Northern Michigan Regional Entity

Board Meeting

September 25, 2024

1999 Walden Drive, Gaylord

10:00AM

Agenda

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3.	Pledge of Allegiance	
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11.	New Business	
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14.	Comments	
	a. Board	
	b. Staff/CMHSP CEOs	
	c. Public	
15.	Next Meeting Date – September 25, 2024 at 10:00AM	
16.	Adjourn	

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NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – AUGUST 28, 2024
GAYLORD BOARDROOM

ATTENDEES:	**Bob Adrian, Tom Bratton, Ed Ginop, Gary Klacking, Eric Lawson, Mary Marois, Michael Newman, Gary Nowak, Jay O'Farrell, Ruth Pilon, Richard Schmidt, Don Smeltzer, Don Tanner, Chuck Varner**
ABSENT:	**Karla Sherman**
NMRE/CMHSP STAFF:	**Bea Arsenov, Brady Barnhill, Brian Babbitt, Eugene Branigan, Carol Balousek, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Nena Sork, Denise Switzer, Deanna Yockey**
PUBLIC:	**Kari Bleau, Samantha Borowiak, Adam Chapko, Chip Cieslinski, Brandon Cox, Dave Freedman, Kassondra Glenister, Jessica LaPan, Madeline McConnell, Hilarie Rappuhn, Naveed Syed**

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

ROLL CALL
Let the record show that Karla Sherman 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 no changes to the meeting agenda were requested.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR AUGUST 28, 2024; SUPPORT BY DON TANNER. MOTION CARRIED.

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

MOTION BY DON TANNER TO APPROVE THE MINUTES OF THE JULY 24, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY DON SMELTZER. MOTION CARRIED.

CORRESPONDENCE

1) The draft minutes of the June 4, 2024 PIHP CEO meeting.
2) The Michigan Department of Health and Human Services (MDHHS) Medicaid Mental Health and Substance Use Disorder Payment Responsibility Grid dated October 2024.
3) Email correspondence dated July 25, 2024 from Bob Sheehan, CEO of the Community Mental Health Association of Michigan (CMHAM), to PIHP and CMHSP CEOs and Provider Alliance Members providing an update on Conflict-Free Access and Planning (CFAP) related advocacy including recommendation by CMHSM that the October 1, 2024 implementation date be dropped.
4) Email correspondence dated July 29, 2024 from Bob Sheehan (CMHAM) to PIHP and CMHSP CEOs and Provider Alliance Members regarding workforce impact of MDHHS's CFAP approach.
5) Article from the *Macomb Daily* by Jameson Cook dated August 5, 2024, titled, "Macomb County officials oppose state effort to reduce mental health services reserve fund."
6) Email correspondence from Meghan Groen, Behavioral and Physical Health and Aging Services Administration at MDHHS, dated August 14, 2024 regarding Neuro-psych testing.
7) Flyer for the Walk A Mile in My Shoes rally taking place at the Capitol in Lansing on September 17, 2024.
8) The draft minutes of the August 14, 2024 regional Finance Committee meeting.

Mr. Kurtz highlighted the workforce impact of the Department's CFAP proposal. Based on a recent survey, CMHAM estimates that:

- 1203 union direct care workers will lose their jobs when the HCBS work is moved out of those organizations
- 553 non-union direct care workers will lose their jobs when the HCBS work is moved out of those organizations
- 856 union case managers/supports coordinators will lose their jobs when the PCP development/case management/supports coordination work is moved out of those organizations
- 553 non-union case managers/supports coordinators will lose their jobs when the PCP development/case management/supports coordination work is moved out of those organizations

Mr. Kurtz drew attention to the article from the *Macomb Daily* opposing efforts by the state to limit the funding of PIHP Internal Service Funds to an amount that is less than what is actuarily sound and attempts to contractually limit PIHPs' abilities to appropriately manage their risk.

The date for the Walk a Mile Rally in Lansing was changed to Tuesday, September 17th.

ANNOUNCEMENTS

Let the record show that there were no announcements during the meeting on this date.

PUBLIC COMMENT

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

REPORTS

Executive Committee Report

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

CEO Report
The NMRE CEO Monthly Report for August 2024 was included in the materials for the meeting on this date. The FY25 PIHP Specialty Supports and Services with the state will be discussed under "Old Business."

June 2024 Financial Report
- Net Position showed net deficit Medicaid and HMP of $3,486,255. Carry forward was reported as $11,624,171. The total Medicaid and HMP Current Year Surplus was reported as $8,137,916. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $28,714,072.
- Traditional Medicaid showed $156,096,777 in revenue, and $154,804,307 in expenses, resulting in a net surplus of $1,292,470. Medicaid ISF was reported as $13,510,136 based on the current FSR. Medicaid Savings was reported as $845,073.
- Healthy Michigan Plan showed $21,396,955 in revenue, and $26,130,730 in expenses, resulting in a net deficit of $4,778,725. HMP ISF was reported as $7,066,020 based on the current FSR. HMP savings was reported as $10,779,098.
- Health Home showed $2,321,538 in revenue, and $2,031,456 in expenses, resulting in a net surplus of $290,082.
- SUD showed all funding source revenue of $22,355,333 and $20,522,585 in expenses, resulting in a net surplus of $1,832,748. Total PA2 funds were reported as $5,028,902.

It was noted that four of the Member CMHSPs (all but AuSable Valley) are overspending Medicaid. All five Member CMHSP are overspending HMP. The region will be tapping into carryforward dollars to cover the deficit. FY24 revenue is within $1M-$2M of FY23 revenue, however, spending for medically necessary services has increased.

For the remainder of FY24, liquor tax funds will likely be needed to supplement block grant funding. Substance Use Disorder (SUD) block grant treatment is up 23% from FY23 and 44% from FY22. This is primarily due to individuals being taken off the Medicaid and Healthy Michigan benefits during the post public health emergency redetermination process.

At the end of Quarter 3 (June 30, 2024) the NMRE was 99% spent on block grant funding. The NMRE was allocated $1.8M in block grant funds for FY24; current spending is approximately $2M. Clarification was made that residential room and board is fully funded with block grant funds; the NMRE is looking at options to fund a portion of room and board with Medicaid.

Mr. Lawson requested a quick Board-level refresher on the function of the Internal Service Fund (ISF). Ms. Yockey explained that if the PIHP ends a fiscal year with a surplus, it can carry forward 5% of Medicaid Capitation Revenue into the next fiscal year to be used for medically necessary services. Additionally, PIHPs may transfer Medicaid Capitated funds up to 7.5% of the Medicaid/Healthy Michigan Plan pre-payment authorization to the ISF in any given year.

It was noted that expenditures are unlikely to decline. Advocacy efforts are underway around the need to close the Medicaid revenue gap faced by PIHPs and CMHSPs in FY24. A substantial adjustment to Medicaid Capitation rates is greatly needed.

The regional Operations Committee has discussed the option of the CMHSPs transferring unspent general funds to the NMRE to hold in a special fund account. The NMRE would act as a repository and set the funds aside for CMHSP use; however, this would require permission from the state.

Dave Freedman asked how the change to Medicaid Health Plans covering Non-Emergency (NEMT) Medical Transportation for Medicaid-covered services (including SUD) will affect costs. Ms. Arsenov responded that she doesn't anticipate a big impact on the NMRE budget; it will mainly affect the MHPs.

MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHY FINANCIAL REPORT FOR JUNE 2024; SUPPORT BY ERIC LAWSON. MOTION CARRIED.

Operations Committee Report
The draft minutes from August 20, 2024 were included in the materials for the meeting on this date. Four of the Member CMHSPs (all but North Country) are depleted of general funds. North Country is transferring $75K each to AuSable Valley, Northeast Michigan, and Northern Lakes. This led to a discussion of the NMRE retaining excess general funds on behalf of the CMHSPs, as was mentioned during the previous agenda item.

NMRE SUD Oversight Committee Report
The next meeting of the NMRE Substance Use Disorder Oversight Committee is scheduled for September 9, 2024 at 10:00AM.

NEW BUSINESS
Let the record show that there was no New Business to present to the Board during the meeting on this date.

OLD BUSINESS
Northern Lakes CMHA Update
Mr. Kurtz is meeting with Northern Lakes CMHA Board Chair, Greg McMorrow, in the nest week or two. Some preliminary information has been received regarding the financial investigation, but a final report has not been issued to bring to the Board.

FY25 PIHP Contract Update
During the July Board meeting, Mr. Kurtz raised two issues with the proposed FY25 PIHP Supports and Services Contract with the State. Since then, an updated version of the contract was received. Among several changes pertaining to Certified Community Behavioral Health Clinics (CCBHC), language was updated related to the Waskul Settlement Agreement to read: "Contractor must comply with all terms and conditions of the Waskul Settlement Agreement once it is approved, and all contingencies have been met." Mr. Kurtz disagreed with the revised language as it implies agreement with the settlement agreement. No changes to the ISF language were made and there has been no memo pertaining to the willingness to negotiate further in FY25.

Mr. Kurtz indicated that he is still hesitant to sign the Contract in its current form.

Also during the July meeting, the Board moved to authorize attorney Chris Cooke to compose a letter to MDHHS Director, Elizabeth Hertel, regarding the financial ramifications of the proposed Waskul settlement agreement and the fiscal implications of the 7.5% ISF cap.

In the Waskul case, the Plaintiffs alleged that Community Living Supports (CLS) CLS are medically necessary services meant to help individuals participate in the community and keep their independence. Self-determination (SD) is a system where the person getting the CLS chooses and hires the staff to provide the CLS. The lawsuit claims that in 2015, Washtenaw County Community Mental Health (WCCMH) reduced the amount SD CLS recipients had in their budgets to hire those staff.

Plaintiffs reached a settlement agreement with Defendant (MDHHS) on December 1, 2023. If the court approves the settlement, it will raise the reimbursement rate for CLS services for Habilitation Supports Waiver (HAB Waiver) recipients using Self-Determination (SD) to $31/hour.

Mr. Kurtz stressed that, by limiting the additional funding to those individuals on the Habilitation Supports Waiver who self-direct their CLS service, MDHHS is skewing the labor market away from agency providers and toward self-directed services even when the services they receive are the same. Currently, CLS rates across the state average approximately $20/hour.

Mr. Johnston noted that five of the ten PIHP regions are in financial distress. The 7.5% cap for ISF was an arbitrary figure which was intended to be revised after an actuarial study.

Mr. Lawson asked if there is any hope of the legislature getting involved, to which Mr. Kurtz responded that the legislature appropriated $116M in April; however, the state hasn't released most of the funds.

Ms. Marois asked whether the CMHSPs must consider cuts to services. Ms. Sork responded that Northeast Michigan is planning to make some cuts to general fund services effective October 1st. It was noted that when individuals who lost Medicaid had their Medicaid reinstated, payments were only retroactive for 3 months rather than the start of the fiscal year; this resulted in large costs to general funds. Mr. Babbit added that inpatient and autism services have been the major causes of Medicaid overspending, and those services can't be cut. Rates must be increased to a viable level. Mr. Kurtz acknowledged that he hadn't been receiving rate setting meeting invitations due to a clerical error, but he will be attending moving forward.

PRESENTATION

Addiction Treatment Services – Mobile Care Unit

Jessica LaPan, Mobile Program Manager with Addiction Treatment Services was in attendance to present on ATS's Mobile Care Unit.

The ATS Mobile Care Unit was funded with State Opioid Response (SOR) grant funding. Operating in Antrim, Benzie, Kalkaska, Leelanau, Manistee, and Wexford Counties, the Mobile Care Unit offers the full scope of substance use disorder treatment services, referrals, harm reduction supplies, and Narcan.

Regular communication with community partners has led to direct, regular referrals with individual providers and collaboration with community partners. This has resulted in reduced barriers to treatment and the ability to offer comprehensive care to address the whole individual, by providing not only access to SUD treatment, but also additional support and referrals to address the social determinants of health impacting individuals served. Community hubs of key stakeholders (mental health providers, health departments, law enforcement agencies) have

been created within each county to address community needs and coordinate care for those with SUD and behavioral health challenges.

Between October 1, 2024 and July 31, 2024, 248 individuals were served, 67 were referred to additional SUD services, 129 were referred to Medication Assisted Treatment. The goal is to increase the number of individuals served at each location by 2% each quarter.

Mr. Johnston voiced support for the program, noting that in a rural community, providers need to build trust.

Mr. Adrian asked whether funding is sustainable. Ms. LaPan responded that funding is always a concern. The FY24 budget was $140K. The $800 daily rate covers staffing, gas, maintenance, and supplies.

More information may be found by visiting: ATS MOBILE UNIT :: Addiction Treatment Services

COMMENTS

Public

Naveed Syed, CEO of Quality Behavioral Health, a non-profit SUD provider, announced that a new location and expansion of its mobile methadone unit is coming to Manistee.

MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on September 25, 2024.

ADJOURN

Let the record show that Mr. Klacking adjourned the meeting at 11:14AM.

PIHP CEO Meeting
August 1, 2024
9:30 a.m. – 10:20 p.m.
Microsoft Teams Meeting

Contents

MDHHS Attendees:

Kristen Jordan
Michelle Mills
Ashley Seeley
Meghan Groen
Jackie Sproat
Audrey Dick
Angela Smith-Butterwick
Crystal Williams
Allie Cosgrove
Dana Moore
Keith White
Matthew Ellsworth
Erin Emerson
Alex Kruger
Nicole Hudson
Belinda Hawks
Audra Parsons
Krista Hausermann
Scott Wamsley
Matt Seager
Patty Neitman
Ernest Papke
Kim Batsche-McKenzie
Stacy Farrell

PIHP Attendees:

Jim Johnson
James Colaianne
Brad Casemore
Joe Sedlock
Megan Rooney
Dana Lasenby
Mary Marlatt-Dumas
Traci Smith
Eric Kurtz

Crisis Services

a. Krista Hausermann provided updates.
    1. We've been making progress on developing a model and ensuring that it meets all the current regulations and that those regulations are aligned.
    2. We've been looking at the language, the regulation language across the federal regulations, the Mental Health Code administrative rules, then the Medicaid provider manual and contracts, and working to align that language.
b. Shared model slides have been sharing in several locations, so some of you may have already seen this or a previous version of it.
    1. One of the goals of this model is to define the services that will be part of the crisis system in Michigan.
c. Working on a memo where DHS spells out details around crisis services and shares our interpretation of the CMS one hour post stabilization authorization requirement and its relationship to the three-hour Michigan Mission based performance indicator around the completion of a pre-admission screening.
d. We're creating a crisis professional staff type and the Medicaid Code chart that expands the type of degree staff can have to perform crisis services.
e. We have another 988 year-two end review that just shares an update to our stakeholders around 988 and how it's gone the past year in Michigan and things again went very well.
f. We're working hard on the technical requirements, and it is taking a while, but we will get there and so we're anticipating that sometime in the next 12 months, we will go live with that.

PIHP Coordinating Agreements

a. Matt Seager provided updates.
    1. Thank you for your participation and feedback and for getting those coordinating agreements off the ground with us, and if there are any questions that any of you have for me and my team, or any feedback that you have, especially as we get into this first year, please reach out.

CFAP and HCBS Update

a. Belinda Hawks provided updates.
    1. Thank you for all the work to make the CMS visit as success and for the department as we had to coordinate schedules and assure that providers and case managers were available to the CMS team as they had their visit through the week of July 15th.
    2. We are waiting for CMS to request a meeting with the state on reviewing the overall language in the application, but specifically on conflict free.
        i. They want to have a conversation with us to better understand our strategy and express any questions or concerns that either we have, or they have related to that strategy.
    3. The 10/1 expected implementation timeline will be moved out as we understand that we have not received direction and guidance yet from CMS on our strategy and we want to give the time you need in order to implement effectively.

PRTF Update

a. Alex Kruger provided updates.
    1. We are adding a contracted provider in the contract process for Pre-adolescent use, so we are excited to have them on board and see what that looks like for the early intervention with the PRTF setting this level of care for youth that fall in those age ranges in hopes that we're able to get ahead of this trajectory of numerous ED visits, state hospitalizations, and acute inpatient hospitalization.

Children's Bureau Update

a. Allie Cosgrove provided updates.
    1. We do still have the public comment period open for the intensive for the CCW and Michigan's policy until August 20th.
    2. We have awarded a contract for the capacity building center to Public Consulting Group and hoping to solidify that contract and get it going in the next couple weeks.
    3. Our behavioral health internship stipend program that is now open.
        i. The press release went out on Tuesday and that's something we can make sure that we share with this group, but essentially this provides up to $15,000 for student interns to cover tuition, fees, books, living expenses etc.
        ii. It's open to folks who are pursuing degrees in marriage or family therapist, behavioral analyst, social worker, professional counselor or psychologist.
        iii. Applications are open now until they close for review on August 26th.

    Link for Internship Stipend Program. https://www.michigan.gov/mdhhs/inside-mdhhs/newsroom/2024/07/30/bh-stipend

PIHP Contract Updates

a. Jackie Sproat provided updates.
    1. Contract Update.
        i. Anticipating that there will be some changes that are made to the contract language from what you received a couple of weeks ago.
        ii. The ISF language: expect that's going to stay the same as what you saw issued in the FY25 template that came out in May.
        iii. the CBHC program is considering the feedback that was received and don't expect that the edits that they're going will stray from the intent of having a system where a person seeking services can be served in a one stop shop kind of model.
    2. Waskul settlement language.
        i. The intent is to clarify that that language would be in effect once the settlement is approved and all the contingencies have been met.
    3. MMBPIS Quality Program overhaul.
        i. Around this time last year, we kicked off a process to overhaul our MMBPIS Quality Measure Program, and the intent is to move away from those Michigan specific measures to more nationally recognized measures.
        ii. We have a three-year rollout strategy for the changes to measures that we'd like to make, and I wanted to let you all know that we'll be sharing that

three-year rollout strategy next week at a special Quality Improvement Council meeting. More to come.

Mi Healthy Life/Mental Health Framework

a. Kristen Jordan provided updates.
    1. Keeping as a standing agenda item but there is nothing to update on at this time.

Regional Entity CEO Group

Jim Johnson
Vice Chair

Joseph Sedlock
Chair

Bradley Casemore
Spokesperson

REGIONAL ENTITY CEO MEETING

Date: Tuesday, August 6, 2024, Time: 12:30 pm – 3:00 pm

DRAFT – Minutes

1. Welcome / Introductions

The meeting was called to order by Joe Sedlock at 12:33 pm.

Present In Person: None

Present Via Zoom: Megan Rooney (Reg. 1), Eric Kurtz (Reg. 2), Mary Marlatt-Dumas (Reg. 3), Brad Casemore (Reg. 4), Joe Sedlock (Reg. 5), James Colaianne (Reg. 6), Manny Singla (Reg. 7), Dana Lasenby (Reg. 8), Traci Smith (Reg. 9), Jim Johnson (Reg. 10)

Absent: None

Guests (selected/applicable portions): Richard Carpenter (Reg. 10), Skye Pletcher (Reg. 5), Sara Sircely (Reg. 1), Bob Sheehan, Alan Bolter (CMHA)

CMHA Staff: Monique Francis

2. Agenda Changes / Previous Minutes Approval

Additions/changes to the agenda: Cash Flow as additional bullet under Item 4, added by Mary. **Casemore motioned and Johnson seconded** to accept the agenda for August 6, 2024, with additions, and approve the minutes from June 4, 2024.

Priority/Action Items

3. Contract Matters (Jim/James)

- CCBHC – PIHP Responsibilities

  Jim asked for discussion on the most recent version of their contracts with the State. He felt that the CCBHC section takes away Medicaid eligibility determinations and anything PIHPs do would be retrospective. He stated delegating to the Providers (or not delegating to them) should be a decision made by the PIHPs. Would the review of Medicaid requirements then be done by HSAG – not PIHPs? For those with I Waivers going to CCHBCs, how exactly would the authorization be done? More questions arise when the PIHPs lose control of decision making. Brad concurred that he had the same concerns. Jim reported that feedback was given to those who are creating the CCBHC contracts, and he doesn't expect much to change. The group discussed and agreed that there may not be a lot they can do other than continue to send concerns to the Department. Jim plans to ask them how CFAP can be implemented if the current contract is implemented as it is. Traci stated that Macomb is continuing to express their concerns with how the language is currently written.

- ISF

  Jim spoke to the language in the current contract, stating they are adamantly opposed to leaving it in the contract. He stated that this will significantly diminish the ISF account this year. He does not understand the logic of the State wanting to put this off until next fiscal year. Jim is beginning talks with legal counsel if this language remains in the contract as to whether they will be able to sign a contract with the Department. Traci reported that Macomb (Region 9) is also considering the same legal action. Eric Kurtz reported Region 2 and possibly Region 1 are considering this as well. Eric stated that he thought Kristen Jordan had agreed to a change in FY25 – not FY26. James reported that Region 6 intends to remain out of this fight. If Region 6 decides NOT to sign the contract, it will be for a different reason.

- Waskul

  James asked if anyone had specific questions on this issue. The group agreed they would like to see what the contract language ends up being regarding this issue. James stated that the Department needs to look into funding this, implications realized by this, and then worry about language in contracts regarding this. Eric K. stated that if the language stays as is, he will be striking that language prior to signing the contract as he has been advised by legal counsel to do so.

4. Financial Matters (Brad/Megan)

- Status of FY24/25 Financial Projections
  Brad stated these were reviewed and a written summary provided. He asked if anyone had questions or concerns. He reported that the meeting with Rep. Morris was productive and constructive. She will be running for Circuit Court Judge, so access to her is time limited through Lame Duck later this year. The group thanked Brad and Megan for their work on this front.
- ASD rates at $66 will we all adhere to this as a minimum and maximum?
  Brad asked if all would adhere to this rate as a minimum and maximum. He stated Region 4 will be using this as THE rate. Joe stated this had millions of dollars in implications for his region. It is unknown if the revenue will support this.
- Is it time to consider/analyze/deliberate an enrollment model over an eligibility model?
  No discussion.
- BHHs – SWMBH is entering this – Can anyone lend TA/SMEs?
  No discussion.
- Is it time to argue for a higher actuarial risk margin than .75% (notably, perhaps coincidentally the same number as PBIP withhold) in capitation rates?
  No discussion.
- FY24/25 financial projections – importance of publishing these
  No discussion.
- Have Alan Bolter review FY25 DHHS budget and boilerplate in some detail
  No discussion.
- Methadone dispensing at $19 – Standard now at PIHPs?
  No discussion.
- Cash Flow (added by Mary)
  Mary asked if any other PIHPs are cash advancing anyone. Region 3 is seeing significant cash advances go out and they don't know where they are going to land. She also stated that there have been rumors of another rate adjustment by Miliman, but Kristen Jordan did not confirm this to her. Brad stated that they characterize the funds as settlement from prior years when they cash advance someone. Mary stated it is being advanced out of reserves as part of their PM/PM. Jim stated that Richard Carpenter could provide details on Region 10's process.

5. CMS Technical Requirement to Report Sub-Capitation Payments (James/Megan Guest: Richard Carpenter – 2:30pm)

Megan stated that the document on page 8 of the packet – a request on reporting sub-capitation payments – was recently sent out from the State. This document was discussed at a recent CIO meeting and affects how PIHPs contract with their CMHs. The term sub-capitation is being interpreted differently by different parties. This opens the door for further SCA arguments. Richard Carpenter stated that one of the struggles is that the Department has not identified the financial relationship between the PIHPs and CMHSPs. The term sub-capitated payment has been used but has not been used correctly in terms of its definition. Technical requirements are not met. Many CMHs use that term to indicate once the PIHP payment is sent, they are out of the equation. Managed Care Delegation comes into play with sub-contract versus sub-capitated. Richard stated that none of the sub-capitation terms are truly being used correctly by PIHPs, but it could be. He stated that discussions need to take place on how to respond to the State regarding their request. Mary stated that sub-capitation and risk are interpreted differently by her Region's CMHs than she at the PIHP level interprets it. James stated that he doesn't believe anyone across the State is truly making sub-capitated payments by their definition. Eric K. stated that this request is actually an MMIS form, and agreed with Richard that this opens the door to further SCA discussion, and shows you can make sub-capitated payments that are risk or non-risk. He stated that Richard was correct on everything he had stated, and PIHPs can downstream risk. He stated that these funds don't necessarily have to stay Medicaid funds, and he felt like there was something here of substance for discussion. James stated that you must make sure it's an actuarial sound rate when answering the State's request. The group discussed if any other action was needed by the group today. Richard stated that if the group wants to go down the path of delegated functions versus managed care functions, this will reopen the SCA discussion. He asked if this should be

considered for any type of action. Richard stated that CMHs are responsible for service provision within their county. How they do that is up to them as well as their structure. Milliman is telling the State there is only one way to handle managed care and delegation. Megan spoke with Kristen Jordan on this, and she plans to continue to try to make headway with her now that she is able to bypass Penny Rutledge. Megan stated this issue needs to go to the CFOs and they need to respond appropriately. Joe asked if any document were communicated to the Department, that it be shared with the CEOs as well.

