



## Agenda

# Northern Michigan Regional Entity

## Board Meeting

**September 24, 2025**

**1999 Walden Drive, Gaylord**

**10:00AM**

	<b>Page Numbers</b>
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 – August 27, 2025	Pages 2 – 7
7. Correspondence	Pages 8 – 23
8. Announcements	
9. Public Comments	
10. Reports	
a. Executive Committee Report – Meeting at 9:15 on this date - Topic will be discussed under "New Business"	
b. CEO's Report – September 2025	Page 24
c. Financial Report – July 2025	Pages 25 – 46
d. Operations Committee Report – September 16, 2025	Pages 47 – 51
e. NMRE SUD Oversight Board Report – September 8, 2025	Pages 52 – 59
11. New Business	
a. Liquor Tax Requests	
i. Single County Requests	Pages 60 – 83
ii. Multi County Requests	Pages 84 – 94
b. FY26 PIHP Contract	Page 95
c. NMRE CEO Evaluation and Contract	
d. Proposed FY26 Meeting Schedule	Page 96
12. Old Business	
a. Northern Lakes Lookback and Update	
b. FY25 PIHP Contract Injunction and Complaint - Update	
13. Presentation	
NMRE FY26 Budget	Pages 97 – 104
14. Comments	
a. Board	
b. Staff/CMHSP CEOs	
c. Public	
15. Next Meeting Date – October 22, 2025 at 10:00AM	
16. Adjourn	

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**NORTHERN MICHIGAN REGIONAL ENTITY  
BOARD OF DIRECTORS MEETING  
10:00AM – AUGUST 27, 2025  
GAYLORD BOARDROOM**

<b>ATTENDEES:</b>	<b>Bob Adrian, Dave Freedman, Ed Ginop, Gary Klacking, Dana Labar, Eric Lawson, Mary Marois, Michael Newman, Jay O'Farrell, Ruth Pilon, Don Smeltzer, Don Tanner, Chuck Varner</b>
<b>ABSENT:</b>	<b>Karen Goodman</b>
<b>NMRE/CMHSP STAFF:</b>	<b>Bea Arsenov, Brian Babbitt, Carol Balousek, Brady Barnhill, Amy Christie, Curt Cummins, Lisa Hartley, Chip Johnston, Eric Kurtz, Trish Otremba, Brandon Rhue, Nena Sork, Denise Switzer, Chris VanWagoner, Deanna Yockey</b>
<b>PUBLIC:</b>	<b>Anonymous (3), Erin Barbus, Ann Friend, Kevin Hartley, Bobbi Hudson, Nancy Rhue, Kim Rappleyea, Amanda Ritchie, Lori Standel, Lynda Zeller</b>

**CALL TO ORDER**

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

**ROLL CALL**

Let the record show that Karen Goodman was excused from the meeting on this date. All other NMRE Board Members were in attendance.

**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 JAY O'FARRELL TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR AUGUST 27, 2025; SUPPORT BY DON TANNER. MOTION CARRIED.**

**APPROVAL OF PAST MINUTES**

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

**MOTION BY JAY O'FARRELL TO APPROVE THE MINUTES OF THE JULY 23, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ED GINOP. MOTION CARRIED.**

## CORRESPONDENCE

- 1) An Action Alert from the Community Mental Health Association of Michigan (CMHAM) urging the public to contact legislators to express concerns about MDHHS' PIHP procurement proposal.
- 2) A Press Release from the Michigan Department of Health and Human Services (MDHHS) dated August 5, 2025, announcing the request for proposals to procure the state's PIHPs.
- 3) Email correspondence from CMHAM Chief Executive Officer, Bob Sheehan, dated August 7, 2025, to CMHSP and PIHP CEOs and Provider Alliance Members stating that CMHAM is being approached by private health plans and health plan consultants regarding potential partnerships.
- 4) Email correspondence from CMHAM CEO, Bob Sheehan, dated August 8, 2025, to CMHSP and PIHP CEOs underscoring the foundations and pillars of CMHA's advocacy strategy.
- 5) A document from CMHAM titled, "Concerns Regarding MDHHS PIHP Contract Procurement Proposal."
- 6) A document from CMHAM titled, "Core Concepts for Use in Guiding the Development of Alternatives to Privatization-Focused PIHP Contract Procurement Proposal," dated August 2025.
- 7) Email correspondence from CMHAM CEO, Bob Sheehan, dated August 20, 2025, to CMHSP and PIHP CEOs and Provider Alliance Members announcing two sessions being held by MDHHS to explain to the public its plan to competitively procure PIHPs.
- 8) MDHHS' Behavioral Health Home Annual Report for Fiscal Year 2024.
- 9) The statewide Performance Indicator Report for Quarter 2 of Fiscal Year 2025.
- 10) The draft minutes of the August 13, 2025, regional Finance Committee meeting.

Mr. Kurtz drew attention to the correspondence from CMHAM related to the PIHP bid out. The two public sessions announced by MDHHS have been canceled.

Ms. Marois asked what private provider CMHAM was referring to in the correspondence from CMHAM regarding potential partnerships. Mr. Kurtz responded that it is likely Caralon Healthcare Services.

The Behavioral Health Home Annual Report and Statewide Performance Indicator Report were shared for informational purposes.

## ANNOUNCEMENTS

Mr. Klacking announced Karla Sherman's resignation from the NMRE Board. Ms. Sherman was recognized as a founding Member of the NMRE Board, having joined in April 2013, prior to the formation of the regional entity, and an ardent supporter of individuals served. Ron Iseler was appointed by the North Country CMHA Board to fill the position.

## PUBLIC COMMENT

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

## REPORTS

### **Executive Committee Report**

The draft minutes from the August 13, 2025 meeting of the NMRE Board Executive Committee were included in the materials for the meeting on this date. The topics discussed will be covered under "New Business."

## **CEO Report**

The NMRE CEO Monthly Report for August 2025 was included in the materials for the meeting on this date. Mr. Kurtz acknowledged his participation in Northeast Michigan CMHA's Commission on Accreditation of Rehabilitation Facilities (CARF) Survey.

## **June 2025 Financial Report**

- Net Position showed a net surplus for Medicaid and HMP of \$2,540,625. Carry forward was reported as \$736,656. The total Medicaid and HMP current year surplus was reported as \$3,277,281. FY24 HSW revenue was reported as \$1,289,241. The total Medicaid and HMP adjusted current year surplus was reported as \$1,988,040. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$23,853,437.
- Traditional Medicaid showed \$164,525,484 in revenue, and \$159,902,729 in expenses, resulting in a net surplus of \$4,622,755. Medicaid ISF was reported as \$13,514,675 based on the current FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$21,732,996 in revenue, and \$23,815,126 in expenses, resulting in a net deficit of \$2,082,130. HMP ISF was reported as \$7,068,394 based on the current FSR. HMP savings was reported as \$736,656.
- Health Home showed \$2,371,360 in revenue, and \$1,973,305 in expenses, resulting in a net surplus of \$398,055.
- SUD showed all funding source revenue of \$21,616,899 and \$16,921,089 in expenses, resulting in a net surplus of \$4,695,811. Total PA2 funds were reported as \$4,349,717.

PA2/Liquor Tax was summarized as follows:

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

<b>Actual FY25 Activity</b>			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$4,765,231	\$835,755	\$1,251,270	\$4,349,717

The state's process of recouping and repaying Medicaid at the higher rate announced in Amendment No. 3 to the MDHHS-PIHP Contract has resulted in approximately \$5M in retroactive pay for October through June. July through September will be paid at the higher rate. Habilitation Supports Waiver (HSW) revenue is currently \$7M higher than it was at the same time in FY24.

## **MOTION BY ERIC LAWSON TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JUNE 2025; SUPPORT BY DON SMELTZER. MOTION CARRIED.**

## **Operations Committee Report**

The draft minutes from August 19, 2025, were included in the materials for the meeting on this date. The five CMHSP CEOs and the PIHP CEO from NorthCare Network (Region 1 PIHP) and legal counsel joined the meeting to discuss strategies related to the PIHP bid out.

## **NMRE SUD Oversight Committee Report**

Let the record show that the next meeting of the NMRE Substance Use Disorder (SUD) Oversight Committee is scheduled for September 8, 2025, at 10:00AM.

### **NEW BUSINESS**

#### **CMHAM Special Assessment**

On August 11<sup>th</sup>, communication was received from the Community Mental Health Association of Michigan requesting a special assessment of its CMHSP and PIHP members. The purpose of the voluntary special assessment was given as a means "to provide a significantly increased level of funding for CMHA's advocacy work in the face of the current threat posed by the recently issued RFP for the state's PIHP contracts."

At this time, neither the NMRE nor its five member CMHSPs intend to pay the special assessment. A request to increase the NMRE's legal expense budget will follow under the following agenda item.

#### **Legal Budget**

The NMRE will continue exploring legal action regarding the procurement process. The NMRE has a current agreement/contract with attorney Chris Cooke (Secrest Wardle) and \$2,000 left in his \$10,000 retainer. Mr. Kurtz requested permission from the Executive Committee to increase the funding for legal services so that the region can pursue all legal channels against the RFP/PIHP procurement process, which was granted. Mr. Kurtz made that same request of the full Board.

#### **MOTION BY DON TANNER TO AUTHORIZE AN INCREASE TO THE NORTHERN MICHIGAN REGIONAL ENTITY'S FISCAL YEAR 2025 BUDGET LINE ITEM FOR LEGAL EXPENSES BY FIFTY THOUSAND DOLLARS (\$50,000.00), IF NEEDED; SUPPORT BY RUTH PILON. ROLL CALL VOTE.**

**"Yea" Votes:** R. Adrian, D. Freedman, E. Ginop, G. Klacking, D. Labar, E. Lawson, M. Marois, M. Newman, J. O'Farrell, R. Pilon, D. Smeltzer, D. Tanner, C. Varner

**"Nay" Votes:** Nil

#### **MOTION CARRIED.**

#### **UCA**

A draft Urban Cooperation Act Agreement (UCA) was included in the materials for the meeting on this date. Because the RFP to procure the state's PIHPs does not allow NorthCare Network or Northern Michigan Regional Entity to bid, the two PIHPs representing the 36 counties of northern Michigan would like to enter into a UCA to form a legal entity to be known as Bridge Health. The UCA will be filed in Marquette and Otsego Counties and a federal ID# will be acquired.

#### **MOTION BY DON TANNER TO GRANT THE AUTHORITY TO THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER TO FINALIZE AND FILE THE INTERLOCAL AGREEMENT WITH NORTHCARE NETWORK; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.**

### **Northern Lakes Lookback**

The "Northern Lakes Community Mental Health (NLCMH) Assessment for the Northern Michigan Regional Entity (NMRE) Steps and Notes FY20 – FY22" report from Rehmann was included in the materials for the meeting on this date. Mr. Kurtz has discussed the findings of the Rehmann lookback and the FY23 and FY24 cost settlement with Northern Lakes' Board Chair Greg McMorrow, Interim Chief Executive Officer Curt Cummins, and Chief Financial Officer, Kevin Hartley.

Funds due to Northern Lakes for the cost settlement of fiscal years 2023 and 2024 are offset by what is owed to NMRE based on the Cost Misallocation Lookback. The net difference between the cost misallocation (\$11,164,302 owed to NMRE) and cost settlement (\$10,065,474 owed to Northern Lakes) is \$1,098,828 owed to NMRE from Northern Lakes. No funds for FY23 and FY24 are due to Northern Lakes from the NMRE. The NMRE will work with the audit division at the state regarding next steps.

Mr. Freedman reported that during the Northern Lakes CMHA Board meeting on August 21<sup>st</sup>, the Board disagreed with Rehmann's process of applying a weighted average percent of the questioned costs for fiscal years 2020, 2021, and 2022 (3.76%) to the reported expenditures in fiscal years 2018 and 2019. As a result, a motion by Northern Lakes CMHA was passed requesting that the 2018 and 2019 results be stricken pending review of the Rehmann assessment by Roslund, Prestage, and Co. The NLCMHA Board passed a second motion to deduct the amount owed to the NMRE for fiscal years 2018 and 2019 (\$4,139,139) from the findings and request \$3,040,311 from the NMRE.

Mr. Kurtz responded that he was contacted by the NMRE Board Chair and a meeting with Mr. Kurtz, Mr. McMorrow, Dr. Cummins, Mr. Hartley, and Ms. Yockey is being scheduled.

### **OLD BUSINESS**

#### **Northern Lakes CMHA Update**

Mr. Freedman reported that the CEO Search Committee met in an open meeting on August 14<sup>th</sup> to review candidates' submission packets, letters, and evaluations. Two candidates were selected to move forward in the interview process. The Board will make their final decision during the Board meeting on September 18<sup>th</sup>.

Northern Lakes CMHA is working on passing a budget for FY26 that is significantly reduced. Staff reductions have been made, including those to Executive Team members.

#### **FY25 PIHP Contract Injunction and Complaint Update**

The complaint filed by Taft, Stettinius & Hollister, LLP, on behalf of Northcare Network Mental Health Care Entity, Northern Michigan Regional Entity, Community Mental Health Partnership of Southeast Michigan, and Region 10 PIHP (Plaintiffs) against the State of Michigan, State of Michigan Department of Health and Human Services, a Michigan State Agency, and its Director, Elizabeth Hertel, in her official capacity (Defendants) is currently in a waiting period pending the appointed judge's decision.

Mr. Kurtz received communication regarding a change to FY26 MDHHS-PIHP contract. Any PIHP holding an internal service fund greater than 7.5% will be asked to immediately return the excess funds to MDHHS. A legal opinion has been requested.

COMMENTS

**Board**

Ms. Marois recognized that significant contribution that Ms. Sherman made to the NMERE and requested that a formal declaration of appreciation be provided to her, which Mr. Kurtz agreed to do.

Mr. Freedman asked whether Bridge Health can get up and running quickly. Mr. Kurtz acknowledged the work being done by NorthCare and NMRE staff to get the new entity formed and respond to the RFP.

Mr. Freedman shared that Northern Lakes CMHA received a 3-year CARF renewal.

**Staff/CMHSP CEOs**

NMRE staff agreed to post the RFP to procure the state's PIHP to NMRE website under the "Resources" tab.

Mr. Babbitt reported that CMHSPs are being contacted by Health Plans to partner in response to the PIHP bid out.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on September 24, 2025.

ADJOURN

Let the record show that Mr. Klacking adjourned the meeting at 10:58AM.

**MOTION BY MARY MAROIS TO ADJOURN THE AUGUST 27, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ED GINOP. MOTION CARRIED.**

**From:** [Info CMHAM](#)  
**To:** [Carol Balousek \(NMRE\)](#)  
**Subject:** ACTION ALERT: PIHP Procurement Creates More Problems Than Solutions  
**Date:** Wednesday, September 3, 2025 5:50:51 PM  
**Attachments:** [CMHA Myth Vs. Fact Poster For Print.pdf](#)

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On August 4, 2025, the Michigan Department of Health and Human Services (MDHHS) announced the release of a Request for Proposals (RFP) to competitively bid the state's public mental health managed care system. Proposals are due by October 6, 2025 after being delayed by a week with the goal of a service start date Oct. 1, 2026. This approach brings with it several risks without addressing real gaps in the system.

The Community Mental Health Association of Michigan (CMHA) and our members remain deeply committed to improving Michigan's public behavioral health system. While we support meaningful reforms that enhance access and quality of care, we have serious concerns about the Michigan Department of Health and Human Services' (MDHHS) recent announcement regarding a new procurement process for Pre-Paid Inpatient Health Plans (PIHPs).

Although MDHHS states this initiative will increase access, choice, and preserve current Community Mental Health (CMH) providers, the reality of the proposed plan tells a different story.

### **Privatization Threatens Local Control and Accountability**

The proposed competitive procurement process appears structured to favor large, private non-profit health plans—while excluding the very public PIHPs that have successfully managed Michigan's specialty behavioral health

services for decades. These PIHPs, governed locally and accountable to county-elected officials, will be barred from applying in their current form. This marks a major shift away from local governance, transparency, and public accountability.

### **A Misguided Approach to System Challenges**

This proposal does not address the root causes of access and timeliness challenges in the system—namely, workforce shortages and chronic underfunding. Instead, it risks diverting hundreds of millions of dollars away from direct care and into administrative overhead. Private plans often operate with 15% overhead costs, compared to the 2% of current PIHPs. This could result in \$300–\$500 million in funds no longer reaching those who need services most.

Competitive procurement causes system chaos at a time when there is so much uncertainty at the federal level and does not address any of the core issues facing the system. We believe the state needs to take meaningful action, such as ensure sufficient funding, protect local voice, reduce administrative overhead, and increase workforce and network capacity – all items that lead to improved access to care and services and none of which require a procurement process.

**REQUEST FOR ACTION:** We are asking you to reach out to your House and Senate members along with the Governor and Lt Governor and express your concerns with the department's RFP procurement process for the state's PIHP contracts. Other states that have pursued similar restructuring have seen higher costs, workforce losses, fragmented services, shrinking provider networks, and reduced access for people with the greatest needs. Let them know you support meaningful reforms that enhance access and quality of care, but this procurement process is not the way to do it.

***\*\*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: PIHP Procurement creates more problems than solutions**

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

Click [here](#) to unsubscribe from this mailing list.

# *Bidding out the Management of Michigan's Public Mental Health System*

On August 4, 2025, the Michigan Department of Health and Human Services (MDHHS) announced the release of a Request for Proposals (RFP) to competitively bid the state's public mental health managed care system. Proposals are due by September 29, 2025. This approach brings with it several risks without addressing real gaps in the system.

## Myth

The proposal eliminates an administrative layer and related costs and does not cut funding for services.

## Fact

Switching to private insurance companies does not eliminate an administrative layer – in fact it replaces the single payer, per region, with multiple payers per region all with much higher overhead. Private insurers spend 15% on overhead, while the public system only spends 2%. That higher overhead will cut funding for services by \$500 million.

The proposal keeps the CMH system intact.

The proposal strips funding from local public CMHs by diverting CMH dollars to private organizations. It violates the Michigan Mental Health Code by prohibiting CMHs from managing their established provider networks and performing the contract oversight and management functions. It forces CMHSPs to relinquish decision-making authority to outside entities and join regional entities against their will. The proposal dismantles the very foundation of the public mental health system rather than keeping it intact.

MDHHS survey results, of stakeholders to the system, indicate a demand for competitive bidding of system management.

The survey results actually highlight the need to address workforce shortages, lack of transparency, long-term care gaps, funding issues, and client rights concerns. None of these are fixed by competitive bidding.

The current system just wants no change.

The current system supports bold and dramatic change but wants it to be open, transparent, include all stakeholders in the new system design and ensure a sound mental health safety net in Michigan.

Federal government (CMS) requires competitive bidding.

The Centers for Medicare and Medicaid (CMS) does not require this. MDHHS admits that there is no written communication from the federal government requiring competitive bidding of the system. Since 1997, CMS has approved Michigan's sole source contract with the state's public health plans. In 2014, Michigan reduced PIHPs from 18 to 10 via sound sole source contract development, and CMS fully supported it.



## Community Mental Health Association of Michigan Praises Lawsuit Filed to Stop PIHP Bid Process

28. August 2025 16:26 ET

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LANSING, Mich., Aug. 28, 2025 (GLOBE NEWSWIRE) -- The Community Mental Health Association of Michigan (CMHA) released the following statement today from its CEO Robert Sheehan to applaud the public behavioral health entities who filed suit to stop the bid out of the management of Michigan's public mental health system to private insurance companies.

"This lawsuit is being filed because of the gravity of the threat, posed by this bid out, to persons served and the system upon which they have relied for over sixty years. Michiganders have expressed their opposition to similar plans in the past, with those plans being shelved in the face of this growing opposition in communities across the state. This plan must also be shelved and replaced with a redesigned system that involves all people served by the system, their families, advocacy groups, the Michigan Department of Health and Human Services (MDHHS), and the providers and payers of the public system.

"At CMHA, we share our gratitude with the dozens of Michigan counties who have passed resolutions in opposition to the bid out of the management of the state's public mental health system and thank the large and growing coalition of organizations who have spoken out against this privatization bid out."

Sheehan added that the MDHHS bid process seeks to eliminate the public management of the state's public mental health system and replace it with a system managed by private health insurance companies.

"Our system, founded in Michigan law and in partnership with the federal Centers for Medicare and Medicaid, is the envy of states across the country who have suffered because of similar moves from a publicly managed to privately managed mental health system. The Michigan Legislature was intentional in assigning the responsibility for mental health treatment to the state's counties, their elected officials and the public community mental health (CMH) centers. Those counties, CMHs and public managed behavioral health plans, are best able to assess and serve the unique mental health needs of their community members.

"This plan illegally eliminates the public managed care organization that have been entrusted with managing the care for some of the most vulnerable and resilient members of our communities. We are hopeful that the courts will see the wisdom of the concerns raised by our members, in this suit, and act to halt this bid-out process."



## An Open Letter to the Governor and the State Legislature: Deep concerns over bid-out of management of Michigan's public mental health system

The Michigan Department of Health and Human Services (MDHHS) has recently released a Request for Proposals (RFP) to bid out the management of the state's public mental health system. Advocates, persons served, public officials, and other stakeholders have underscored that this bid out addresses none of the real gaps in the system – chiefly funding and workforce shortages – while hindering access to quality care for Michiganders in need of mental health care and decimating the public system (the Community Mental Health system) that has served them for the past six decades.

Joining with others across the state, this broad-based coalition is calling on the Michigan Department of Health and Human Services (MDHHS) to withdraw the Request for Proposals (RFP), which heavily favors private health insurance companies, that MDHHS issued for the management of the state's public behavioral health managed care system. We recommend, instead, a cooperative system redesign and refinement process that brings MDHHS together with persons served by the public mental health system and their families, the state's major advocacy groups, the state's counties, the state's Community Mental Health (CMH) centers and their public health plan partners, and the private providers in the CMH system.

The RFP/bid out process represents a significant and damaging shift in the structure and delivery of behavioral health services in our state, with far-reaching harm to the ability of Michiganders to receive needed mental health care and to the locally driven system upon which 300,000 Michiganders (and the 1 million family members) have come to rely.

