Northern Michigan Regional Entity

Board Meeting

March 26, 2025

1999 Walden Drive, Gaylord

10:00AM

Agenda

		Page Numbers
1.	Call to Order	
2.	Roll Call	
3.	Pledge of Allegiance	
4.	Acknowledgement of Conflict of Interest	
5.	Approval of Agenda	
6.	Approval of Past Minutes – February 26, 2025	Pages 2 – 8
7.	Correspondence	Pages 9 – 45
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9.	Public Comments	
10.	Reports	
	a. Executive Committee Report – Has Not Met	
	b. CEO's Report – March 2025	Page 46
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	d. Operations Committee Report – March 18, 2025	Pages 69 – 73
	e. NMRE SUD Oversight Board Report – March 3, 2025	Pages 74 – 78
11.	New Business	
	a. Liquor Tax Requests (2)	Pages 79 – 87
	b. Board Nominating Committee	
12.	Old Business	
	a. Northern Lakes Update	
	b. FY25 PIHP Contract Injunction and Complaint - Update	
	c. Risk Management and Fiscal Solvency Process	Page 88 – 89
13.	Presentation	
	NMRE IT Security Assessment and Proposal	Pages 90 – 102
14.	Comments	
	a. Board	
	b. Staff/CMHSP CEOs	
	c. Public	
15.	Next Meeting Date – April 23, 2025 at 10:00AM	
16.	Adjourn	

Join Microsoft Teams Meeting

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Conference ID: 497 719 399#

NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – FEBRUARY 26, 2025
GAYLORD BOARDROOM

ATTENDEES:	**Bob Adrian, Tom Bratton, Ed Ginop, Gary Klacking, Eric Lawson, Mary Marois, Michael Newman, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner**
ABSENT:	**Ruth Pilon**
NMRE/CMHSP STAFF:	**Bea Arsenov, Brian Babbitt, Carol Balousek, Eugene Branigan, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Valerie McBain, Diane Pelts, Pamela Polom, Brandon Rhue, Nena Sork, Denise Switzer, Chris VanWagoner, Deanna Yockey**
PUBLIC:	**Erin Barbus, Kevin Hartley, Larry LaCross**

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

ROLL CALL
Let the record show that Ruth Pilon was excused from the meeting on this date. All other NMRE Board Members were in attendance 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 Mr. Nowak asked to add legislative advocacy efforts to the meeting agenda under "New Business."

MOTION BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR FEBRUARY 26, 2025 AS AMENDED; SUPPORT BY DON TANNER. MOTION CARRIED.

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

MOTION BY DON TANNER TO APPROVE THE MINUTES OF THE JANUARY 22, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

CORRESPONDENCE

1) Slides from an MDHHS PowerPoint presentation titled, "Introducing CMHA to the Public Facing Children's Specialty Behavioral Health Data Dashboard."
2) A Certified Community Behavioral Health Clinic (CCBHC) Rural Proposal drafted in collaboration with the Rural Caucus dated January 2025.
3) Email correspondence dated January 10, 2025 from Community Mental Health Association of Michigan (CMHAM) Chief Executive Officer, Bob Sheehan, regarding CMHA's federal legislation and policy advocacy plan.
4) Email correspondence dated February 6, 2025 from CMHAM CEO, Bob Sheehan, regarding proposed cuts to the FY26 Federal Budget.
5) Email correspondence dated February 6, 2025 from CMHAM Associate Director, Alan Bolter, containing the FY26 Executive Budget Proposal.
6) A document listing the 2025-2026 Michigan House Committees.
7) A memorandum dated February 20, 2025 from Jackie Sproat, Director of the Division of Contracts and Quality Management, Bureau of Specialty Behavioral Health Services at MDHHS, to Eric Kurtz regarding the acceptance of the NMRE's Risk Management Strategy.
8) A draft report from MDHHS regarding the NMRE's FY24 Performance Bonus Incentive Pool Payment.
9) The draft minutes of the February 12, 2025 regional Finance Committee meeting.

Mr. Kurtz drew attention to the CCBHC rural proposal, which was created in the event that rural areas were to consider implementing CCBHCs.

The NMRE is projected to receive $1,715,259.79 in Performance Bonus Incentive Payments. The NMRE scored 22 out of 25 points on the standard having to do with Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment (IET), leaving $21,712.15 unearned.

ANNOUNCEMENTS

Let the record show that it was announced that Mr. Kurtz's birthday is on February 27th.

PUBLIC COMMENT

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

Richard Schmidt provided an update on his status as a Centra Wellness Board Member. He is up for reappointment in March and will likely not be reappointed due to a misunderstanding. In the event he is no longer on the Centra Wellness Board, a replacement for the NMRE Board will be needed. Ms. Sherman thanked Mr. Schmidt for his many years of dedicated service. Mr. Nowak echoed the sentiment.

MOTION BY GARY NOWAK TO SEND A LETTER OF SUPPORT FOR THE REAPPOINTMENT OF RICHARD SCHMIDT ON BEHALF OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS TO THE CENTRA WELLNESS NETWORK BOARD OF DIRECTORS; SUPPORT BY JAY O'FARRELL.

Discussion: Mr. Tanner expressed his feeling that it is inappropriate for the NMRE Board to be involved in CMHSP Board appointments. Ms. Marois agreed though she acknowledged the contributions that Mr. Schmidt has made.

Mr. Nowak withdrew his motion. Mr. O'Farrell withdrew his support.

REPORTS

Executive Committee Report

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

CEO Report

The NMRE CEO Monthly Report for February 2025 was included in the materials for the meeting on this date. A Dispute Resolution Committee meeting with the six Northern Lakes County Administrators (Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon, and Wexford) was scheduled for February 14th; however, there was not a quorum in attendance. The meeting will be rescheduled.

December 2024 Financial Report

- Net Position showed net surplus Medicaid and HMP of $8,003. Carry forward was reported as $2,909,566. The total Medicaid and HMP Current Year Surplus was reported as $2,917,569. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $23,493,725.
- Traditional Medicaid showed $52,316,661 in revenue, and $51,597,652 in expenses, resulting in a net surplus of $719,009. Medicaid ISF was reported as $13,510,136 based on the current FSR. Medicaid Savings was reported as $0.
- Healthy Michigan Plan showed $6,554,538 in revenue, and $7,265,544 in expenses, resulting in a net deficit of $711,006. HMP ISF was reported as $7,066,020 based on the current FSR. HMP savings was reported as $2,909,566.
- Health Home showed $850,135 in revenue, and $669,352 in expenses, resulting in a net surplus of $180,783.
- SUD showed all funding source revenue of $7,009,330 and $5,576,966 in expenses, resulting in a net surplus of $1,522,364. Total PA2 funds were reported as $4,574,377.

During the December 18, 2024 Board Meeting, Ms. Yockey indicated that the NMRE anticipated a FY24 carry forward based on the Interim FSR; the final FSR (due February 28, 2025) shows a carry forward of only $745K.

PA2/Liquor Tax was summarized as follows:

Projected FY25 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$4,765,231	$1,847,106	$2,150,940	$4,461,397

Actual FY25 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$4,765,231	$92,609	$283,464	$4,574,377

MOTION BY JAY O'FARRELL TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR DECEMBER 2024; SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

"Yea" Votes:	B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, M. Marois, G. Nowak. J. O'Farrell, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner
"Nay" Votes:	Nil

MOTION CARRIED.

Operations Committee Report
The draft minutes from February 18, 2025 were included in the materials for the meeting on this date.

Mr. Kurtz emphasized that the region is "hitting the wall" financially and action is needed. There is not enough carry forward to offset the projected year-end deficit and the NMRE will need to utilize the ISF balance to cost-settle with each Board at the current rate of spending. The regional Operations Committee discussed developing a financial management/cost containment policy, which will be revisited in March.

Mr. Kurtz stressed that the NMRE has very few levels to pull to change a CMHSP's spending. By law the CMH Board must hire/fire the CMH Director, the CMH Director lays off staff and approves contract amounts. None of that is within the NMRE's purview. The only lever the NMRE has is to set an amount to fund the CMHSPs and ensure the ISF is sound; if CMHSPs spend beyond that amount, they must use general funds, local funds, or potentially appeal to the counties that created them.

Currently there is no verbiage in policy and/or contract language to hold the CMSHPs accountable for spending within their PMPM allotment, and no repercussions for overspending. The regional Operations Committee supported a cost cap contract based on PMPM payments . The CMHSPs will be required to develop plans to bring spending in line with PMPM to ensure regional fiscal solvency.

Mr. Johnston noted that Centra Wellness was under a similar arrangement under its previous PIHP.

Mr. Bratton asked whether overspending is a regional issue or state issue. Mr. Kurtz explained that the system was overfunded during the pandemic due to the pause in Medicaid redeterminations. This left the NMRE with a large carry forward. One-time expenses were encouraged, though it is likely that many were extended. The 2024 redetermination process lowered revenue significantly, many individuals fell of Medicaid completely or were moved from higher paying DAB slots to lower paying, TANF, HMP, and Plan First.

Mr. Tanner agreed that, for the success of the region, the CMHSP contracts with the NMRE should be PMPM full-risk contracts.

Mr. Lawson asked whether the $150M in allocated but unpaid funding has been released. Mr. Kurtz responded that $40M of the $150M was distributed; of that, the NMRE received $2M. A recent rate amendment only covered changes to rates for autism and methadone treatment.

Mr. Kurtz asserted that the state has expanded the benefit beyond what is possible to manage; the legislature has dictated rates based on what would be paid by third party with no room to negotiate.

MOTION BY DON TANNER TO DEVELOP A REGIONAL COST CONTAINMENT POLICY AND TRANSITION THE NORTHERN MICHIGAN REGIONAL ENTITY'S AGREEMENTS WITH ITS MEMBER COMMUNITY MENTAL HEALTH SERVICES PROGRAMS TO PER MEMBER PER MONTH FULL RISK CONTRACTS; SECOND BY CHUCK VARNER.

Discussion: Mr. Adrian asked whether the CMHSP Directors have any problems or issues with this motion. The Regional CEOs supported the motion.

ROLL CALL VOTE.

"Yea" Votes:	B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, M. Marois, G. Nowak. J. O'Farrell, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner
"Nay" Votes:	Nil

MOTION CARRIED.

NMRE SUD Oversight Committee Report
The next meeting of the NMRE Substance Use Disorder Oversight Committee is scheduled for March 3, 2025 at 10:00AM.

NEW BUSINESS
Legislative Advocacy Efforts
Mr. Nowak requested that a letter be sent to State and US Representatives and Senators advocating that Medicaid not be cut.

State Representatives may be contacted by visiting: Michigan House - Home Page.
State Senators may be contacted by visiting: FindYourSenator
US Representatives may be contacted by visiting: Find Your Representative | house.gov
US Senators may be contacted by visiting: U.S. Senate: Contacting U.S. Senators

MOTION BY GARY NOWAK TO SEND A LETTER ON BEHALF OF THE NMRE BOARD ADVOCATING THAT MEDICAID NOT BE CUT. SUPPORT BY KARLA SHERMAN.

Discussion: Ms. Marois stressed that there are areas of Medicaid that need to be cut in a fiscally responsible manner. Mr. Lawson added that a letter should emphasize the importance of funding the public mental health system. Mr. Kurtz referenced the correspondence item dated February 6, 2025 from CMHAM CEO, Bob Sheehan, regarding proposed cuts to the FY26 Federal Budget.

ROLL CALL VOTING TOOK PLACE ON MR. NOWAK'S MOTION.

"Yea" Votes:	B. Adrian, G. Nowak
"Nay" Votes:	T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Marois, M. Newman, J. O'Farrell, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

MOTION DEFEATED.

MOTION BY MARY MAROIS TO CONTACT LEGISLATORS AND REQUEST THAT, WHEN DELIBERATING CUTS TO MEDICAID, CONSIDERATION BE GIVEN TO OFFER AND CONTINUE SERVICES TO THE MOST VULNERABLE INDIVIDUALS WITH NO VOICE OF THEIR OWN, WHICH WAS THE ORIGINAL INTENDED PURPOSE OF MEDICAID PROGRAM; SUPPORT BY CHUCK VARNER.

Discussion: Mr. Tanner requested that the correspondence begin with "While looking at the daunting task of Medicaid reform."

MS. MAROIS AGREED TO AMEND HER MOTION TO READ:

MOTION BY MARY MAROIS TO CONTACT LEGISLATORS AND REQUEST THAT, WHILE LOOKING AT THE DAUNTING TASK OF MEDICAID REFORM, CONSIDERATION BE GIVEN TO OFFER AND CONTINUE SERVICES TO THE MOST VULNERABLE INDIVIDUALS WITH NO VOICE OF THEIR OWN, WHICH WAS THE ORIGINAL INTENDED PURPOSE OF MEDICAID PROGRAM.

MR. VARNER SUPPORTED THE AMENDED MOTION.

ROLL CALL VOTE.

"Yea" Votes:	B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Marois, M. Newman, G. Nowak, J. O'Farrell, R. Schmidt, K. Sherman, D. Smeltzer, D. Tanner, C. Varner
"Nay" Votes:	Nil

MOTION CARRIED.

OLD BUSINESS

Northern Lakes CMHA Update

Mr. Bratton reported that the Northern Lakes' Board of Directors approved the issuance of an RFP to secure a CEO search firm; two proposals received to date. The timeline for hiring a CEO is up for debate. Mr. Bratton intends to bring a CEO Search firm recommendation to the Northern Lakes Board in March. The cost is likely 25%-30% of the intended salary, which hasn't been confirmed yet.

FY25 PIHP Contract Injunction and Complaint Update

The Attorney General's response to the complaint filed by Taft, Stettinius & Hollister, LLP, on behalf of Northcare Network Mental Health Care Entity, Northern Michigan Regional Entity, Community Mental Health Partnership of Southeast Michigan, and Region 10 PIHP (Plaintiffs) against the State of Michigan, State of Michigan Department of Health and Human Services, a Michigan State Agency, and its Director, Elizabeth Hertel, in her official capacity (Defendants) was included in the meeting materials. Ms. Nessel is attempting to dismiss the lawsuit on the basis of it being "overly complicated and frivolous". Chris Ryan, attorney with Taft, Stettinius, Hollister, LLP, will be filing a second amended complaint by March 7, 2025.

PRESENTATION

NMRE Performance Indicators

NMRE Quality Analyst, Valerie McBain, was in attendance to provide an update on the state's plan to transition its quality reporting system from the Michigan Based Performance Indicator System (MMBPIS) to new behavioral health quality measures (mainly HEDIS measures) over a three-year period beginning in FY26.

The first year will focus on aligning reporting requirements for PIHPs with CMS Core Set Reporting. By the end of YR1 measure roll-out, all required CMS Core Set measures will be available by PIHP.

The second year will focus on rolling out stratification of measures, along with adding several key measures. Starting January 1, 2026, PIHPs will no longer report MMBPIS measures.

The third year will focus on implementing patient experience and Home and Community Based Services (HCBS) measures.

Regional quality, compliance, and data reporting staff will be working collectively to ensure a smooth transition over the 3-year period.

COMMENTS

Board

Ms. Marois noted that the meeting correspondence included a list of the Michigan House Legislative Committees; she requested a list of the Senate Committees, which Mr. Kurtz agreed to provide.

Mr. O'Farrell reported that Wellvance is currently searching for a CEO to replace Diane Pelts, who will be retiring in August 2025. Mr. O'Farrell also noted that CMHAM Board President, Carl Rise, will not be seeking reappointment.

Staff/CMHSP CEOs

Mr. Johnston stated that he will be heading to Washing DC soon to meet with legislators. Mr. Johnston intends to ask whether the Medicaid waiver program is intended to pay for state lawsuits, as in the Waskul settlement. Mr. Johnston also intends to raise the issue regarding lack of legislative oversight with the various Medicaid waiver programs pushed out by MDHHS.

MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on March 26, 2025.

ADJOURN

Let the record show that Mr. Klacking adjourned the meeting at 11:53AM.

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ELIZABETH HERTEL
DIRECTOR

January 31, 2025

Mr. Eric Kurtz, CEO
Northern Michigan Regional Entity
1999 Walden Drive
Gaylord, MI 49735

Dear Mr. Kurtz

The Customer Services Division staff have completed their review of the revised Guide to Services Brochure submitted by Northern Michigan Regional Entity. The Guide to Services Brochure with the identified revision date of January 31, 2025, is consistent with the Customer Services Standards (MDHHS/PIHP Contract Attachment P.6.3.1.1) and has been approved for distribution to beneficiaries.

Any future changes to your PIHPs Guide to Services Brochure that affect boilerplate language must be submitted to MDHHS for review and approval prior to printing and distribution. Changes to addresses, telephone numbers, and websites, as well as minor edits, do not need to be approved by MDHHS.

If you have questions about this approval or future submissions, please contact me at brooksc6@michigan.gov.

Sincerely,

Cynthia Brooks-Jones

Cynthia Brooks-Jones
Behavioral Health and Customer Service Section
Customer Services Division

c: Brie Blaauw-Molaison, NMRE
Kendra Binkley, MDHHS

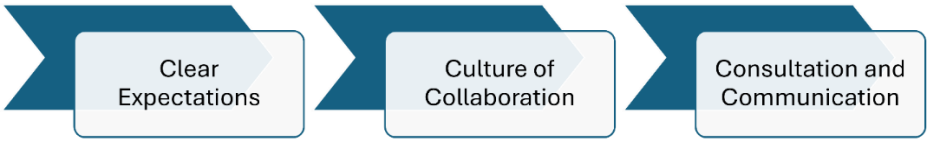
Prepaid Inpatient Health Plan (PIHP) Operations Meeting Playbook

PIHP Operations Meeting Details:

- Cadence: Monthly
- Length of time: 2 hours
- Attendees: PIHP Liaisons, Michigan Department of Health and Human Services (MDHHS) contract management team, MDHHS Subject Matter Experts (SMEs). Additional PIHP representatives as needed for specific topics.
    - PIHP Liaisons = Compliance Officers, Contract Management Directors, Quality Directors, etc. Expectation is that at least one PIHP representative is present.
    - MDHHS SMEs = Office of the Inspector General (OIG), Substance Use Disorder (SUD), Quality, Bureau of Children's Coordinated Health Policy and Supports (BCCHPS), Federal Compliance, Audit
- Facilitator: MDHHS contract management area

Purpose:

The PIHP operations meeting is built to support three key principles.



Each agenda topic will be a short overview, with specific exceptions for deep dives into areas like new initiatives (e.g. Mental Health Framework). The overviews will inform on upcoming department priorities and cover questions raised by PIHPs with broader impact, in addition to standing agenda items. This meeting is intended to complement the PIHP Chief Executive Officer (CEO) meetings by removing some of the "in the weeds" topics from the CEO meeting and allowing that meeting to focus on executive-level items. It remains the expectation, however, that existing "leads meetings" will continue for ongoing long-term process development of SME topics such as Home and Community Based Services (HCBS), Self-Determination, Quality, etc. Although this meeting will prioritize discussion, any contract negotiations will occur outside of the Operations meeting. The focus of this meeting is on joint problem solving and creating the best possible outcomes for enrollees.