6. **Replace/Reappoint PIHP Representatives to CMH Board and Steering Committee (All)**

Current Board appointments:
- Ed Woods, Region 5
- George Botbyl, Region 1
- James Colaianne, Region 6

Current Steering Committee appointments:
- Joe Sedlock, Region 5
- George Botbyl, Region 1

- Eric Doeh's seat needs to be replaced on the Steering Committee of the Association.
  After discussion among the group, Mary Dumas volunteered to serve on either or both the Board of Directors and the Steering Committee of CMHA. **Joe nominated** Mary Dumas to be appointed to the Steering Committee and Board of Directors. **Dana Lasenby supported. Motion Carries.**
- Jonathan Landsman's seat needs to be replaced
  Replaced by Mary Dumas in previous motion.

- The group discussed and agreed by consensus to keep only 3 appointments on the Steering Committee. Mary Dumas will speak with one of her Board members to gage their interest in serving as a fourth appointee and bring information from that discussion back to this group for consideration at its next meeting.
- The group agreed by consensus to reappoint all Board of Directors and Steering Committee members for another 2-year term ending 6/30/2026.

7. **CMHA Request for Action RE: CFAP, others (All)**

The group discussed and agreed by consensus to not sponsor an event, but would participate in an event as members of the Association.

8. **OPEN (this item left blank for additional items)**
9. **OPEN (this item left blank for additional items)**
10. **OPEN (this item left blank for additional items)**
11. **Michigan Opioid Task Force Updates (Brad)**
    No discussion.
12. **Michigan Autism Council Updates (Dana)**
    No discussion.
13. **Michigan Diversion Council Updates (Brad/Eric D.)**
    No report.
14. **PIHP Contract Negotiations Update (Joe/Brad/Jim)**
    Brief discussion previously. No further discussion.
15. **Provider Network Reciprocity (V. Suder/Dana)**
    - No meeting. No report.

SUD Provider Performance Monitoring Reciprocity (S. Sircely/Megan – Sara joining at 1:00pm)

- Site review tool provided in packet. Sara Sircely reported that this tool has been being developed for about 2 years. She stated that treatment policies were addressed during that development, and the goal is to pilot this tool before the end of this year. Changes will be needed with ASAM, along with some other minor changes, but the core items are included in this tool for site visits. She stated that this tool is a good, standardized base of guidelines. The group asked about reciprocity that is typically implemented by mutual recognition. Joe asked if this is now a tool that all PIHPs agree to, and if anyone is going to be adding to or asking to have items removed. Sara stated this is what she needs guidance on from this group of CEOs. She stated that these items in this tool are the minimum items agreed upon by the workgroup. With differences in contracts, the workgroup did not want to remove what is done over and

above. Brad stated that he is in favor of a minimalist type of tool, so he was happy with this as it was presented. He felt there were many reasons that this project needs to get done and be piloted. He felt that any add-on stuff could and should be acceptable. He felt the group should approve and move forward. Jim Johnson stated that he recognized the amount of work that has gone into developing this tool. He felt the original intent was to have one tool that met all administrative requirements, that would meet regulatory standards, and could be accepted between PIHPs. He felt the residential and detox providers, especially, need this tool. He is in favor of accepting this tool as presented. Eric agreed with Brad that this tool is acceptable as presented for the minimum requirements. He felt that there is always the chance that specific requirements will need additional review above this tool, but the minimalist approach for reciprocity was acceptable to him. Mary Dumas agreed she was in support of the minimalist approach and could address anything needed over and above what this tool addresses. Joe stated that he felt this tool addresses some providers concerns with "why does every PIHP do site reviews differently?" on some level, but it may not produce the relief intended for some other providers. Joe wondered how each PIHP would get access to the reviews once they're done. He assumed there would be a portal that was to be created. Sara stated this has not been discussed by the workgroup. Having one place to hold it would be ideal. Eric K. stated he would be willing to house this on the group Teams site. Sara and Eric will work to address that issue. Megan stated that there are always going to be some items that cannot be standardized, but this tool addresses everything that CAN be standardized. Mary asked why the site review couldn't be added to their own website. Joe stated that publishing performance data needs a well-prepared provider system in order to not damage any providers within their region. He stated that putting out details of a review raises concerns when released to the general public as it requires interpretation of the actual review. Joe asked Sara if she could provide a policy document on how and when this item should be used and distributed – a sort of structure explanation/implementation document. Sara will work on creating this document to bring back to the group of CEOs. James agreed this would be a helpful document to send to the State, use to promote with the Providers, etc. The CIO from Region 2 will connect with Sara to continue the development of this tool, and implementation of a pilot. Joe stated that he would like to see more than one PIHP involved in the Pilot. Sara will reach out to the group to pull more regions into the Pilot other than just Region 1.

16. **Training Reciprocity (A. Dillon/Joe)**
    - State Training Guidelines Workgroup notes were provided in the packet.
17. **Chief Finance Officers Group Report (R. Carpenter/Megan)**
    - Notes provided in the packet. Megan reported the State is considering instructions to the FSR on Health Homes, saying items are in the contracts when they are not. They are saying all deficits must be covered before any retaining can be done. This completely oversteps their boundaries. Joe stated that unless they bring forward a change in contracts, it's just not true.
18. **SUD Service Directors Group Report (D. Meier/Jim)**
    - Notes provided in the packet. No discussion.
19. **CIO Forum Report (T. Cole/Brad)**
    - No update.
20. **Statewide Utilization Management Directors Group (Skye Pletcher [2:00pm] – Mary)**
    - Meeting notes were provided in the packet. Skye joined the meeting at 2:00pm to present the Annual Report. Mary thanked Skye for joining the meeting. Skye reported that the Utilization Management group has found the work of this group valuable to compare and contrast processes. She spoke about the specific tasks and accomplishments for the previous year, as well as goals for the upcoming year. The group focused on process mapping, best practices, data dashboards, and LOC tools being used. The group anticipates a lot of work to be done in anticipation of any CFAP implementation and will likely see goals created around this initiative. Skye spoke to Utilization Management guidelines and the need to create standards for this. Mary stated that Jackie Sproat will be presenting to the group next month to outline what the State would like to see for protocols. Joe stated that implementation of tiered rates will need to have some UM guidelines established for differentiating those tiers. Megan and Eric K. stated that they have great concern about the State's ability to be able to implement tiered rates. Joe stated that

he was aware of Hospitals being a driver for the creation of the tiered rates, but it seems that the Department is going to move forward with implementing this. He stated that he felt it worth investing the time having this workgroup develop a policy to address the best way for PIHPs to implement this when the State instructs the PIHPs to. Skye stated that the UM workgroup will listen to Jackie Sproat and what her asks are, then work from there to give input on requirements, documentation, expectations, etc. Joe stated that structure is needed for the PIHPs as payers. The group agreed that hearing what Jackie has to say and then discussing within this group is the bet way to move forward. The group thanked Skye for her report.

21. PIHP Compliance Officers Report (K. Zimmerman/Eric K.)

- No meeting. No report.

22. MDHHS/PIHP Operations Meeting Planning (All)

- Next meeting is in September.
- Topics to Add to Agenda (if any)
  - N/A (No meeting in August)

23. CMHA Legislation & Policy Committee (Jim)

- No update or report. Next meeting is in September.

24. CMHA Coordination (B. Sheehan, A. Bolter – 1:30pm)

Bob Sheehan and Alan Bolter joined the meeting at 1:30pm.

Topics for discussion provided by PIHP CEOs:

- None

Topics for discussion provided by Bob Sheehan:

- Minimum wage and paid leave decision by Michigan Supreme Court

Alan stated that this was discussed at the recent Board of Directors meeting last week. He stated that it looks like minimum wage will be going up and he was not aware of what the monetary impact of this will be on the PIHP system. He provided the below summary as a timeline for implementation.

Summary:

The Michigan Supreme Court has issued a decision that eliminates the tip credit, raises the minimum wage and expands paid leave. The decision against the "Adopt-and-amend" action by the Legislature reinstates the adopted 2018 citizens' initiative for paid sick leave and minimum wage laws.

Why it matters: This ruling means Michigan's minimum wage will rise to $10 per hour plus the state treasurer's inflation adjustment rate starting February 2025, including for tipped workers. In addition, employers must now adhere to one of the most comprehensive paid sick leave laws in the country, requiring major adjustments to PTO policies and procedures.

Timeline

- November 1, 2024: State Treasurer determines inflation adjustment
- February 21, 2025: The Wage Act AND Earned Sick Time Act goes into effect
- February 21, 2025: Minimum hourly wage adjusted to $10 plus the state treasurer's inflation adjustment AND tip credit increased to 48% of minimum wage
- February 21, 2026: Minimum hourly wage adjusted to $10.65 plus the state treasurer's inflation adjustment AND tip credit increased to 60% of minimum wage
- February 21, 2027: Minimum hourly wage adjusted to $11.35 plus the state treasurer's inflation adjustment AND tip credit increased to 70% of minimum wage
- February 21, 2028: Minimum hourly wage adjusted to $12.00 plus the state treasurer's inflation adjustment AND tip credit increased to 80% of minimum wage
- February 21, 2029 (and after): Minimum hourly wage adjusted to inflation-adjusted minimum wage AND tip credit no longer exists

How this Impacts Businesses & Employees

Earned Sick Time Act

- All employees, including part-time and seasonal, must receive one hour of paid medical leave for every 30 hours worked, up to 72 hours annually.

- Employers need to reassess PTO policies, notice requirements, and documentation, while guarding against potential new litigation.

The Wage Act

- Minimum wage increases based on state treasurer's inflation adjustment.
- The "tip credit" is eliminated, requiring tipped workers to be paid the full minimum wage, with tips as additional income.
- Significant financial adjustments for the hospitality and service industries, with labor costs potentially increasing 250%.

This decision marks a major change in Michigan's labor laws, requiring employers to update their policies and procedures.

Discussion:

No discussion by the group.

- FY 24 Medicaid revenue picture
  - Revenue picture and impact in PIHP regions and communities
  - Advocacy
    - What Brad and Megan learned in discussion with Rep. Morris

      Bob Sheehan thanked Brad and Megan for their work in discussions with Rep. Morris.
    - CMHA communication with Appropriation Chairs and MDHHS (with request approps to cover all projected deficits, not net deficit system wide

      Bob stated that it is important to point out that the number is not a net gap, due to the Region 10 surplus – $88 Million is needed – NOT just $37 Million. Brad stated that he would like the right people to get the right message on what the PIHP system needs. Alan agreed, stating that he would like the PIHPs to keep he and Bob in the loop on discussions for this topic so we can all be on the same page. Megan spoke about regional factors and mid-point adjustors, along with other points that could bring about appropriate base rates.
    - Next steps

      Bob stated that adding another row showing JUST the deficits, with them added up across to total, would make a big difference on the current financial projection document. He asked Megan if she could add this row. Jim Johnson stated that he has concerns about using the data as it's presented. He felt this was a far 'rosier' projection that does not include trending projections for Region 10. He would like to see it repopulated. Bob asked if only Region 10 could re-pull that data by Monday of next week. Mary reported that she will check with her CFO to see if she needs to send updated data to Megan as well, and if so, will send it by Monday.
- CFAP design/advocacy next steps

  Bob reported that the State has agreed to cancel the implementation date of October 1, 2024. Discussions will continue on what can be done regarding Conflict Free Access and Planning.
- ISF and risk reserves
  - MDHHS/PIHP contract negotiations around ISF

    The cap is not being removed from the PIHPs contracts. Traci reported that the Department is under the assumption that PIHPs would not have money taken away, and they just don't understand.
  - CMHAs parallel effort, as noted during June CMHA Board meeting, of strong ISFs for PIHPs and ability of CMHSPs to hold Medicaid savings as risk reserves

    Bob reported that the CMH Association affirmed the resolutions for ISF.
- CCBHC section changes in PIHP contract – reactions?

  Bob asked if the changes in the contracts were favorable for PIHPs. Jim Johnson stated that the language changes prevent the PIHPs from fulfilling their Medicaid requirements. The CCBHC program staff have acknowledged the language does not meet their intent, so there is a possibility of changes in the language.

OTHER: No other discussions.

ADD to future Agenda in September:
None identified.

The meeting adjourned at 3:01pm.

Respectfully Submitted,
Monique Francis, CMHA Committee Clerk

Service Delivery Transformation Section

July 2024 Update

CONTENTS

Service Delivery Transformation Section Overview

The Service Delivery Transformation Section is responsible for overarching strategic program policy development, implementation, and oversight for integrated health projects within Michigan's public behavioral health system. This includes behavioral health integration initiatives, Medicaid Health Homes, Certified Community Behavioral Health Clinics, SAMHSA integration cooperative agreements, and health integration technology initiatives to facilitate optimal care coordination and integration. Staff in this section collaborate with internal and external partners and provide training and technical support to the public behavioral health system and participants of integrated health projects. Lastly, this section focuses on quality-based payment for providers involved in behavioral health integration initiatives and oversees CCBHC Demonstration certification.

Our Team

Lindsey Naeyaert – Section Manager
Naeyaertl@michigan.gov
- Leads programmatic, policy, and implementation of integrated health projects within section

Danielle Hall – Behavioral Health Innovation Specialist
HallD32@michigan.gov
- Behavioral Health Home
- Azara Integration
- CCBHC Demonstration

Amy Kanouse – Behavioral Health Program Specialist
Kanousea@michigan.gov
- CCBHC Demonstration
- Emergency Grants to Address Mental Health and Substance Use During COVID-19

Hailey Mueller – CCBHC Analyst
Muellerh1@michigan.gov
- CCBHC Programmatic Support

Jennifer Ruff – CCBHC Certification Manager
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- CCBHC Certification and Monitoring

Chance Thick - Certification Specialist
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- CCBHC Site Monitoring and Oversight

Amanda Zabor - Certification Specialist
ZaborA@michigan.gov
- CCBHC Site Monitoring and Oversight

Behavioral Health Home

Behavioral Health Home Overview

- Medicaid Health Homes are an optional State Plan Benefit authorized under section 1945 of the US Social Security Act.
- Behavioral Health Homes (BHH) provide comprehensive care management and coordination services to Medicaid beneficiaries with select serious mental illness or serious emotional disturbance by attending to a beneficiary's complete health and social needs.
- Providers are required to utilize a multidisciplinary care team comprised of physical and behavioral health expertise to holistically serve enrolled beneficiaries.
- B services are available to beneficiaries in 63 Michigan counties including PIHP regions 1 (upper peninsula), 2 (northern lower Michigan), 5 (Mid-State), 6 (Southeast Michigan), 7 (Wayne County), and 8 (Oakland County).

Current Activities

- As of July 31, 2024, there are 3,367 people enrolled:
    - Age range: 4-86 years old
    - Race: 26% African American, 68% Caucasian, 2% or less American Indian, Hispanic, Native Hawaiian and Other Pacific Islander
- Resources, including the BHH policy, directory, and handbook, are available on the Michigan Behavioral Health Home website. Behavioral Health Home (michigan.gov).
- A State Plan Amendment to expand BHH in regions 3,4, and 9, add eligible codes to increase access for children and youth with SED, and add Youth Peer Support to the BHH staffing structure was submitted on July 16, 2024.

Certified Community Behavioral Health Clinic Demonstration

Certified Community Behavioral Health Clinic Demonstration Overview

- MI has been approved as a Certified Community Behavioral Health Clinic (CCBHC) Demonstration state by CMS. The demonstration launched in October 2021 with a planned implementation period of two years. The Safer Communities Act was signed with provisions for CCBHC Demonstration expansion, extending MI's demonstration until October 2027. The CCBHC model increases access to a comprehensive array of behavioral health services by serving all individuals with a behavioral health diagnosis, regardless of insurance or ability to pay.
- CCBHCs are required to provide nine core services: crisis mental health services, including 24/7 mobile crisis response; screening, assessment, and diagnosis, including risk assessment; patient-centered treatment planning; outpatient mental health and substance use services; outpatient clinic primary care screening and monitoring of key health indicators and health risk; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family supports; and intensive, community-based mental health care for members of the armed forces and veterans.
- CCBHCs must adhere to a rigorous set of certification standards and meet requirements for staffing, governance, care coordination practice, integration of physical and behavioral health care, health technology, and quality metric reporting.

- The CCBHC funding structure, which utilizes a prospective payment system, reflects the actual anticipated costs of expanding service lines and serving a broader population. Individual PPS rates are set for each CCBHC clinic and will address historical financial barriers, supporting sustainability of the model. MDHHS will operationalize the payment via the current PIHP network.

Current Activities

- As of July 31, 2024, 99,243 Medicaid beneficiaries and 26,636 non-Medicaid individuals are assigned in the WSA to the 30 demonstration CCBHC sites.
- MDHHS conducted a health information technology survey amongst CCBHCs in 2023 to solicit feedback on the WSA operations and activities. Feedback resulted in stakeholders finding the WSA to be administratively burdensome, has frequent time outs and errors, as well as duplication of data entry between the EMR and the WSA. MDHHS has funding and is working with internal staff and contractors to develop a bidirectional EMR/WSA API Web Services benefit for stakeholders to explore once live that will address feedback received. This work is ongoing.
- MDHHS continues to partner with evaluators at the Center for Healthcare Research Transformation at the University of Michigan on formal evaluation activities. CHRT has shared preliminary findings of key themes from interviews with PIHPs and CCBHCs and are beginning data review activities.
- A second draft version of the FY25 CCBHC Handbook will be distributed for review by PIHPs and CCBHCs, detailing changes to certification criteria, PIHP/CCBHC responsibilities, and DCO policy guidelines in early August. Feedback on the second draft will be reviewed by MDHHS and will be incorporated into the final version by 10/1/24.
- Recertification has begun for the 30 sites currently within the CCBHC Demonstration. Applications were due June 3rd, 2024, MDHHS is currently reviewing those applications for criteria compliance. Certification levels will be assigned based on evidenced compliance and any noted deficiencies. As a result, Certification letters will be sent to CCBHC sites and their assigned PIHPs in August.
- MDHHS put forth a CCBHC expansion announcement that identified eligibility requirements for sites interested in joining the CCBHC Demonstration with an application due date of July 1st, 2024. MDHHS is currently reviewing those applications for criteria compliance. Anticipated certification results of the applications will be available in August.
- Preliminary Quality Bonus Payment awards for Demonstration Year 2 were shared with CCBHCs, with the consultation period ending in early June and payment will be distributed soon. For DY2 awards, CCBHCs must meet benchmarks for all 6 CMS-designated measures to receive the quality bonus payment.

Questions or Comments

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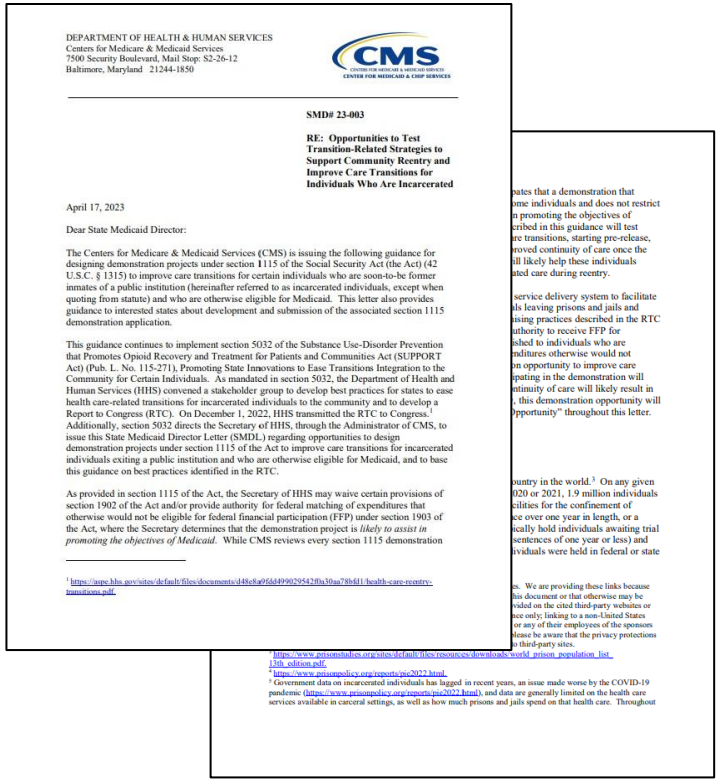
Section 1115 Reentry Services Demonstration

CMS Guidance on 1115 Demonstration Opportunity

On April 17, 2023, CMS released a State Medicaid Director Letter (SMDL) that describes a section 1115 demonstration opportunity to support community reentry and improve care transitions for justice-involved populations.



DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850

CMS
CENTER FOR MEDICAID & CHIP SERVICES

SMD# 23-003

RE: Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who Are Incarcerated

April 17, 2023

Dear State Medicaid Director:

The Centers for Medicare & Medicaid Services (CMS) is issuing the following guidance for designing demonstration projects under section 1115 of the Social Security Act (the Act) (42 U.S.C. § 1315) to improve care transitions for certain individuals who are soon-to-be former inmates of a public institution (hereinafter referred to as incarcerated individuals, except when quoting from statute) and who are otherwise eligible for Medicaid. This letter also provides guidance to interested states about development and submission of the associated section 1115 demonstration application.

This guidance continues to implement section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act) (Pub. L. No. 115-271), Promoting State Innovations to Ease Transitions Integration to the Community for Certain Individuals. As mandated in section 5032, the Department of Health and Human Services (HHS) convened a stakeholder group to develop best practices for states to ease health care-related transitions for incarcerated individuals to the community and to develop a Report to Congress (RTC). On December 1, 2022, HHS transmitted the RTC to Congress.[1] Additionally, section 5032 directs the Secretary of HHS, through the Administrator of CMS, to issue this State Medicaid Director Letter (SMDL) regarding opportunities to design demonstration projects under section 1115 of the Act to improve care transitions for incarcerated individuals exiting a public institution and who are otherwise eligible for Medicaid, and to base this guidance on best practices identified in the RTC.

As provided in section 1115 of the Act, the Secretary of HHS may waive certain provisions of section 1902 of the Act and/or provide authority for federal matching of expenditures that otherwise would not be eligible for federal financial participation (FFP) under section 1903 of the Act, where the Secretary determines that the demonstration project is *likely to assist in promoting the objectives of Medicaid*. While CMS reviews every section 1115 demonstration

[1] https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bd11/health-care-reentry-transitions.pdf

The SMDL implements Section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act, which directed the U.S. Department of Health and Human Services (HHS) **to issue guidance on how states can design section 1115 reentry demonstrations to provide services to justice-involved individuals prior to release** to support their reentry into the community.

Source: Center for Medicare and Medicaid Services, State Medicaid Director Letter #23-003, "Opportunities to Test Transition-Related Strategies to Support Community Reentry and Improve Care Transitions for Individuals Who are Incarcerated, April 17, 2023, available at https://www.medicaid.gov/federal-policy-guidance/downloads/smd23003.pdf.

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Michigan Department of Health & Human Services

Goals of this Demonstration

By working to ensure justice-involved populations have a ready network of health care services and supports upon discharge, under the Reentry Services Demonstration, Michigan expects to achieve the following goals:

- Improve access to services prior to release;
- Improve transitions and continuity of care into the community upon release and during reentry;
- Improve coordination and communication between correctional systems, Medicaid systems, Managed care plans, and community-based providers;
- Increase investments in health care and related services to improve the quality of care for beneficiaries in carceral settings and in the community;
- Improve connections between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs; and
- Reduce post-release acute care utilizations such as emergency department visits and inpatient hospitalizations among recently incarcerated beneficiaries.

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Michigan Department of Health & Human Services

Eligible Populations

CMS guidance gives states flexibility to propose a broadly defined Demonstration population that includes otherwise eligible, soon-to-be formerly incarcerated individuals.

Individuals eligible to participate in the proposed Reentry Demonstration will include adults and youth in a state prison, local county jail, or juvenile facilities who would be eligible for full scope Medicaid or CHIP if not for their incarceration status. Eligible individuals must be:

- Adults or youth;
- Eligible for a Medicaid or CHIP eligibility groups that receives full-scope Medicaid or CHIP State Plan services

No eligibility changes will be affected by this Demonstration. All full coverage eligibility groups are covered under the waiver. Medically needy groups are not covered. Once fully phased in, it is anticipated that Michigan may provide pre-release services for 7,500 individuals in prisons, 90,000 individuals in local county jails, and 400 juveniles in juvenile facilities annually through this Demonstration.

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Eligible Facilities

CMS guidance gives states flexibility to provide coverage of pre-release services in state or local correctional facilities (e.g., state prisons, jails, and/or youth correctional facilities).

Over the five-year Demonstration period, state prisons, local county jails, and juvenile facilities will be considered eligible facilities under the Demonstration.

The Demonstration will be implemented through a phased approach:

- In Phase 1, all state prisons and juvenile facilities that demonstrate readiness, as determined by a readiness assessment to be developed by the State, will participate.
- In Phase 2, local county jails that demonstrate readiness can opt-in to the Demonstration.

