



Northern Michigan Regional Entity

Board Meeting

August 26, 2026

1999 Walden Drive, Gaylord

10:00AM

Agenda

Page Numbers

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Acknowledgement of Conflict of Interest
5. Approval of Agenda
6. Approval of Past Minutes – July 22, 2026
7. Correspondence
8. Announcements
9. Public Comments
10. Reports
 - a. Executive Committee Report – Has Not Met
 - b. CEO's Report – August 2026
 - c. Financial Report – June 2026
 - d. Operations Committee Report – August 18, 2026
 - e. NMRE SUD Oversight Board Report –The next meeting is scheduled for September 14th at 10:00AM.
11. New Business - None
 - a. FY27 PIHP Contract
 - b. FY27 SUD Grant Recommendations
12. Old Business
 - a. CMHSP Updates
 - b. PIHP v State
13. Presentation
 - Quality Update
14. Comments
 - a. Board
 - b. Staff/CMHSP CEOs
 - c. Public
15. Next Meeting Date – September 23, 2026 at 10:00AM
16. Adjourn

Pages 2 – 9

Pages 10 – 35

Page 36

Pages 37 – 58

Pages 59 – 65

Pages 66 – 67

Page 68

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**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – JULY 22, 2026
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Dave Freedman, Ed Ginop, Dana Labar, Eric Lawson, Tim Markey, Mary Marois, Michael Newman, Jay O'Farrell, Ruth Pilon, Don Tanner, Chuck Varner
ABSENT:	Karen Goodman, Ron Iseler, Mark Surbrook
NMRE STAFF/CMHSP CEOs:	Bea Arsenov, Brian Babbitt, Brady Barnhill, Carol Balousek, Gail Grangood-Griffin, Chip Johnston, Eric Kurtz, Brie Molaison, Trish Otremba, Nena Sork, Denise Switzer, Deanna Yockey, Lynda Zeller
PUBLIC:	Erin Barbus, Ann Friend, Guest (2), Katie Lorence, Sarah Hegg, Larry LaCross, Tobias Neal
GUEST:	Alan Bolter

CALL TO ORDER

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

ROLL CALL

Let the record show that Karen Goodman, Ron Iseler, and Mark Surbrook were not in attendance for the meeting on this date. All other Board Members were present.

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 additions to the meeting agenda were requested.

MOTION BY DAVE FREEDMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR JULY 22, 2026; SUPPORT BY CHUCK VARNER. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY MARY MAROIS TO APPROVE THE MINUTES OF THE MAY 27, 2026 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY TIM MARKEY. MOTION CARRIED.

PRESENTATION

FY27 Budget and Legislative Update

Alan Bolter, the CEO of the Community Mental Health Association of Michigan, was in attendance to provide a FY27 budget and legislative update. The FY27 budget was completed on July 3rd. The FY27 budget is similar to the FY26 with the exception of some reductions related to House Resolution 1 (HR1). The entire State budget is roughly \$80B. The overall state General Fund/General Purpose budget is roughly \$20B (flexible dollars).

Boilerplate Sections 1020 related to a PIHP Request for Proposals (RFP), 1021 "Mental Health Framework" prohibition, and 1022 Waskul (settlement) Cost Reimbursements were not included in the final budget.

Other highlights included:

- \$350M Gross for an additional 400 DHHS workers (mainly housed in local offices) needed to implement HR1.
- \$21.6M Gross for Medicaid autism services utilization reviews.
- \$242.3M Gross in Certified Community Behavioral Health Clinic (CCBHC) funding moved from ongoing to one-time funding.
- \$311.2M Gross savings related to changes to the pharmaceutical program.
- \$48.8M Gross savings related to the reinstatement of the carve out for the Medicaid adult dental program.
- \$20.3M Gross for Medicaid Health Maintenance Organization administrative reductions.
- \$7M Gross for Medicaid third-party contract savings
- \$73.9M Gross to eliminate the non-Medicaid long term care direct care worker backfill.

Mr. Bolter explained that dramatic reductions in Medicaid are likely in FY28 and FY29 due to provider tax changes.

No adjustments were made to Sec. 928 Local Match Drawdown.

Sec. 1530 was added to prohibit the Department from requesting or implementing a CMS waiver or Medicaid State Plan Amendment prior to statutory approval

CMHAM continues to push for a FY26 rate adjustment.

On July 7th, MDHHS announced two Rural Health Transformation Program Grant Funding Opportunities:

- 1) Limited Licensed Master of Social Work Supervision Stipend Program – \$2,500,000 available
- 2) Rural Health provider Recruitment & Retention – \$14,731,500 available

In addition to RHTP grant funding, \$1.8M will be available to CMHSPs and PIHPs in late FY26/early FY27 through the CMHA-coordinated funding path.

Mr. Bolter referenced a posting on the Michigan Department of Technology, Management, and Budget's Vendor Opportunity Dashboard listing a new bid opportunity for Prepaid Inpatient Health Plans in August 2026 ([DTMB - Vendor Opportunity Dashboard](#)). MDHHS has stated that there is no official timeline for a new RFP and that the dates reflected on the dashboard are "estimates only."

Mr. Labar asked how the new MDHHS Director, Amy Epke, is leaning regarding a potential PIHP bid out. Mr. Bolter responded that Ms. Epke was previously the head of financing for the Department. He was unsure about her position on a bid out but will be meeting with her soon.

Mr. Bolter agreed to send a document showing FY26, FY26, and FY27 budget comparisons.

It was noted that the reduction in Health Home funding was the result of previously unspent funds.

A recent poll from CMHAM and EPIC-MRA showed that 70% of Michigan voters oppose the privatization of public mental health care.

CORRESPONDENCE

1. A letter addressed to Eric Kurtz from Angela Smith-Butterwick (MDHHS) dated April 2, 2026, stating that NMRE was in full compliance with the substance use disorder (SUD), Prepaid Inpatient Health Plan (SUD/PIHP) Compliance Protocol.
2. A letter addressed to Eric Kurtz from Northern Lakes CMHA Board Chair, Greg McMorrow, dated June 16, 2026, expressing appreciation to NMRE staff and Board of Directors for "steadfast ongoing support."
3. State of Michigan Court of Claims order by Judge Sima Patel dated June 11, 2026, outlining next steps in the matter between NorthCare Network Mental Health Care Entity, Northern Michigan Regional Entity, Region 10 PIHP, and Community Mental Health Partnership of Southeast Michigan (Plaintiffs) and State of Michigan, State of Michigan Department of Health and Human Services (MDHHS), and Elizabeth Hertel (Defendants).
4. Email communication to PIHP and CMHSP CEOs and Provider Alliance Members from Robert Sheehan, CEO of Community Mental Health Association of Michigan (CMHAM), dated June 22, 2026, announcing acting MDHHS Director, Amy Epkey.
5. Article from Gongwer News written by Zach Gorchow dated July 13, 2026, titled, "Behavioral Health Overhaul Future Unclear as Clock Ticks On Whitmer Administration."
6. Email communication to PIHP and CMHSP CEOs and Provider Alliance Members from Robert Sheehan, CEO of CMHAM, dated June 22, 2026, regarding "Methods for Ensuring Core Components Become Design Elements of Michigan's Public Mental Health System."
7. Document from CMHAM titled, "Recommended Core Components of a Strengthened and Improved Public Mental Health System in Michigan."
8. Email communication from Alan Bolter, CEO of CMHAM, dated June 24, 2026, sharing the results of a statewide poll regarding the potential privatization of mental health services.
9. Email communication from Alan Bolter, CEO of CMHAM, dated June 8, 2026, providing an update to House Bill 6022 - Mental Health Framework Legislation and CMHAM recommendations.
10. An Action Alert from CMHAM dated June 23, 2026, urging the public to reach out to legislators to stop the passage of HB 6022 and the Mental Health Framework.
11. An infographic prepared by CMHAM titled, "The Mental Health Framework: A Solution in Search of a Problem?"
12. The CMHAM proposed FY27 budget report.
13. Email communication to PIHP and CMHSP CEOs and Provider Alliance Members from Robert Sheehan, CEO CMHAM, dated July 10, 2026, requesting social media postings showing the findings of the statewide survey of Michiganders deeply opposing the privatization of mental health services, and opposition to HB 6022.
14. The minutes of the June 10, 2026 Regional Finance Committee meeting and the draft minutes of the July 8, 2026 NMRE Regional Finance Committee meeting.

It was noted that several of the correspondence items were referenced by Mr. Bolter during his presentation.

Mr. Kurtz drew attention to the letter from MDHHS attesting that NMRE was found to be in full compliance with the SUD PIHP Compliance Protocol and the letter of appreciation from Northern Lakes Board Chair, Greg McMorrow.

ANNOUNCEMENTS

NMRE staff announced an increase in the IRS reimbursable milage rate to \$0.76 per mile effective July 1, 2026.

PUBLIC COMMENT

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

REPORTS

Executive Committee Report

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

CEO Report

The NMRE CEO Monthly Report for June and July 2026 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to the July 10th case consultation meeting with legal regarding Court of Claims Case No. 24-000198-MZ. Details were discussed under "Old Business."

May 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of \$5,673,008. Carry forward was reported as \$2,844,054. The total Medicaid and HMP current year surplus was reported as \$8,517,062. The total Medicaid and HMP Internal Service Fund was reported as \$20,590,089. The total Medicaid and HMP net surplus was reported as \$29,107,151
- Traditional Medicaid showed \$156,375,097 in revenue, and \$148,848,732 in expenses, resulting in a net surplus of \$7,526,365 Medicaid ISF was reported as \$13,519,285 based on the current FSR. Medicaid Savings was reported as \$2,844,054.
- Healthy Michigan Plan showed \$20,202,802 in revenue, and \$22,056,159 in expenses, resulting in a net deficit of \$1,853,357. HMP ISF was reported as \$7,070,804 based on the current FSR. HMP savings was reported as \$0.
- Health Home showed \$2,445,003 in revenue, and \$2,054,883 in expenses, resulting in a net surplus of \$390,120.
- SUD showed all funding source revenue of \$14,756,923 and \$12,489,370 in expenses, resulting in a net surplus of \$2,267,553. Total PA2 funds were reported as \$ 4,720,992.

PA2/Liquor Tax was summarized as follows:

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

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$5,137,481	\$507,324	\$923,812	\$4,720,992

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	\$548,705	\$2,160,028	\$1,839,400	(\$1,692,299)	\$3,051,007
HMP	(\$261,389)	(\$359,373)	(\$131,163)	(\$1,735,637)	(\$314,437)
Total	\$287,315	\$1,800,654	\$1,708,238	(\$3,427,935)	\$2,736,571

Ms. Yockey noted that, historically, Quarter 4 spending is greater than previous quarters. October 2025 through June 2026 revenue looks like September 2025; however, the NMRE observed a 7.6% decrease in eligibles between DAB, TANF, and HMP. Overall, June revenue (all funding sources) was \$637,528 lower than September 2025. A FY26 rate adjustment has been proposed. HMP, specifically, has not been adequately funded.

Quarter 3 PA2 payments are expected at the end of the month. Quarter 1 payments were skipped entirely to pay on "debt services." Quarter 2 liquor tax payments were not consistent with prior activity. Ms. Arsenov noted that the July meeting of the NMRE Substance Use Disorder Oversight Committee was canceled. Because July is the month when annual liquor tax request renewals are generally brought forward, the NMRE felt it was best to delay these approvals until the July payments were received in order to get a better sense of funding. Mr. Johnston noted that Rep. John Roth (104th District) is keeping tabs on PA2 payments. Liquor tax payments can be tracked at [Convention Facility Development Fund](#).

House Resolution 1 (HR1) will have a negative impact on SUD Block Grant Funding. It is likely that 200,000 beneficiaries will lose Medicaid/HMP coverage. Because SUD Block Grant Funding currently has a surplus, PA2 will be switched to BGF when possible. When utilizing SUD Block Grant Funding, priority is given to treatment services (\$1.8M annually).

Mr. Freedman inquired about the "Hospital Rate Adjuster" item listed on the financial report. Ms. Yockey explained that HRA is a state-directed payment program by MDHHS that provides uniform dollar or percentage add-on increases to base capitation rates for PIHPs to ensure competitive, high-quality inpatient psychiatric hospital access for Medicaid beneficiaries. The PIHP essentially acts as a pass through between MDHHS and the hospitals. Ms. Yockey also noted that the Insurance Provider Assessment (IPA) tax for PIHPs is a fixed fee of \$1.20 per member month imposed on non-Medicaid supported member months and is excluded from the capitation payment.

Mr. Lawson questioned why Northern Lakes is showing a \$3.4M deficit nine months into the fiscal year. Ms. Zeller responded that Northern Lakes is making progress with curtailing spending, mainly related to costly residential placements outside the region, but guardians are reluctant to move individuals closer to home. Northern Lakes is currently doing a better job at accounting for incurred and not reported services. The General Ledger is being entirely rebuilt. Northern Lakes is striving to keep expenses reported in November consistent with actual costs reported in February. Ms. Zeller's efforts were recognized.

Ms. Zeller referenced her County Administrators' (Crawford, Grand Traverse, Leelanau Missaukee, Roscommon, and Wexford) request for a white paper advocating for additional general funds considering the anticipated losses (20% – 40%) in HMP coverage due to HR1. When Medicaid was

expanded under the Affordable Care Act in 2014, CMHSPs lost tens of millions in general funds under the assumption that uninsured individuals who would have previously relied on GF would qualify for HMP. Given the potential loss of HMP enrollees under HR1, advocacy efforts are underway to increase the GF allocation.

Ms. Arsenov referenced an email from Lyndia Deromedi dated July 1st regarding HSW unduplicated slot counts. MDHHS specified the maximum number of unduplicated participants served annually in the waiver at 8,268. Currently there are 104 slots available to fill in the remainder of FY26. So that the state does not exceed the unduplicated number of participants served, MDHHS will be restricting enrollments for the remainder of FY26 to priority populations:

- Individuals exiting the Intermediate Care Facilities for Enrollees with Intellectual Disability (ICF/IID) or at highest risk of needing ICF/IID placement,
- Young adult aging off Children's Waiver Program, or
- Young adult aging off State Plan Private Duty Nursing service.

It was noted that the average payment for HSW is \$7K per enrollee per month. The NMRE currently has 711 slots (8 currently open).

MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MAY 2026; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

Operations Committee Report

The minutes from the June 16th Operations Committee meeting were included in the meeting materials and the draft minutes from the July 21st Operations Committee meeting were distributed during the meeting. Many of the discussion topics were addressed previously during the meeting on this date.

The regional CMHSP's continue to build relationships with Region 1 CEOs. NorthCare Network and the NMRE are exploring several administrative efficiencies, including sharing staff. The governance structure will likely be amended as it was previously dictated by the now revoked PIHP RFP.

NMRE SUD Oversight Committee Report

As stated previously, the NMRE Substance Use Disorder Oversight Committee meeting scheduled for July 6th was canceled. The next SUD Oversight Committee meeting is currently scheduled for September 14th at 10:00AM.

NEW BUSINESS

FY27 Prevention Services Contracts

The NMRE conducted a Request for Proposals (RFP) from May 4, 2026 through May 29, 2026 to select providers of prevention services for 7 of the region's 21 counties. Based on the submissions received, prevention contract recommendations were shared as:

NMRE County Recommendations for Contract Award	Provider	Amount Requested of NMRE Estimated Allocation (\$)
Alcona	Catholic Human Services	\$8,670.47
Alpena	Catholic Human Services	\$28,799.27
Iosco	Catholic Human Services	\$24,857.29

Montmorency	Catholic Human Services	\$7,581.32
Ogemaw	Catholic Human Services	\$20,059.24
Oscoda	Catholic Human Services	\$6,578.10
Presque Isle	Catholic Human Services	\$11,694.08
Total		\$108,239.77

Catholic Human Services' Chief Executive Officer, Larry LaCross, explained that SUD prevention activities primarily occur out in community providing education and outreach. Much of the work focuses on youth in schools, harm reduction, advocacy efforts to abstain from substances, prescription drug safety, understanding marijuana risks, kratom education, Students Leading Students programs, and helping communities respond to substance use.