Objectives:

1. Provide context into upcoming department priorities
2. Discuss questions / concerns from PIHPs

Standing Agenda Items:

1. OIG
2. Federal Compliance
3. BCCHPS
4. Network Adequacy
5. Behavioral Health Initiatives (e.g. Mental Health Framework, Certified Community Behavioral Health Clinics (CCBHCs), Strategic Partnerships, Crisis Services)
6. Policy Changes (focused on promulgated policy, e.g. Non-Emergency Medical Transportation (NEMT) policy)
7. Upcoming reporting requirements

Logistics:

1. Agenda sent a minimum of two days in advance
2. PIHPs can email to provide topics for the agenda (agenda items requested no later than two weeks prior to meeting). Request for upcoming agenda items will also be called at the end of each meeting.
3. No meeting minutes or recording
4. Six-month trial period, feedback then requested from PIHPs and internal partners

Do you have firsthand experience navigating Medicaid services?

Apply to join the Michigan Beneficiary Advisory Council (BAC).

Applications close on Monday, April 14 at 5:00 p.m.

Make a difference in Michigan!

- Share your experiences in a safe environment
- Advise MDHHS on Medicaid policy
- Help improve Medicaid services
- Learn from other members

How it works

BAC members attend four BAC meetings, with the option to attend Michigan Medicaid Advisory Committee meetings with MDHHS leadership, via video call or by phone.

Stipends, child care reimbursement, and respite for caregivers will be available.

Who is eligible to apply

- Michigan residents who are current and former:
  - Medicaid members
  - Caregivers, guardians, or family members of Medicaid members

Learn more and help make a difference for Medicaid recipients bit.ly/MiBacApp.

MiABLE

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Community Toolkit

Welcome Letter

MiABLE
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Dear Friends:

Thank you for making a difference in the lives of Michiganders with disabilities and their families. Your hard work and tireless advocacy helped win passage of the ABLE Act and deliver a freedom many couldn't exercise until a few years ago — the freedom to achieve a better life experience through greater financial independence.

MiABLE empowers people with disabilities to save for their future and pay for expenses to maintain health, independence and quality of life without fear of losing the vital government benefits they rely on every day. MiABLE has allowed participants to save for new cars and homes, education, medical equipment, groceries and vacations. Every parent wants a secure financial future for their child. MiABLE helps make that possible.

The number of people saving and spending with MiABLE has grown exponentially since its inception. Yet, we know many others can still benefit from this savings tool. With your support, we can continue to build awareness and help more people achieve a more secure tomorrow.

This partner toolkit provides some helpful materials you can use to reach the people in your community to increase awareness of MiABLE. Included are an infographic flyer, sample social media posts, tips for accessibility in social posts and FAQ.

We are eager to engage with you on learning opportunities via virtual presentations, events and webinars. Please send requests to MiABLE@michigan.gov.
For more information about MiABLE or how to open an account, please visit MiABLE.org.

It's a new day for people with disabilities. Together, we can help them and their families build a more secure future.

Sincerely,

R. Scott de Varona, Program Director
MiABLE

This digital toolkit features:

MiABLE
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About MiABLE

MiABLE is a savings and investment program offered by the State of Michigan that empowers people with disabilities and their families to save money without losing access to programs and benefits such as SSI, SSDI, Medicaid and others. Money saved in a MiABLE account can pay for a wide range of "qualified expenses" related to maintaining health, independence and quality of life.

MIABLE KEY FACTS

- **Keep Needs-Based Benefits**: Holders of MiABLE savings accounts don't need to worry about losing Supplemental Security Income or other government benefits.
- **MiABLE Card**: This debit card provides an easy way to spend money from a MiABLE account.
- **Flexibility**: MiABLE account holders can access funds at any time for any purpose.
- **Wide Range of Investment Options**: Whatever a person's savings needs or preferences, they'll find a suitable option ranging from conservative — including a no-risk, federally insured savings account — to aggressive.
- **Tax Advantages**: Earnings on savings grow tax-free and no federal or state tax is owed on withdrawals used to pay for "qualified expenses." Plus, Michigan state income taxpayers can claim up to a $5,000 deduction for single filers and $10,000 for joint filers for MiABLE contributions.

QUALIFIED DISABILITY EXPENSES

- Education
- Housing
- Transportation
- Employment Training and Support
- Assistive Technology and Personal Support Services
- Health and Wellness
- Financial Management and Administrative Services
- Legal Fees
- Expenses for Oversight and Monitoring
- Funeral and Burial Expenses

MiABLE
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Digital/ Printable Flyer

MiABLE
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The flyer allows our partners to share information about MiABLE through a digital or printed medium. We have provided a link to a PDF that can be downloaded, shared or printed.

Link to PDF of flyer: https://gudmarketing.canto.com/b/QKOBV

Sample Social Media Post 1

Social posts give our partners the opportunity to share information about MiABLE through their social channels. Accompanying the social posts are post copy, hashtags and an image description that should be shared with all images and videos. When sharing, please include our website, **MiABLE.org**.

POST COPY:

You can invest, save and spend without losing your benefits with MiABLE, Michigan's disability savings program! With as little as 15 minutes and $25, you can open an account and get started today. Learn more at MiABLE.org.

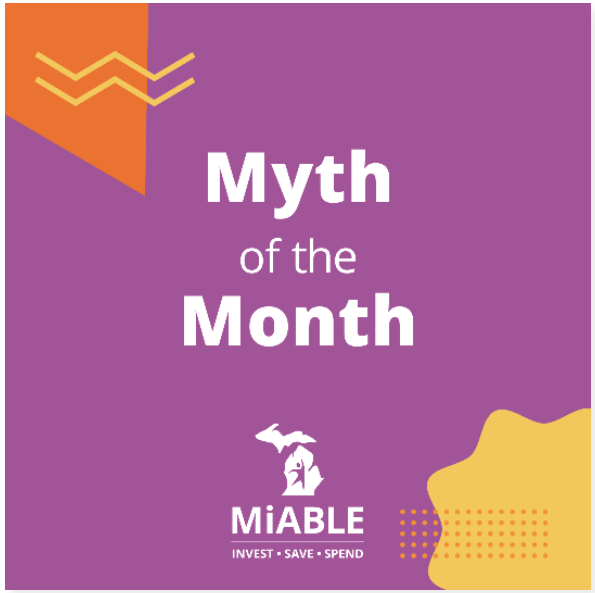
#MiABLE #Disability

Link to image: https://gudmarketing.canto.com/b/IDERH

Image Description: A white MiABLE logo with the tagline "Invest, Save, Spend" is on a maroon background. An orange star shape rotates as a women in a wheelchair animates on screen. White letters say "I invest, save and spend my money without losing benefits. You can too!" Smaller white text animates on screen stating "A MiABLE account takes about 15 minutes and as little as $25 to open."

MiABLE
INVEST • SAVE • SPEND

Sample Social Media Post 2



POST COPY:

MYTH: A MiABLE account is the same as a special needs trust.

FACT: A MiABLE account is a great supplement to a trust but offers more cost-effectiveness and broader spending power, easy account access, a Michigan tax deduction, no federal tax on earnings and the ability to accept contributions from friends and family.

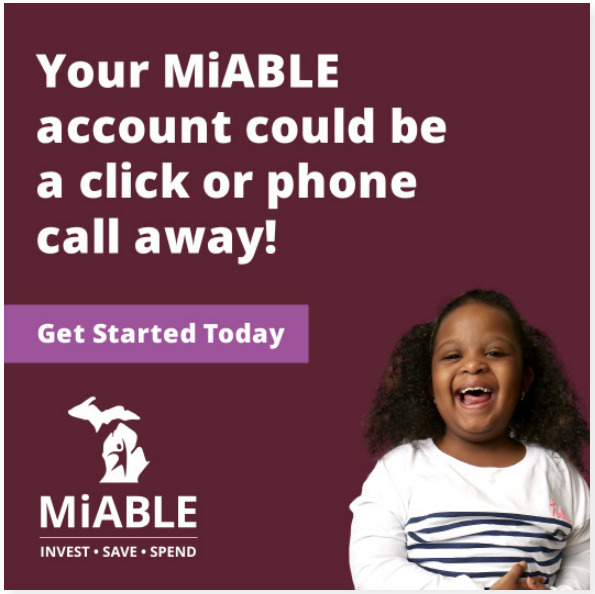
#MythOfTheMonth #MiABLE #Disability

Link to image: https://gudmarketing.canto.com/b/RRSH8

Image Description: A purple background with an animated orange shape with yellow lines and a yellow shape with orange dots. The words “Myth of the Month” are accompanied by the MiABLE logo with the tagline ”Invest, Save, Spend.”

MiABLE
INVEST • SAVE • SPEND

Sample Social Media Post 3



Link to image: https://gudmarketing.canto.com/b/H6AMK

Image Description: A maroon background with a white MiABLE logo and a young, smiling girl with a white and black-striped shirt in the bottom corner. Orange circles animate behind the girl as white text appears on the screen: “Your miable account could be a click or a phone call away.” A purple bar animates from left with the white words “Get started today!”

POST COPY:

Signing up for a MiABLE account is easy!

💻(laptop emoji)* You can sign up online by taking the short eligibility quiz: MiABLE.org/Qualification.php.

#MiABLE #ABLE #Disability

*Do not include this text in parentheses in the post copy; it is identifying the emoji to the left of it.

MiABLE
INVEST • SAVE • SPEND

Tips for Accessibility of Social Posts

MiABLE
INVEST • SAVE • SPEND

WHY IS ACCESSIBILITY NECESSARY ON SOCIAL MEDIA PLATFORMS?

Social media is widely used, with approximately 3.4 billion active users around the world. That is why it is extremely important to take small steps to ensure an inclusive experience for all. A survey conducted by Facebook in over 50 countries indicated that more than 30% of people had difficulty in one of these areas: seeing, hearing, speaking, organizing thoughts, walking or grasping with their hands. Making content accessible will build strong connections with all segments of your audience, project an inclusive brand model and convey information with maximum clarity.

Accessible features can be easily integrated with social postings. All social posts must include:

- Clear text, preferably in the sentence case
- Minimum contrast ratio of high contrast between type and backgrounds for images
- Image descriptions (see next page on how to add these)
- Closed captions for videos

While images are commonly used media, it is necessary to make the descriptions as detailed as possible. If special characters are used in the image, it is important to describe them for someone using a screen reader. For example, if there are three bullet points with text, the description/alternative text should be “Three bullet points are listed in the image. Bullet one is _____. Bullet two is _____. Bullet three is _____.”

Continue to next page for further information ...

Tips for Accessibility of Social Posts

Similarly, if an emoji is used for highlighting content, the alt text should read "<Check-mark/smiling face/thumbs-up> emoji followed by the text _____." The content should provide a similar experience for a person using assistive technology as those not using assistive technology. Additionally, if an image/video fails to load due to weak internet speed, the alternative text will convey the content in the image.

Accessible content increases access and audience participation. According to Google, 64% of people take an action after watching an ad they considered inclusive.

HOW TO ADD IMAGE DESCRIPTIONS TO FACEBOOK PHOTOS:

1. Select a photo you want to upload.
2. Once uploaded, hover over the photo and click on "Edit."
3. The photo pops up on the left side of the screen with the editing options on the right.
4. Select "Alternative Text" and click on "Custom Alt Text."
5. Fill in the image description and click "Save."

REFERENCES:

- https://blog.hootsuite.com/inclusive-design-social-media/
- https://www.w3.org/WAI/fundamentals/accessibility-intro/
- https://usability.yale.edu/web-accessibility/articles/social-media
- https://www.facebook.com/accessibility/posts/today-is-global-accessibility-awareness-day-an-annual-day-to-get-people-thinking/1773602802683437/
- https://www.impactplus.com/blog/what-is-inclusive-marketing#:~:text=More%20specifically%2C%2064%25%20of%20consumers,to%20be%20diverse%20or%20inclusive

MiABLE
INVEST • SAVE • SPEND

Frequently Asked Questions

MiABLE
INVEST • SAVE • SPEND

WHY WERE MIABLE ACCOUNTS CREATED?

Individuals with disabilities and their families depend on a wide variety of public benefits for income, health care, food and housing assistance. Many of these benefits require meeting a means or resource test that limits the eligibility of individuals who report more than $2,000 in cash savings, retirement funds and other items of significant value.

In 2014, Congress passed the bipartisan Achieving a Better Life Experience (ABLE) Act in recognition of the extra and significant costs of living with a disability. The Michigan ABLE (MiABLE) Act was signed into law in 2015. MiABLE accounts provide eligible individuals the opportunity to save and fund a variety of qualified expenses without endangering eligibility for certain benefits that are critical to their health and well-being.

WHO IS ELIGIBLE?

A MiABLE account holder can be any age, but their disability must have been diagnosed before age 26. In addition, the beneficiary must be entitled to SSDI benefits or SSI benefits, or obtain a disability certification that meets IRS rules.

A MiABLE account holder does not have to be a Michigan resident. People can open a MiABLE account even if their home state has an ABLE program.

Continue to next page for further FAQ ...

Frequently Asked Questions

MiABLE
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HOW CAN A MIABLE ACCOUNT BE USED?

A MiABLE account must be used for "qualified disability expenses" that relate to the account holder's blindness or disability in maintaining or improving health, independence or quality of life.

Funds from a MiABLE account are not taxed if used for qualified disability expenses, which include education, housing, transportation, employment training and support, health, financial management, legal fees, expenses for oversight and monitoring and end-of-life expenses.

WHAT ARE THE SAVINGS OPTIONS IN A MIABLE ACCOUNT?

MiABLE offers options that meet all needs and comfort levels, ranging from conservative to aggressive. More information on MiABLE investment options is available here.

HOW IS A MIABLE ACCOUNT DIFFERENT FROM A SPECIAL NEEDS TRUST?

A MiABLE account is a complement to a special needs trust, not a replacement. MiABLE benefits include cost-effectiveness, broader spending power, easy account access, a Michigan tax deduction, no federal tax on earnings and the ability to crowdfund accounts.

Continue to next page for further FAQ ...

Frequently Asked Questions

MiABLE
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WHAT ARE THE MIABLE TAX ADVANTAGES?

Savings in a MiABLE account grow tax-free and distributions — including any earnings — are not taxed if used for qualified disability expenses. In addition, Michigan state income taxpayers can claim up to a $5,000 deduction for single filers and $10,000 for joint filers for MiABLE contributions.

If a distribution is not used for a qualified disability expense, it could be subject to income tax and a 10% penalty. Distributions not used for qualified disability expenses could also affect other benefits.

HOW DOES SOMEONE OPEN A MIABLE ACCOUNT?

Visit MiABLE.org and then click Login/Create Account in the upper right corner of the page.

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MiABLE.org

Facebook.com/MichiganABLE

michiganable

Community Mental Health Association of Michigan

Potential Medicaid Reductions

Shifting to block grants

- This would lower federal funding for states to operate the program while giving states more discretion over how to spend
- Currently, gov't matches a certain percentage each year with no cap

Per Capita Caps

- Means the government sets a limit on how much money it will give each state per person enrolled in Medicaid
    - States would be assigned an initial per capita cap based on their current or historical spending
    - The cap would increase each year at a rate below the growth in health care costs
    - States would be responsible for any costs that exceed the cap

Reducing Medicaid Expansion Match Rate

- Currently, gov't pays 90% of cost for those who are covered in Medicaid expansion.
- GOP trying to lower that funding to 60% or to align with traditional Medicaid

Equalize Medicaid Payments for Able Bodied Adults

- Aims to align their reimbursement rates with those of traditional Medicaid enrollees, such as individuals with disabilities and low-income children.
    - By equalizing these payments, the goal is to ensure fair treatment across different groups within the Medicaid program.

Lower FMAP Floor

- Means the federal government would reduce minimum percentage of Medicaid costs it covers for states
    - By lowering this floor, this could force states to either cut Medicaid services, reduce eligibility, or spend more of their own money to maintain current coverage

Limit Medicaid Provider Taxes

- Means the government would close or reduce this loophole stopping states from inflating Medicaid costs to get extra federal dollars
- Right now, some states use a loophole called "Medicaid provider taxes" to get more federal funding. Tax hospitals and healthcare providers, then use that money to make Medicaid look more expensive, which results in more federal funding.

Placing enrollment hurdles

- Seek to appeal waivers that allow state to grant multi year continuous eligibility, resulting in requiring people to reapply for coverage annually

Medicaid Work Requirements

- Medicaid work requirements mean that certain adults on Medicaid would have to work, look for a job, or do job training to keep their health coverage.
    - Supporters argue it encourages self-sufficiency, while critics say it could cause people who genuinely need healthcare—like those with unstable jobs or caregiving responsibilities—to lose coverage.

Talking Points: Defending Medicaid

Nursing Care & Loved Ones

- "Medicaid is health insurance for seniors in nursing homes, low-income children and parents, pregnant women, and people with disabilities"
- "We can't get to $2.5 trillion in cuts to Medicaid without taking healthcare away from the very people the program was intended to protect: seniors, children and people with disabilities"

Cost of Uncompensated Care

- Millions of Americans losing their health care coverage. Fewer insured = higher costs because of uncompensated care
    - Fewer people with insurance ultimately drives up costs in local county jail and hospital emergency departments (far more costly settings for providing care).
- Cuts do not improve healthcare or lower costs

State government Responsibility

- Block grants would only be cutting federal spending, leaving the financial burden on the states
    - A number of the proposed reductions would cost the State of Michigan several billion dollars in lost revenue

- Shifting costs to states forces them to either raise taxes or make deep cuts in education, law enforcement, and infrastructure

Reduce Private Insurance Profits on Medicaid

- If the goal is to cut wasteful spending and reduce costs, limit or cap the amount of profits private health insurance companies are able to make in their managed care roles.
    - Annually private health insurance companies bring in hundreds of billions of dollars in profits off the Medicaid program.

- "We need to improve healthcare and make it more affordable. Right now, greedy corporations are running our system and driving up prices to make more profit. Cutting seniors and children from healthcare programs will not make healthcare more affordable and will just raise costs for everyone"

Community Mental Health Association of Michigan

CMHA, members, and allies work to protect core system funding from federal Medicaid and block grant cuts

March 2025

As CMHA members and stakeholders know, a threats to Michigan's public mental health system are being debated in Washington. The chief threats revolve around:

- Cuts to the federal Medicaid program (in the form of: reductions in the federal share of traditional Medicaid revenues; moving Medicaid to block grant to state's; reductions in the federal share of Medicaid expansion (Healthy Michigan) revenues; imposition of work requirements; and moving to a per-capita Medicaid payment system.
- Cuts to federal mental health and substance use disorder block grants. In Michigan, the former support a number of innovative mental health service delivery grants and the training of tens of thousands of clinicians through the MDHHS-CMHA training partnership. The latter are one of the core revenue sources for Michigan's substance use disorder prevention and treatment services.

In response to these potential threats, CMHA, its members, and allies have developed a federal advocacy plan. The review and refinement of this draft plan will be on the agenda of the upcoming CMHA Legislation and Policy Committee meeting. While the refined plan will emerge from the discussions of the L&P Committee, given the pace and gravity of the actions and proposals by the White House and the proposals working their way through Congress, CMHA will be implementing this draft plan, in concert with members and partners across Michigan as well as our national association colleagues.

