

**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM – MAY 24, 2023  
GAYLORD BOARDROOM**

<b>ATTENDEES:</b>	<b>Tom Bratton, Ed Ginop, Eric Lawson, Greg McMorrow, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Richard Schmidt, Don Smeltzer, Don Tanner, Chuck Varner</b>
<b>ABSENT:</b>	<b>Gary Klacking, Terry Larson, Karla Sherman</b>
<b>NMRE/CMHSP STAFF:</b>	<b>Brian Babbitt, Chip Johnston, Eric Kurtz, Brian Martinus, Trish Otremba, Brandon Rhue, Deanna Yockey, Carol Balousek, Lisa Hartley</b>
<b>PUBLIC:</b>	<b>Chip Cieslinski, Kate Dahlstrom, Dave Freedman, Trevor Kapp, Derek Miller, Sue Winter</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 Karla Sherman were excused from the meeting on this date; all other NMRE Board Members were in attendance.

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 election of NMRE Board Officers and a proposal for consulting services from Capitol Affairs, Inc. were added under New Business.

**MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR MAY 24, 2023 AS AMENDED; 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 JAY O’FARRELL TO APPROVE THE MINUTES OF THE APRIL 26, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY GARY NOWAK. MOTION CARRIED.**

## CORRESPONDENCE

- 1) The minutes from the April 4, 2023 PIHP CEO meeting.
- 2) The minutes from the May 4, 2023 MDHHS PIHP CEO meeting.
- 3) The minutes from the April 26 – 27, 2023 CMHAM Directors Forum.
- 4) Communication from MDHHS dated April 26, 2023 announcing the soft launch of the Michigan Child and Adolescent Needs and Strengths (MichiCANS) tool in Quarter 2 of FY24.
- 5) Memorandum from Lindsay McLaughlin at MDHHS dated May 15, 2023 to PIHP and CMHSP Executive Directors regarding the Impact of the End of the Public Health Emergency on MSA 20-58 (which allowed PIHPs and CMHAPS to ensure the provision of essential services while protecting the health and wellness of beneficiaries and providers throughout the COVID Public Health Emergency).
- 6) Letter dated May 12, 2023 from Farah Hanley at MDHHS providing clarification on Medicaid policy related to the reimbursement of services for children with Intellectual/Developmental Disabilities (including children with Autism Spectrum Disorder) who reside in Child Caring Institutions.
- 7) Legal opinion from attorney Adam Falcone of Feldesman, Tucker, Leifer, and Fidell to Bob Sheehan at CMHAM dated May 9, 2023 regarding Conflict-Free Access and Planning.
- 8) Announcement of Meghan Groen as Senior Deputy Director of the MDHHS Behavioral and Physical Health and Aging Services Administration.
- 9) Announcement of Jeff Wieferich as the Senior Executive of the State Psychiatric Hospitals/Centers effective June 11, 2023.
- 10) May 4, 2023 Traverse City Record Eagle article by Patti Brandt Burgess titled, "Mental Health Services Take Giant Leap Forward."
- 11) Flyer from MDHHS announcing stakeholder meetings to gather feedback on direct care and behavioral health workforce challenges.
- 12) The draft minutes of the May 10, 2023 regional Finance Committee meeting.

Mr. Kurtz drew attention to the legal opinion from Adam Falcone related to conflict free access and planning (CFA&P). Mr. Falcone asserted that MDHHS demonstrated an "arbitrary reversal" of position related to CFA&P. Mr. Falcone further stated that for MDHHS to reverse its position on this issue, it would require, at a minimum, that MDHHS explain what motivated its change of position and offer stakeholders the opportunity to comment on this stance. CMHA intends to pursue its advocacy against the state's CFA&P proposals.

Mr. Kurtz next noted the staff changes at MDHHS with Meghan Groen named Senior Deputy Director of the MDHHS Behavioral and Physical Health and Aging Services Administration and Jeff Wieferich moving to the position of Senior Executive of the State Psychiatric Hospitals/Centers.

Mr. Lawson asked why there are two separate PIHP CEO meetings. Mr. Kurtz clarified that an initial meeting is held monthly among the ten PIHP CEOs which is followed by a second meeting with PIHP CEOs and MDHHS staff.

## ANNOUNCEMENTS

Let the record show that new NMRE Board Members Tom Bratton, Greg McMorrow, and Ruth Pilon (representing Northern Lakes Community Mental Health Authority) were introduced to the group.

## PUBLIC COMMENT

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

Kate Dahlstrom shared that she enjoyed serving on the NMRE Board and was disappointed to not be reappointed. She stated that she was removed from all Northern Lakes CMHA committees during the May 18th Board meeting. Ms. Dahlstrom expressed the hope that the NMRE Board be open to efforts to enhance youth services in the region.

## **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 2023 was included in the materials for the meeting on this date. Mr. Kurtz highlighted his participation in the NMRE Substance Use Disorder (SUD) Day of Recovery Education on May 8<sup>th</sup> and the Northeast Michigan CMHA Strategic Planning Session on May 11<sup>th</sup>.