MOTION BY MARY MAROIS TO AWARD FISCAL YEAR 2027 PREVENTION SERVICES CONTRACTS TO CATHOLIC HUMAN SERVICES FOR ALCONA, ALPENA, IOSCO, MONTMORENCY, OGEMAW, OSCODA, AND PRESQUE ISLE COUNTIES IN THE TOTAL AMOUNT OF ONE HUNDRED EIGHT THOUSAND TWO HUNDRED THIRTY-NINE DOLLARS AND SEVENTY-SEVEN CENTS (\$108,239.77); SUPPORT BY BOB ADRIAN. ROLL CALL VOTE.

"Yea" Votes: B. Adrian, D. Freedman, E. Ginop, D. Labar, E. Lawson, T. Markey, M. Marois, M. Newman, J. O'Farrell, R. Pilon, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

State Opioid Response (SOR), Gambling, and Tobacco Grant recommendations will be presented in August.

OLD BUSINESS

CMHSP Updates

Ms. Sork reported that Northeast Michigan is speaking with the Alcona County Sheriff about replicating "Bridge to Mental Health" program that originated in Benzie County. The program aims to utilize grant funds to train a Sheriff's Deputy (Crisis Response Officer) in mental health and the CMHSP system.

Mr. Babbitt added that North Country is also in the process of implementing the "Bridge to Mental Health Program" in Antrim County. Mr. Babbitt also noted that the Bergman Center (a non-profit organization that supports adults with intellectual, developmental, and physical disabilities) has reopened in Charlevoix under new leadership.

Northern Lakes is also in the process of implementing the "Bridge to Mental Health Program" in Grand Traverse County. The hope is that this program will be billable to Medicaid in the future. Ms. Zeller invited NMRE Board members to attend Northern Lakes' annual Public Hearing scheduled for September 10th from 11:00AM – 1:00PM.

Ms. Otremba reported that Wellvance is administering services in the Oscoda County Jail. Opioid settlement funding will be pursued to provide Medications for Opioid Use Disorder (MOUD). Wellvance hopes to implement the "Bridge to Mental Health" program in the future. Ms. Otremba

announced that Wellvance is currently undergoing its CARF accreditation survey and received a 2-year recertification from MDHHS.

PIHPs V State

All Plaintiffs (NorthCare Network Mental Health Care Entity, Northern Michigan Regional Entity, Region 10 PIHP, and Community Mental Health Partnership of Southeast Michigan) in State of Michigan Court of Claims Case No. 24-000198-MZ have signed the FY26 PIHP Contract. As of 9:55AM on this date, the NMRE received a counter signature from Terri Smith at the Bureau of Grants and Purchasing at MDHHS, fully executing the Contract. Mediation has been scheduled for August 13th in Detroit. A list of damages from the Plaintiffs was requested 30 days prior to the mediation date, which was submitted. Mr. Kurtz noted that positive conversations are occurring between the Plaintiffs' attorneys and the Attorney General's office. The FY26 PIHP Contract has been posted to the NMRE website at [PIHP Contract | NMRE](#).

COMMENTS

Board

Mr. Freedman reminded attendees that the Michigan Primary Election is taking place on August 4th.

Public

Mr. LaCross expressed appreciation for the NMRE's close monitoring of PA2 funds. From a treatment perspective, this will be a greater issue moving forward as beneficiaries lose HMP coverage (due to work requirements and 6-month renewals) with the implementation of HR1. Supplemental funding will likely be needed for essential services. SOR funding is used for jail-based services; however, funding is uncertain after FY28.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on August 26, 2026.

ADJOURN

Let the record show that Mr. Ginop adjourned the meeting at 12:00PM.

Email Correspondence

From: [Info CMHAM](#)
To: [Carol Balousek \(NMRE\)](#)
Subject: ACTION ALERT: Michigan Voters Overwhelmingly Oppose Privatizing Public Mental Health Services
Date: Wednesday, July 22, 2026 11:34:15 AM
Attachments: [EPIC-MRA privatization poll data - press release 2026.pdf](#)



As you may know, CMHA recently commissioned an independent statewide poll of likely November 2026 voters to better understand public opinion regarding proposals to privatize Michigan's public behavioral health system. The results were clear and overwhelmingly demonstrate that Michigan voters do not support turning the state's public mental health system over to private health insurance companies.

Key findings include:

- **70%** of likely November 2026 voters oppose shifting the management of Medicaid mental health services to private health insurance companies, while only **19%** support the proposal.
- Opposition has **grown from 64% in 2022 to 70% today**, demonstrating increasing concern as voters learn more about privatization.
- **69%** oppose ending local control and local accountability of Michigan's public mental health system.
- **58%** strongly oppose privatization, compared to just **8%** who strongly support it.
- Nearly **half of voters (49%)** say they would be **less likely to support a candidate** who favors privatizing Michigan's public mental health system, while only **11%** say they would be more likely.

The timing of these findings is especially important. MDHHS recently posted

on the State of Michigan procurement website that it intends to release a new Prepaid Inpatient Health Plan (PIHP) Request for Proposals (RFP) in August. This indicates the department may move forward with another effort to restructure Michigan's public behavioral health system.

REQUEST FOR ACTION: We ask that you contact your House and Senate members, as well as Governor Whitmer, to express your concerns about issuing another PIHP RFP during the final months of the current administration. It is also important to remind policymakers that Michigan voters overwhelmingly oppose privatizing the public behavioral health system and continue to support a locally accountable, publicly governed system rather than turning it over to private insurance companies.

*****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: Michigan Voters Overwhelmingly Oppose Privatizing Public Mental Health Services

You are receiving this email because you signed up for alerts from Community Mental Health Association of Michigan.

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70% of Michigan Voters Oppose Privatizing Public Mental Health Care

New statewide poll reflects growing concern over potential changes

Lansing, MI – June 29, 2026 – Just months after the Michigan Department of Health and Human Services withdrew a request for proposals to privatize parts of Michigan's behavioral health system, a new poll from the Community Mental Health Association of Michigan (CMHAM) and EPIC-MRA affirmed public opposition to privatization has increased since 2022.

Of likely November 2026 voters, 70% are against shifting the management of medicaid mental health services to private health insurance companies, up from 64% in 2022. Conversely, public support for privatization has continued to erode, falling to just 19% from 21% four years ago.

"Michigan voters have consistently rejected efforts to privatize public mental health services, and these new results show that opposition has only grown stronger over the last four years," said Alan Bolter, CEO of the Community Mental Health Association of Michigan (CMHA) "As policymakers consider the future of Michigan's behavioral health system, voters are sending a clear message: they want community mental health services to remain public and locally accountable, focused on serving people rather than insurance company interests."

Additional findings from the survey include:

- 69% oppose ending local control and local accountability of Michigan's public mental health system, compared to just 19% who support the proposal.
- 70% oppose shifting management of Medicaid mental health services to private insurance companies, while only 19% support the change.
- 58% strongly oppose privatization, compared to only 8% who strongly support it.
- 49% would be less likely to support a candidate who favors privatization, while only 11% would be more likely to support such a candidate.

"The trend is unmistakable," said Bolter. "As voters learn more about what privatization would mean, opposition increases. Michiganders value local oversight, local accountability, and a public mental health system that puts people and communities first."

Michigan's public mental health system currently serves over 350,000 residents annually through county-based community mental health organizations that provide services to individuals with serious mental illness, intellectual and developmental disabilities, and substance use disorders.

The independent statewide survey was conducted by EPIC-MRA between June 15, 2026, and June 20, 2026. It utilized live interviewers to survey a sample of 600 likely November 2026 voters, with 80% of interviews conducted via cell phones. The survey carries a margin of error of ± 4.0 percentage points at a 95% confidence level.



FOR IMMEDIATE RELEASE

The CMHAM advocates for mental health, emotional disturbance, intellectual and developmental disability, and substance use disorder services by strengthening collaboration with persons served, community, partners and government.

###

Media Contact:

Megan Wolowiec

Megan.Wolowiec@LLYC.global

Email Correspondence

From: [Monique Francis](#)
To: [Monique Francis](#)
Cc: [Alan Bolter](#); [David Lowe](#); [Robert Sheehan](#)
Subject: DOJ Clarifies Position on Olmstead Guidance
Date: Monday, August 3, 2026 10:29:35 AM
Attachments: [image.png](#)
[image.png](#)

To: CEOs of CMHs, PIHPs, and Provider Alliance members

CC: CMHA Officers; Members of the CMHA Board of Directors and CMH & PIHP Board Chairpersons

From: David Lowe, Associate Director, CMH Association of Michigan

Re: DOJ Clarifies Position on Olmstead Guidance

As you may recall, on June 18, 2026, the DOJ's Office of Legal Counsel issued an opinion adopting a narrower interpretation of Olmstead v. L.C., arguing that the ADA and Section 504 do not create a broad integration mandate requiring services in the most integrated setting appropriate.

CMHA would like to thank our members and advocacy partners for the strong response that followed. Your collective efforts, along with many others across the country, helped elevate the importance of community integration/inclusion and the critical role that community-based services play in supporting individuals with mental health, developmental disability, and substance use needs.

On July 20, 2026, DOJ issued a Federal Register notice providing additional clarification regarding its position. The notice states that DOJ's 2011 Olmstead Guidance and similar guidance documents are not legally enforceable, and that the Department will no longer rely on them in enforcing Title II of the ADA.

Notice Link: [Federal Register :: Clarification on Department of Justice Guidance Titled, "Statement of the Department of Justice on Enforcement of the Integration Mandate of Title II of the Americans With Disabilities Act and Olmstead v. L.C."](#)

While the notice does not overturn Olmstead, the ADA, or Section 504, it does indicate a meaningful shift in the federal government's enforcement approach to community integration and home- and community-based services.

CMHA remains committed to protecting and advancing Michigan's public behavioral health system and the principle that individuals should have access to services and supports in their communities whenever possible. We appreciate the continued engagement and advocacy of our members as we monitor these developments and their potential impact on community mental health services.

David Lowe
Associate Director
Community Mental Health Association of Michigan

Community Mental Health Association of Michigan

Recommended core components of a strengthened and improved public mental health system in Michigan: Methods for ensuring core components are design elements of Michigan's public mental health system

Origin and purpose of document: This document was developed by the CMHA Guidance Group, a large group representing CMHA's diverse membership of CMHSPs, PIHPs, and private provider organizations founded on a preliminary/foundational document developed by CMHA in partnership with Arc-Michigan, NAMI-Michigan, and the Michigan Association of Counties (MAC). The document is designed to provide a preliminary structure around which the advocacy for more robust and system redesign effort would be designed and pursued, collectively by a broad and diverse coalition of stakeholders.

The methods, outlined below, are designed to ensure that these core components become permanent design elements of Michigan's public mental health system,.

Foundational theme: centrality of CMHSPs to public system: These components are founded upon the role of the state's Community Mental Health Services Programs (CMHSPs), as defined in the Michigan Mental Health Code as a underscored by Judge Yates in the Region 10 et al vs State of Michigan. In this role, the state's CMHSPs are the core community-based providers and managers of the network of other providers, of services to persons with mental illness, emotional disturbance, intellectual and developmental disabilities, or substance use disorders.

Methods for ensuring or fostering the existence of Core Component				Comments
Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	

A. Defining public nature and roles of PIHPs (Michigan’s Medicaid behavioral health plans) and CMHSPs

1	All of Michigan’s Medicaid behavioral health plans [also known, in federal terms as Prepaid Inpatient Health Plans (PIHPs)] should be public/governmental bodies formed via collaboration of the counties, in the region which they are designed to serve, and the state of Michigan. They can be formed via: multi-county authority, Urban Cooperation Act, or Regional Entity section of the Michigan Mental Health Code.				
2	The statutorily-defined authorities, responsibilities, functions, and roles of the CMHSPs will not be encroached upon, including by the PIHPs (absent mutual agreement), or by the State of Michigan via contract requirements and policies issued by the State of Michigan.				
3	The PIHPs shall not circumvent the authority of the counties in the region which they are designed to serve.				
4	The number and size of regions served by the PIHPs should be structured, by the counties and CMHSPs which form them, to ensure: local guidance and responsiveness to local needs, effective management capacity, , and low administrative costs (with greatest level of funding, as possible, dedicated to service delivery), while avoiding dominance in relationships with state policymakers by any one PIHP.				
5	There should be no more than one PIHP per defined region to ensure efficiency and effective management capacity.				
6	PIHPs should have a well-defined and focused administrative role that ensures the statutory roles and responsibilities of the state’s CMHPs. The PIHP roles would include: ensuring high levels of performance and compliance with federal and state requirements by the CMHSPs in the region and providers in its network; and distributing Medicaid funds to CMHSPs within the PIHP’s region.				Foundation established in statute with detail in contracts

Methods for ensuring or fostering the existence of Core Component				Comments
Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	

B. Balancing uniformity of service array while ensuring community and person- specific variance

- 7 The system should ensure uniformity, to the greatest extent possible, that the array of Medicaid services and the processes for authorizing those services are as uniform across the state as possible. Variances from this uniformity, when they occur, must be tied to differences in community needs and resources or differences in the needs and choices of persons served and their families.

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Foundation established in statute with detail in contracts

C. Aligning governance with distinct sets of stakeholders

- 8 The board of directors of the PIHPs should reflect the voices of several distinct sets of key stakeholders:

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- o Those individuals served by the region's public mental health system
- o Representatives of the communities served by region's public mental health system

- 9 Echoing the Michigan Mental Health Code's requirements related to board make up, at least 1/3 of the members of the board of directors of a PIHPs must be persons with lived experience in the receipt of behavioral health service and who live in the region served by the PIHP. These persons can be persons served by the CMHSP system, or an equivalent system, or a family member of a person served.

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- o At least 1/3 of the members of the board of directors of a PIHPs must be persons with lived experience in the receipt of behavioral health service and who live in the region served by the PIHP. These persons can be persons served by the CMHSP system, or an equivalent system, or a family member of a person served.

- o At least 1/2 of this 1/3 (1/6 of the board) must be persons with direct lived experience (often known as "primary consumers" in the receipt of behavioral health service through the CMHSP system or an equivalent system.

- 10 The public bodies which appoint these board members should be the public entities which hold unique roles and responsibilities in the design and operation of Michigan's community-based mental health system. Those appointing bodies and the unique roles and responsibilities which they hold include:

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- o County governments hold unique roles and responsibilities, in statute and in practice, in the structure, governance, and financing of Michigan's public mental health system

- o CMHSPs hold unique roles and responsibilities, including financial risk, in statute and practice, in the structure, governance, and financing of Michigan's public mental health system.

Methods for ensuring or fostering the existence of Core Component				Comments
Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	

D: Financing model, risk sharing, and ability to build essential risk reserves

11	The financing of the Michigan behavioral health plan must be in the form of a risk-sharing capitation structure, with the risk sharing structure clearly delineated among the State of Michigan, the PIHP, the CMHSPs, and counties in the region.			
12	These capitation payments must be actuarially sound, in accordance with GAAP and GASB, and provide sufficient revenue to the PIHPs and the CMHSPs in their regions to meet the mental health services and supports needs of the residents of their counties.			
13	A secondary confirmation of the actuarial soundness of the initial actuarial rate setting should be established by a secondary review by an actuarial firm identified jointly by the public PIHPs and MDHHS. Both sets of actuaries should be required to provide these two parties and other stakeholders with the background documents upon which their actuarial determinations were made. When the two actuarial rate sets do not match, there must be a process including public discussion as to the differences and the resolution of this disagreement. The actuarial rates and projected revenues resulting from this process should be used to drive the annual state appropriations process.			
14	An alternative financing design, not a fee-for-service method, will be used by the PIHPs to finance the CMHSPs in their regions.			
15	The level of risk reserves allowed to be held by PIHPs and CMHSPs must represent an actuarially sound risk reserve (via a method of ensuring actuarial soundness akin to that outlined above) - thus allowing both of these local public bodies to retain their fiscal stability in this shared risk arrangement.			
16	As with any health care, education, governmental, non-profit, or for-profit organization, CMHSPs shall be allowed to hold cost savings, earned incentives, and funds earned through other methods to ensure fiscal stability in light of changing financing and demand factors. As with all fund balances held by CMHSPs and the PIHPs, these reserves must be spent on services to persons with mental health needs, to ensure fiscal stability, and to carry out other statutorily mandated functions of the state's CMHSPs and PIHPs.			
17	The fiscal distress of a PIHP or any CMHSP should be addressed jointly by the PIHP, the CMHSP, the county government served by the CMHSP, and the State of Michigan.			
18	All of the state's PIHPs and the CMHSPs in their region should be required to provide, on a regular basis, to the counties which formed them, the public, providers in the PIHP's and CMHSP's network, and other stakeholders with a clear lay-person friendly picture of its: - Financial condition, current and projected - Service authorization standards and processes - Service demand patterns			

Could be implemented via budget boilerplate as well as statutory change

Foundation established in statute with detail in contracts; May differ for CMHSPs versus CCBHC financing

Foundation established in statute with detail in contracts

Foundation established in statute with detail in contracts

Needed is clarity relative to the roles of each of these parties relative addressing fiscal distress of CMHSPs and PIHPs.