Note, given that contents, pace, impact, and likelihood of being put into place, of the actions and proposals coming from Washington, are in flux, CMHA is outlining, in this plan, only the broad outlines of its federal advocacy efforts. As the dimensions of these actions and proposals become clearer and the resources and partnerships available to respond to them emerge, CMHA will revise and refine this broad outline.

CMHA's federal advocacy plan centers around several core components:

1. Ensure that CMHA is in coalition with other organizations, in Michigan, representing health and human services systems and those served by those systems. While too numerous to list, some of those organizations, with which CMHA has had longstanding and productive relationships, include: the Michigan Health and Hospital Association, the Michigan Association of Counties, the Michigan Association for Local Public Health, the Michigan Primary Care Association, incompass-Michigan, the Michigan Assisted Living Association, the Michigan League for Public Policy, Arc Michigan, NAMI-Michigan, Mental Health Association in Michigan, Association for Children's Mental Health, and Disability Rights-Michigan.
2. Work in partnership with MDHHS and other state departments, including the Governor's Office, in these efforts.
3. Ensure that CMHA is in close and continual communication with both of its national associations, the National Council and the National Association of County Behavioral Health and Developmental Disability Directors (NACBHDD). Close contact will also be maintained with other national organizations working on these issues.
4. Identify sound sources of information on actions and proposals, from the White House and Congress, of relevance to CMHA members and those whom they serve. Regularly communicate

this information to CMHA members, including the creation of a Medicaid advocacy resources site on the CMHA website.

5. Use any of a range of advocacy tools, drawn from an array of advocacy tools with which CMHA and many of its members and allies have considerable experience, to thwart threats against and pursue opportunities for CMHA members and the persons, families, and communities which they serve.

We need your help. Right now, Congress is considering devastating cuts to Medicaid funding that would put access to mental health care at risk for millions of Americans. Congress is about to vote on a House budget resolution bill that will start the process to cut $800 billion from Medicaid over the next decade.

Medicaid is a public health insurance program that covers more than 72 million people (over 2 million people in Michigan alone), including many people with mental health or substance use conditions, as well as pregnant women, children, people with disabilities, working families, and veterans. Medicaid plays a vital role in the lives of people with mental health conditions, providing access to important services such as psychotherapy, inpatient treatment, peer support, crisis care, and medication, when needed.

Unfortunately, these cuts to Medicaid could mean people lose their coverage or have fewer services available to them, making many of these services inaccessible to the people who need them most. Big cuts to federal funding for Medicaid would just delay or stop people from getting necessary mental healthcare shifting the costs to our local communities and hurting people who rely on Medicaid.

Congressional offices need to hear directly from you RIGHT NOW about why Medicaid is so important for people with mental health conditions. Will you join thousands of mental health advocates across the country during today's day of action to urge Congress to protect Medicaid?

Please feel free to customize your response as you see fit

We also need you **to ask that the members of your Board of Directors, your staff, and your community partners make those same contacts – SIMPLY FORWARD THIS EMAIL TO THEM**.

Thank you in advance for your support and advocacy on this important topic.

ACTION ALERT - PROTECT MEDICAID

Arguments undergirding the Contract negotiations stalemate between MDHHS and Michigan's public specialized mental health plans

December 2024

FOUNDATIONAL CONCERN: For over fifty years, Michigan has chosen to fulfill its obligations, under state law, to fund the state's public Community Mental Health (CMH) Centers using Medicaid dollars. These dollars make up over 90% of the revenues received by the state's CMHs.

MDHHS has also chosen to require that the bulk of the funding received by the state's Community Mental Health Centers, in the form of Medicaid dollars, flow through ten public/governmental specialized managed care organizations/mental health plans – in federal terms, Prepaid Inpatient Health Plans (PIHPs). The PIHPs are either public Community Mental Health Services Programs (CMHs) or public regional entities created and governed by the CMHSPs in their region. The State of Michigan has contracted with these PIHPs, in the current former or in earlier forms, since 1997, to receive and manage Medicaid dollars that are used to fulfill the state's obligation, as required by Michigan law, to fund the state's public Community Mental Health system.

Given the requirements in state law (what is termed the Michigan Mental Health Code), the contract between MDHHS and the state's public specialized mental health plans (PIHPs) is a contract between two governmental bodies and not one between the State of Michigan and a private vendor. Within this context, MDHHS and the state's PIHPs have negotiated this contract for the past 27 years, in good faith, since 1997.

However, in negotiating the FY 2025 contract with the state's public specialized mental health plans, MDHHS inserted language in the contract that had not been negotiated and demanded that these public organizations sign these contracts at the treat of contract termination for failure to sign these contracts.

A number of the state's public specialized mental health plans signed the contract and removed the language that had not been negotiated.

MDHHS, in response to this action by the public specialized mental health plans, initiated the steps to close out the contract with these public bodies.

The concerns of the state's public specialized mental health plans and CMHs center fact that MDHHS, by taking this unilateral action and refusing negotiate with the state's public specialized mental health plans is in violation of:

- The state law (the Michigan Mental Health Code) that requires that MDHHS contract with and fund the state's Community Mental Health (CMH) centers
- The longstanding partnership between the State of Michigan and public mental health system

CONCERNS OVER SPECIFIC COMPONENTS OF FY 25 MDHHS-PIHP CONTRACT: The FY 25 MDHHS-PIHP contract, recently sent to the PIHPs for signature, contains language with serious consequences for the state's public mental health system and those served by the system, that has not been negotiated by the state's PIHPs.

The concerning language centers around three sections of the contract proposed by MDHHS:

1. MDHHS proposed contract language limiting the risk reserves that the state's public plans can hold below actuarially determined sound levels: The contract language proposed by MDHHS is seeking to limit each public mental health plan's risk reserve (known as its Internal Service Fund/ISF) to a level of 7.5% of the PIHP's annual operating revenues, regardless of whether such a limit adequately covers each individual public plan's historic and future financial risk. The public plans have proposed contract language which maintains the current 7.5% per year contribution limit with a cap of those reserves at a level determined, by actuaries with expertise with risk-based health care contracts, for ensuring the fiscal stability of these plans.

   The fiscal risk held by these public plans is underscored by the fact that the actuarial firm determining the revenue that each of these public plans will receive includes the language., below, in the public plan financing letter developed by these actuaries:

   > *The capitation rates developed may not be appropriate for any specific PIHP. An individual PIHP will need to review the rates in relation to the benefits it will be obligated to provide. The PIHP should evaluate the rates in the context of its own experience, expenses, capital and surplus, and profit requirements prior to agreeing to sign a contract with the State. The PIHP may require rates above, equal to, or below the "actuarially sound" capitation rates that are associated with this certification.*

2. MDHHS proposed contract language that binds the state's public plans to the terms of lawsuit settlement of which the plans were not a party, having been excluded from the settlement discussions by MDHHS. The terms of this settlement pose great harm to the public plans, the state's CMHs, provider organizations, and persons served.

   In short, the settlement would provide a substantial increase to the payments made to persons served who hold Habilitative Supports Waiver slots and are participating in a Self Determination/Self-Directed Budget arrangement with their local CMH. This increased payment to these persons served (clients), to $31/hour for Community Living Support services (CLS) would improve the ability of these persons to recruit and retain direct care workers at a wage of approximately $28/hour – a wage far above the average starting wage of the state's Direct Care Workforce, of $15/hour. The MDHHS-proposed contract language would require the state's public health plans to implement the terms of this settlement.

The state's PIHPs, CMHSPs, and CMHA strongly agree with the plaintiffs in the suit (the Waskul lawsuit) that led to the settlement from which this contract language emerged: the funding available to Michigan's public mental health system is insufficient to pay direct care workers a wage that recruits and retains these workers.

Additionally, CMHA and its allies applaud the intent of the plaintiffs to significantly raise the rate of pay for Michigan's direct care workers and thus improve access to care for Michiganders. In fact, a large coalition of persons served, families, advocates, provider organizations, and our association and our members has been working on this front for years, with success—yet with a long way to go to achieve adequate wages for Michigan's direct care workers.

The concerns that these PIHPs and our association hold around this section of the contract revolve around the following:

a. The settlement discriminates against all of the other Michiganders in need of supports to live in the community. Rather than providing improved access to care for all of the Michiganders who receive CLS services, this settlement limits that improved access to only 17% of those who rely upon CLS services, through the state's public mental health system, for their independence and quality of life and an even smaller fraction, 8%, of those who receive CLS services in the broader system which includes mental health, aging services, and long term care. The settlement leaves the bulk of Michiganders in need of CLS services without the improved access being provided to this small subset of Michigan's Medicaid beneficiaries.

b. The settlement does nothing to address the statewide direct care worker shortage. Rather than providing wage increases to address the deep and prolonged shortage of direct care workers in the mental health and aging/long term care sectors (a shortage making headlines nearly every week), this settlement sidesteps this issue, by limiting its impact to a small fraction, 8%, of the state's 125,000 direct care workers.

c. The settlement exacerbates the direct care worker shortage by distorting the labor market to favor one small segment of the state's CLS clients and direct care worker workforce. While this increase, to $28/hour, will improve the wages for a small segment of the direct care worker workforce, it will make it very difficult if not impossible, for the thousands of other Michiganders in need of CLS services to recruit and retain train their direct care staff - given that the wages to the remainder of the state's 125,000 direct care workers remain at an average starting wage of $15/hour.

d. By settling this lawsuit for this small number of Medicaid beneficiaries and not addressing the staffing needs, in a systemic and fiscally sound manner, of all of the recipients of CLS and similar services, the State of Michigan is inviting all persons receiving CLS or any service provided by direct care workers to sue the state in order to obtain access to these increased hourly rates for the direct care workers serving them. These suits will have one of two outcomes: because these lawsuits take years to resolve (this lawsuit has taken 8 years), the lack of access to quality home-based care for Michiganders and inadequate direct care worker wages will continue, unresolved, for decades; or these lawsuits will use the Waskul settlement terms to dramatically increase the wages of all of the state's Direct Care Workers to the level outlined in the Waskul settlement – at an enormous cost to the State of Michigan.

3. MDHHS proposed contract language related to the roles of the public plans in their work with the state's Certified Community Behavioral Health Clinics (CCBHC): The language proposed by

MDHHS makes it impossible for the state's public plans to carry out their managed care responsibilities as required elsewhere in their contract with MDHHS.

PROPOSED ACTION: As noted above, the refusal to negotiate the FY 2025 contract and the notice of contract termination from MDHHS is in violation of the contract's dispute resolution language and the statutory obligation for the State of Michigan to finance the state's public mental health system – with the state's public specialized mental health plans being the mechanism by which the State of Michigan has chosen to finance that community-based system.

The state's public health plans will be forced to take legal action, in the coming days, if MDHHS does not take the following actions:

A. Withdraw the transition/termination notice that MDHHS issued to the state's public health plans
B. Reengage in good-faither contract negotiations with the state's public health plans.

Community Mental Health Association of Michigan

CMHA and members design and implement advocacy strategy around system refinement and potential PIHP procurement

March 2025

As CMHA members know, MDHHS recently issued a press release, **attached**, announcing both a public comment period, centered on improvements to Michigan's public mental health services and the Department's intention to implement a competitive procurement process for the state's Prepaid Inpatient Health Plans (PIHPs).

While CMHA and its members are continually involved in system improvements, and so support this component of the Department's announcement, the Association and its members are **strongly opposed to any procurement process that could open the door to the privatization of the system.**

In response to this press release, CMHA has already taken a number of actions and will continue to do so, in partnership with CMHA members and our allies across the state. The actions already taken by CMHA to date include:

- Outreach to MDHHS leadership
- Communication with the Governor and her staff
- Dialogue with CMHA's legal counsel relative to the bounds of any procurement process if that is pursued
- Dialogue with the state's leading advocacy organizations
- Communication to CMHA members urging them to complete and urge the completion by others of the online survey posted by MDHHS on this topic
- Scheduled media strategy with CMHA's media relations and public relations consultants

As this advocacy effort is fleshed out, further, CMHA members will be kept informed and asked to actively participate in this effort.

Email (2.25.25) to Governor Whitmer's office in follow up to CMHA meeting with the Governor

Attached is the data we referenced on our call yesterday with Governor Whitmer – the tables show the appropriations amount in the various fiscal years (the document says executive budget, but those are the signed budget numbers) vs the actuarial certified numbers vs the adjusted actuarial numbers, which then shows the amount of money not spent (or in some over spent) in those line items.

Below is the rational we walked through on the call yesterday.

Again, thank you so much for setting up the call and passing this information along – we really appreciate it!

MEDICAID RATES MUST BE ADDRESSED

- **CMHA members faced a $45-50 million Medicaid shortfall for FY24**. The attempted rate adjustments from MDHHS throughout FY24 we not able to keep up with the dramatic drop in Medicaid enrollment last year.
    - Our members receive a payment for every person enrolled in Medicaid regardless if we see them or not. The more people the more payments (and the smaller the payment would be), but as people starting losing their coverage during redeterminations our members lost those payments, when that occurs the payments we receive must grow in order for the system to have adequate funding to provide the services and supports required. In FY24 those payments did not grow fast enough which caused the Medicaid shortfall.

    - **NO NEW MONEY WAS NEEDED IN FY24 – the FY24 Medicaid Mental Health line item was under spent by $37.4 million and the Health Michigan behavioral health line item was under spent by $125.6 million.**

- The projected FY25 trends look worse than the FY24 numbers. **If rate adjustments do not occur our members are facing a $232 million shortfall in FY25.**

    - **The projected under spending in Medicaid Mental Health is $216.4 million and the Health Michigan behavioral health will be under spent by $71 million.**

    - **Rates must also be adjusted to reflect increasing employer costs.**
        - FY25 rates must address increased employer costs. Over the past two years PIHPs and CMHs needed to address increased wages, signing bonuses and increased provider costs to recruit and retain staff.
        - FY25 rates must address legislative changes to unemployment benefits (increasing the number of weeks and the weekly maximum benefits)
        - FY25 rates must address legislative changes to minimum wage and earned sick time act (ESTA)
        - FY25 rates must address mandated provider increase adopted by the legislature for ABA and methadone services.

IDENTIFYING AND ADDRESSING THE CAUSES OF THE UNEXPECTED MOVEMENT OF DISABLE AGED AND BLIND (DAB) ENROLLEES TO OTHER MEDICAID CATEGORIS

- **It is equally important that people get slotted into the "correct" Medicaid bucket.** The state's PIHPs and CMSHPs are seeing unusual re-enrollment patterns. The movement of formerly DAB beneficiaries to other Medicaid categories, has dramatically reduced the revenue expected and needed by the state's PIHPs.
- **Thousands of DAB beneficiaries were put into another Medicaid program in FY24 during redetermination.**
    - Reimbursement for Medicaid programs:
        - DAB - $377/per person – per month
        - Healthy Michigan - $54 / per person – per month
        - TANF - $29 / per person - per month
        - Plan First - $0

- in FY 2024, the **number of lost DAB months jumped by 182%.** The bulk of this increase was caused by the movement of DAB beneficiaries to the Plan First, which offers NO Mental Health benefit.

- **This movement from DAB to TANF, HMP, and Plan First is out of the ordinary given that persons in the Disabled, Aged, and Blind (DAB) Medicaid program have, in the main, conditions that are chronic and, in most cases, lifelong**

- **The loss in revenue to the Prepaid Inpatient Health Plan (PIHP) system in FY24 alone was over $300 million due to beneficiaries being enrolled into an inappropriate Medicaid bucket.**

NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – MARCH 12, 2025
VIA TEAMS

ATTENDEES:	**Brian Babbitt, Connie Cadarette, Ann Friend, Kevin Hartley, Chip Johnston, Nancy Kearly, Eric Kurtz, Brian Martinus, Allison Nicholson, Nena Sork, Erinn Trask, Jennifer Warner, Tricia Wurn, Deanna Yockey, Carol Balousek**

REVIEW AGENDA & ADDITIONS
No additions to the meeting agenda were requested.

REVIEW PREVIOUS MEETING MINUTES
The February minutes were included in the materials packet for the meeting.

MOTION BY CONNIE CARARETTE TO APPROVE THE MINUTES OF THE FEBRUARY 12, 2025 NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY KEVIN HARTLEY. MOTION APPROVED.

MONTHLY FINANCIALS
January 2025

- Net Position showed net deficit Medicaid and HMP of $1,262,818. Carry forward was reported as $736,656. The total Medicaid and HMP Current Year Deficit was reported as $526,162. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $20,049,994.
- Traditional Medicaid showed $70,058,058 in revenue, and $70,167,096 in expenses, resulting in a net deficit of $109,038. Medicaid ISF was reported as $13,514,675 based on the current FSR. Medicaid Savings was reported as $0.
- Healthy Michigan Plan showed $8,777,317 in revenue, and $9,931,097 in expenses, resulting in a net deficit of $1,153,780. HMP ISF was reported as $7,068,394 based on the current FSR. HMP savings was reported as $736,656.
- Health Home showed $1,137,542 in revenue, and $897,826 in expenses, resulting in a net surplus of $239,716.
- SUD showed all funding source revenue of $9,499,506 and $7,433,987 in expenses, resulting in a net surplus of $2,065,519. Total PA2 funds were reported as $4,462,844.

Deanna noted that the NMRE's ISF is currently funded ($3,141,000) beyond 7.5% of annual revenue per FY24 PIHP contract language. In an email from the Department dated March 4, 2025, the NMRE was informed that its FY24 FINAL FSR bundle submission was rejected because it reflected an ISF balance greater than 7.5% of the NMRE's annual revenue. The NMRE was asked to "correct" the ISF balance and resubmit the FY24 FINAL FSR bundle submission for acceptance by March 12, 2025. Resubmitted FSR bundles that are not accepted by MDHHS prior to the due date will be considered "late" for purposes of determining PIHP eligibility for Contractor Performance Bonus Payments.

Eric indicated that the NMRE will not be making any changes to its FY24 FINAL FSR bundle submission. A response from attorney, Chris Ryan (Taft, Stettinius & Hollister, LLP) will accompany the NMRE's submission.

Both Medicaid and HMP are running at a deficit four months into FY25. In December, Deanna anticipated a FY24 carry forward of $2.9M based on the Interim FSR; the final FSR showed a carry forward of only $736K, which is not enough to offset a year-end deficit. The NMRE will need to utilize most of the ISF balance to cost-settle with the Boards at the current rate of spending.

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	$122,281	($708,228)	($294,440)	($2,257,432)	$651,740
HMP	($221,532)	($205,220)	($152,122)	($1,221,480)	($211,270)
Total	($99,251)	($913,448)	($446,561)	($3,478,912)	($440,471)

Donna noted that Centra Wellness is working to move individuals as many individuals as possible from HMP to Medicaid. She added that there have been some costly inpatient stays for individuals on HMP.

During the meeting on February 26, 2025, the NMRE Board of Directors voted to move the CMHSPs to risk-based contracts, possibly as soon as April. Immediate cost reduction plans will be requested from the Boards. This topic will be discussed in greater detail during the regional Operations Committee meeting on March 18th.