MDHHS
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Pre-Release Timeframe

CMS guidance gives states the flexibility to provide coverage of pre-release services for up to 90 days before the incarcerated individual's expected date of release.

90-Days Pre-Release

MDHHS is seeking authority to provide a targeted benefit package to eligible individuals in the State's prisons, local county jails, and juvenile facilities for up to 90-days immediately prior to their expected date of release.

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Targeted Benefit Package- Required Services

CMS requires states to provide a minimum benefit package of three covered services under the demonstration. In addition, states have flexibility to cover other important physical and behavioral health services that support reentry into the community.

Eligible individuals will have access to the following three services required under CMS' SMDL:

- **Case Management** under which providers, in collaboration with Community Health Workers, will establish client relationships, conduct a needs assessment, develop a person-centered care plan, and make appropriate linkages and referrals to post-release care and supports.
- **Medication for Opioid Use Disorder and Alcohol Use Disorders (AUD)**, including medication in combination with counseling/behavioral therapies, as clinically appropriate.
- **At a Minimum, a 30-Day Supply of Prescription Medication** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

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Targeted Benefit Package- Michigan Specific Services

CMS has granted states the flexibility to cover other important physical and behavioral health services that support reentry into the community.

In addition to the required three services, Michigan plans to provide the following additional services to assist in improving care transitions for incarcerated individuals:

- **Physical and Behavioral Health Clinical Consultation Services**, as medically necessary, that are intended to support the creation of a comprehensive, robust, and successful reentry plan, such as clinical screenings and pre-release consultations with community-based providers.
- **Medications and Medication Administration** during the pre-release period, as clinically appropriate, consistent with Medicaid State Plan coverage.
- **Prescription or Written Order for Durable Medical Equipment** in hand upon release, consistent with Medicaid and CHIP State Plan coverage.

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Enrollment

The table below provides a summary of the annual estimated number of eligible justice-involved individuals who may receive pre-release services under the Reentry Services Demonstration.

	Estimated Number of Justice-Involved Individuals Affected by Reentry Services Demonstration				
	DY 1	**DY 2**	**DY 3**	**DY 4**	**DY 5**
	1/1/27 – 12/31/27	1/1/28 – 12/31/28	1/1/29 – 12/31/29	1/1/30 – 12/31/30	1/1/31 – 12/31/31
Justice-Involved Individuals	7,900	7,900	19,463	19,463	19,463

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Demonstration Evaluation

Michigan will contract with an independent evaluator to assess the impact of the proposed Reentry Services Demonstration. Michigan is proposing the following hypotheses:

- The program will increase the eligibility and enrollment of individuals not previously covered and thereby increase coverage and service uptake.
- Increasing physical and behavioral health services prior to release improves transitions and continuity of care following reentry into the community.
- The program will improve coordination between carceral settings and community services upon release to address physical health, behavioral health, and health-related social needs.
- The program will provide intervention for certain behavioral health conditions using stabilizing medications and reduce decompensation, suicide, and overdose-related deaths.

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Projected 2024 – 2025 Timeline

The tasks noted below are not fully inclusive, they remain high level for the purpose of this discussion.

CMS Application
September 2024
MDHHS submits application to CMS.

Initiate Implementation Planning
September 2024
Begin stakeholder engagement and begin and implementation planning.

Initiate Negotiations
Fall 2024
Begin negotiations with CMS

Receive CMS Approval
Anticipated Summer 2025
Finalize negotiations with CMS and receive approval.

Finalize Implementation Plan
Anticipated Fall 2025
Finalize and initiate implementation plan.

Demonstration Begins
Anticipated Early 2027
Complete negotiations with CMS.

MDHHS
Michigan Department of Health & Human Services

Resources

Questions:

mdhhs-engagemedicaid@michigan.gov

Website:

1115 Reentry Services Demonstration (michigan.gov)

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Michigan Department of Health & Human Services

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

MEMORANDUM

To: Executive Directors of the Pre-Paid Inpatient Health Plans and the Substance Use Disorders Directors

From: Belinda Hawks, MPA
Director, Division of Adult Home and Community Based Services

Date: September 10, 2024

RE: **2025 Healing and Recovery Regional Appropriations**

Good afternoon,

Attached you will find additional information related to the PIHP projects funded by the Michigan Healing and Recovery Fund. Please note that there is a list of allowable activities as well as a list of expectations of the PIHPs. If you have any questions, please reach out to Jared (Welehodsky, Jared (DHHS) WelehodskyJ@michigan.gov) and Angie (Smith-Butterwick, Angela J. (DHHS) SmithA8@michigan.gov).

These projects are in the process of being submitted and will likely begin on 11/1/2024 or 12/1/2024.

2025 Healing and Recovery Regional Appropriations – MDHHS and PIHP Contract

Support Infrastructure and Inventory:

Appropriations are one-time but comprise several years of settlement payments. Therefore, priority should be given to investments that produce benefits extending beyond the 2025 fiscal year. These investments should facilitate support and service delivery. Considerations for infrastructure support include:

- Real estate purchases, mortgage payments, and improvements for syringe service programs, recovery community organizations, recovery community centers, and recovery residences.
- Infrastructure improvements for treatment providers.
- Vehicle purchases for community-based organizations and providers.
- Anticipatory harm reduction supplies (safer use, wound care, communicable disease testing, and drug checking supplies).
- Advanced mass spectrometry analysis equipment (FTIR) for harm reduction programs.
- Narcan distribution boxes.

Community Engagement and Planning Activities:

Regional entities must collaborate with local governments to support community engagement and planning activities, such as those provided by the Technical Assistance Collaborative (TAC). County, municipal, and township governments should be encouraged to engage with their communities and neighboring subdivisions but should be considered autonomous entities that may or may not support regional approaches. Support should be provided rather than prescribed and may include:

- Providing cash incentives (equity) for participation in surveys, focus groups, planning meetings, and other engagement and planning efforts for community members with lived/living experience.
- Providing data and financial information on other PIHP SUD programs.
- Providing Matching/supplemental funds for local government initiatives.
- Providing staff, technical, and facilitation support to local planning groups.
- Providing communication support for the recruitment of planning committee members and subject matter experts, communicating funding opportunities, and communicating spend plans and reports.

Other Contract Component Considerations:

- PIHPs are required to meet quarterly with MDHHS to coordinate settlement investment efforts.
- Appropriated Healing and Recovery funds are not allowed to supplant other funding.

- PIHPs must follow all MDHHS interpretations of policy impacting the certification and employment of SUD workforce, billing for services, use of restricted funds, and prescribing and administration of medications related to SUD.
- PIHPs are required to submit regular (quarterly) reports on program progress and service delivery data and participate in a formal program evaluation/revision/amendment process with MDHHS.
- PIHPs must prioritize coordination with the TAC and local government associations to review work that has already occurred and utilize these organizations as resources in planning and implementation.
- PIHPs are required to establish clear performance metrics and outcomes for all funded initiatives to ensure accountability and measure success.
- PIHPs are required to develop and implement a sustainability plan for funded programs to ensure long-term benefits beyond the appropriations period.
- PIHPs are required to facilitate regular stakeholder meetings, including community members, providers, and local governments, to discuss progress, challenges, and opportunities for collaboration.
- PIHPs are required to implement a transparent reporting system accessible to the public to enhance accountability and community trust.
- PIHPs are encouraged to support innovative pilot programs that address emerging needs and that can be scaled up based on successful outcomes.
- Contract will be separate because of need to track these funds.

Michigan Department of Health and Human Services
Behavioral and Physical Health and Aging Services Administration

MEMORANDUM

To: Executive Directors of the Pre-Paid Inpatient Health Plans

From: Belinda Hawks, MPA
Director, Division of Adult Home and Community Based Services

Date: September 10, 2024

RE: Habilitation Supports Waiver (HSW) Slot Allocation

Prior to the beginning of every fiscal year, the Federal Compliance section of the Adult Home and Community Based Services Division reviews HSW slot allocation and utilization. As part of the review for this fiscal year, Pre-Paid Inpatient Health Plans (PIHPs) were asked to provide the HSW Federal Compliance staff the following information:

- The number of beneficiaries who are eligible for the HSW and waiting for a slot to become available.
- The number of available slots within a region and if a PIHP was willing to give up any of those slots to other PIHPs for beneficiaries who are waiting.

Based on the response from the PIHPs, review of past/current utilization of slots and beneficiaries waiting for HSW slots to become available the HSW Federal compliance teams made the following determination for reallocation of HSW slots for fiscal year 2025. The new slot allocation will be reflected in the Waiver Support Application (WSA) under the HSW Slot Maintenance Page for fiscal year 2025. This will be updated on or before September 30, 2024.

PIHP	FY24 HSW Slots	Reallocated	Received	FY25 HSW Slots
Region 1-Northcare	379	0	0	379
Region 2-NMRE	689	0	+8	697
Region 3-LRE	659	0	+17	676
Region 4-SWMBH	710	0	+10	720
Region 5-MSHN	1,637	-30	0	1,577
Region 6-CMHPSM	747	0	0	747
Region 7-DWIHN	1,084	0	+41	1,125
Region 8-OCHN	870	0	0	870
Region 9-MCCMH	494	-17	0	477
Region 10	656	-29	0	627

If you have any questions about the reallocation of HSW slots, please contact Lyndia Deromedi at deromedil@michigan.gov

Thank you.

c: Kristen Jordan
Lyndia Deromedi

Impacts of Medicaid Redetermination

on Michigan's Public Mental Health System

Medicaid disenrollment patterns deeper and steeper than predicted

Medicaid redetermination presents a fundamental financing issue for the Community Mental Health Association of Michigan and its members that provide public mental health services throughout Michigan. During the COVID-19 public health emergency, Medicaid redetermination was frozen – resulting in an increase in Medicaid recipients throughout the state. With the redetermination process reinstated in 2023, it is anticipated that hundreds of thousands of recipients will lose their Medicaid coverage, causing a ripple effect on the public mental health system through decreased funding to providers.

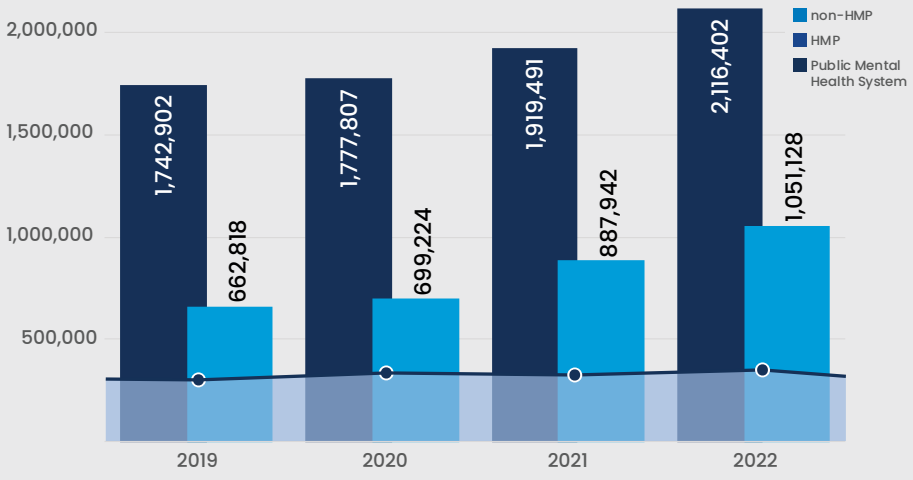
How CMH/PIHPs are paid

Public mental health providers receive payment through capitation payments. **Capitation payments** are fixed monthly allocation provided to a medical provider through a state or private health plan – simply put, the more people enrolled means more overall financial support being allocated to the mental health services. **These payments are paid monthly to providers for each member enrolled in the health care plan no matter how many times the member utilizes services.** Increased enrollment in the Medicaid system throughout the public health emergency boosted budgets allowing for increased services and better mental health support throughout the state.

Public mental health system usage

The number of persons served by Michigan's public mental health system does not fluctuate as overall Medicaid enrollment goes up or down. The vast majority of consumption within our public mental health system is by two groups – the serious and persistently mentally ill population as well as the intellectually developmentally disabled population. Overall, the public mental health system consistently serves 300,000-350,000 persons annually.

Average Medicaid and Healthy Michigan Plan (HMP) Enrollment



Medicaid Rate Variable Issues

1

Due to the expected drop in Medicaid enrollees, public mental health funding is anticipated to drop significantly throughout the state. Current trends indicate that the drop-off is happening at an even faster rate than originally projected.

2

Medicaid rates have not kept up with inflation. The adjusted consumer price index has gone up nearly 19% over the past three years which has greatly outpaced any increases in overall Medicaid rates during that time. Additionally, FY24 rates did not reflect increased wages required to close workforce gaps (increased wages, signing bonuses and provider costs that were required in FY23, but are still needed to recruit and retain staff in the future).

3

Incorrect Medicaid bucket slotting will cause additional stress on the mental health system. During the redetermination process, enrollees are assigned into a Medicaid bucket that determines their funding allocation. Currently the state's PIHPs and CMSHPs are experiencing ineffective re-enrollment determination patterns causing many enrollees to be incorrectly assigned.

4

The financial impact of incorrect slotting is detrimental. Using the example above, reimbursement rates of the different buckets provide a snapshot into the impact of incorrect slotting at redetermination:

1. **Disable Aged Blind (DAB)** $378.32/per person per month
2. **Temporary Assistance for Needy Families (TANF)** $34.58/per person per month
3. **Health MI (HMP)** $42.46/per person per month

Our members conducted a study that showed nearly 42,000 individuals in FY16 & FY17 categorized as Disabled, Aged, and Blind (DAB) moved to Healthy Michigan Plan (HMP) & Temporary Assistance for Needy Families (TANF) programs during the Medicaid redetermination process. This change in enrollment has resulted in nearly $100 million in lost revenue to our PIHP/CMH system.

Our Asks

> Adjust Medicaid rates to offset disenrollment patterns and to accurately account for the necessary staffing adjustments and provider costs increases.

> Ensure that enrollees are slotted into the correct Medicaid bucket to properly empower providers to deliver needed services.

CMHA Community Mental Health Association of Michigan

The Community Mental Health Association of Michigan is the state association representing Michigan's public Community Mental Health (CMH) centers, the public Prepaid Inpatient Health Plans (PIHP – public health plans formed and governed by CMH centers) and the private providers within the CMH and PIHP provider networks.

FOR MORE INFORMATION, PLEASE VISIT CMHA.ORG OR CALL 517-347-6848.

CMHAM.org /CMHAMich @CMHAMich

email correspondence

From: Monique Francis
To: Monique Francis
Cc: Robert Sheehan; Alan Bolter
Subject: CMHA heating up advocacy around need to close FY 24 Medicaid revenue gap: Request for your action
Date: Friday, September 6, 2024 10:10:16 AM
Attachments: image001.png
Importance: High

To: CEOs of CMHs, PIHPs, and Provider Alliance members
CC: CMHA Officers; Members of the CMHA Board of Directors and Steering Committee; CMH & PIHP Board Chairpersons
From: Robert Sheehan, CEO, CMH Association of Michigan
Re: CMHA heating up advocacy around need to close FY 24 Medicaid revenue gap

You may remember the recent email from CMHA outlining the recent and upcoming advocacy efforts around the need to close the yawning ($93 million) Medicaid revenue gap faced by CMHA members in the current fiscal year.

Given the lack of response, by MDHHS, to the requests by all of you, CMHA, and our allies for prompt action to close this gap, CMHA is kicking off, as of today, a series of intensified advocacy efforts that will involve you and our allies. Those actions are outlined below:

1. Intensified joint effort with the state's leading advocacy groups, MAC, and other allies. An advocacy coordination meeting will be held by CMHA with these groups, next week.
2. Meetings to drive home the urgency for action are being scheduled by CMHA and our multi-client lobbyists, in the coming days with:

- Director of the State Budget Office
- MDHHS Director

3. Planning with Lambert, the public relations partner of CMHA, today, around a traditional and social media campaign reflecting a standard description of the issue which will provided to you to use as a component of your media work.

REQUEST: As part of this advocacy effort, we are asking that you **focus your media relations work around what this revenue gap has meant and will mean to those whom you serve, your community, your staff, and your organization.** If articles focusing on this issue can be published in the two weeks (by September 20), they will be the most impactful, given the rapidly approaching end of the fiscal year. While Lambert will be developing a standard structure for your use in your media work, do not feel that you have to wait for that structure to kick off your media work around this issue. To that end, we have provided the description of the causes of the revenue gap, the need to close it, below**, to which you can add a description of what this revenue gap has meant and will mean to those whom you serve, your community, your staff, and your organization.**

4. Legislative advocacy through the issuing, by CMHA, of an Action Alert to CMHA members, advocates, persons served, and allies

REQUEST: When this Action Alert is issued, during the week of September 16, we ask that you, your staff, your Board, and community partners take the actions requested in that Alert and send the Alert to your constituents throughout your community.

Thank you.

Below is advocacy message for your use in your media relations efforts around this issue:

Causes of revenue gap: During the COVID-19 public health emergency, Medicaid

reenrollment/redetermination, across the country and within Michigan was frozen – resulting in an increase in Medicaid recipients throughout the state. With the end of the pandemic, the requirement that persons receiving Medicaid annually re-enroll was reinstated. As a result, over 700,000 Michiganders lost their Medicaid coverage.

Because Michigan's public mental health system is funded primarily with Medicaid funds and those funds are paid to the system based on the numbers of persons on Medicaid (via what is known as a "capitated or per-capita" financing system), as the number of Medicaid beneficiaries dropped significantly over the past year so did the revenue provided to the state's public mental health system.

However, as the overall number of Medicaid beneficiaries and the associated revenue to Michigan's public system dropped, the demand for Medicaid mental health services and costs of those services did not. This mismatch between Medicaid per-capital revenues and the number of Medicaid beneficiaries in need of mental health services is due to the fact that the vast majority of the Medicaid beneficiaries who receive mental health services from Michigan's public mental health system retain Medicaid coverage and the need for high-cost mental health care due to their disabilities.

Additionally, this deficit is exacerbated by an errors in the Medicaid redetermination process observed by our members and Medicaid beneficiaries across the state. The clearest examples are Medicaid beneficiaries who have long received Medicaid due to their disability (in what Medicaid calls the "Disabled, Aged, and Blind" Medicaid group) being automatically enrolled in Plan First given that the enrollment in Plan First is simpler process. Plan First is a Medicaid benefit that covers only family planning services and not the comprehensive range of mental health services needed by these beneficiaries. Thus these persons lose their eligibility (often longstanding) for services through the public mental health system; services essential to their recovery and quality of life. Additionally, these enrollments dramatically reduce the revenue that the state's public mental health system receives, given the much lower Plan First capitation payments.

This mismatch between the per capita revenues received and the demand for services and enrollment errors have caused Michigan's public mental health system to experience deep revenue gaps – revenues far below those expected by the FY 2024 Medicaid and Healthy Michigan Behavioral Health appropriations line. **That deficit is projected to be $93 million – even after a partial revenue gap closing rate adjustment in April of this year.**

Given that the FY 2024 appropriations line items for Michigan's Medicaid and HMP Behavioral Health system is significantly above the funds to be drawn from this line to fund the system, an increase in the Medicaid rates paid to the state's public mental health system to close the gap noted above would still leave millions unspent in those appropriations lines.

Recommendation: CMHA, its members, and allies are recommending that the public mental health system's FY 2024 Medicaid revenue gap of $93 million be closed through the development and payment of a set of retroactively effective, revised, and increased capitation rates. As noted above, the funds needed to provide this rate adjustment are already in the FY 2024 appropriations for these services, thus requiring no new appropriations to close this revenue gap.

Robert Sheehan
Chief Executive Officer
Community Mental Health Association of Michigan

Community Mental Health Association of Michigan

Advocacy plan:
Closing FY 24 Medicaid revenue gap of Michigan's public mental health system

September 2024

Background and purpose of this document

Over the past year, Michigan's PIHPs, CMHSPs, providers, the state's leading advocacy groups, and CMHA have expressed concern over the substantial Medicaid revenue gap experienced by the state's public mental health system.

The causes of this revenue gap are outlined in the "Message" section of this document.

Document purpose

This document outlines the advocacy plan pursued by CMHA, its members and allies, including steps already taken and those planned for the next several months. It is intended to provide, in one place, a picture of these advocacy efforts and lay the groundwork for future efforts in this advocacy initiative.

Aim of this advocacy effort

The aim of this advocacy effort is to close the FY 2024 Medicaid revenue gaps projected by Michigan's PIHPs through the development and payment, to the state's PIHPs, of a set of retroactively effective, revised, and increased capitation rates. The revenue gaps to be closed are those projected by the PIHPs as of August 13 2024 or any updated projections developed by the state's PIHPs during the process led by MDHHS and Milliman of revising the FY 2024 rates.

Advocacy message

Causes of revenue gap: During the COVID-19 public health emergency, Medicaid reenrollment/redetermination, across the country and within Michigan was frozen – resulting in an increase in Medicaid recipients throughout the state. With the end of the pandemic, the requirement that persons receiving Medicaid annually re-enroll was reinstated. As a result, over 700,000 Michiganders lost their Medicaid coverage.

Because Michigan's public mental health system is funded primarily with Medicaid funds and those funds are paid to the system based on the numbers of persons on Medicaid (via what is known as a "capitated or per-capita" financing system), as the number of Medicaid beneficiaries dropped significantly over the past year so did the revenue provided to the state's public mental health system.

However, as the overall number of Medicaid beneficiaries and the associated revenue to Michigan's public system dropped, the demand for Medicaid mental health services and costs of those services did not. This mismatch between Medicaid per-capital revenues and the number of Medicaid beneficiaries in need of mental health services is due to the fact that the vast majority of the Medicaid beneficiaries who receive mental health services from Michigan's public mental health system retain Medicaid coverage and the need for high-cost mental health care due to their disabilities.

Additionally, this deficit is exacerbated by an errors in the Medicaid redetermination process observed by our members and Medicaid beneficiaries across the state. The clearest examples are Medicaid beneficiaries who have long received Medicaid due to their disability (in what Medicaid calls the "Disabled, Aged, and Blind" Medicaid group) being automatically enrolled in Plan First given that the enrollment in Plan First is simpler process. Plan First is a Medicaid benefit that covers only family planning services and not the comprehensive range of mental health services needed by these beneficiaries. Thus these persons lose their eligibility (often longstanding) for services through the public mental health system; services essential to their recovery and quality of life. Additionally, these enrollments dramatically reduce the revenue that the state's public mental health system receives, given the much lower Plan First capitation payments.

This mismatch between the per capita revenues received and the demand for services and enrollment errors have caused Michigan's public mental health system to experience deep revenue gaps – revenues far below those expected by the FY 2024 Medicaid and Healthy Michigan Behavioral Health appropriations line. **That deficit is projected to be $xx million (*deficit currently being refined by Michigan's PIHPs and to be inserted here one available*) – even after a partial revenue gap closing rate adjustment in April of this year.**

Given that the FY 2024 appropriations line items for Michigan's Medicaid and HMP Behavioral Health system is significantly above the funds to be drawn from this line to fund the system, an increase in the Medicaid rates paid to the state's public mental health system to close the gap noted above would still leave $yy million unspent in those appropriations lines.

Recommendation: CMHA, its members, and allies are recommending that the public mental health system's FY 2024 Medicaid revenue gap of $xxx be closed through the development and payment of a set of retroactively effective, revised, and increased capitation rates. As noted above, the funds needed to provide this rate adjustment are already in the FY 2024 appropriations for these services, thus requiring no new appropriations to close this revenue gap.

Advocacy plan

Actions taken to date:

1. CMHA, PIHPs, and state's major advocacy groups have made repeated calls, to the MDHHS Actuarial Office and the leadership of the Behavioral Health units within MDHHS, for rate revisions and increases to close this revenue gap.
2. CMHA has alerted, through discussions, the State Budget Office regarding this revenue gap and the fact that no additional appropriations are needed to close this gap.
3. CMHA, a number of its members, and allies have alerted the Appropriations Chairs of both houses regarding this revenue gap and the fact that no additional appropriations are needed to close this gap.
4. CMHA has alerted the Michigan Association of Counties (MAC) to stand ready to assist CMHA and its allies in this advocacy effort.
5. CMHA, given the lack of response from the MDHHS Actuarial Office and the leadership of the Behavioral Health units within MDHHS, have reached out to the MDHHS Deputy Directors (Groen and Knezek) regarding this issue. CMHA hopes to hear back soon regarding this outreach.