Foundation established in statute with detail in contracts and agreements among community-based system

Methods for ensuring or fostering the existence of Core Component				Comments
Statute	MDHHS contract with system (PIHPs and CMHSPs)	Contract between CMHSPs or PIHPs and Providers	Agreement among community-based system members: CMHSPs, PIHPs, Providers	

E. Partnership relationship between PIHPs, CMHSPs, and providers in the networks of the health plans and CMHSPs

19	Commitment to increased consistency through uniformity in contract templates, provider costing/rate setting, alternative payment models, billing systems, and data sharing.					Foundation established in statute with detail in contracts and agreements among community-based system
20	Commitment to increased transparency through sharing of uniform level of care determinations, funding and fiscal conditions, network adequacy and choice, and changes in direct-run versus contractual services.					Foundation established in statute with detail in contracts and agreements among community-based system
21	Commitment to reducing administrative burdens through training reciprocity, streamlining of audit requirements, and consistency in recipient rights processes.					Foundation established in statute with detail in contracts and agreements among community-based system
22	Commitment to the value and importance of having an equally strong system for provision of substance use disorder services.					Foundation established in statute with detail in contracts and agreements among community-based system

Email Correspondence

From: [Michigan Department of Health and Human Services](#)
To: [Robert Sheehan](#)
Subject: FOR IMMEDIATE RELEASE: MDHHS seeks applications for the Rural Health Transformation Program Improving Care Delivery and Access through Transportation
Date: Friday, July 17, 2026 11:38:02 AM



Press Release

FOR IMMEDIATE RELEASE: July 17, 2026

CONTACT: Laina Stebbins, 517-241-2112, StebbinsL@michigan.gov

MDHHS seeks applications for the Rural Health Transformation Program Improving Care Delivery and Access through Transportation

LANSING, Mich. – The Michigan Department of Health and Human Services (MDHHS) has issued a grant funding opportunity (GFO) for the Rural Health Transformation (RHT) Program that will support the Care Closer to Home Blueprint: Improving Care Delivery and Access through Transportation Grant Program.

Michigan's RHT Program focuses on building a strong and innovative rural health system that ensures every resident has access to high-quality care close to home. The program advances this goal through coordinated, community-driven strategies implemented across four core initiatives:

- Strengthening partnerships that support rural health transformation.
- Expanding and stabilizing the workforce needed to sustain community wellness.
- Advancing interoperability so providers can share information and coordinate care effectively.
- Developing models that bring essential services closer to where people live.

The Improving Care and Access through Transportation Program will help rural residents get the care they need by improving transportation options and bringing services closer to where people live and work. Funding will support technical assistance and community-based programs that expand access to health care and healthy lifestyle resources in rural areas with limited transportation options.

Eligible applicants include 501c3 nonprofits, for-profit organizations, private and public entities, local municipalities, local transit agencies, local health departments, health systems, health plans, community-based coalitions, community foundations, and/or other similar organizations.

The award period begins Oct. 1, 2026, and ends Sept. 30, 2027. Fifteen awards are anticipated for a total of \$12 million. Project director requests for access to the applications are due by 5 p.m., Friday, Aug. 7. Grant applications must be submitted electronically through the EGrAMS system by

3 p.m., Wednesday, Aug. 12.

A pre-application conference will be held to provide instruction on using the EGrAMS system at 10:30 a.m., Thursday, July 23. It will last approximately 90 minutes and the webinar can be accessed at <https://bit.ly/4wBrBuh>. At the conclusion of the conference, a recording of the webinar will be posted on the EGrAMS system.

For more information or to apply, visit the [EGrAMS website](#) and select the "About EGrAMS" link in the left panel to access the "Competitive Application Instructions" training manual. The complete GFO and resource documents can be accessed under the 'Current Grants' section within the 'Policy and Planning' link and by selecting the ICATT-2027 grant program.

This grant funding opportunity is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$173,128,201.02, with 100% funding provided by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement by, CMS/HHS or the U.S. government.

#

CMHA Coordinated Initiative

CMHA Rural Caucus serving as the RHTP Behavioral Health Advisory Group

Decisions and actions steps outlined at
August 6, 2026 meeting of the Advisory Group

1. The role of the CMHA RHTP Advisory Group was reviewed:
 - Guide CMHA in its design and implementation of both components of the RHTP-BH Initiative:
 - CMHA Coordinated RHTP Behavioral Health (BH) initiative (often referred to as LOI (Letter of Invitation)
 - Competitive RHTP competitive grants (often referred to as Grant Funding Opportunities (GFO)
2. The purpose of the August 6 meeting of this Group was to provide and overview of Michigan's RHTP and **one** of its components, the **CMHA Coordinated RHTP-Behavioral Health Initiative (LOI)**
3. CMHA reviewed the summary of Michigan's RHTP and the CMHA-Coordinated RHTP Behavioral Health Initiative (using handout sent in advance)
4. The guidance of the Advisory Group was obtained related to a number of components of this initiative:
 - B. Organizations eligible for funding under this initiative:
 1. All CMHSPs in **fully rural counties** (limited to fully rural as per MDHHS)
 2. PIHPs, on behalf of CMHSPs, or groups of CMHSPs can apply as a consortium
 - C. Method of determining recipients of funding through the CMHA-Coordinated RHTP Initiative:

Distribution to all parties eligible for funding who are seeking funding

D. Method for determining funding levels:

After reviewing a number of options for the distribution of the RHTP dollars managed by CMHA, the Advisory Group requested additional options. The full set of options, outlined in a spread sheet (sent to Advisory Group in advance of August 20 meeting) includes:

- a) Each CMHSP receives the same dollar amount
- b) Each CMHSP receives funding based on the number of fully rural counties in their catchment area
- c) Each CMHSP receives funding based on the total population in the fully rural counties in their catchment area
- d) Each CMHSP receives funding based on the population in the fully rural counties in their catchment area with incomes below 200% of the federal poverty level (FPL)
- e) Each CMHSP receives an equal base funding level with the remainder of the funding to each CMHSP based on the population in the fully rural counties in their catchment area with incomes below 200% of the federal poverty level (FPL)

E. The Advisory Group asked CMHA to seek, from the RHTP team at MDHHS, approval to combine the two RHTP initiatives being coordinated by CMHA into a single funding initiative. Such a proposal is founded on the fact that both initiatives are focused on improving access to behavioral healthcare by residents in rural counties and that combining these two initiatives into a single initiative would:

- significantly expand the types of projects to be pursued by them - in that the aggregate dollars, across these two areas, would be increased
- provide sufficient synergy – in design, practice, and financing - across what would have been two separate efforts
- reduce the administrative burden of managing multiple contracts per grantee

F. Types of projects which might be funded by this initiative (to serve as a starting point for CMHA to use to inquire as to the support, of the RTHP staff at MDHHS, for the funding of these projects and those similar to them):

- Adjust existing models to prove new rural models
- Mandy and Megan list of rural models
- CETA model (and/or other trans-diagnostic models)
- Measurement informed care platforms or tools (eg. Blueprint)
- Continued effort of crisis response officers (CMH and law enforcement partnerships)
- Smart home technology (ala MOKA) tied to rural needs

- Tech-First certification program for DSP use of technology and agency Tech-First accreditation
- Tech-First training for persons served
- Put access points in the community (libraries, etc.) especially in areas without internet access

G. Usefulness of vendor showcases to examine technology-related resources: The Advisory Group recommended that CMHA explore the value of a catalog of short videos from vendors of goods and services that may be useful to CMHSPs as they prepare proposals via the CMHA-coordinated RHTP initiative.

Distribution of dollars in RHTP Initiative Coordinated by CMHA - Options

		A	B		C		D		E			F		
Fully Rural		Equal to each CMHSP	Based on number of fully rural counties		Based on population in fully rural counties		Based on populatin in fully rural counties with incomes below 200% FPL		Base funding, equal for all, with remainder based on population in fully fural counties with incomes below 200% of poverty					
CMHSP	Counties	Funding per organization	# of counties	Funding per CMHSP	Population in fully rural counties ++	Funding per CMHSP	Population in fully rural counties with incomes below 200% FPL **	Funding per CMHSP	Equal base using % of total available funding	Remainder of funding based on population with incomes below 200% of poverty	Funding per CMHSP	Equal base using % of total available funding	Remainder of funding based on population with incomes below 200% of poverty	Funding per CMHSP
									30%			50%		
Barry County Community Mental Health Authority	Barry	\$32,143	1	\$15,789	63,409	\$29,973	14,706	\$21,728	\$9,643	\$15,210	\$24,853	\$16,071	\$10,864	\$26,935
Bay Arenac Behavioral Health Authority +	Arenac	\$32,143	1	\$15,789	15,077	\$7,127	5,098	\$7,532	\$9,643	\$5,273	\$14,915	\$16,071	\$3,766	\$19,838
Centra Wellness Network	Manisteee, Benzie	\$32,143	2	\$31,579	43,660	\$20,638	11,876	\$17,547	\$9,643	\$12,283	\$21,926	\$16,071	\$8,773	\$24,845
Community Mental Health for Central Michigan +	Clare, Gladwin, Isabella, Mecosta, Osceola	\$32,143	5	\$78,947	185,945	\$87,896	71,993	\$106,370	\$9,643	\$74,459	\$84,102	\$16,071	\$53,185	\$69,256
Copper Country Community Mental Health Services	Keweenaw, Houghton, Ontonagon, Baraga	\$32,143	4	\$63,158	53,867	\$25,463	17,613	\$26,023	\$9,643	\$18,216	\$27,859	\$16,071	\$13,012	\$29,083
Gogebic Community Mental Health Authority	Gogebic	\$32,143	1	\$15,789	14,319	\$6,769	5,701	\$8,423	\$9,643	\$5,896	\$15,539	\$16,071	\$4,212	\$20,283
Gratiot Integrated Health Network	Gratiot	\$32,143	1	\$15,789	41,385	\$19,563	12,247	\$18,095	\$9,643	\$12,666	\$22,309	\$16,071	\$9,047	\$25,119
Hiawatha Behavioral Health	Chippewa, Mackinac, Schoolcraft	\$32,143	3	\$47,368	55,380	\$26,178	18,422	\$27,219	\$9,643	\$19,053	\$28,696	\$16,071	\$13,609	\$29,681
Huron Behavioral Health	Huron	\$32,143	1	\$15,789	31,113	\$14,707	10,236	\$15,124	\$9,643	\$10,587	\$20,229	\$16,071	\$7,562	\$23,633
Lenawee Community Mental Health Authority	Lenawee	\$32,143	1	\$15,789	98,415	\$46,521	28,926	\$42,738	\$9,643	\$29,917	\$39,560	\$16,071	\$21,369	\$37,441
Lifeways	Hillsdale	\$32,143	1	\$15,789	45,654	\$21,581	16,679	\$24,643	\$9,643	\$17,250	\$26,893	\$16,071	\$12,322	\$28,393
Montcalm Care Network	Montcalm	\$32,143	1	\$15,789	67,816	\$32,056	21,478	\$31,734	\$9,643	\$22,214	\$31,856	\$16,071	\$15,867	\$31,938
Newaygo County Mental Health Center	Newaygo	\$32,143	1	\$15,789	50,792	\$24,009	17,913	\$26,466	\$9,643	\$18,527	\$28,169	\$16,071	\$13,233	\$29,305
North Country Community Mental Health Authority	Antrim, Charlevoix, Cheboygan, Emmet, Kalkaska, Otsego	\$32,143	6	\$94,737	154,048	\$72,818	42,245	\$62,417	\$9,643	\$43,692	\$53,335	\$16,071	\$31,208	\$47,280
Northern Lakes Community Mental Health Authority +	Crawford, Missaukee, Roscommon, Wexford	\$32,143	4	\$63,158	86,390	\$40,836	30,835	\$45,559	\$9,643	\$31,891	\$41,534	\$16,071	\$22,779	\$38,851
Northpointe Behavioral Healthcare Systems	Iron, Dickinson, Menominee	\$32,143	3	\$47,368	60,868	\$28,772	18,877	\$27,891	\$9,643	\$19,524	\$29,166	\$16,071	\$13,945	\$30,017
Notheast Michigan Community Mental Health Authority	Alcona, Alpena, Montmorency, Presque Isle	\$32,143	3	\$47,368	62,002	\$29,308	22,605	\$33,399	\$9,643	\$23,379	\$33,022	\$16,071	\$16,699	\$32,771
OnPoint	Allegan	\$32,143	1	\$15,789	121,456	\$57,412	31,817	\$47,010	\$9,643	\$32,907	\$42,550	\$16,071	\$23,505	\$39,576
Pathways Community Mental Health	Marquette, Alger, Delta, Luce	\$32,143	4	\$63,158	118,958	\$56,231	35,571	\$52,556	\$9,643	\$36,789	\$46,432	\$16,071	\$26,278	\$42,350
Pines Behavioral Health	Branch	\$32,143	1	\$15,789	45,300	\$21,413	16,108	\$23,800	\$9,643	\$16,660	\$26,303	\$16,071	\$11,900	\$27,971
Pivotal	St. Joseph	\$32,143	1	\$15,789	60,969	\$28,820	18,816	\$27,801	\$9,643	\$19,460	\$29,103	\$16,071	\$13,900	\$29,972
Sanilac County Commmunity Mental Health	Sanilac	\$32,143	1	\$15,789	40,462	\$19,126	13,922	\$20,570	\$9,643	\$14,399	\$24,042	\$16,071	\$10,285	\$26,356
Shiawassee Health and Wellness	Shiawassee	\$32,143	1	\$15,789	67,991	\$32,139	19,846	\$29,322	\$9,643	\$20,526	\$30,169	\$16,071	\$14,661	\$30,733
The Right Door for Hope, Recovery, and Wellness	Ionia	\$32,143	1	\$15,789	66,574	\$31,469	16,132	\$23,835	\$9,643	\$16,685	\$26,327	\$16,071	\$11,918	\$27,989
Tuscola Behavioral Health Systems	Tuscola	\$32,143	1	\$15,789	52,980	\$25,044	17,979	\$26,564	\$9,643	\$18,595	\$28,238	\$16,071	\$13,282	\$29,353
Van Buren Community Mental Health Authority	Van Buren	\$32,143	1	\$15,789	75,795	\$35,828	24,717	\$36,519	\$9,643	\$25,564	\$35,206	\$16,071	\$18,260	\$34,331
Wellvance	Iosco, Ogemaw, Oscoda	\$32,143	3	\$47,368	54,657	\$25,836	22,074	\$32,614	\$9,643	\$22,830	\$32,473	\$16,071	\$16,307	\$32,379
West Michigan Community Mental Health System	Lake, Mason, Oceana	\$32,143	3	\$47,368	68,685	\$32,467	24,705	\$36,502	\$9,643	\$25,551	\$35,194	\$16,071	\$18,251	\$34,322
Funding per initiative		\$900,000	57	\$900,000	1,903,967	\$900,000	609,137	\$900,000	\$270,000	\$630,000	\$900,000	\$450,000	\$450,000	\$900,000

++ Source: US Census; Michigan Demographics by County (https://www.michigan-demographics.com/counties_by_population)

** Source: US Census; American Community Survey; Table C17002; Ratio of Income to Poverty Level in Past 12 months; 2023 (latest report with all Michigan counties)

**Indicator 2: The Percentage of New Persons During the Quarter Receiving a Completed
Biopsychosocial Assessment within 14 Calendar Days of a Non-emergency Request for
Service**

