

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

ATTENDEES:	Bob Adrian, Tom Bratton, Mary Marois, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner
ABSENT:	Ed Ginop, Gary Klacking, Eric Lawson, Chuck Varner
NMRE/CMHSP STAFF:	Bea Arsenov, Brian Babbitt, Carol Balousek, Eugene Branigan, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Brandon Rhue, Nena Sork, Denise Switzer, Deanna Yockey
PUBLIC:	Sam Borowiak, Chip Cieslinski, Dave Freedman, Joe Porterfield, Gary Taylor, Sharon Vreeland

CALL TO ORDER

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

ROLL CALL

Let the record show that Ed Ginop, Gary Klacking, Eric Lawson, and Chuck Varner 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 an update on the FY25 PIHP Specialty Supports and Services Contract with the State was added under New Business.

MOTION BY DON SMELTZER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR JULY 24, 2024 AS AMENDED; SUPPORT BY KARLA SHERMAN. 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 MARY MAROIS TO APPROVE THE MINUTES OF THE JUNE 26, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY GARY NOWAK. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes of the June 28, 2024 Rural and Frontier Caucus meeting.
- 2) A letter dated June 28, 2024 from the Crawford County Board of Commissioners supporting the NMRE's Resolution Opposing MDHHS' Decision to Implement Conflict Free Access and Planning in Michigan.
- 3) A memorandum from Kristen Jordan dated June 28, 2024 to PIHP and CMHSP Executive Directors regarding Claims Submissions with the State sponsored Electronic Visit Verification (EVV) System at Initial Implementation for Behavioral Health.
- 4) Michigan Medicaid Policy Bulletin 24-24 dated July 1, 2024 announcing Behavioral Health Home (BHH) Expansion and Addition of Codes to Increase Eligibility for Youth with Serious Emotional Disturbance (SED).
- 5) Email correspondence from Jackie Sproat dated July 10, 2024 providing an update on Tiered Inpatient Psychiatric Rates.
- 6) Michigan Medicaid Provider L Letter 24-36 dated July 11, 2024 regarding Changes to the Non-Emergency Medical Transportation (NEMT) Benefit for Medicaid beneficiaries enrolled in a Medicaid Health Plan (MHP).
- 7) A legal response from the Community Mental Health Association of Michigan's (CMHAM) dated July 12, 2024 regarding the State's proposed Waskul Settlement Agreement.
- 8) The draft minutes of the July 10, 2024 regional Finance Committee meeting.

Mr. Kurtz drew attention to the June 28th minutes from the Rural Caucus meeting. The mission of the Rural Caucus was provided as: "The Rural and Frontier Caucus, a dedicated initiative within the Community Mental Health Association of Michigan (CMHA), advocates for a public mental health system that fully recognizes and addresses the distinctive characteristics inherent in Michigan's rural and frontier landscapes." Ms. Sherman asked whether others (MDHHS) recognize these differences. Mr. Kurtz responded that the committee is chaired by Matt Maskart, CEO of Pathways Community Mental Health in the Upper Peninsula and Kristan Jordan, Director of the Bureau of Specialty Behavioral Health Services at MDHHS, is a member but was not in attendance in June.

Mr. Kurtz acknowledged the letter from the Crawford Oscoda County Board of Commissioners supporting the NMRE's Resolution Opposing MDHHS' Decision to Implement Conflict Free Access and Planning in Michigan.

Mr. Kurtz next recognized the MMP L Letter regarding changes to the Non-Emergency Medical Transportation (NEMT) Benefit for Medicaid beneficiaries enrolled in a Medicaid Health Plan (MHP). Beginning October 1, 2024, MHPs will be required to cover NEMT for any Medicaid-covered service for SUD, Medical, and Behavioral Health. Prior to October, individuals will need to be transitioned from Meridian and United to one of the MHPs currently under contract in the region (Blue Cross Complete McLaren Molina, Priority Health). The lack of local transportation providers was emphasized.