Future actions contingent upon movement resulting from past and current advocacy work:
If no action by Department, CMHA staff, working with its members, the state's leading advocacy groups, and allies will engage in the next steps in this advocacy effort, in the sequence noted below:

1. Intensified joint effort with the state's leading advocacy groups, MAC, and other allies.
2. Outreach to the Director of the State Budget Office
3 Outreach to the MDHHS Director
4. Legislative advocacy through the issuing, by CMHA, of an Action Alert to CMHA members, advocates, persons served, and allies.
5. Media campaign reflecting statewide issue and fleshed out with local stories

email correspondence

From: Info CMHAM
To: Carol Balousek (NMRE)
Subject: ACTION ALERT Tell Legislators to Urge MDHHS to Adjust Medicaid Rates to Close Shortfall
Date: Tuesday, September 10, 2024 12:29:35 PM
Attachments: 2024 Medicaid Redetermination Infographic-V1b.pdf

Community Mental Health Association of Michigan

Over the past year, Michigan's PIHPs, CMHSPs, providers, and the state's leading advocacy organizations have expressed concerns over the substantial Medicaid revenue gap experienced by the state's public mental health system – that deficit is projected to be $93 million – even after a partial revenue gap closing rate adjustment in April of this year.

During the COVID-19 public health emergency, Medicaid reenrollment/redetermination within Michigan was frozen - resulting in an increase in Medicaid recipients throughout the state. This temporarily produced surplus funds at several PIHPs and gave a false impression of financial stability in the annual rate setting process. However, as the pandemic ended, the annual re-enrollment and redetermination process was reinstated, and the three-year backlog resulted in over 700,000 Michiganders losing their Medicaid coverage. Unfortunately, the Medicaid rates have consistently been based on more optimistic enrollment projections contributing to the significant gaps in revenues received.

Michigan's public mental health system is funded primarily with Medicaid funds and those funds are paid to the system based on the numbers of persons on Medicaid (via what is known as a "capitated or per-capita" financing system), as the number of Medicaid beneficiaries dropped significantly over the past year so did the revenue provided to the state's public mental health system. However, as the overall number of Medicaid beneficiaries and the associated revenue to Michigan's public system dropped, the demand for Medicaid mental health services and costs of those services did not. This mismatch between

Medicaid per-capital revenues and the number of Medicaid beneficiaries in need of mental health services is due to the fact that the vast majority of the Medicaid beneficiaries who receive mental health services from Michigan's public mental health system retain Medicaid coverage and the need for high-cost mental health care due to their disabilities.

Additionally, this deficit is exacerbated by an errors in the Medicaid redetermination process observed by our members and Medicaid beneficiaries across the state. The clearest examples are Medicaid beneficiaries who have long received Medicaid due to their disability (in what Medicaid calls the "Disabled, Aged, and Blind" Medicaid group) being automatically enrolled in Plan First given that the enrollment in Plan First is simpler process. Plan First is a Medicaid benefit that covers only family planning services and not the comprehensive range of mental health services needed by these beneficiaries. Thus these persons lose their eligibility (often longstanding) for services through the public mental health system; services essential to their recovery and quality of life. Additionally, these enrollments dramatically reduce the revenue that the state's public mental health system receives, given the much lower Plan First capitation payments.

This mismatch between the per capita revenues received and the demand for services and enrollment errors have caused Michigan's public mental health system to experience deep revenue gaps – revenues far below those expected by the FY 2024 Medicaid and Healthy Michigan Behavioral Health appropriations line. **That deficit is projected to be $93 million – even after a partial revenue gap closing rate adjustment in April of this year.**

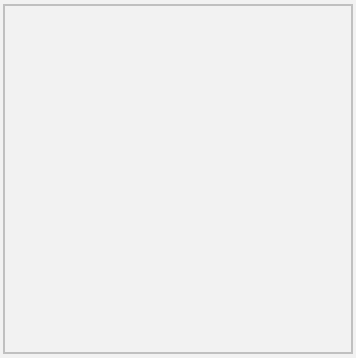
Given that the FY 2024 appropriations line items for Michigan's Medicaid and HMP Behavioral Health system is significantly above the funds to be drawn from this line to fund the system, an increase in the Medicaid rates paid to the state's public mental health system to close the gap noted above would still leave millions unspent in those appropriations lines.

REQUEST FOR ACTION: **We are asking you to reach out to your legislators (House & Senate) and the Governor and URGE them to push MDHHS to close the current $93 million Medicaid revenue gap through the development and payment of a set of retroactively effective, revised, and increased capitation rates. As noted above, the funds needed to provide this rate adjustment are already in the FY 2024 appropriations for these services, thus requiring no new appropriations to close this revenue gap.**

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**.

ACTION ALERT - FIX MEDICAID SHORTFALL



NORTHERN MICHIGAN
REGIONAL ENTITY

Seasons of Change

EDUCATIONAL SUMMIT ON SUBSTANCE USE RECOVERY & PREVENTION

OCTOBER 30TH
9:30AM - 3:30PM
TREETOPS RESORT, GAYLORD

Keynote Speaker:
Tobias Neal, Peer Recovery Supports Coordinator

Please Scan the QR Code to Register by October 16th.

NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – SEPTEMBER 10, 2024
VIA TEAMS

ATTENDEES:	**Brian Babbitt, Connie Cadarette, Ann Friend, Kevin Hartley, Chip Johnston, Nancy Kearly, Eric Kurtz, Brian Martinus, Inna Mason, Allison Nicholson, Donna Nieman, 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 August minutes were included in the materials packet for the meeting.

MOTION BY DONNA NIEMAN TO APPROVE THE MINUTES OF THE AUGUST 14, 2024 NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY CONNIE CADARETTE. MOTION APPROVED.

MONTHLY FINANCIALS
July 2024

- Net Position showed net deficit Medicaid and HMP of $4,841,988. Carry forward was reported as $11,624,171. The total Medicaid and HMP Current Year Surplus was reported as $6,782,183. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $27,358,339.
- Traditional Medicaid showed $173,978,435 in revenue, and $173,229,506 in expenses, resulting in a net surplus of $748,929. Medicaid ISF was reported as $13,510,136 based on the current FSR. Medicaid Savings was reported as $845,073.
- Healthy Michigan Plan showed $24,387,696 in revenue, and $29,978,613 in expenses, resulting in a net deficit of $5,590,917. HMP ISF was reported as $7,066,020 based on the current FSR. HMP savings was reported as $10,779,098.
- Health Home showed $2,587,107 in revenue, and $2,262,126 in expenses, resulting in a net surplus of $324,981.
- SUD showed all funding source revenue of $24,444,229 and $22,426,066 in expenses, resulting in a net surplus of $2,018,163. Total PA2 funds were reported as $4,847,073.

The preliminary Medicaid and HMP carryforward for FY24 was estimated $2.8M.

The NMRE's FY24 block grant allocation was depleted by the end of June. Treatment services for individuals who qualified for block grant funding will need to be billed to liquor tax funds for Quarter 4. A total of $500K of liquor tax funds may be needed to supplement block grant funding. The NMRE is working on methods to bill as much as possible to Medicaid and Healthy Michigan.

PA2/Liquor Tax was summarized as follows:

Projected FY24 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,220,509	$1,794,492	$2,595,550	$4,419,450

Actual FY24 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,220,509	$1,218,276	$1,591,713	$4,847,073

MOTION BY KEVIN HARTLEY TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2024; SUPPORT BY ERINN TRASK. MOTION APPROVED.

Preliminary FY25 PMPM Projections

Deanna presented "very drafty" FY25 PMPM projections to the committee. To date, only a PowerPoint has been received from Milliman regarding FY25 rates, which did not include details. The NMRE Finance Department trended Healthy Michigan Plan flat. Medicaid enrolled/unenrolled showed a $5.1M increase compared to FY24. Healthy Michigan showed a $2M decrease. The NMRE Finance Department applied the FY25 projected rate to the August enrollment numbers plus the area geographic factor to calculate the following numbers.

Regional Projections

Medicaid Revenue Projection		Regional Total
FY24 PMPM through August	$	176,175,294
September Projections	$	15,599,240
Total Projected PMPM	$	191,774,533
FY25 Increase in Medicaid	$	5,176,430
Total Projected PMPM FY25	$	196,950,966
Less Change in Admin (Alpine CRU)	$	(1,181,496)
Adjusted Projected FY25	**$**	**195,769,469**

HMP Revenue Projection		Regional Total
FY24 PMPM through August	$	12,376,614
September Projections	$	996,718
Total Projected PMPM	$	13,373,331
FY25 Decrease in HMP	$	(2,092,239)
Total Projected PMPM FY25	**$**	**11,092,281**

Projected CMHSP Medicaid & HMP FY25 PMPM

AVCMH	CWN	NCCMH	NEMCMH	NLCMH
$29,687,567	$18,743,891	$55,685,002	$34,052,078	$68,882,024

It was noted that the HMP eligibles decreased by 11,000 between October 1, 2023 and August 1, 2024.

The NMRE is open to other approaches regarding the $1.1M adjustment to support the Alpine CRU. The regional Operations Committee had agreed to continue to fund the facility for an additional year. Eric acknowledged the need to review current utilization. This topic will be discussed further during the Operations Committee meeting on September 17th.

The NMRE will need to know the number of general funds admissions placed at Alpine CRU for reimbursement. Eric may meet with the CMHSPs individually to reconcile PCE data.

More information is expected from Milliman on September 19th; the NMRE Finance Department will revise the report and resend it to the committee at that time. It was noted that some of the CMHSPs' Board meetings take place prior to the September 19th. Brian B. suggested continuing the FY24 budget for an additional month to learn more about the FY25 rates.

Donna commented that the numbers shown are lower than the 5% increase that was anticipated.

A possible rate adjustment has been proposed yet in FY24, though it was noted that time is running out.

EDIT UPDATE

The next EDIT meeting is scheduled for October 17th at 10:00AM. MDHHS is examining the value of moving back to the H0043 per-diem rate for CLS services for persons with a significant number of hours living in unlicensed CLS settings rather than the use of the H2015 15-minute code. MDHHS is considering 12 hours per day per person served and/or 12 hours per day available at the site as the criteria for the use of the per diem code. The effective date of the change is currently unknown, but it will not be October 1st. CMHSPs were instructed to continue to use the H2015 code until further notice.

During a recent Rural and Frontier Caucus meeting, Chip cautioned against adding modifiers to H0043.

EQI UPDATE

The Period 2 (October 1, 2023 through May 31, 2024) EQI report is due September 30th. Data was pulled on September 3rd. Tricia requested reports from the Boards by September 20th. The CMHSPs can email Tricia if they have any problems or questions.

ELECTRONIC VISIT VERIFICATION (EVV)

Donna reported that authorizations are being sent from PCE to provider portals. The next step is to connect clients to providers; testing has begun. The EVV uses 4 portals: Provider Portal, Caregiver Portal, Payer Portal, and Aggregate Portal. The hard go-live date is October 7, 2024.

HSW UPDATE

A memorandum dated September 10, 2024 to PIHP Directors showed the PIHP HSW slot allocation beginning October 1, 2024. The NMRE had all its previous slots filled and will need packets to fill the 8 additional slots. These 8 slots represent an additional $672K in annual revenue.

PIHP	FY24 HSW Slots	Reallocated	Received	FY25 HSW Slots
Region 1 – NorthCare	379	0	0	379
Region 2 – NMRE	689	0	+8	697
Region 3 – LRE	659	0	+17	676
Region 4 – SWMBH	710	0	+10	720
Region 5 – MSHN	1,637	-30	0	1,577
Region 6 – CMHPSM	747	0	0	747
Region 7 – DWIHN	1,084	0	+41	1,125
Region 8 – OCHN	870	0	0	870
Region 9 – MCCMH	494	-17	0	477
Region 10	656	-29	0	627

Missing spenddown payments/CHAMPS Issue
MDHHS has been made aware of a CHAMPS system problem that is impacting eligibilities and payments regarding member redeterminations and beneficiaries with spenddowns.

On September 3rd, Kasi Hunziger sent the PIHPs an excel template to be completed with the beneficiary information that is missing eligibility/payments and submitted to MDHHS by September 20th. The information will be used to support correct HSW per member per month payments being made to the PIHPs. Payments are expected to be retroactive to October 1, 2023. The NMRE currently shows over $1M due in backpay.

DCW
On August 22, Kevin shared a communication he received from the Michigan Assisted Living Association (MALA) indicating that the state budget for FY25 included $28.7M in funding for a $0.20 per hour wage increase for direct care workers. The $0.20 per hour wage increase is in addition to the continued funding for the $2.35 per hour and $0.85 per hour wage increase.

It was noted that no Medicaid Provider L Letter has been received to date regarding this increase. Pursuant to L Letter 24-29 issued on May 9, 2024, "Direct care worker agencies that are a network provider under a Medicaid managed care entity and/or their subcontractor must retain and be able to submit documentation upon request either by the Department or their contracted managed care entities, that supports the distribution to direct care workers and that payments were made in accordance with the requirements in this letter."

OTHER
Erinn reference the Contract template conversation that took place in August. She asked whether client names and dates of stay should be listed in contracts. Chip confirmed that contracts with Type A Residential Homes should list each individual resident (either separately or collectively). Chip clarified that the issuance of or amendment to a contract should never hold up emergency placements. Eric is still trying to make contact with Belinda Hawks regarding the use of personal care in Type A residential homes.

NEXT MEETING
The next meeting was scheduled for October 9th at 10:00AM.

Chief Executive Officer Report

September 2024

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.

Sept 3: Attended and participated in PIHP CEO Meeting.

Sept 5: Attended and participated in PIHP CEO/MDHHS Meeting.

Sept 6: Attended and participated in MDHHS Rate Setting Meeting.

Sept 9: Attended and participated in NMRE SUD Oversight Committee Meeting.

Sept 11: Attended and participated in NMRE Regional Finance Committee Meeting.

Sept 17: Chaired NMRE Regional Operations Committee Meeting.

Sept 18: Attended and participated in Internal Operations Committee Meeting.

Sept 24: Plan to attend CMHAM Advocate Meetings.

July 2024 Finance Report

July 2024 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	748,929	845,073	13,510,136
Healthy Michigan	(5,590,917)	10,779,098	7,066,020
	$ (4,841,988)	$ 11,624,171	$ 20,576,156

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	729,821	1,789,373	(4,709,069)	(3,353,010)	(480,572)	1,837,440	(655,971)	$ (4,841,988)
Carry Forward		-	-	-	-	-	-	11,624,171
Total Med/HMP Current Year Surplus	729,821	1,789,373	(4,709,069)	(3,353,010)	(480,572)	1,837,440	(655,971)	$ 6,782,183
Medicaid & HMP Internal Service Fund								20,576,156
Total Medicaid & HMP Net Surplus								$ 27,358,339

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2023 through July 31, 2024

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	$ 168,258,840	$ 5,719,595						$ 173,978,435
CMHSP Distributions	(160,576,053)		53,045,323	42,959,845	26,767,192	23,332,561	14,471,133	-
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	7,682,787	5,719,595	53,045,323	42,959,845	26,767,192	23,332,561	14,471,133	173,978,435
Expense								
PIHP Admin	2,294,255	50,513						2,344,767
PIHP SUD Admin		75,245						75,245
SUD Access Center		33,506						33,506
Insurance Provider Assessment	1,354,727	31,434						1,386,161
Hospital Rate Adjuster	3,310,906							3,310,906
Services		3,577,791	54,927,196	45,084,925	27,040,667	20,828,089	14,620,252	166,078,920
Total expense	6,959,888	3,768,489	54,927,196	45,084,925	27,040,667	20,828,089	14,620,252	173,229,506
Net Actual Surplus (Deficit)	$ 722,899	$ 1,951,106	$ (1,881,873)	$ (2,125,080)	$ (273,475)	$ 2,504,472	$ (149,119)	$ 748,929

Notes

Medicaid ISF - $13,510,136 - based on current FSR

Medicaid Savings - $845,073

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2023 through July 31, 2024

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	$ 15,207,769	$ 9,179,927						$ 24,387,696
CMHSP Distributions	(11,379,896)		4,137,438	3,367,830	1,438,423	1,493,330	942,874	-
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	3,827,873	9,179,927	4,137,438	3,367,830	1,438,423	1,493,330	942,874	24,387,696
Expense								
PIHP Admin	237,415	125,220						362,635
PIHP SUD Admin		186,533						186,533
SUD Access Center		83,060						83,060
Insurance Provider Assessment	142,010	77,531						219,541
Hospital Rate Adjuster	3,441,526							3,441,526
Services		8,869,316	6,964,634	4,595,760	1,645,520	2,160,362	1,449,726	25,685,318
Total expense	3,820,951	9,341,660	6,964,634	4,595,760	1,645,520	2,160,362	1,449,726	29,978,613
Net Surplus (Deficit)	$ 6,922	$ (161,733)	$ (2,827,196)	$ (1,227,930)	$ (207,097)	$ (667,032)	$ (506,852)	$ (5,590,917)

Notes
HMP ISF - $7,066,020 - based on current FSR
HMP Savings - $10,779,098

Net Surplus (Deficit) MA/HMP	**$ 729,821**	**$ 1,789,373**	**$ (4,709,069)**	**$ (3,353,010)**	**$ (480,572)**	**$ 1,837,440**	**$ (655,971)**	**$ (4,841,988)**
Medicaid/HMP Carry Forward								**11,624,171**
Total Med/HMP Current Year Surplus								$ 6,782,183
Medicaid & HMP ISF - based on current FSR								**20,576,156**
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								**$ 27,358,339**

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2023 through July 31, 2024

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	$ 678,777		568,050	336,800	263,529	214,557	525,394	$ 2,587,107
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	678,777	-	568,050	336,800	263,529	214,557	525,394	2,587,107
Expense								
PIHP Admin	31,078							31,078
BHH Admin	29,835							29,835
Insurance Provider Assessment	-							-
Hospital Rate Adjuster								
Services	292,883		568,050	336,800	263,529	214,557	525,394	2,201,213
Total expense	353,796	-	568,050	336,800	263,529	214,557	525,394	2,262,126
Net Surplus (Deficit)	$ 324,981	$ -	$ -	$ -	$ -	$ -	$ -	$ 324,981

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health
October 1, 2023 through July 31, 2024

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	$ 5,719,595	$ 9,179,927	$ 3,216,399	$ 4,736,597	$ 1,591,711	$ 24,444,229
Expense						
Administration	125,758	311,753	99,117	133,491		670,119
OHH Admin			68,648	-		68,648
Access Center	33,506	83,060	-	28,415		144,981
Insurance Provider Assessment	31,434	77,531	-			108,965
Services:						
Treatment	3,577,791	8,869,316	2,819,844	3,034,231	1,591,711	19,892,893
Prevention	-	-	-	958,808	-	958,808
ARPA Grant	-	-	-	581,652	-	581,652
Total expense	3,768,489	9,341,660	2,987,609	4,736,597	1,591,711	22,426,066
PA2 Redirect			-	-	-	-
Net Surplus (Deficit)	$ 1,951,106	$ (161,733)	$ 228,790	$ -	$ -	$ 2,018,163

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds
October 1, 2023 through July 31, 2024

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	$ 168,258,840	$ 5,719,595	$ -	$ 173,978,435
Medicaid Savings	845,073	-	-	845,073
Healthy Michigan	15,207,769	9,179,927	-	24,387,696
Healthy Michigan Savings	10,779,098	-	-	10,779,098
Health Home	2,587,107	-	-	2,587,107
Opioid Health Home	-	3,216,399	-	3,216,399
Substance Use Disorder Block Grant	-	4,736,597	-	4,736,597
Public Act 2 (Liquor tax)	-	1,591,710	-	1,591,710
Affiliate local drawdown	502,754	-	-	502,754
Performance Incentive Bonus	478,660	-	-	478,660
Miscellanous Grant Revenue	-	4,002	-	4,002
Veteran Navigator Grant	53,837	-	-	53,837
SOR Grant Revenue	-	1,619,949	-	1,619,949
Gambling Grant Revenue	-	134,385	-	134,385
Other Revenue	47	-	6,373	6,420
Total operating revenue	198,713,185	26,202,564	6,373	224,922,122
Operating expenses				
General Administration	2,857,541	520,306	-	3,377,847
Prevention Administration	-	98,213	-	98,213
OHH Administration	-	68,648	-	68,648
BHH Administration	29,835	-	-	29,835
Insurance Provider Assessment	1,496,737	108,965	-	1,605,702
Hospital Rate Adjuster	6,752,432	-	-	6,752,432
Payments to Affiliates:				
Medicaid Services	163,288,792	3,577,791	-	166,866,583
Healthy Michigan Services	16,816,002	8,869,316	-	25,685,318
Health Home Services	2,201,213	-	-	2,201,213
Opioid Health Home Services	-	2,819,844	-	2,819,844
Community Grant	-	3,034,231	-	3,034,231
Prevention	-	860,595	-	860,595
State Disability Assistance	-	-	-	-
ARPA Grant	-	581,652	-	581,652
Public Act 2 (Liquor tax)	-	1,591,711	-	1,591,711
Local PBIP	2,011,358	-	-	2,011,358
Local Match Drawdown	446,112	-	-	446,112
Miscellanous Grant	-	4,000	-	4,000
Veteran Navigator Grant	53,837	-	-	53,837
SOR Grant Expenses	-	1,619,949	-	1,619,949
Gambling Grant Expenses	-	134,385	-	134,385
Total operating expenses	195,953,859	23,889,606	-	219,843,465
CY Unspent funds	2,759,326	2,312,958	6,373	5,078,657
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	3,058,105	5,220,509	20,576,156	28,854,770
Unspent funds - ending	$ 5,817,431	$ 7,533,467	$ 20,582,529	$ 33,933,427

Northern Michigan Regional Entity

Statement of Net Position

July 31, 2024

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	$ 44,089,102	$ 5,787,177	$ 20,582,529	$ 70,458,808
Accounts Receivable	4,859,528	3,450,625	-	8,310,153
Prepaids	105,159	-	-	105,159
Total current assets	49,053,789	9,237,802	20,582,529	78,874,120
Noncurrent Assets				
Capital assets	9,615	-	-	9,615
Total Assets	49,063,404	9,237,802	20,582,529	78,883,735
Liabilities				
Current liabilities				
Accounts payable	42,943,039	1,704,335	-	44,647,374
Accrued liabilities	302,934	-	-	302,934
Unearned revenue	-	-	-	-
Total current liabilities	43,245,973	1,704,335	-	44,950,308
Unspent funds	$ 5,817,431	$ 7,533,467	$ 20,582,529	$ 33,933,427

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health
October 1, 2023 through July 31, 2024

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	$ 187,752,708	$ 156,460,590	$ 168,258,840	$ 11,798,250	7.54%
Carryover	11,400,000	-	845,073	845,073	-
Healthy Michigan					
Capitation	19,683,372	16,402,810	15,207,769	(1,195,041)	(7.29%)
Carryover	5,100,000	-	10,779,098	10,779,098	0.00%
Health Home	1,451,268	1,209,390	2,587,107	1,377,717	113.92%
Affiliate local drawdown	594,816	446,112	502,754	56,642	12.70%
Performance Bonus Incentive	1,334,531	1,334,531	478,660	(855,871)	(64.13%)
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	91,670	53,837	(37,833)	(41.27%)
Other Revenue	-	-	47	47	0.00%
Total operating revenue	227,426,695	175,945,103	198,713,185	22,768,082	12.94%
Operating expenses					
General Administration	3,591,836	2,968,380	2,857,541	110,839	3.73%
BHH Administration	-	-	29,835	(29,835)	0.00%
Insurance Provider Assessment	1,897,524	1,581,270	1,496,737	84,533	5.35%
Hospital Rate Adjuster	4,571,328	3,809,440	6,752,432	(2,942,992)	(77.26%)
Local PBIP	1,737,753	-	2,011,358	(2,011,358)	0.00%
Local Match Drawdown	594,816	446,112	446,112	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	76,430	53,837	22,593	29.56%
Payments to Affiliates:					
Medicaid Services	176,618,616	147,182,180	163,288,792	(16,106,612)	(10.94%)
Healthy Michigan Services	17,639,940	14,699,950	16,816,002	(2,116,052)	(14.39%)
Health Home Services	1,415,196	1,179,330	2,201,213	(1,021,883)	(86.65%)
Total operating expenses	208,177,013	171,943,092	195,953,859	(24,010,767)	(13.96%)
CY Unspent funds	$ 19,249,682	$ 4,002,011	2,759,326	$ (1,242,685)	
Transfers in			-		
Transfers out			-	195,953,859	
Unspent funds - beginning			3,058,105		
Unspent funds - ending			$ 5,817,431	2,759,326	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse
October 1, 2023 through July 31, 2024

