enhancing recovery and wellness for individuals and families.

**MOTION BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY THREE-YEAR STRATEGIC PLAN IN RESPONSE TO STATE AND FEDERAL GUIDELINES FOR SUBSTANCE USE DISORDER PREVENTION, TREATMENT, AND RECOVERY SERVICES; SUPPORT BY DON SMELTZER. MOTION CARRIED.**

## COMMENTS

### **Board Members**

Mr. Smeltzer asked if there has been any follow-up since the rural-oriented public mental health policies and practices passed through the CMHAM Board of Directors. Mr. Kurtz responded that the proposal was presented during July 18<sup>th</sup> – 19<sup>th</sup> Directors Forum and received unanimous support. The key aims of the document were underscored as: rural voice, rural people, rural practice.

Mr. O'Farrell shared that Rep. Mike Hoadley (99<sup>th</sup> District) is doing a walkthrough of the Standish Correctional Facility on August 7<sup>th</sup>.

### **Staff/CMHSP CEOs**

Mr. Johnston noted that beginning in 2025, at least 51% of all CCBHCs' nine core services will need to be provided in-house. Mr. Kurtz added that if CMHSPs contract with Direct Contract Organizations, the CMHSPs will be responsible for the credentials of staff and billing. CCBHC's are also at risk for the CCBHC line of business.

## NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on August 23, 2023.

## ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:17AM.