Cost containment measures are being discussed at all five CMHSPs.

PA2/Liquor Tax was summarized as follows:

Projected FY25 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$4,765,231	$1,847,106	$2,150,940	$4,461,397

Actual FY25 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$4,765,231	$92,609	$394,996	$4,462,844

Deanna directed attention to the Regional Eligible Trending page of the January Financial Report. A very significant reduction in DAB eligibles occurred between October 2023 and October 2024.

HSW revenue continues to help offset Medicaid and HMP shortage.

MOTION BY ERINN TRASK TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JANUARY 2025; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

<u>FY24 FINAL FSR</u>
The NMRE submitted the FY24 Final FSR by February 28th due date. The response regarding the overfunded ISF was discussed under the January Financial Report. No other issues were identified.

It was noted that Northern Lakes supplied estimates due to the ongoing forensic investigation. The NMRE has cost-settled with MDHHS through FY19.

EDIT UPDATE

The January 16th EDIT minutes were included in the meeting materials.

- New G codes are being developed for Caregiver Training with patient not present (S5111 & S5116).
- In April G8431 & G8510 will be added to the code chart to track depression screenings.
- In the January code chart update, CAFAS & PECFAS language was removed and generalized language was added to reference "the state required tool" for codes T1017, H0036, 96105, 96110, 96112, & 96127. A MichiCANS modifier is being created to add to H0002.
- The SED Waiver and Children's Waiver were approved and backdated to October 1, 2024. The 1915(i) SPA amendment was approved on January 16, 2025, and was not backdated.
- A plan to move from 97151 to H0032 has been proposed for treatment planning for those not ABA centric.
- The development of inpatient tiered rates has stalled because the way encounters are submitted didn't allow for modifiers to be shown.
- The EQI workgroup has been discussing ways to close the gap on variances and is considering value-based payments and contract language.
- MDHHS is looking at ways to collect commercial claims for CCBHC services. Behavioral health urgent care services need to be identified (possible modifier addition). The definition of urgent care vs. CCBHC clinical services with an identified crisis is unclear.
- A modifier is being added to track Children's EBPs.
- There have been 11 changes to the FY24 Q2 Code Chart. These can be viewed by visiting: Reporting Requirements

The next EDIT meeting is scheduled for April 17th at 10:00AM.

EQI UPDATE

The FY24 EQI was submitted to MDHHS by the February 28th due date without any issues. Tricia received an email about FY23 P3 EQI variances; she will investigate and reach out to the CMHSPs separately, if needed. Donna clarified that the rates in the system are from the previous year. Differences mainly occur with direct run services. Boards generally update rates once per year based on the EQI. Tricia will forward the information that she received from MDHHS/Milliman to the CMHSPs. All FY24 EQIs have been posted to ShareFile as requested.

ELECTRONIC VISIT VERIFICATION (EVV)

Brandon was not in attendance to provide an update, however, Donna reported that providers are entering information and making corrections as needed. A subgroup of the statewide committee has been formed to tie in claims payments. No formal reconciliation process is currently in place. A PIHP/CMHSP/MDHHS-BH EVV leads meeting is scheduled for 11:00AM on this date. Regional EVV workgroup meetings are taking place quarterly. Nena reported that Northeast Michigan staff are experiencing issues/errors daily. Chip has heard that the state is unhappy with the HHAX vendor.

HSW OPEN SLOTS UPDATE

All 697 HSW slots are currently filled. Bea has requested 3 additional packets as NMRE will be looking to borrow unused slots from other regions. Donna noted that Centra Wellness hasn't been

paid for individuals on spenddowns enrolled in HSW in 18 months. She questioned whether individuals on spenddowns should be disenrolled and replaced with individuals on Medicaid. Eric agreed to discuss the matter with Bea. Chip acknowledged that DAB individuals on HSW should never be on a spenddown. Clarification was made that in the WSA RLA stands for Residential Living Arrangement.

DAB TRANSITION

Nothing was discussed under this agenda topic.

NMRE REVENUE & ELIGIBLES ANALYSIS

An analysis of November 2023 – February 2025 Revenue and Eligibles was emailed to the committee.

Children's Waiver Program			
	November 2023	February 2025	% Change
Revenue	$37,040	$32,754	-11.6%
Enrollees	11	10	-9.1%

DAB			
	November 2023	February 2025	% Change
Revenue	$9,796,214	$9,851,762	0.6%
Enrollees	27,979	25,027	-10.6%
Average Payment per Enrollee	$350	$ 394	12.4%

HMP			
	November 2023	February 2025	% Change
Revenue	$2,286,849	$2,259,235	-1.2%
Enrollees	45,924	34,512	-24.8%
Average Payment per Enrollee	$50	$65	31.5%

HSW			
	November 2023	February 2025	% Change
Revenue	$4,692,308	$4,879,605	4.0%
Enrollees	663	653	-1.5%
Average Payment per Enrollee	$7,077	$7,473	5.6%

SED			
	November 2023	February 2025	% Change*
Revenue	$43,326	28,279	-34.7%
Enrollees	22	41	86.4%
Average Payment per Enrollee*	$1,969	$690	-65.0%

*SED revenue was moved into DAB October 1, 2024.

TANF			
	November 2023	February 2025	% Change
Revenue	$2,763,76	$2,775,281	0.4%
Enrollees	65,030	55,166	-15.2%
Average Payment per Enrollee	$42	$50	18.4%

TOTAL			
	November 2023	February 2025	% Change
Monthly Total Revenue	$19,619,501	$19,826,916	1.1%

97153 CODE AND $16.50 PER UNIT

NMRE received retroactivity from November 1 – January 31 totaling $236K. The $16.50 will be included in rates effective April 1st. The NMRE will include each Board's portion of the retro funds in the March Medicaid/HMP payments.

The CMHSPs reported the additional funding needed to cover the $16.50 rate for 97153 for November 1st – January 31st, absent any back billings for those months:

- Centra Wellness – N/A (Services are provided by CWN staff)
- North Country – $104,544
- Northeast Michigan – $22,538
- Northern Lakes – $51,741
- Wellvance – $43,635

It was noted that the State set the $16.50 rate yet only paid a portion of the funding needed.

OTHER

Chip shared the link to the Michigan House of Representatives Appropriations Subcommittee on Medicaid and Behavioral Health presentation by CMHAM on March 11th: Michigan House TV.

NEXT MEETING

The next meeting was scheduled for April 9th at 10:00AM.

Chief Executive Officer Report

March 2025

This report is intended to brief the NMRE Board on the CEO's activities since the last Board meeting. The activities outlined are not all inclusive of the CEO's functions and are intended to outline key events attended or accomplished by the CEO.

Feb 24: Attended and participated in PIHP Compliance Officers Committee Meeting.

March 3: Attended CMHAM in SUD Oversight Committee Meeting.

March 4: Attended and participated in PIHP CEO Meeting.

March 5: Attended and participated in NMRE IOC Meeting.

March 7: Attended and participated in Crawford County Opioid Advisory Committee.

March 10: Met with MDHHS regarding 928 local match.

March 11: Attended CMHAM advocacy meeting regarding PIHP procurement.

March 12: Attended and participated in NMRE regional Finance Committee Meeting.

March 18: Chaired NMRE Operations Committee Meeting.

March 19: Attended and participated in NMRE IOC Meeting.

January 2025 Finance Report

January 2025 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	(109,038)	-	13,514,675
Healthy Michigan	(1,153,780)	736,656	7,068,394
	$ (1,262,818)	$ 736,656	$ 20,583,069

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	1,378,687	1,856,196	(3,478,912)	(913,448)	(446,561)	440,471	(99,251)	$ (1,262,818)
Carry Forward		-	-	-	-	-	-	736,656
Total Med/HMP Current Year Surplus	1,378,687	1,856,196	(3,478,912)	(913,448)	(446,561)	440,471	(99,251)	$ (526,162)
Medicaid & HMP Internal Service Fund								20,576,156
Total Medicaid & HMP Net Surplus								$ 20,049,994

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2024 through January 31, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	$ 67,748,740	$ 2,309,318						$ 70,058,058
CMHSP Distributions	(64,398,578)		20,940,303	17,251,882	10,860,953	9,436,237	5,909,202	(0)
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	3,350,162	2,309,318	20,940,303	17,251,882	10,860,953	9,436,237	5,909,202	70,058,058
Expense								
PIHP Admin	973,694	18,531						992,225
PIHP SUD Admin		45,309						45,309
SUD Access Center		-						-
Insurance Provider Assessment	608,668	12,175						620,843
Hospital Rate Adjuster	-							-
Services	344,603	1,279,460	23,197,735	17,960,110	11,155,393	8,784,497	5,786,921	68,508,719
Total expense	1,926,965	1,355,475	23,197,735	17,960,110	11,155,393	8,784,497	5,786,921	70,167,096
Net Actual Surplus (Deficit)	$ 1,423,197	$ 953,843	$ (2,257,432)	$ (708,228)	$ (294,440)	$ 651,740	$ 122,281	$ (109,038)

Notes

Medicaid ISF - $13,514,675 - based on current FSR

Medicaid Savings - $0

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2024 through January 31, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	$ 4,710,308	$ 4,067,009						$ 8,777,317
CMHSP Distributions	(4,601,100)		1,690,249	1,312,963	594,451	626,790	376,647	(0)
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	109,208	4,067,009	1,690,249	1,312,963	594,451	626,790	376,647	8,777,317
Expense								
PIHP Admin	95,773	43,263						139,036
PIHP SUD Admin		105,782						105,782
SUD Access Center		-						-
Insurance Provider Assessment	57,944	28,482						86,426
Hospital Rate Adjuster	-							-
Services	-	2,987,129	2,911,729	1,518,183	746,573	838,060	598,179	9,599,853
Total expense	153,717	3,164,656	2,911,729	1,518,183	746,573	838,060	598,179	9,931,097
Net Surplus (Deficit)	$ (44,510)	$ 902,353	$ (1,221,480)	$ (205,220)	$ (152,122)	$ (211,270)	$ (221,532)	$ (1,153,780)

Notes
HMP ISF - $7,068,394 - based on current FSR
HMP Savings - $736,656

Net Surplus (Deficit) MA/HMP	**$ 1,378,687**	**$ 1,856,196**	**$ (3,478,912)**	**$ (913,448)**	**$ (446,561)**	**$ 440,471**	**$ (99,251)**	**$ (1,262,818)**
Medicaid/HMP Carry Forward								**736,656**
Total Med/HMP Current Year Surplus								$ (526,162)
Medicaid & HMP ISF - based on current FSR								**20,576,156**
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								**$ 20,049,994**

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2024 through January 31, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	$ 437,005		181,802	120,383	134,422	73,002	190,928	$ 1,137,542
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	437,005	-	181,802	120,383	134,422	73,002	190,928	1,137,542
Expense								
PIHP Admin	12,632							12,632
BHH Admin	13,033							13,033
Insurance Provider Assessment	-							-
Hospital Rate Adjuster								
Services	171,624		181,802	120,383	134,422	73,002	190,928	872,161
Total expense	197,289	-	181,802	120,383	134,422	73,002	190,928	897,826
Net Surplus (Deficit)	$ 239,716	$ -	$ -	$ -	$ -	$ -	$ -	$ 239,716

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health

October 1, 2024 through January 31, 2025

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	$ 2,309,318	$ 4,067,009	$ 1,441,154	$ 1,287,031	$ 394,994	$ 9,499,506
Expense						
Administration	63,840	149,045	57,204	66,745		336,834
OHH Admin			28,162	-		28,162
Block Grant Access Center	-	-	-	-		-
Insurance Provider Assessment	12,175	28,482	-			40,657
Services:						
Treatment	1,279,460	2,987,129	1,146,465	566,254	394,994	6,374,302
Prevention	-	-	-	289,851	-	289,851
ARPA Grant	-	-	-	364,181	-	364,181
Total expense	1,355,475	3,164,656	1,231,831	1,287,031	394,994	7,433,987
PA2 Redirect			-	-		-
Net Surplus (Deficit)	$ 953,843	$ 902,353	$ 209,323	$ (0)	$ 1	$ 2,065,519

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds
October 1, 2024 through January 31, 2025

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	$ 67,748,740	$ 2,309,318	$ -	$ 70,058,058
Medicaid Savings	-	-	-	-
Healthy Michigan	4,710,308	4,067,009	-	8,777,317
Healthy Michigan Savings	736,656	-	-	736,656
Health Home	1,137,542	-	-	1,137,542
Opioid Health Home	-	1,441,154	-	1,441,154
Substance Use Disorder Block Grant	-	1,287,031	-	1,287,031
Public Act 2 (Liquor tax)	-	394,992	-	394,992
Affiliate local drawdown	148,704	-	-	148,704
Performance Incentive Bonus	-	-	-	-
Miscellanous Grant Revenue	-	4,000	-	4,000
Veteran Navigator Grant	29,201	-	-	29,201
SOR Grant Revenue	-	484,908	-	484,908
Gambling Grant Revenue	-	70,070	-	70,070
Other Revenue	-	-	1,088	1,088
Total operating revenue	74,511,151	10,058,482	1,088	84,570,721
Operating expenses				
General Administration	1,166,218	252,715	-	1,418,933
Prevention Administration	-	40,386	-	40,386
OHH Administration	-	28,162	-	28,162
BHH Administration	13,033	-	-	13,033
Insurance Provider Assessment	666,612	40,657	-	707,269
Hospital Rate Adjuster	-	-	-	-
Payments to Affiliates:				
Medicaid Services	67,229,259	1,279,460	-	68,508,719
Healthy Michigan Services	6,612,724	2,987,129	-	9,599,853
Health Home Services	872,161	-	-	872,161
Opioid Health Home Services	-	1,146,465	-	1,146,465
Community Grant	-	566,254	-	566,254
Prevention	-	249,465	-	249,465
State Disability Assistance	-	-	-	-
ARPA Grant	-	364,181	-	364,181
Public Act 2 (Liquor tax)	-	394,994	-	394,994
Local PBIP	-	-	-	-
Local Match Drawdown	148,704	-	-	148,704
Miscellanous Grant	-	4,000	-	4,000
Veteran Navigator Grant	29,201	-	-	29,201
SOR Grant Expenses	-	484,908	-	484,908
Gambling Grant Expenses	-	70,070	-	70,070
Total operating expenses	76,737,912	7,908,846	-	84,646,758
CY Unspent funds	(2,226,761)	2,149,636	1,088	(76,037)
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	1,342,967	6,904,747	20,583,069	28,830,783
Unspent funds - ending	$ (883,794)	$ 9,054,383	$ 20,584,157	$ 28,754,746

Northern Michigan Regional Entity

Statement of Net Position

January 31, 2025

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	$ 49,554,785	$ 8,340,619	$ 20,584,157	$ 78,479,561
Accounts Receivable	4,191,918	2,145,803	-	6,337,721
Prepaids	59,521	-	-	59,521
Total current assets	53,806,224	10,486,422	20,584,157	84,876,803
Noncurrent Assets				
Capital assets	563,178	-	-	563,178
Total Assets	54,369,402	10,486,422	20,584,157	85,439,981
Liabilities				
Current liabilities				
Accounts payable	55,035,620	1,432,039	-	56,467,659
Accrued liabilities	217,576	-	-	217,576
Unearned revenue	-	-	-	-
Total current liabilities	55,253,196	1,432,039	-	56,685,235
Unspent funds	$ (883,794)	$ 9,054,383	$ 20,584,157	$ 28,754,746

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health
October 1, 2024 through January 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	$ 187,752,708	$ 62,584,236	$ 67,748,740	$ 5,164,504	8.25%
Carryover	11,400,000	-	-	-	-
Healthy Michigan					
Capitation	19,683,372	6,561,124	4,710,308	(1,850,816)	(28.21%)
Carryover	5,100,000	-	736,656	736,656	0.00%
Health Home	1,451,268	483,756	1,137,542	653,786	135.15%
Affiliate local drawdown	594,816	148,704	148,704	-	0.00%
Performance Bonus Incentive	1,334,531	-	-	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	36,668	29,201	(7,467)	(20.36%)
Other Revenue	-	-	-	-	0.00%
Total operating revenue	227,426,695	69,814,488	74,511,151	4,696,663	6.73%
Operating expenses					
General Administration	3,591,836	1,190,752	1,166,218	24,534	2.06%
BHH Administration	-	-	13,033	(13,033)	0.00%
Insurance Provider Assessment	1,897,524	632,508	666,612	(34,104)	(5.39%)
Hospital Rate Adjuster	4,571,328	1,523,776	-	1,523,776	100.00%
Local PBIP	1,737,753	-	-	-	0.00%
Local Match Drawdown	594,816	148,704	148,704	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	30,572	29,201	1,371	4.48%
Payments to Affiliates:					
Medicaid Services	176,618,616	58,872,872	67,229,259	(8,356,387)	(14.19%)
Healthy Michigan Services	17,639,940	5,879,980	6,612,724	(732,744)	(12.46%)
Health Home Services	1,415,196	471,732	872,161	(400,429)	(84.88%)
Total operating expenses	208,177,013	68,750,896	76,737,912	(7,987,016)	(11.62%)
CY Unspent funds	$ 19,249,682	$ 1,063,592	(2,226,761)	$ (3,290,353)	
Transfers in			-		
Transfers out			-	76,737,912	
Unspent funds - beginning			1,342,967		
Unspent funds - ending			$ (883,794)	(2,226,761)	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse
October 1, 2024 through January 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	$ 4,678,632	$ 1,559,544	$ 2,309,318	$ 749,774	48.08%
Healthy Michigan	11,196,408	3,732,136	4,067,009	334,873	8.97%
Substance Use Disorder Block Grant	6,467,905	2,155,966	1,287,031	(868,935)	(40.30%)
Opioid Health Home	3,419,928	1,139,976	1,441,154	301,178	26.42%
Public Act 2 (Liquor tax)	1,533,979	-	394,992	394,992	0.00%
Miscellanous Grants	4,000	1,333	4,000	2,667	200.00%
SOR Grant	2,043,984	681,328	484,908	(196,420)	(28.83%)
Gambling Prevention Grant	200,000	66,667	70,070	3,403	5.10%
Other Revenue	-	-	-	-	0.00%
Total operating revenue	29,544,836	9,336,950	10,058,482	721,532	7.73%
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,082,576	340,860	252,715	88,145	25.86%
Prevention Administration	118,428	39,476	40,386	(910)	(2.31%)
Insurance Provider Assessment	113,604	37,868	40,657	(2,789)	(7.37%)
Medicaid Services	3,931,560	1,310,520	1,279,460	31,060	2.37%
Healthy Michigan Services	10,226,004	3,408,668	2,987,129	421,539	12.37%
Community Grant	2,074,248	691,416	566,254	125,162	18.10%
Prevention	634,056	211,352	249,465	(38,113)	(18.03%)
State Disability Assistance	95,215	31,743	-	31,743	100.00%
ARPA Grant	-	-	364,181	(364,181)	0.00%
Opioid Health Home Admin	-	-	28,162	(28,162)	0.00%
Opioid Health Home Services	3,165,000	1,055,000	1,146,465	(91,465)	(8.67%)
Miscellanous Grants	4,000	1,333	4,000	(2,667)	(200.00%)
SOR Grant	2,043,984	681,328	484,908	196,420	28.83%
Gambling Prevention	200,000	66,667	70,070	(3,403)	(5.10%)
PA2	1,533,978	-	394,994	(394,994)	0.00%
Total operating expenses	25,222,653	7,876,231	7,908,846	(32,615)	(0.41%)
CY Unspent funds	$ 4,322,183	$ 1,460,719	2,149,636	$ 688,917	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			6,904,747		
Unspent funds - ending			$ 9,054,383		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration
October 1, 2024 through January 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	$ 1,921,812	$ 640,604	$ 677,790	$ (37,186)	(5.80%)
Fringes	666,212	211,208	213,270	(2,062)	(0.98%)
Contractual	683,308	227,772	161,031	66,741	29.30%
Board expenses	18,000	6,000	5,827	173	2.88%
Day of recovery	14,000	9,000	-	9,000	100.00%
Facilities	152,700	50,900	38,039	12,861	25.27%
Other	135,804	45,268	70,261	(24,993)	(55.21%)
Total General Admin	$ 3,591,836	$ 1,190,752	$ 1,166,218	$ 24,534	2.06%