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	$ 4,678,632	$ 3,898,860	$ 5,719,595	$ 1,820,735	46.70%
Healthy Michigan	11,196,408	9,330,340	9,179,927	(150,413)	(1.61%)
Substance Use Disorder Block Grant	6,467,905	5,389,920	4,736,597	(653,323)	(12.12%)
Opioid Health Home	3,419,928	2,849,940	3,216,399	366,459	12.86%
Public Act 2 (Liquor tax)	1,533,979	1,022,653	1,591,710	569,057	55.65%
Miscellanous Grants	4,000	3,333	4,002	669	20.06%
SOR Grant	2,043,984	1,703,320	1,619,949	(83,371)	(4.89%)
Gambling Prevention Grant	200,000	166,667	134,385	(32,282)	(19.37%)
Other Revenue	-	-	-	-	0.00%
Total operating revenue	29,544,836	24,365,033	26,202,564	1,837,531	7.54%
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,082,576	852,150	520,306	331,844	38.94%
Prevention Administration	118,428	98,690	98,213	477	0.48%
Insurance Provider Assessment	113,604	94,670	108,965	(14,295)	(15.10%)
Medicaid Services	3,931,560	3,276,300	3,577,791	(301,491)	(9.20%)
Healthy Michigan Services	10,226,004	8,521,670	8,869,316	(347,646)	(4.08%)
Community Grant	2,074,248	1,728,540	3,034,231	(1,305,691)	(75.54%)
Prevention	634,056	528,380	860,595	(332,215)	(62.87%)
State Disability Assistance	95,215	79,347	-	79,347	100.00%
ARPA Grant	-	-	581,652	(581,652)	0.00%
Opioid Health Home Admin	-	-	68,648	(68,648)	0.00%
Opioid Health Home Services	3,165,000	2,637,500	2,819,844	(182,344)	(6.91%)
Miscellanous Grants	4,000	3,333	4,000	(667)	(20.00%)
SOR Grant	2,043,984	1,703,320	1,619,949	83,371	4.89%
Gambling Prevention	200,000	166,667	134,385	32,282	19.37%
PA2	1,533,978	1,022,652	1,591,711	(569,059)	(55.65%)
Total operating expenses	25,222,653	20,713,219	23,889,606	(3,176,387)	(15.34%)
CY Unspent funds	$ 4,322,183	$ 3,651,814	2,312,958	$ (1,338,856)	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			5,220,509		
Unspent funds - ending			$ 7,533,467		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration
October 1, 2023 through July 31, 2024

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	$ 1,921,812	$ 1,601,510	$ 1,577,642	$ 23,868	1.49%
Fringes	666,212	528,020	502,090	25,930	4.91%
Contractual	683,308	569,430	481,330	88,100	15.47%
Board expenses	18,000	15,000	17,002	(2,002)	(13.35%)
Day of recovery	14,000	14,000	13,205	795	5.68%
Facilities	152,700	127,250	120,017	7,233	5.68%
Other	135,804	113,170	146,255	(33,085)	(29.23%)
Total General Admin	$ 3,591,836	$ 2,968,380	$ 2,857,541	$ 110,839	3.73%

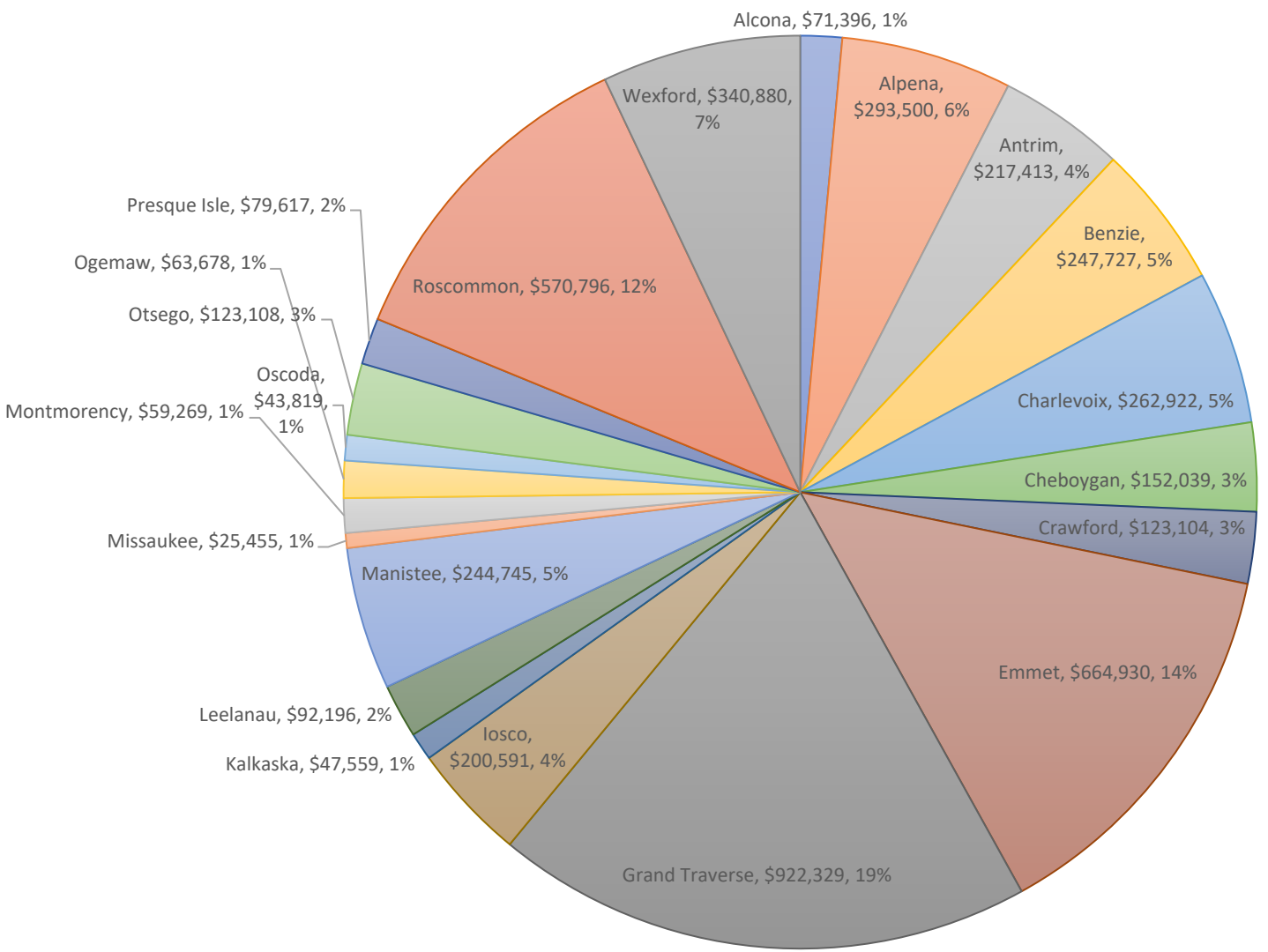
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2023 through July 31, 2024

	Projected FY24 Activity				Actual FY24 Activity			
	Beginning Balance	FY24 Projected Revenue	FY24 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
County						Actual Expenditures by County		
Alcona	$ 79,250	$ 23,184	$ 47,690	$ 54,744	$ 15,179	21,646	$ 1,388	$ 71,396
Alpena	302,452	80,118	115,089	267,482	53,588	58,723	3,818	293,500
Antrim	212,068	66,004	72,490	205,582	47,112	38,643	3,124	217,413
Benzie	224,046	59,078	21,930	261,194	42,226	16,188	2,357	247,727
Charlevoix	336,031	101,224	272,367	164,889	70,558	140,161	3,506	262,922
Cheboygan	163,153	84,123	141,260	106,016	56,397	64,109	3,403	152,039
Crawford	107,533	36,525	20,706	123,352	23,879	6,443	1,865	123,104
Emmet	771,608	181,672	478,053	475,227	120,667	222,893	4,452	664,930
Grand Traverse	1,035,890	440,668	524,017	952,541	306,142	407,389	12,314	922,329
Iosco	253,083	83,616	190,357	146,341	55,614	104,731	3,375	200,591
Kalkaska	42,471	41,470	34,179	49,762	27,568	20,114	2,365	47,559
Leelanau	86,055	62,190	51,029	97,215	42,087	33,041	2,905	92,196
Manistee	204,938	83,138	24,985	263,090	54,400	11,318	3,276	244,745
Missaukee	17,521	21,128	5,832	32,818	14,742	4,796	2,012	25,455
Montmorency	51,302	31,822	21,810	61,313	19,996	10,788	1,241	59,269
Ogemaw	96,797	74,251	96,041	75,006	45,369	75,674	2,814	63,678
Oscoda	55,406	20,578	38,064	37,920	14,291	24,766	1,112	43,819
Otsego	125,550	96,172	101,106	120,616	69,298	68,448	3,291	123,108
Presque Isle	96,731	25,177	85,120	36,788	16,474	31,871	1,716	79,617
Roscommon	559,806	82,157	87,287	554,676	57,591	43,395	3,205	570,796
Wexford	398,819	100,198	166,138	332,880	65,096	118,572	4,463	340,880
	5,220,509	1,794,492	2,595,550	4,419,450	1,218,276	1,523,709	68,004	4,847,073
PA2 Redirect								-
								4,847,073

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, 2023 through July 31, 2024

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	$ 502,752	$ 418,960	$ 209,458	$ 209,502	50.01%
Fringes	145,464	121,220	47,399	73,821	60.90%
Access Salaries	220,620	183,850	109,174	74,676	40.62%
Access Fringes	67,140	55,950	35,807	20,143	36.00%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	62,500	91,177	(28,677)	(45.88%)
Board expenses	5,000	4,170	5,340	(1,170)	(28.06%)
Day of Recover	-	-	-	-	0.00%
Facilities	-	-	-	-	0.00%
Other	12,600	5,500	21,951	(16,451)	(299.11%)
Total operating expenses	$ 1,082,576	$ 852,150	$ 520,306	$ 331,844	38.94%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2023 through July 31, 2024

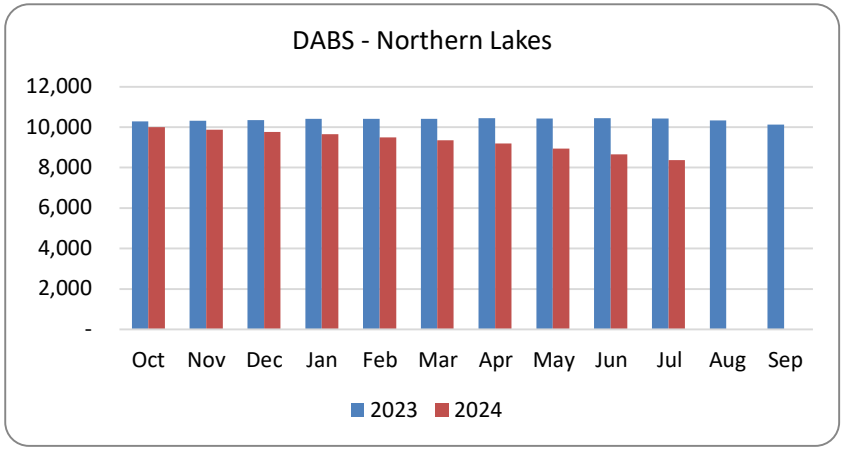
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	$ -	$ -	$ -	$ -	0.00%
Interest and Dividends	7,500	6,250	6,373	123	1.97%
Total operating revenue	7,500	6,250	6,373	123	1.97%
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	$ 7,500	$ 6,250	6,373	$ 123	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			20,576,156		
Unspent funds - ending			$ 20,582,529		