The response from the CMHAM regarding the State's proposed Waskul Settlement Agreement will be discussed under the FY25 PIHP Specialty Supports and Services Contract with the State, which was added under New Business.

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.

Dave Freedman, a member of the Northern Lakes CMHA Board and the NMRE Substance Use Disorder (SUD) Oversight Committee, spoke about an upcoming request for liquor tax dollars from the Wexford County Sheriff for capital item. The liquor tax parameters approved by the NMRE Board in April state that "Applications that include any purchase of buildings or automobiles, renovations of any kind, or any other capital investments will not be considered." Mr. Freedman asked that Board that if the request brought for consideration on this date is approved, that similar consideration be given to future requests for capital expenses. The Recovery Community Organization in Grand Traverse County is in need of vehicles so that peers can transport individuals to treatment; however, this was not allowed due to the previously referenced criteria. Mr. Freedman clarified that he is not opposed to the request made but the Wexford County Sheriff but would like to see consistency regarding the use of liquor tax funds for capital expenses.

Joe Porterfield, Wexford County Administration, also spoke about the request from the Wexford County Sheriff for a TEK84full body scanner. There have been several incidents where substances have been smuggled into the jail in individuals' body cavities, jeopardizing the health and safety of inmates. The scanner is intended to save lives. Any consideration from the Board to approve the request would be appreciated.

Sam Borowiak, Executive Director of NMSAS Recovery Center, spoke about the changes to Non-Emergency Medical Transportation. Because NMSAS has clients who come for daily medication assisted treatment dosing, the change could cause a lapse in treatment and potential withdrawals. NMSAS is already working to get individuals enrolled so that their care will not be disrupted. Ms. Borowiak called the matter "very concerning."

REPORTS

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 2024 was included in the materials for the meeting on this date.

May 2024 Financial Report

- Net Position showed net deficit Medicaid and HMP of \$1,941,623. Carry forward was reported as \$11,624,171. The total Medicaid and HMP Current Year Surplus was reported as \$9,682,548. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$30,258,704.
- Traditional Medicaid showed \$139,203,717 in revenue, and \$137,162,152 in expenses, resulting in a net surplus of \$2,041,565. Medicaid ISF was reported as \$13,510,136 based on the current FSR. Medicaid Savings was reported as \$845,073.
- Healthy Michigan Plan showed \$19,496,020 in revenue, and \$23,479,208 in expenses, resulting in a net deficit of \$3,983,188. HMP ISF was reported as \$7,066,020 based on the current FSR. HMP savings was reported as \$10,779,098.

- Health Home showed \$1,953,750 in revenue, and \$1,711,720 in expenses, resulting in a net surplus of \$242,030.
- SUD showed all funding source revenue of \$19,860,373 and \$18,184,070 in expenses, resulting in a net surplus of \$1,676,303. Total PA2 funds were reported as \$4,705,725.

The NMRE is closely monitoring FY24 revenue and comparing it to FY23. Year-end revenue is likely to be \$3.2M over original projections, due to increased HSW payments.

The region currently has one open HSW slot with a packet pending in the MDHHS queue; if approved, the NMRE will receive a July payment for this individual. SED and CWP enrollments have increased substantially from the previous year.

Due to a glitch in the CHAMPS system, the NMRE has not been paid for individuals on HSW with spenddowns dating back to July 2023. The NMRE has recently learned that it will receive payments for unpaid HSW slots back to October 1, 2023. Some retroactive payments were received last week totaling \$213K. There should be an additional payment coming to the region once the July 15th submissions have been reviewed. It is unclear whether any retroactive payments will be made for FY23.

Mr. Kurtz noted that only a small portion of the \$116.3M appropriated in the April rate adjustment has been pushed out to PIHPs/CMHSPs. This is a "big concern" looking ahead to FY25 rates.