Since 1998, the state's Medicaid behavioral health system has been managed by public specialty managed care health plans – plans that were formed by and are accountable to local elected officials, to local county-sponsored Community Mental Health (CMH) centers, and to the communities that they serve. This bid-out process seeks to move this management role to other organizations – through a bid process that heavily favors private health insurance companies.

This bid-out does not streamline nor eliminate administrative layers. Instead, it replaces a publicly managed care system - deeply embedded in their communities, cost-efficient (with overhead of 2%), and accountable to those local communities - with a system managed by private health insurance companies which have a failed track record of managing Medicaid behavioral health in Michigan, and are far more costly, with an overhead of 15% overhead. This difference in overhead costs will result in an immediate loss of \$500 million in the amount spent on mental health services to Michiganders.

In addition to this loss of funds for services, troubling is the notion of transferring the management of Michigan's entire behavioral health system to private insurance companies who have not demonstrated an ability to adequately serve individuals with even moderate behavioral health needs – an obligation that they have held for nearly three decades. Medicaid enrollees with moderate mental health needs, in communities across the state regularly report that they are unable to find providers, in the networks managed by these private health insurance companies, willing

to serve them. Given this poor performance by these private insurance companies, entrusting them with care for individuals with serious and persistent mental illness or intellectual and developmental disabilities presents serious risks to those persons and the quality and continuity of care that they need.

Experience from other states serves as a warning. States that have shifted their Medicaid behavioral health systems in a similar manner have consistently faced serious problems. North Carolina's transition led to workforce losses, wasted resources, and increased reliance on emergency rooms and jails as services became fragmented. Other states, including Tennessee, Iowa, and Kansas, saw shrinking provider networks, added administrative complexity, reduced access for people with the greatest needs, and higher costs for other community partners and the state. Michigan should not replicate models that have been shown to fail vulnerable populations elsewhere.

Rather than addressing the true challenges in Michigan's public mental health system - the deep and prolonged behavioral health workforce shortage (including among psychiatrists, social workers, nurses, and direct care workers, and peers/persons with lived experiences), chronic underfunding, and burdensome administrative requirements - this proposal shifts the focus to structural changes that do little to improve care and much to jeopardize access to and quality of care.

Importantly, this direction lacks public support. People receiving services, along with their families and advocates, have consistently expressed that they do not want their behavioral health care moved to a private physical health model that fails to account for the complexity and range of non-medical needs of mental health and developmental needs. A study of Michiganders, conducted by EPIC-MRA, conducted during the last time the public system was faced with a privatization threat, found that 67% of Michiganders oppose the privatization of the state's mental health services for Medicaid patients. That same study found that 76% of Michigan voters are concerned that private health plans do not have a good track record in treating patients with mental health needs, fearing that their management of these services will make matters worse.

Finally, this restructuring is being proposed on the heels of Congress' approval of deep Medicaid funding cuts. Medicaid accounts for over 90% of the funding for Michigan's public mental health system. The Michigan-based Citizens Research Council estimates that Michigan will lose roughly \$1.1 billion under the recently passed federal budget (HR 1) beginning in FY26, with losses growing each year through 2032. These cuts will mean that hundreds of thousands of Michiganders stand to lose their health care coverage over the next several years. At a time when every available dollar should be preserved for direct care, this bid-out would remove additional dollars from service delivery, instead impose new administrative costs and divert scarce resources away from the people and families who depend on the public system. With behavioral health needs on the rise, it is reckless to compound devastating federal reductions with a costly state-driven overhaul that threatens to disrupt services and further restrict access to care.

Michigan has built a comprehensive public community-based behavioral health system that is founded on accountability to local elected officials and community residents, transparency, and deep roots in their communities across the state.

In lieu of the chaos-filled RFP process, the core principles and key components of a sound system redesign and operational improvements have been developed by the key stakeholder to the system, the state's major advocacy groups, the state's counties, public county-sponsored Community Mental Health (CMH) centers and their public behavioral health plan partners, and private providers in the CMH system.

We have identified, in this letter, the serious risks to Michiganders and the systems that serve them inherent in the MDHHS bid out of the management of the state's public mental health system. We are therefore calling for MDHHS to withdraw its bid out of the management of this system. We encourage, in its place, that MDHHS engage in a collaborative system redesign and refinement process that involves those most impacted by, with the deepest skill and knowledge in, and longstanding commitment to the state's mental health system: persons served and their families, the state's major advocacy groups, the state's counties, Michigan's county-sponsored CMHs and their public health plan partners, and the private providers in the CMHSP system.



Sherri Boyd, Executive Director  
Arc Michigan



Kevin Fischer, Executive Director  
NAMI Michigan



Stephan Currie, Executive Director  
Michigan Association of Counties



Gino Carbenia, Executive Director  
AFSCME Michigan 925



Elizabeth Lehner, President  
Office and Professional Employees International Union



Duane Breijak, Executive Director  
National Association of Social Workers - Michigan



Thomas M. Hickson, Jr. Vice-President  
of Public Policy and Advocacy  
Michigan Catholic Conference



Dr. Kristen Votruba, President  
Michigan Psychological Association



Jeff Patton, Chief Executive Officer  
Integrated Services of Kalamazoo



Nick Ciaramitaro, Board Member  
Macomb County Community Mental Health

**Michigan's County Commissions who have passed resolutions, to date, opposing the bid out of the management of the state's public mental health system**

Alcona	Clare	Houghton	Mackinac	Saginaw
Allegan	Clinton	Huron	Macomb	Tuscola
Alpena	Delta	Ingham	Montcalm	Van Buren
Baraga	Eaton	Iosco	Newaygo	Washtenaw
Berrien	Gladwin	Isabella	Ontonagon	
Charlevoix	Gogebic	Jackson	Osceola	
Chippewa	Gratiot	Keweenaw	Oscoda	

**Mental health providers and systems opposed to the bid out of the management of state's public mental health system**

Barry County CMH Authority	Newaygo County Mental Health Center
Bay-Arenac Behavioral Health Authority	North Country CMH Authority
Centra Wellness Network	NorthCare Network
CMH Authority of Clinton-Eaton-Ingham Counties	Northeast Michigan CMH Authority
CMH of Ottawa County	Northern Lakes CMH Authority
CMH Partnership of Southeast Michigan	Northern Michigan Regional Entity
Community Mental Health for Central Michigan	Northpointe Behavioral Healthcare Systems
Copper Country CMH Services	Oakland Community Health Network
Detroit Wayne Integrated Health Network	OnPoint
Genesee Health System	Pathways Community Mental Health
Gogebic CMH Authority	Pines Behavioral Health Services
Gratiot Integrated Health Network	Pivotal
HealthWest	Region 10 PIHP
Heritage Homes	Riverwood Center
Hiawatha Behavioral Health	Saginaw County CMH Authority
Hiawatha Behavioral Health	Sanilac County CMH
Huron Behavioral Health	Segue
Integrated Services of Kalamazoo	Shiawassee Health & Wellness
Lakeshore Regional Entity	Southwest Michigan Behavioral Health
Lapeer County CMH Services	St. Clair County CMH Services
Lenawee CMH Authority	Summit Pointe
LifeWays CMH	The Right Door for Hope, Recovery and Wellness
Livingston County CMH Authority	Tuscola Behavioral Health Systems
Macomb County CMH Services	VanBuren Community Mental Health Authority
Mid-State Health Network	Washtenaw County Community Mental Health
Monroe CMH Authority	Wellvance
Montcalm Care Network	West Michigan CMH System
network180	Woodlands Behavioral Healthcare Network

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**From:** Michigan Department of Health and Human Services <MDHHS@govsubscriptions.michigan.gov>  
**Sent:** Tuesday, September 9, 2025 11:07 AM  
**To:** Eric Kurtz (NMRE) <ekurtz@nmre.org>  
**Subject:** FOR IMMEDIATE RELEASE: MDHHS honors those in recovery from substance use disorder during Recovery Month



## Press Release

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**FOR IMMEDIATE RELEASE:** Sept. 9, 2025

**CONTACT:** Laina Stebbins, 517-241-2112, [StebbinsL@michigan.gov](mailto:StebbinsL@michigan.gov)

### **MDHHS honors those in recovery from substance use disorder during Recovery Month**

LANSING, Mich. – Each September, Recovery Month provides an opportunity to celebrate the courage of individuals living in recovery and to raise awareness that treatment works and recovery is possible. The Michigan Department of Health and Human Services (MDHHS) is committed to building a framework of recovery-oriented care across the state, with investments in prevention, treatment, harm reduction and long-term supports to help more Michigan residents achieve and sustain recovery.

Gov. Gretchen Whitmer has declared September as [Recovery Month](#) in Michigan.

“Recovery Month is an opportunity to honor the strength of Michiganders in recovery and to recognize that substance use disorder is a treatable condition,” said Dr. Natasha Bagdasarian, chief medical executive. “With the right supports, recovery is possible for anyone. MDHHS is committed to ensuring residents have access to the resources they need to begin and sustain that journey.”

Michigan is making the following investments and policy changes to better support long-term recovery:

- In partnership with the Michigan State Housing Development Authority, the state has provided \$2.5 million in opioid settlement dollars through grants to agencies to expand recovery housing capacity.

- Through the Michigan Recovery Friendly Workplace program, 32 employers across the state have completed the training process to become a recovery friendly workplace.
- Supported transportation to critical services and supports for individuals in recovery through 28 treatment and recovery organizations, with more than 20,000 rides given in FY2024, and to date in FY2025 more than 25,000 rides supported.
- Supported 22 recovery community organizations and recovery community centers, with approximately \$3 million going toward better supporting individuals in recovery in their communities through peer recovery coaching, recovery events and substance-free activities.
- Launched the Recovery Incentives Pilot for Medicaid eligible beneficiaries, with more than 100 individuals invested in improving their recovery outcomes through this evidence-based intervention that provides incentives to people with an opioid or stimulant use disorder for achieving treatment milestones.
- Invested \$28 million in harm reduction programs to provide naloxone, fentanyl and xylazine test strips. Nearly 1.5 million naloxone kits have been distributed with more than 34,000 uses reported.
- Removed the prior authorization to prescribe medications to treat opioid use disorder (MOUD) for Medicaid beneficiaries, allowing for a 20% increase in the last five years for the number MOUDs prescribed by primary care physicians.
- Launched three mobile medication units to reach individuals with an opioid use disorder who were otherwise unable to participate in treatment services.
- Through a partnership with the Michigan Department of Corrections and MDHHS, more than 4,500 individuals on probation have received recovery supports through recovery coaches working within probation offices so far in FY2025.

More information about Michigan's efforts to address substance use disorder and available recovery supports is available at [Michigan.gov/SUD](https://Michigan.gov/SUD).

###

- [Recovery Month press release.pdf](#)

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This email was sent to [ekurtz@nmre.org](mailto:ekurtz@nmre.org) using GovDelivery Communications Cloud on behalf of: Michigan Dept of Health & Human Services · 333 S. Grand Ave., Lansing, MI 48933

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

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

**REVIEW AGENDA & ADDITIONS**

No additions to the meeting agenda were requested.

**REVIEW PREVIOUS MEETING MINUTES**

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

**MOTION BY KEVIN HARTLEY TO APPROVE THE MINUTES OF THE AUGUST 13, 2025, NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.**

**MONTHLY FINANCIALS**

**July 2025 Financial Report**

- Net Position showed a net surplus for Medicaid and HMP of \$5,947,042. Carry forward was reported as \$736,656. The total Medicaid and HMP current year surplus was reported as \$6,683,698. FY24 HSW revenue was reported as \$1,289,241. The total Medicaid and HMP adjusted current year surplus was reported as \$5,394,457. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$27,259,854.
- Traditional Medicaid showed \$188,587,274 in revenue, and \$180,305,927 in expenses, resulting in a net surplus of \$8,281,347. Medicaid ISF was reported as \$13,514,675 based on the current FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$25,253,970 in revenue, and \$27,588,276 in expenses, resulting in a net deficit of \$2,334,306. HMP ISF was reported as \$7,068,394 based on the current FSR. HMP savings was reported as \$736,656.
- Health Home showed \$2,719,756 in revenue, and \$2,133,025 in expenses, resulting in a net surplus of \$586,731.
- SUD showed all funding source revenue of \$24,167,453 and \$18,698,782 in expenses, resulting in a net surplus of \$5,468,672. Total PA2 funds were reported as \$4,211,377.

PA2/Liquor Tax was summarized as follows:

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

<b>Actual FY25 Activity</b>			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$4,765,231	\$835,755	\$1,389,609	\$4,211,377

The impact from the extra revenue is helping to lower previous deficits. Medicaid has maintained a surplus, while HMP has maintained a deficit. This is likely to continue through FY26.

Donna reported that Centra Wellness staff is looking on a case-by-case basis to see whether individuals were enrolled in the wrong eligibility program. In a couple of instances people were enrolled in HMP when they met criteria for DAB.

Connie asked whether Northeast Michigan's Medicaid revenue was adjusted as it differed from what was sent. Deanna responded that it has to do with the timing of when the payment came in and the difference is immaterial; the updated numbers will be reflected in the August Financial Report.

**MOTION BY ERINN TRASK TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2025; SUPPORT BY KEVIN HARTLEY. MOTION APPROVED.**

**EDIT UPDATE**

The next EDIT meeting is scheduled for 10:00AM on October 23, 2025. Donna indicated that sleeping staff in specialized residential may be revisited as no clear guidance was provided by MDHHS. Chip noted that LARA allows for sleeping staff; an enhanced rate is paid for waking hours.

**EQI UPDATE**

Since the date to submit the EQI for FY2025 P2 has changed to November 10, 2025, Tricia asked the CMHSPs to pull data on October 3<sup>rd</sup>. The date for the EQI reports to be submitted to the NMRE was changed to October 17, 2025.

**ELECTRONIC VISIT VERIFICATION (EVV)**

Donna shared that an EVV meeting is scheduled for later this date. MDHHS is pursuing claims adjudication through the EVV system. Jeff Chang is providing education on why that is a bad idea.

**HSW OPEN SLOTS UPDATE**

The region currently has all its 697 slots filled with 10 packets in the queue. The September payment showed only 663 slots paid (34 unpaid).

**CHAMPS Fix Update**

As stated previously, the region is still not being paid for all filled HSW slots. Donna noted that Centra Wellness was paid for a couple of individuals from other counties in the recoup/repay process. Deanna responded that those are getting fixed and were likely not included in the regular payment received September 9<sup>th</sup>.

**Verification Research Project**

NMRE continues to monitor missed payments. It was noted that the state has not responded to the "Medicaid Behavioral Health Enrollment Shifts (2019-2024)" analysis from NMRE submitted in June 2025.

Tricia reported that the retroactive rate collection on July 16<sup>th</sup>, which was paid out on July 23<sup>rd</sup>, included payments for the wrong individuals. After looking the people up, it was observed that the county listed in the WSA was the same as the county of residency. The NMRE IT Department pulled data from WSA and sent a corrected payment for July 16<sup>th</sup> on August 21<sup>st</sup>. There were no issues with the July 30<sup>th</sup> payment; however, the July 30<sup>th</sup> payment was duplicated on August 6<sup>th</sup>. This error was corrected with the most recent payment. Tricia is still reviewing the specific issues.

#### NMRE REVENUE & ELIGIBLES ANALYSIS

An analysis of October 2023 – August 2025 Revenue and Eligibles was emailed to the committee during the meeting.

<b>Children's Waiver Program</b>			
	<u>October 2023</u>	<u>August 2025</u>	<u>% Change</u>
Revenue	\$36,882	\$33,538	-9.07%
Enrollees	11	9	-18.18%
Average Payment per Enrollee	\$3,353	\$3,726	11.14%

<b>DAB</b>			
	<u>October 2023</u>	<u>August 2025</u>	<u>% Change</u>
Revenue	\$10,003,003	11,759,256	17.56%
Enrollees	28,444	25,155	-11.56%
Average Payment per Enrollee	\$352	\$467	32.93%

<b>HMP</b>			
	<u>October 2023</u>	<u>August 2025</u>	<u>% Change</u>
Revenue	\$2,369,569	\$2,503,999	5.67%
Enrollees	47,550	31,478	-33.80%
Average Payment per Enrollee	\$50	\$80	59.63%

<b>HSW</b>			
	<u>October 2023</u>	<u>August 2025</u>	<u>% Change</u>
Revenue	\$4,638,399	\$5,915,754	27.54%
Enrollees	650	671	3.23%
Average Payment per Enrollee	\$7,136	\$8,816	23.55%

<b>SED</b>			
	<u>October 2023</u>	<u>August 2025</u>	<u>% Change**</u>
Revenue	\$40,846	\$34,493	-15.55%
Enrollees	21	45	114.29%
Average Payment per Enrollee*	\$1,945	\$767	-60.59%

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

<b>TANF</b>			
	<u>October 2023</u>	<u>August 2025</u>	<u>% Change</u>
Revenue	\$2,865,200	\$3,312,942	15.63%
Enrollees	66,801	52,897	-20.81%

Average Payment per Enrollee	\$43	\$63	46.02%
<b>TOTAL</b>			
	October 2023	August 2025	% Change
	\$19,953,899	\$23,559,982	18.07%

FY25 year-to-date revenue was compared by funding source to FY24 August year-to-date revenue.

	<b>DAB</b>	<b>HMP</b>	<b>HSW</b>	<b>TANF</b>	<b>Total</b>
YTD Aug. 2024	\$105,096,849	\$22,795,019	\$51,468,986	\$29,449,683	\$208,810,536
YTD Aug. 2025	\$112,438,068	\$25,180,183	\$60,138,652	\$31,778,803	\$229,535,703
Increase	\$7,341,216	\$2,385,164	\$8,669,667	\$2,329,120	<b>20,725,167</b>

The retroactive recoups/repays have led to an approximate revenue increase of \$700K per month; these have been paid in full. SUD services were not favorably impacted. Brandon noted that the region continues to experience an overall decrease in enrollment and eligibility.

#### FY26 BUDGET

The NMRE's FY26 budget will be available for the CMHSPs to review by September 12<sup>th</sup>. Deanna calculated NMRE FY25 actual revenue to date using eligibles from August 2025 and draft Milliman information.

Erinn asked, from a high level, how FY26 looks compared to FY25. Deanna responded that the June PMPM payment should be close to September. The NMRE overall has been positively impacted by the new rates.

#### OTHER

The Interim FSR is due to the Department on November 10<sup>th</sup>. Deanna asked for reports to be submitted to the NMRE by November 3<sup>rd</sup>.

The NMRE IT Department is creating a breakdown of current HSW enrollees per benefit code filter. CMHSP level spreadsheets will be shared via ShareFile once they are ready.

Behavioral Health Initiative - Medicaid MHP Unenrolled	Behavioral Health Initiative - Medicaid MHP Enrolled	No Medicaid	Spenddown	Behavioral Health Initiative - Healthy MI Plan MHP Unenrolled	Behavioral Health Initiative - Healthy MI Plan MHP Enrolled
551	262	91	20	7	7
58.74%	27.93%	9.7%	2.13%	0.75%	0.75%

#### NEXT MEETING

The next meeting was scheduled for October 8<sup>th</sup> at 10:00AM.