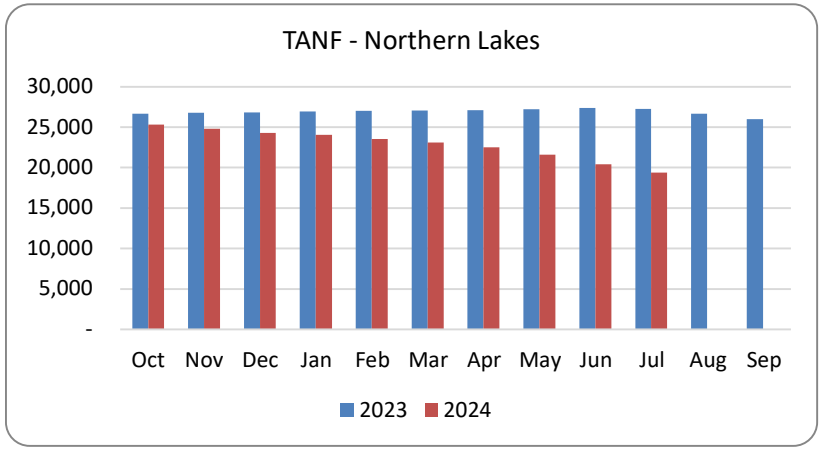
Northern Michigan Regional Entity

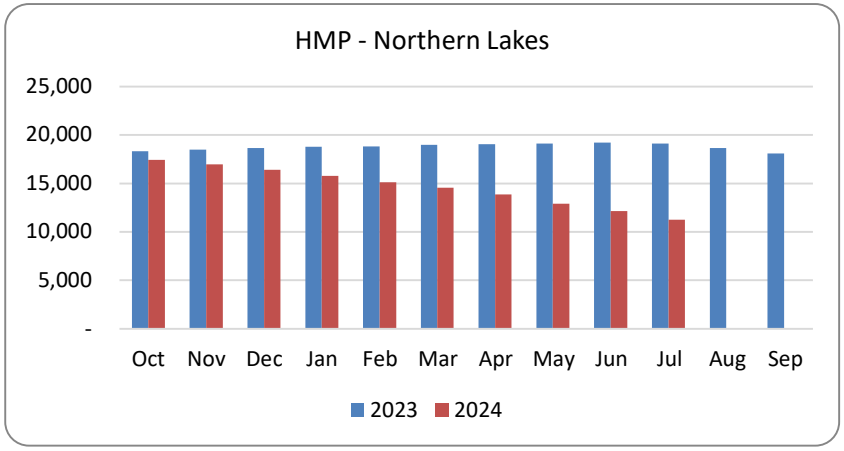
Narrative

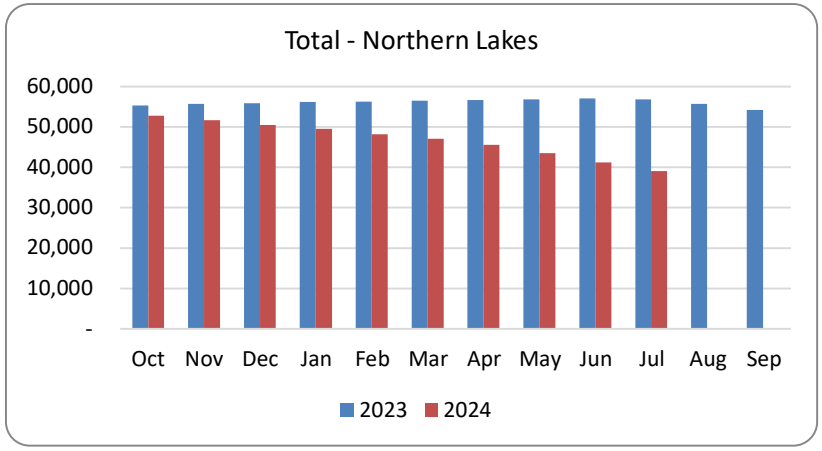
October 1, 2023 through July 31, 2024

Northern Lakes Eligible Members Trending - based on payment files







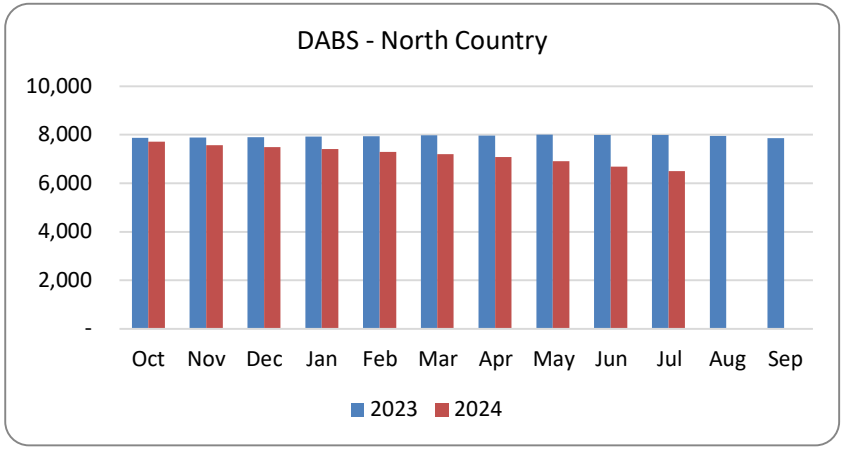


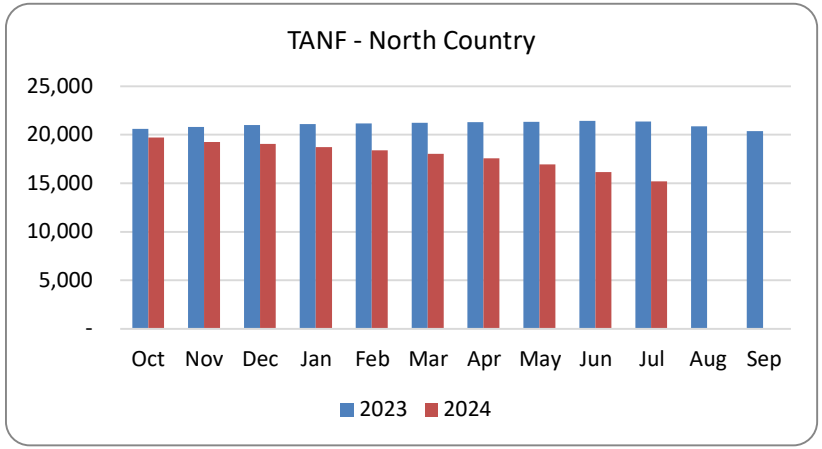
Northern Michigan Regional Entity

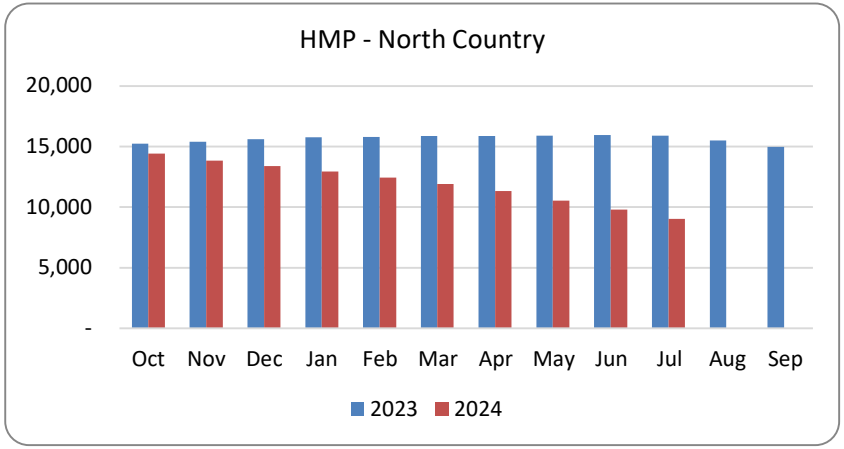
Narrative

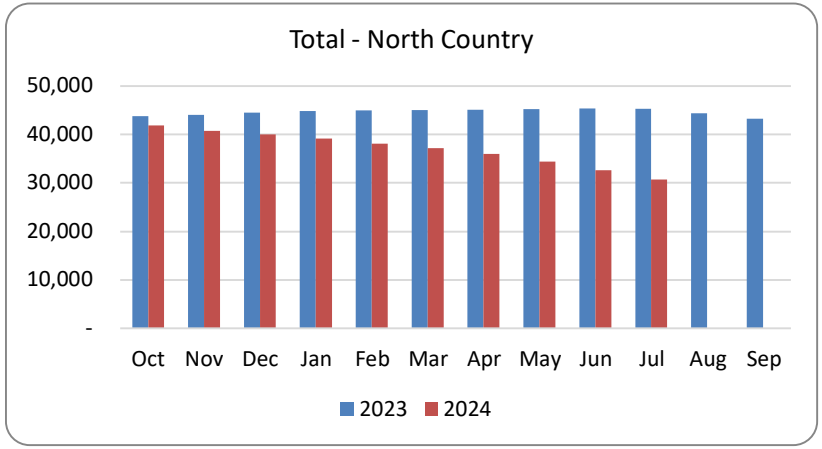
October 1, 2023 through July 31, 2024

North Country Eligible Members Trending - based on payment files







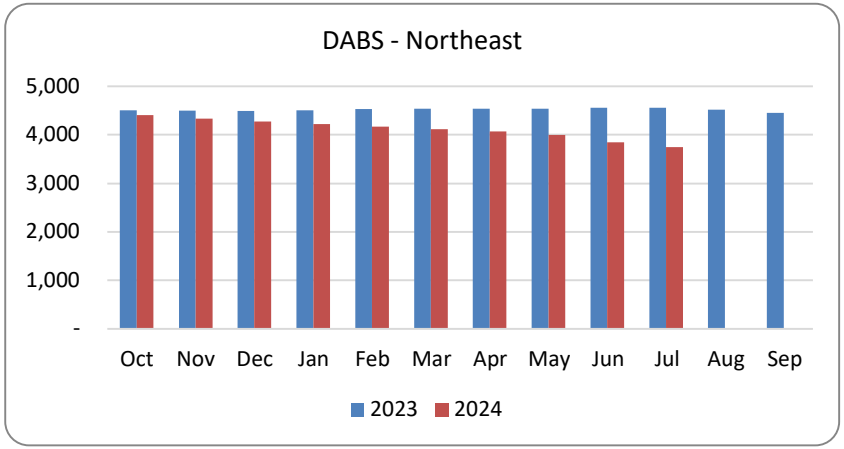


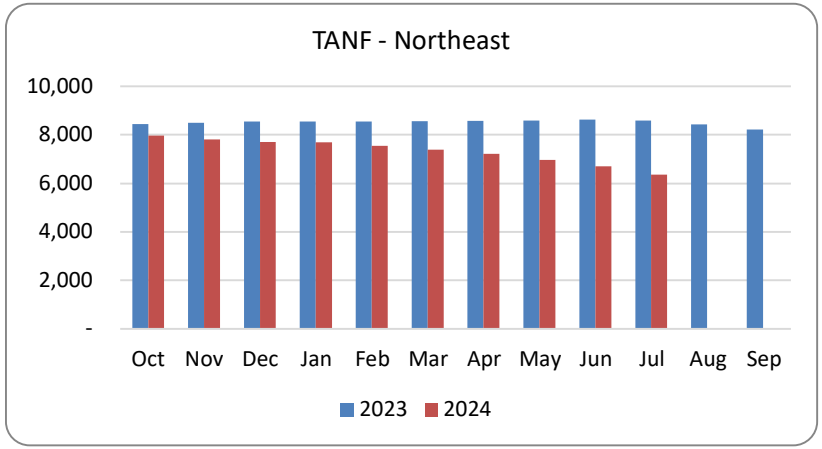
Northern Michigan Regional Entity

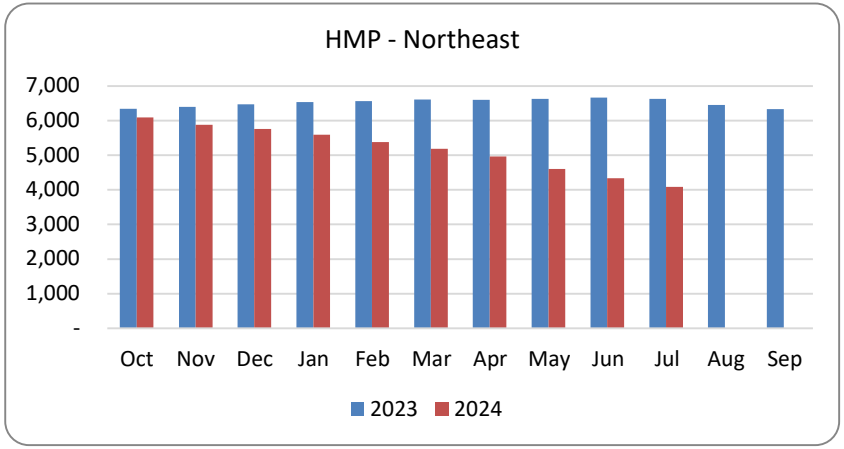
Narrative

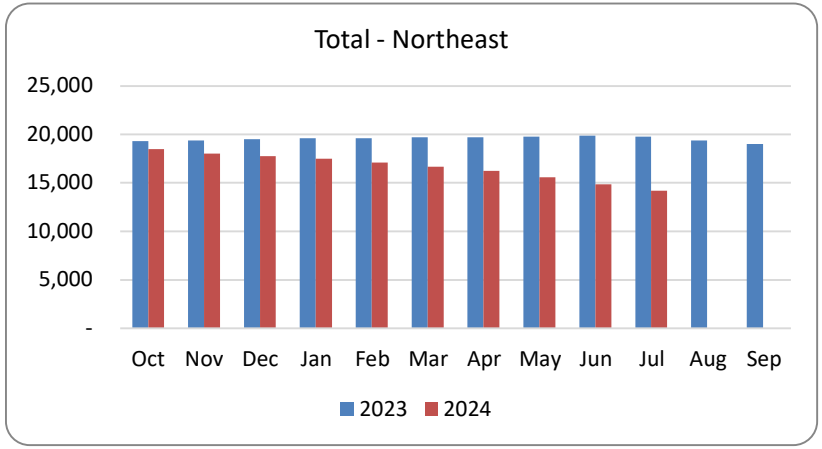
October 1, 2023 through July 31, 2024

Northeast Eligible Members Trending - based on payment files







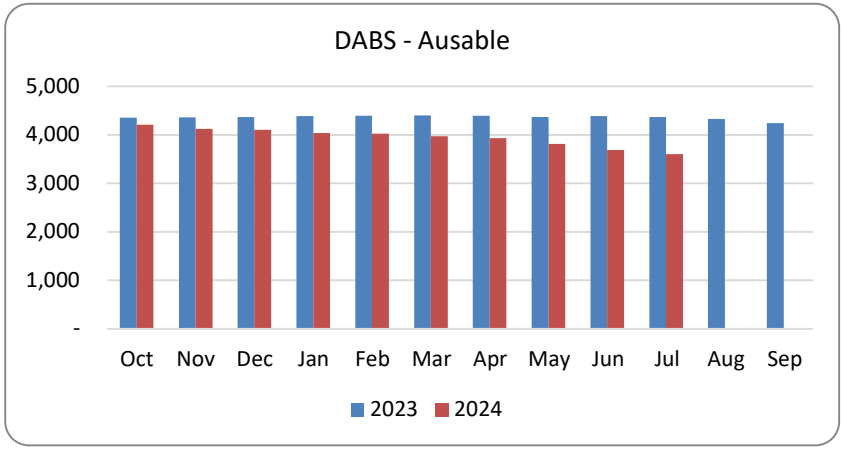


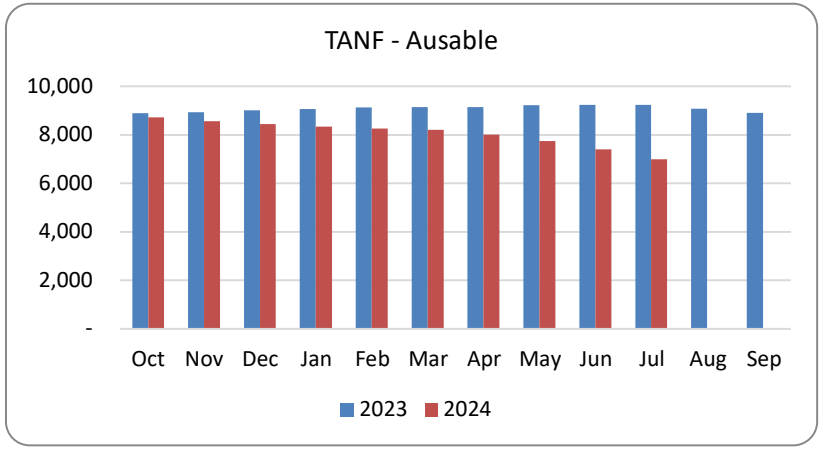
Northern Michigan Regional Entity

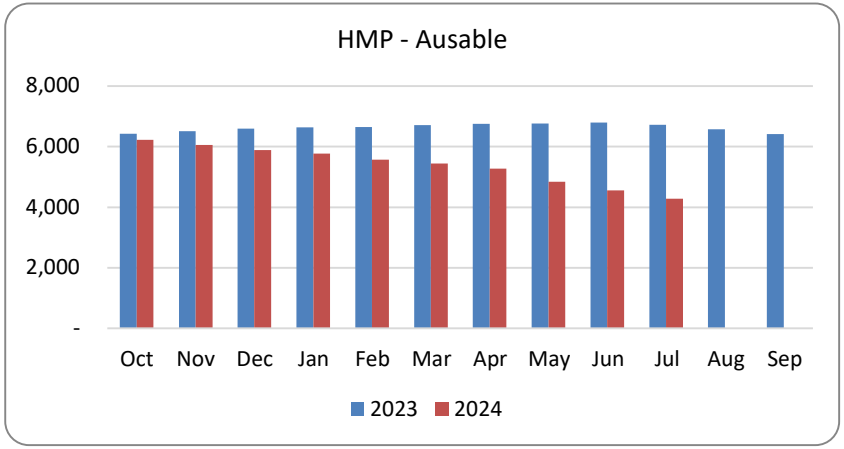
Narrative

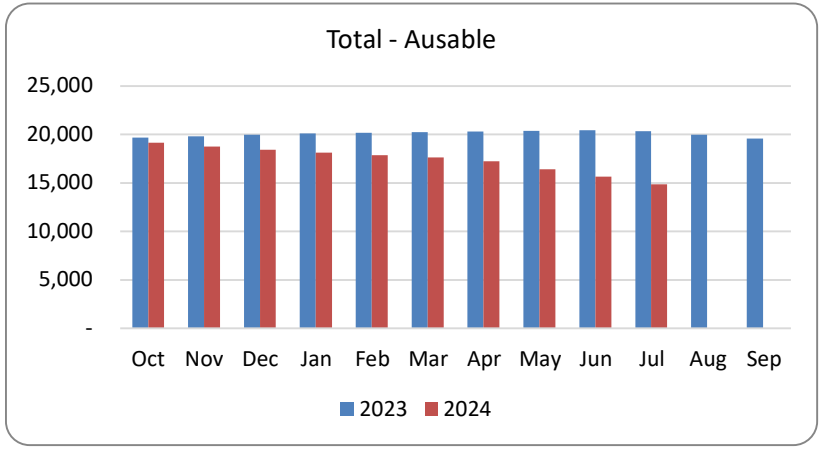
October 1, 2023 through July 31, 2024

Ausable Valley Eligible Members Trending - based on payment files







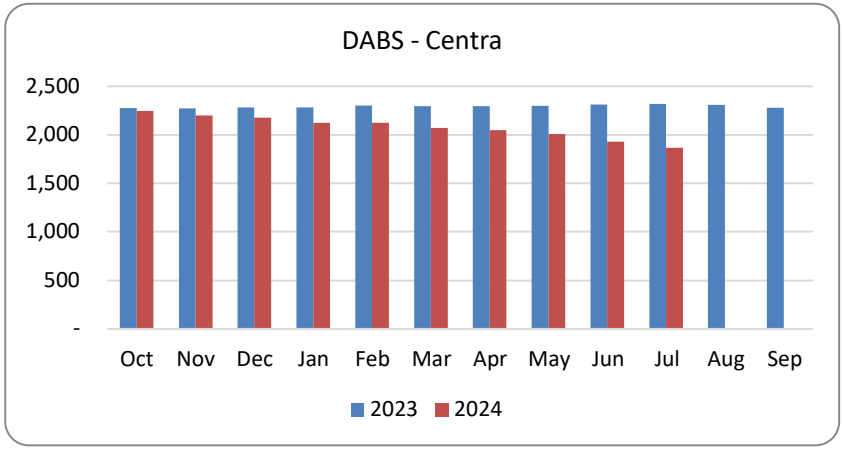


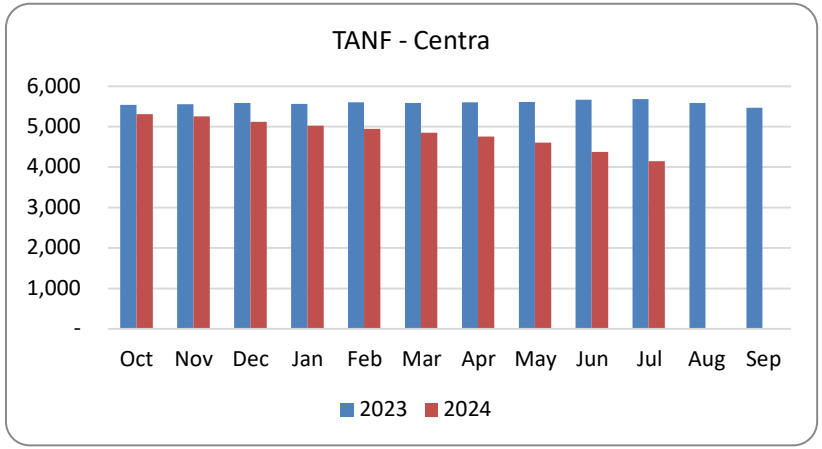
Northern Michigan Regional Entity

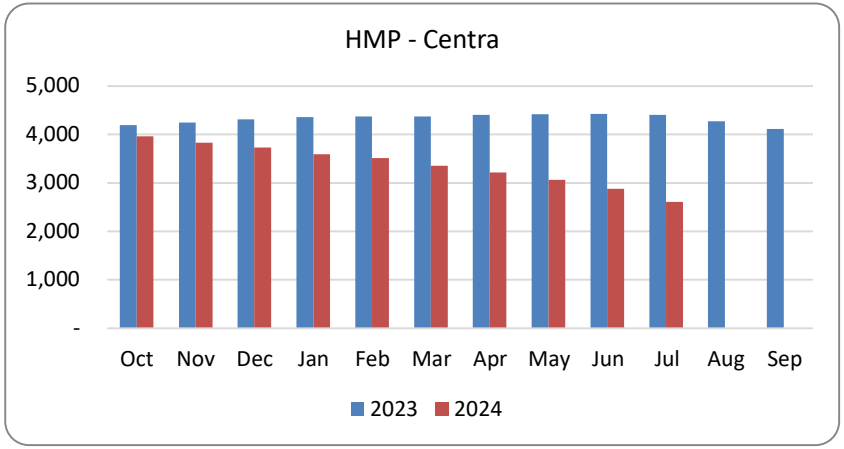
Narrative

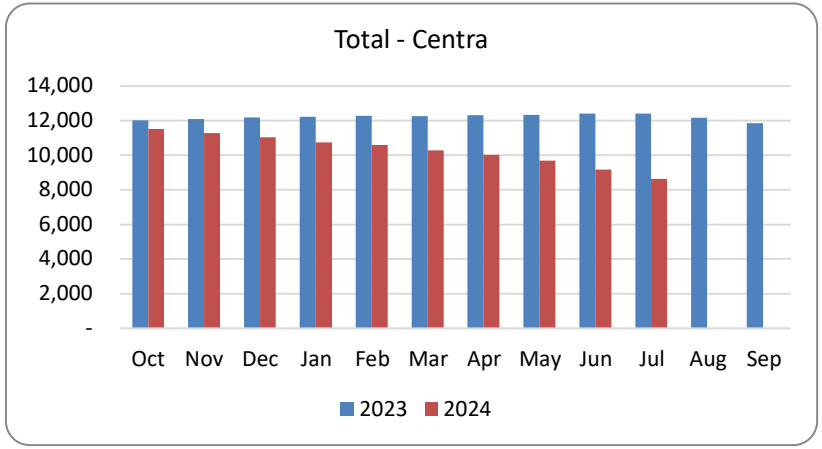
October 1, 2023 through July 31, 2024

Centra Wellness Eligible Members Trending - based on payment files







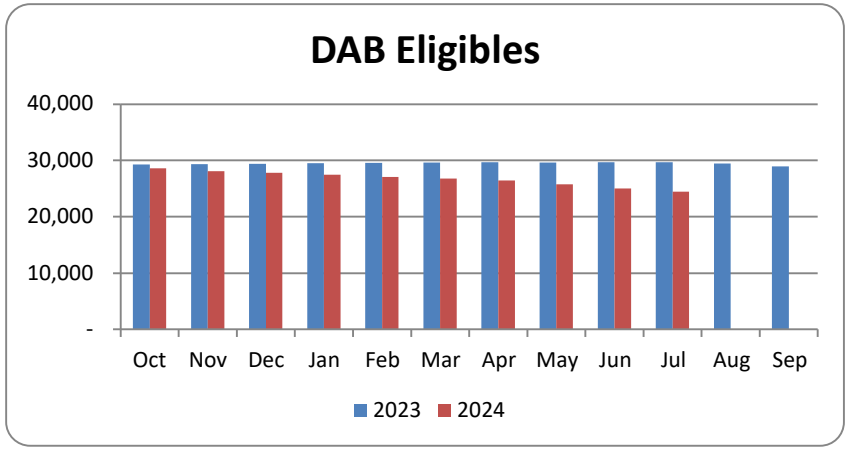


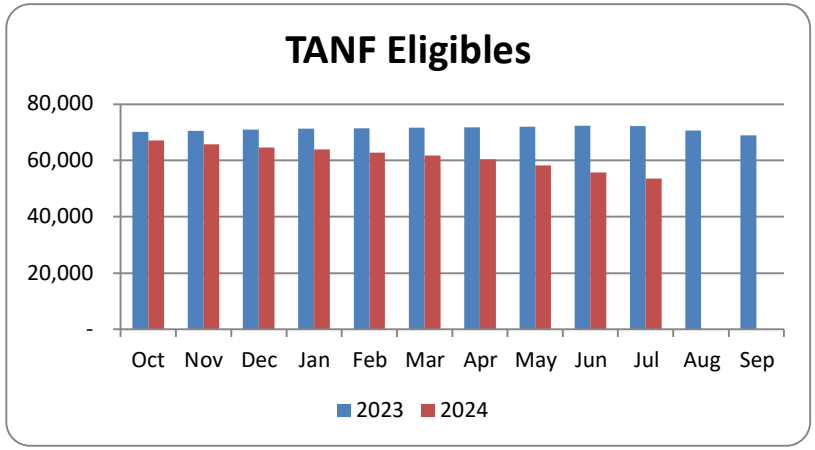
Northern Michigan Regional Entity

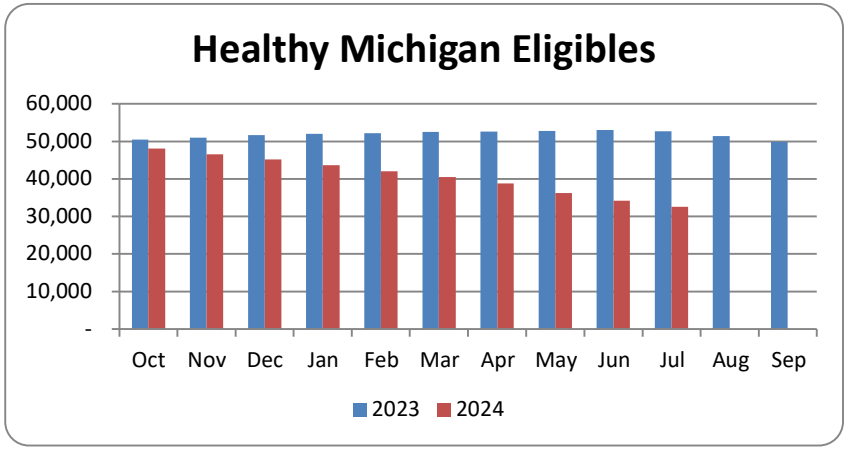
Narrative

October 1, 2023 through July 31, 2024

Regional Eligible Trending





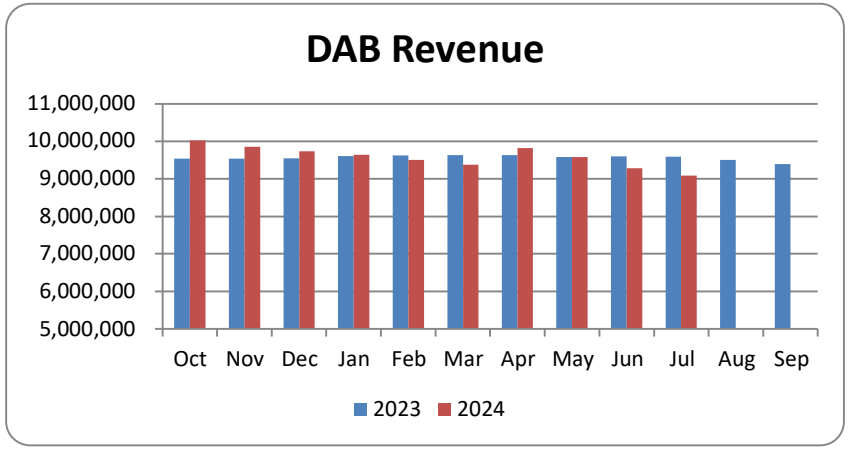


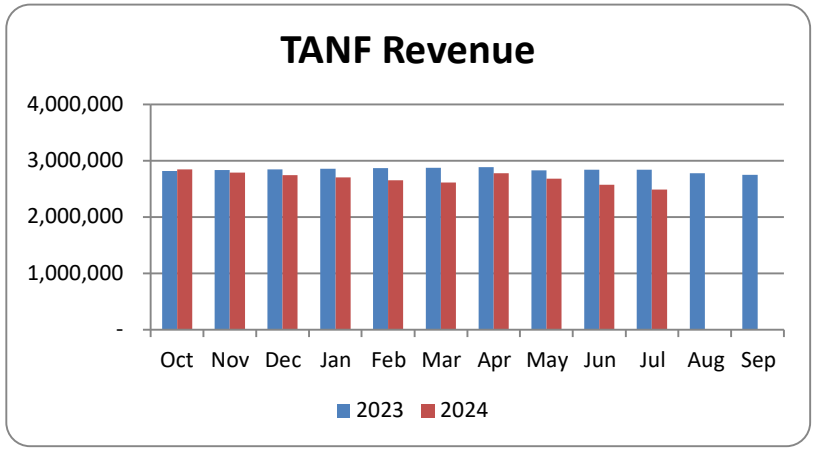
Northern Michigan Regional Entity

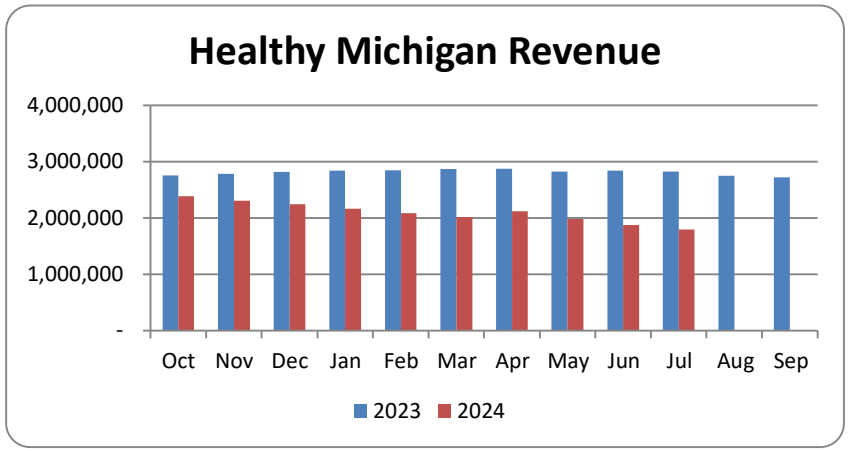
Narrative

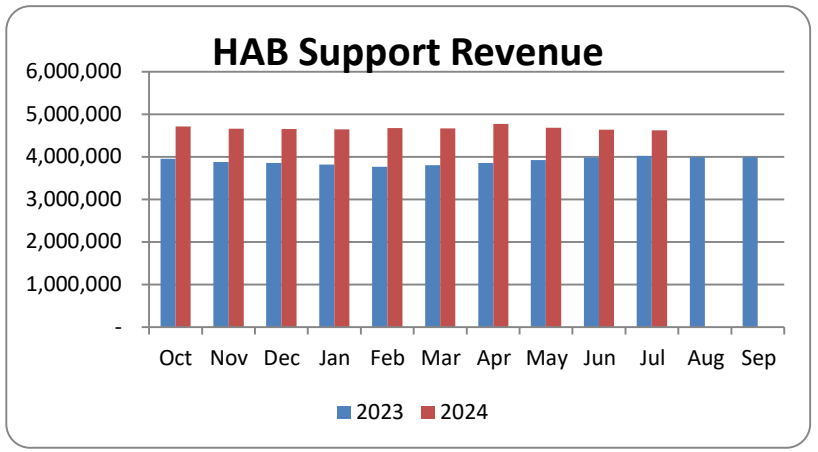
October 1, 2023 through July 31, 2024

Regional Revenue Trending









NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – SEPTEMBER 17, 2024
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 add an item pertaining to AuSable Valley CMHA at the end of the meeting.

APPROVAL OF PREVIOUS MINUTES
The minutes from August 20th were included in the meeting materials.

MOTION BY DIANE PELTS TO APPROVE THE AUGUST 20, 2024 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY BRIAN BABBITT. MOTION CARRIED.

FINANCE COMMITTEE AND RELATED
July 2024

- Net Position showed net deficit Medicaid and HMP of $4,841,988. Carry forward was reported as $11,624,171. The total Medicaid and HMP Current Year Surplus was reported as $6,782,183. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $27,358,339.
- Traditional Medicaid showed $173,978,435 in revenue, and $173,229,506 in expenses, resulting in a net surplus of $748,929. Medicaid ISF was reported as $13,510,136 based on the current FSR. Medicaid Savings was reported as $845,073.
- Healthy Michigan Plan showed $24,387,696 in revenue, and $29,978,613 in expenses, resulting in a net deficit of $5,590,917. HMP ISF was reported as $7,066,020 based on the current FSR. HMP savings was reported as $10,779,098.
- Health Home showed $2,587,107 in revenue, and $2,262,126 in expenses, resulting in a net surplus of $324,981.
- SUD showed all funding source revenue of $24,444,229 and $22,426,066 in expenses, resulting in a net surplus of $2,018,163. Total PA2 funds were reported as $4,847,073.

Preliminary Medicaid and HMP carryforward for FY24 was estimated $2.8M.

Disenrollment numbers plateaued in August.

A decision is pending regarding a possible rate adjustment yet for FY24.

MOTION BY BRIAN BABBITT TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2024; SUPPORT BY CHIP JOHNSTON. MOTION APPROVED.

FY25 Revenue Outlook
Draft FY25 PMPM projections were included in the meeting materials; Mr. Kurtz referred to them as a "conservative guess." To date, only a PowerPoint has been received from Milliman regarding FY25 rates, which did not include details. Healthy Michigan was trended flat. Medicaid enrolled/unenrolled showed a $5.1M increase compared to FY24. Healthy Michigan showed a $2M decrease. The FY25 projected rate and the region's geographic factor were applied to the August enrollment numbers to calculate the projected CMHSP Medicaid and HMP FY25 PMPM:

AVCMH	CWN	NCCMH	NEMCMH	NLCMH
$29,687,567	$18,743,891	$55,685,002	$34,052,078	$68,882,024

More about FY25 rates is expected from Milliman on September 19th.

It was noted that the State of Michigan has not pushed $93M that was appropriated by the legislature for PIHPs/CMHSPs, even though 5 PIHP regions are in financial distress. Ms. Sork questioned whether the state is waiting for all the Internal Service Funds to be drained.

Utilization management will become crucial to lowering spending in FY25. The NMRE has access to the MCG Health Portal to inform authorization decisions. Other options may also be explored.

GF and NMRE Block Grant
The NMRE's FY24 block grant allocation was depleted by the end of June. Treatment services for individuals who qualified for block grant funding will need to be billed to liquor tax funds for Quarter 4. A total of $500K of liquor tax funds may be needed to supplement block grant funding. Mr. Kurtz indicated that we are hoping this number is on the high side once the reconciliation process is completed in February.

ALPINE CRU
When the decision was made in October 2021 to financially support the creation of an adult crisis residential unit in the NMRE 21-county region (at a cost of up to $2,000,000 for two years), the region was lapsing funds which is no longer the case. Mr. Babbitt suggested that a rate be created between the CMHSPs and Alpine CRU with the remainder of the facility's costs picked up by NMRE. Clarification was made that the facility can be used for respite. Agreement was reached for a per diem rate of $600 and a respite rate of $350. Mr. Babbitt suggested that the facility be opened to admissions from the UP and potentially other areas to offset costs.

Mr. Kurtz requested the number general funds admissions placed at Alpine CRU in FY24 for reimbursement at the agreed upon rates. Mr. Kurtz also requested FY24 utilization numbers, which the CMHSPs agreed to provide.

PIHP/CMHSP FY24 CONTRACT
The PIHP/CMHSP Network Agreements for FY25 are in process. A secondary agreement for delegated functions (as was discussed during the August meeting) may not be needed based on the current language.

FY25 PIHP CONTRACT

The Waskul settlement language has been revised to read, "Contractor must comply with all terms and conditions of the Waskul Settlement Agreement once it is approved, and all contingencies have been met."

MDHHS does not intend to make any FY25 changes to the ISF section from the FY25 language shared in May 2024. Based on PIHP feedback, MDHHS is assessing options to make future contract changes related to the shared risk structure.

Several PIHPs have expressed opposition to the PIHP contract in its current form. Mr. Kurtz stressed the need to look at other contract negotiating options, particularly for regions 1 and 2.

HEALING AND RECOVERY APPROPRIATION

A memorandum dated September 10th from Belinda Hawks to PIHP and SUD Directors regarding FY25 Healing and Recovery Regional Appropriations was included in the meeting materials. $1M in Opioid Settlement dollars will be coming to PIHPs to implement projects to:

1) Support Infrastructure and Inventory
2) Implement Community Engagement and Planning Activities

Projects are intended to begin on November 1, 2024.

