

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – AUGUST 24, 2022
GAYLORD BOARDROOM**

ATTENDEES:	Kate Dahlstrom, Gary Klacking, Terry Larson, Christian Marcus, Mary Marois, Gary Nowak, Jay O’Farrell, Joe Stone, Don Tanner
VIRTUAL ATTENDEES:	Richard Schmidt (Kaleva), Karla Sherman (Wilson, WY)
ABSENT:	Ed Ginop, Angie Griffis, Don Smeltzer
NMRE/CMHSP STAFF:	Brian Babbitt, Joanie Blamer, Chip Johnston, Eric Kurtz, Diane Pelts, Sara Sircely, Deanna Yockey, Carol Balousek, Lisa Hartley
PUBLIC:	Chip Cieslinski, Dave Freedman

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 Ed Ginop, Angie Griffis, and Don Smeltzer were excused from the meeting on this date; all other NMRE Board Members were in attendance either virtually or 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 AUGUST 24, 2022; SUPPORT BY JAY O’FARRELL. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY JOE STONE TO APPROVE THE MINUTES OF THE JULY 27, 2022 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY CHRISTIAN MARCUS. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the August 4, 2022 PIHP CEO meeting.
- 2) Slides from a “Contract Monitoring and Oversight” presentation by Darrell Harden at MDHHS dated August 4, 2022.

- 3) "Crisis Stabilization Units in Michigan" document from MDHHS.
- 4) CMHAM "Concerns over specific actions, decisions, or lack of action by MDHHS" document dated August 2022.
- 5) Email correspondence dated August 12, 2022 from CMHAM to PIHP and CMHSP CEOs and Provider Alliance Members regarding state hospital capacity reduction issues.
- 6) CMHAM "Michigan's State Demonstration & SPA/Permanent CCBHC Initiative: Recommendations" document revised August 10, 2022.
- 7) Email correspondence dated August 11, 2022 from Bob Sheehan to Eric Kurtz, Don Tanner, and Joe Stone regarding concerns expressed by the NMRE Board related to the CCBHC becoming a permanent state plan service.
- 8) A memorandum from Jeff Wieferich at MDHHS dated August 15, 2022 to PIHP Directors regarding the availability of additional Substance Abuse Prevention and Treatment (SAPT) Block Grant funds effective October 1, 2022 to establish a discharge support/complex care management position.
- 9) A memorandum from Carl Rice, President of CMHAM Board of Directors dated August 12, 2022 announcing the calling for nominations for Association Treasurer for the 2022-2024 term; an election will be held during the Fall Conference on October 23, 2022.
- 10) The Statewide Performance Indicator Report for Quarter 2 of Fiscal Year 2022.
- 11) Traverse City Record Eagle article titled, "Funding Agency to Oversee Northern Lakes CMH" by Patti Brandt Burgess dated August 17, 2022.
- 12) Traverse City Record Eagle article titled, "Northern Lakes Accepts Oversight, Blamer Declines to give Report" by Patti Brandt Burgess dated August 20, 2022.
- 13) The draft minutes from the August 10th NMRE Regional Finance Committee meeting.

Mr. Kurtz drew attention to the Contract Oversight PowerPoint slides. MDHHS has reached out to PIHPs to request additional data reports, testing PIHP compliance. MDHHS is looking for PIHPs to be the primary resolution point for all beneficiary and provider concerns.

The August memorandum from CMHAM was discussed. During the July Directors Forum, participants noted several concerns with MDHHS initiatives, delays, lack of action, and leadership approaches; a list of advocacy efforts was developed by Directors Forum members and CMHAM.

It was noted that a meeting is scheduled later this date to review the recommendations by CMHAM regarding a Certified Community Behavioral Health Clinic (CCBHC) State Demonstration initiative. Mr. Johnston asserted that making the CCBHC a permanent part of the public mental health system would be damaging to rural areas across the state. Additionally, most of the CCBHC's aims are achievable within the current system.

An additional \$150,000 in Substance Abuse Prevention and Treatment (SAPT) Block Grant funds is being provided to PIHPs to establish a discharge support/complex care management position. The position "must be dedicated to supporting substance use disorder providers with meeting the needs of priority population individuals but the use of the position is somewhat flexible.

ANNOUNCEMENTS

Let the record show that Joe Stone announced that Chuck Varner will be replacing him on the NMRE Board. Mr. Varner is a member of the Oscoda County Board of Commissioners, the AuSable Valley CMHA Board of Directors, and the NMRE Substance Use Disorder Oversight Board.

PUBLIC COMMENTS

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

REPORTS

Executive Committee Report

Northern Lakes CMHA

The minutes of the August 9, 2022 Executive Committee meeting were included in the materials and approved by the Executive Committee earlier on this date. On August 9th, the Executive Committee met and authorized Mr. Kurtz to send a memorandum to Northern Lakes CMHA Board Chair Dan Dekorse offering enhanced contractual oversight by the NMRE; the memorandum was copied to the six county administrators and six county commission chairpersons within the NLCMHA region. During the meeting on August 18th, the NLCMHA Board voted (7:4) to accept the offer. Mr. Kurtz stated that he will not act as the permanent Interim CEO of NLCMHA but does have a current NMRE staff in mind for the position, who he will work with closely. He noted that a Board Search Committee needs to be formed to secure a permanent CEO.

Mr. Dekorse has requested a meeting with Mr. Kurtz but has not been responsive to recent communications.

NMRE CEO Contract

Let the record show that the NMRE Board Executive Committee met at 9:15AM on this date. Responses to the CEO evaluation were summarized and shared with the Board.

