NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – OCTOBER 28, 2026
GAYLORD BOARDROOM

ATTENDEES:	**Bob Adrian, Dave Freedman, Ed Ginop, Karen Goodman, Ron Iseler, Eric Lawson, Tim Markey, Michael Newman, Jay O'Farrell, Ruth Pilon, Don Tanner, Chuck Varner**
VIRTUAL ATTENDEES:	**Dana Labar, Mary Marois**
ABSENT:	**Mark Surbrook**
NMRE STAFF/CMHSP CEOs:	**Brian Babbitt, Carol Balousek, Brady Barnhill, Lisa Hartley, Eric Kurtz, Brie Molaison, Trish Otremba, Sonya Russell, Nena Sork, Denise Switzer, Deanna Yockey**
PUBLIC:	**Melissa Bentgen, Ann Friend, Genevieve Groover, Guest (1), Sarah Hegg, Terri Henderson, Chip Johnston, Katie Lorence**

CALL TO ORDER
Let the record show that Board Chairman, Ed Ginop, called the meeting to order at 10:00AM.

ROLL CALL
Let the record show that Mark Surbrook was not in attendance for the meeting on this date. All other Board Members were present either virtually or in person.

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
The Community Mental Health Association of Michigan's Voluntary Special Assessment was added to the agenda under "New Business." Board members received supporting documentation, with electronic distribution planned for members attending virtually.

MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR OCTOBER 28, 2026; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

APPROVAL OF PAST MINUTES
Let the record show that the September minutes of the NMRE Governing Board were included in the materials for the meeting on this date.

DRAFT

MOTION BY KAREN GOODMAN TO APPROVE THE MINUTES OF THE SEPTEMBER 23, 2026 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ERIC LAWSON. MOTION CARRIED.

CORRESPONDENCE

1. Email correspondence dated October 9, 2026. from Dave Lowe, Association Director of CMHA, sharing that Governor Whitmer signed three bipartisan bills to expand mental health care access.
2. Email correspondence dated October 12, 2026, from Dave Lowe, Associate Director of CMHA, regarding SMD 26-005, which requires states to report how much Medicaid Home and Community-Based Services (HCBS) funding is spent on direct care worker compensation, including wages and benefits.
3. Document dated October 2026 from CMH summarizing Michigan's Rural Health Transformation Program's (RHTP) recent Request for Proposals.
4. Email correspondence dated September 22, 2026, from Heidi Warrington of Warrington Solutions, Inc., announcing that the region's Bridge to Mental Health Project (Alcona, Antrim, Benzie, and Manistee Counties) received an RHTP grant from MDHHS in the amount of $500,000.
5. Email correspondence dated October 2, 2026, from Dave Lowe, Associate Director of CMHA outlining an update to Michigan's Intensive Crisis Stabilization Services (ICSS) Policy to require certin emergency intervention services to be available 24 hours per day 7 days per week.
6. An invoice from CMHA in in the amount of $5,848 due November 1, 2026.
7. Email correspondence dated October 6, 2026, from Santra Gettel, Quality and Compliance Specialist with MDHHS, announcing that Michigan was selected as one of eight states to participate in the Managed Care Oversight Review (MCOR)- State Oversight of Plan Prior Authorizations (PAs).
8. A copy of Senate Bill 413 dated September 26, 2025, which changes licensure requirements for Limited-License Psychologists.
9. The NMRE region's Performance Indicator report for Quarter 2 of FY26.
10. The NMRE region's Performance Indicator report for Quarter 3 of FY26.
11. The draft minutes from the October 14, 2026, Regional Finance Committee meeting.

Mr. Kurtz highlighted several items included in the correspondence packet including information regarding legislation affecting Limited Licensed Psychologists and expanded opportunities for independent practice, documentation concerning NMRE's regular PIHP association dues that are included in the operating budget, and quarters two and three performance indicator reports. The current performance indicators are based on HEDIS measures rather than the former Michigan Mission-Based Performance-Indicator (MMPBIS) System standards. Board members discussed benchmark calculations and percentile reporting within the HEDIS performance measures. Clarification was provided that the percentile figures represent the score necessary to achieve designated benchmark levels rather than NMRE's actual performance scores.

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 were recognized.

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REPORTS

Executive Committee Report

The minutes from September 23, 2026, were included in the materials for the meeting on this date.