## Chief Executive Officer Report

**Sept 2025**

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

**Aug 19:** Chaired NMRE Operations Committee.

**Aug 20:** Attended and participated in PIHP Rate setting Meeting.

**Aug 21:** Attended and participated in NMRE Internal Operations Committee.

**Aug 22:** Attended and participated in Rural Caucus Meeting.

**Aug 26:** Attended and participated in PIHP CEO Meeting.

**Sept 4:** Attended and participated in MDHHS PIHP Operations Meeting.

**Sept 8&9:** Attended and participated in GLRMA Conference.

**Sept 10:** Attended and participated in Regional Finance Committee.

**Sept 11:** Met with NLCMHA Board Chair and staff regarding cost allocation look back results.

**Sept 16:** Chaired NMRE Operations Committee.

**Sept 18:** Attended and participated in NMRE Internal Operations Committee.



July 2025

Finance Report

## July 2025 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF					
Medicaid	8,281,347	-	13,514,675					
Healthy Michigan	(2,334,306)	736,656	7,068,394					
	<u>\$ 5,947,042</u>	<u>\$ 736,656</u>	<u>\$ 20,583,069</u>					
	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	2,654,014	4,949,058	(5,351,450)	1,167,049	616,880	1,290,319	621,171	\$ 5,947,042
Carry Forward								736,656
Total Med/HMP Current Year Surplus	2,654,014	4,949,058	(5,351,450)	1,167,049	616,880	1,290,319	621,171	\$ 6,683,698
FY24 Hab Support Waiver Revenue								\$ (1,289,241)
Total Med/HMP Current Year Surplus Adjusted								\$ 5,394,457
Medicaid & HMP Internal Service Fund								20,576,156
Total Medicaid & HMP Net Surplus								<u>\$ 27,259,854</u>

## Northern Michigan Regional Entity

### Funding Source Report - PIHP

Mental Health

October 1, 2024 through July 31, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
<b>Traditional Medicaid (inc Autism)</b>								
<b>Revenue</b>								
Revenue Capitation (PEPM)	\$ 182,766,568	\$ 5,820,706						\$ 188,587,274
CMHSP Distributions	(172,065,446)		55,393,787	46,986,087	28,916,135	25,068,546	15,700,891	0
1st/3rd Party receipts			-	-	-	-	-	-
<b>Net revenue</b>	<b>10,701,122</b>	<b>5,820,706</b>	<b>55,393,787</b>	<b>46,986,087</b>	<b>28,916,135</b>	<b>25,068,546</b>	<b>15,700,891</b>	<b>188,587,274</b>
<b>Expense</b>								
PIHP Admin	2,574,139	46,240						2,620,378
PIHP SUD Admin		117,606						117,606
SUD Access Center		-						-
Insurance Provider Assessment	1,537,510	29,411						1,566,921
Hospital Rate Adjuster	3,187,626							3,187,626
Services	639,977	3,049,490	57,827,080	45,460,093	28,077,838	23,366,771	14,392,146	172,813,395
<b>Total expense</b>	<b>7,939,252</b>	<b>3,242,747</b>	<b>57,827,080</b>	<b>45,460,093</b>	<b>28,077,838</b>	<b>23,366,771</b>	<b>14,392,146</b>	<b>180,305,927</b>
<b>Net Actual Surplus (Deficit)</b>	<b>\$ 2,761,870</b>	<b>\$ 2,577,959</b>	<b>\$ (2,433,293)</b>	<b>\$ 1,525,994</b>	<b>\$ 838,297</b>	<b>\$ 1,701,775</b>	<b>\$ 1,308,745</b>	<b>\$ 8,281,347</b>

#### Notes

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

Medicaid Savings - \$0

# Northern Michigan Regional Entity

## Funding Source Report - PIHP

Mental Health

October 1, 2024 through July 31, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
<b>Healthy Michigan</b>								
<b>Revenue</b>								
Revenue Capitation (PEPM)	\$ 14,990,761	\$ 10,263,209	██████████	██████████	██████████	██████████	██████████	\$ 25,253,970
CMHSP Distributions	(12,118,058)	██████████	4,461,970	3,460,644	1,567,347	1,645,415	982,683	(0)
1st/3rd Party receipts	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████
<b>Net revenue</b>	<b>2,872,703</b>	<b>10,263,209</b>	<b>4,461,970</b>	<b>3,460,644</b>	<b>1,567,347</b>	<b>1,645,415</b>	<b>982,683</b>	<b>25,253,970</b>
<b>Expense</b>								
PIHP Admin	253,460	112,554	██████████	██████████	██████████	██████████	██████████	366,013
PIHP SUD Admin		286,270	██████████	██████████	██████████	██████████	██████████	286,270
SUD Access Center		-	██████████	██████████	██████████	██████████	██████████	-
Insurance Provider Assessment	149,312	70,383	██████████	██████████	██████████	██████████	██████████	219,695
Hospital Rate Adjuster Services	2,577,787	7,422,903	7,380,127	3,819,589	1,788,764	2,056,871	1,670,256	2,577,787
<b>Total expense</b>	<b>2,980,559</b>	<b>7,892,110</b>	<b>7,380,127</b>	<b>3,819,589</b>	<b>1,788,764</b>	<b>2,056,871</b>	<b>1,670,256</b>	<b>27,588,276</b>
<b>Net Surplus (Deficit)</b>	<b>\$ (107,856)</b>	<b>\$ 2,371,099</b>	<b>\$ (2,918,157)</b>	<b>\$ (358,945)</b>	<b>\$ (221,417)</b>	<b>\$ (411,456)</b>	<b>\$ (687,573)</b>	<b>\$ (2,334,306)</b>
<b>Notes</b>								
HMP ISF - \$7,068,394 - based on current FSR								
HMP Savings - \$736,656								
<hr/>								
Net Surplus (Deficit) MA/HMP	\$ 2,654,014	\$ 4,949,058	\$ (5,351,450)	\$ 1,167,049	\$ 616,880	\$ 1,290,319	\$ 621,171	\$ 5,947,042
Medicaid/HMP Carry Forward								736,656
<b>Total Med/HMP Current Year Surplus</b>								<b>\$ 6,683,698</b>
<hr/>								
Medicaid & HMP ISF - based on current FSR								20,576,156
<b>Total Medicaid &amp; HMP Net Surplus (Deficit) including Carry Forward and ISF</b>								<b>\$ 27,259,854</b>

## Northern Michigan Regional Entity

### Funding Source Report - PIHP

Mental Health

October 1, 2024 through July 31, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
<b>Health Home</b>								
<b>Revenue</b>								
Revenue Capitation (PEPM)	\$ 1,000,354		413,443	305,344	355,533	182,153	462,929	\$ 2,719,756
CMHSP Distributions	-							-
1st/3rd Party receipts								-
<b>Net revenue</b>	<b>1,000,354</b>	<b>-</b>	<b>413,443</b>	<b>305,344</b>	<b>355,533</b>	<b>182,153</b>	<b>462,929</b>	<b>2,719,756</b>
<b>Expense</b>								
PIHP Admin	31,369							31,369
BHH Admin	32,899							32,899
Insurance Provider Assessment	-							-
Hospital Rate Adjuster Services								
	349,355		413,443	305,344	355,533	182,153	462,929	2,068,757
<b>Total expense</b>	<b>413,623</b>	<b>-</b>	<b>413,443</b>	<b>305,344</b>	<b>355,533</b>	<b>182,153</b>	<b>462,929</b>	<b>2,133,025</b>
<b>Net Surplus (Deficit)</b>	<b>\$ 586,731</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 586,731</b>

# Northern Michigan Regional Entity

## Funding Source Report - SUD

Mental Health

October 1, 2024 through July 31, 2025

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
<b>Substance Abuse Prevention &amp; Treatment</b>						
<b>Revenue</b>	<u>\$ 5,820,706</u>	<u>\$ 10,263,209</u>	<u>\$ 3,572,043</u>	<u>\$ 3,121,883</u>	<u>\$ 1,389,612</u>	<u>\$ 24,167,453</u>
<b>Expense</b>						
Administration	163,846	398,824	152,365	150,893		865,928
OHH Admin			64,246			64,246
Block Grant Access Center	-	-	-	-		-
Insurance Provider Assessment	29,411	70,383	-			99,794
Services:						
Treatment	3,049,490	7,422,903	2,835,819	1,420,606	1,389,612	16,118,430
Prevention	-	-	-	810,271	-	810,271
Healing and Recovery Grant				199,360		199,360
ARPA Grant	-	-	-	540,753	-	540,753
<b>Total expense</b>	<u>3,242,747</u>	<u>7,892,110</u>	<u>3,052,430</u>	<u>3,121,883</u>	<u>1,389,612</u>	<u>18,698,782</u>
<b>PA2 Redirect</b>			-	0		0
<b>Net Surplus (Deficit)</b>	<u>\$ 2,577,959</u>	<u>\$ 2,371,099</u>	<u>\$ 519,613</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 5,468,672</u>

## Northern Michigan Regional Entity

### Statement of Activities and Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds October 1, 2024 through July 31, 2025

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
<b>Operating revenue</b>				
Medicaid	\$ 182,766,568	\$ 5,820,706	\$ -	\$ 188,587,274
Medicaid Savings	-	-	-	-
Healthy Michigan	14,990,761	10,263,209	-	25,253,970
Healthy Michigan Savings	736,656	-	-	736,656
Health Home	2,719,756	-	-	2,719,756
Opioid Health Home	-	3,572,043	-	3,572,043
Substance Use Disorder Block Grant	-	3,121,883	-	3,121,883
Public Act 2 (Liquor tax)	-	1,389,612	-	1,389,612
Affiliate local drawdown	446,112	-	-	446,112
Performance Incentive Bonus	1,653,705	-	-	1,653,705
Miscellaneous Grant Revenue	-	4,000	-	4,000
Healing & Recovery Revenue	-	-	-	-
Veteran Navigator Grant	80,089	-	-	80,089
SOR Grant Revenue	-	1,267,621	-	1,267,621
Gambling Grant Revenue	-	171,683	-	171,683
Other Revenue	1,740	-	3,014	4,754
<b>Total operating revenue</b>	<b>203,395,387</b>	<b>25,610,757</b>	<b>3,014</b>	<b>229,009,158</b>
<b>Operating expenses</b>				
General Administration	3,081,831	643,064	-	3,724,895
Prevention Administration	-	103,418	-	103,418
OHH Administration	-	64,246	-	64,246
BHH Administration	32,899	-	-	32,899
Insurance Provider Assessment	1,686,822	99,794	-	1,786,616
Hospital Rate Adjuster	5,765,413	-	-	5,765,413
Payments to Affiliates:				
Medicaid Services	169,763,905	3,049,490	-	172,813,395
Healthy Michigan Services	16,715,607	7,422,903	-	24,138,510
Health Home Services	2,068,757	-	-	2,068,757
Opioid Health Home Services	-	2,835,819	-	2,835,819
Community Grant	-	1,420,606	-	1,420,606
Prevention	-	706,853	-	706,853
State Disability Assistance	-	-	-	-
ARPA Grant	-	540,753	-	540,753
Public Act 2 (Liquor tax)	-	1,389,612	-	1,389,612
Local PBIP	1,579,647	-	-	1,579,647
Local Match Drawdown	446,112	-	-	446,112
Miscellaneous Grant	-	4,000	-	4,000
Healing & Recovery Grant	-	199,360	-	199,360
Veteran Navigator Grant	80,089	-	-	80,089
SOR Grant Expenses	-	1,267,621	-	1,267,621
Gambling Grant Expenses	-	171,683	-	171,683
<b>Total operating expenses</b>	<b>201,221,082</b>	<b>19,919,222</b>	<b>-</b>	<b>221,140,304</b>
<b>CY Unspent funds</b>	<b>2,174,305</b>	<b>5,691,535</b>	<b>3,014</b>	<b>7,868,854</b>
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unspent funds - beginning	3,466,474	4,765,230	20,583,069	28,814,773
<b>Unspent funds - ending</b>	<b>\$ 5,640,779</b>	<b>\$ 10,456,765</b>	<b>\$ 20,586,083</b>	<b>\$ 36,683,627</b>

# Northern Michigan Regional Entity

## Statement of Net Position

July 31, 2025

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
<b>Assets</b>				
<b>Current Assets</b>				
Cash Position	\$ 45,421,232	\$ 8,252,452	\$ 20,586,083	\$ 74,259,767
Accounts Receivable	3,799,539	3,343,810	-	7,143,349
Prepays	84,521	-	-	84,521
<b>Total current assets</b>	<b>49,305,292</b>	<b>11,596,262</b>	<b>20,586,083</b>	<b>81,487,637</b>
<b>Noncurrent Assets</b>				
Capital assets	479,259	-	-	479,259
<b>Total Assets</b>	<b>49,784,551</b>	<b>11,596,262</b>	<b>20,586,083</b>	<b>81,966,896</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	43,794,900	1,139,497	-	44,934,397
Accrued liabilities	348,872	-	-	348,872
Unearned revenue	-	-	-	-
<b>Total current liabilities</b>	<b>44,143,772</b>	<b>1,139,497</b>	<b>-</b>	<b>45,283,269</b>
<b>Unspent funds</b>	<b>\$ 5,640,779</b>	<b>\$ 10,456,765</b>	<b>\$ 20,586,083</b>	<b>\$ 36,683,627</b>

## Northern Michigan Regional Entity

### Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health

October 1, 2024 through July 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
<b>Operating revenue</b>					
Medicaid					
* Capitation	\$ 187,752,708	\$ 156,460,590	\$ 182,766,568	\$ 26,305,978	16.81%
Carryover	11,400,000	-	-	-	-
Healthy Michigan					
Capitation	19,683,372	16,402,810	14,990,761	(1,412,049)	(8.61%)
Carryover	5,100,000	-	736,656	736,656	0.00%
Health Home	1,451,268	1,209,390	2,719,756	1,510,366	124.89%
Affiliate local drawdown	594,816	446,112	446,112	-	0.00%
Performance Bonus Incentive	1,334,531	1,334,531	1,653,705	319,174	23.92%
Miscellaneous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	91,670	80,089	(11,581)	(12.63%)
Other Revenue	-	-	1,740	1,740	0.00%
<b>Total operating revenue</b>	<b>227,426,695</b>	<b>175,945,103</b>	<b>203,395,387</b>	<b>27,450,284</b>	<b>15.60%</b>
<b>Operating expenses</b>					
General Administration	3,591,836	2,968,380	3,081,831	(113,451)	(3.82%)
Health Home Administration	-	-	32,899	(32,899)	0.00%
Insurance Provider Assessment	1,897,524	1,581,270	1,686,822	(105,552)	(6.68%)
Hospital Rate Adjuster	4,571,328	3,809,440	5,765,413	(1,955,973)	(51.35%)
Local PBIP	1,737,753	-	1,579,647	(1,579,647)	0.00%
Local Match Drawdown	594,816	446,112	446,112	-	0.00%
Miscellaneous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	76,430	80,089	(3,659)	(4.79%)
Payments to Affiliates:					
Medicaid Services	176,618,616	147,182,180	169,763,905	(22,581,725)	(15.34%)
Healthy Michigan Services	17,639,940	14,699,950	16,715,607	(2,015,657)	(13.71%)
Health Home Services	1,415,196	1,179,330	2,068,757	(889,427)	(75.42%)
<b>Total operating expenses</b>	<b>208,177,013</b>	<b>171,943,092</b>	<b>201,221,082</b>	<b>(29,277,990)</b>	<b>(17.03%)</b>
<b>CY Unspent funds</b>	<b>\$ 19,249,682</b>	<b>\$ 4,002,011</b>	<b>2,174,305</b>	<b>\$ (1,827,706)</b>	
<b>Transfers in</b>					
<b>Transfers out</b>			-	201,221,082	
Unspent funds - beginning			<u>3,466,474</u>		
<b>Unspent funds - ending</b>	<b>\$ 5,640,779</b>		<b>2,174,305</b>		

# Northern Michigan Regional Entity

## Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse

October 1, 2024 through July 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
<b>Operating revenue</b>					
Medicaid	\$ 4,678,632	\$ 3,898,860	\$ 5,820,706	\$ 1,921,846	49.29%
Healthy Michigan	11,196,408	9,330,340	10,263,209	932,869	10.00%
Substance Use Disorder Block Grant	6,467,905	5,389,920	3,121,883	(2,268,037)	(42.08%)
Opioid Health Home	3,419,928	2,849,940	3,572,043	722,103	25.34%
Public Act 2 (Liquor tax)	1,533,979	1,022,653	1,389,612	366,959	35.88%
Miscellaneous Grants	4,000	3,333	4,000	667	20.00%
Healing & Recovery Grant	-	-	-	-	0.00%
SOR Grant	2,043,984	1,703,320	1,267,621	(435,699)	(25.58%)
Gambling Prevention Grant	200,000	166,667	171,683	5,016	3.01%
Other Revenue	-	-	-	-	0.00%
<b>Total operating revenue</b>	<b>29,544,836</b>	<b>24,365,033</b>	<b>25,610,757</b>	<b>1,245,724</b>	<b>5.11%</b>
<b>Operating expenses</b>					
Substance Use Disorder:					
SUD Administration	1,082,576	852,150	643,064	209,086	24.54%
Prevention Administration	118,428	98,690	103,418	(4,728)	(4.79%)
Insurance Provider Assessment	113,604	94,670	99,794	(5,124)	(5.41%)
Medicaid Services	3,931,560	3,276,300	3,049,490	226,810	6.92%
Healthy Michigan Services	10,226,004	8,521,670	7,422,903	1,098,767	12.89%
Community Grant	2,074,248	1,728,540	1,420,606	307,934	17.81%
Prevention	634,056	528,380	706,853	(178,473)	(33.78%)
State Disability Assistance	95,215	79,347	-	79,347	100.00%
ARPA Grant	-	-	540,753	(540,753)	0.00%
Opioid Health Home Admin	-	-	64,246	(64,246)	0.00%
Opioid Health Home Services	3,165,000	2,637,500	2,835,819	(198,319)	(7.52%)
Miscellaneous Grants	4,000	3,333	4,000	(667)	(20.00%)
Healing & Recovery Grant	-	-	199,360	(199,360)	0.00%
SOR Grant	2,043,984	1,703,320	1,267,621	435,699	25.58%
Gambling Prevention	200,000	166,667	171,683	(5,016)	(3.01%)
PA2	1,533,978	1,022,652	1,389,612	(366,960)	(35.88%)
<b>Total operating expenses</b>	<b>25,222,653</b>	<b>20,713,219</b>	<b>19,919,222</b>	<b>793,997</b>	<b>3.83%</b>
<b>CY Unspent funds</b>	<b>\$ 4,322,183</b>	<b>\$ 3,651,814</b>	<b>5,691,535</b>	<b>\$ 2,039,721</b>	
Transfers in				-	
Transfers out				-	
Unspent funds - beginning				<u>4,765,230</u>	
<b>Unspent funds - ending</b>	<b>\$ 4,322,183</b>	<b>\$ 3,651,814</b>	<b>5,691,535</b>	<b>\$ 2,039,721</b>	
Unspent funds - ending				<u>\$ 10,456,765</u>	

# Northern Michigan Regional Entity

## Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration

October 1, 2024 through July 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
<b>General Admin</b>					
Salaries	\$ 1,921,812	\$ 1,601,510	\$ 1,686,928	\$ (85,418)	(5.33%)
Fringes	666,212	528,020	526,727	1,293	0.24%
Contractual	683,308	569,430	607,760	(38,330)	(6.73%)
Board expenses	18,000	15,000	18,779	(3,779)	(25.19%)
Day of recovery	14,000	14,000	8,968	5,032	35.94%
Facilities	152,700	127,250	109,548	17,702	13.91%
Other	135,804	113,170	123,121	(9,951)	(8.79%)
<b>Total General Admin</b>	<b>\$ 3,591,836</b>	<b>\$ 2,968,380</b>	<b>\$ 3,081,831</b>	<b>\$ (113,451)</b>	<b>(3.82%)</b>

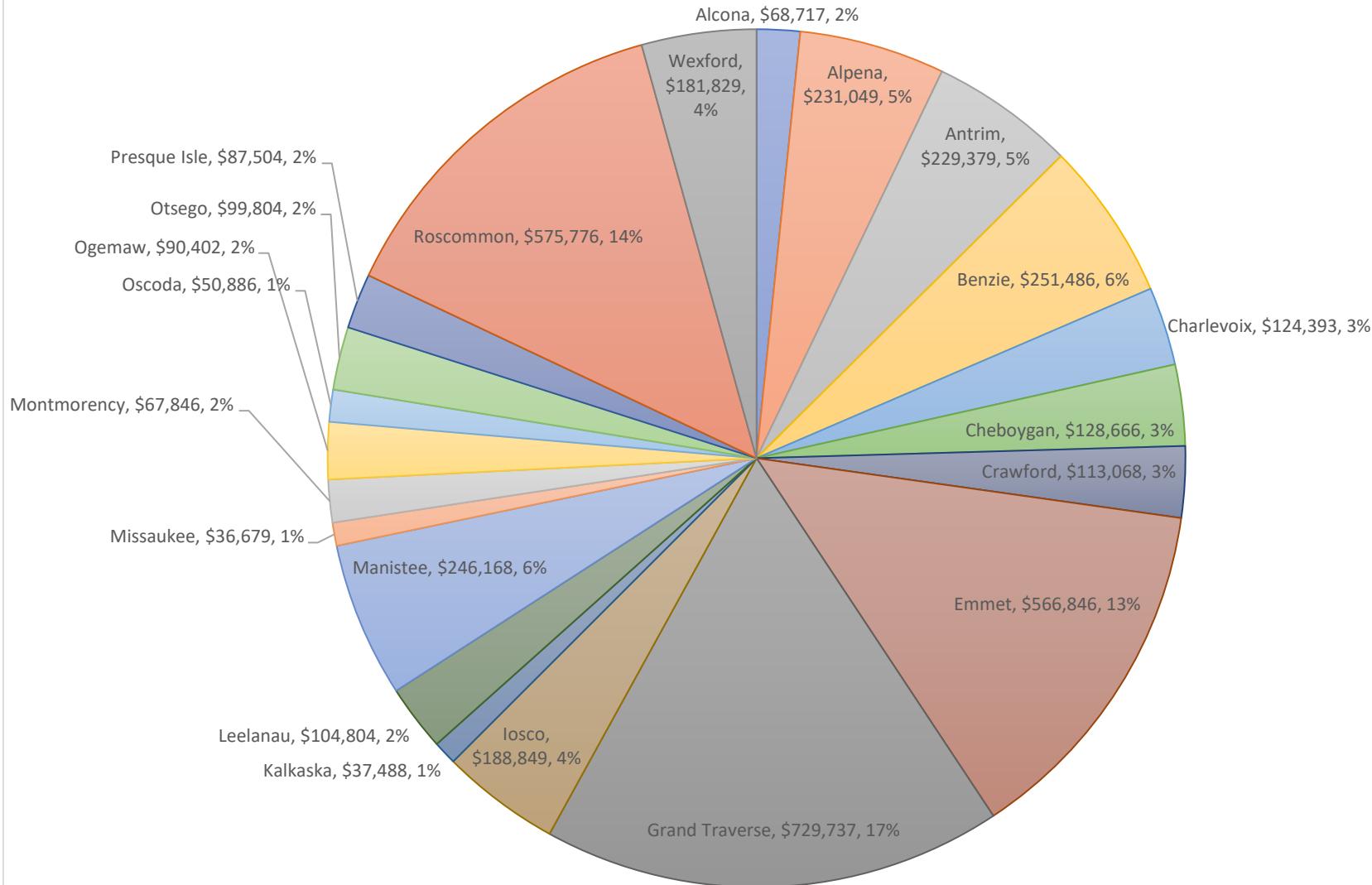
## Northern Michigan Regional Entity

### Schedule of PA2 by County

October 1, 2024 through July 31, 2025

County	Projected FY25 Activity				Actual FY25 Activity			
	Beginning Balance	FY25 Projected Revenue	FY25 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
<b>Actual Expenditures by County</b>								
Alcona	\$ 71,885	\$ 23,013	\$ 21,562	\$ 73,336	\$ 9,914	13,081	\$ -	\$ 68,717
Alpena	276,605	81,249	115,352	242,502	38,033	83,589	-	231,049
Antrim	225,891	71,430	37,276	260,045	33,812	30,324	-	229,379
Benzie	257,777	64,021	52,479	269,320	29,286	35,577	-	251,486
Charlevoix	240,410	106,977	204,773	142,613	46,677	162,695	-	124,393
Cheboygan	141,238	85,508	65,816	160,930	40,575	53,147	-	128,666
Crawford	126,884	36,205	68,993	94,096	17,924	31,740	-	113,068
Emmet	604,860	182,951	363,695	424,117	82,567	120,581	-	566,846
Grand Traverse	947,150	464,163	558,074	853,238	205,396	422,808	-	729,737
Iosco	186,997	84,319	73,780	197,537	38,690	36,837	-	188,849
Kalkaska	25,843	41,796	2,436	65,203	18,678	7,033	-	37,488
Leelanau	97,166	63,811	39,737	121,240	27,988	20,351	-	104,804
Manistee	259,014	82,480	104,210	237,284	36,904	49,750	-	246,168
Missaukee	30,683	22,352	20,908	32,127	10,850	4,854	-	36,679
Montmorency	59,540	30,318	8,457	81,401	13,074	4,769	-	67,846
Ogemaw	64,110	68,787	11,101	121,797	30,828	4,536	-	90,402
Oscoda	44,727	21,668	7,577	58,818	10,432	4,273	-	50,886
Otsego	112,969	105,067	98,424	119,612	48,085	61,250	-	99,804
Presque Isle	82,660	24,977	11,701	95,936	11,445	6,600	-	87,504
Roscommon	576,714	87,317	55,007	609,024	39,501	40,439	-	575,776
Wexford	332,107	98,696	229,583	201,220	45,098	195,375	-	181,829
	<b>4,765,231</b>	<b>1,847,106</b>	<b>2,150,940</b>	<b>4,461,397</b>	<b>835,755</b>	<b>1,389,609</b>	<b>-</b>	<b>4,211,377</b>
PA2 Redirect								<b>4,211,377</b>