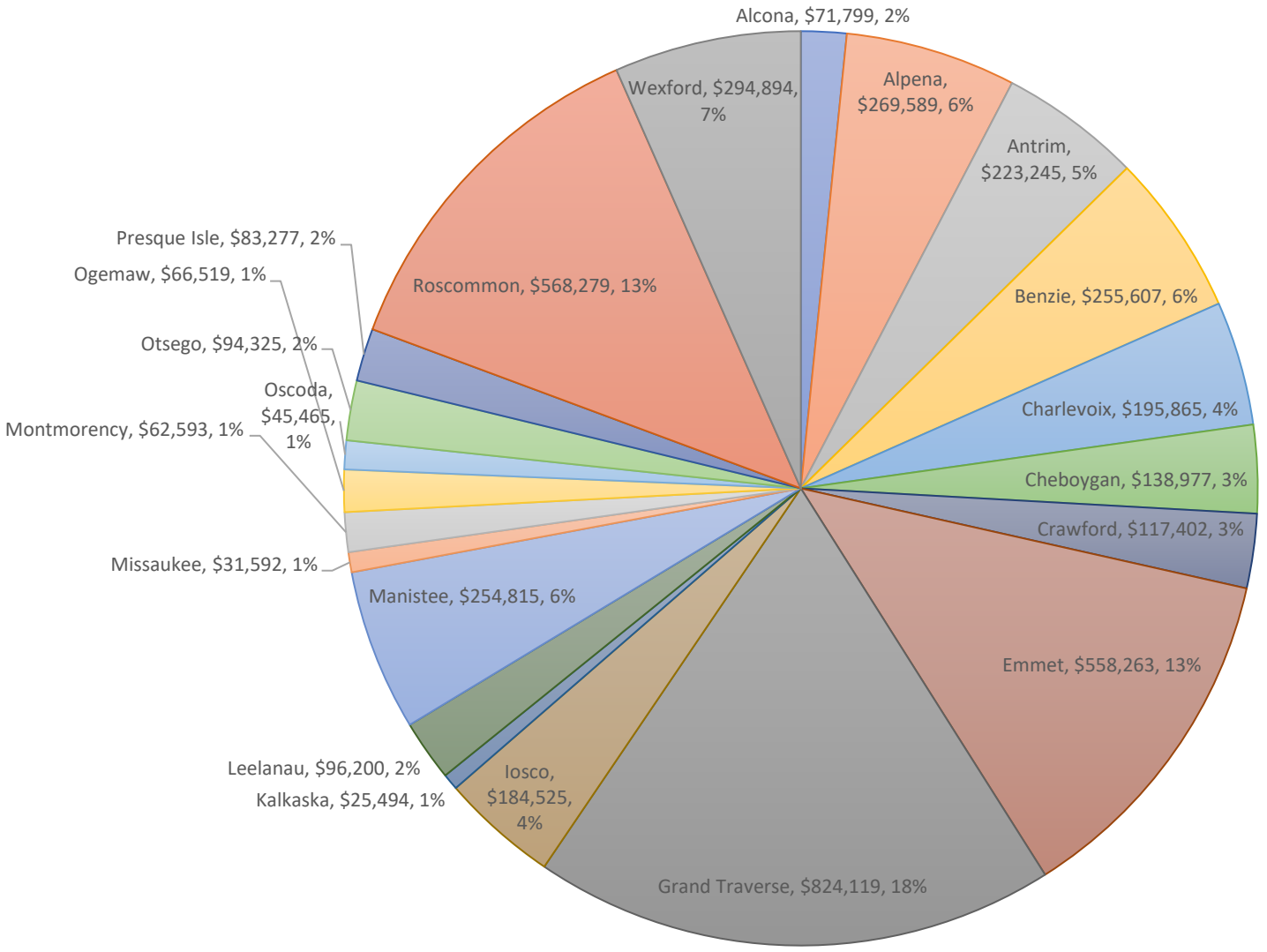
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2024 through January 31, 2025

County	Projected FY25 Activity				Actual FY25 Activity			
	Beginning Balance	FY25 Projected Revenue	FY25 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
						Actual Expenditures by County		
Alcona	$ 71,885	$ 23,013	$ 21,562	$ 73,336	$ 1,098	1,185	$ -	$ 71,799
Alpena	276,605	81,249	115,352	242,502	4,214	11,231	-	269,589
Antrim	225,891	71,430	37,276	260,045	3,747	6,393	-	223,245
Benzie	257,777	64,021	52,479	269,320	3,245	5,416	-	255,607
Charlevoix	240,410	106,977	204,773	142,613	5,172	49,717	-	195,865
Cheboygan	141,238	85,508	65,816	160,930	4,496	6,757	-	138,977
Crawford	126,884	36,205	68,993	94,096	1,986	11,468	-	117,402
Emmet	604,860	182,951	363,695	424,117	9,149	55,746	-	558,263
Grand Traverse	947,150	464,163	558,074	853,238	22,760	145,790	-	824,119
Iosco	186,997	84,319	73,780	197,537	4,287	6,759	-	184,525
Kalkaska	25,843	41,796	2,436	65,203	-	349	-	25,494
Leelanau	97,166	63,811	39,737	121,240	3,101	4,067	-	96,200
Manistee	259,014	82,480	104,210	237,284	4,089	8,288	-	254,815
Missaukee	30,683	22,352	20,908	32,127	1,202	293	-	31,592
Montmorency	59,540	30,318	8,457	81,401	3,518	466	-	62,593
Ogemaw	64,110	68,787	11,101	121,797	3,416	1,008	-	66,519
Oscoda	44,727	21,668	7,577	58,818	1,156	418	-	45,465
Otsego	112,969	105,067	98,424	119,612	5,328	23,973	-	94,325
Presque Isle	82,660	24,977	11,701	95,936	1,268	651	-	83,277
Roscommon	576,714	87,317	55,007	609,024	4,377	12,812	-	568,279
Wexford	332,107	98,696	229,583	201,220	4,997	42,210	-	294,894
	4,765,231	1,847,106	2,150,940	4,461,397	92,609	394,996	-	4,462,844
PA2 Redirect								-
								4,462,844

PA2 FUND BALANCES BY COUNTY



Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration
October 1, 2024 through January 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	$ 723,372	$ 241,124	$ 144,932	$ 96,192	39.89%
Fringes	212,604	70,868	46,705	24,163	34.10%
Access Salaries	-	-	-	-	0.00%
Access Fringes	-	-	-	-	0.00%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	25,000	38,783	(13,783)	(55.13%)
Board expenses	5,000	1,668	1,825	(157)	(9.41%)
Day of Recover	-	-	10,128	(10,128)	0.00%
Facilities	-	-	-	-	0.00%
Other	12,600	2,200	10,342	(8,142)	(370.09%)
Total operating expenses	$ 1,082,576	$ 340,860	$ 252,715	$ 88,145	25.86%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2024 through January 31, 2025

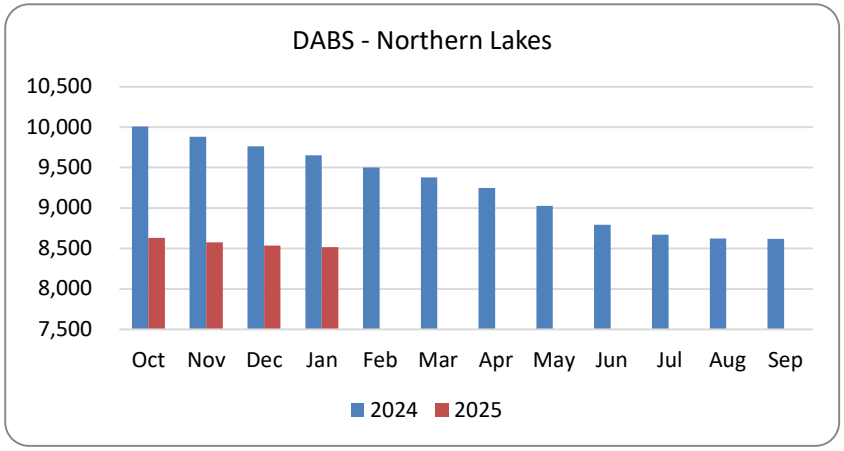
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	$ -	$ -	$ -	$ -	0.00%
Interest and Dividends	7,500	2,500	1,088	(1,412)	(56.48%)
Total operating revenue	7,500	2,500	1,088	(1,412)	(56.48%)
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	$ 7,500	$ 2,500	1,088	$ (1,412)	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			20,583,069		
Unspent funds - ending			$ 20,584,157		

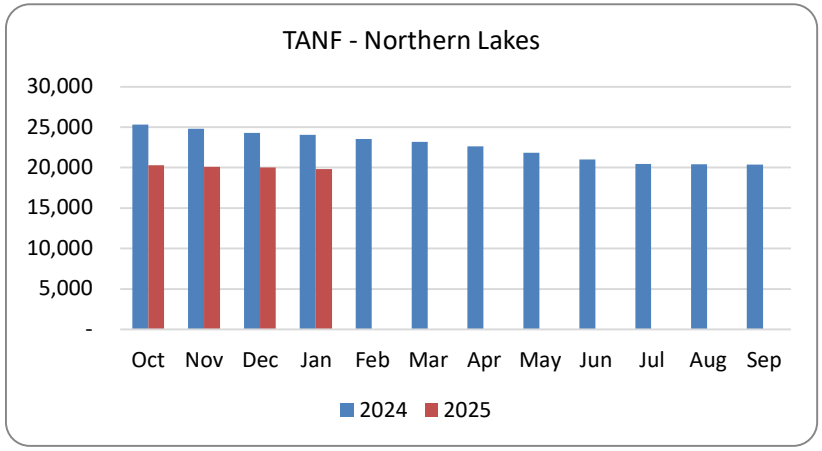
Northern Michigan Regional Entity

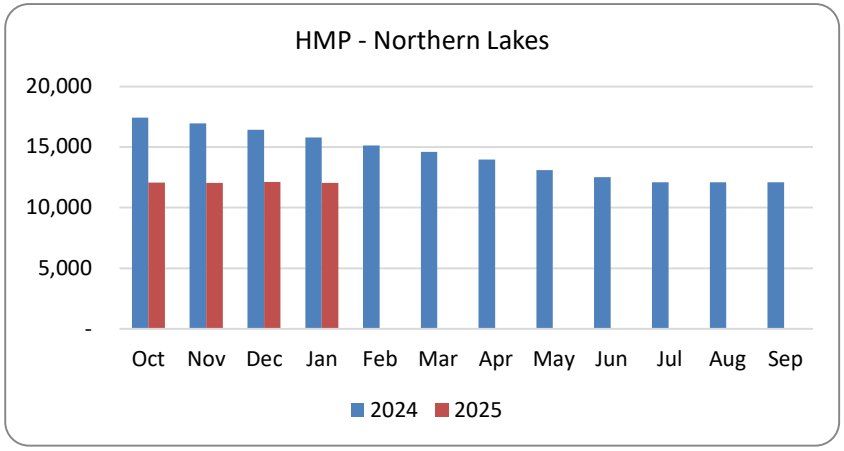
Narrative

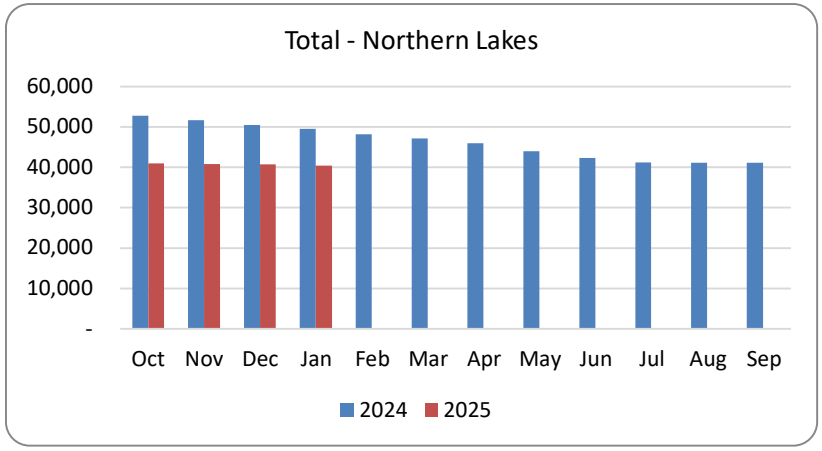
October 1, 2024 through January 31, 2025

Northern Lakes Eligible Members Trending - based on payment files







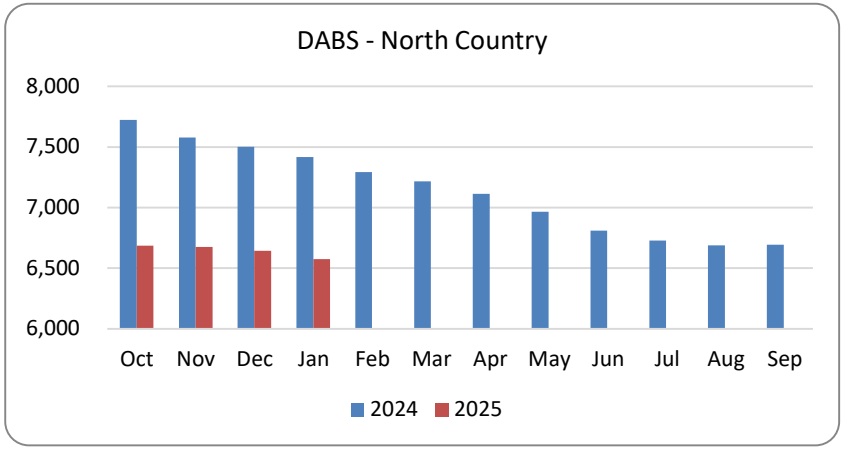


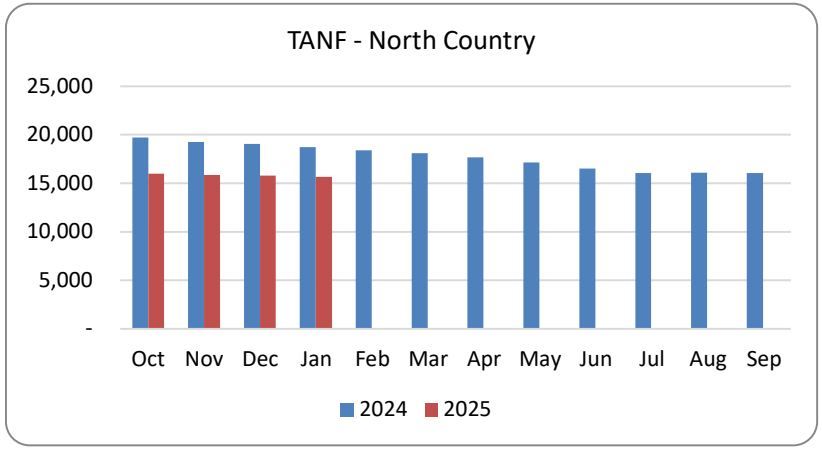
Northern Michigan Regional Entity

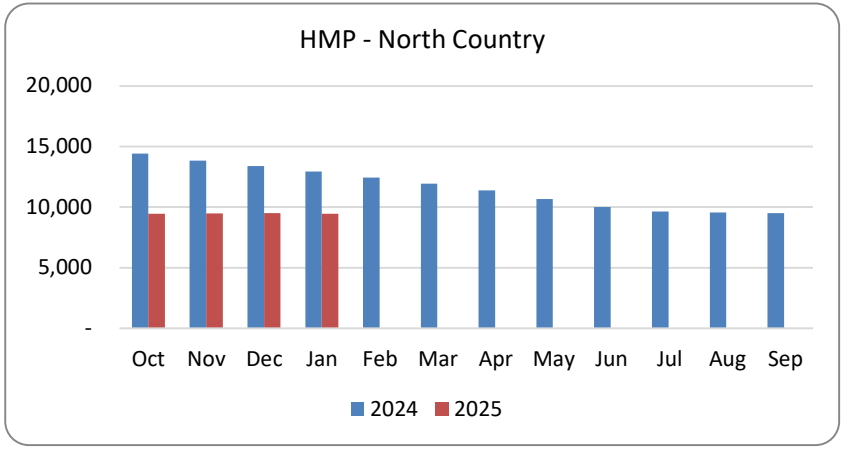
Narrative

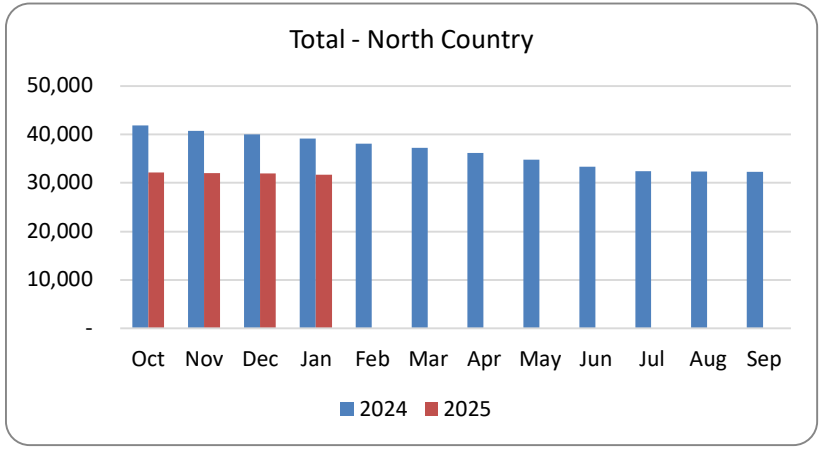
October 1, 2024 through January 31, 2025