MOTION BY KARLA SHERMAN TO EMPOWER THE NORTHERN MICHIGNA REGIONAL ENTITY CHIEF EXECUTIVE OFFICER TO REQUEST THAT THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES DISTRIBUTE THE ENTIRETY OF THE FUNDING INCLUDED IN THE APRIL 2024 APPROPRIATION; SECOND BY GARY NOWAK. MOTION CARRIED.

MOTION BY MARY MAROIS TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MAY 2024; SUPPORT BY GARY NOWAK. MOTION CARRIED.

Operations Committee Report

The draft minutes from July 16, 2024 were included in the materials for the meeting on this date. It was noted that the region has supported Debra Welsch for CMHAM Board Treasurer.

NMRE SUD Oversight Committee Report

The draft minutes from the July 8, 2024 NMRE Substance Use Disorder Oversight Committee were included in the materials for the meeting on this date.

NEW BUSINESS

FY25 Liquor Tax Requests

The following liquor tax requests were presented to the NMRE Substance Use Disorder (SUD) Oversight Committee on July 8, 2024 and were recommended for approval by the NMRE Board of Directors. The total amount of funds requested on this date totals **\$797,750.00**.

	Requesting Entity	Project	County	Amount
1.	Catholic Human Services	Alcona County Students Leading Students	Alcona	\$12,100.00
2.	Centra Wellness Network	Benzie Area Youth (BAY) Initiative	Benzie	\$7,790.00
3.	BASES	Charlevoix County Jail Groups	Charlevoix	\$22,000.00
4.	Catholic Human Services	Generations Ahead	Grand Traverse	\$79,827.00
5.	Munson Healthcare	Recovery Coaching Engagement	Grand Traverse	\$68,497.00
6.	Catholic Human Services	Peers Project with Dr. Best	Grand Traverse	\$49,627.00
7.	Catholic Human Services	SFCNM Opioid Prevention and Medication Safety	Grand Traverse	\$155,000.00
8.	Catholic Human Services	Leelanau County SUD Youth Prevention	Leelanau	\$36,740.00
9.	Catholic Human Services	Ogemaw Drug Free Coalition	Ogemaw	\$8,213.00
10.	Wexford County Sherriff	Jail TEK84 Body Scanner	Wexford	\$75,000.00
11.	Catholic Human Services	Jail-Based SUD Program	Wexford	\$102,956.00
12.	Health Dept of Northwest MI	DFNM 21-County Alliance Media Campaign	All 21 Counties	\$60,000.00
13.	Harm Reduction Michigan	Supplies to Combat the Opioid Epidemic	Emmet, Grand Traverse, Manistee, Wexford	\$120,000.00

MOTION BY GARY NOWAK TO APPROVE THE LIQUOR TAX REQUESTS FOR FISCAL YEAR 2025 AS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON JULY 8, 2024, IN THE TOTAL AMOUNT OF SEVEN HUNDRED NINETY-SEVEN THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$797,750.00); SUPPORT BY MARY MAROIS.

The determination was made that further discussion is needed regarding the request from the Wexford County Sheriff for the purchase of the TEK84 Body Scanner.

MOTION BY GARY NOWAK TO AMEND HIS PREVIOUS MOTION TO APPROVE LIQUOR TAX REQUESTS FOR FISCAL YEAR 2025 AS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON JULY 8, 2024 WITH THE EXCEPTION OF THE REQUEST BY THE WEXFORD COUNTY SHERIFF FOR A TOTAL AMOUNT OF SEVEN HUNDRED TWENTY-TWO THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$722.750); SUPPORT BY MARY MAROIS. ROLL CALL VOTE:

"Yea" Votes: B. Adrian, M. Marois, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

Discussion about whether the TEK84 body scanner is a capital expense followed. Mr. Porterfield noted that the total cost of the scanner (including installation) is slightly over \$200K. Funding has been secured from additional sources, including Michigan Municipal Risk Management Authority (MMRMA), a Risk Avoidance Program (RAP) Grant, and Wexford County. Regarding whether the purchase constitutes a capital expense, the consensus was that it does; however, it is not building equity or generating revenue. The scanner would be used as a prevention instrument.