	Percentage	# of New Persons Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# of Persons Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	60.17	2,965	1,784
Lakeshore Regional Entity	78.68	605	476
Macomb Co CMH Services	39.72	287	114
Mid-State Health Network	68.68	2,452	1,684
NorthCare Network	59.06	513	303
Northern MI Regional Entity	57.82	998	577
Oakland Co CMH Authority	46.05	291	134
Region 10	71.99	507	365
CMH Partnership of Southeast MI	66.27	593	393
Southwest MI Behavioral Health	79.28	362	287
Statewide Total		9,573	6,117

**Indicator 2a: The Percentage of New Children with Emotional Disturbance
During the Quarter Receiving a Completed Biopsychosocial Assessment within 14 Calendar
Days of a Non-emergency Request for Service**

	Percentage	# MI Children Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# MI Children Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	56.33	648	365
Lakeshore Regional Entity	78.16	261	204
Macomb Co CMH Services	35.94	64	23
Mid-State Health Network	66.29	709	470
NorthCare Network	65.03	183	119
Northern MI Regional Entity	66.67	273	182
Oakland Co CMH Authority	60.27	73	44
Region 10	67.31	104	70
CMH Partnership of Southeast MI	68.57	140	96
Southwest MI Behavioral Health	68.12	69	47
Statewide Total		2,524	1,620

**Indicator 2b: The Percentage of New Adults with Mental Illness
During the Quarter Receiving a Completed Biopsychosocial Assessment within 14 Calendar
Days of a Non-emergency Request for Service**

	Percentage	# MI Adults Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# MI Adults Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	63.66	1,417	902
Lakeshore Regional Entity	78.08	219	171
Macomb Co CMH Services	65.79	76	50
Mid-State Health Network	72.01	1,415	1,019
NorthCare Network	56.01	291	163
Northern MI Regional Entity	54.08	564	305
Oakland Co CMH Authority	63.11	122	77
Region 10	82.83	233	193
CMH Partnership of Southeast MI	61.36	295	181
Southwest MI Behavioral Health	75.27	182	137
Statewide Total		4,814	3,198

**Indicator 2c: The Percentage of New Children with Developmental Disabilities
During the Quarter Receiving a Completed Biopsychosocial Assessment within 14 Calendar
Days of a Non-emergency Request for Service**

	Percentage	# DD Children Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# DD Children Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	55.11	753	415
Lakeshore Regional Entity	77.38	84	65
Macomb Co CMH Services	23.73	118	28
Mid-State Health Network	54.18	251	136
NorthCare Network	50.00	24	12
Northern MI Regional Entity	56.30	119	67
Oakland Co CMH Authority	15.38	39	6
Region 10	58.21	134	78
CMH Partnership of Southeast MI	73.17	123	90
Southwest MI Behavioral Health	94.95	99	94
Statewide Total		1,744	991

**Indicator 2d: The Percentage of New Adults with Developmental Disabilities
During the Quarter Receiving a Completed Biopsychosocial Assessment within 14 Calendar
Days of a Non-Emergency Request for Service**

	Percentage	# DD Adults Who Requested Mental Health or I/DD Services and are Referred for a Biopsychosocial Assessment	# DD Adults Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	69.39	147	102
Lakeshore Regional Entity	87.80	41	36
Macomb Co CMH Services	44.83	29	13
Mid-State Health Network	76.62	77	59
NorthCare Network	60.00	15	9
Northern MI Regional Entity	54.76	42	23
Oakland Co CMH Authority	12.28	57	7
Region 10	66.67	36	24
CMH Partnership of Southeast MI	74.29	35	26
Southwest MI Behavioral Health	75.00	12	9
Statewide Total		491	308

Summary of FY25 Behavioral Health Home Pay-for-Performance (P4P) Payments

Provider Name	Payment Amount
CMH Partnership of Southeast MI	68,586.06
Detroit Wayne	111,580.92
Macomb CMH	6,751.08
Mid-State Health Network	102,502.87
Northcare Network	87,707.95
Northern MI Regional	139,207.68
Oakland County CMH	142,129.72
Southwest MI Behavioral Health	246.24
	658,712.52

**NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – AUGUST 12, 2026
VIA TEAMS**

ATTENDEES: Bea Arsenov, Brian Babbitt, Melissa Bentgen, Ann Friend, Chip Johnston, Nancy Kearly, Eric Kurtz, Allison Nicholson, Donna Nieman, Trish Otremba, Rob Palmer, Pamela Polom, Brandon Rhue, Nena Sork, Erinn Trask, Jennifer Warner, Tricia Wurn, Deanna Yockey, Lynda Zeller, Carol Balousek

REVIEW AGENDA & ADDITIONS

No additions to the meeting agenda were requested.

REVIEW PREVIOUS MEETING MINUTES

The July minutes were included in the materials packet for the meeting.

MOTION BY DONNA NIEMAN TO APPROVE THE MINUTES OF THE JULY 8, 2026, NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY MELISSA BENTGEN. MOTION APPROVED.

MONTHLY FINANCIALS

June 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of \$8,725,000. Carry forward was reported as \$2,844,054. The total Medicaid and HMP current year surplus was reported as \$11,569,054. The total Medicaid and HMP Internal Service Fund was reported as \$20,590,089. The total Medicaid and HMP net surplus was reported as \$32,159,143
- Traditional Medicaid showed \$175,268,607 in revenue, and \$164,559,791 in expenses, resulting in a net surplus of \$10,708,816 Medicaid ISF was reported as \$13,519,285 based on the current FSR. Medicaid Savings was reported as \$2,844,054.
- Healthy Michigan Plan showed \$22,300,222 in revenue, and \$24,284,038 in expenses, resulting in a net deficit of \$1,983,816. HMP ISF was reported as \$7,070,804 based on the current FSR. HMP savings was reported as \$0.
- Health Home showed \$2,725,911 in revenue, and \$2,230,143 in expenses, resulting in a net surplus of \$495,768.
- SUD showed all funding source revenue of \$16,943,369 and \$14,768,385 in expenses, resulting in a net surplus of \$2,174,984. Total PA2 funds were reported as \$ 5,149,662.

PA2/Liquor Tax was summarized as follows:

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

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$5,137,481	\$1,147,646	\$1,135,465	\$5,149,662

Northern Lakes showed improvement in its overspend since the May Financial Report which was attributed to getting a handle on accruals.

Ms. Sork noted that Northeast Michigan will be making several large purchases that affect its surplus prior to the end of the fiscal year.

Mr. Babbitt acknowledged that North Country's underspend will also be reduced prior to the end of the fiscal year.

Quarter 3 PA2 payments came in as anticipated. Because SUD Block Grant Funding currently has a surplus, PA2 will be switched to BGF when possible. PA2 activity from FY22 – current was reviewed. Mr. Johnston shared that Rep John Roth (104th District) is aware of statewide concerns regarding PA2 deductions and inconsistent allocations. Ms. Zeller noted that Rep. Roth will be speaking to the Northern Lakes Board on August 20th. Mr. Johnston agreed to share his communications relating to PA2 with Ms. Zeller.

MOTION BY ERINN TRASK TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JUNE 2026; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

EDIT UPDATE

The minutes from July 16th were included in the meeting materials. Ms. Cadarette attended and will continue to attend future meetings on behalf of the NMRE.

- New EQI Templates were distributed on August 1st. Reports are due to MDHHS September 30th.
- Additional commercial insurance codes (99408 & 99409) for Screening Brief Intervention and Referral to Treatment (SBIRT) are being proposed.
- Per Diem CLS and OHSS Codes and Addition of OHSS to (i)SPA and HCBS Respite Settings
 - CMS amendment approval for (i)SPA is pending.
 - Michigan does not have limitations as far as timeliness on respite services (e.g., 30 days per year).
 - If a facility that has been approved by the state (not a private residence) to provide CLS and receives an HCBS review, they will not require an additional review of respite.
 - If a facility that has been approved by the state (not a private residence) to provide CLS and has not been reviewed, a similar process for an HCBS review of a CLS provider should be followed.
 - Onsite and/or desk review
 - IPOS compliance with HCBS requirements
 - Setting must meet HCBS requirements
 - If services are provided in licensed camps available to individuals with and without disabilities, the camp has presumed compliance.
 - If services are provided in licensed camps exclusive to individuals with disabilities, the following must be reviewed:
 - Camp handbooks, guidelines, expectations, etc.
 - Desk and/or onsite review of privacy and personal care, physical accessibility, freedom of movement consistent with IPOS
 - Camp experience should mirror what an individual without disabilities would expect to have.
- MDHHS will be sending additional guidance on billing 90791 for biopsychosocial assessments.

- Use of H2011 with the ET modifier and H2011HT are moving forward only for clinicians that are ICSS certified.
- Autism Code Clarification
 - Code 97151 should be used for the implementation of a behavior protocol administered by an LBA.
 - Code 0373T (considered a temporary code nationally) should be used with an individual with severe and challenging behaviors in a customized environment. Can be billed at the same time another code (such as 97155) with the Technician billing 0373T and the behavior analyst billing 97155.
 - New billing codes are under 90-day public review with an expected effective date of October 1st.
 - 0373T will be removed December 31st.
- The maximum limit for equine therapy is 4 sessions per month, per type.
- 9 updates were made to the June 30th Code Chart and Provider Qualifications: [Reporting Requirements](#)
 - Place of service code 53, Community Mental Health Center, was added.
 - A link to the CCBHC Code Chart was added.
 - Updated provider qualifications for H2019 and removed HN – bachelor's level under columns F-H.
 - Updated service description and reporting code description of 97158 for accuracy.
 - Removed youth peer support language from Provider Qualifications column of H0023.
 - Removed strikethrough of HMP on H2014.
 - Removed Medicaid coverage for 97810, H2034, S9976, 97811, and H0006 (SUD lines).
 - Added HMP coverage for those under 21 and note to indicate that for EPSDT codes that did not include HMP coverage.
 - Removed ABA from the description of 97153, 97154, 97155, 97156, and 97157.

EQI UPDATE

Period 2, October through May, is due on September 30th. The data pull date was selected as August 14th. Reports are due to the NMRE on September 18th. Ms. Friend noted that Period 2 is not yet available in PCE; notification has been sent to the vendor.

ELECTRONIC VISIT VERIFICATION (EVV)

An EVV meeting is scheduled for 11:00AM on this date. No additional updates were provided.

HSW OPEN SLOTS UPDATE

Ms. Arsenov reported that the region currently has 9 open slots. For the remainder of FY26, MDHHS will be restricting enrollments to priority populations:

- Individuals exiting the Intermediate Care Facilities for Enrollees with Intellectual Disability (ICF/IID) or at highest risk of needing ICF/IID placement,
- Young adult aging off Children's Waiver Program, or
- Young adult aging off State Plan Private Duty Nursing service.

CHAMPS Issues & Verification/Research Process

NMRE continues to monitor activity. The NMRE developed a Power BI report which was shared with the CMHSPs. Most current issues have to do with the county of residence listed for the beneficiary in CMAMPS.

NMRE FY26 REVENUE & ELIGIBLES ANALYSIS

October 2025 through July 2026 revenue looks like September 2025; however, the NMRE observed a 10.5% decrease in eligibles between DAB, TANF, and HMP.

Overall, June revenue (all funding sources) was \$937,087 lower than September 2025.

DAB			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
Revenue	\$10,003,003	\$10,829,246	8.26%
Enrollees	28,444	24,512	-13.82%
Average Payment per Enrollee	\$352	\$442	25.63%

HMP			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
Revenue	\$2,369,569	\$1,990,103	-16.01%
Enrollees	47,550	25,341	-46.71%
Average Payment per Enrollee	\$50	\$79	57.59%

TANF			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
Revenue	\$2,865,200	\$2,644,446	-7.70%
Enrollees	66,801	48,052	-28.07%
Average Payment per Enrollee	\$43	\$55	28.31%

Children's Waiver Program			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
Revenue	\$36,882	\$31,620	-14.27%
Enrollees	11	9	-18.18%
Average Payment per Enrollee	\$3,353	\$3,513	4.78%

HSW			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
Revenue	\$4,638,399	\$5,168,718	11.43%
Enrollees	650	711	9.38%
Average Payment per Enrollee	\$7,136	\$7,270	1.87%

SED			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
Revenue	\$40,846	\$27,231	-33.33%
Enrollees	21	37	76.19%
Average Payment per Enrollee*	\$1,945	\$736	-62.16%

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

TOTAL			
	<u>October 2023</u>	<u>July 2026</u>	<u>% Change</u>
	\$19,953,899	\$20,691,364	3.70%

Clarification was made that the November HSW payment included prior year retroactivity totaling \$616K and the January HSW payment included prior year retroactivity totaling \$136K.

Meetings are occurring with MDHHS regarding FY27 rates. No draft rates have been provided to date. Deanna advised that the CMHSPs plan on FY27 rates equal to FY26. A rate setting meeting is scheduled for August 24th at 3:00PM.

Statewide underfunding remains substantial at \$71M.

Mid-Year Rate Adjustment

No update regarding a potential FY26 rate adjustment was available.

OTHER

Ms. Friend requested an update on FY25 settlements. The NMRE expects to complete settlements before the end of September. Compliance audits have been requested from Centra Wellness and Northern Lakes. Ms. Nieman agreed to send Centra Wellness' audit following the meeting. The CMHSPs may owe some general funds to the NMRE related to the use of Alpine CRU.

NEXT MEETING

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



Chief Executive Officer Report

August 2026

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.

July 27: Attended and participated in state Compliance Officers meeting.

Aug 4: Attended and participated in PIHP CEO meeting.

Aug 4: Attended and participated in Grand Traverse Crisis and Access meeting.

Aug 6: Attended and participated in MDHHS PIHP Operations meeting.

Aug 12: Attended and participated in regional Finance Committee meeting.

Aug 13: Attended and participated in PIHP v MDHHS mediation session.

Aug 18: Chaired NMRE Regional Operations meeting.

Aug 20: Attended and participated in NMRE Internal Operations meeting.

Aug 24: Plan to attend MDHHS/PIHP Rate Setting meeting.