North Country Eligible Members Trending - based on payment files







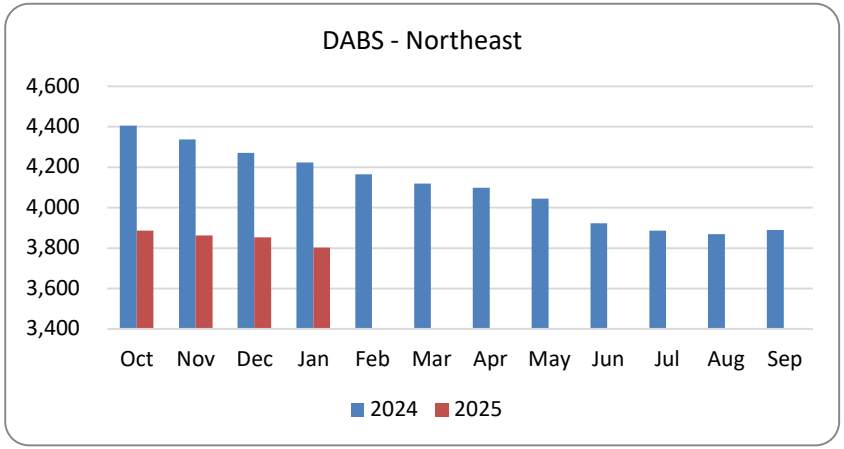


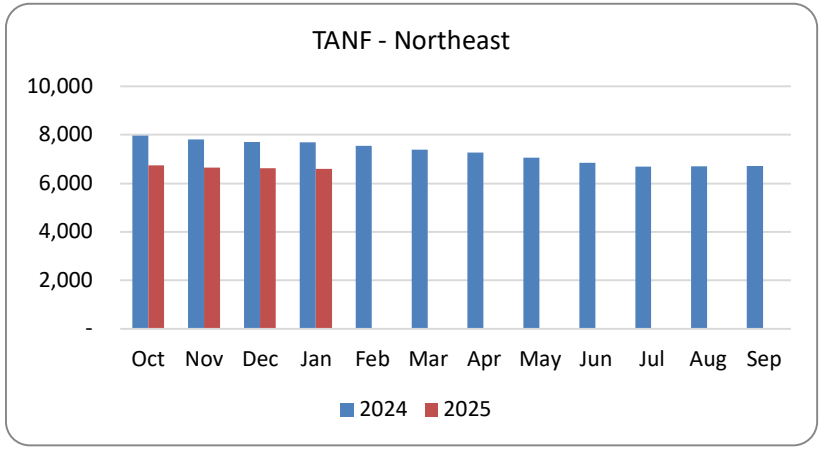
Northern Michigan Regional Entity

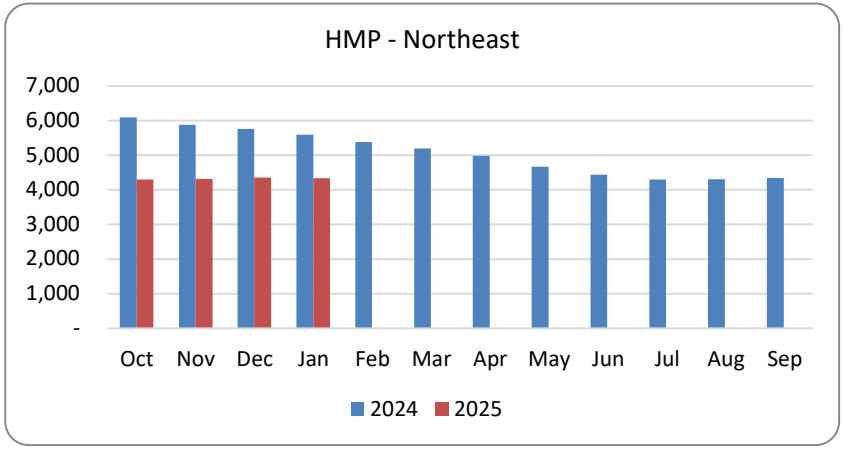
Narrative

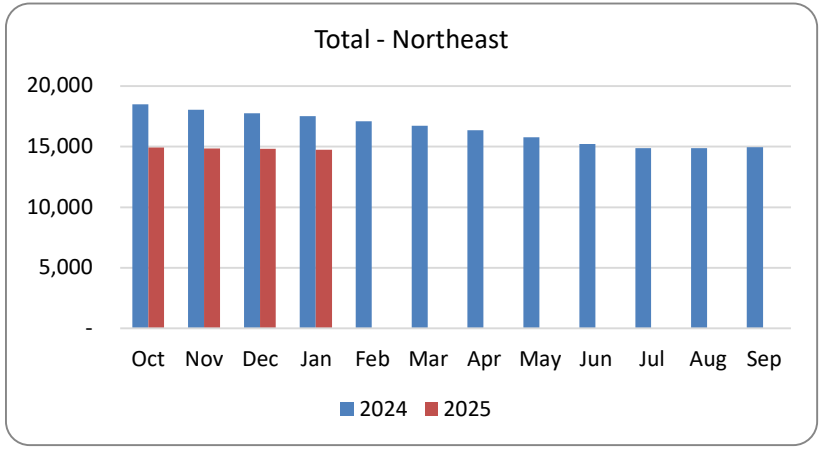
October 1, 2024 through January 31, 2025

Northeast Eligible Members Trending - based on payment files







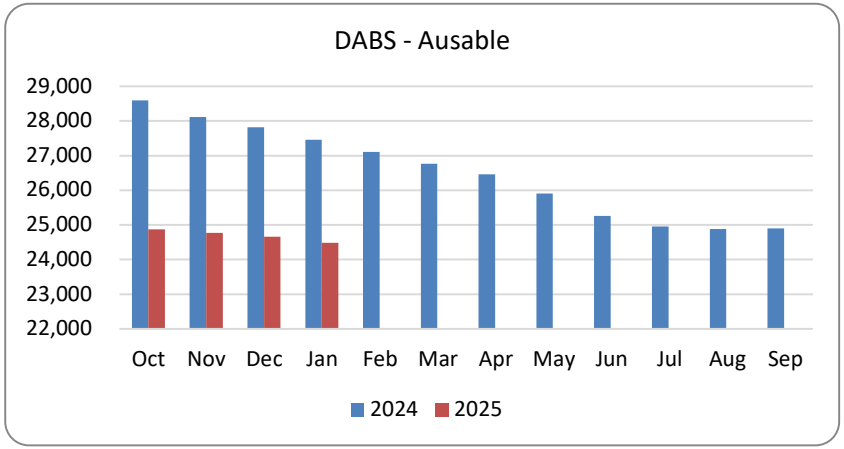


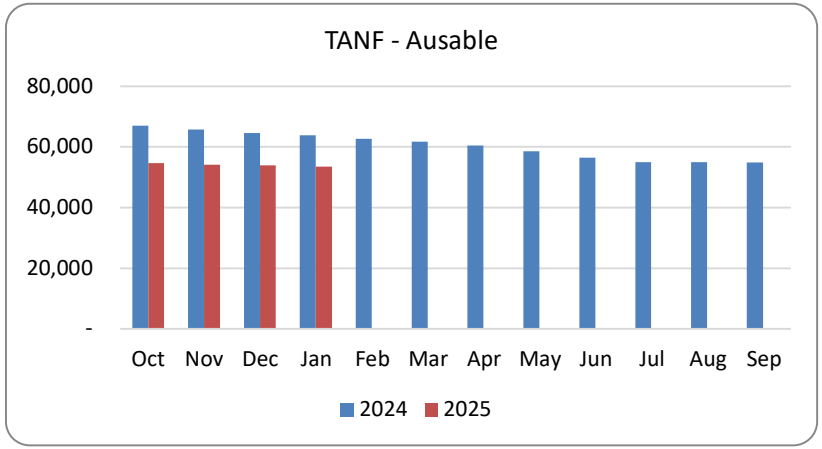
Northern Michigan Regional Entity

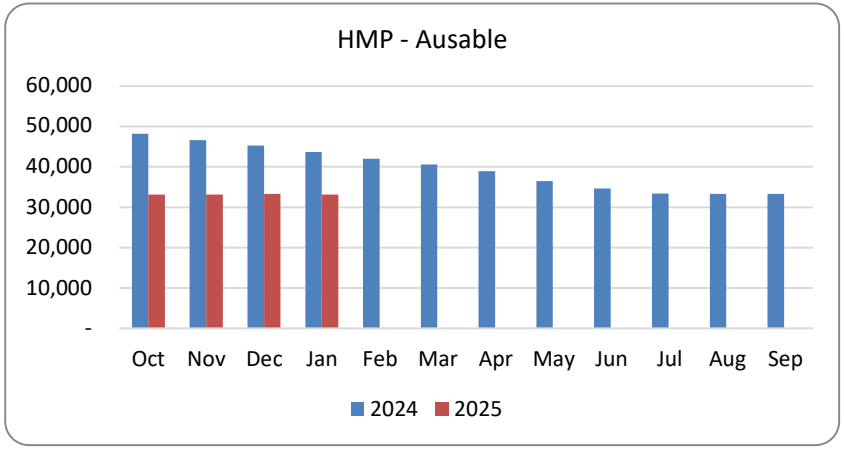
Narrative

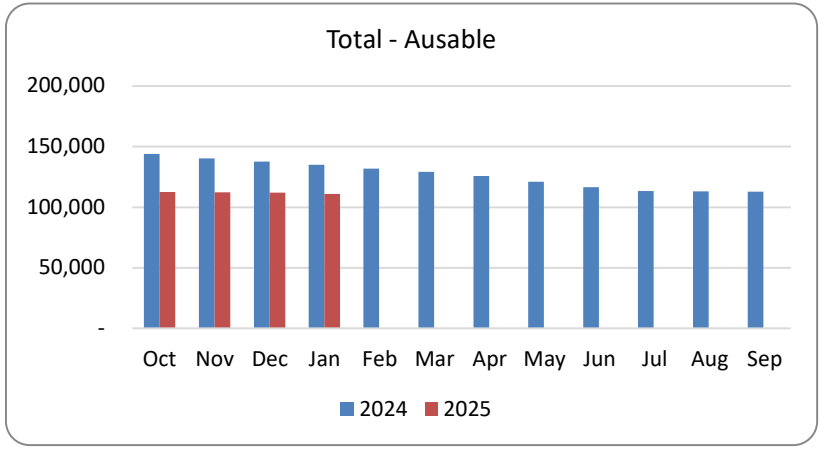
October 1, 2024 through January 31, 2025

AuSable Valley Eligible Members Trending - based on payment files







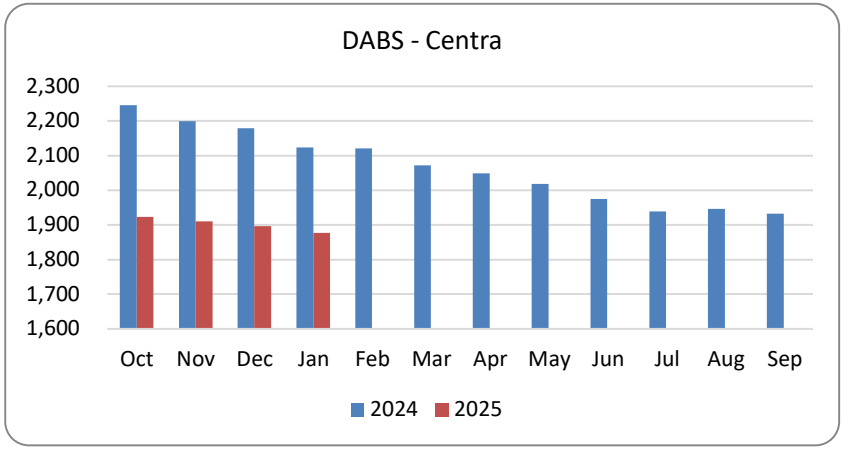


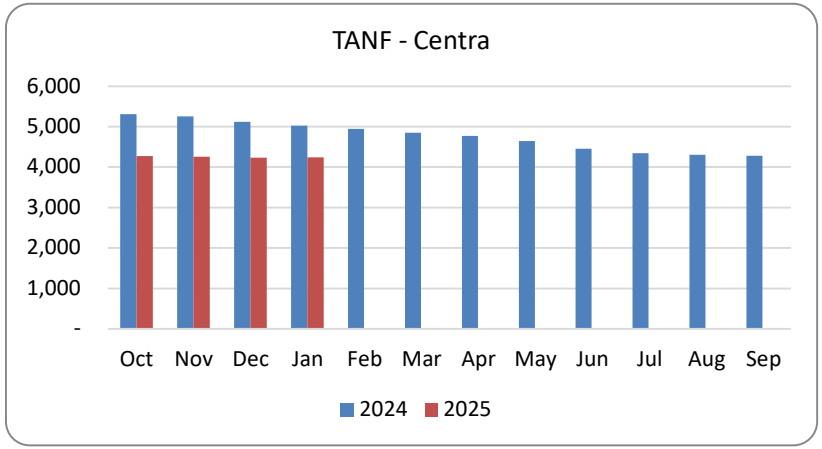
Northern Michigan Regional Entity

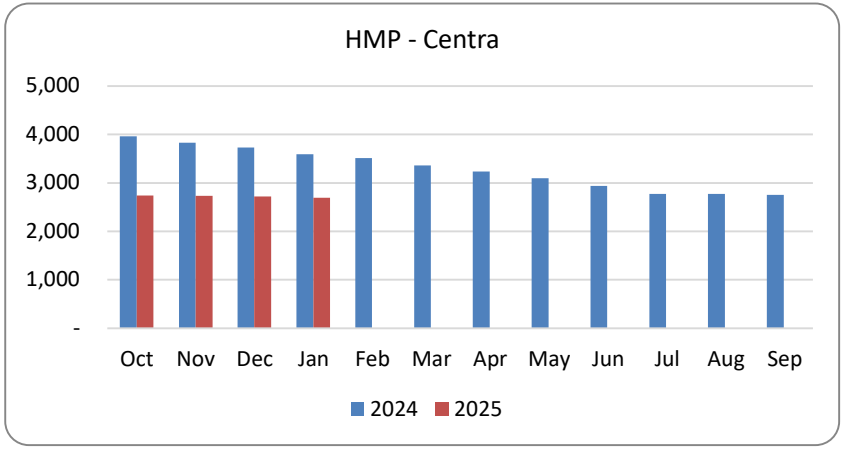
Narrative

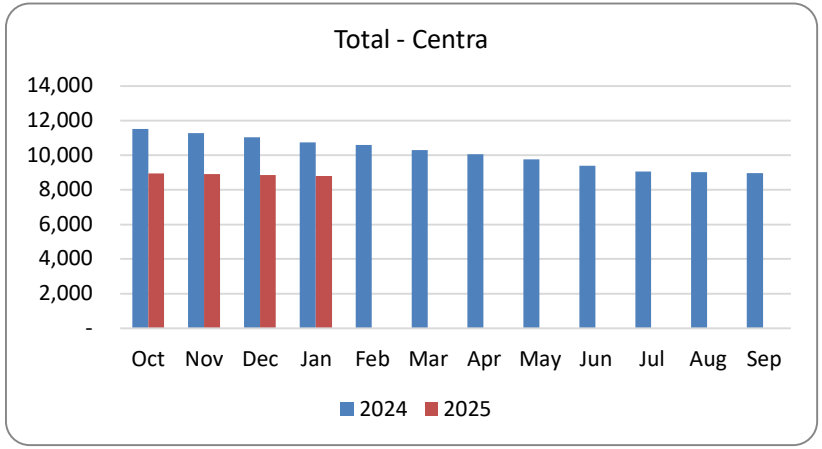
October 1, 2024 through January 31, 2025