MICHOICE 1915(c), 1915(i)

Michigan Medicaid Provider L Letter 24-49, "Guide to Coordinate Services for Medicaid Behavioral Health and MI Choice," dated September 11, 2024 was provided in the meeting materials. The document is intended to clarify when Medicaid Behavioral Health services and MI Choice home and community-based waver services can and cannot be provided together and guide the development of coordinated person-centered plans of services.

Beneficiaries eligible for both MI Choice and HSW must choose from which waiver they receive services and supports. An individual cannot be enrolled in or receive services from both waivers at the same time.

Steps to follow to transfer individuals between HSW and MI Choice were included in the L Letter.

Additionally, individuals eligible for either MI Choice or HSW may be eligible for Behavioral Health 1915(i) SPA and additional State Plan services available though the community mental health system.

A table that delineates the services offered in the MI Choice, HSW and 1015(i) SPA programs was attached to the L Letter.

The document will be shared with regional waiver leads.

It was noted that Northern Lakes CMHA will be fully divested from the MI Choice Waiver by October 1, 2024.

HSW SLOTS

A memorandum dated September 10, 2024 to PIHP Directors showed the PIHP HSW slot allocation beginning October 1, 2024. The NMRE had all its previous slots filled and will need packets to fill the 8 additional slots. These 8 slots represent an additional $672K in annual revenue.

NLCMHA UPDATE

Mr. Martinus announced that the September Board meeting will be canceled as only 7 members were able to attend. It was noted that Board approval is needed for the FY25 budget. Mr. Martinus will discuss approval options with the Northern Lakes CMHA Board Chair.

INPATIENT HOSPITAL RATES

In addition to the 3% rate increase approved in July for Pine Rest and in August for BCA Stonecrest, Forest View, Havenwyck, and McLaren, the following hospitals have agreed to a 3% rate increase for FY25.

Cedar Creek

	FY24 Rate	FY25 Rate	% Increase
Adult/Child Psychiatric Inpatient	$1,075.00	$1,107.25	3%
Partial Hospitalization	$440.00	453.20	3%

Munson

	FY24 Rate	FY25 Rate	% Increase
Adult Psychiatric Inpatient	$1,141.61	$1,175.86	3%
Partial Hospitalization	$457.47	$471.19	3%

Munson will be adding an ECT program in November 2024 at a proposed rate of $799.

MyMichigan

	FY24 Rate	FY25 Rate	% Increase
Adult Psychiatric Inpatient	$1,073.00	$1,105.19	3%
Partial Hospitalization	$614.00	$632.00	3%

MyMichigan will be introducing an adolescent IOP program at its Midland facility. The program is designed to help adolescents who need more care than what is offered in traditional outpatient care settings, but less intensity than what is offered in partial hospitalization programs or inpatient behavioral health units.

Although the CMHSPs did not fee they would utilize the Adolescent IOP program, MidMichigan hospital pushed for including it in their contracts.

Trinity Health Muskegon

	FY24 Rate	FY25 Rate	% Increase
Adult Psychiatric Inpatient	$1,050.00	$1,082.00	3%

Trinity Health St. Mary's

	FY24 Rate	FY25 Rate	% Increase
Adult Psychiatric Inpatient	$1,200.15	$1,236.00	3%
Partial Hospitalization	$511.35	$527.99	3%
ECT	$845.25	$871.00	

HealthSource

	FY24 Rate	FY25 Rate	% Increase
Adult R&B All Inclusive	$1,050.00	$1,081.50	3%

The NMRE is hoping to hear back from Harbor Oaks this week regarding a 3% increase to the FY24 rate.

The CEOs expressed their appreciation to NMRE Provider Network Manager, Chris VanWagoner, for negotiating the FY25 rates at 3%.

OTHER

Personal Care in Type A Residential Settings

Based on the discussion in August clarifying that personal care should not be billed for individuals in Type A Residential settings, Ms. Sork questioned why the regional boilerplate mentions personal care. Mr. Johnston responded that personal care is only allowed in Type A Residential settings if the individual doesn't have Social Security (and in Type B Residential settings).

H0043 Per Diem code for CLS

MDHHS is examining the value of moving back to the H0043 per-diem rate for CLS services for persons with a significant number of hours living in unlicensed CLS settings rather than the use of the H2015 15-minute code. MDHHS is considering 12 hours per day per person served and/or 12 hours per day available at the site as the criteria for the use of the per diem code.

Email communication from Bob Sheehan dated September 16th suggested that the Department use 8 hours per day as the criteria for the use of H0043.

MDHHS has requested guidance regarding the appropriateness of the 12-hour per day criteria.

AuSable Valley Rebranding

Ms. Pelts previewed a rebrand for AuSable Valley CMHA, which will go live on September 30, 2024.

NEXT MEETING

The next meeting was scheduled for October 15th at 9:30AM in Gaylord.

NORTHERN MICHIGAN REGIONAL ENTITY
SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING
10:00AM – SEPTEMBER 9, 2024
GAYLORD CONFERENCE ROOM & MICROSOFT TEAMS

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

Staff	☒ Bea Arsenov	Clinical Services Director
	☐ Jodie Balhorn	Prevention Coordinator
	☒ Carol Balousek	Executive Administrator
	☒ Lisa Hartley	Claims Assistant
	☒ Eric Kurtz	Chief Executive Officer
	☒ Pamela Polom	Finance Specialist
	☐ Brandon Rhue	Chief Information Officer/Operations Director
	☒ Denise Switzer	Grant and Treatment Manager
	☒ Deanna Yockey	Chief Financial Officer
Public	Samantha Borowiak, Chip Cieslinski, Judge Jennifer Deegan, Lyssa Harrold, Larry LaCross, Madeline McConnell, Jenny O'Farrell, Susan Pulaski, Lauren Reed, Nichole Scott	

CALL TO ORDER
Let the record show that Committee Chair, Richard Schmidt, called the meeting to order at 10:00AM.

ROLL CALL
Let the record show that David Comai, Dave Freedman, Doug Johnston, Sherry Powers, and Darlene Sensor 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 July minutes were included in the materials for the meeting on this date.

MOTION BY TERRY NEWTON TO APPROVE THE MINUTES OF THE JULY 8, 2024 NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING; SUPPORT BY TIM MARKEY. MOTION CARRIED.

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

MOTION BY CAROLYN BRUMMUND TO APPROVE THE AGENDA FOR THE SEPTEMBER 9, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE; SUPPORT BY TERRY NEWTON. MOTION CARRIED.

ANNOUNCEMENTS
Let the record show that there were no announcements during the meeting on this date.

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

INFORMATIONAL REPORTS

Admissions

The admissions report through July 31, 2024 was included in the materials for the meeting on this date. Fiscal year 2024 admissions were down 7.17% from the same period in FY23, likely due to individuals losing Medicaid and Healthy Michigan (HMP) after the resumption of redeterminations. The data showed that outpatient was the highest level of treatment admissions at 47%, and alcohol was the most prevalent primary substance at 59%, all opiates (including heroin) and methamphetamine were the second most prevalent primary substances at 17%. It was noted that stimulant use has risen sharply throughout the 21-county region.

County-specific reports were also included in the meeting materials. The county-specific reports are intended to be shared with Boards of Commissioners and other community stakeholders.

Ms. Arsenov explained that Levels of Care will be changing in the next year, based on ASAM Fourth Edition criteria, particularly for detoxification and residential services.

Ms. Singer inquired about the 144% jump in Residential Low Intensity admissions between FY22 and FY23. Ms. Arsenov noted that providers that were previously not approved for Residential Low Intensity services (3.1) became ASAM certified during that time.

June Financial Report

All SUD funding showed revenue of $22,355,333 and $20,522,585 in expenses, resulting in a net surplus of $1,832,748. Total PA2 funds were reported as $5,028,902.

PA2/Liquor Tax was summarized as follows:

Projected FY24 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,220,509	$1,794,492	$2,595,550	$4,419,450

Actual FY24 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,220,509	$1,218,275	$1,409,885	$5,028,902

The NMRE's FY24 block grant allocation was depleted by the end of June. Treatment services for individuals who qualified for block grant funding will need to be billed to liquor tax funds for Quarter 4. A total of $500K of liquor tax funds may be needed to supplement block grant funding. The projected impact on each county will be shared with the committee, though final numbers won't be known until February 2025. It may be necessary to dip into the counties' one-year withhold balances. The NMRE is working on methods to bill as much as possible to Medicaid and Healthy Michigan. In the coming months, it may be necessary to put a hold on liquor tax requests.

As many as 700,000 individuals lost their Medicaid coverage during the post-pandemic reenrollment process. Mr. Kurtz also mentioned that seriously disabled individuals were being put on Plan First, a family planning Medicaid benefit with no behavioral health component. The issue has been raised with the State.

Mr. Newton asked how to advocate for more money. Mr. Kurtz responded that block grant funding is a federal allocation, however, the Medicaid system needs to be "straightened out." The Legislature allocated $93M to be pushed out to the PIHPs/CMHSPs but it has not been distributed. Additionally, due to a glitch in the CHAMPS system, the NMRE has not been paid for individuals on HSW with spenddowns dating back to July 2023, resulting in a loss of approximately $1M. The NMRE recently learned that it will receive payments for unpaid HSW slots back to October 1, 2023.

Mr. Newton requested that a document be drafted advocating for additional block grant funding to be signed by the members of the NMRE SUD Oversight Committee, to which Mr. Kurtz agreed.

Ms. Arsenov reported that the region's Opioid Health Homes and Alcohol Health Homes will be merging to become SUD Health Homes effective October 1st.

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.

Ms. Brummund referred to the following bullet item:

- Requestor should inform the county of the request submission at the same time submission to NMRE is completed.

Ms. Brummund suggested that the county be contacted before the submission to the NMRE.

Ms. Singer referred to the following bullet item:

- Applications that include any purchase of buildings or automobiles, renovations of any kind, or any other capital investments* will not be considered.

Ms. Singer asked whether capital expenses will be considered based on the approval of the TEK84 body scanner for Wexford County on July 8, 2024. Ms. Arsenov responded that requests that include capital expenses will be reviewed on a case-by-case basis.

FY25 LIQUOR TAX REQUESTS

1.	Catholic Human Services	Alpena Students Leading Students	Alpena	$40,300	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY BURT FRANCISCO TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR ALPENA COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FORTY THOUSAND THREE HUNDRED DOLLARS ($40,300.00) TO FUND THE ALPENA COUNTY STUDENTS LEADING STUDENTS PROGRAM; SUPPORT BY CAROLYN BRUMMUND. MOTION CARRIED.

2.	Charlevoix County Circuit Court	33rd Circuit Hybrid Drug Court	Charlevoix	$100,940	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

An amended budget was distributed on this date reducing the overall budget by $38,853. Additional funding sources are currently being pursued.

MOTION BY ANNEMARIE CONWAY TO APPROVE THE REQUEST FROM THE CHARLEVOIX COUNTY CIRCUIT COURT FOR CHARLEVOIX COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF ONE HUNDRED THOUSAND NINE HUNDRED FORTY DOLLARS ($100,940.00) TO FUND THE THIRTY-THIRD (33RD) CIRCUIT HYBRID DRUG COURT; SUPPORT BY TERRY NEWTON. MOTION CARRIED.

3.	Catholic Human Services	"Pulling Together" Drug- Free Coalition	Cheboygan	$62,315	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY JOHN WALLACE TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR CHEBOYGAN COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF SIXTY-TWO THOUSAND THREE HUNDRED FIFTEEN DOLLARS ($62,315.00) TO FUND THE "PULLING TOGETHER" DRUG-FREE COALITION; SUPPORT BY TERRY NEWTON. MOTION CARRIED.

4.	Catholic Human Services	Crawford Partnership to End Substance Misuse	Crawford	$41,796	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY DEAN SMALLEGAN TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR CRAWFORD COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FORTY-ONE THOUSAND SEVEN HUNDRED NINETY-SIX DOLLARS ($41,796.00) TO FUND THE CRAWFORD PARTNERSHIP TO END SUBSTANCE MISUSE COALITION; SUPPORT BY GARY TAYLOR. MOTION CARRIED.

5.	Emmet County Circuit Court	Emmet County Recovery Program	Emmet	$288,762	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM THE EMMET COUNTY CIRCUIT COURT FOR EMMET COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF TWO HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED SIXTY-TWO DOLLARS TO FUND THE EMMET COUNTY RECOVERY PROGRAM; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

6.	217 Recovery	Recovery Stories: Message of Hope Part IV	Grand Traverse	$5,800	New

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY GARY TAYLOR TO APPROVE THE REQUEST FROM 217 RECOVERY FOR GRAND TRAVERSE COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FIVE THOUSAND EIGHT HUNDRED DOLLARS ($5,800.00) TO FUND PART IV OF THE RECOVERY STORIES: MESSAGE OF HOPE PROGRAM; SUPPORT BY RON QUACKENBUSH. MOTION CARRIED.

7.	Catholic Human Services	Grand Traverse County Drug-Free Coalition	Grand Traverse	$78,451	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY JOHN WALLACE TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR GRAND TRAVERSE COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF SEVENTY-EIGHT THOUSAND FOUR HUNDRED FIFTY-ONE DOLLARS ($78,451.00) TO FUND THE GRAND TRAVERSE COUNTY DRUG-FREE COALITION; SUPPORT BY CAROLYN BRUMMUND. MOTION CARRIED.

8.	Catholic Human Services	Iosco Substance Free Coalition	Iosco	$50,768	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY JAY O'FARRELL TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR IOSCO COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FIFTY THOUSAND SEVEN HUNDRED SIXTY-EIGHT DOLLARS ($50,768.00) TO FUND THE IOSCO SUBSTANCE FREE COALITION; SUPPORT BY CAROLYN BRUMMUND. MOTION CARRIED.

9.	Health Department of Northwest MI	RISE Otsego Substance Free Coalition	Otsego	$76,058	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY JOHN WALLACE TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR OTSEGO COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF SEVENTY-SIX THOUSAND FIFTY-EIGHT DOLLARS ($76,058.00) TO FUND THE RISE OTSEGO SUBSTANCE FREE COALITION; SUPPORT BY TERRY NEWTON. MOTION CARRIED.

10.	Catholic Human Services	Roscommon County Drug-Free Coalition	Roscommon	$51,722	Continuation

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY CHUCK VARNER TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR ROSCOMMON COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF FIFTY-ONE THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS TO FUND THE ROSCOMMON COUNTY DRUG-FREE COALITION; SUPPORT BY DEAN SMALLEGAN. MOTION CARRIED.

11.	Catholic Human Services	Community Based Peer Recovery Project	Multi	$158,113	Continuation

Alpena	$	49,015.03
Crawford	$	25,298.08
Grand Traverse	$	45,852.77
Otsego	$	18,973.56
Wexford	$	18,973.56
Total	**$**	**158,113.00**

Meets PA2 Parameters? ☒ Yes ☐ No

Ms. Arsenov explained that the project was funded for the past two years through an American Rescue Plan Act (ARPA) grant and will continue to be partially funded through ARPA.

MOTION BY GARY TAYLOR TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR LIQUOR TAX DOLLARS FROM ALPENA, CRAWFORD, GRAND TRAVERSE, OTSEGO, AND WEXFORD COUNTIES IN THE TOTAL AMOUNT OF ONE HUNDRED FIFTY-EIGHT THOUSAND ONE HUNDRED THIRTEEN DOLLARS ($158,113.00) TO FUND THE COMMUNITY BASED PEER RECOVERY PROJECT; SUPPORT BY BURT FRANCISCO. MOTION CARRIED.

12.	District Health Department #10	Deterra Medication Disposal and Lock Box Project	Multi	$9,000	Continuation

Missaukee	$	2,796.16
Wexford	$	6,203.84
Total	**$**	**9,000.00**

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY GARY TAYLOR TO APPROVE THE REQUEST FROM THE DISTRICT HEALTH DEPARTMENT NUMBER TEN (#10) FOR LIQUOR TAX DOLLARS FROM MISSAUKEE AND WEXFORD COUNTIES IN THE TOTAL AMOUNT OF NINE THOUSAND DOLLARS ($9,000.00) TO FUND THE DETERRA MEDICATION DISPOSAL AND LOCK BOX PROJECT; SUPPORT BY DEAN SMALLEGAN. MOTION CARRIED.

13.	Health Department of Northwest MI	SAFE in Northern Michigan Prevention Coalition	Multi	$120,835	Continuation

Antrim	$	34,063.82
Charlevoix	$	38,227.46
Emmet	$	48,543.72
Total	**$**	**120,835.00**

Meets PA2 Parameters? ☒ Yes ☐ No

MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR LIQUOR TAX DOLLARS FROM ANTRIM, CHARLEVOIX, AND EMMET COUNTIES IN THE TOTAL AMOUNT OF ONE HUNDRED TWENTY THOUSAND EIGHT HUNDRED THIRTY-FIVE DOLLARS TO FUND THE SAFE IN NORTHERN MICHIGN PREVENTION COALITION; SUPPORT BY PAM SINGER. MOTION CARRIED.

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 September 9, 2024	Projected Remaining Balance
Alpena	$267,481.69	$89,315.03	$174,798.30
Antrim	$202,825.10	$34,063.82	$168,761.28
Charlevoix	$139,795.23	$139,167.46	$627.77
Cheboygan	$103,013.42	$62,315.00	$40,698.42
Crawford	$121,706.39	$67,094.08	$54,612.31
Emmet	$449,497.60	$337,304.72	$112,192.88
Grand Traverse	$523,643.24	$130,103.77	$393,539.47
Iosco	$143,363.50	50,768.00	$92,595.50
Missaukee	$31,042.50	$2,796.16	$28,246.34
Otsego	$117,712.37	$95,031.56	$22,680.81
Roscommon	$552,319.01	$51,722.00	$500,597.01
Wexford	$129,130.03	$25,177.40	$103,952.63
Total	**$2,781,530.08**	**$1,084,859.00**	**1,693,302.72**

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

FY25 SUBSTANCE USE DISORDER GRANTS
A summary of SUD grants for FY25 was included in the meeting materials.

American Rescue Plan Act Substance Abuse Block Grant (ARPA SABG)	$	871,163
State Opioid Response (SOR) 4	$	1,546,979
Gambling Disorder Prevention*	$	200,000
Tobacco 4000	$	4,000
Michigan Partnership to Advance Coalitions (MIPAC) – Partnership for Success (PFS)	$	322,787
Total	**$**	**2,160,929**

*Pending (RFP Posted)

MOTION BY TERRY NEWTON TO APPROVE FISCAL YEAR 2025 SUBSTANCE USE DISORDER GRANT FUNDING AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

FY25 MEETING SCHEDULE
The proposed meeting schedule for FY25 was included in the meeting materials.

MOTION BY CAROLYN BRUMMUND TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING SCHEDULE FOR FISCAL YEAR 2025; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

PUBLIC COMMENT
Mr. Labar suggested that initials be placed in the boxes on the liquor tax application for the sections beginning with: "I understand" and "I certify."

NMRE staff noted that, to facilitate communication regarding liquor tax requests, SUD Oversight Committee Members' email addresses have been added to the Home (nmre.org) website as requested.

NEXT MEETING
The next meeting was scheduled for November 4, 2024 at 10:00AM.

ADJOURN
Let the record show that Mr. Schmidt adjourned the meeting at 11:15AM.

MOTION BY RON QUACKENBUSH TO ADJOURN THE MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING FOR SEPTEMBER 9, 2024; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

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.
- Applications that include any purchase of buildings, automobiles, or the like will not be considered.
- Applications that include using funds for renovations of any kind 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.
- 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.

ALPENA STUDENTS LEADING STUDENTS - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Alpena**
Project Total:	**$ 40,300**

DESCRIPTION:

This is our third request for funding for Alpena Prevention activities, the goal of the project is to help raise awareness of the risk factors of underage use of alcohol, nicotine (tobacco/vapes), marijuana and other substances, increase the protective factors for families and students by providing options for prevention and recovery support, not only in the schools but also for families. We are also working to increase community norms with universal messaging, minimize high- risk choice normalization and raise awareness of underage use and reduce barriers for recovery in the community. The buy-in for prevention services is increasing exponentially as Chet's services have expanded to the Jr. High and High School. Alpena is the only school system in the County and the largest school in NE Michigan.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Alpena	Alpena Students Leading Students	$40,300

33RD CIRCUIT HYBRID DRUG/DWI COURT - CONTINUATION

Organization/Fiduciary:	**Charlevoix County Circuit Court**
County:	**Charlevoix**
Project Total:	**$ 100,940**

DESCRIPTION:

The 33rd Circuit Hybrid Drug/DWI Court for Charlevoix County is in the early stages of operation and was provisionally certified by the State Court Administrator's Office on February 9, 2024. This program targets nonviolent adult offenders in felony-controlled substance and driving while intoxicated cases. Program criteria includes individuals with a moderate to severe substance use disorder residing in Charlevoix County and are prison-presumptive based upon their Michigan Sentencing Guideline range calculated as a straddle or prison cell. The program consists of a 9-person multi-disciplinary team and evidence-based practices to assist participants in transitioning into long term recovery while reducing risks to the community.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Charlevoix	33rd Circuit Hybrid Drug/DWI Court	$100,940

CHEBOYGAN COUNTY DRUG-FREE COALITION "PULLING TOGETHER" - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Cheboygan**
Project Total:	**$ 62,315**

DESCRIPTION:

The Cheboygan County Drug-Free Coalition "Pulling Together" has continued to grow and expand. Our youth coalition (P2P) has also expanded to over 30 youth in all 4 Cheboygan County schools. Liquor Tax funds help support these efforts by supporting a part-time Program Director (Amalia Harvey), and a part-time Prevention Secretary (Megan LaCross). This prevention team continues to build relationships between agencies as well as increase and sustain coalition engagement from all 12 sectors of the community. A continuation of the liquor tax funds in Cheboygan County would provide the support necessary to assist with adult and youth coalition expansion.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Cheboygan	Cheboygan County Drug-Free Coalition "Pulling Together"	$62,315

CRAWFORD PARTNERSHIP TO END SUBSTANCE MISUSE - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Crawford**
Project Total:	**$ 41,796**

DESCRIPTION:

CPESM has gained some footing in the community in the past year through its outreach efforts--billboard and radio messaging, social media posts and active participation in community coalitions and organizations. We plan to continue these efforts to continue growing the coalition. CPESM is a stable coalition with recent growth due to Prevention Network funding and outreach. The relationship with Kirtland Community College is growing and the college allows all types of outreach and education. The coalition also has a significant relationship with the Crawford Commission on Aging and the local pharmacy who both allow education and outreach at its locations. Our media outreach and campaigns through the local radio station have proven to be a beneficial outreach and education strategy helping in our stigma reduction campaign. We are excited to continue the beneficial work in this community under the guidance of the coalition.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Crawford	Crawford Partnership to End Substance Misuse	$41,796

57TH EMMET COUNTY RECOVERY PROGRAM (ECRP) - CONTINUATION

Organization/Fiduciary:	**57th Emmet County Circuit Court**
County:	**Emmet**
Project Total:	**$ 288,761.14**

DESCRIPTION:

The 57th ECRP has a primary goal to provide comprehensive, evidence-based rehabilitative services to individuals who have committed felony-level offenses with underlying substance dependency and co-occurring disorders. The 57th ECRP team is trained and adheres to the Michigan and National Best Standards for treatment courts that addiction is a disease that requires an individualized approach to support treatment and supervision services to promote positive behavioral modification, provide recovery skills, and reduce recidivism.

To achieve this goal, the program requires funding to provide intensive substance abuse treatment, regular drug testing and monitoring, court supervision and structure, supportive services such as counseling, education, peer support, housing, and employment assistance, and incentives to support successful compliance. By focusing on rehabilitation rather than incarceration, these courts aim to break the cycle of substance abuse and criminal activity. Participants who successfully complete the program are less likely to re-offend, thereby contributing to a safer community.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Emmet	57th Emmet County Recovery Program (ECRP)	$288,761.14

RECOVERY STORIES: MESSAGE OF HOPE PART IV - NEW

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

DESCRIPTION:

On October 17th, we will host the fourth Recovery Stories: Message of Hope. We expect the fourth 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 IV	$5,800

GRAND TRAVERSE COUNTY DRUG FREE COALITION - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Grand Traverse**
Project Total:	**$ 78,451**

DESCRIPTION:

The Grand Traverse County Drug Free Coalition began meeting in early 2015 after the then Prosecuting Attorney, Bob Cooney called community leaders together to address the opioid epidemic. As our coalition has matured, we have expanded our focus to all types of substances, including alcohol, marijuana, opioids, nicotine, heroin, and cocaine. Today the coalition is made up of over 100 members from various sectors of the community including law enforcement, the medical community, schools, treatment facilities, tribal members, religious groups, youth, parents, and families.