## **March 2023 Financial Report**

- Net Position showed net surplus Medicaid and HMP of \$4,206,198. Budget stabilization was reported as \$16,369,542. The total Medicaid and HMP Current Year Surplus was reported as \$20,575,740. 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 \$36,945,282.
- Traditional Medicaid showed \$98,795,368 in revenue, and \$96,778,094 in expenses, resulting in a net surplus of \$2,017,274. 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 \$17,405,142 in revenue, and \$15,216,218 in expenses, resulting in a net surplus of \$2,188,924. HMP ISF was reported as \$7,062,964 based on the current FSR. HMP savings was reported as \$8,626,893.
- Health Home showed \$1,109,075 in revenue, and \$927,510 in expenses, resulting in a net surplus of \$181,565.
- SUD showed all funding source revenue of \$14,692,732, and \$12,821,233 in expenses, resulting in a net surplus of \$1,871,499. Total PA2 funds were reported as \$4,852,460.

Ms. Yockey noted that current revenue is running \$2M over projections. The NMRE will likely close the current fiscal year with a fully funded ISF and a sizable lapse. The decrease in eligibles (due to redeterminations) may be offset by a potential rate increase for FY24.

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

## **Operations Committee Report**

The minutes from May 16, 2023 were included in the materials for the meeting on this date. Mr. Kurtz shared that a regional Pediatric Behavioral Health Summit is being planned with AuSable Valley and can include attendees from the Upper Peninsula on October 4<sup>th</sup> at Treetops Resort.

It was noted that, during a recent meeting of the Michigan Association of Counties (MAC) Health and Human Services Committee meeting, a rural exemption was passed and will be presented to the full board. The rural exemption asks MDHHS to look at natural resources in the community before enacting policies. The goal is for the rural exemption request to be presented to the Michigan legislature.

### **NMRE SUD Oversight Board Report**

Let the record show that the next SUD Oversight Board meeting is scheduled for July 10, 2023 at 10:00AM.

### NEW BUSINESS

#### **House Bills 4576 and 4577 of 2023**

House Bills 4576 and 4577 have been introduced by Curt Vanderwall. The bills aim to update the mental health code regarding the transition from specialty prepaid inpatient health plans (PIHP) to specialty integration plans (SIP).

#### **Election of NMRE Officers**

The election of NMRE Board Officers was added to the agenda for the meeting on this date. It was reported that all current officers were eligible for an additional term.

**MOTION BY GARY NOWAK TO REAPPOINT THE CURRENT NORTHERN MICHIGAN REGIONAL ENTITY BOARD OFFICERS AND APPOINT JAY O'FARRELL AND RUTH PILON TO THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD EXECUTIVE COMMITTEE FOR THE TERM OF ONE YEAR; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.**

- NMRE Board Chair – Don Tanner
- NMRE Board Vice-Chair – Ed Ginop
- NMRE Board Secretary – Gary Nowak
- Additional Board Executive Committee Members – Jay O'Farrell and Ruth Pilon

#### **Proposal for Consulting Services from Capitol Affairs, Inc.**

A proposal from Capitol Affairs, Inc. for consulting services was distributed during the meeting on this date.

**MOTION BY GARY NOWAK TO APPROVE THE PROPOSAL FROM CAPITOL AFFAIRS, INC. FOR THE PROVISION OF CONSULTING SERVICES TO THE NORTHERN MICHIGAN REGIONAL ENTITY AT A TOTAL COST OF THIRTY-SIX THOUSAND DOLLARS (\$36,000.00) FOR A PERIOD OF ONE YEAR TO BEGIN ON JUNE 1, 2023; SUPPORT BY ERIC LAWSON. ROLL CALL VOTE.**

**"Yea" Votes:** T. Bratton, E. Ginop, E. Lawson, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, D. Smeltzer, D. Tanner, C. Varner

**"Nay" Votes:** Nil

### OLD BUSINESS

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

The Enabling Agreement passed (unanimously) through all six counties and will be filed with the County Clerks. Mr. Martinus acknowledged the work of Northern Lakes CMHA staff throughout the process; he stressed that staff have remained focused on NLCMHA's mission.

## PRESENTATION

### **NMRE FY22 Financial Audit**

Derek Miller and Trevor Kapp from Roslund, Prestage & Company were in attendance via Teams to present the results of the NMRE's FY22 Financial Audit. Mr. Miller provided the following opinion:

*We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Northern Michigan Regional Entity (the Entity), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table of contents.*

*In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Entity, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.*

Mr. Miller thanked the NMRE Team for their work and assistance in completing the audit.

**MOTION BY RICHARD SCHMIDT TO ACCEPT THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2022 FINANCIAL AUDIT REPORT BY ROSLUND, PRESTAGE & COMPANY; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.**

## COMMENTS

### **Board Members**

Mr. Schmidt announced that during the last meeting of the Michigan Association of Counties (MAC), Jay O'Farrell was elected to its Board of Directors.

### **Staff/CMHSP CEOs**

- Ms. Yockey introduced NMRE Financial Analyst, Tricia Wurn, and NMRE Finance Specialist, Pamela Polom and thanked them for their work on the FY22 financial audit.
- Mr. Johnston referenced his "Red Book" presentation given during the recent CMHAM Improving Outcomes Conference. He has also given this presentation to staff in the UP and has offered the presentation to the regional CMHSPs and the NMRE.

## NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on June 28, 2023.

## ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:05AM.