Centra Wellness Eligible Members Trending - based on payment files







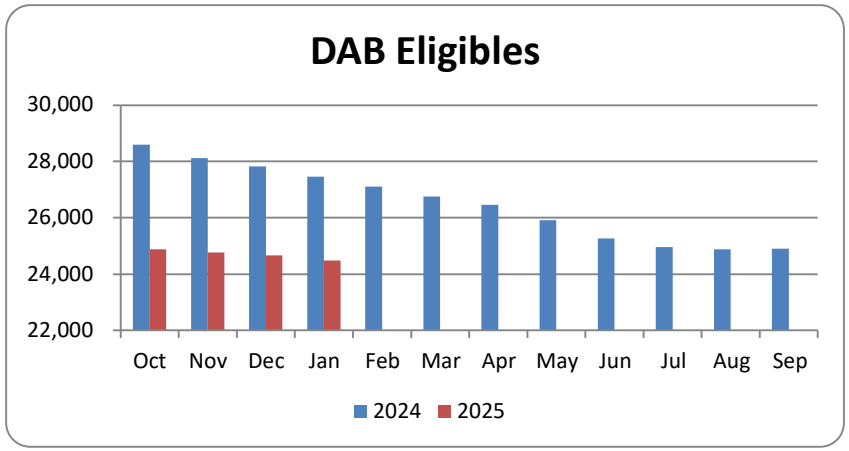


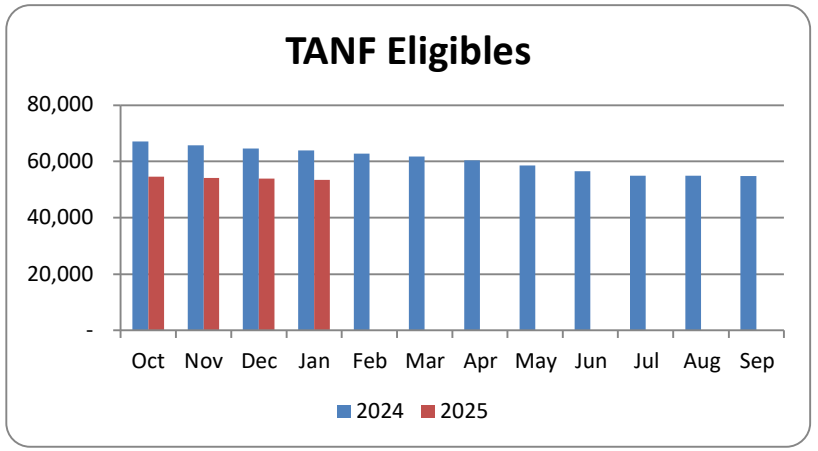
Northern Michigan Regional Entity

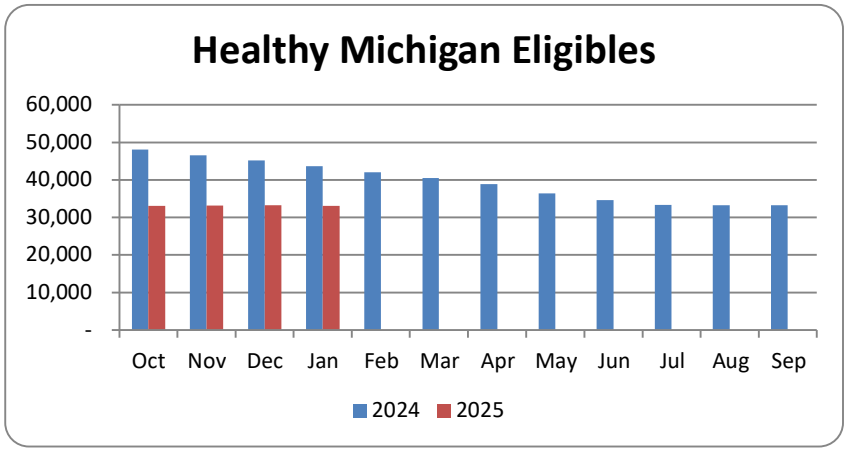
Narrative

October 1, 2024 through January 31, 2025

Regional Eligible Trending





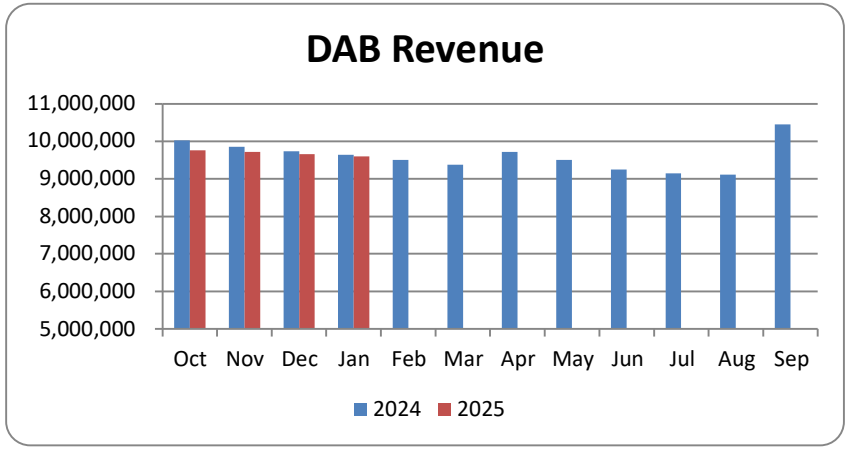


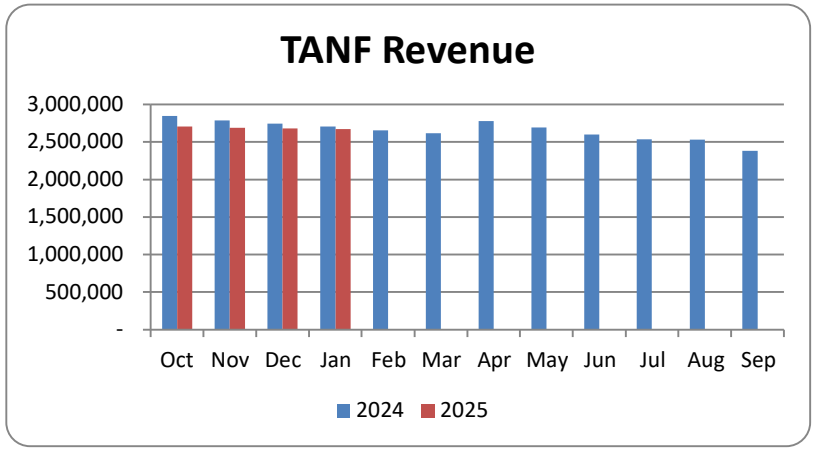
Northern Michigan Regional Entity

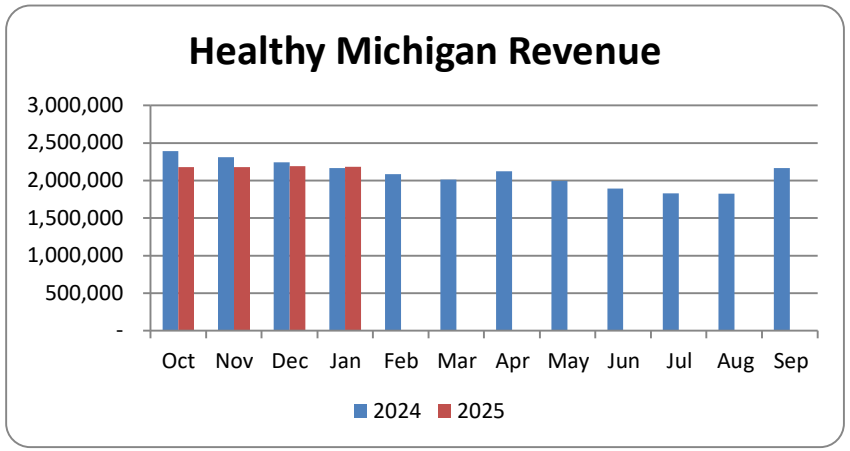
Narrative

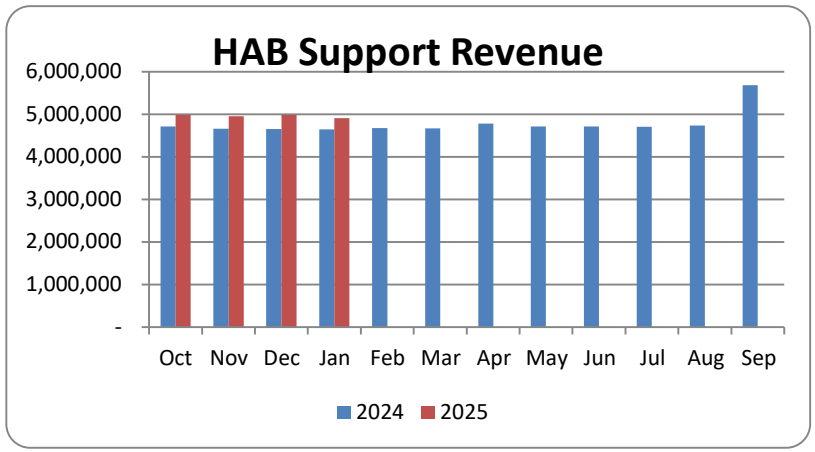
October 1, 2024 through January 31, 2025

Regional Revenue Trending









NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – MARCH 18, 2025
GAYLORD CONFERENCE ROOM

ATTENDEES:	**Brian Babbitt, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Nena Sork, Carol Balousek**

REVIEW OF AGENDA AND ADDITIONS

Ms. Pelts asked to include a discussion about the request from MDHHS to complete a survey regarding the CMHSPs' self-directed services.

APPROVAL OF PREVIOUS MINUTES

The minutes from February 18th were included in the meeting materials.

MOTION BY CHIP JOHNSTON TO APPROVE THE FEBRUARY 18, 2025 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY NENA SORK. MOTION CARRIED.

FINANCE COMMITTEE AND RELATED

January 2025

- Net Position showed net deficit Medicaid and HMP of $1,262,818. Carry forward was reported as $736,656. The total Medicaid and HMP Current Year Deficit was reported as $526,162. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $20,049,994.
- Traditional Medicaid showed $70,058,058 in revenue, and $70,167,096 in expenses, resulting in a net deficit of $109,038. Medicaid ISF was reported as $13,514,675 based on the current FSR. Medicaid Savings was reported as $0.
- Healthy Michigan Plan showed $8,777,317 in revenue, and $9.931,097 in expenses, resulting in a net deficit of $1,153,780. HMP ISF was reported as $7,068,394 based on the current FSR. HMP savings was reported as $736,656.
- Health Home showed $ 1,137,542 in revenue, and $897,826 in expenses, resulting in a net surplus of $239,716.
- SUD showed all funding source revenue of $9,499,506 and $7,433,987 in expenses, resulting in a net surplus of $2,065,519. Total PA2 funds were reported as $4,462,844.

Mr. Kurtz reported that the NMRE's Internal Service Fund (ISF) will likely be drained at the end of the year. Discussions about current spending occurred under the upcoming agenda items.

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	$122,281	($708,228)	($294,440)	($2,257,432)	$651,740
HMP	($221,532)	($205,220)	($152,122)	($1,221,480)	($211,270)
Total	($99,251)	($913,448)	($446,561)	($3,478,912)	($440,471)

MOTION BY CHIP JOHNSTON TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JANUARY 2025; SUPPORT BY BRIAN BABBITT. MOTION APPROVED.

FY25 Revenue/Expenditure Outlook

An analysis of November 2023 – February 2025 Revenue and Eligibles was included in meeting materials for informational purposes. Current monthly revenue is 1.06% higher than November 2023.

FY25 CMHSP CONTRACT UPDATES

Based on a discussion that occurred during the Operations Committee meeting on February 18th, and with the full Board on February 26th, the NMRE Board of Directors voted to move the CMHSPs to risk-based contracts. Draft NMRE/CMHSP contract language was included in the meeting materials. The highlighted portion was added to Section XIV – Financial, Subsection D – Medicaid Interim Payment with Cost Reconciliation to address cost overruns:

> "The PIHP has elected under this Agreement to contract the actual services provision of the Medicaid Managed Specialty Supports and Services Program to the CMHSP as a network provider for the beneficiaries within the CMHSP's service area. These payments will be based on a prepaid subcapitation funding methodology subject to net cost settlement with the return of unspent Medicaid Managed Specialty Supports and Services Program funds to the PIHP per fiscal year. In years of CMHSP cost overruns beyond the prepaid subcapitation funding, the PIHP, depending on available balances in Medicaid carryforward and its Internal Service Fund, may at its discretion not cover CMHSP cost overruns or only portion of those cost overruns to ensure an adequate or fully funded risk reserve. This is to avoid running into the state risk corridor and to ensure a fiscally solvent region and that CMHSP's have adequate cost containment structures. In years where the PIHP cannot cover either partial or all cost overruns, the CMHSP's must report Medicaid expenditures but cover those cost overruns with local or other funding sources."

Ms. Pelts shared questions that she received from Rehmann staff regarding the proposed CMHSP contract, namely that risk-sharing mechanisms, such as reinsurance, risk corridors, or stop-loss limits, must be documented in the contract and rate certification documents for the rating period prior to the start of the rating period (fiscal year) and mechanisms may not be added or modified after the start of the rating period (fiscal year) pursuant to 42 CFR 438.6. Mr. Kurtz responded that, as a PIHP, the NMRE is subject to the requirements of 42 CFR 438.6, however, its subcontractors (including CMHSPs) are not.

The only alternative to bringing CMHSP spending in line with per eligible per month (PE/PM) revenue is to continue to overspend and then appeal to the counties. Mr. Babbitt noted that counties will push back if there is an active ISF. Mr. Kurtz acknowledged that in the past, the NMRE Board recommended that the ISF not dip below 4% of annual revenue.

Mr. Johnston requested that language included in Section XIV – Financial, Subsection E – Planned Funding Decreases or Increases and Local Match that pertains to Section 928 be moved to its own section.

MOTION BY CHIP JOHNSTON TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY NETWORK PROVIDER AGREEMENT LANGUAGE RELATED TO COST OVERRUNS AND COST CONTAINMENT STRUCTURES AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY BRIAN BABBITT. MOTION CARRIED.

NMRE RISK MANAGEMENT AND FISCAL SOLVENCY PROCESS

The NMRE's Risk Management and Fiscal Solvency Process document was distributed during the meeting.

Cost Containment Plans will be requested from the CMHSPs by May 1st; these should address measures to bring spending in line with PE/PM within 18 months. The CMHSPs were encouraged to make what cuts they can in the reminder of FY25. The need for quarterly updates will be added to the Risk Management and Fiscal Solvency Process document. Mr. Martinus discussed cost savings measures that could be taken by Northern Lakes.

To manage utilization more effectively based on national standards, the NMRE plans to enhance its subscription to the Manage Care Guidelines (MCG) platform and require integration and implementation within each CMHSPs electronic medical record. Mr. Johnston shared Centra Wellness Network's Program Guidelines that were created for use in collaboration with clinical judgment and the person-centered planning process to inform authorization decisions.

The CMSHPs will also be asked to regularly run productivity studies to manage staffing and caseload ratios.

Mr. Kurtz noted that during the March 12th regional Finance Committee meeting, it was discovered that some of the CMHSPs have not updated the rates that go in the encounter data for several years; this creates a gap between what is in the encounter data and what is reported on the EQI. Rates should be updated at least annually.

MOTION BY CHIP JOHNSTON TO APPROVE THE REQUIREMENT THAT EACH THE FIVE MEMBER COMMUNITY MENTAL HEALTH SERVICES PROGRAMS CREATE AN EIGHTEEN-MONTH PLAN TO BRING SPENDING WITHIN PER ELIGIBLE PER MONTH REVENUE DUE TO THE NORTHERN MICHIGAN REGIONAL ENTITY BY MAY 1, 2025 WITH QUARTERLY UPDATES BEGINNING IN QUARTER FOUR OF FISCAL YEAR 2025; SUPPORT BY BRIAN MARTINUS. MOTION CARRIED.

STATE RECIPIENT RIGHTS ADVISORY COMMITTEE

Mr. Johnston reported sending an email to Raymie Postema, MDHHS Director of the Office of Recipient Rights, asking why private behavioral health providers are represented on the MDHHS-ORR Recipient Rights Advisory Committee when it is intended for individuals served by

the public behavioral health system. Mr. Johnston referred to the practice as "institutionalizing an organization."

AUTISM RATES

For services rendered on and after November 1, 2024, the MDHHS reimbursement rate for CPT code 97153 (Behavioral Health Treatment-Applied Behavior Analysis) is a state-directed payment of not less than $16.50 per unit or $66.00 per hour.

The CMHSPs discussed where they stand currently with implementing the MDHHS-established rate.

Ms. Pelts stated that once funding is obtained, rates will be revised as currently the state has only paid a portion of the funding needed for full implementation.

HOUSE HEARING

The group discussed the presentation by CMHAM Associate Director, Alan Bolter, to the Michigan House of Representatives Appropriations Subcommittee on Medicaid and Behavioral Health on March 11th. The presentation may be viewed by visiting: Michigan House TV.

FY25 PIHP CONTRACT

Mr. Kurtz confirmed that Chris Ryan, attorney with Taft, Stettinius & Hollister, LLP, has filed the second amended motion to the complaint.

NLCMHA UPDATE

There were no additional updates provided under this agenda item.

BRIGHTWELL HOSPITAL RATE

Brightwell is an acute inpatient psychiatric hospital in East Lansing, specializing in older adults but licensed with 23 beds for adults of all ages. Services also include short-term inpatient care for adults with anxiety, psychosis, schizophrenia, behavior disturbances, and depression delivered by a multidisciplinary treatment team.

North Country CMH and has been in contact with this provider and has collected the initial required documentation. The NMRE has negotiated a per diem rate of $750, the facility's lowest accepted CMH rate.

MOTION BY CHIP JOHNSTON TO APPROVE AN INPATIENT HOSPITAL PER DIEM RATE OF SEVEN HUNDRED FIFTY DOLLARS ($750.00) FOR BRIGHTWELL BEHAVIORAL HEALTH; SUPPORT BY BRIAN BABBITT. MOTION CARRIED.

SELF-DIRECTION SURVEY

CMHSPs received a request addressed to Quality Managers on March 17th from Laura Demeuse, Self-Determination Analyst with MDHHS, requesting that 5% of records for beneficiaries who use self-directed services per CMH be pulled and used to complete an online survey by May 30th.

Agreement was reached that this is not a contractual obligation, and it is up to each CMHSP whether it elects to participate.

NEXT MEETING

The next meeting was scheduled for April 15th at 9:30AM.

NORTHERN MICHIGAN REGIONAL ENTITY
SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING
10:00AM – MARCH 3, 2025
GAYLORD CONFERENCE ROOM & MICROSOFT TEAMS

Alcona	☒ Carolyn Brummund	**Kalkaska**	☐ David Comai
Alpena	☐ Brenda Fournier	**Leelanau**	☐ Vacant
Antrim	☒ Pam Singer	**Manistee**	☐ Vacant
Benzie	☒ Tim Markey	**Missaukee**	☒ Dean Smallegan
Charlevoix	☐ Anne Marie Conway	**Montmorency**	☒ Michelle Hamlin
Cheboygan	☒ John Wallace	**Ogemaw**	☒ Ron Quackenbush
Crawford	☒ Matthew Moeller	**Oscoda**	☒ Chuck Varner
Emmet	☐ Terry Newton	**Otsego**	☒ Doug Johnson
Grand Traverse	☒ Dave Freedman	**Presque Isle**	☒ Dana Labar
		Roscommon	☒ Darlene Sensor
Iosco	☒ Jay O'Farrell	**Wexford**	☒ Gary Taylor

Staff	☒ Bea Arsenov	Chief Clinical Officer
	☒ Jodie Balhorn	Prevention Coordinator
	☒ Carol Balousek	Executive Administrator
	☒ Lisa Hartley	Claims Assistant
	☒ Eric Kurtz	Chief Executive Officer
	☒ Heidi McClenaghan	Quality Manager
	☒ Pamela Polom	Finance Specialist
	☐ Brandon Rhue	Chief Information Officer/Operations Director
	☒ Denise Switzer	Grant and Treatment Manager
	☐ Chris VanWagoner	Contract and Provider Network Manager
	☒ Deanna Yockey	Chief Financial Officer
Public	Samantha Borowiak, Lou Gamalski, Pamela Lynch, Brian Martinus, Diane Pelts, Corey Winfield	

CALL TO ORDER
Let the record show that Committee Vice-Chair, Jay O'Farrell, called the meeting to order at 10:00AM.

ROLL CALL
Let the record show that David Comai, Anne Marie Conway, Brenda Fournier, and Terry Newton were absent for the meeting on this date; all other SUD Oversight Committee Members were in attendance either in Gaylord or virtually.

PLEDGE OF ALLEGIANCE
Let the record show that the Pledge of Allegiance was recited as a group.

APPROVAL OF PAST MINUTES
The January minutes were included in the materials for the meeting on this date.

MOTION BY CAROLYN BRUMMUND TO APPROVE THE MINUTES OF THE JANUARY 6, 2025 NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING; SUPPORT BY PAM SINGER. MOTION CARRIED.

APPROVAL OF AGENDA
Let the record show that no additions or revisions to the meeting Agenda were proposed.

MOTION BY CHUCK VARNER TO APPROVE THE AGENDA FOR THE MARCH 3, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE AS AMENDED; SUPPORT BY DOUG JOHNSON. MOTION CARRIED.

ANNOUNCEMENTS
Let the record show that new SUD Oversight Committee members Matt Moeller, and Michelle, Hamlin, representing Crawford, and Montmorency counties were introduced to the group. Brenda Fournier, newly appointed to the SUD Oversight Committee by Alpena County, was not in attendance.

Mr. Kurtz referenced a press release titled, "MDHHS Launches Initiative to Strengthen Behavioral Health Care Access, Quality, and Choice for Michigan Families" sent by MDHHS on February 28, 2025. Essentially, MDHHS is moving to a competitive procurement process for the state's Prepaid Inpatient Health Plan (PIHP) contracts. MDHHS is seeking input from people currently enrolled in Medicaid and their families, advocacy groups, community-based organizations, federally recognized tribal governments, providers of health care, behavioral health, and other interested parties through an online survey. The survey may be accessed by visiting: Michigan Department of Health and Human Services Stakeholder Engagement Solicitation (Page 1 of 2).

Diane Pelts reported that she took the survey, and it references the public mental health system as a whole and questions were skewed against the status quo.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST
Let the record show that Mr. O'Farrell called for any conflicts of interest to any of the meeting agenda items; none were declared.