June 2026

Finance Report

June 2026 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	10,708,816	2,844,054	13,519,285
Healthy Michigan	(1,983,816)	-	7,070,804
	<u>\$ 8,725,000</u>	<u>\$ 2,844,054</u>	<u>\$ 20,590,089</u>

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	818,033	1,710,178	(1,026,428)	2,077,314	1,785,395	3,091,882	268,627	\$ 8,725,000
Carry Forward		-	-	-	-	-	-	2,844,054
Total Med/HMP Current Year Surplus	818,033	1,710,178	(1,026,428)	2,077,314	1,785,395	3,091,882	268,627	\$ 11,569,054
Medicaid & HMP Internal Service Fund								20,590,089
Total Medicaid & HMP Net Surplus								<u><u>\$ 32,159,143</u></u>

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2025 through June 30, 2026

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	\$ 171,881,345	\$ 3,387,262						\$ 175,268,607
CMHSP Distributions	(165,242,603)		53,513,190	44,920,366	27,062,363	25,225,148	14,521,537	-
1st/3rd Party receipts								-
Net revenue	<u>6,638,742</u>	<u>3,387,262</u>	<u>53,513,190</u>	<u>44,920,366</u>	<u>27,062,363</u>	<u>25,225,148</u>	<u>14,521,537</u>	<u>175,268,607</u>
Expense								
PIHP Admin	2,377,547	35,846						2,413,392
PIHP SUD Admin		93,447						93,447
SUD Access Center		-						-
Insurance Provider Assessment	733,924	11,048						744,972
Hospital Rate Adjuster	2,709,038							2,709,038
Services	-	2,355,640	52,873,350	42,401,801	25,160,538	21,855,655	13,951,958	158,598,942
Total expense	<u>5,820,509</u>	<u>2,495,981</u>	<u>52,873,350</u>	<u>42,401,801</u>	<u>25,160,538</u>	<u>21,855,655</u>	<u>13,951,958</u>	<u>164,559,791</u>
Net Actual Surplus (Deficit)	<u>\$ 818,233</u>	<u>\$ 891,281</u>	<u>\$ 639,840</u>	<u>\$ 2,518,565</u>	<u>\$ 1,901,825</u>	<u>\$ 3,369,493</u>	<u>\$ 569,579</u>	<u>\$ 10,708,816</u>

Notes

Medicaid ISF - \$13,519,285 - based on current FSR

Medicaid Savings - \$2,844,054

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2025 through June 30, 2026

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	\$ 15,281,008	\$ 7,019,214						\$ 22,300,222
CMHSP Distributions	(12,461,734)		4,554,126	3,513,585	1,617,861	1,699,833	1,076,328	-
1st/3rd Party receipts								-
Net revenue	<u>2,819,274</u>	<u>7,019,214</u>	<u>4,554,126</u>	<u>3,513,585</u>	<u>1,617,861</u>	<u>1,699,833</u>	<u>1,076,328</u>	<u>22,300,222</u>
Expense								
PIHP Admin	232,275	89,036						321,311
PIHP SUD Admin		232,112						232,112
SUD Access Center		-						-
Insurance Provider Assessment	306,326	28,050						334,376
Hospital Rate Adjuster	2,280,873							2,280,873
Services	-	5,851,119	6,220,394	3,954,836	1,734,291	1,977,444	1,377,281	21,115,365
Total expense	<u>2,819,474</u>	<u>6,200,317</u>	<u>6,220,394</u>	<u>3,954,836</u>	<u>1,734,291</u>	<u>1,977,444</u>	<u>1,377,281</u>	<u>24,284,038</u>
Net Surplus (Deficit)	<u>\$ (200)</u>	<u>\$ 818,897</u>	<u>\$ (1,666,268)</u>	<u>\$ (441,251)</u>	<u>\$ (116,430)</u>	<u>\$ (277,611)</u>	<u>\$ (300,953)</u>	<u>\$ (1,983,816)</u>

Notes

HMP ISF - \$7,070,804 - based on current FSR

HMP Savings - \$0

Net Surplus (Deficit) MA/HMP	<u>\$ 818,033</u>	<u>\$ 1,710,178</u>	<u>\$ (1,026,428)</u>	<u>\$ 2,077,314</u>	<u>\$ 1,785,395</u>	<u>\$ 3,091,882</u>	<u>\$ 268,627</u>	<u>\$ 8,725,000</u>
Medicaid/HMP Carry Forward								2,844,054
Total Med/HMP Current Year Surplus								<u>\$ 11,569,054</u>
Medicaid & HMP ISF - based on current FSR								20,590,089
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								<u>\$ 32,159,143</u>

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2025 through June 30, 2026

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	\$ 2,725,911							\$ 2,725,911
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	<u>2,725,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,725,911</u>
Expense								
PIHP Admin	32,873							32,873
BHH Admin	36,961							36,961
Insurance Provider Assessment	-							-
Hospital Rate Adjuster Services	<u>2,160,309</u>							<u>2,160,309</u>
Total expense	<u>2,230,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,230,143</u>
Net Surplus (Deficit)	<u>\$ 495,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495,768</u>

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health

October 1, 2025 through June 30, 2026

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	\$ 3,387,262	\$ 7,019,214	\$ 3,513,742	\$ 1,887,687	\$ 1,135,464	\$ 16,943,369
Expense						
Administration	129,293	321,148	155,062	190,996		796,499
OHH Admin			68,737	-		68,737
Block Grant Access Center	-	-	-	-		-
Insurance Provider Assessment	11,048	28,050	-			39,098
Services:						
Treatment	2,355,640	5,851,119	2,825,138	1,056,622	1,135,464	13,223,983
Prevention	-	-	-	632,943	-	632,943
Healing and Recovery Grant				7,125		7,125
Alcohol Use Disorder Services				-		
ARPA Grant	-	-	-	-	-	-
Total expense	<u>2,495,981</u>	<u>6,200,317</u>	<u>3,048,937</u>	<u>1,887,687</u>	<u>1,135,464</u>	<u>14,768,385</u>
PA2 Redirect			-	-		-
Net Surplus (Deficit)	<u>\$ 891,281</u>	<u>\$ 818,897</u>	<u>\$ 464,805</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 2,174,984</u>

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds

October 1, 2025 through June 30, 2026

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	\$ 171,881,345	\$ 3,387,262	\$ -	\$ 175,268,607
Medicaid Savings	3,582,881	-	-	3,582,881
Healthy Michigan	15,281,008	7,019,214	-	22,300,222
Healthy Michigan Savings	-	-	-	-
Health Home	2,725,911	-	-	2,725,911
Opioid Health Home	-	3,513,742	-	3,513,742
Substance Use Disorder Block Grant	-	1,887,687	-	1,887,687
Public Act 2 (Liquor tax)	-	1,135,464	-	1,135,464
Affiliate local drawdown	446,112	-	-	446,112
Performance Incentive Bonus	859,452	-	-	859,452
Miscellaneous Grant Revenue	-	-	-	-
Healing & Recovery Revenue	-	-	-	-
Veteran Navigator Grant	108,101	-	-	108,101
SOR Grant Revenue	-	1,211,252	-	1,211,252
Gambling Grant Revenue	-	154,089	-	154,089
Other Revenue	140	-	3,035	3,175
Total operating revenue	194,884,950	18,308,710	3,035	213,196,695
Operating expenses				
General Administration	2,810,567	628,627	-	3,439,194
Prevention Administration	-	86,754	-	86,754
OHH Administration	-	68,737	-	68,737
BHH Administration	36,961	-	-	36,961
Insurance Provider Assessment	1,040,250	39,098	-	1,079,348
Hospital Rate Adjuster	4,989,911	-	-	4,989,911
Payments to Affiliates:				
Medicaid Services	156,243,302	2,355,640	-	158,598,942
Healthy Michigan Services	15,264,246	5,851,119	-	21,115,365
Health Home Services	2,160,309	-	-	2,160,309
Opioid Health Home Services	-	2,825,138	-	2,825,138
Community Grant	-	1,056,622	-	1,056,622
Prevention	-	546,189	-	546,189
State Disability Assistance	-	-	-	-
Alcohol Use Disorder Services	-	-	-	-
ARPA Grant	-	-	-	-
Public Act 2 (Liquor tax)	-	1,135,465	-	1,135,465
Local PBIP	2,463,598	-	-	2,463,598
Local Match Drawdown	446,112	-	-	446,112
Miscellaneous Grant	-	-	-	-
Healing & Recovery Grant	-	7,125	-	7,125
Veteran Navigator Grant	108,101	-	-	108,101
SOR Grant Expenses	-	1,211,252	-	1,211,252
Gambling Grant Expenses	-	154,089	-	154,089
Total operating expenses	185,563,357	15,965,855	-	201,529,212
CY Unspent funds	9,321,593	2,342,855	3,035	11,667,483
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	(1,630,680)	10,600,637	20,586,761	29,556,718
Unspent funds - ending	\$ 7,690,913	\$ 12,943,492	\$ 20,589,796	\$ 41,224,201

Northern Michigan Regional Entity

Statement of Net Position

June 30, 2026

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	\$ 47,430,272	\$ 12,415,359	\$ 20,589,796	\$ 80,435,427
Accounts Receivable	7,524,666	1,969,298	-	9,493,964
Prepays	59,988	-	-	59,988
Total current assets	<u>55,014,926</u>	<u>14,384,657</u>	<u>20,589,796</u>	<u>89,989,379</u>
Noncurrent Assets				
Capital assets	<u>373,818</u>	<u>-</u>	<u>-</u>	<u>373,818</u>
Total Assets	<u>55,388,744</u>	<u>14,384,657</u>	<u>20,589,796</u>	<u>90,363,197</u>
Liabilities				
Current liabilities				
Accounts payable	47,341,333	1,441,165	-	48,782,498
Accrued liabilities	356,498	-	-	356,498
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>47,697,831</u>	<u>1,441,165</u>	<u>-</u>	<u>49,138,996</u>
Unspent funds	<u>\$ 7,690,913</u>	<u>\$ 12,943,492</u>	<u>\$ 20,589,796</u>	<u>\$ 41,224,201</u>

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health

October 1, 2025 through June 30, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	\$ 229,702,368	\$ 172,276,776	\$ 171,881,345	\$ (395,431)	(0.23%)
Carryover	4,449,500	3,337,125	3,582,881	245,756	0
Healthy Michigan					
Capitation	17,969,268	13,476,951	15,281,008	1,804,057	13.39%
Carryover	-	-	-	-	0.00%
Health Home	2,844,551	2,133,413	2,725,911	592,498	27.77%
Affiliate local drawdown	594,816	446,112	446,112	-	0.00%
Performance Bonus Incentive	2,184,505	2,184,505	859,452	(1,325,053)	(60.66%)
Miscellaneous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	82,503	108,101	25,598	31.03%
Other Revenue	-	-	140	140	0.00%
Total operating revenue	257,855,008	193,937,385	194,884,950	947,565	0.49%
Operating expenses					
General Administration	4,481,376	3,361,032	2,810,567	550,465	16.38%
Health Home Administration	-	-	36,961	(36,961)	0.00%
Insurance Provider Assessment	2,038,488	1,528,866	1,040,250	488,616	31.96%
Hospital Rate Adjuster	7,687,213	5,765,410	4,989,911	775,499	13.45%
Local PBIP	2,184,505	2,184,505	2,463,598	(279,093)	(12.78%)
Local Match Drawdown	594,816	446,112	446,112	-	0.00%
Miscellaneous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	135,336	101,502	108,101	(6,599)	(6.50%)
Payments to Affiliates:					
Medicaid Services	218,897,134	164,172,851	156,243,302	7,929,549	4.83%
Healthy Michigan Services	15,738,212	11,803,659	15,264,246	(3,460,587)	(29.32%)
Health Home Services	2,844,551	2,133,413	2,160,309	(26,896)	(1.26%)
Total operating expenses	254,601,631	191,497,350	185,563,357	5,933,993	3.10%
CY Unspent funds	<u>\$ 3,253,377</u>	<u>\$ 2,440,036</u>	9,321,593	<u>\$ 6,881,557</u>	
Transfers in			-		
Transfers out			-	185,563,357	
Unspent funds - beginning			(1,630,680)		
Unspent funds - ending			<u>\$ 7,690,913</u>	9,321,593	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse

October 1, 2025 through June 30, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	\$ 7,015,245	\$ 5,261,434	\$ 3,387,262	\$ (1,874,172)	(35.62%)
Healthy Michigan	12,312,158	9,234,119	7,019,214	(2,214,905)	(23.99%)
Substance Use Disorder Block Grant	3,525,032	2,643,774	1,887,687	(756,087)	(28.60%)
Opioid Health Home	3,556,831	2,667,623	3,513,742	846,119	31.72%
Public Act 2 (Liquor tax)	1,794,486	598,162	1,135,464	537,302	89.83%
Miscellaneous Grants	4,000	3,000	-	(3,000)	(100.00%)
Alcohol Disorder Grant	285,600	214,200	-	(214,200)	(100.00%)
Healing & Recovery Grant	150,000	112,500	-	(112,500)	(100.00%)
SOR Grant	1,546,979	1,160,234	1,211,252	51,018	4.40%
Gambling Prevention Grant	200,000	150,000	154,089	4,089	2.73%
Other Revenue	-	-	-	-	0.00%
Total operating revenue	30,390,331	22,045,046	18,308,710	(3,736,336)	(16.95%)
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,025,044	768,783	628,627	140,156	18.23%
Prevention Administration	143,928	107,946	86,754	21,192	19.63%
Insurance Provider Assessment	120,208	90,156	39,098	51,058	56.63%
Medicaid Services	3,700,000	2,775,000	2,355,640	419,360	15.11%
Healthy Michigan Services	8,634,200	6,475,650	5,851,119	624,531	9.64%
Community Grant	2,130,419	1,597,814	1,056,622	541,192	33.87%
Prevention	838,096	628,572	546,189	82,383	13.11%
State Disability Assistance	93,043	69,782	-	69,782	100.00%
Alcohol Use Disorder Services	285,600	214,200	-	214,200	100.00%
ARPA Grant	-	-	-	-	0.00%
Opioid Health Home Admin	-	-	68,737	(68,737)	0.00%
Opioid Health Home Services	3,556,813	2,667,610	2,825,138	(157,528)	(5.91%)
Miscellaneous Grants	4,000	3,000	-	3,000	100.00%
Healing & Recovery Grant	150,000	112,500	7,125	105,375	93.67%
SOR Grant	1,546,979	1,160,234	1,211,252	(51,018)	(4.40%)
Gambling Prevention	200,000	150,000	154,089	(4,089)	(2.73%)
PA2	1,794,492	598,164	1,135,465	(537,301)	(89.83%)
Total operating expenses	24,222,822	17,419,412	15,965,855	1,453,557	8.34%
CY Unspent funds	\$ 6,167,509	\$ 4,625,634	2,342,855	\$ (2,282,779)	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			10,600,637		
Unspent funds - ending			\$ 12,943,492		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration

October 1, 2025 through June 30, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	\$ 2,442,372	\$ 1,831,779	\$ 1,578,711	\$ 253,068	13.82%
Fringes	768,300	576,225	497,089	79,136	13.73%
Contractual	952,800	714,603	539,407	175,196	24.52%
Board expenses	13,500	10,125	12,373	(2,248)	(22.20%)
Day of recovery	14,000	10,500	10,311	189	1.80%
Facilities	133,000	99,747	109,537	(9,790)	(9.81%)
Other	157,404	118,053	63,139	54,914	46.52%
Total General Admin	<u>\$ 4,481,376</u>	<u>\$ 3,361,032</u>	<u>\$ 2,810,567</u>	<u>\$ 550,465</u>	16.38%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration

October 1, 2025 through June 30, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	\$ 646,392	\$ 484,794	\$ 397,926	\$ 86,868	17.92%
Fringes	227,940	170,955	131,427	39,528	23.12%
Access Salaries	-	-	-	-	0.00%
Access Fringes	-	-	-	-	0.00%
Access Contractual	-	-	-	-	0.00%
Contractual	114,000	85,500	74,050	11,450	13.39%
Board expenses	5,000	3,750	2,330	1,420	37.87%
Day of Recover	9,000	6,750	4,419	2,331	34.53%
Facilities	-	-	-	-	0.00%
Other	22,712	17,034	18,475	(1,441)	(8.46%)
Total operating expenses	<u>\$ 1,025,044</u>	<u>\$ 768,783</u>	<u>\$ 628,627</u>	<u>\$ 140,156</u>	18.23%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2025 through June 30, 2026

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	\$ -	\$ -	\$ -	\$ -	0.00%
Interest and Dividends	3,500	2,625	3,035	410	15.62%
Total operating revenue	3,500	2,625	3,035	410	15.62%
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	\$ 3,500	\$ 2,625	3,035	\$ 410	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			20,586,761		
Unspent funds - ending			\$ 20,589,796		