MOTION BY DON TANNER TO APPROVE THE MINUTES OF THE SEPTEMBER 23, 2026 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD EXECUTIVE COMMITTEE; SUPPORT BY CHUCK VARNER. MOTION CARRIED.

CEO Report

The NMRE CEO Monthly Report for October 2026 was included in the materials for the meeting. Mr. Kurtz reviewed the written report and highlighted attendance at the 50th Anniversary of Wellvance (formerly AuSable Valley Community Mental Health Association). The event included participation from past and present leadership and was described as well-attended and successful.

August 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of $7,473,092. Carry forward was reported as $2,844,054. The total Medicaid and HMP current year surplus was reported as $10,317,146. The total Medicaid and HMP Internal Service Fund was reported as $20,590,089. The total Medicaid and HMP net surplus was reported as $30,907,235.
- Traditional Medicaid showed $216,213,076 in revenue, and $206,496,734 in expenses, resulting in a net surplus of $9,716,342. Medicaid ISF was reported as $13,519,285 based on the current FSR. Medicaid Savings was reported as $2,844,054.
- Healthy Michigan Plan showed $28,333,267 in revenue, and $30,576,517 in expenses, resulting in a net deficit of $2,243,250. HMP ISF was reported as $7,070,804 based on the current FSR. HMP savings was reported as $0.
- Health Home showed $3,449,640 in revenue, and $3,070,660 in expenses, resulting in a net surplus of $378,980.
- SUD showed all funding source revenue of $21,010,458 and $18,811,216 in expenses, resulting in a net surplus of $2,199,242. Total PA2 funds were reported as $4,947,898.

PA2/Liquor Tax was summarized as follows:

Projected FY26 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,137,481	$1,847,106	$2,071,443	$4,913,143

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,137,481	$1,147,646	$1,337,229	$4,947,898

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	$277,061	$2,359,070	$1,500,048	(-$2,020,531)	$4,058,191
HMP	(-$277,698)	(-$679,425)	(-$257,152)	(-$2,416,996)	(-$328,315)
Total	(-$637)	$1,679,654	$1,242,896	(-$4,437,527)	$3,729,876

NMRE reported an approximately $10 million surplus through August 2026, representing eleven months of fiscal-year activity. September expenditures are expected to reduce the final surplus position. The HMP deficit is expected to increase.

A FY26 rate adjustment from MDHHS is expected in January (ranging between $4.5M – $5.5M) which will be added to FY27 carryforward.

PA2 funding is expected to remain stable through the remainder of FY26 and into FY27. Quarter 4 payments are expected in November.

MOTION BY CHUCK VARNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2026; SUPPORT BY DAVE FREEDMAN. MOTION CARRIED.

Operations Committee Report
The minutes from October 20, 2026, were included in the materials for the meeting held on this date.

Discussion focused primarily on the FY26 rate adjustment and FY27 rates and their potential impact on regional finances, Medicaid savings projections, and fiscal preparedness relative to other PIHPs statewide.

NMRE SUD Oversight Committee Report
The next meeting of the NMRE Substance Use Disorder Oversight Committee is scheduled for November 2, 2026, at 10:00AM.

NEW BUSINESS
CMHAM Voluntary Special Assessment
The Board reviewed a request from the Community Mental Health Association of Michigan (CMH) for a voluntary financial assessment to support ongoing legal and advocacy efforts.

NMRE previously declined participation in a voluntary assessment because the organization independently funded litigation efforts for six CMHSPs during the PIHP procurement process. It was noted that NMRE's independent legal expenditures were substantially lower than the association's reported legal expenditures. Board members expressed concern regarding the absence of a clearly defined strategy, budget, and intended use of requested funds. Members emphasized a preference for collaboration with MDHHS rather than continued costly litigation when possible.

The Board generally agreed the matter should remain under consideration until more specific information is available regarding objectives and anticipated expenditures.

Mr. Freedman suggested that a summary of the NMRE’s legal expenses related to the bid out be provided to the new administration.

OLD BUSINESS

PA 152 Opt Out

A document dated March 27, 2026, from Rachael Eubanks, Michigan State Treasurer titled, "Public Employer Contributions to Medical Benefit Plans Annual Cost Limitations for Fiscal Year 2027" was included in the materials for the meeting on this date, as was a legal opinion on Public Act 152 from Steve Burnham to Chip Johnston (former CEO of Centra Wellness Network) dated October 12, 2011.