## PA2 FUND BALANCES BY COUNTY



# Northern Michigan Regional Entity

## Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration

October 1, 2024 through July 31, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
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### SUD Administration

Salaries	\$ 723,372	\$ 602,810	\$ 381,800	\$ 221,010	36.66%
Fringes	212,604	177,170	129,891	47,279	26.69%
Access Salaries	-	-	-	-	0.00%
Access Fringes	-	-	-	-	0.00%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	62,500	92,357	(29,857)	(47.77%)
Board expenses	5,000	4,170	4,535	(365)	(8.75%)
Day of Recover	-	-	13,971	(13,971)	0.00%
Facilities	-	-	-	-	0.00%
Other	12,600	5,500	20,510	(15,010)	(272.91%)
 Total operating expenses	 \$ 1,082,576	 \$ 852,150	 \$ 643,064	 \$ 209,086	 24.54%

# Northern Michigan Regional Entity

## Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2024 through July 31, 2025

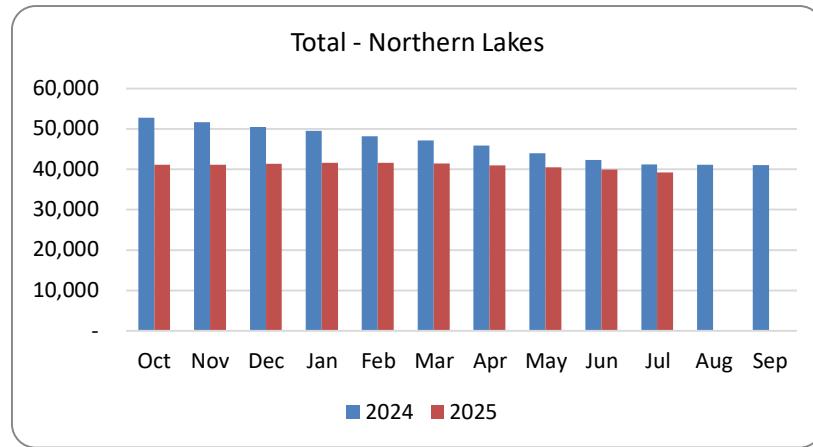
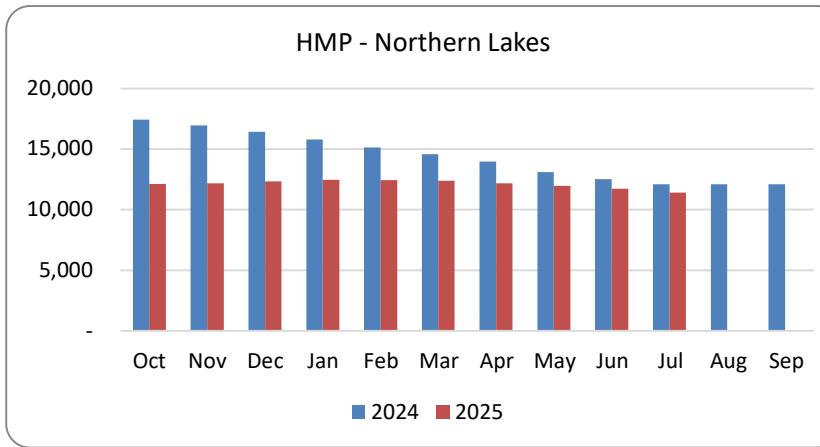
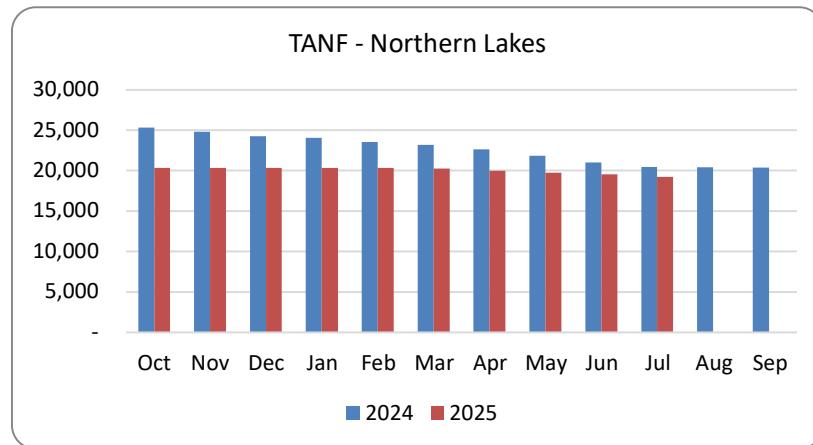
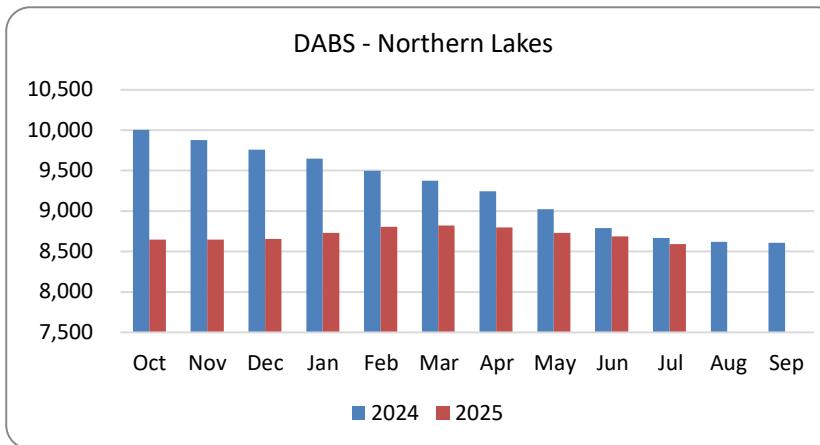
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
<b>Operating revenue</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	0.00%
Interest and Dividends	<u>7,500</u>	<u>6,250</u>	<u>3,014</u>	<u>(3,236)</u>	<u>(51.78%)</u>
Total operating revenue	<u>7,500</u>	<u>6,250</u>	<u>3,014</u>	<u>(3,236)</u>	<u>(51.78%)</u>
<b>Operating expenses</b>					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
<b>CY Unspent funds</b>	<b>\$ 7,500</b>	<b>\$ 6,250</b>	<b>3,014</b>	<b>\$ (3,236)</b>	
Transfers in				-	
Transfers out				-	
Unspent funds - beginning			<u>20,583,069</u>		
<b>Unspent funds - ending</b>	<b>\$ 20,586,083</b>				

## Northern Michigan Regional Entity

### Narrative

October 1, 2024 through July 31, 2025

### Northern Lakes Eligible Members Trending - based on payment files

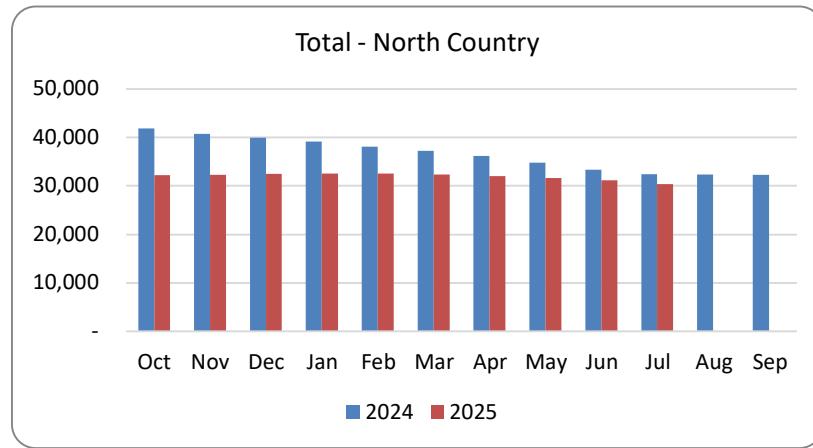
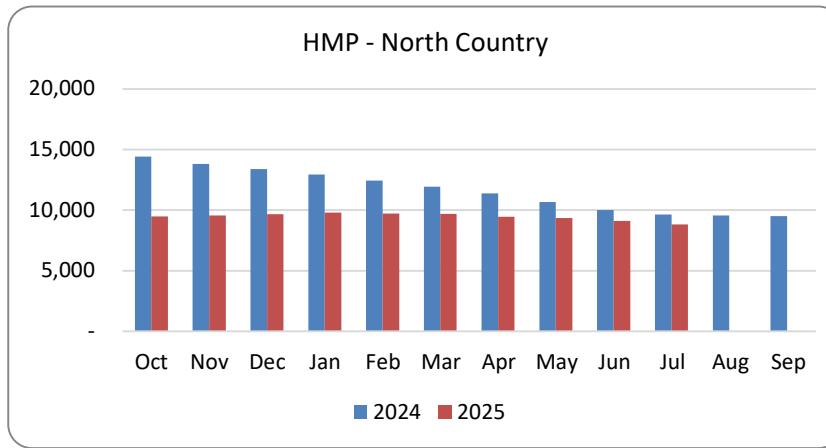
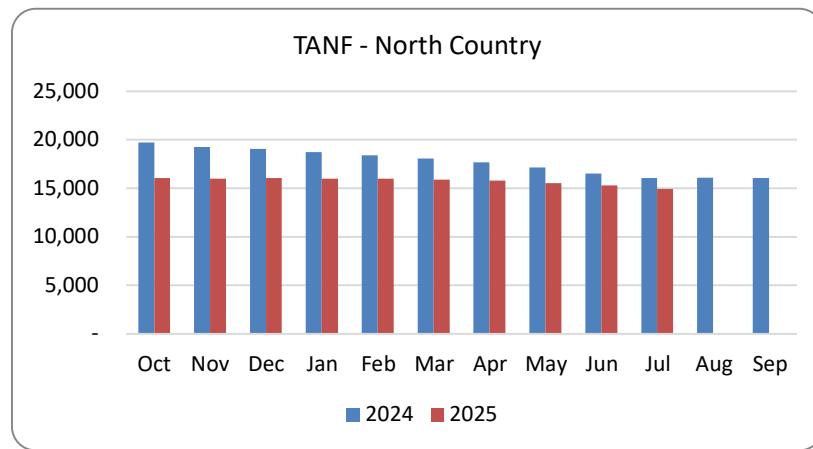
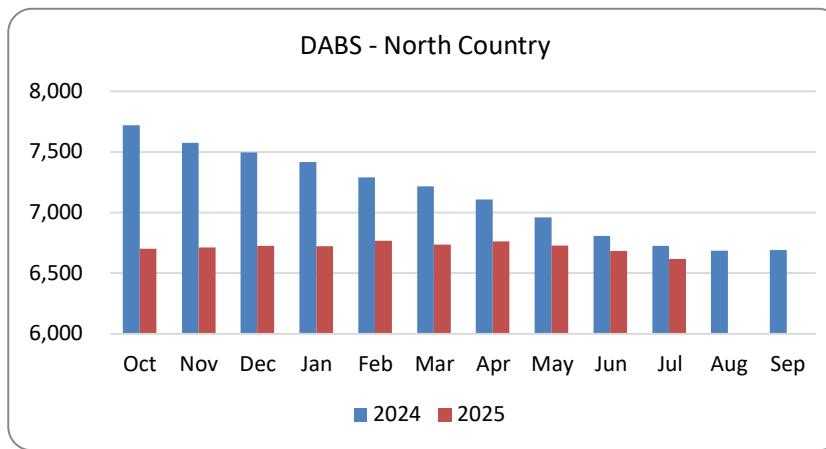


## Northern Michigan Regional Entity

### Narrative

October 1, 2024 through July 31, 2025

### North Country Eligible Members Trending - based on payment files

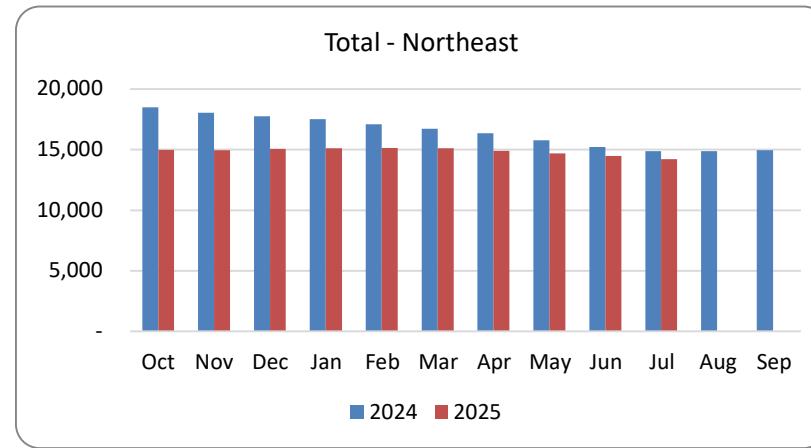
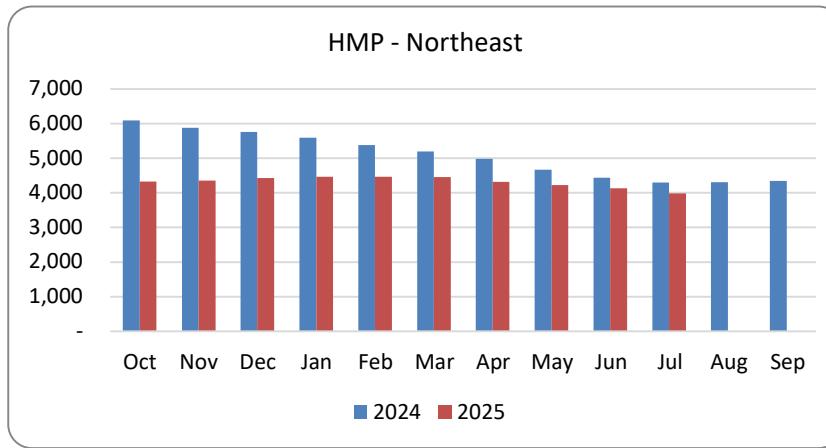
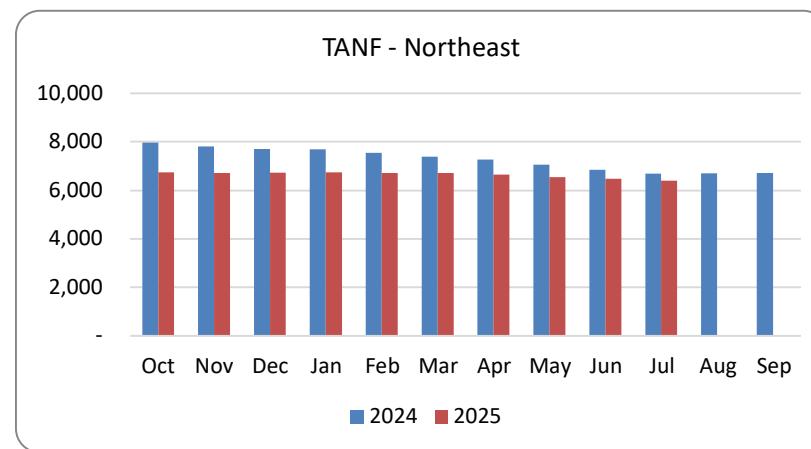
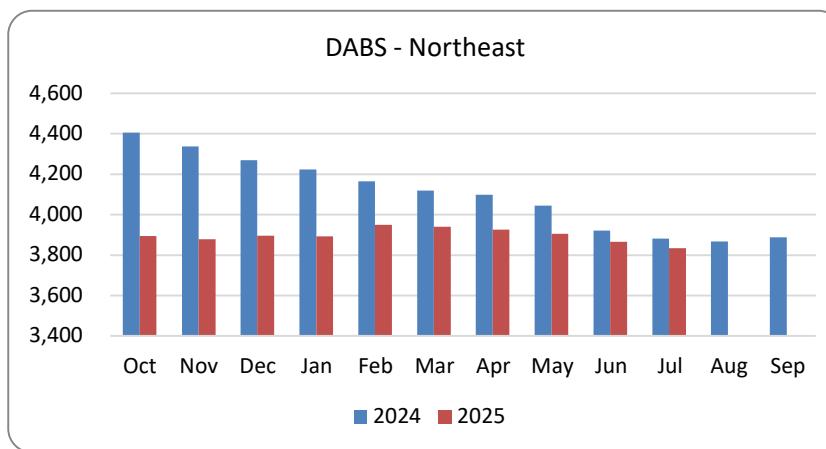


## Northern Michigan Regional Entity

### Narrative

October 1, 2024 through July 31, 2025

### Northeast Eligible Members Trending - based on payment files

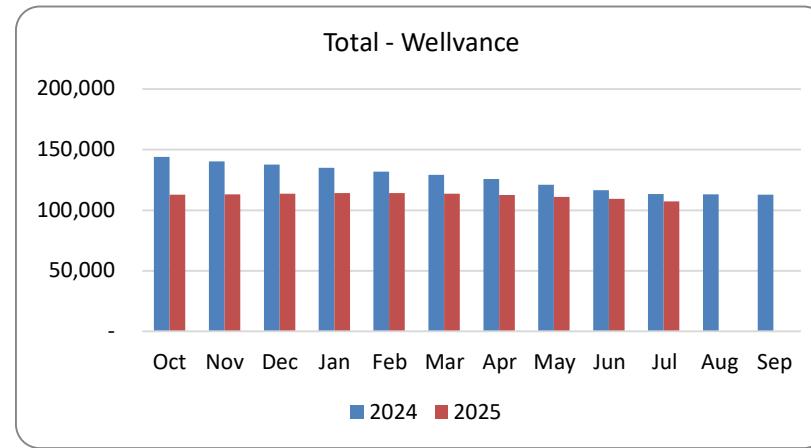
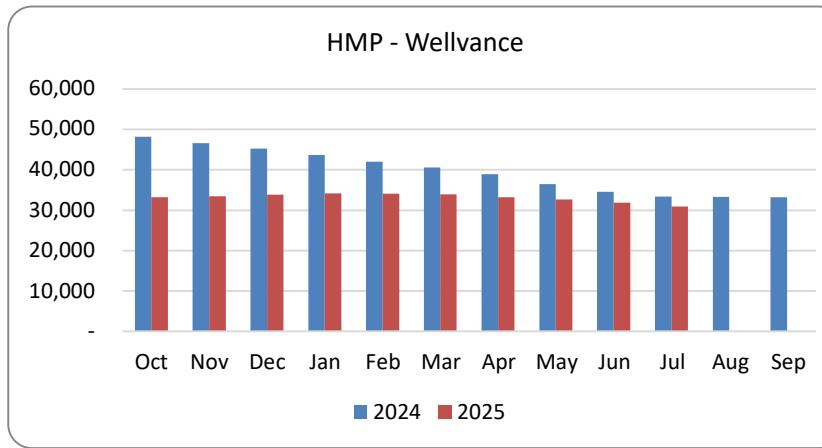
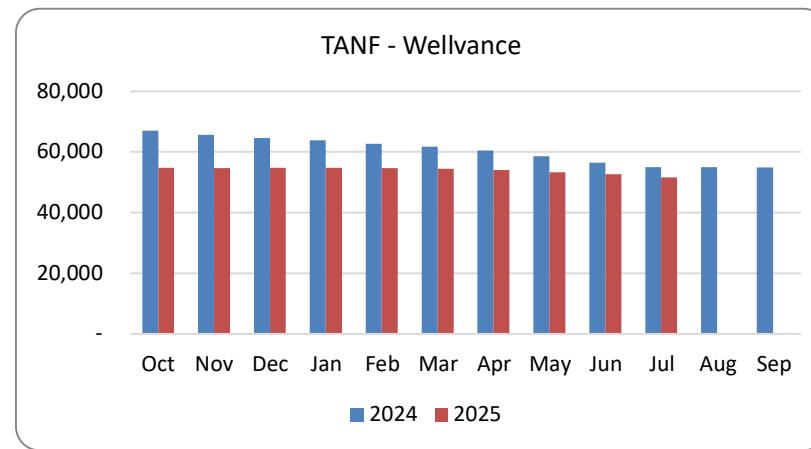
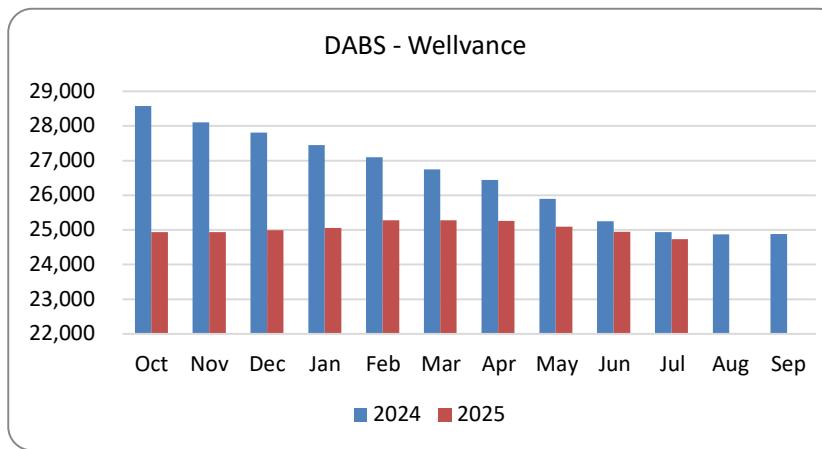