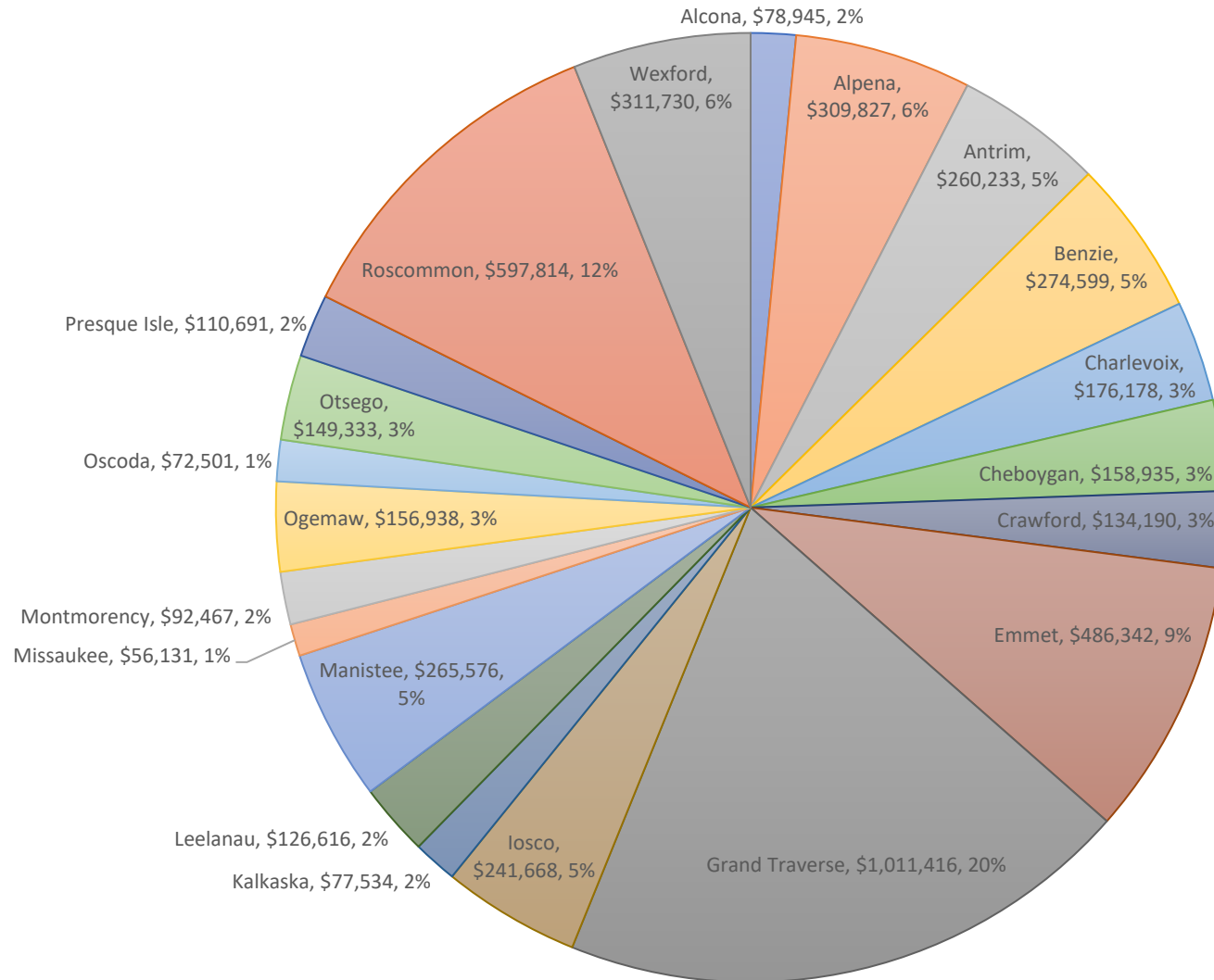
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2025 through June 30, 2026

County	Projected FY26 Activity				Actual FY26 Activity			
	Beginning Balance	FY26 Projected Revenue	FY26 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
	Actual Expenditures by County							
Alcona	\$ 79,981	\$ 23,013	\$ 24,001	\$ 78,993	\$ 13,257	14,293	\$ -	\$ 78,945
Alpena	315,153	81,249	87,854	308,548	52,592	57,918	-	309,827
Antrim	247,799	71,430	46,424	272,805	45,070	32,637	-	260,233
Benzie	276,050	64,021	47,793	292,278	39,634	41,085	-	274,599
Charlevoix	180,985	106,977	92,341	195,621	64,687	69,494	-	176,178
Cheboygan	161,840	85,508	81,361	165,987	53,858	56,764	-	158,935
Crawford	127,739	36,205	33,849	130,095	26,982	20,531	-	134,190
Emmet	573,810	182,951	332,159	424,602	110,675	198,143	-	486,342
Grand Traverse	1,036,830	464,163	698,152	802,841	285,794	311,209	-	1,011,416
Iosco	217,704	84,319	66,511	235,512	52,875	28,910	-	241,668
Kalkaska	53,910	41,796	3,936	91,770	26,060	2,436	-	77,534
Leelanau	109,318	63,811	44,237	128,892	36,948	19,650	-	126,616
Manistee	250,122	82,480	40,719	291,883	51,254	35,801	-	265,576
Missaukee	48,934	22,352	7,175	64,112	14,371	7,175	-	56,131
Montmorency	85,825	30,318	14,262	101,881	15,768	9,127	-	92,467
Ogemaw	123,654	68,787	26,413	166,029	43,748	10,465	-	156,938
Oscoda	65,547	21,668	17,149	70,065	15,490	8,535	-	72,501
Otsego	135,933	105,067	111,286	129,714	66,579	53,179	-	149,333
Presque Isle	104,651	24,977	20,080	109,548	16,592	10,552	-	110,691
Roscommon	613,222	87,317	130,060	570,480	53,697	69,105	-	597,814
Wexford	328,472	98,696	145,681	281,487	61,714	78,456	-	311,730
	<u>5,137,481</u>	<u>1,847,106</u>	<u>2,071,443</u>	<u>4,913,143</u>	<u>1,147,646</u>	<u>1,135,465</u>	<u>-</u>	<u>5,149,662</u>
PA2 Redirect								<u>-</u>
								<u>5,149,662</u>