Mr. Newman questioned whether approval of the request will lead to other counties making the same request. Ms. Arsenov responded that it's possible and would be considered if the county balance supports the request.

MOTION BY MARY MAROIS TO APPROVE THE REQUEST FROM THE WEXFORD COUNTY SHERIFF FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF SEVENTY-FIVE THOUSAND DOLLARS (\$75,000.00) TO PURCHASE A TEK84 BODY SCANNER; SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

"Yea" Votes: B. Adrian, M. Marois, M. Newman, G. Nowak, J. O'Farrell, R. Pilon, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

FY25 PIHP Contract

Mr. Kurtz reported that after the FY25 PIHP Supports and Services Contract with the State had been sent to PIHP CEOs for comment, returned to MDHHS, resent to the PIHPs in a redline version, and then included in the materials for the July 26th Contract Negotiations meeting with five or six items added; the two most concerning were addressed as follows:

- 1) The contract would require the PIHP to agree to serve the Waskul settlement as "agreed to by the state of Michigan." The proposed settlement agreement would allow a subset of recipients (those on HSW in a Self-Determined arrangement) to receive an hourly rate of \$31/hour for Community Living Supports (CLS). The agreement is currently being appealed by Washtenaw County. Because litigation is ongoing, Mr. Kurtz proposed that the NMRE not sign the Contract. Mr. Kurtz has discussed the matter with Neil Marchand, the attorney involved in the case. Ms. Pelts noted that, per the Medicaid Policy Manual, individuals who furnish CLS do not require a high school diploma or GED; the \$31/hour wage is not sustainable. Mr. Johnston added that it also circumvents procurement processes.
- 2) PIHPs are currently under a risk corridor that is capped at 7.5%. PIHPs are required by contract to conduct an actuarial analysis of risk. An actuarial analysis would likely call for a risk corridor three or four times 7.5%. The PIHPs will need to retain as much savings as

possible until rates are properly adjusted. Mr. Johnston noted that the 7.5% figure was agreed to at the beginning of managed care as a placeholder pending actuarial analysis.

MOTION BY KARLA SHERMAN TO AUTHORIZE ATTORNEY CHRIS COOKE TO COMPOSE A LETTER TO ELIZABETH HERTEL, THE DIRECTOR OF THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES, REGARDING THE FINANCIAL RAMIFICATIONS OF THE PROPOSED WASKUL SETTLEMENT AGREEMENT AND THE FISCAL IMPLICATIONS OF THE SEVEN AND A HALF PERCENT (7.5%) INTERNAL SERVICE FUND CAP; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.

OLD BUSINESS

Northern Lakes CMHA Update

Mr. Kurtz is considering opening the CEO search pending the forensic audit findings. Ms. Marois asked when these results may be expected. Mr. Kurtz responded that he received an update earlier in the month; the investigation for FY23 is in its final stages. The report will then need to be vetted by legal counsel and a determination will need to be made regarding additional fiscal years.

Ms. Marois reported that Northern Lakes Board Chair, Greg McMorrow, has asked for the findings of the Employment Engagement Survey. Mr. Kurtz agreed to ask Rehmann for the detailed report, but it may come at an additional cost.

PRESENTATION

Ideas from the Board

Ms. Sherman proposed that the NMRE hold a Board summit with policy makers and legislators sometime after the November election.

Additional presentation topic ideas may be sent to Mr. Kurtz or Ms. Balousek.

COMMENTS

Public

Mr. Freedman asked that, since the request for the body scanner was passed, future requests for capital purchases be similarly considered. Ms. Arsenov noted that the Recovery Care Organization in Traverse City is funded through the SOR Grant at a per diem rate. Transportation services are covered with COVID Block Grant Funding at the federal rate, and the NMRE is reimbursing for Peer Coaching with COVID Block Grant funds.

MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on August 28, 2024.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 12:02PM.