## Northern Michigan Regional Entity

### Narrative

October 1, 2024 through July 31, 2025

### Wellvance Eligible Members Trending - based on payment files

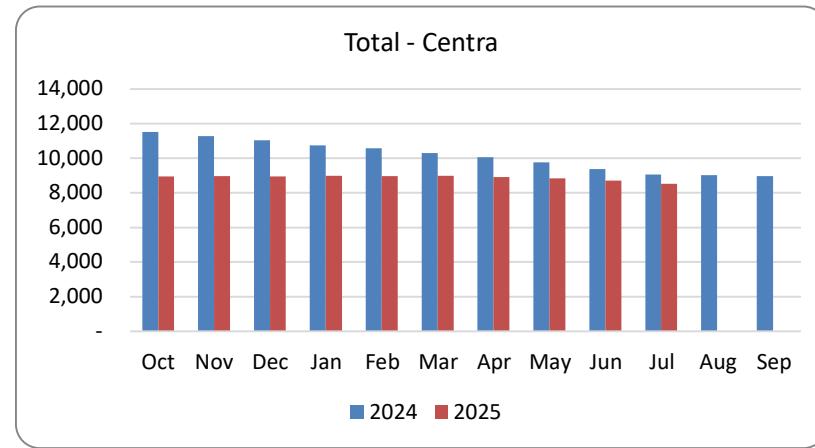
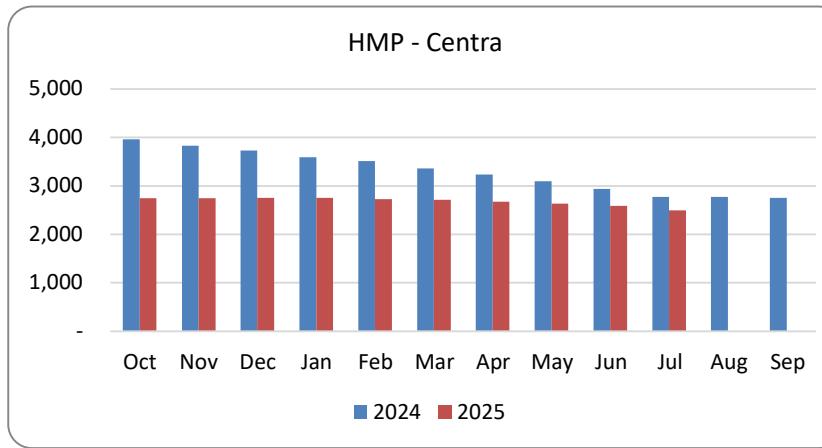
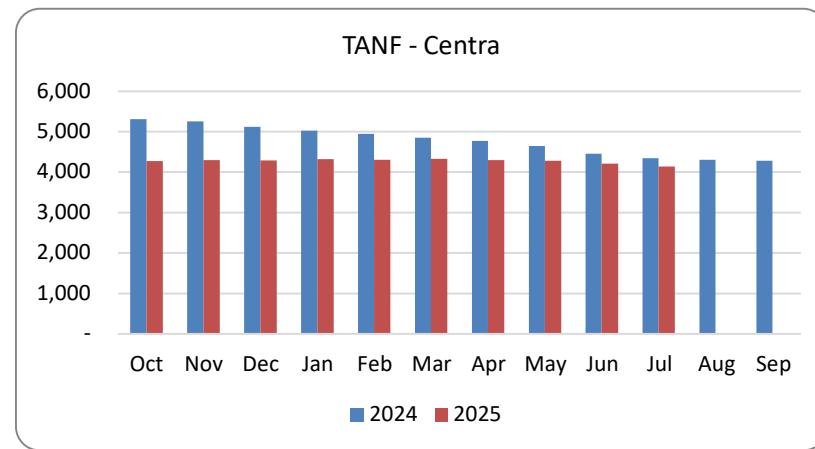
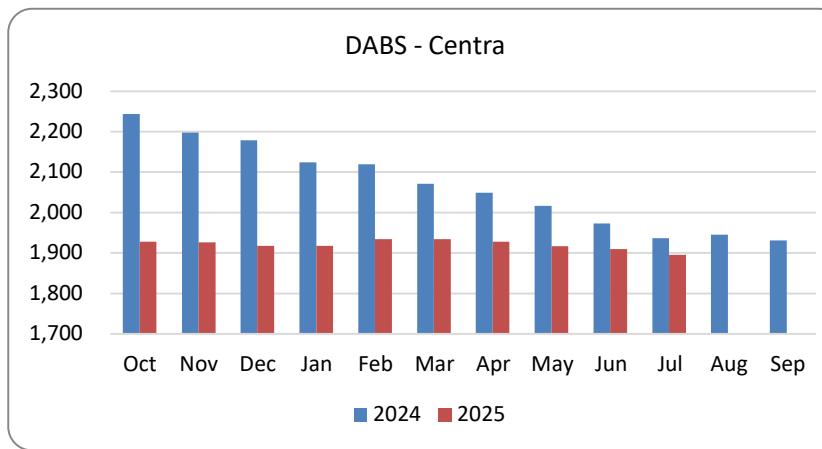


## Northern Michigan Regional Entity

### Narrative

October 1, 2024 through July 31, 2025

### Centra Wellness Eligible Members Trending - based on payment files



## Northern Michigan Regional Entity

### Narrative

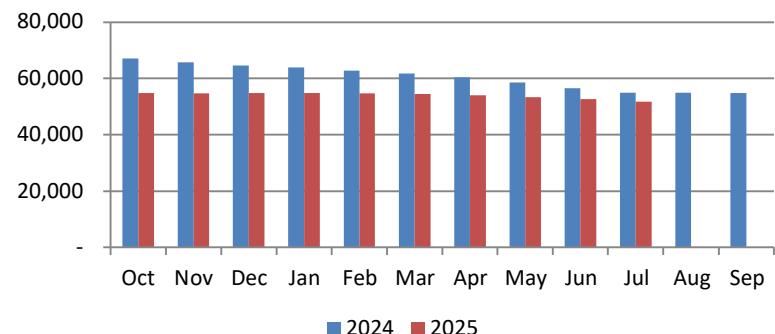
October 1, 2024 through July 31, 2025

### Regional Eligible Trending

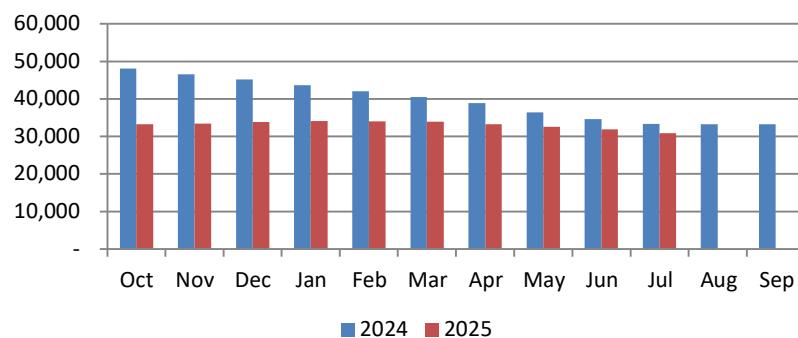
#### DAB Eligibles



#### TANF Eligibles



#### Healthy Michigan Eligibles



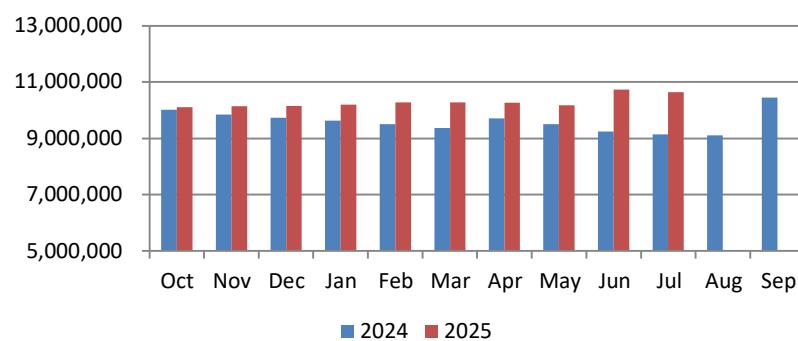
## Northern Michigan Regional Entity

### Narrative

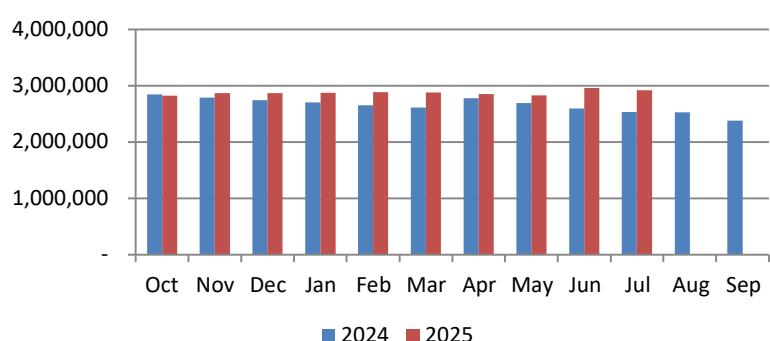
October 1, 2024 through July 31, 2025

### Regional Revenue Trending

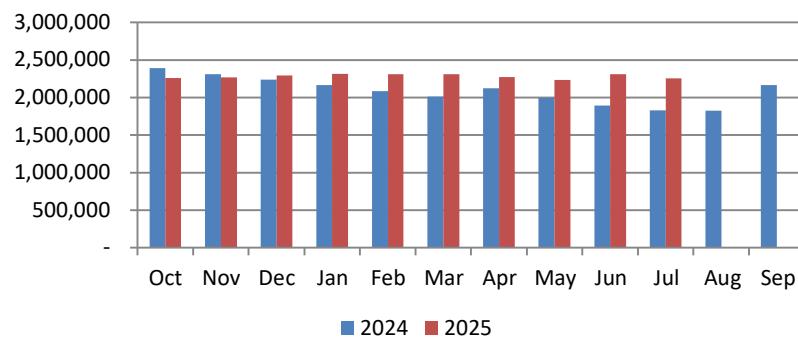
**DAB Revenue**



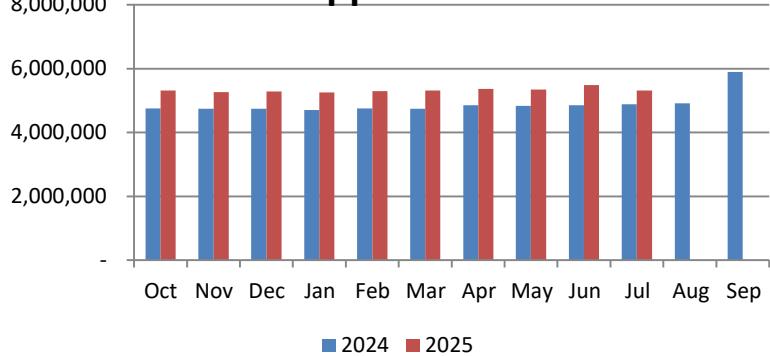
**TANF Revenue**



**Healthy Michigan Revenue**



**HAB Support Revenue**



**NORTHERN MICHIGAN REGIONAL ENTITY  
OPERATIONS COMMITTEE MEETING  
9:30AM – SEPTEMBER 16, 2025  
GAYLORD CONFERENCE ROOM**

<b>ATTENDEES:</b> Brian Babbitt, Curt Cummins, Chip Johnston, Eric Kurtz, Trish Otremba, Nena Sork, Carol Balousek
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**REVIEW OF AGENDA AND ADDITIONS**

During the regional Provider Network meeting, it was suggested that a regional approach be taken regarding a rate freeze for FY26; this topic is being brought to the Operations Committee for consideration.

**APPROVAL OF PREVIOUS MINUTES**

The minutes from August 19<sup>th</sup> were included in the meeting materials.

**MOTION BY NENA SORK TO APPROVE THE AUGUST 19, 2025 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY TRISH OTREMBA. MOTION CARRIED.**

**FINANCE COMMITTEE AND RELATED**

**July 2025 Financial Report**

- Net Position showed a net surplus for Medicaid and HMP of \$5,947,042. Carry forward was reported as \$736,656. The total Medicaid and HMP current year surplus was reported as \$6,683,698. FY24 HSW revenue was reported as \$1,289,241. The total Medicaid and HMP adjusted current year surplus was reported as \$5,394,457. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$27,259,854.
- Traditional Medicaid showed \$188,587,274 in revenue, and \$180,305,927 in expenses, resulting in a net surplus of \$8,281,347. Medicaid ISF was reported as \$13,514,675 based on the current FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$25,253,970 in revenue, and \$27,588,276 in expenses, resulting in a net deficit of \$2,334,306. HMP ISF was reported as \$7,068,394 based on the current FSR. HMP savings was reported as \$736,656.
- Health Home showed \$2,719,756 in revenue, and \$2,133,025 in expenses, resulting in a net surplus of \$586,731.
- SUD showed all funding source revenue of \$24,167,453 and \$18,698,782 in expenses, resulting in a net surplus of \$5,468,672. Total PA2 funds were reported as \$4,211,377.

PA2/Liquor Tax was summarized as follows:

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

<b>Actual FY25 Activity</b>				
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance	
\$4,765,231	\$835,755	\$1,389,609	\$4,211,377	

Surplus Medicaid funds are offset by the HMP deficit.

	<b>Centra Wellness</b>	<b>North Country</b>	<b>Northeast MI</b>	<b>Northern Lakes</b>	<b>Wellvance</b>
<b>Medicaid</b>	\$1,308,745	\$1,525,994	\$838,297	(\$2,433,293)	\$1,701,775
<b>HMP</b>	(\$687,573)	(\$358,945)	(\$221,417)	(\$2,918,157)	(\$411,456)
<b>Total</b>	\$621,171	\$1,167,049	\$616,880	(\$5,351,450)	\$1,290,319

The region currently has all its 697 HSW slots filled with 10 packets in the queue. The September payment was for only 663 slots (34 unpaid). It was noted that only 7 of the 697 are individuals on Medicaid spenddown, so that does not account for the non-payment issue.

Mr. Kurtz received an email from Megan Rooney, CEO of NorthCare Network (Region 1 PIHP) stating that HSW payments were not received for 51 filled slots. There are 250 open HSW slots throughout the state.

Clarification was made that \$3.1M of the NMRE's \$20,576,156 ISF is in excess of 7.5%.

Block grant funding was overspent by \$300K in FY24. Beginning in FY25, the NMRE changed processes to enable some residential services to be paid for with Medicaid and HMP. The NMRE has closely monitor block grant funds and it is expected that some PA2/liquor tax fund (> \$300K) will be moved to block grant funding, as appropriate.

**MOTION BY BRIAN BABBITT TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2025; SUPPORT BY TRISH OTREMBA. MOTION APPROVED.**

**FY26 Budget**

The total operating revenue for FY26 was projected as \$285,864,323, which represents a 4% increase from FY25. Total FY26 expenses were projected as \$ 277,275,713, which represents a 3.7% increase from FY25. The projected FY26 surplus was provided as \$1,530,487. FY26 CMHSP funding was provided as:

<b>Centra Wellness</b>	<b>North Country</b>	<b>Northeast MI</b>	<b>Northern Lakes</b>	<b>Wellvance</b>
\$21,222,217	\$64,244,320	\$38,673,889	\$76,410,550	\$34,084,370

To calculate the PMPM projections, NMRE CFO, Deanna Yockey, took the YTD August PMPM and estimated September for FY25 annual PMPM. This figure was then added to the anticipated FY26 rate increase provided by draft Milliman rates.

**MOTION BY BRIAN BABBITT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2026 PROPOSED BUDGET, SUPPORT BY TRISH OTREMBA. MOTIN APPROVED.**

**ALPINE CRISIS RESIDENTIAL**

Although the FY25 NMRE budget includes the continuation of funding for Alpine CRU in the amount of \$590,748, the NMRE intends to discontinue the funding arrangement with Alpine CRU, effective October 1<sup>st</sup>. The CMHSPs were encouraged to execute contracts directly with North Shores at the per diem rate of \$800.

**SECREST WARDLE LEGAL AND CURRENT INJUNCTION**

A discussion took place regarding possible legal options related to the PIHP bid out. Christopher Ryan (Taft, Stettinius & Hollister, LLP) filed an injunction August 28, 2025 on behalf of Region 10 PIHP, Southwest Michigan Behavioral Health, Mid-State Health Network, St. Clair County Community Mental Health Authority, Integrated Services of Kalamazoo, And Saginaw County Community Mental Health Authority (Plaintiffs) against State of Michigan, State of Michigan Department of Health And Human Services, a Michigan State Agency, and State of Michigan Department of Technology, Management & Budget, a Michigan State Agency (Defendants) in the Court of Claims. The Defendants have responded to the injunction arguing that the plaintiffs are "not entitled to the entry of a preliminary injunction," as Michigan law gives MDHHS the authority to choose which entity (or entities) will serve as a PIHP and requested that the injunction be denied.

It was noted that the RFP due date has moved from September 29<sup>th</sup> to October 13<sup>th</sup>.

Mr. Johnston stated that language in the Urban Cooperation Agreement (UCA) has been revised based on the state's Q&A responses related to the RFP.

**FY26 PIHP CONTRACT**

On September 10, 2025, the FY26 Contract was issued to the 10 PIHPs by the Bureau of Grants and Purchasing. Key changes include the elimination of Community Behavioral Health Clinics (CCBHC) language and the removal of Recovery Incentive Pool language (as those programs will no longer be funded through the PIHP), the addition of language to outline recovery and monthly reporting of provider overpayments, revised OIG reporting requirements, and the addition of a provision to require, upon Contract cancelation or expiration, that any funds remaining in the ISF, and all of the related claims and liabilities be returned to the state.

**WASKUL MSA POLICY**

Michigan Medicaid Policy Bulletin 25-31 regarding the settlement agreement of the Waskul vs. Washtenaw County Community Mental Health lawsuit was included in the meeting materials. Specific changes for individuals enrolled in HSW include:

- Clarification of medical necessity language
- Specification that determination criteria must be tailored to the beneficiary.
- Clarification that clinical information includes assessments and input from the beneficiary.

- Specification of limitations on Prepaid Inpatient Health Plan (PIHP) decisions.
- Specification of PIHP role in self-directed (SD) arrangements, including requirements for budget reductions and managing denial process, including the role for PIHPs specific to HSW only.
- Clarification of Administrative Law Judge (ALJ) authority in SD service arrangements and choice voucher budget hearings.
- Definition of ALJ authority in SD service arrangement terminations.
- Definition of Community Living Supports (CLS) inclusions and exclusions, including costs for HSW.
- Definition of Fiscal Management Services (FMS) in more detail.
- Definition of specific person-centered planning (PCP) requirements related to SD service arrangements.

#### LICENSED BEHAVIORAL ANALYSTS (LBA)

MDHHS has issued a directive that Behavior Treatment plans be written by Licensed Behavioral Analysts (LBA) or a psychologist under the supervision of LBA, effective October 1<sup>st</sup>. None of the five CMHSPs currently have an LBA on staff. Mr. Kurtz agreed to reach out to Belinda Hawks and/or Kristen Morningstar to request a rural waiver.

Ms. Sork asked whether any of the CMHSPs have any experience with Gateway to Success Autism Services out of Rogers City; none had.

#### NLCMHA UPDATE

Mr. Kurtz met with NLCMHA's Board Chair, Greg McMorrow, Medical Director/Interim CEO Dr. Cummins, and CFO, Kevin Hartley, on September 11<sup>th</sup> to discuss the Cost Misallocation Lookback conducted by Rehmann. The Northern Lakes Board of Directors expressed concern about the extrapolated years (2018 and 2019). The topic will be brought before the NMRE Board on September 24<sup>th</sup>.

Interviews are scheduled with the final two candidates for the CEO position during a special meeting of the NLCMHA Board on September 18<sup>th</sup> at 10:00AM. A final selection is expected to be made during the regular monthly Board meeting on the same date at 1:00PM.

#### HOSPITAL RATE REQUESTS

NMRE Provider Network Manager, Chris VanWagoner, included the following hospital rate requests for FY26.

#### **Trinity St. Mary's**

	<b>FY25 Rate</b>	<b>Proposed FY26 Rate</b>	<b>% Increase</b>
Adult Psychiatric Inpatient (0100)	\$1,236.00	\$1,273.00	3%
Partial Hospitalization (0912)	\$527.00	\$543.00	3%
ECT (0901 while receiving 0100)	\$871.00	\$897.00	3%

#### **Trinity Muskegon**

	<b>FY25 Rate</b>	<b>Proposed FY26 Rate</b>	<b>% Increase</b>
Adult Psychiatric Inpatient (0100)	\$1,082.00	\$1,114.00	3%

## Cedar Creek

	<b>FY25 Rate</b>	<b>Proposed FY26 Rate</b>	<b>% Increase</b>
Adult Psychiatric Inpatient (0100)	\$1,107.25	\$1,140.00	3%
Partial Hospitalization (0912)	\$453.20	\$467.00	3%

In July, the committee gave approval for all FY26 rate requests  $\leq$  3%; therefore, no action was required.

## REGION 4 RATE FREEZE

A memorandum from Region 4 PIHP/Southeast Michigan Behavioral Health was shared during the regional Provider Network meeting on September 9, 2025, in which the SWMBH region announced to providers that no increases to provider contract rates will occur FY26. The question was asked whether the NMRE would like to take this sort of regional approach to a FY26 rate freeze.

Ms. Otremba responded that Wellvance has already given notice to providers that no increases will be given at this time; the topic will be reevaluated in January 2026. Ms. Otremba offered to share the letter that was sent to providers. Agreement was reached that the CMHSPs will communicate directly with providers regarding FY26 rates; the NMRE will communicate with its SUD providers.