The NMRE Board Executive Committee provided a salary recommendation to the Board as well as an additional one-year extension to the CEO's current contract. The salary recommendation would put the CEO's salary commensurate with others in his peer group. It was noted that the CEO currently opts out of NMRE sponsored health benefits.

MOTION BY MARY MAROIS TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD EXECUTIVE COMMITTEE RECOMMENDED SALARY AMOUNT FOR THE CHIEF EXECUTIVE OFFICE FOR FISCAL YEAR 2023 ALONG WITH AN EXTENSION OF ONE YEAR TO THE CONTRACT TERM; SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

"Yea" Votes: K. Dahlstrom, G. Klacking, T. Larson, C. Marcus, M. Marois, G. Nowak, J. O'Farrell, J. Stone, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

CEOs Report

The NMRE CEO Monthly Report for August 2022 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to the August 1st meeting of the six county administrators and six county commission chairpersons within the NLCMHA region. Meetings will continue to occur, and Mr. Kurtz will keep the counties informed about the contractual oversight provided to NLCMHA by the NMRE.

June 2022 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$10,402,465. Medicaid carry forward was reported as \$16,358,117. The total Medicaid and HMP Current Year Surplus was reported as \$26,760,582. 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 \$43,118,699.

- Traditional Medicaid showed \$150,850,088 in revenue, and \$139,113,673 in expenses, resulting in a net surplus of \$11,736,415. 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 \$23,767,920 in revenue, and \$19,752,513 in expenses, resulting in a net surplus of \$4,015,407. HMP ISF was reported as \$7,059,749 based on the unaudited FSR. HMP savings was reported as \$5,061,250.
- Health Home showed \$1,113,539 in revenue, and \$892,402 in expenses, resulting in a net surplus of \$221,137.
- SUD showed all funding source revenue of \$18,837,111, and \$15,824,090 in expenses, resulting in a net surplus of \$3,013,021. Total PA2 funds were reported as \$4,888,310.

The direct care wage surplus was estimated at \$5,349,357.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JUNE 2022; SUPPORT BY JOE STONE. MOTION CARRIED.

Operations Committee Report

Let the record show that the Operations Committee did not meet in August. The next meeting is scheduled for September 20, 2022.

NMRE SUD Oversight Board Report

Let the record show that the next meeting of the NMRE Substance Use Disorder Oversight Board is scheduled for September 12, 2022. Vice-Chair Carolyn Brummund will run the September meeting and nominations for Chair will be requested.

NEW BUSINESS

NMRE CEO Contract

Let the record show that this topic was discussed under the Executive Committee report.

OLD BUSINESS

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

Nothing is expected for SB 597 & SB 598 until possibly later in the fall. Mr. Kurtz met on August 23rd with members of CMHAM and ARC; ACR is opposed to any plan that moves toward privatization of the mental health system. It was reported that Sen. Shirkey and Rep. Whiteford are still interested in pursuing “something.”

PRESENTATION

NMRE FY23 Proposed Budget

The NMRE’s proposed budget for FY23 was included in the materials for the meeting on this date. Ms. Yockey reviewed the “assumptions” which included:

- A 4.3% decrease in revenue for Medicaid and HMP due to rates with a minor increase in eligibles
- Fully funded ISF at the close of FY22
- SUD costs based on projected current year utilization
- Autism revenue included in capitation methodology
- SUD Block Grant revenue based on current year actual MDHHS allocation
- PA2 revenue anticipated to stay consistent with the current year
- Affiliate local match and local match drawdown based on actual historical amounts

NMRE expenditures were updated to reflect staffing and benefit changes (4% employee pension increase) and a 3% employee cost of living increase (COLA) effective October 1, 2022.

	Proposed FY23	Projected FY22	Proposed Increase (Decrease)
NMRE Operating Revenue	\$253,705,885	\$261,505,776	(\$7,799,891)
NMRE Expenses	233,033,957	\$224,176,938	\$8,857,019
Anticipated Surplus	20,671,928	\$37,328,838	(\$16,656,910)

Mr. Kurtz noted that the end of the public health emergency (PHE) will affect eligibles and ultimately revenue.

MOTION BY MARY MAROIS TO APPROVE THE PROPOSED BUDGET FOR THE NORTHERN MICHIGAN REGIONAL ENTITY FOR FISCAL YEAR 2023 AS REVIEWED ON THIS DATE; SUPPORT BY CHRISTIAN MARCUS. ROLL CALL VOTE.

“Yea” Votes: K. Dahlstrom, G. Klacking, T. Larson, C. Marcus, M. Marois, G. Nowak, J. O’Farrell, J. Stone, D. Tanner

“Nay” Votes: Nil

MOTION CARRIED.

The suggestion was made that the NMRE review the Board per diem rates. Ms. Yockey agreed to survey the Member CMHSPs and provide a report in September.

COMMENTS

Board

Ms. Dahlstrom distributed a brochure for the Grand Traverse chapter of the National Alliance on Mental Illness (NAMI). She noted that a NAMI Navigator has been hired to support individuals and their families living with mental illness.

Ms. Dahlstrom shared a flyer for an Open House at the Traverse House Clubhouse, 105 Hall Street in Traverse City, on August 31st at 11:00AM.

Mr. Stone thanked the Board for allowing him to serve as a member of “the best PIHP in the State.” He noted that the Board has matured, and trust has developed throughout the years.

Staff/CMHSP CEOs

Ms. Pelts reported that the remaining Carter Kits (1600) were delivered to AuSable Valley CMHA for distribution. The Carter Kits Board of Directors is working to schedule some regional trainings. Carter Kits will be a presentation topic during the Fall Board Conference taking place October 24th–25th.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on September 28, 2022.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:10AM.