Public Act 152, the Publicly Funded Health Insurance Contribution Act, created a law that limits the amount that public employers pay toward employee medical benefit plans, effective January 1, 2012. Although the NMRE is not over the 80% cap currently, Mr. Kurtz asked the Board for permission to opt out of the Act. It was noted that a two-thirds vote of the governing body is needed to opt out.

MOTION BY CHUCK VARNER TO ALLOW THE NORTHERN MICHIGAN REGIONAL ENTITY TO COMPLY WITH PUBLIC ACT 152 OF 2011, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT, BY ADOPTING THE ANNUAL EXEMPTION OPTION FOR THE MEDICAL BENEFIT PLAN COVERAGE FOR JANUARY 1, 2027, THROUGH DECEMBER 31, 2027; SUPPORT BY DON TANNER. ROLL CALL VOTE.

"Yea" Votes:	R. Adrian, D. Freedman, E. Ginop, K. Goodman, R. Iseler, E. Lawson, T. Markey, M. Newman, J. O'Farrell, R. Pilon, D. Tanner, C. Varner
"Nay" Votes:	Nil

MOTION CARRIED WITH THE REQUIRED TWO-THIRDS MAJORITY.

PIHPs V State

Mr. Kurtz reported that current litigation activity remains largely dormant pending further developments. Deposition planning has been discussed but little recent activity has occurred. A separate appeal remains active concerning state authority to establish the number of PIHP regions. Board members discussed historical county authority in PIHP formation and the interest in clarifying statutory language through future legislative efforts.

CMHSP Updates

Ms. Otremba reported that Wellvance's 50th Anniversary celebration was a major success, with strong participation from staff and board members, as well as presentations from former CEOs. The event was well attended, positively received, and recognized as a meaningful milestone for the organization.

PRESENTATION

FY26 Customer Satisfaction Survey Report

NMRE Customer Service and Compliance Officer, Brie Molaison, presented the FY26 Customer Satisfaction Survey results for beneficiaries of mental health services.

The survey took place from August 3, 2026, through August 31, 2026. 845 surveys were completed, representing a regional participation rate of approximately 7.5%, down from nearly 10% the previous year.

Beneficiaries reported:

- High levels of involvement in service decisions.
- Strong understanding of services received.
- High awareness of grievance and appeal procedures.
- Nearly 100% satisfaction regarding staff courtesy and professionalism.
- Overall satisfaction rate of approximately 96.5%.

The presentation included positive and constructive participant feedback, discussion regarding survey timing, administration methods, and quality-improvement opportunities. These results will be shared with the five participating CMHSPs, posted publicly on the NMRE's website, and reviewed by the regional Quality Oversight Committee and the NMRE's internal Operations Committee.

COMMENTS

Board

- Ms. Goodman reported that Sarah Garthe, Interim CEO of Centra Wellness Network, will soon be made the permanent CEO as her contract nears completion.

- Ms. Goodman expressed concerns regarding implementation of the state's Behavioral Health Community Framework and associated reimbursement structures.

- Ms. Pilon inquired about the impact of Michigan Medicaid Policy 26-41. Mr. Kurtz responded that the revised policy requires adult ICSS providers to maintain at least one 24/7 emergency intervention service outside of a hospital emergency department, while eliminating the previous crisis response time requirements for urban and rural counties. All other ICSS requirements remain in effect.

- Mr. Lawson asked about the impact of Senate Bill 413. Mr. Kurtz responded that Senate Bill 413 (PA 114 of 2026) expands access to mental health services by modernizing the licensing and independent practice requirements for master's-level psychologists. The law removes the continuous supervision requirement for LLPs who hold master's degrees, permitting them to practice independently without a fully licensed doctoral psychologist's oversight once specific postgraduate requirements are completed.

- Mr. Freedman asked whether the NMRE utilizes internal performance measures in addition to the required HEDIS measures. It was noted that the NMRE tracks several measures for substance use disorder services internally and continues to track some discontinued MMBPIS performance indicators.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on December 2, 2026.

ADJOURN

Let the record show that Mr. Ginop adjourned the meeting at 11:20AM.

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