## OTHER

Ms. Sork drew attention to the language in MMP 25-31 that states that beneficiaries in SD service arrangements may challenge the termination of the SD service arrangement in a Medicaid Fair Hearing, effective October 1<sup>st</sup>.

It was noted that some members of Region 2 no longer wish to participate in Rural Caucus discussions as the group has veered from off from its intended purpose. Members will email the chair directly.

## NEXT MEETING

The next meeting was scheduled for October 21<sup>st</sup> at 9:30AM

**NORTHERN MICHIGAN REGIONAL ENTITY  
SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING  
10:00AM – SEPTEMBER 8, 2025  
GAYLORD CONFERENCE ROOM & MICROSOFT TEAMS**

<b>Alcona</b>	<input checked="" type="checkbox"/> Carolyn Brummund	<b>Kalkaska</b>	<input type="checkbox"/> David Comai
<b>Alpena</b>	<input type="checkbox"/> Lucille Bray	<b>Leelanau</b>	<input type="checkbox"/> Vacant
<b>Antrim</b>	<input checked="" type="checkbox"/> Pam Singer	<b>Manistee</b>	<input type="checkbox"/> Vacant
<b>Benzie</b>	<input checked="" type="checkbox"/> Tim Markey	<b>Missaukee</b>	<input checked="" type="checkbox"/> Dean Smallegan
<b>Charlevoix</b>	<input checked="" type="checkbox"/> Annemarie Conway	<b>Montmorency</b>	<input checked="" type="checkbox"/> Michelle Hamlin
<b>Cheboygan</b>	<input checked="" type="checkbox"/> John Wallace	<b>Ogemaw</b>	<input checked="" type="checkbox"/> Ron Quackenbush
<b>Crawford</b>	<input checked="" type="checkbox"/> Matthew Moeller	<b>Oscoda</b>	<input checked="" type="checkbox"/> Chuck Varner
<b>Emmet</b>	<input checked="" type="checkbox"/> Terry Newton	<b>Otsego</b>	<input type="checkbox"/> Doug Johnson
<b>Grand</b>		<b>Presque Isle</b>	<input type="checkbox"/> Dana Labar
<b>Traverse</b>	<input checked="" type="checkbox"/> Dave Freedman	<b>Roscommon</b>	<input checked="" type="checkbox"/> Darlene Sensor
<b>Iosco</b>	<input type="checkbox"/> Jay O'Farrell	<b>Wexford</b>	<input checked="" type="checkbox"/> Gary Taylor
<b>Staff:</b>	<input checked="" type="checkbox"/> Bea Arsenov <input type="checkbox"/> Jodie Balhorn <input checked="" type="checkbox"/> Carol Balousek <input type="checkbox"/> Brady Barnhill <input checked="" type="checkbox"/> Lisa Hartley <input checked="" type="checkbox"/> Eric Kurtz <input type="checkbox"/> Heidi McClenaghan <input checked="" type="checkbox"/> Pamela Polom <input type="checkbox"/> Brandon Rhue <input type="checkbox"/> Denise Switzer <input type="checkbox"/> Chris VanWagoner <input checked="" type="checkbox"/> Deanna Yockey	Chief Clinical Officer Prevention Coordinator Executive Administrator IT Specialist Claims Assistant Chief Executive Officer Quality Manager Finance Specialist Chief Information Officer/Operations Director Grant and Treatment Manager Contract and Provider Network Manager Chief Financial Officer	
<b>Public:</b>	Nichole Flickema, Donna Hardies, Sarah Hegg, Caitlin Koucky, Larry LaCross, Sarah May, Madeline McConnell		

**CALL TO ORDER**

Let the record show that acting Chair, Dave Freedman, called the meeting to order at 10:00AM.

**ROLL CALL**

Let the record show that Lucille Bray, David Comai, Doug Johnson, Dana Labar, and Jay O'Farrell were absent for the meeting on this date; all other SUD Oversight Committee Members were in attendance either in Gaylord or virtually.

**PLEDGE OF ALLEGIANCE**

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

**APPROVAL OF PAST MINUTES**

The July minutes were included in the materials for the meeting on this date.

**MOTION BY JOHN WALLACE TO APPROVE THE MINUTES OF THE JULY 7, 2025 NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING; SUPPORT BY TERRY NEWTON. MOTION CARRIED.**

APPROVAL OF AGENDA

Mr. Labar contacted the NMRE requesting that the liquor tax request from Catholic Human Services to fund the Presque Isle Students Leading Students program in the amount of \$67,483 be tabled until the November meeting.

**MOTION BY RON QUACKENBUSH TO APPROVE THE AGENDA FOR THE SEPTEMBER 8, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE, AS AMENDED; SUPPORT BY ANNEMARIE CONWAY. MOTION CARRIED.**

ANNOUNCEMENTS

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

Let the record show that Mr. Freedman called for any conflicts of interest to any of the meeting agenda items; none were declared.

INFORMATIONAL REPORTS

**FY24 Admissions Report**

The admissions report through July 31, 2025 was included in the materials for the meeting on this date. Admissions were down 16.76% (consistent across all levels of care) from the same period in FY24, likely due to individuals losing Medicaid and Healthy Michigan (HMP) after the resumption of redeterminations, particularly for individuals on Healthy Michigan (20% decline). The data showed that outpatient was the highest level of treatment admissions at 43%, and alcohol was the most prevalent primary substance at 59%, all opiates (including heroin) were the second most prevalent primary substance at 18%, and methamphetamine was the third most prevalent primary substances at 16%.

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

Ms. Arsenov agreed to send additional reports showing the prevalence of secondary and tertiary substances to the Committee Members.

**Financial Report**

All SUD funding through June 30, 2025, showed revenue of \$21,616,899 and \$16,921,089 in expenses, resulting in a net surplus of \$4,695,811. Total PA2 funds were reported as \$4,349,717

PA2/Liquor Tax was summarized as follows:

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

<b>Actual FY25 Activity</b>			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$4,765,231	\$835,755	\$1,251,270	\$4,349,717

FY25 final PA2 balances will be finalized in November.

Block grant funding was overspent by \$300K in FY24. Beginning in FY25, the NMRE rolled the room & board code (3.5 and 3.1 residential) into the treatment code, which allowed for payment by Medicaid and HMP. Withdrawal management codes H0012 and H0010 absorbed the "S" code so the rate could be billed to Medicaid and HMP. Clarification was made that H0006, case management for patients with substance use disorders, can be billed to HMP. For the first two quarters of FY25, block grant spending was in line with revenue. The NMRE will continue to closely monitor block grant funds. Other funding sources, including PA2, will be used when possible. PA2 funds will be moved to block grant funding, as appropriate. The NMRE revised internal processes, which saved BGF in FY25.

FY26 revenue is expected to be consistent with FY25, given the rates increase issued in May.

Ms. Singer announced that she is taking student to the Capital to speak with Sen. John Damoose (37<sup>th</sup> District). She asked whether there is anything they should ask the Senator. Committee members responded that they should advocate for continued funding for mental health and substance use disorder prevention, treatment and recovery supports, including funding for local Health Departments.

#### LIQUOR TAX PARAMETERS

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

#### **FY26 Liquor Tax Requests**

1. 217 Recovery      Recovery Stories:      Grand      \$16,500      Continuation  
                            Message of Hope Series      Traverse

Meets PA2 Parameters?     Yes     No

Discussion: Mr. Smallegan asked how many individuals generally attend the Recovery Stories events. Mr. Freedman responded that he has attended among approximately 150 other individuals. It was noted that the request is for three events costing \$5,500 each.

**MOTION BY DAVE FREEDMAN TO APPROVE THE REQUEST FROM 217 RECOVERY FOR FISCAL YEAR 2026 GRAND TRAVERSE COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF SIXTEEN THOUSAND FIVE HUNDRED DOLLARS (\$16,500.00) TO FUND THE RECOVERY STORIES: MESSAGE OF HOPE SERIES; SUPPORT BY TERRY NEWTON. MOTION CARRIED.**

2. BASES Charlevoix County Jail Charlevoix \$22,000 Continuation  
Group Counseling

Meets PA2 Parameters?  Yes  No

Discussion: Clarification was made that Dialectical Behavior Therapy (DBT) is an evidence-based psychotherapy that teaches skills to manage intense emotions, improve relationships, and reduce harmful behaviors.

**MOTION BY ANNEMARIE CONWAY TO APPROVE THE REQUEST FROM BAY AREA SUBSTANCE EDUCATION SERVICES (BASES) FOR FISCAL YEAR 2026 CHARLEVOIX COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF TWENTY-TWO THOUSAND DOLLARS (\$22,000.00) TO PROVIDE GROUP THERAPY SERVICES IN THE CHARLEVOIX COUNTY JAIL; SUPPORT BY PAN SINGER. MOTION CARRIED.**

3. Catholic Human Montmorency Students Montmorency \$31,769 Continuation  
Services Leading Students Prevention Program

Meets PA2 Parameters?  Yes  No

Discussion: Mr. Freedman questioned the 62% indicated for fringe benefits costs. Donna Hardies, Certified Prevention Specialist with Catholic Human Services, responded that the rate applies only to support staff employed by CHS. Benefits for CHS staff are required to go through the Michigan Catholic Conference. The same benefits (health care, pension plan, etc.) are provided to employees of all classification levels.

**MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR FISCAL YEAR 2026 MONTMORENCY COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF THIRTY-ONE THOUSAND SEVEN HUNDRED SIXTY-NINE DOLLARS (431,769.00) TO FUND THE MONTMORENCY STUDENTS LEADING STUDENTS PREVENTION PROGRAM; SUPPORT BY JOHN WALLACE. MOTION CARRIED.**

4. Catholic Human Presque Isle Students Presque Isle \$67,483 Continuation  
Services Leading Students Prevention Program

Meets PA2 Parameters?  Yes  No

**Tabled until November.**

5. Catholic Human Roscommon County Roscommon \$116,748 Continuation  
Services Drug Free Coalition

Meets PA2 Parameters?  Yes  No

Discussion: Mr. Freedman asked how the program has expanded. Donna Hardies, Certified Prevention Specialist with Catholic Human Services, responded that more time from the

prevention worker will be devoted to Roscommon County. Mr. Freedman asked what the "Tech Rate" cost refers to. Larry LaCross, Chief Executive Officer of Catholic Human Services, responded that it is a grouped cost associated with providing laptops, tech support, and mobile staff per FTE.

**MOTION BY GARY TAYLOR TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR FISCAL YEAR 2026 ROSCOMMON COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF ONE HUNDRED SIXTEEN THOUSAND SEVEN HUNDRED FORTY-EIGHT DOLLARS (\$116,748.00) TO FUND THE ROSCOMMON COUNTY DRUG FREE COALITION; SUPPORT BY TERRY NEWTON. MOTION CARRIED.**

6. Catholic Human Services      Wexford County Jail SUD Program      Wexford      \$20,000      New

Meets PA2 Parameters?       Yes       No

**MOTION BY GARY TAYLOR TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR FISCAL YEAR 2026 WEXFORD COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000.00) TO FUND THE WEXFORD COUNTY JAIL SUBSTANCE USE DISORDER PROGRAM; SUPPORT BY ANNEMARIE CONWAY. MOTION CARRIED.**

7. Centra Wellness Network      Benzie Area Youth (BAY) Initiative      Benzie      \$15,500      Continuation

Meets PA2 Parameters?       Yes       No

**MOTION BY TIM MARKEY TO APPROVE THE REQUEST FROM CENTRA WELLNESS NETWORK FOR FISCAL YEAR 2026 BENZIE COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF FIFTEEN THOUSAND FIVE HUNDRED DOLLARS (\$15,500.00) TO FUND THE BENZIE AREA YOUTH INITIATIVE; SUPPORT BY JOHN WALLACE. MOTION CARRIED.**

8. Health Department of Northwest Michigan      Michigan Profile for Healthy Youth Incentive for Schools      Multi-County      \$52,500      Continuation

Meets PA2 Parameters?       Yes       No

Alcona	\$	1,500
Alpena	\$	1,500
Antrim	\$	6,000
Charlevoix	\$	7,500
Cheboygan	\$	4,500
Emmet	\$	7,500
Grand Traverse	\$	4,500
Kalkaska	\$	1,500
Leelanau	\$	4,500
Montmorency	\$	3,000

Oscoda	\$	1,500
Otsego	\$	4,500
Presque Isle	\$	4,500
<b>Total</b>	<b>\$</b>	<b>52,500</b>

**MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR FISCAL YEAR 2026 LIQUOR TAX DOLLARS FROM ALCONA, ALPENA, ANTRIM, CHARLEVOIX, CHEBOYGAN, EMMET, GRAND TRAVERSE, KALKASKA, LELANAU, MONTMORENCY, OSCODA, OTSEGO AND PRESQUE ISLE COUNTIES IN THE TOTAL AMOUNT OF FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$52,500.00) TO PROVIDE INCENTIVES FOR SCHOOLS TO PARTICIPATE IN THE MICHIGAN PROFILE FOR HEALTHY YOUTH INITIATIVE; SUPPORT BY ANNEMARIE CONWAY. MOTION CARRIED.**

9.	Health Department of Northwest Michigan	Drug Free Northern Michigan 21-County Alliance	All 21 Counties	\$60,000	Continuation
	Alcona	\$ 1,225.00	Leelanau	\$ 2,563.01	
	Alpena	\$ 3,368.36	Manistee	\$ 2,890.83	
	Antrim	\$ 2,756.51	Missaukee	\$ 1,774.95	
	Benzie	\$ 2,079.69	Montmorency	\$ 1,094.70	
	Charlevoix	\$ 3,093.44	Ogemaw	\$ 2,483.01	
	Cheboygan	\$ 3,002.31	Oscoda	\$ 980.73	
	Crawford	\$ 1,645.83	Otsego	\$ 2,903.97	
	Emmet	\$ 3,928.25	Presque Isle	\$ 1,513.76	
	Grand Traverse	\$ 10,864.97	Roscommon	\$ 2,827.87	
	Iosco	\$ 2,977.82	Wexford	\$ 3,938.07	
	Kalkaska	\$ 2,086.91	<b>Total</b>	<b>\$ 60,000.00</b>	

Meets PA2 Parameters?  Yes  No

Discussion: Mr. Freedman requested a presentation from the Drug Free Northern Michigan 21-County Alliance at an upcoming meeting.

**MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR FISCAL YEAR 2026 LIQUOR TAX DOLLARS FROM ALL TWENTY-ONE COUNTIES IN THE TOTAL AMOUNT OF SIXTY THOUSAND DOLLARS (\$60,000.00) TO FUND THE DRUG FREE NORTHERN MICHIGAN TWENTY-ONE COUNTY ALLIANCE; SUPPORT BY RON QUACKENBUSH. ROLL CALL VOTE.**

10.	Sunrise Centre	Building and Enhancing Recovery Capital in Northeast Michigan	Multi-County	\$74,665	Continuation
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Meets PA2 Parameters?  Yes  No

Alpena	\$	11,177.99
Alcona	\$	30,735.96
Montmorency	\$	9,989.03
Oscoda	\$	8,949.09
Presque Isle	\$	13,812.93
<b>Total</b>	<b>\$</b>	<b>\$74,665.00</b>

Discussion: It was noted that Sunrise Centre experienced some issues in years past. Those issues have either been resolved or addressed since Madeline McConnel took over as CEO three years ago.

Mr. Freedman questioned the 47% indicated for fringe benefits costs. Ms. McConnell responded that the projected salary to support two part-time coaches (one male and one female) is equal to \$38,500 per year. The average benefit package cost to Sunrise Centre continues to increase with rising insurance costs and averages \$18,000 per year, which is significantly over the 25% fringe amount suggested. The additional funds requested support the center's ability to offer benefits with these positions. Peer Recovery Coach services will be billed to Medicaid and Healthy Michigan Plan when possible.

**MOTION BY CHUCK VARNER TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR FISCAL YEAR 2026 LIQUOR TAX DOLLARS FROM ALPENA, ALCONA, MONTMORENCY, OSCODA, AND PRESQUE ISLE COUNTIES IN THE TOTAL AMOUNT OF SEVENTY-FOUR THOUSAND SIX HUNDRED SIXTY-FIVE DOLLARS (\$74,665.00) TO FIND THE BUILDING AND ENHANCING RECOVERY CAPITAL IN NORTHEAST MICHIGAN INITIATIVE; SUPPORT BY TERRY NEWTON. MOTION CARRIED.**

#### County Overviews

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

	<b>Projected FY26 Available Balance</b>	<b>Amount Approved September 8, 2025</b>	<b>Projected Remaining Balance</b>
Alcona	\$61,618.76	\$13,902.99	\$47,715.77
Alpena	\$193,266.50	\$35,604.32	\$157,662.18
Antrim	\$216,122.03	\$8,756.51	\$207,365.52
Benzie	\$251,033.85	\$17,579.69	\$233,454.16
Charlevoix	\$62,346.08	\$32,593.44	\$29,752.64
Cheboygan	\$88,866.55	\$7,502.31	\$81,364.24
Crawford	\$70,131.89	\$1,645.83	\$68,486.06
Emmet	\$92.63	\$11,428.25	<b>(\$11,335.62)</b>
Grand Traverse	\$436,213.87	\$31,864.97	\$404,348.90
Iosco	\$153,944.61	\$2,977.82	\$150,966.79
Kalkaska	\$52,693.80	\$3,586.91	\$49,106.89
Leelanau	\$66,608.17	\$7,063.01	\$59,454.16
Manistee	\$218,723.87	\$2,890.83	\$215,833.04
Missaukee	\$50,523.09	\$1,774.95	\$48,748.14
Montmorency	\$79,604.66	\$45,852.73	\$33,751.93

Ogemaw	\$111,959.61	\$2,483.01	\$109,476.60
Oscoda	\$61,384.75	\$11,429.82	\$49,954.93
Otsego	\$33,102.73	\$7,403.97	\$25,698.76
Presque Isle	\$95,915.08	19,826.69	\$76,088.39
Roscommon	\$555,527.37	\$76,164.87	\$479,362.50
Wexford	\$90,089.85	\$23,983.07	\$66,151.78
<b>Total</b>	<b>2,949,769.75</b>	<b>\$366,316.99</b>	<b>2,583,407.76</b>

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

#### FY26 MEETING SCHEDULE

The proposed meeting schedule for FY26 was included in the meeting materials.

#### **MOTION BY PAM SINGER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING SCHEDULE FOR FISCAL YEAR 2026; SUPPORT BY TERRY NEWTON. MOTION CARRIED.**

#### PRESENTATION

##### **NMRE Access Call Statistics**

Ms. Arsenov provided an update on the NMRE's Access Center and SUD Referral Process.

The NMRE Access Center receives calls from individuals seeking substance use disorder treatment Monday through Friday, 8:30AM – 4:30PM. After hours and on weekends and holidays, calls are handled by a third-party vendor (ProtoCall). As of September 3, 2025, NMRE staff have completed 2,108 screenings (11 were for children) in FY25, which is consistent with previous years. Of the 2,108 individuals screened, 1,514 (71.8%) were referred to a substance use disorder treatment provider.

The NMRE receives Admission/Discharge/Transfer (ADT) documents from local emergency departments when individuals present with an alcohol or substance use diagnosis. NMRE staff follows up the following business day to ensure that treatment is arranged for individuals seeking it. NMRE staff also hold monthly calls with Medicaid Health Plans to coordinate care.

#### PUBLIC COMMENT

Let the record show that no comments from the public were offered.

#### NEXT MEETING

The next meeting was scheduled for November 3, 2025 at 10:00AM.

#### **MOTION BY JOHN WALLACE TO ADJOURN THE MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING FOR SEPTEMBER 8, 2025; SUPPORT BY PAM SINGER. MOTION CARRIED.**

Let the record show that Mr. Freedman adjourned the meeting at 11:22AM.

# 217 RECOVERY – RECOVERY STORIES: MESSAGE OF HOPE SERIES - CONTINUING

Organization/Fiduciary:	217 Recovery
County:	Grand Traverse
Project Total:	\$16,500.00

## DESCRIPTION:

Recovery Stories: Message of Hope is a free community recovery event series hosted by 217 Recovery at the Grand Traverse Event Center. The events—held in October, March, and July—feature powerful recovery speakers, peer engagement, and opportunities for families and community members to connect with local resources.

PA2 funds will cover venue rental, food, and event materials, allowing 217 Recovery to continue providing these free, stigma-reducing events that foster community understanding, celebrate recovery, and encourage individuals to seek help.

These events provide education, inspiration, and connection for individuals with SUD, their families, and the broader community. They reduce stigma, encourage treatment engagement, and build a culture of recovery support in Grand Traverse County.

## Meets Parameters for PA2 Funding:

Yes

County	Project	Requested Budget
Grand Traverse	Recovery Stories: Message of Hope Series	\$16,500.00

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

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## ATTACHMENT B.2

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# BASES – CHARLEVOIX COUNTY JAIL GROUPS - CONTINUING

Organization/Fiduciary:	BASES
County:	Charlevoix
Project Total:	\$22,000.00

## DESCRIPTION:

BASES will provide 100 groups at the Charlevoix County Jail for men and women separately that will focus on DBT skills education to address mental health and substance abuse concerns, planning and coordinating resources upon release and relapse prevention services. This will be done for \$200 per group totaling \$20,000 and purchase materials for use within the program of \$2,000 for a grand total of \$22,000.

We will be educating participants on healthy coping skills to address substance abuse and co-occurring mental health issues as well as coordinate their aftercare services upon release from the jail with hopes that we can see 33% or more engage in services upon release. (2022/23=40% to treatment / 2023/24=60% into treatment / 58% over the first two quarters of 2024/25)

Meets Parameters for PA2 Funding:
Yes

County	Project	Requested Budget
Charlevoix	Charlevoix County Jail Groups	\$22,000.00

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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## ATTACHMENT B.2

# CHS – MONTMORENCY PREVENTION (STUDENTS LEADING STUDENTS) - CONTINUING

Organization/Fiduciary: CHS

County: Montmorency

Project Total: \$31,769.00

## DESCRIPTION:

This request is for Montmorency Prevention (Students Leading Students) activities, which continue to expand in scope and impact. The primary goal of this initiative is to prevent underage use of alcohol, nicotine (including tobacco and vaping products), marijuana, and other substances by increasing awareness of risk factors, promoting protective factors, and supporting recovery. Our comprehensive strategy focuses on both school-based and community-wide interventions aimed at fostering healthy decision-making and reducing stigma.