Since its creation, the coalition has written and adapted by-laws, established an executive committee, developed a website, holds monthly coalition meetings, writes and distributes monthly newsletters, and has built many relationships in the community. As another piece of the coalition, student prevention leadership clubs (Students Together against Negative Decisions or STAND Clubs) have been established in four of the county's high schools, with the help of four youth engagement liaisons that were hired in the spring of 2018. An additional effort of the coalition included the launch of the Grand Traverse Chapter of Families Against Narcotics (FAN). The coalition has been running a successful fundraiser, Color for Hope, since late 2020. Color for Hope involves the sale of 18”x24” colorable posters that come in four unique designs, two Traverse City and two Leelanau posters.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Grand Traverse	Grand Traverse County Drug Free Coalition	$78,451

IOSCO SUBSTANCE FREE COALITION - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Iosco**
Project Total:	**$ 50,768**

DESCRIPTION:

The Iosco Substance Free Coalition starts its fourth year of existence in October 2024. In this short time and credited to the Coalition's membership, Iosco County has reaped many benefits because of its existence including aligned law enforcement agencies across the county, significant harm reduction access, improved triage of exiting inmates with substance use disorders, sustained efforts through other funding mechanisms, significantly increased and improved evidence-based strategies involving young people in preventing substance use disorders. In fact, the newly established Students Leading Students, as a result of pa2 funding, received several statewide awards for the development of its chapter. Recovery Month engages over 20 organizations and 100 individuals, the Coalition's voice has been expressed at the opioid settlement dollars hearings where their input is considered in its allocation, and most recently, the coalition unanimously agreed to serve as the opioid fatality review board. This board over the course of the next year, will review deaths specifically in Iosco County; blending those findings into strategies to help prevent further deaths. This funding is essential to carrying out the activities of the coalition and its continued growth and sophistication.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Iosco	Iosco Substance Free Coalition	$50,768

RISE OTSEGO SUBSTANCE FREE COALITION - CONTINUATION

Organization/Fiduciary:	**Health Department of Northwest Michigan**
County:	**Otsego**
Project Total:	**$ 76,058**

DESCRIPTION:

RISE: Otsego Substance Free Coalition empowers youth to achieve their fullest potential. Through education, we have the power to reduce youth alcohol, marijuana, nicotine, and other drug use in Otsego County. Together we can provide students, parents, and educators resources and information to create community level change. Requested funds will support continued work of substance use prevention youth coalition, RISE: Otsego Substance Free Coalition (RISE). The Health Department of Northwest Michigan (HDNW) serves as the fiduciary for the RISE coalition as RISE is not a free-standing nonprofit organization. RISE was established as a substance free coalition in Otsego County in January 2018. The mission of RISE is to empower Otsego youth to live substance free lives through education and advocacy. The vision of RISE is to create a substance free community for youth through empowerment. Initiatives are data driven and come directly from youth members and their peers served. RISE has worked hard to recruit both youth and adult members with the skills and passion to work towards the coalition's mission and vision. Due to successful recruitment, both sections of RISE have grown in the past year. Twelve new youth joined RISE in FY24.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Otsego	RISE Otsego Substance Free Coalition	$76,058

ROSCOMMON COUNTY DRUG FREE COALITION - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Roscommon**
Project Total:	**$ 51,722**

DESCRIPTION:

The Roscommon County Drug Free Coalition is a community-data driven coalition representing all sectors and ages of the population. The needs identified are to prevent high risk use of tobacco/vape/alcohol/marijuana/Rx/ and illicit drug use in youth, raise awareness of community at risk behaviors and policy changes that need to prevent early and high-risk use of ATOD. The coalition is also advocating with MidMichigan recovery supports and MAT services within their system, in attempts to expand numbers of providers & peer recovery networks for recovery support.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Roscommon	Roscommon County Drug Free Coalition	$51,722

COMMUNITY BASED PEER RECOVERY PROJECT - CONTINUATION

Organization/Fiduciary:	**Catholic Human Services**
County:	**Multi County**
Project Total:	**$ 158,113**

DESCRIPTION:

Catholic Human Services has built a team of community based recovery coaches that engage in the following: providing ongoing, flexible, comprehensive, community-based, person centered coaching support to individuals in a range of stages in their addiction and recovery journey; maintain routine contact, support individuals with access to recovery supportive resources, support individuals with access to treatment resources, support individuals during their recovery, helping them develop life and sobriety skills, help to navigate the challenges that arise and model how to maintain sobriety during those challenges, empower individuals during their journey. They collaborate with CHS Clinical team, community service organizations, community events, and represent long term recovery as healthy and contributing members of the communities in which they live. The CHS Recovery Coaches attend coalitions across the communities served to support development of stronger recovery capital, to educate on topics such as stigma, multiple pathways to recovery, and to strengthen a system level response to the epidemic of addiction. CHS has improved this access by hiring additional community-based recovery coaches to support additional communities that have not had access to this level of support.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Alpena	Community Based Peer Recovery Project	$49,015.03
Crawford	Community Based Peer Recovery Project	$25,298.08
Grand Traverse	Community Based Peer Recovery Project	$45,852.77
Otsego	Community Based Peer Recovery Project	$18,973.56
Wexford	Community Based Peer Recovery Project	$18,973.56

DETERRA DISPOSAL AND MEDICATION LOCKBOX PROJECT - CONTINUATION

Organization/Fiduciary:	**District Health Department #10**
County:	**Multi County**
Project Total:	**$ 9,000**

DESCRIPTION:

Deterra™ Disposal Project: District Health Department #10 (DHD#10) will purchase Deterra™ Drug Deactivation Systems (pouches) to provide a safe, convenient, and permanent way to dispose of unused, expired, and unwanted medications at home. These pouches will be distributed to homebound individuals and those lacking transportation through a partnership with Meals on Wheels. Pouches will also be distributed to general community members at community events, food banks, farmer's market days, etc. to promote proper disposal of medications. A brief educational session will also be provided on why it's important to properly dispose of unused and/or expired medications. Medication Lock Box Project: DHD#10 will purchase medication lock boxes to promote securing medications in the home. This project will serve as an adjunct to promoting proper disposal of unused and/or expired medications through Deterra™ Disposal pouches and promotion of permanent disposal sites. A monitor-secure-dispose educational handout will accompany each lock box, along with a listing of local permanent disposal sites. This project will encompass monitor-secure-dispose related to prescription drug use prevention.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Missaukee	Deterra Disposal and Medication Lockbox Project	$2,796.16
Wexford	Deterra Disposal and Medication Lockbox Project	$6,203.84

SAFE IN NORTHERN MICHIGAN - CONTINUATION

Organization/Fiduciary:	**Health Department of Northwest Michigan**
County:	**Multi County**
Project Total:	**$ 120,835**

DESCRIPTION:

The Health Department of Northwest Michigan (HDNW) serves as the fiduciary for the SAFE in Northern Michigan (SAFE in NM) coalition since SAFE in NM is not a free-standing nonprofit organization. The mission of SAFE in NM is to prevent youth substance use, increase community awareness and create change through collaboration, education, prevention initiatives and environmental strategies of tobacco, alcohol and other substance use in Antrim, Charlevoix and Emmet counties. SAFE was formed in 2007 after the Petoskey-Harbor Springs Area Community Foundation hosted a Community Convening and discovered that substance use problems among our youth were extremely high. When Charlevoix County learned of SAFE's accomplishments, it joined the efforts in 2008. In 2015, Antrim County joined SAFE.

Meets Parameters for PA2 Funding:	Yes

County	Project	Requested Budget
Antrim	SAFE in Northern Michigan	$34,063.82
Charlevoix	SAFE in Northern Michigan	$38,227.46
Emmet	SAFE in Northern Michigan	$48,543.72

ALPENA COUNTY OVERVIEW

Projected FY25 Balance	$264,113.33

Project	Requested Budget	Remaining County Running Balance
Alpena Student Leading Students	$40,300	$223,813.33
CHS Community Based Peer Recovery Project	$49,015.03	$174,798.30

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Alpena	**$84,263.20**	**$267,481.69**	**$89,315.03**	**$174,798.30**

ANTRIM COUNTY OVERVIEW

Projected FY25 Balance	**$202,825.10**

Project	Requested Budget	Remaining County Running Balance
SAFE in Northern Michigan	$34,063.82	$168,761.28

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Antrim	**$80,488.80**	**$202,825.10**	**$34,063.82**	**$168,761.28**

CHARLEVOIX COUNTY OVERVIEW

Projected FY25 Balance	**$139,795.23**

Project	Requested Budget	Remaining County Running Balance
SAFE in Northern Michigan	$38,227.46	$101,567.77
33rd Circuit Hybrid Drug DWI Court	$100,940.00	$627.77

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Charlevoix	**$106,516.40**	**$139,795.23**	**$178.020.46**	**$627.77**

CHEBOYGAN COUNTY OVERVIEW

Projected FY25 Balance	**$103,013.42**

Project	Requested Budget	Remaining County Running Balance
Cheboygan Pulling Together Drug Free Coalition	$62,315.00	$40,698.42

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Cheboygan	**$87,302.40**	**$103,013.42**	**$62,315.00**	**$40,698.42**

CRAWFORD COUNTY OVERVIEW

Projected FY25 Balance	**$121,706.39**

Project	Requested Budget	Remaining County Running Balance
Crawford Partnership to End Substance Misuse Coalition	$41,796.00	$79,910.39
Community Based Peer Recovery Project	$25,298.08	$54,612.31

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Crawford	**$35,114.80**	**$121,706.39**	**$67,094.08**	**$54,612.31**

EMMET COUNTY OVERVIEW

Projected FY25 Balance	**$449,497.60**

Project	Requested Budget	Remaining County Running Balance
SAFE in Northern Michigan	$48,543.72	$400,953.88
57th Emmet County Recovery Program (ECRP)	$288,761.00	$112,192.88

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Emmet	**$183,166.80**	**$449,497.60**	**$337,304.72**	**$112,192.88**

GRAND TRAVERSE COUNTY OVERVIEW

Projected FY25 Balance	$523,643.24

Project	Requested Budget	Remaining County Running Balance
Grand Traverse County Drug Free Coalition	$78,451.00	$445,192.24
Community Based Peer Recovery Project	$45,852.77	$399,339.47
217 Recovery - Recovery Stories: Message of Hope Part IV	$5,800.00	$393,539.47

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Grand Traverse	**$455,155.20**	**$523,643.24**	**$130,103.77**	**$393,539.47**

IOSCO COUNTY OVERVIEW

Projected FY25 Balance	**$143,363.50**

Project	Requested Budget	Remaining County Running Balance
Iosco Substance Free Coalition	$50,768.00	$92,595.50

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Iosco	**$87,380.80**	**$143,363.50**	**$50,768.00**	**$92,595.50**

MISSAUKEE COUNTY OVERVIEW

Projected FY25 Balance	**$31,042.50**

Project	Requested Budget	Remaining County Running Balance
Deterra Disposal and Medication Lockbox Project	$2,796.16	$28,246.34

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Missaukee	**$24,997.60**	**$31,042.50**	**$2,796.16**	**$28,246.34**

OTSEGO COUNTY OVERVIEW

Projected FY25 Balance	**$117,712.37**

Project	Requested Budget	Remaining County Running Balance
RISE Otsego Substance Free Coalition	$76,058.00	$41,654.37
Community Based Peer Recovery Project	$18,973.56	$22,680.81

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Otsego	**$105,978.80**	**$117,712.37**	**$95,031.56**	**$22,680.81**

ROSCOMMON COUNTY OVERVIEW

Projected FY25 Balance	**$552,319.01**

Project	Requested Budget	Remaining County Running Balance
Roscommon County Drug Free Coalition	$51,722.00	$500,597.01

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Roscommon	**$87,715.20**	**$552,319.01**	**$51,722.00**	**$500,597.01**

WEXFORD COUNTY OVERVIEW

Projected FY25 Balance	**$129,130.03**

Project	Requested Budget	Remaining County Running Balance
Community Based Peer Recovery Project	$18,973.56	$110,156.47
Deterra Disposal and Medication Lockbox Project	$6,203.84	$103,952.63

County	One Year Fund Balance (withheld)	Projected FY25 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Wexford	**$95,416**	**$129,130.03**	**$25,177.40**	**$103,952.63**

Substance Use Disorder Grants FY2025

American Rescue Plan Act Substance Abuse Block Grant (ARPA SABG) - $871,163 (10/1/24 – 9/30/25)	
$100,000	**Peer Recovery Coach Services and Transportation** Peer Recovery Coach Services provided during transportation and payment of transportation
	217 Recovery
$64,000	**Community Based Peer Program** Peer Recovery Coaches promoting recovery via a community-based program. This does not include peer recovery coaching services provided to clients.
	Catholic Human Services
$100,000	**Recovery Housing** The grant will fund the development and continued support for recovery housing in the NMRE region. The grant will provide for the development, implementation, and continuing support of recovery housing.
	Billy Jane's Recovery House
	Project Unity
	Healing Through Hope - Gaia House
$45,000	**Peer Outreach and Linkage** The grant will fund the continuation and expansion of Project ASSERT and SBIRT peers in emergency departments.
$416,000	**Recovery Community** The grant is for the one of the following: •Peer recovery coaches who are providing initial and ongoing coaching services to clients who they interact with; Peer Recovery Coach Trainings in the Region. •Recovery Community Organization outreach and events
	Community Recovery Alliance (CRA)
	NMSAS
$146,163	**Prevention Evidence Based Programming** Providers in the NMRE region will provide evidence-based programming for at least one of the following areas: marijuana awareness and prevention; underage alcohol use awareness and prevention; youth tobacco/ENDS use prevention; or focus on older population. Services must be new services. Service provision must adhere to fidelity of the program.
	Catholic Human Services
	HDNWMI
	DHD10

State Opioid Response (SOR) 4 - $1,546,979 (10/1/2024 – 9/30/2025)	
$10,964	**Administration**
$100,000	**Prevention** Implementation of evidence-based substance use disorder prevention services
	Catholic Human Services
	DHD 10
$401,355	**Peer Outreach and Linkage** The grant will fund the continuation of Project ASSERT and SBIRT peers in emergency departments or Quick Response/post overdose rapid response teams. Peers utilized in this Grant must be MDHHS Trained Peers.
	Catholic Human Services
$140,000	**Mobile Care Units** This grant supports existing mobile care units for the provision of treatment or supportive services for individuals with a substance use disorder. Mobile Care Units are for the purpose of going to individuals in areas of the NMRE region in which services are not readily available. For ongoing services, GPRA incentives for clients receiving services in this funding category may be utilized as GPRA would be required.
	Addiction Treatment Services
$259,669	**Jail MAT** The grant will provide Medication Assisted Treatment (MAT) for inmates. Specifically, substance use disorder treatment services in the form of individual services or group services, peer recovery coach services, and care coordination for the provision of medication. Medication is NO LONGER covered by the NMRE separately from this project. This includes GPRA incentives for clients receiving services in this funding category.
	Bear River Health
	Catholic Human Services
$434,981	**OUD/StUD Treatment** The grant will provide case management services to inmates. This includes GPRA incentives for clients receiving services in this funding category.
	Catholic Human Services
	Bear River Health
	BASES
$200,000	**Recovery** Recovery Community Organization
	217 Recovery Center

Gambling Disorder Prevention - $200,000
Spectrum Reach

Tobacco 4000 - $4,000
Spectrum Reach

MIPAC-PFS $322,787
Catholic Human Services

Notice of Public Meeting

The Northern Michigan Regional Entity (NMRE) will hold meetings of its Board of Directors in accordance with the schedule supplied herein. Anyone who has special needs should contact the NMRE at 231.487.9144 or email adminsupport@nmre.org. Reasonable accommodations will be provided upon notification or request. Auxiliary aids and services are available upon request to individuals with disabilities.

This meeting is open to all members of the public under Michigan's Open Meeting Act.

NORTHERN MICHIGAN REGIONAL ENTITY
MEETINGS OF THE BOARD OF DIRECTORS

All meeting times are 10:00am.
Meetings are held on the 4th Wednesday of every month.
unless otherwise noted, at the NMRE main office located at
1999 Walden Drive in Gaylord.

October 23, 2024

November 27, 2024*

December 25, 2024*

January 22, 2025

February 26, 2025

March 26, 2025

April 23, 2025

May 28, 2025

June 25, 2025

July 23, 2025

August 27, 2025

September 24, 2025

* The December meeting will need to be rescheduled. The November and December meetings are often combined and held earlier in December, possibly December 18, 2024.

2025

Proposed Budget

Fiscal Year 2025 Budget

Significant Assumptions and Key Points

I. Medicaid and Healthy Michigan (HMP) revenue projections based on draft Milliman projections

- The Internal Service Fund is anticipated to be fully funded at close of fiscal year 2024

II. Medicaid and Healthy Michigan (HMP) - Expenses

- Substance Abuse costs based on projected current year utilization.

IV. Substance Abuse Prevention and Treatment Block Grant - revenue based on current year actual MDHHS allocation.

- Block grant allocation is broken down into separate programs with distinct allowable uses (Treatment, Prevention, and SDA).

- All services expected to be provided through NMRE's provider network.

V. Public Act 2 (PA2) funding - revenue anticipated to stay consistent with current year.

- PA2 funds must be used in the county from which they originated for prevention or treatment but may not be used on administration.

VI. Affiliate local match and local match drawdown - based on actual historical amounts.

Northern Michigan Regional Entity

Fiscal Year 2025 Budget

	MH Proposed Budget	SUD Proposed Budget	ISF Proposed Budget	Proposed FY 2025 Budget	Projected FY 2024	Proposed Increase (Decrease)
Operating revenue						
Medicaid:						
Medicaid Capitation	$ 208,939,519	$ 6,130,882	$ -	$ 215,070,401	$ 209,893,970	$ 5,176,431
Carry Forward	-	-	-	-	-	-
HMP Capitation	16,859,980	9,640,084	-	26,500,064	28,594,302	(2,094,238)
Carry Forward	2,800,000	-	-	2,800,000	-	2,800,000
Health Home	2,714,551	-	-	2,714,551	2,714,551	0
SUD Block Grant	-	3,200,945	-	3,200,945	3,200,945	-
Interest Revenue	-	-	7,644	7,644	7,283	361
PA2 - Liquor Tax	-	1,794,492	-	1,794,492	1,794,492	-
Opioid Health Home	-	3,585,131	-	3,585,131	3,585,131	(0)
Grant Revenue	110,000	4,574,580	-	4,684,580	4,684,580	-
Affiliate Local Drawdown	594,816	-	-	594,816	594,816	-
Total operating revenue	232,018,866	28,926,114	7,644	260,952,624	255,070,070	5,882,554
Operating expenses						
General Administration						
Salaries	2,232,632	786,552	-	3,019,184	2,844,961	174,223
Fringes	731,724	242,904	-	974,628	938,973	35,655
Access salaries	-	166,248	-	166,248	156,015	10,233
Access fringes	-	56,652	-	56,652	41,872	14,780
Contractual	495,300	129,000	-	624,300	612,300	12,000
Board expenses	21,000	5,000	-	26,000	21,100	4,900
Day of recovery	14,000	-	-	14,000	14,000	-
Facilities	158,400	-	-	158,400	158,000	400
Other	146,000	13,800	-	159,800	137,400	22,400
IPA Tax	1,963,707	181,664	-	2,145,371	2,011,134	134,237
Hospital Rate Adjuster	9,003,242	-	-	9,003,242	7,342,834	1,660,408
Grant Expenses	-	4,574,580	-	4,574,580	4,574,580	-
Local Match Drawdown	594,816	-	-	594,816	594,816	-
Payments to Providers:						
Medicaid Services	196,950,966	4,926,934	-	201,877,900	196,701,469	5,176,431
Healthy Michigan Services	11,281,092	10,813,073	-	22,094,165	24,188,403	(2,094,238)
Health Home Services	2,714,551	-	-	2,714,551	2,714,551	0
Opioid Health Home Services	-	3,383,813	-	3,383,813	3,383,813	(0)
			-	-	1,181,496	(1,181,496)
PA2 Services	-	1,794,492	-	1,794,492	1,181,496	612,996
Comunity Grant	-	2,232,984	-	2,232,984	2,232,984	-
Prevention	-	531,829	-	531,829	531,829	-
State Disability Assistance	-	93,048	-	93,048	93,048	-
Total operating expenses	226,307,430	29,932,573	-	256,240,003	251,657,074	4,582,929
Revenue over (under) expenses	$ 5,711,436	$ (1,006,459)	$ 7,644	$ 4,712,621	$ 3,412,996	$ 1,299,625

Note: Payments to providers are based on the actual projected PMPM by CMH.

Northern Michigan Regional Entity

2025 Proposed Budget

By Funding Source

	Medicaid	Healthy Michigan	Health Home/ OHH	SAPT Block Grant/ PA2 Funds	Total
Mental Health/Developmental Disability					
Operating revenue	$ 208,939,519 *	$ 19,659,980 *	$ 2,759,383	$ -	$ 231,358,882
Operating expenses					
General Administration	2,823,655	161,735	38,918	-	2,914,308
MH Admin	429,107	24,579	5,914	-	459,600
IPA Tax	1,796,319	167,388	-	-	1,963,707
Hospital Rate Adjuster	4,414,541	4,588,701	-	-	9,003,242
North Shore Center	1,181,496	-	-	-	1,181,496
Payments to Providers	196,950,966	11,281,092	2,714,551	-	210,946,609
Total operating expenses	207,596,084	16,223,495	2,759,384	-	226,468,962
Unspent (Overspent) MH/DD Funds	$ 1,343,435	$ 3,436,485	$ (0)	$ -	$ 4,889,919
Substance Use Disorder					
Operating revenue	$ 6,130,882	$ 9,640,084	$ 3,640,167	$ 4,995,437	$ 24,406,570
Operating expenses					
General Administration	70,637	155,025	48,513	40,973	315,148
SUD Admin	252,661	456,999	173,527	273,132	1,127,256
SUD Access Admin	49,960	109,647	34,313	28,979	222,900
IPA Tax	55,727	125,937	-	-	181,664
PA2 Expenditures	-	-	-	1,794,492	1,794,492
Payments to Providers	4,926,934	10,813,073	3,383,813	2,857,861	21,981,681
Total operating expenses	5,355,919	11,660,682	3,640,166	4,995,437	25,623,141
Unspent SUD (Overspent) Funds	774,963	(2,020,598)	(0)	0	(1,216,571)
Total Unspent (Overspent) Funds	$ 2,118,398	$ 1,415,888	$ 0	$ 0	$ 3,673,349

Northern Michigan Regional Entity

Fiscal Year 2025 Budget

Summary of Revenue Contracts

Revenue Source (Grantor/Payor)	Contract Type	Amount
MDHHS/PIHP Master Contract	Service	250,670,147
MDHHS/Prevention and Treatment (Community Grant)	Grant-SUD	3,200,945
MDHHS/Veteran Navigator	Grant-PIHP	110,000
MDHHS/Michigan Gambling Disorder Prevention Project	Grant-SUD	200,000
MDHHS/Substance Use Disorder - Tobacco	Grant-SUD	4,000
MDHHS/ARPA	Grant-SUD	871,163
MDHHS/MI Partnership for Advancing Coalitions	Grant-SUD	322,787
MDHHS/State Opioid Response (SOR III)	Grant-SUD	1,546,979

Northern Michigan Regional Entity

Fiscal Year 2025 Budget

Summary of Admin Contracts over $10,000

Vendor	Contract Type/Department	Amount
North Shore Center	Crisis Residential Unit	1,181,496
Behavioral Medicine Associates PLLC	Medical Director	10,000
Roslund, Prestage & Company	Audit/Finance	28,000
General Consulting	Miscellaneous Contracts	200,000
Peter Chang & Associates	Data - IT	150,000
Legal	Legal	50,000
Paychex	HR/Payroll	18,540
United Training	Training/Regional	50,000
SS IL Real Estate LLC	NMRE Office Lease	125,728

Northern Michigan Regional Entity

Fiscal Year 2025 Budget

Summary of Substance Use Treatment Contracts

Vendor	Outpatient	Residential	Withdrawl Management	Recovery Homes	Access
Addiction Treatment Centers	X	X	X	X	
BASES	X				
Bear River Health	X	X	X	X	
Catholic Human Services	X				
DOT Caring Center	X	X	X		
Grace Center	X				
Great Lakes Recovery		X	X		
Harbor Hall	X	X	X	X	
Holy Cross		X	X		
Meridian		X	X		
Michigan Therapeutic Consult	X				
Munson	X				
NMSAS	X				
Recovery Pathways	X				
Sacred Heart	X	X	X		
Sunrise	X	X	X		
Ten Sixteen Recovery Network		X			
ProtoCall					X
Wedgwood		X			

Northern Michigan Regional Entity

Fiscal Year 2025 Budget

Summary of Program Contracts

Vendor	Contract Type/Department	Amount
Northeast CMH	Service/Mental Health	$ 34,248,973
North Country CMH	Service/Mental Health	56,000,996
Northern Lakes CMH	Service/Mental Health	69,272,950
AuSable Valley CMH	Service/Mental Health	29,857,764
Centra Wellness	Service/Mental Health	18,851,375