INFORMATIONAL REPORTS
FY24 Admissions Report
The admissions report through January 31, 2025 was included in the materials for the meeting on this date. Admissions were down 12.9% from the same period in FY24, likely due to individuals losing Medicaid and Healthy Michigan (HMP) after the resumption of redeterminations, particularly for individuals on Healthy Michigan (20% decline). The data showed that outpatient was the highest level of treatment admissions at 43%, and alcohol was the most prevalent primary substance at 59%, all opiates (including heroin) were the second most prevalent primary substance at 18%, and methamphetamine was the third most prevalent primary substances at 16%. It was noted that stimulant use has risen sharply throughout the 21-county region.

County-specific reports were posted to the NMRE website at County Admission Reports | NMRE. The county-specific reports are intended to be shared with Boards of Commissioners and other community stakeholders.

Financial Report
All SUD funding through December 31, 2024, showed revenue of $7,099,330 and $5,576,966 in expenses, resulting in a net surplus of $1,522,364. Total PA2 funds were reported as $4,574,377.

NMRE continues to monitor block grant funding for treatment services. Quarter 1 appears to be in line with the budget.

PA2/Liquor Tax was summarized as follows:

Projected FY25 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$4,765,231	$1,847,106	$2,150,940	$4,461,397

Actual FY25 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$4,765,231	$92,609	$283,464	$4,574,377

LIQUOR TAX PARAMETERS
The Liquor Tax funds parameters approved by the NMRE Board of Directors on April 24, 2024 were included in the meeting materials to inform the SUD Oversight Committee's decision whether to recommend approval of the liquor tax requests brought before the Committee on this date.

FY25 LIQUOR TAX REQUESTS

1.	217 Recovery	Recovery Stories: Message of Hope Part V	Grand Traverse	$5,800.00	New Request

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY TO DAVE FREEDMAN APPROVE THE REQUEST FROM THE 217 RECOVERY FOR GRAND TRAVERSE COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FIVE THOUSAND EIGHT HUNDRED DOLLARS ($5,800.00) TO SPONSOR PART FIVE OF THE RECOVERY STORIES: MESSAGE OF HOPE SERIES; SUPPORT BY CAROLYN BRUMMUND.

Discussion: Mr. Labar asked whether any surveys have been conducted following the previous events. 217 Recovery Executive Director, Corey Winfield, responded that 217 stays in contact with participants and participants are encouraged to provide feedback. The pervious events have been very well attended.

MOTION CARRIED.

2.	Harm Reduction Michigan	Activities to Combat the Opioid Epidemic	Multi County	$52,700.00	New Request

Meets PA2 Parameters? ☒ Yes ☐ No

Antrim	$	15,313.75
Benzie	$	11,553.68
Kalkaska	$	11,593.79
Leelanau	$	14,238.78
Total	**$**	**52,700.00**

Mr. Markey indicated that he is inclined to pull Benzie County from the request until he has had time to conduct further research. Harm Reduction Michigan Director, Pamela Lynch, responded that Harm Reduction Michigan staff regularly interacts with the Benzie-Leelanau Health Department about local efforts. A new naloxone distribution box has recently been placed at Paul Oliver Memorial Hospital. Ms. Singer voiced support for the request as it pertains to Antrim County, adding that Harm Reduction Michigan has done a great job with access to naloxone.

Mr. Freedman noted that county representatives are supposed to be contacted prior to liquor tax requests coming before the SUD Oversight Committee. Lou Gamalski, a volunteer with Harm Reduction Michigan, responded that she sent emails to the SUD Oversight Committee Members representing the affected counties along with the liquor tax request application but did not receive any responses.

MOTION BY PAM SINGER TO APPROVE THE REQUEST FROM HARM REDUCTION MICHIGAN FOR LIQUOR TAX DOLLARS FROM ANTRIM, KALKASKA, AND LEELANAU COUNTIES IN THE TOTAL AMOUNT OF FORTY-ONE THOUSAND ONE HUNDRED FORTY-SEVEN DOLLARS ($41,147.00) TO FUND ACTIVITIES TO COMBAT THE OPIOID EPIDEMIC; SUPPORT BY CHUCK VARNER. MOTION CARRIED.

Mr. Markie agreed to respond to the NMRE prior to the Board meeting regarding whether to include Benzie County in the motion.

County Overviews

The impact of the liquor tax requests approved on this date on county fund balances was shown as:

	Projected FY25 Available Balance	Amount Approved March 3, 2025	Projected Remaining Balance
Antrim	$188,614.67	$15,313.75	$173,300.93
Grand Traverse	$389,075.88	$5,800.00	$383,375.88
Kalkaska	$23,406.64	$11,593.79	$11,812.85
Leelanau	$57,428.57	$14,238.78	$43,189.79
Total		**$46,946.32**	

The "Projected Remaining Balance" reflects funding available for projects while retaining a fund balance equivalent of one year's receivables.

PRESENTATION

Substance Use Disorder (SUD) Health Home (HH) Program

The NMRE's Quality Manager, Heidi McClenaghan, was in attendance to provide an update on the Substance Use Disorder (SUD) Health Home Program.

The Health Home model offers comprehensive case management and care coordination to Medicaid beneficiaries with a qualifying health condition to address their health care and social support needs. The goals of the program are to improve care by managing an individual's prescribed medications for Opioid and Alcohol Use Disorder, coordinating between physical and behavioral health care services, and transitioning between primary, specialty, and inpatient settings of care.

The NMRE was selected by MDHHS as first PIHP to participate in the Opioid Health Home Pilot Program and began enrolling beneficiaries with Opioid Use Disorder diagnoses in October 2018. The NMRE contracts with Health Home Partners (HHP) who enroll and serve beneficiaries and manage all their health and social needs. The current number of individuals enrolled in the program in the 21-county region is 2,877.

In Fy25, the Opioid Health Home Program expanded to include individuals with an Alcohol Use Disorder or Stimulant Use Disorder and renamed the SUD Health Home Program. Since October 2024, the NMRE has added 462 unique individuals to the program.

PUBLIC COMMENT

Ms. Singer requested a future presentation from a Medical Examiner to address the region's opioid overdose deaths.

Mr. Freedman expressed concern about the rebidding of the PIHPs, particularly in light of possible cuts to Medicaid.

Pamela Lynch questioned whether the state's intention to rebid the PIHPs is tied to the recent lawsuits filed against MDHHS regarding the FY25 Contract.

NEXT MEETING

The next meeting was scheduled for May 5, 2025 at 10:00AM.

ADJOURN

MOTION BY JOHN WALLACE TO ADJOURN THE MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING FOR MARCH 3, 2025; SUPPORT BY CHUCK VARNER. MOTION CARRIED.

Let the record show that Mr. O'Farrell adjourned the meeting at 11:04AM.

PA2/Liquor Tax Criteria for Review/Adoption

- The NMRE will update projected end balances for each county for the current fiscal year monthly. New applications will be compared to projected end balances to ensure that there is adequate funding in the county to financially support the request.
- If possible, depending on SUD Block Grant usage, a balance equivalent to one year's revenue will remain as a fund balance for each county.
- Project requests for services that can be covered by routine funding from other sources (Medicaid, Healthy Michigan) will not be considered.
- To be considered, applications must be for substance use disorder prevention, treatment, or recovery services or supports.
- Region-wide (21 county) requests should be limited to media requests; other region-wide requests will be evaluated on a case-by-case basis.
- Multi-county requests (2 or more) must include detailed information on the provision of services and/or project activities for each county from which funds are requested.
- Staff who receive staffing grants via liquor tax approvals will not be eligible to bill services to the NMRE.
- Applications that include any purchase of buildings or automobiles, renovations of any kind, or any other capital investments* will not be considered.
- Budget Requirements:
    - Budgets must include information in all required fields.
    - Fringe benefit budget requests that exceed 30% should be broken out by Health, Dental, Vision, Retirement, taxes, etc. totals and be subject to NMRE staff and Board approval.
    - Indirect costs, when applicable, should **not** exceed 10% of the requested budget total.
    - Liquor tax funds may be used to cover up to one FTE (across all projects) per person.

- The amount requested for salaries should be based on the staff person's actual salary and not the billable rate.
- All staff participating in PA2 funded activities are to be listed under budget FTEs (not under indirect cost).

- Requests for liquor tax funds should be coordinated with area stakeholders (CMHSPs, SUD Oversight Committee Members, County Commissioners, courts, law enforcement, SUD services providers) whenever possible.
  - Requestor should inform the county of the request submission at the same time submission to NMRE is completed.

* "*Capital investment" refers to funds invested in a company or enterprise to further its business objectives. Capital investments are often used to acquire or upgrade physical assets such as property, buildings, or equipment to expand or improve long-term productivity or efficiency. (Source: Nasdaq)*

If at the end of the NMRE's fiscal year there is excess SUD Block Grant funding available, it will be used to offset liquor tax expenses as opposed to lapsing SUD Block Grant funding. In reverse, if SUD Block Grant funding runs a deficit, PA2 funding is used for treatment deficits. Normally for under or uninsured clients.

RECOVERY STORIES: MESSAGE OF HOPE PART V - NEW

Organization/Fiduciary:	**217 Recovery**
County:	**Grand Traverse**
Project Total:	**$ 5,800**

DESCRIPTION:

On March 27th, we will host the fifth Recovery Stories: Message of Hope. We expect the fifth to be the same with around 150 people attending to listen to local people from the recovery community telling stories and giving messages of hope to the audience of people, families, and those still struggling with SUD.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Grand Traverse	Recovery Stories: Message of Hope Part V	$5,800

COMBATTING THE OPIOID EPIDEMIC WITH FRONT-LINE SUPPORT - NEW

Organization/Fiduciary:	**Harm Reduction Michigan**
County:	**Multiple County**
Project Total:	**$ 52,700**

DESCRIPTION:

Harm Reduction Michigan is seeking funding to support prevention activities within the counties identified, with the goal of reducing opioid overdoses, increasing access to wound care support, and promoting health through education and linkage to treatment. Harm Reduction Michigan will sustain its Syringe Services Programming, Overdose Prevention, Naloxone Distribution and Education, and linkage to treatment for people who use substances, including but not limited to: methamphetamine, opioids, and alcohol. (List of supplies is attached)

*A previous FY25 request for 4 different counties (Emmet, Grand Traverse, Manistee and Wexford) was already approved

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Antrim	Combatting the Opioid Epidemic	$15,313.74
Benzie	Combatting the Opioid Epidemic	$11,553.68
Kalkaska	Combatting the Opioid Epidemic	$11,593.79
Leelanau	Combatting the Opioid Epidemic	$14,238.78

GRAND TRAVERSE COUNTY OVERVIEW

Projected FY25 Balance	**$389,075.88**

Project	Requested Budget	Remaining County Running Balance
217 Recovery Stories: Message of Hope Part V	$5,800	$383,275.88

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Grand Traverse	**$455,155.20**	**$389,075.88**	**$5,800**	**$383,275.88**

ANTRIM COUNTY OVERVIEW

Projected FY25 Balance	**$188,614.67**

Project	Requested Budget	Remaining County Running Balance
HRMI Combatting the Opioid Epidemic	$15,313.74	$173,300.93

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Antrim	**$80,488.80**	**$188,614.67**	**$15,313.74**	**$173,300.93**

BENZIE COUNTY OVERVIEW

Projected FY25 Balance	$205,298.38

Project	Requested Budget	Remaining County Running Balance
HRMI Combatting the Opioid Epidemic	$11,553.68	$193,744.70

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Benzie	**$67,707.20**	**$205,298.38**	**$11,553.68**	**$193,744.70**

KALKASKA COUNTY OVERVIEW

Projected FY25 Balance	**$23,406.64**

Project	Requested Budget	Remaining County Running Balance
HRMI Combatting the Opioid Epidemic	$11,593.79	$11,812.85

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Kalkaska	**$41,230.40**	**$23,406.64**	**$11,593.79**	**$11,812.85**

LEELANAU COUNTY OVERVIEW

Projected FY25 Balance	**$57,428.57**

Project	Requested Budget	Remaining County Running Balance
HRMI Combatting the Opioid Epidemic	$14,238.78	$43,189.79

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Leelanau	**$60,592.80**	**$57,428.57**	**$14,238.78**	**$43,189.79**

Northern Michigan Regional Entity

Risk Management and Fiscal Solvency Process

3-31-25

Background:

Over the past several years, the Northern Michigan Regional Entity (NMRE) has seen several cost and funding swings. In 2020, the NMRE closed the year with only 4 million in its Internal Service Fund (ISF), which was woefully inadequate for a nearly a 250-million-dollar budget and expects a similar result (if not worse) at the end of Fiscal Year 2025. Due to these unanticipated swings in revenues and expenditures, during the 2-18-25 NMRE Operations Committee and subsequently during the 2-26-25 NMRE Board meeting, it was agreed that the NMRE would come up with a regional cost containment policy (hence this Risk Management and Fiscal Solvency Process) and transition the NMRE CMHSP contracts to Per Eligible Per Month (PE/PM) full or partial risk contracts.

This is an unfortunate circumstance, as during the COVID Pandemic when Medicaid eligibility was frozen, revenues increased dramatically and the NMRE was lapsing Medicaid funds back to the state due to an antiquated and arbitrary risk corridor of 7.5% that was never actuality sound and was set nearly 23 years ago. Discussion and contract disputes continue with the MDHHS regarding this arbitrary ISF cap, as in multiple conversations with the MDHHS this downward swing in revenues was anticipated and could have been buffered by additional retained risk reserves.

Current Situation:

With the unwinding of the Public Health Emergency (PHE) Medicaid eligibility has dropped by hundreds of thousands of individuals and when new Medicaid eligibility determinations began, many disabled individuals, whose coverage should not have changed, either did not qualify for Medicaid, had increased Medicaid deductibles, or were placed in other Medicaid eligibility categories some without behavioral health benefits. The results led to reduced or no payments to the PIHP and subsequently the CMHSP, while demand for services stayed the same and administrative costs increased.

Because of these increased costs, unrealistic expanded service arrays, and a state actuarial process and payment system that is not able to keep up with MDHHS numerous changes in waiver categories or with the legislatively directed rates, the NMRE is now anticipating costs to exceed 13 million dollars unless cost cutting measures are immediately put in place.

Next Steps:

With no anticipated changes in Medicaid revenue, the first step in retaining some semblance of a risk reserve, the NMRE is asking each of the CMHSP Boards to present a cost containment plan, with local Board acknowledgment by 5-1-25. This is to minimize costs for the remainder of FY 25

and to have a plan for CMHSP expenditures to be within the PE/PM revenues within 18 months. Quarterly updates to the NMRE will be required, beginning in Quarter 4 FY 25.

Secondly, based on the NMRE Board's motion on 2-26-25, the NMRE CMHSP contracts will be updated to reflect a change in the net cost arrangements for FY 2025 and states that some or all CMHSP cost overruns above the PE/PM capitation payments may not be fully funded requiring the CMHSPs to use current year local dollars or fund balances to cover cost overruns.

Thirdly, as required by the Mental Health Parity and Addiction Act, and to manage utilization more effectively based on national standards, the NMRE will enhance its subscription to the Managed Care Guidelines (MCG) and require integration and implementation within each CMHSP's Electronic Medicaid Record. This will help primarily with lengthy inpatient stays, outpatient treatment, and improve adverse benefit reporting.

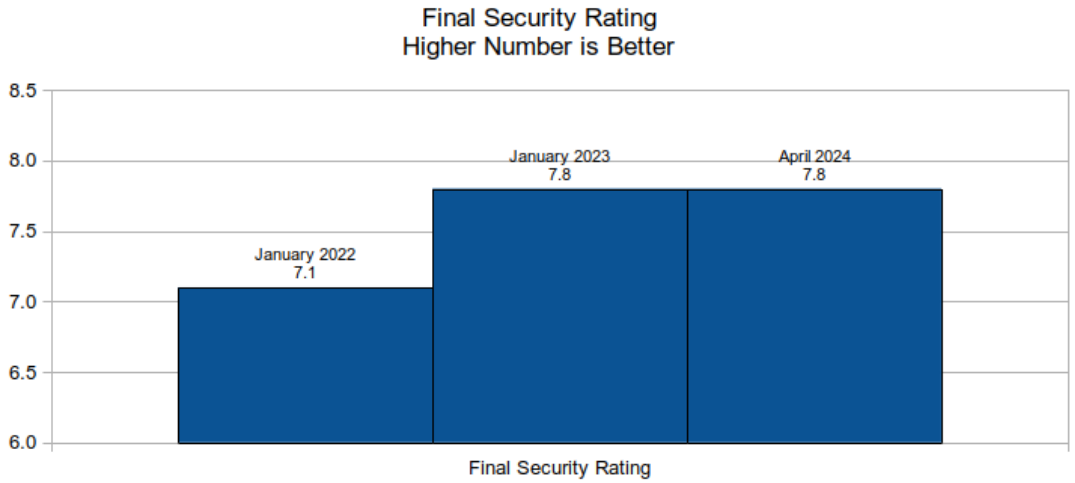
Additionally, PIHP and CMHSP supervisory and line staff should be made aware of the funding situation now and moving forward, as well as their part in serving clients in the least restrictive and most cost-effective situations as possible. Leadership and supervisory staff should also regularly run productivity studies to manage staffing and caseload ratios and to focus on those with the most severe needs.

NMRE 2025 SECURITY ANNUAL TESTING

WHAT IS A SECURITY TESTING?

WHAT IS A SECURITY TESTING?

- OFTEN REFERRED TO AS “PEN TESTING” OR PENETRATION TESTING
- PERFORMED FOR ORGS OF ALL TYPES
- INDUSTRY STANDARD
- CONTRACTUALLY REQUIRED



NEW TEST COMPANY?

OUR LAST THREE TEST RESULTS TELL THE STORY.

REGIONAL EFFORT INCLUDING REG 1

TWO CANDIDATES IDENTIFIED

AVALON

SILENT SECTOR

AVALON

OVERVIEW

Includes

- 4-6 week engagement
- Main site testing
- Focus on Office 365 implementation
- Planning
- OSINT
- Exploitation and Post-exploitation
- Reporting

ADDITIONAL CONSIDERATIONS

- Avalon will operate under a specific set of Rules of Engagement agreed upon by NMRE and Avalon.
- All testing will be done remotely and results will be shared remotely.
- Initial Cost for engagement $9600.00
- Retests are offered up to 3 months out at a $1500.00 fee

SILENT SECTOR

OVERVIEW

Includes

- 8-10 week engagement
- Initial Information collection
- 0356 Security Control
- Analysis and Reporting
- Report Delivery and Review

ADDITIONAL CONSIDERATIONS

- Silent Sector will communicate with NMRE staff and coordinate efforts to avoid business continuity issues.
- All testing will be done remotely and results will be shared remotely.
- Initial Cost for engagement $13320.00
- Retests are offered up to 1 month post engagement cost: free

RECCOMMENDATIONS

After analysis both companies have a good offering and reputation. Both offer a full suite of services that extend beyond the engagements that we've requested information for. The lower cost for similar services and greater flexibility for retest puts Avalon ahead.

NMRE IT staff recommendation would be to engage Avalon to perform our security testing and to utilize them for any remedial testing after the initial test is performed.

QUESTIONS?