### Community Impact and Growth:

Atlanta and Hillman Community schools remain the only two high schools in the county. The expansion of Randy Mullard's services into both the Jr. High and High School has significantly increased community and administrative buy-in, creating momentum for even greater prevention success.

We are shifting community norms through universal prevention messaging, reducing the normalization of high-risk choices, and improving access to recovery pathways. The support of this grant will enable continued growth, enhance our reach, and deepen the impact of our efforts to ensure that Hillman and Atlanta students and families have the tools, education, and support necessary to thrive in substance-free environments.

Meets Parameters for  
PA2 Funding:

Yes

County	Project	Requested Budget
Montmorency	Montmorency Prevention (Students Leading Students)	\$31,769.00

## **Explanation of the Project:**

This request is for Montmorency Prevention (Students Leading Students) activities, which continue to expand in scope and impact. The primary goal of this initiative is to prevent underage use of alcohol, nicotine (including tobacco and vaping products), marijuana, and other substances by increasing awareness of risk factors, promoting protective factors, and supporting recovery. Our comprehensive strategy focuses on both school-based and community-wide interventions aimed at fostering healthy decision-making and reducing stigma.

### Strategy and Target Overview:

- Information Dissemination (10%) – Universal Direct:
  - Direct engagement through awareness campaigns and schoolwide events.
- Education (60%) – Universal Indirect:
  - Prevention curriculum delivery, training for stakeholders, and structured classes.
- Community-Based Process (30%):
- Partnership-building, student leadership, and stakeholder engagement across the county.
- Program Highlights & Accomplishments:
- Atlanta and Hillman High Schools Students Leading Students:
- 42 Student Leadership Services (SLS) meetings conducted to empower peer-led prevention.
- Back to school kick off events reaching over 400 student and 400 plus community members
- Red Ribbon Week Participation – A full week (5 days) of targeted outreach themed around substance-free lifestyles. Chapters held pledge ceremonies in which 175 students participated
- Radio Ads During Prom Week – Produced and aired messages promoting healthy choices and clean living.
- Spring SLS Recruitment Campaign – successfully recruited 15 new members
- Restorative Justice & Prevention Classes
- 21 Natural High restorative Justice classes
- 16 Botvin LifeSkills Classes – Delivered to 16 students, building resilience and decision-making skill
- 6 Resistance Skill Classes – Educated 28 elementary students
- 7 Prevention Outreach Sessions During Lunch Hours – Engaged approximately 250 students per session.
- Community Events & Engagement
- Arrive Alive events reached and included over 200 students
- Participation in community events such as the 4th of July parade, and assisted in running and manning warming shelters during the ice storms. SLS also assisted local law enforcement in food delivery during the ice storm

### Community Impact and Growth

Atlanta and Hillman Community schools remain the only two high schools in the county. The expansion of Randy Mullard's services into both the Jr. High and High School has significantly increased community and administrative buy-in, creating momentum for even greater prevention success.

We are shifting community norms through universal prevention messaging, reducing the normalization of high-risk choices, and improving access to recovery pathways. The support of this grant will enable continued growth, enhance our reach, and deepen the impact of our efforts to ensure that Hillman and Atlanta students and families have the tools, education, and support necessary to thrive in substance-free environments.

**Briefly Explain how your project will address the need(s) identified above:**

Program Description: Students Leading Students (SLS) Prevention Initiative

Information Dissemination

The Students Leading Students (SLS) chapter, in collaboration with the School-Based Coalition, convenes regular meetings designed to educate and inform coalition members on critical issues related to substance use disorder (SUD). Each meeting features one or more guest speakers who provide expert insights on topics such as prevention strategies, recovery resources, and emerging trends in youth substance use.

To support ongoing learning and awareness, the Coalition Coordinator develops a monthly focus topic. These topics are accompanied by up-to-date statistics, relevant research and articles, updates on current coalition initiatives, announcements about upcoming events, and curated resources. These efforts ensure that all coalition participants are equipped with timely and relevant information to support effective community-wide prevention efforts.

Education

SLS is a peer-led, high school-based prevention group facilitated by a certified Prevention Specialist. The group meets weekly to plan and execute initiatives that encourage healthy decision-making among youth. These activities are designed to promote personal development, peer leadership, and increased awareness about the risks associated with substance use.

In addition to weekly meetings, the Prevention Specialist conducts regular check-ins with individual members and small groups to ensure continued progress on projects and to provide mentorship. Plans are currently underway to expand the SLS program into the local middle school, creating a pipeline for early prevention and student leadership development.

The program also includes specialized educational components:

- Leadership Development: SLS members participate in ongoing training sessions led by SLS Executive Director Dawn Flood, covering topics selected by the Montmorency SLS chapters. These sessions reinforce prevention messaging and build leadership capacity among youth.

Alternatives

SLS provides structured, substance-free activities that serve as alternatives to high-risk behaviors. These include:

- Volunteer Service: Opportunities for community service that promote civic responsibility and engagement.

- Peer Mentoring & Tutoring: Programs that allow students to support their peers academically and socially in a positive environment.
- Community Outreach Projects: Student-led outreach efforts that build community connections and reinforce prevention messaging.
- Substance-Free Events: Regularly hosted events throughout the school year that give students safe spaces to socialize and have fun without the influence of substances.

These alternative activities help youth develop a sense of purpose, connectedness, and leadership while reinforcing a culture of prevention.

#### Community-Based Processes

The SLS program is deeply embedded in the broader community prevention infrastructure. The Prevention Specialist actively represents the program through participation in various local collaborative bodies and stakeholder meetings. These include:

- County Commissioners
- Veterans Courts
- Commission on Aging
- School Board and School Administration , Law Enforcement, County Coalition,
- Fair Board
- Other relevant agencies and committees as appropriate

Through these partnerships, the SLS program fosters a shared commitment to prevention, coordinates resources, and ensures that youth voices are represented in community decisions. Additionally, SLS members contribute to community engagement by participating in public events, outreach campaigns, and awareness efforts, strengthening the program's visibility and impact.



# Atlanta Community Schools

10500 County Road 489 | Atlanta, MI 49709

PK-12 Main Office Ph: 989-785-4842 Fx: 989-432-5929

Superintendent's Office Ph: 989-785-4877

July 23, 2025

To Whom It May Concern,

I am writing to express my strong support for *Up North Prevention* and the invaluable work they are doing at Atlanta Community Schools through the *Students Leading Students (SLS)* program and the partnership with the programming to assist with Restorative Practices assisting students facing drug and alcohol issues.

The SLS program, led by Mr. Randy Mullard, has become a cornerstone of student leadership and personal development in our school. Their commitment to empowering youth and promoting positive school culture is not only commendable—it is making a measurable difference in the lives of our students. Through peer-led initiatives, meaningful discussions, and prevention-focused sessions, the program has fostered a more supportive and aware student body. By addressing key issues such as vaping, drug use, and underage drinking in a proactive, relatable way, SLS is changing the trajectory for many young people.

One of the clearest indicators of this success is the dramatic reduction in vaping-related incidents that reflect both student engagement and the program's effectiveness. Additionally, while overall behavioral referrals have remained steady, they have not increased despite the rising challenges students face. This is due in large part to Mr. Mullard's approach, where students receive education and support through one-on-one sessions/groups rather than traditional disciplinary actions like suspension. This restorative method not only helps prevent repeat behaviors but also helps students feel seen, heard, and supported.

*Up North Prevention's* broader mission—to collaborate, share resources, and respond to the evolving needs of today's youth—is vital. In a time when students are constantly bombarded with new and often destructive lifestyle choices, having a responsive and unified Prevention Team is more important than ever. Their ability to adapt, educate, and uplift is key to building resilience in our students and equipping them to make healthier choices.

The partnership between Atlanta High School and *Up North Prevention* is an essential piece of our educational and wellness strategy. Up North Prevention and Mr. Mullard's efforts have not only become an engrained part of our school's culture, they have been key in assisting in positive policy changes as they pertain to our substance policies.

Unfortunately, we lost our School Resource Officer due to a staffing shortage at our sheriff department and Mr. Mullard has helped to fill that gap by connecting with students that make poor or risky behavior choices related to substance use. I am extremely grateful for this program and its positive influence and wholeheartedly support their continued presence and growth within our school community.

Yours in education,

*Tawny Hisscock*

Tawny Hisscock  
Superintendent/Principal  
Atlanta Community Schools  
thisscock@atlantaschools.us

Chad Brown, Sheriff  
Brian Crane, Undersheriff



## MONTMORENCY COUNTY SHERIFF'S OFFICE

11045 M-32 West Atlanta, Michigan 49709 Office: (989) 785-4238 Fax: (989) 785-4471

Sheriff Chad Brown  
Montmorency County  
11045 M-32  
Atlanta, MI 49709

To whom it may concern:

I would like to express our support and advocacy for the continuance of services from Up North Prevention and their efforts within our schools and throughout our community. Just as the rest of our state and country members of our community are affected by substance abuse. Due to the ruralness of our county and limited resources we value the services Up North Prevention provides not only to members of the community but the students in our schools. Programs such as life skills, restorative justice for students who violate substance policies and drug take back events are just a few examples.

Thank you for your consideration in funding this valuable program that positively affects the citizens and youth of Montmorency County.

Respectfully,



Chad Brown  
Montmorency County Sheriff



# Atlanta Community Schools

10500 County Road 489 | Atlanta, MI 49709

PK-12 Main Office    Ph: 989-785-4842    Fx: 989-785-2588  
Superintendent's Office    Ph: 989-785-4877    Fx: 989-785-2611

July 23, 2025

To Whom It May Concern,

I am writing to express my strong support for *Up North Prevention* and the invaluable work they are doing at Atlanta Community Schools through the *Students Leading Students (SLS)* program and their partnership with programming to support Restorative Practices, which assists students facing issues with drug and alcohol use.

The SLS program, led by Mr. Randy Mullard, has become a cornerstone of student leadership and personal development at Atlanta High. It is also worth noting that this group has now grown to over 20 members, a number that equals close to 25% of our 9th – 12th-grade students. Their commitment to empowering youth and promoting positive school culture is not only commendable—it is making a measurable difference in the lives of our students.

This group has held impactful events, such as school year kick-off events, bringing inspirational speakers to our school, sponsoring the Arrive Alive tour, and multiple pledges to be drug-free events. In addition, our SLS chapter received its qualifications to give elementary school students refusal skills classes, which is an immeasurable and impactful event for our students.

The SLS group, along with Up North Prevention and our Certified Prevention Specialist, Mr. Mullard, has worked tirelessly to successfully change the culture of not only our students, but the entire community. Their outreach efforts and involvement have had a huge impact on Atlanta, Michigan.

Mr. Mullard has become an agent of positive change by assisting with modifications to our substance policies, steering us from punishment toward education. This alone has decreased the number of substance violations in our athletic programs. Mr. Mullard and his ability to support our policies by being certified to educate students through the Natural High Program, Botvin's Life Skills, and even being able to provide Prime for Life classes, would be impossible to duplicate without his presence. The students who have participated in the restorative justice classes administered by Mr. Mullard have stated that they are not only more educated, but that they feel like they are being heard and have a connection with someone who wants to help.

The partnership between Atlanta High School and *Up North Prevention* is an essential piece of our educational and wellness strategy. Up North Prevention and Mr. Mullard's efforts have become an ingrained part of our school's culture and who we are. I wholeheartedly support their continued presence and growth within our school community.

Sincerely,

A handwritten signature in blue ink that reads "Kristin Mayville".

Kristin Mayville

Assistant Principal

Atlanta Community Schools

[kmayville@atlantaschools.us](mailto:kmayville@atlantaschools.us)

(989) 785-4785

# HILLMAN JR. /SR. HIGH SCHOOL

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26042 M-32,  
Hillman, Michigan 49746

Telephone 989-742-4538  
Fax 989-742-4536

July 23, 2025

To Whom It May Concern,

I am writing to express my strong support for Up North Prevention and the invaluable work they are doing at Hillman Community Schools through the Students Leading Students (SLS) program and the partnership with the programming to educate our students on substance use issues and life skills classes.

The SLS program has become a cornerstone of student leadership and personal development at Hillman High. The commitment of these students is demonstrated at our school daily. The group provides information to students at lunch tables and holds pledge ceremonies throughout the year. In addition, this group finished fourth in the state in the strive for a safer drive competition. We are a small school and to see this kind of commitment from this many students has a positive impact on all of us.

Along with advising our SLS group Up Norths Prevention Specialist Randy Mullard provides Life Skills Classes for my 7th – 9th grade students. We have had these classes before, but Mr. Mullard has the ability to connect with students and what he is providing is having a real impact on our kids.

I have been a teacher for a long time and for the first time I can see a trend of a more educated, thoughtful, and healthier student body and Up North Prevention and Mr. Mullard's efforts have contributed greatly to that trend.

I wholeheartedly support Mr. Mullard's and Up North Preventions' continued presence and growth within our school community. It would be a shame to see all of the momentum created by them disappear.

Sincerely,



Eric Muszynski  
Hillman Community Schools  
Athletic Director/Health & Physical Education Department  
Head Boys Basketball Coach  
989-255-1374

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

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## ATTACHMENT B.2

# CHS – ROSCOMMON COUNTY DRUG FREE COALITION - CONTINUING

Organization/Fiduciary: Catholic Human Services

County: Roscommon

Project Total: \$73,337.00

## DESCRIPTION:

Request for Increased Staffing and Outreach Support

The Roscommon County Drug Free Coalition (RCDFC) - Three Lakes Communities that Care- respectfully requests funding support from the Northern Michigan Regional Entity to expand staffing and outreach capacity. This support is urgently needed to better engage youth, deepen ties with the recovery community, and strengthen outreach and prevention efforts throughout Roscommon County.

Roscommon County exists in what can be described as a desert void of resources and funding, particularly in the areas of behavioral health, prevention infrastructure, and youth-focused engagement. The absence of consistent support systems and accessible services makes it challenging for families, youth, and individuals in recovery to get the help they need. This funding request represents an essential opportunity to bridge these critical gaps.

Through this proposal, RCDFC aims to: Amplify youth engagement and leadership, including the development of a Students Leading Students chapter, empowering youth to be peer advocates and prevention leaders. Enhance the continuum of care through strategic collaboration with local providers and sectors. Expand coalition infrastructure and position RCDFC to access future funding opportunities for long-term sustainability. Strengthen multi-sector partnerships and deepen prevention strategies across Roscommon County.

Meets Parameters for  
PA2 Funding:

Yes

County	Project	Requested Budget
Roscommon	Roscommon County Drug Free Coalition	\$73,337.00

## **Explanation of the Project:**

Roscommon County Drug Free Coalition Grant Application

Request for Increased Staffing and Outreach Support

The Roscommon County Drug Free Coalition (RCDFC) - Three Lakes Communities that Care- respectfully requests funding support from the Northern Michigan Regional Entity to expand staffing and outreach capacity. This support is urgently needed to better engage youth, deepen ties with the recovery community, and strengthen outreach and prevention efforts throughout Roscommon County.

**Community Context and Rationale:** Roscommon County exists in what can be described as a desert void of resources and funding, particularly in the areas of behavioral health, prevention infrastructure, and youth-focused engagement. The absence of consistent support systems and accessible services makes it challenging for families, youth, and individuals in recovery to get the help they need. This funding request represents an essential opportunity to bridge these critical gaps.

Through this proposal, RCDFC aims to: Amplify youth engagement and leadership, including the development of a Students Leading Students chapter, empowering youth to be peer advocates and prevention leaders.

Enhance the continuum of care through strategic collaboration with local providers and sectors.

Expand coalition infrastructure and position RCDFC to access future funding opportunities for long-term sustainability.

Strengthen multi-sector partnerships and deepen prevention strategies across Roscommon County.

**About RCDFC- Three Lakes Communities that Care:**

RCDFC is a community-led, data-driven coalition that represents all twelve sectors across Roscommon County, including education, law enforcement, healthcare, youth, and local government. Our mission is to prevent youth substance use—including tobacco, vaping, alcohol, marijuana, prescription drugs, and illicit substances—while promoting resilience and community well-being through education, advocacy, prevention, and recovery support.

**Justification for Expansion**

This funding request is grounded in our growing needs and data indicating increased risk behaviors among youth, combined with limited service access in our rural setting. Specifically, funding will allow us to:

Broaden our outreach to schools and community-based youth programs.

Launch and support a Students Leading Students initiative, promoting peer-led prevention and leadership development.

Build stronger ties with recovery and harm-reduction service providers, including MAT programs.

Increase the coalition's capacity to implement evidence-based strategies county-wide.

Create infrastructure to secure future grants and funding streams.

With expanded staff capacity, we can more fully implement data-driven initiatives, grow our presence in schools and recovery settings, and ensure consistent delivery of high-quality prevention and support services.

#### Prevention Framework and Strategies

Our work is guided by the SAMHSA Strategic Prevention Framework (SPF) and CADCA's Seven Strategies for Community Change. These approaches inform our evidence-based programming and Action Plan:

Providing Information through youth campaigns, social media, peer education, and community forums.

Building Skills in youth and adults to promote resistance and resilience.

Providing Support via school groups, coalition-led peer support, and youth mentoring.

Enhancing Access and Reducing Barriers by advocating for local services and supporting transportation and telehealth options.

Changing Incentives/Disincentives through youth recognition and positive reinforcement campaigns.

Changing Policies in partnership with schools and government to reduce risk and support prevention.

Changing Physical Design by promoting safe disposal sites, regulating advertising, and supporting healthy, substance-free environments.

#### SPF Implementation and Evaluation

RCDFC applies the SPF model through:

Assessment: Ongoing collection of local data, surveys, and community feedback.

Capacity Building: Engaging diverse sectors to increase coalition reach and impact.

Strategic Planning: Developing targeted initiatives based on readiness and local trends.

Implementation: Delivering culturally relevant and evidence-based prevention programs.

Evaluation: Continuous assessment using tools such as MiPHY, YRBS, law enforcement data, and community feedback.

We evaluate programs each season to ensure alignment with current trends and adapt strategies accordingly.

#### Commitment to Community and Sustainability

RCDFC has a proven track record of community partnership, data-informed planning, and program success. We convene annual strategic planning sessions, facilitate trainings, and support youth development. The establishment of a Students Leading Students chapter will provide a lasting platform for youth voice and leadership—supporting sustainability well beyond this grant.

This funding will also: Enable RCDFC- Three Lakes Communities that Care to serve as a model for rural prevention and recovery partnerships.

Support growth in coalition representation and youth involvement.

Enhance readiness to pursue larger-scale funding from state, federal, and private sources.

## Conclusion

Roscommon County faces persistent gaps in prevention, treatment, and recovery services. With your support, RCDFC can address these gaps head-on—engaging youth, empowering communities, and enhancing long-term health outcomes. We believe this investment will deliver meaningful and measurable change, with youth leadership at its core and sustainability as its goal.

Thank you for considering our application. We are deeply committed to building a safer, stronger, and healthier Roscommon County—and with your partnership, we can make this vision a reality.

### **Briefly Explain how your project will address the need(s) identified above:**

To effectively respond to the substance use and behavioral health challenges identified through community data, the Roscommon County Drug Free Coalition (RCDFC)-Three Lakes Communities that Care- proposes a multi-faceted project that integrates prevention, recovery, advocacy, and restorative practices. Our efforts will be delivered through the following five strategies:

---

#### 1. Implementation of Evidence-Based School Prevention Programming

RCDFC will expand access to evidence-based curricula designed to prevent early and high-risk use of alcohol, tobacco, marijuana, prescription drugs, and other substances among youth.

##### Deliverables:

- Implement at least two SAMHSA-endorsed or evidence-based programs (e.g., Botvin LifeSkills, Prime for Life, or SLS) across all county school districts.
- Conduct pre- and post-program surveys to evaluate changes in knowledge, attitudes, and intentions related to substance use.
- Train 10+ school personnel or youth group leaders annually in program delivery and fidelity assurance.
- Reach a minimum of 300 students across grade levels with direct classroom programming each academic year.

---

#### 2. Development and Promotion of School Policy Changes

Strengthening school policy is essential to reducing social access to substances and reinforcing a consistent prevention message. RCDFC will collaborate with school administrators to review, revise, and support policies that align with current prevention science and restorative approaches.

##### Deliverables:

- Facilitate policy review sessions with leadership teams from all local school districts to assess gaps in current ATOD (Alcohol, Tobacco, and Other Drugs) policies.

- Support adoption or strengthening of at least 3 school policies related to:
    - Substance possession and use
    - Vaping and tobacco discipline guidelines
    - Inclusion of restorative options
  - Develop and distribute policy implementation toolkits for school administrators and staff.
- 

### 3. Restorative Justice Measures with Targeted Programming for Indicated Youth Groups

RCDFC recognizes the need for alternatives to exclusionary discipline and will help schools and courts implement restorative practices for youth involved in substance-related infractions or exhibiting early signs of risk.

Deliverables:

- Launch a Restorative Pathways Program serving indicated youth (students referred for substance-related behaviors or attendance issues).
  - Provide individualized programming including education, skill-building, and behavioral health referrals for at least 100 students annually.
  - Train school staff and local law enforcement on restorative justice principles, trauma-informed care, and referral pathways.
  - Track recidivism and academic engagement rates among participants to assess program effectiveness.
- 

### 4. County-Wide Awareness and Protective Factors Media Campaign

To shift community norms and promote protective behaviors, RCDFC will lead a robust, research-informed public awareness campaign using multiple platforms to reach youth, parents, and the broader public.

Deliverables:

- Design and launch a media campaign focused on protective factors (e.g., parent engagement, healthy decision-making, stigma reduction for seeking help).
  - Create and disseminate materials across billboards, social media, radio, newspapers, and school channels, achieving over 100,000 impressions annually.
  - Feature youth-led messaging through student-created PSAs, posters, and digital content.
  - Conduct quarterly virtual town halls or Facebook Live events focused on education and prevention.
-

## 5. Advocacy for Increased Recovery Support Systems and Provider Availability

To address the shortage of recovery resources and support services in Roscommon County, RCDFC will advocate for expanded access and integration of recovery supports, including peer services and MAT (Medication-Assisted Treatment).