PA2/Liquor Tax Fund Balances by County



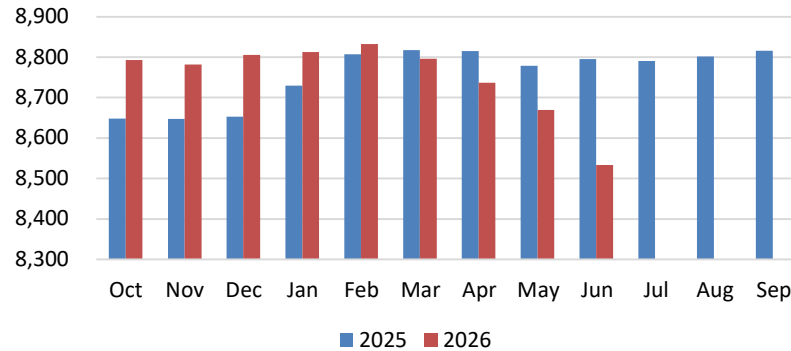
Northern Michigan Regional Entity

Narrative

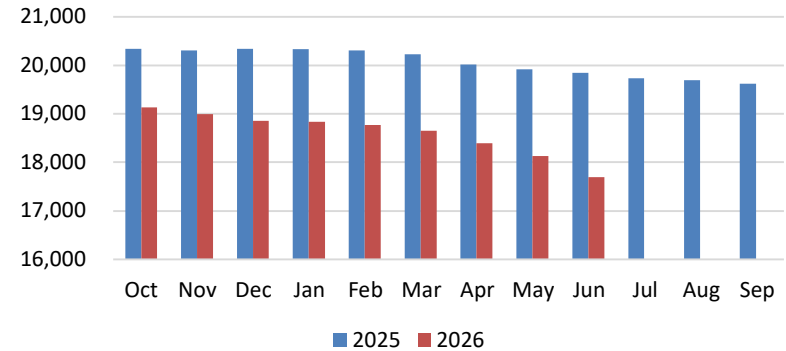
October 1, 2025 through June 30, 2026

Northern Lakes Eligible Members Trending - based on payment files

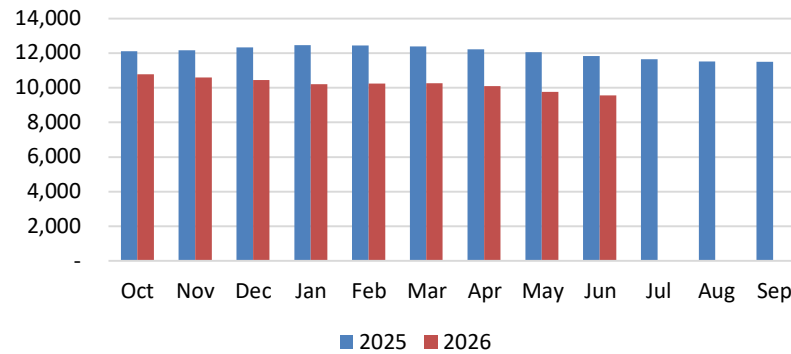
DABS - Northern Lakes



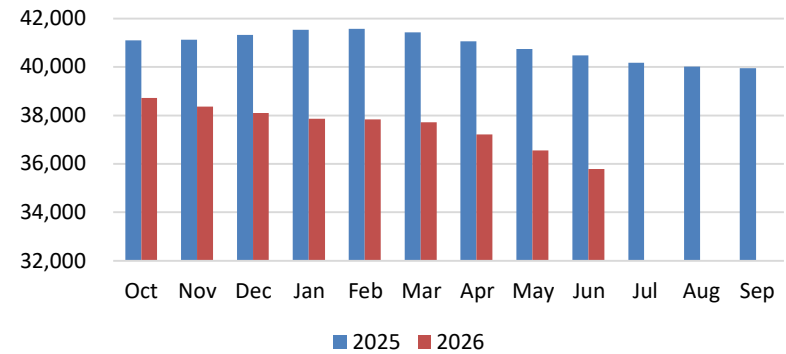
TANF - Northern Lakes



HMP - Northern Lakes



Total - Northern Lakes



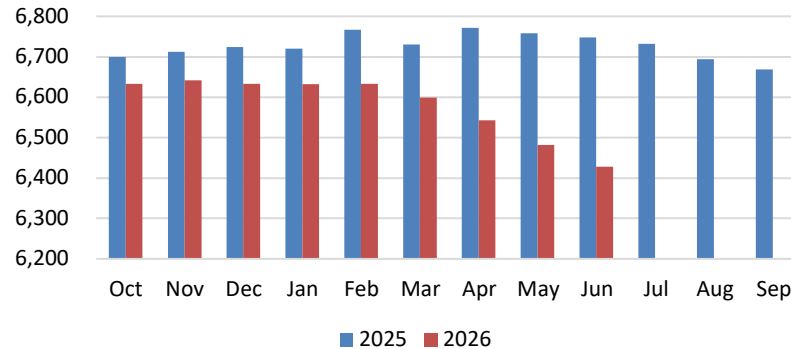
Northern Michigan Regional Entity

Narrative

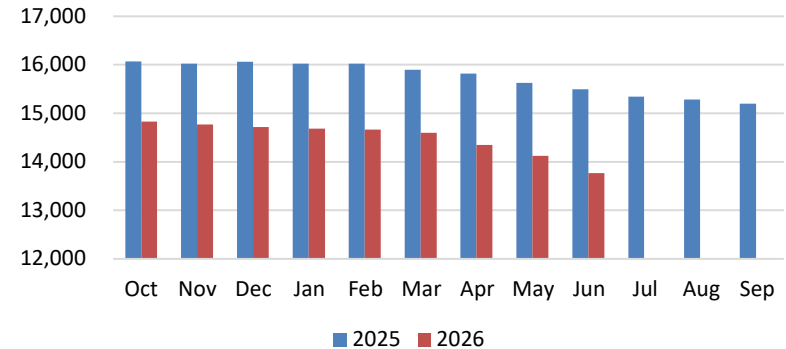
October 1, 2025 through June 30, 2026

North Country Eligible Members Trending - based on payment files

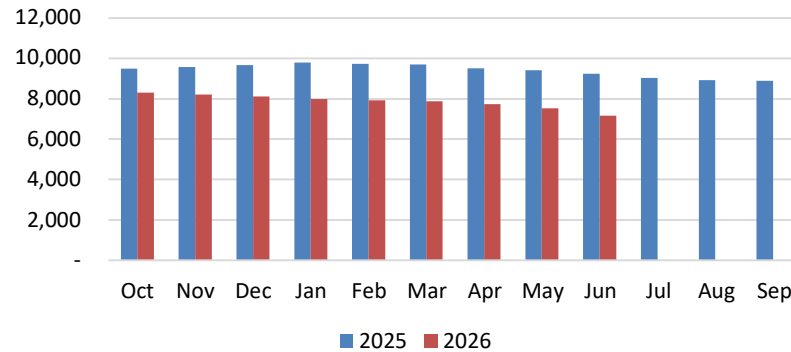
DABS - North Country



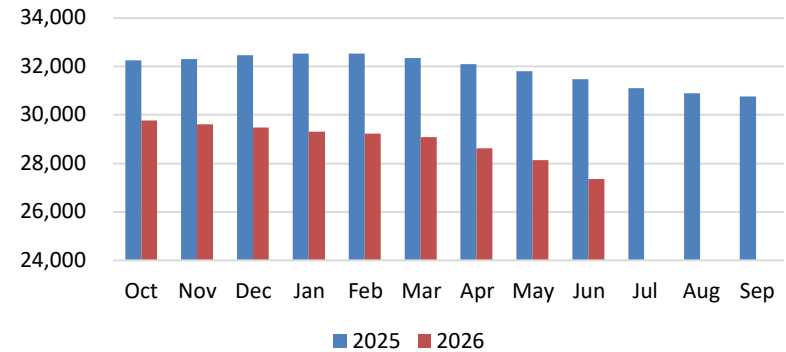
TANF - North Country



HMP - North Country



Total - North Country



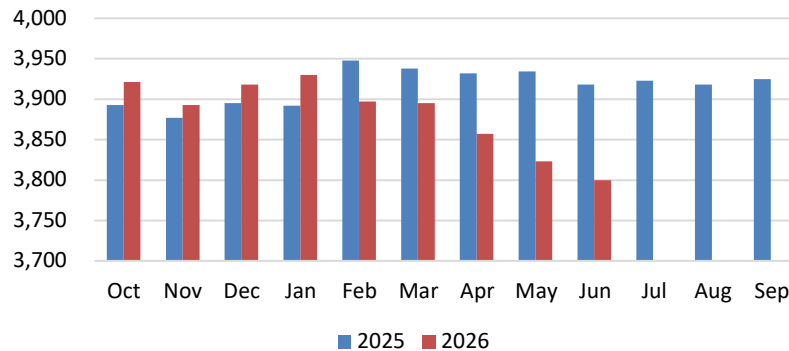
Northern Michigan Regional Entity

Narrative

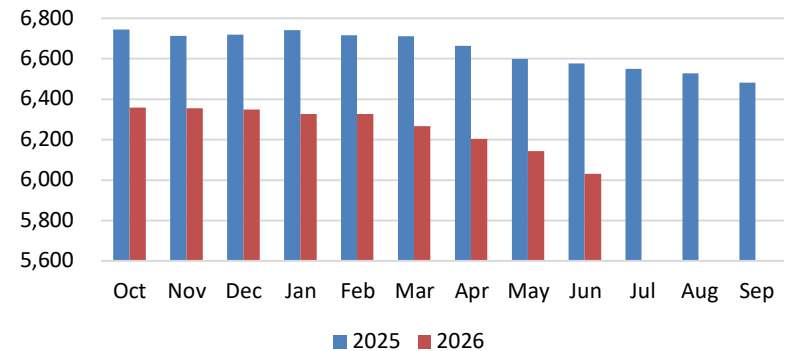
October 1, 2025 through June 30, 2026

Northeast Eligible Members Trending - based on payment files

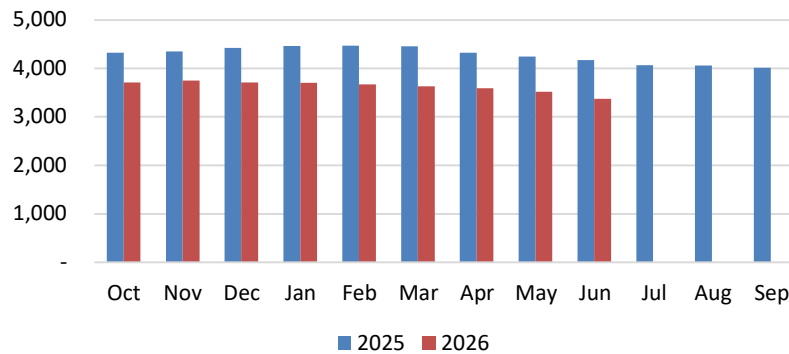
DABS - Northeast



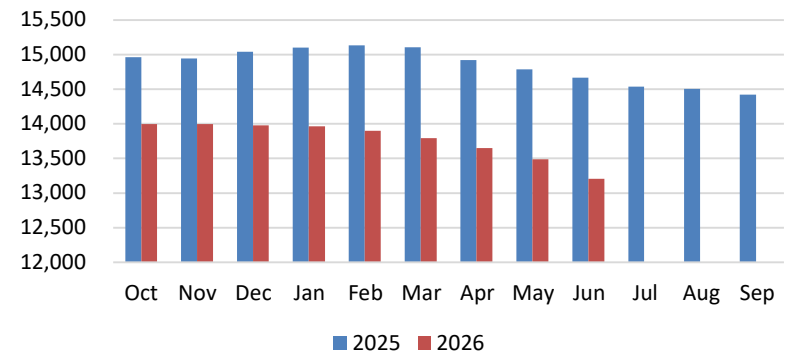
TANF - Northeast



HMP - Northeast



Total - Northeast

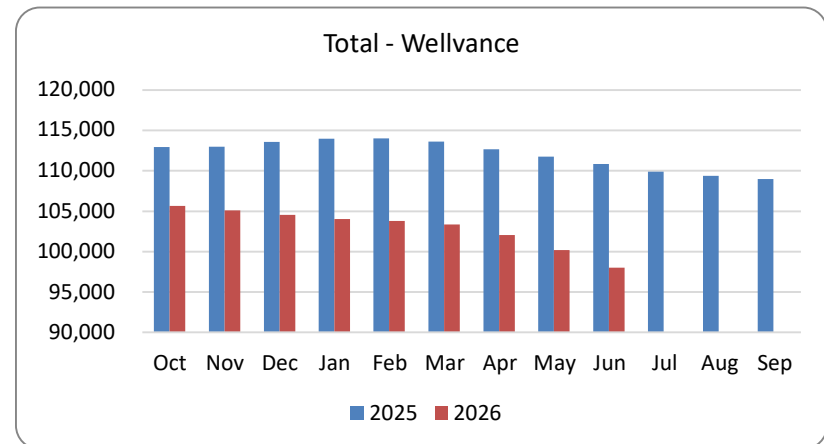
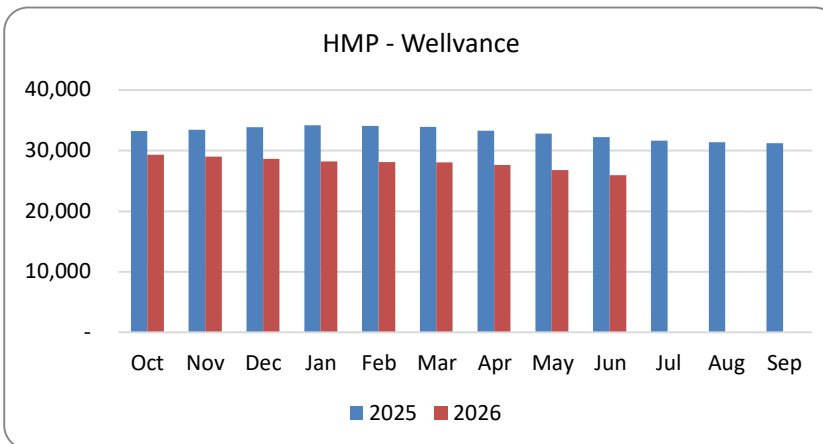
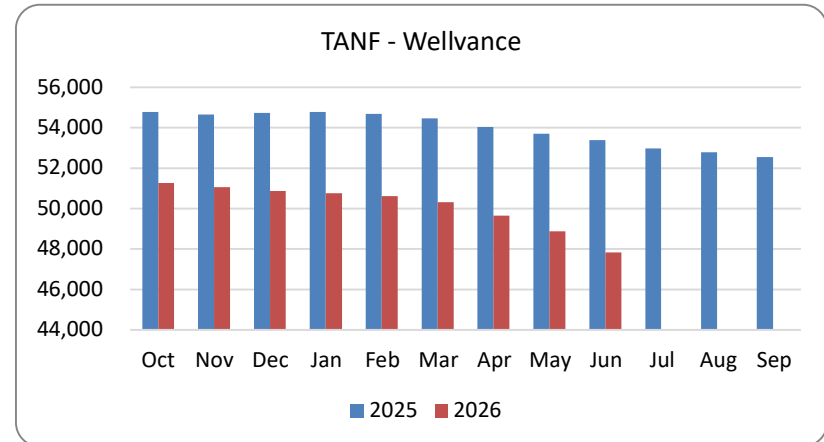
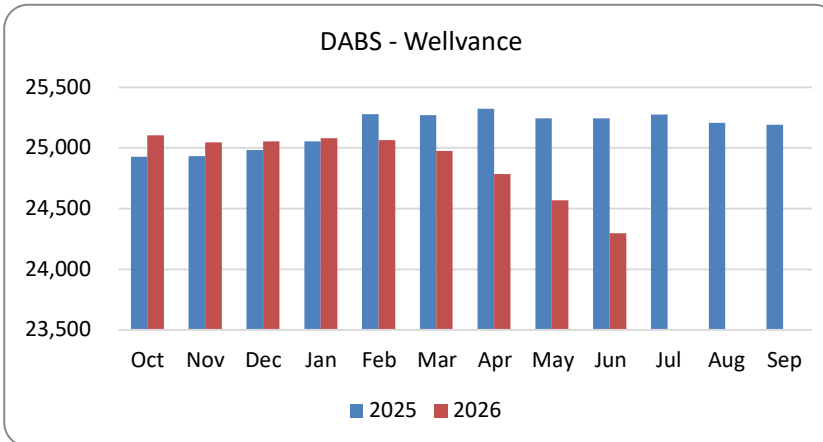


Northern Michigan Regional Entity

Narrative

October 1, 2025 through June 30, 2026

Wellvance Eligible Members Trending - based on payment files



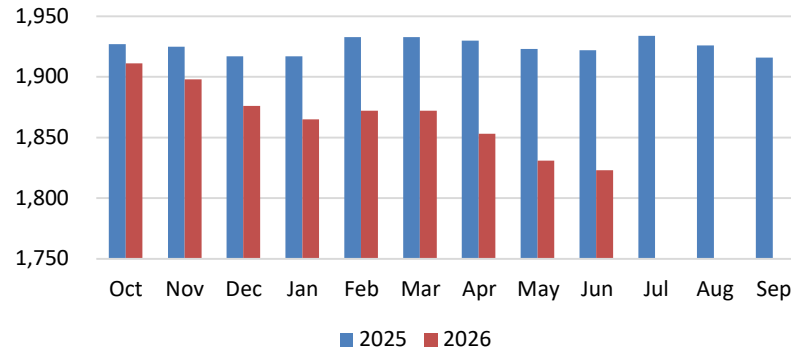
Northern Michigan Regional Entity

Narrative

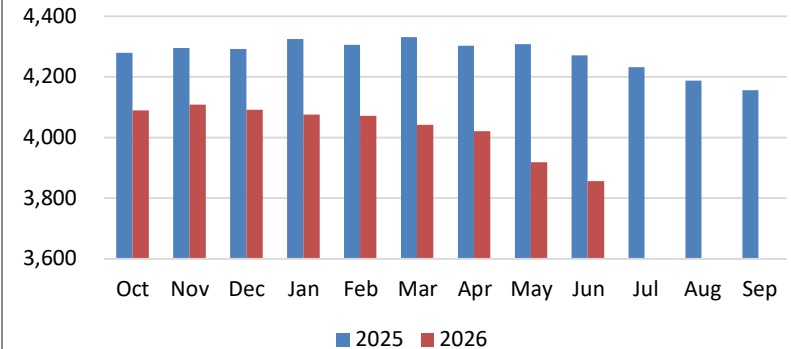
October 1, 2025 through June 30, 2026

Centra Wellness Eligible Members Trending - based on payment files

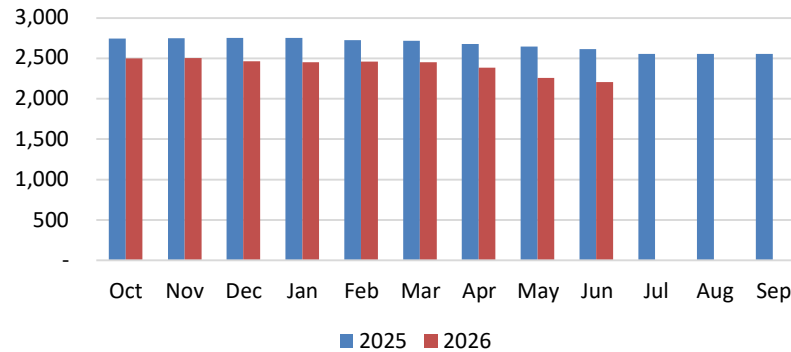
DABS - Centra



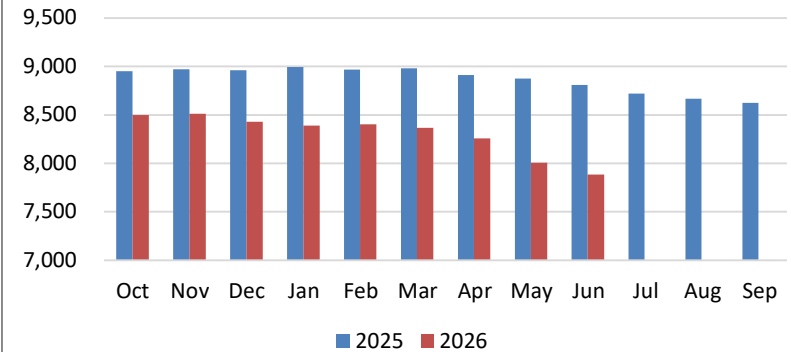
TANF - Centra



HMP - Centra



Total - Centra



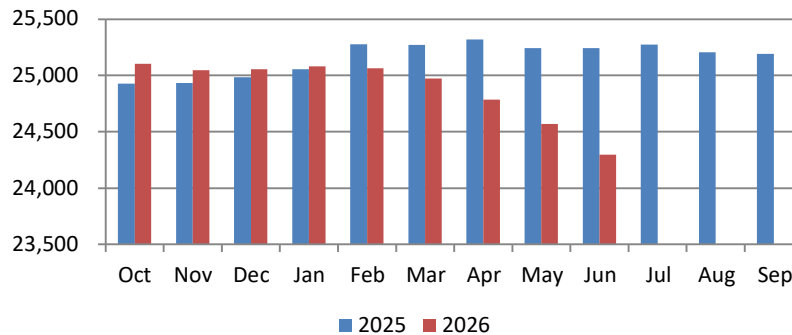
Northern Michigan Regional Entity

Narrative

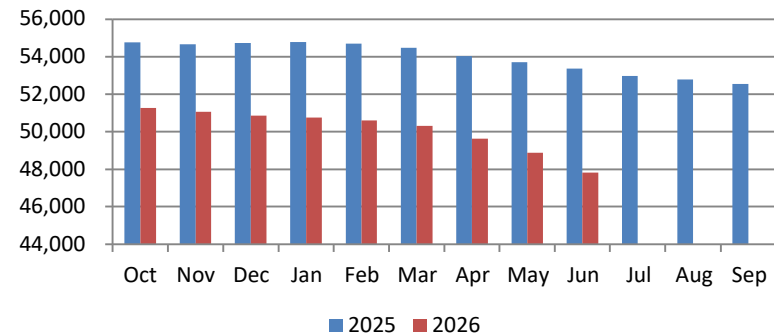
October 1, 2025 through June 30, 2026

Regional Eligible Trending

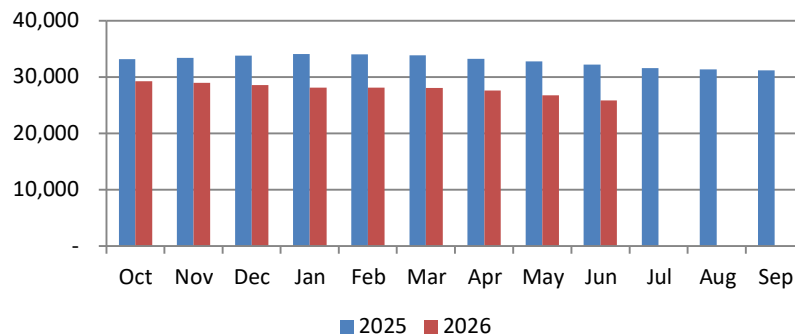
DAB Eligibles



TANF Eligibles



Healthy Michigan Eligibles



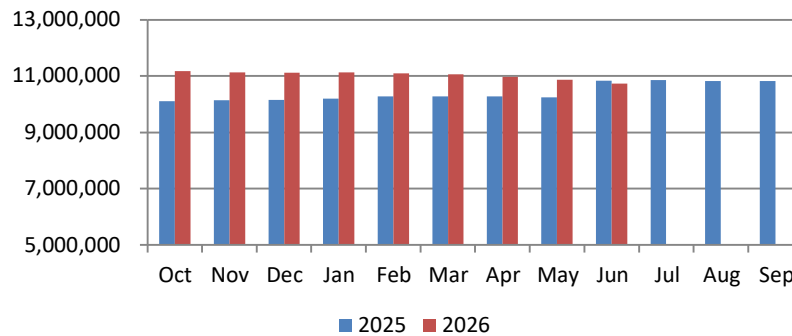
Northern Michigan Regional Entity

Narrative

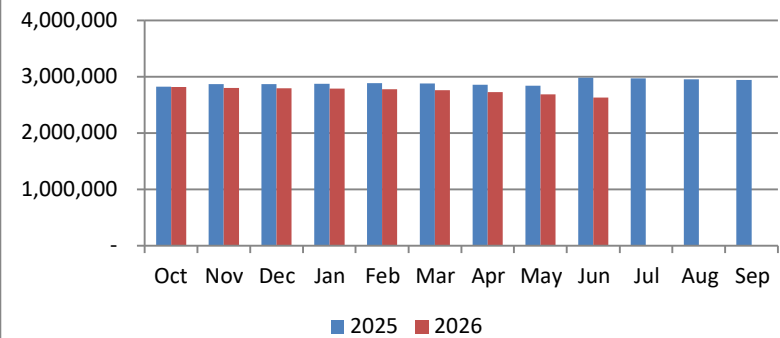
October 1, 2025 through June 30, 2026

Regional Revenue Trending

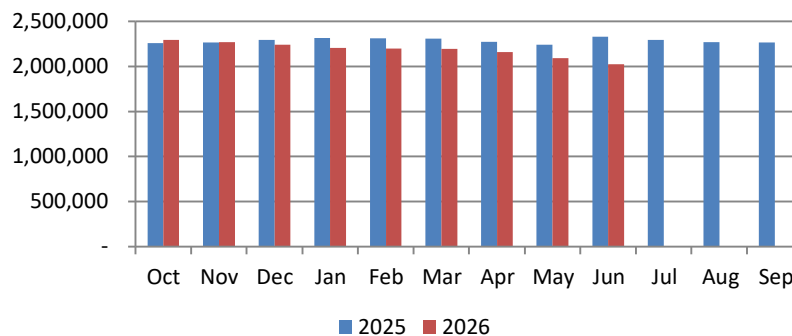
DAB Revenue



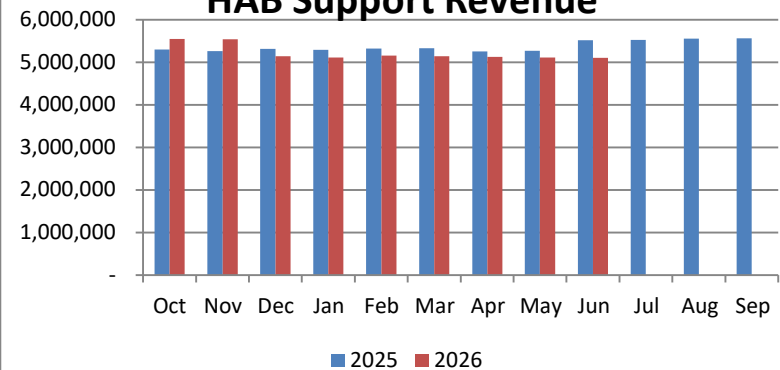
TANF Revenue



Healthy Michigan Revenue



HAB Support Revenue



**NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – AUGUST 18, 2026
GAYLORD CONFERENCE ROOM**

**ATTENDEES: Brian Babbitt, Chip Johnston, Eric Kurtz, Trish Otremba, Nena Sork,
Deanna Yockey, Lynda Zeller, Carol Balousek**

REVIEW OF AGENDA AND ADDITIONS

Mr. Kurtz added Bridge Health to the meeting agenda. Ms. Zeller added County and Local Funding and COFRs to the meeting agenda. Mr. Babbitt added FY27 Budgeting Approach to the meeting agenda. Ms. Sork added an update on the Eisenhower Center to the meeting agenda.

APPROVAL OF PREVIOUS MINUTES

The minutes from July 21st were included in the meeting materials.

**MOTION BY LYNDA ZELLER TO APPROVE THE JULY 21, 2026 MINUTES OF THE
NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY
NENA SORK. MOTION CARRIED.**

FINANCE COMMITTEE AND RELATED

June 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of \$8,725,000. Carry forward was reported as \$2,844,054. The total Medicaid and HMP current year surplus was reported as \$11,569,054. The total Medicaid and HMP Internal Service Fund was reported as \$20,590,089. The total Medicaid and HMP net surplus was reported as \$32,159,143
- Traditional Medicaid showed \$175,268,607 in revenue, and \$164,559,791 in expenses, resulting in a net surplus of \$10,708,816 Medicaid ISF was reported as \$13,519,285 based on the current FSR. Medicaid Savings was reported as \$2,844,054.
- Healthy Michigan Plan showed \$22,300,222 in revenue, and \$24,284,038 in expenses, resulting in a net deficit of \$1,983,816. HMP ISF was reported as \$7,070,804 based on the current FSR. HMP savings was reported as \$0.
- Health Home showed \$2,725,911 in revenue, and \$2,230,143 in expenses, resulting in a net surplus of \$495,768.
- SUD showed all funding source revenue of \$16,943,369 and \$14,768,385 in expenses, resulting in a net surplus of \$2,174,984. Total PA2 funds were reported as \$ 5,149,662.

PA2/Liquor Tax was summarized as follows:

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

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$5,137,481	\$1,147,646	\$1,135,465	\$5,149,662

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	\$569,579	\$2,518,565	\$1,901,825	\$639,840	\$3,369,493
HMP	(\$300,953)	(\$441,251)	(\$116,430)	(\$1,666,268)	(\$277,611)
Total	\$268,627	\$2,077,314	\$1,785,395	(\$1,026,428)	\$3,091,882

The NMRE Received Financial Status Reports (FSRs) from the CMHSPs in preparation for the submission due to MDHHS. Due to a revision made to the reporting template, the due date was moved from August 17th to August 20th.

Northern Lakes showed improvement in its overspend since the May Financial Report which was attributed to getting a handle on accruals. Northern Lakes' year end spending is still anticipated to be approximately a \$6M - \$7M overspend.

Inpatient hospital expenses were identified as an area of continuing uncertainty for Northern Lakes. There is not currently a sufficient integrated system connecting clinical activity, contracts, rates, and related financial information. A consulting group is being considered as a potential resource to help with this.

Ms. Sork asked what the maximum is that can be held in carry forward and ISF. Ms. Yockey responded that the ISF calculation is currently tied to 7.5% of the total annual Medicaid and HMP capitation, currently maxed at \$20,590,089. Carry forward funds are based on a similar calculation, ultimately arriving at approximately \$15M. The region is not expected to be close to the maximum carry forward amount this fiscal year.

Quarter 3 PA2 payments came in as anticipated. Because SUD Block Grant Funding currently has a surplus, projects approved for PA2 will be switched to BGF when possible.

Though there has been no recent communication from MDHHS, October and November HSW payments at the \$8,104 rate are expected to be recouped, as they were repaid at the revised rate of \$7,270 per enrollee.

Statewide underfunding remains substantial at \$71M. Mr. Babbitt noted that the legislature doesn't need to appropriate more funds; MDHHS needs to push out what was appropriated.

MOTION BY BRIAN BABBITT TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JUNE 2026; SUPPORT BY CHIP JOHNSTON. MOTION APPROVED.

PM/PM Revenue Projections

The "NMRE Revenue and Enrollee Data Analysis" report through July 2026 was shared with CMHSP CEOs and CFOs.

It was noted that the FY26 budget was based on previous assumptions that no longer appear to reflect current enrollment patterns. Current projections are approximately \$5.5M below the original projection, largely because of a significant decline in eligible individuals. Although rates were increased, the decline in eligibles has materially affected revenue. Mr. Johnston referenced a 918 report from 2019 which showed 101,000 eligibles in the region; the current number of eligibles is slightly under 98,000.

Since September 2025, the NMRE has observed a 10.5% decrease in eligibles between DAB, TANF, and HMP.

	DAB	HMP	TANF
Drop in Enrollees since September 2025	-3.3%	-19.2%	-808%

Overall, July revenue (all funding sources) was \$937,087 lower than September 2025.

The group identified changes in HMP eligibility under HR1 as a significant financial concern going into FY27.

FY27 Rates

The group discussed the difficulty of establishing FY27 budgets without sufficient information on rates. A PIHP Rate setting meeting with Milliman is scheduled for August 24th at 3:00PM. Mr. Kurtz advised the CMHSPs to assume relatively flat funding unless meaningful new information is received. The CMHSPs may want to recommend to their boards that they continue the current budget for another month rather than adopt a fully revised FY27 budget before reliable information is available.

Ms. Zeller discussed the challenge of determining appropriate FY27 increases for direct employees and contracted providers. Examples discussed included a minimal cost of living increase for direct services, with the recognition that contracted provider adjustments could create substantially greater financial pressure. Mr. Kurtz emphasized that contracted service rates should be based on actual costs.

The group supported delaying commitments until revenue information is clearer. One approach considered is to put off any rate adjustments until more information is available, likely in January 2027. Mr. Johnston proposed ending contracts September 30th with a month-to-month continuation clause until rates have been determined.

CWN Formal Request for PBIP Funds

During the July meeting, the group approved a motion by Mr. Johnston and supported by Mr. Babbitt to use \$20,000 of the \$100,000 Performance Bonus Incentive Program (PBIP) award that was withheld by the PIHP to research evidence-based practices (EBPs) suitable for rural areas. That request was revised as of August 3, 2026, to remove Grand Traverse County from the request and add Alcona County to the request.

MOTION BY BRIAN BABBITT TO UTILIZE TWENTY THOUSAND DOLLARS (\$20,000.00) OF THE WITHHELD PERFORMANCE BONUS INCENTIVE AWARD TO FUND FERRIS STATE UNIVERSITY'S ACTIVITIES RELATED TO THE BRIDGE TO MENTAL HEALTH PROJECT IN ALCONA, ANTRIM, AND MANISTEE COUNTIES; SUPPORT BY LYNDA ZELLER. MOTION CARRIED.

A PA2 request will be presented to the NMRE SUD Oversight Committee and Governing Board to request back-up funding for the Bridge to Mental Health project in Antrim County (CIT Officer).

FY27 PIHP CONTRACT

The FY27 PIHP contract was made available for signature on August 10th with a due date of September 10th. An email from Laura Kilfoyle, dated August 7th, summarizing the changes within the contract was included in the meeting materials.

1. Final Rule Changes
 - a. Prior Authorization Final Rule. Updates to language based on the new requirements from the Prior Authorization and API Final Rule
2. Provider Directory—updates to requirements.
3. (i)SPA Changes
 - a. Addition of (i)SPA as a covered benefit plan within the PIHP contract.
4. Waskul Changes
 - a. Removal of placeholder language from previous contract.
 - b. Addition of Medicaid Policy, MPM and Waiver adherence language.
 - c. Addition of Medicaid State Fair Hearing decision language (R)
 - d. Addition of definitions for Medicaid Policy, Medicaid Provider Manual and Medicaid Waivers.
5. MOMS Program Removal—MOMS no longer a covered program under the PIHPs effective 10/1/2026.
6. Schedule E Reporting Update
 - a. Annual MLR Report due date changed to July 31.
 - b. Schedule E reporting changes due to CRM reporting being implemented.
 - c. Contracts Management Mailbox Update
 - d. Update file transfer name to MOVEit.
7. CMS directed language regarding physician incentive plans added.
8. Adverse Benefit Determination Notices for reductions, suspensions, or terminations of previously authorized/currently provided Medicaid services must be provided at least 30 days before the date of action, except as permitted under CFR. (Change from 10 days informed by Sec. 942. A CMHSP shall provide at least 30 days' notice before reducing, terminating, or suspending a service provided by the CMHSP to a CMHSP client, unless the service is authorized by a physician and the service no longer meets established criteria for medical necessity.)
9. MDHHS Compliance addition of language prohibiting offshore data processing/storing of PHI/PII.

The group discussed physician incentive plans and value-based payment language. The conclusion was made that the provision is not new, although there may be increased attention to it because of evolving federal managed care requirements.

It was noted that at least one PIHP has voiced opposition to signing a contract that doesn't include rates.

MOTION BY LYNDA ZELLER TO RECOMMEND THAT THE NORTHERN MICHIGAN REGIONAL ENTITY'S CHIEF EXECUTIVE OFFICER SIGN AND SUBMIT BY SEPTEMBER 10, 2026, THE FISCAL YEAR 2027 PREPAID INPATIENT HEALTH PLAN (PIHP) CONTRACT WITH THE STATE OF MICHIGAN; SUPPORT BY TRISH OTREMBA. MOTION CARRIED.

The FY27 Contract will be placed on the NMRE Board agenda for August 26, 2026, meeting for final approval.

MEDIATION UPDATE

Mediation in State of Michigan Court of Claims Case No. 24-000198-MZ (NorthCare Network, Northern Michigan Regional Entity, Region 10 PIHP, and Community Mental Health Partnership of Southeast Michigan vs. the State of Michigan, MDHHS, and Director Elizabeth Hertel) took place on August 13th during which Mr. Kurtz became aware that MDHHS staff fail to understand our historical financing arrangements.

Mr. Kurtz emphasized that there must be a clearly defined numerical limit governing the risk corridor (closely related to actuarial analyses). A prior ISF guidance document was removed from the FY25 contract.

The next mediation session with Judge Phillip Shefferly (a former bankruptcy judge) is scheduled for September 3rd.

During the mediation session, Mr. Kurtz learned that the NMRE was never removed from the Waskul case, as previously reported.

RURAL HEALTH TRANSFORMATION

No new updates were reported. Discussion indicated that funding may ultimately be distributed among fully rural counties using a formula rather than through a conventional competitive process.

The CMHSPs expressed interest in workforce-related funding opportunities, particularly recruitment, relocation, and retention of behavioral health professionals. Some opportunities moved too quickly for them to apply. The group also discussed the importance of using available rural funding strategically to strengthen workforce capacity.

PIHP OPERATIONS COMMITTEE

The minutes from the August 6th PIHP Operations Committee meeting were included in the meeting materials for informational purposes. The September 3rd meeting will feature a lengthy presentation on HR1 Work Requirements. Formal notices to HMP members will be mailed at the end of August/beginning of September.

The group expressed frustration with inconsistent approaches to crisis services.

COUNTY & LOCAL FUNDING

Ms. Zeller reported that the Northern Lakes Board Finance Committee is considering asking its counties (Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon, and Wexford) to increase their local contributions by 25% due to the need for additional flexible local funding. Ms. Zeller noted that there are substantial differences among the counties in per capita contributions, with some counties contributing \$2 per capita and others contributing approximately \$6 or more.

Discussion will take place during August 20th Northern Lakes Board meeting. Mr. Kurtz noted that any increase will necessitate an update to the Enabling Agreement.

Mr. Johnston agreed to send Ms. Zeller resource materials related to boilerplate section 928 (local match). Legislative proposals and past budget targets have frequently included a planned multi-year phase-out of local match requirements, aiming to offset county-level reliance with state General Fund/General Purpose (GF/GP) revenue; this has stalled at 40%.

Advocacy efforts are underway to increase the CMHSPs' allocation general funds considering the anticipated losses (20% – 40%) in HMP coverage due to HR1. Because the CMHSPs lost tens of millions in general funds when Medicaid was expanded under the Affordable Care Act in 2014, reconsideration seems reasonable.

BRIDGE HEALTH

The CMHSPs in Region 1/with what Bridge Health actually is or could be. Bridge Health is a collaboration, formed by a Urban Cooperation Agreement, not a new Regional Entity.

Mr. Kurtz emphasized the huge benefits of retaining regional cooperation, including:

- Shared financing
- Retention of larger risk reserves
- Shared administrative services
- Shared staff
- Greater ability to respond to a future RFP
- Preservation of funds within the behavioral health system
- Potential federal rural funding advantage

Participants plan to attend the Great Lakes Rural Mental Health Association (GLARMA) conference on September 8th – 9th in Harris, Michigan. The annual event convenes rural community mental health leaders, public health professionals, and regional entities from across Michigan and the Great Lakes region to address rural behavioral health challenges.

COFR

This topic was deferred to separate a meeting between the NMRE, Northern Lakes, and Wellvance.

EISENHOWER CENTER

Ms. Sork reported that the Michigan State Police were called to the Eisenhower Center in connection with online videos. The story is expected to receive media coverage soon.

The Eisenhower Center in Ann Arbor is a specialized residential and community-based healthcare provider offering neurorehabilitation, adult foster care, and behavioral health services for adults with traumatic brain injuries, autism, developmental disabilities, and severe mental illness.

CMHSP UPDATES

This topic was not discussed in the interest of time

NEXT MEETING

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

Email Correspondence

From: [Harrison, Julie \(DHHS\)](#)
To: [Carol Balousek \(NMRE\)](#); [James Colaianne](#); [Dyga, Marion](#); [Eric Kurtz \(NMRE\)](#); [Hays, Sandy](#); [Amanda Ittner](#); [Jacobs, Michelle](#); [Kalbfleisch, Robin](#); [Sheryl Kletke](#); [Sandra Lambert](#); [Dana Lasenby](#); [Mary Marlatt-Dumas](#); [Pefok, Tema](#); [Porter, Kathy](#); [Brandon Rhue \(NMRE\)](#); [Megan Rooney](#); [Joseph Sedlock](#); [Smith, Carmen](#); [Traci Smith](#); [Mila Todd \(SWMI\)](#); [Stephanie Vanderkooi \(Lakeshore\)](#); [VanWormer, Kelly](#); [Weary, Stephannie](#); [White, James E.](#); [Young, Shelia](#)
Cc: [Morningstar, Kristen \(DHHS\)](#); [Kilfoyle, Laura \(DHHS\)](#); [Heywood, Stephanie \(DHHS\)](#); [Glud, Michael \(DHHS\)](#); [Gettel, Sandra \(DHHS\)](#); [DeLorge, Shannon \(DHHS\)](#); [Winkworth, Rachel \(DHHS\)](#)
Subject: FY27 PIHP Contract
Date: Friday, August 7, 2026 8:08:55 AM

SENDING ON BEHALF OF LAURA KILFOYLE

PIHPs,

The FY27 PIHP contract will be available for signature in eSignature on Monday August 10. You will have until Thursday September 10 to sign the contract before it is removed from eSignature and no longer available for signature. Here is a summary of the changes within this contract:

1. Final Rule Changes
 - a. Prior Authorization Final Rule. Updates to language based on the new requirements from the Prior Authorization and API Final Rule
2. Provider Directory—updates to requirements.
3. iSPA Changes
 - a. Addition of iSPA as a covered benefit plan within the PIHP contract.
4. Waskul Changes
 - a. Removal of placeholder language from previous contract.
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service provided by the CMHSP to a CMHSP client, unless the service is authorized by a physician and the service no longer meets established criteria for medical necessity.)

9. MDHHS Compliance addition of language prohibiting offshore data processing/storing of PHI/PII.

If you have any questions regarding the items listed in the contract, please contact Laura Kilfoyle.

Julie R. Harrison

Executive Secretary
Division of Contracts and Quality Management
Bureau of Specialty Behavioral Health Services
Health Services
Michigan Department of Health and Human Services
Lansing, Michigan



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Substance Use Disorder Grants FY2027

State Opioid Response (SOR) 4 - \$1,546,979 (10/1/2026 – 9/30/2027)	
\$6,934	Administration
\$100,001	Prevention
	Implementation of evidence-based substance use disorder prevention services
	<i>Catholic Human Services</i>
	<i>Health Dept of Northwest Michigan</i>
\$401,354	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.
	<i>Catholic Human Services</i>
\$194,669	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. Jail Medication is covered by the NMRE separately from this project. This includes SUPRT incentives for clients receiving services in this funding category.
	<i>Catholic Human Services</i>
\$194,030	Jail Medication
\$349,991	OD/StUD Treatment
	The grant will provide case management services to inmates. This includes SUPRT incentives for clients receiving services in this funding category.
	<i>Catholic Human Services</i>
	<i>BASES</i>
\$300,000	Recovery
	Recovery Community Organization
	<i>217 Recovery Center</i>
	<i>Community Recovery Alliance</i>

Gambling Disorder Prevention - \$200,000
PB&J

Tobacco 6000 - \$6,000
MacDonald Garber

MIPAC-PFS \$322,787
Catholic Human Services