### Deliverables:

- Host bi-annual advocacy roundtables with MidMichigan Health, CMH, MAT providers, and peer recovery networks to identify barriers and drive system change.
- Support the development of two new peer-led recovery support groups by year-end, focusing on under-served or rural areas.
- Partner with medical providers to implement alternative-to-opioid pain management education for both clinicians and patients.
- Advocate at the regional and state levels for increased funding and provider capacity in rural Northern Michigan counties.
- Provide technical assistance to organizations seeking to integrate recovery coaches into primary care, emergency departments, or schools.

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### Evaluation and Impact Measurement

All five focus areas will be supported by a robust evaluation framework, aligned with the SAMHSA Strategic Prevention Framework. RCDFC will track and report outcomes including:

- Changes in school policy and restorative practice implementation.
- Student knowledge, behavior, and attitude shifts through pre-/post-tests.
- Reach and engagement of media campaigns.
- Expansion and utilization of recovery services.
- Data from MiPHY, YRBS, and local provider dashboards.

Results will be shared annually with stakeholders via public data dashboards, strategic planning updates, and community report cards.

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

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## ATTACHMENT B.2

# CHS – WEXFORD COUNTY JAIL SUD PROGRAM – MEDICATION FOR OUD AND AUD - NEW

Organization/Fiduciary:	CHS
County:	Wexford
Project Total:	\$20,000.00

## DESCRIPTION:

This is a collaboration between Wexford County Sheriff's Office and Catholic Human Services. Funds will go to dedicate towards the purchase of medication for medication assisted treatment for both alcohol and opioid use disorder for individuals incarcerated and lodged at Wexford County Jail. As of 2024, SOR (State Opioid Response) grant funds are no longer available for the purchase of medication at county jails in the NMRE region. CHS and the Wexford County jail has been successful with the implementation and coordination with jail medical and medical providers in the community for the continuation of medication of assisted treatment for individuals incarcerated. The funds will allow the jail for further sustainability of purchasing the medication portion of the substance use disorder jail-based treatment. The Wexford County jail is set up to provide 2 FDA-approved medications to treat opioid use disorder and 1 FDA-approved medication to treat alcohol use disorder. Research shows that these medications are effective in treating both opioid use disorder and alcohol use disorder with helping with withdrawal symptoms and psychological cravings. The Wexford County Jail and CHS has worked hard to ensure that the SUD jail-based program provides 4 evidence based portions of treatment of SUD which includes having an evidence-based screening protocol, offering FDA-approved medications to treat SUD, providing SUD treatment as well as providing aftercare planning to assist individuals with appropriate aftercare for substance use disorder treatment and follow up medical oversite for continuation of medication assisted treatment. CHS and the Wexford County Jail will work with the drug companies to also offer in-kind samples of the FDA-approved medications to match funds to allocate further medication for the population served.

Meets Parameters for  
PA2 Funding:

Yes

County	Project	Requested Budget
Wexford	Wexford County Jail SUD Program – Medication for OUD and AUD	\$20,000

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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## Use WHOLE DOLLARS PROGRAM

## **ATTACHMENT B.2**

# CWN – BENZIE AREA YOUTH (BAY) INITIATIVE - CONTINUING

Organization/Fiduciary:	CWN
County:	Benzie
Project Total:	\$15,500.00

## DESCRIPTION:

The Benzie Area Youth (BAY) Initiative is a community coalition focused on preventing youth substance use and promoting mental well-being. Guided by the Strategic Prevention Framework, BAY collaborates with educators, students, parents, law enforcement, health providers, and other community members to identify local needs and implement targeted prevention strategies.

BAY gathers and analyzes data from school counselors, School Resource Officers, and the Michigan Profile for Healthy Youth (MiPHY) survey to determine prevention priorities. Recent data show concerning mental health and substance use trends among local youth:

- 32.5% of 7<sup>th</sup> graders reported engaging in self-harm
- 62% experienced bullying at school
- 10% reported using a vaping product in the past 30 days
- 43% of high school students say cannabis is easy to obtain

These findings highlight the urgent need to focus prevention efforts on upper elementary and middle school students. The tragic loss of two students in an alcohol-related car accident this past year has further intensified local concern about underage drinking.

In response, BAY is committed to engaging parents through multiple communication channels to raise awareness about substance access, safe storage, and the importance of parent-child conversations about alcohol and drug use.

By uniting diverse voices and leveraging data-driven strategies, BAY is well-positioned to address the most pressing needs in Benzie youth and foster a safer, healthier community.

Meets Parameters for PA2 Funding:
Yes

County	Project	Requested Budget
Benzie	Benzie Area Youth (BAY) Initiative	\$15,500

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

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## ATTACHMENT B.2

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# MICHIGAN PROFILE FOR HEALTHY YOUTH (MIPHY) INCENTIVE FOR SCHOOLS (RENEWAL)

Organization/Fiduciary:	Health Department of Northwest Michigan
County:	Multi County
Project Total:	\$ 52,500.00

## DESCRIPTION:

The Drug Free Northern Michigan 21 County Alliance (DFNM Alliance) seeks funding to maintain and increase school participation in the 2025–2026 Michigan Profile for Healthy Youth (MiPHY) survey by offering incentives. The MiPHY is the region's most consistent and reliable tool for measuring and tracking youth substance use. The DFNM Alliance is a regional collaboration of prevention partners that has met since 2019. The Health Department of Northwest Michigan (HDNW) will serve as fiduciary for this proposal, as the DFNM Alliance is not a stand-alone nonprofit.

The MiPHY is a statewide, voluntary, opt out survey offered to students in grades 7, 9, and 11 by the Michigan Departments of Education and Health and Human Services. Parents or guardians must be notified before the survey is administered, and they have the right to opt their child out of participation. It collects data on youth behaviors including substance use, violence, nutrition, sexual activity, and emotional health. The MiPHY takes approximately one class period to complete. MiPHY data is invaluable to guide prevention programming, support grant applications, assess the need in counties, and access the impact of existing service.

**Recommendation:** Approve

County	Project	Requested Budget
Alcona	MiPHY Incentive	\$1,500
Alpena	MiPHY Incentive	\$1,500
Antrim	MiPHY Incentive	\$6,000
Charlevoix	MiPHY Incentive	\$7,500
Cheboygan	MiPHY Incentive	\$4,500
Emmet	MiPHY Incentive	\$7,500
Grand Traverse	MiPHY Incentive	\$4,500
Kalkaska	MiPHY Incentive	\$1,500
Leelanau	MiPHY Incentive	\$4,500
Montmorency	MiPHY Incentive	\$3,000
Oscoda	MiPHY Incentive	\$1,500
Otsego	MiPHY Incentive	\$4,500
Presque Isle	MiPHY Incentive	\$4,500

## **Explanation of the Project:**

The Drug Free Northern Michigan 21 County Alliance (DFNM Alliance) seeks funding to maintain and increase school participation in the 2025–2026 Michigan Profile for Healthy Youth (MiPHY) survey by offering incentives. The MiPHY is the region’s most consistent and reliable tool for measuring and tracking youth substance use. The DFN Alliance is a regional collaboration of prevention partners that has met since 2019. The Health Department of Northwest Michigan (HDNW) will serve as fiduciary for this proposal, as the DFN Alliance is not a stand-alone nonprofit.

The MiPHY is a statewide, voluntary, opt out survey offered to students in grades 7, 9, and 11 by the Michigan Departments of Education and Health and Human Services. Parents or guardians must be notified before the survey is administered, and they have the right to opt their child out of participation. It collects data on youth behaviors including substance use, violence, nutrition, sexual activity, and emotional health. The MiPHY takes approximately one class period to complete. MiPHY data is invaluable to guide prevention programming, support grant applications, assess the need in counties, and access the impact of existing service.

Every two years, NMRE Prevention Specialists meet with school administrators to encourage MiPHY participation. However, participation is not mandated, and schools often decline due to time constraints, testing schedules, or concern over public perception of results and survey questions. In previous years, NMRE used Liquor Tax Grant funding to offer \$500 per participating grade level—up to \$1,500 per school—as an incentive. This strategy increased participation and received positive feedback from schools and Prevention Specialists. There is strong interest in continuing the incentive for the 2025–2026 school year.

This proposal requests funding to again offer schools \$500 per participating grade (7th, 9th, and 11th), up to \$1,500 per school. If approved, NMRE will send a letter to districts outlining the incentive and participation steps. Prevention Specialists, who have existing relationships with local schools, will promote the incentive and assist with survey administration. Prevention Specialist will also assist schools/counties with interpretations and display of the data.

Maintaining and expanding MiPHY participation is essential. If fewer than two schools in a county participate, no county-level data will be publicly reported, leaving prevention planners and communities without access to youth substance use information. Even when data is available, its value depends on its representativeness. The more schools that participate, the more accurate and complete the data will be.

MiPHY data allows the region to:

- Track trends in youth substance use and related behaviors
- Identify priority areas for targeted interventions
- Build strong, evidence-based grant proposals.

Incentivizing MiPHY participation ensures schools can prioritize this important task. Without county-level data, prevention strategies and schools’ risk being underinformed or misaligned with local needs.

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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County	School	Estimated amount
Alpena	Estimate for FY 2026 LT Request	\$ 1,500.00
Alcona	Estimate for FY 2026 LT Request	\$ 1,500.00
Antrim	Estimate for FY 2026 LT Request	\$ 6,000.00
Charlevoix	Estimate for FY 2026 LT Request	\$ 7,500.00
Cheboygan	Estimate for FY 2026 LT Request	\$ 4,500.00
Emmet	Estimate for FY 2026 LT Request	\$ 7,500.00
Grand Traverse	Estimate for FY 2026 LT Request	\$ 4,500.00
Kalkaska	Estimate for FY 2026 LT Request	\$ 1,500.00
Leelanau	Estimate for FY 2026 LT Request	\$ 4,500.00
Montmorency	Estimate for FY 2026 LT Request	\$ 3,000.00
Oscoda	Estimate for FY 2026 LT Request	\$ 1,500.00
Otsego	Estimate for FY 2026 LT Request	\$ 4,500.00
Presque Isle	Estimate for FY 2026 LT Request	\$ 4,500.00

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Estimate for FY 2026 LT Request Total	\$ 52,500.00
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# DRUG FREE NORTHERN MICHIGAN 21 COUNTY ALLIANCE – MEDIA CAMPAIGN (RENEWAL)

Organization/Fiduciary:	Health Department of Northwest Michigan
County:	Multi County
Project Total:	\$ 60,000

## DESCRIPTION:

The Alliance has been meeting since January of 2019 and is interested in continuing regional work related to teen substance use, which is also included in the NMRE Strategic Plan. The Alliance is planning to facilitate a media campaign focusing on youth substance use, which is an evidence-based practice that is used to raise awareness, educate decision makers, and advocate for policy change around a specific issue. The purpose of this project will be to educate youth, parents and the community about the dangers associated with youth substance use. The campaign will aim to reach 70-80% of the teen and young adult populations in the 21 counties that the project is targeting, it is expected to reach over 4.5 million impressions.

**Recommendation:** Approve

County	Project	Requested Budget
Alcona	21 County – Media Campaign	\$1,225.00
Alpena	21 County – Media Campaign	\$3,368.36
Antrim	21 County – Media Campaign	\$2,756.51
Benzie	21 County – Media Campaign	\$2,079.69
Charlevoix	21 County – Media Campaign	\$3,093.44
Cheboygan	21 County – Media Campaign	\$3,002.31
Crawford	21 County – Media Campaign	\$1,645.83
Emmet	21 County – Media Campaign	\$3,928.25
Grand Traverse	21 County – Media Campaign	\$10,864.97
Iosco	21 County – Media Campaign	\$2,977.82
Kalkaska	21 County – Media Campaign	\$2,086.91
Leelanau	21 County – Media Campaign	\$2,563.01
Manistee	21 County – Media Campaign	\$2,890.83
Missaukee	21 County – Media Campaign	\$1,774.95
Montmorency	21 County – Media Campaign	\$1,094.70
Ogemaw	21 County – Media Campaign	\$2,483.01
Oscoda	21 County – Media Campaign	\$980.73
Otsego	21 County – Media Campaign	\$2,903.97
Presque Isle	21 County – Media Campaign	\$1,513.76
Roscommon	21 County – Media Campaign	\$2,827.87
Wexford	21 County – Media Campaign	\$3,938.07

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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## ATTACHMENT B.2

Row Labels	Sum of Population	Sum of Population %	Included County	Population	Population%	Total Amount by County for Project	
Alcona	10,351	2.0%	Yes	10351	2%	\$ 1,225.00	
Alpena	28,462	5.6%	Yes	28462	6%	\$ 3,368.36	
Antrim	23,292	4.6%	Yes	23292	5%	\$ 2,756.51	
Benzie	17,573	3.5%	Yes	17573	3%	\$ 2,079.69	
Charlevoix	26,139	5.2%	Yes	26139	5%	\$ 3,093.44	
Cheboygan	25,369	5.0%	Yes	25369	5%	\$ 3,002.31	
Crawford	13,907	2.7%	Yes	13907	3%	\$ 1,645.83	
Emmet	33,193	6.5%	Yes	33193	7%	\$ 3,928.25	
Grand Traverse	91,807	18.1%	Yes	91807	18%	\$ 10,864.97	
Iosco	25,162	5.0%	Yes	25162	5%	\$ 2,977.82	
Kalkaska	17,634	3.5%	Yes	17634	3%	\$ 2,086.91	
Leelanau	21,657	4.3%	Yes	21657	4%	\$ 2,563.01	
Manistee	24,427	4.8%	Yes	24427	5%	\$ 2,890.83	
Missaukee	14,998	3.0%	Yes	14998	3%	\$ 1,774.95	
Montmorency	9,250	1.8%	Yes	9250	2%	\$ 1,094.70	
Ogemaw	20,981	4.1%	Yes	20981	4%	\$ 2,483.01	
Oscoda	8,287	1.6%	Yes	8287	2%	\$ 980.73	
Otsego	24,538	4.8%	Yes	24538	5%	\$ 2,903.97	
Presque Isle	12,791	2.5%	Yes	12791	3%	\$ 1,513.76	
Roscommon	23,895	4.7%	Yes	23895	5%	\$ 2,827.87	
Wexford	33,276	6.6%	Yes	33276	7%	\$ 3,938.07	
Grand Total	506,989	100%		506989	100%	\$ 60,000.00	

Requested Amount (total): \$ 60,000.00

# SUNRISE CENTRE – BUILDING AND ENHANCING RECOVERY CAPITAL IN NE MICHIGAN - CONTINUING

Organization/Fiduciary: Sunrise Centre

County: Multi

Project Total: \$74,665.00

## DESCRIPTION:

Sunrise Centre is a Substance Use Disorder Treatment facility in northeast Michigan serving 57 Michigan Counties. SC provides residential treatment services and provides outpatient treatment services to clients in the 21 northern Michigan Counties. SC is strengthening, enhancing, and expanding the types of and quality of support offered to our community members, and the recovery community and is planning to continue to strengthen and expand access to recovery supportive activities, diverse peer support led meeting types, and strengthen recovery capital in rural communities. Through the previous grant year, we have been able to start building a foundation of recovery support in this region and strengthen outreach and expansion of the types of connection and community supports that help sustain sobriety. It is critical that we have the funds to continue to strengthen and expand upon these efforts. Healthy and engaging continuation of care and more access to recovery supportive events in rural communities is a vital part of sustaining recovery and is one of the missing components of recovery resources available to our clients. This request for funding for a staffing grant will provide the needed funds to continue to build and strengthen this layer of care. The Recovery Capital Coordinator will support the development and expansion of recovery supportive activities and resources in the region with a focus on counties that do not have as many recovery supportive resources, will support the growth of and access to recovery capital for those navigating recovery in the region, will attend community events and coalitions to strengthen the presence of and engagement of Sunrise Centre with our community partners, will support the development of promotional materials that support healthy recovery messaging and aims to reduce stigma for the population we serve, and will participate in and support training of staff and community members on topics relevant to recovery coaching and recovery supportive messaging and community support. This grant will allow for stronger community engagement and presence in coalitions, community events, fairs, outreach and prevention opportunities, and will allow for the start-up of new non-12 step peer support groups that do not currently exist in this region.

The grant funds will not be utilized for direct peer coaching that qualify as billable service as Sunrise Centre will differentiate and bill separately for those services that qualify as billable. The funds will be utilized to fill in the gaps that are not covered/billable with a focus on strengthening the Recovery Capital necessary to build and sustain recovery supportive communities.

Meets Parameters for PA2 Funding:

Yes

County	Project	Requested Budget
Alcona	Building and Enhancing Recovery Capital in NE Michigan	\$11,177.99
Alpena	Building and Enhancing Recovery Capital in NE Michigan	\$30,735.96
Montmorency	Building and Enhancing Recovery Capital in NE Michigan	\$9,989.03
Oscoda	Building and Enhancing Recovery Capital in NE Michigan	\$8,949.09
Presque Isle	Building and Enhancing Recovery Capital in NE Michigan	\$13,812.93

## PROGRAM BUDGET - COST DETAIL SCHEDULE

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MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

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## **ATTACHMENT B.2**

## EXPLANATION FORM

If the Fringes in the Budget Form (DCH-0386E) is more than 25% of the Salaries/Wages, please provide a detailed explanation

Projected Salary to support two part time coaches equals \$38,500 per year. The average benefit package cost to Sunrise Centre continues to raise with rising insurance costs and average 18,000 per year, which is significantly over the 25% fringe amount suggested. The additional funds requested support the center's ability to offer benefits with these positions.

If the Indirect Cost in the Budget Form (DCH-0386E) is more than 10%, please provide a detailed explanation (must also submit amounts in the detail)

The indirect cost meets the 10% stated amount.

Row Labels	Sum of Population	Sum of Population %	Included County	Population	Population%	Total Amount by County for Project	
Alcona	10,351	2.0%	Yes	10351	15%	\$ 11,177.99	
Alpena	28,462	5.6%	Yes	28462	41%	\$ 30,735.96	
Antrim	23,292	4.6%	No	0	0%	\$ -	
Benzie	17,573	3.5%	No	0	0%	\$ -	
Charlevoix	26,139	5.2%	No	0	0%	\$ -	
Cheboygan	25,369	5.0%	No	0	0%	\$ -	
Crawford	13,907	2.7%	No	0	0%	\$ -	
Emmet	33,193	6.5%	No	0	0%	\$ -	
Grand Traverse	91,807	18.1%	No	0	0%	\$ -	
Iosco	25,162	5.0%	No	0	0%	\$ -	
Kalkaska	17,634	3.5%	No	0	0%	\$ -	
Leelanau	21,657	4.3%	No	0	0%	\$ -	
Manistee	24,427	4.8%	No	0	0%	\$ -	
Missaukee	14,998	3.0%	No	0	0%	\$ -	
Montmorency	9,250	1.8%	Yes	9250	13%	\$ 9,989.03	
Ogemaw	20,981	4.1%	No	0	0%	\$ -	
Oscoda	8,287	1.6%	Yes	8287	12%	\$ 8,949.09	
Otsego	24,538	4.8%	No	0	0%	\$ -	
Presque Isle	12,791	2.5%	Yes	12791	18%	\$ 13,812.93	
Roscommon	23,895	4.7%	No	0	0%	\$ -	
Wexford	33,276	6.6%	No	0	0%	\$ -	
Grand Total	506,989	100%		69141	100%	\$ 74,665.00	

Requested Amount (total): \$ 74,665.00

# email correspondence

**From:** [Harrison, Julie \(DHHS\)](#)  
**To:** [Amanda Ittner](#); [Carol Balousek \(NMRE\)](#); [Brandon Rhue \(NMRE\)](#); [Dana Lasenby](#); [Dyga, Marion](#); [Eric Kurtz \(NMRE\)](#); [Hays, Sandy](#); [Jackson, Sherree](#); [Jacobs, Michelle](#); [James Colajanne](#); [Joseph Sedlock](#); [Kalbfleisch, Robin](#); [Mary Marlatt-Dumas](#); [Megan Rooney](#); [Mila Todd \(SWMI\)](#); [Pefok, Tema](#); [Porter, Kathy](#); [Sandra Lambert](#); [Sheryl Kletke](#); [Smith, Carmen](#); [Stephanie Vanderkooi \(Lakeshore\)](#); [Traci Smith](#); [Kelly VanWormer](#); [Weary, Stephannie](#); [White, James E.](#); [Young, Shelia](#)  
**Cc:** [Morningstar, Kristen \(DHHS\)](#); [Sproat, Jackie \(DHHS\)](#); [Kilfoyle, Laura \(DHHS\)](#); [Oumedian, Sarah \(DHHS\)](#)  
**Subject:** FY26 PIHP Contract  
**Date:** Wednesday, September 10, 2025 10:30:04 AM  
**Attachments:** [Final FY26 PIHP Master Contract Template Redline 8.25.25.docx](#)  
**Importance:** High

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## SENDING ON BEHALF OF JACKIE SPROAT

Good morning,

The FY26 PIHP Contract has been issued to the 10 PIHPs by the Bureau of Grants and Purchasing for signature. As discussed during the August and September PIHP Operations meetings, the FY26 Contract remains largely unchanged from FY25, except for updates related to the CCBHC program. A redlined version of the contract is attached for your review.

### **Summary of Key Changes:**

- **Schedule A, Section G.14:** CCBHC language removed due to transition to fee-for-service (FFS) in FY26.
- **Section 8.B.11:** CCBHC payment language removed.
- **Section 8.D.1.e:** CCBHC quality bonus language removed.
- **Section S.7.d.i:** Removed and replaced with Section S.7.e, which outlines recovery and monthly reporting of provider overpayments, per OIG audit findings.
- **Section S, new item 9:** Monthly OIG report requirement added per 42 CFR 438.608 (a)(2).
- **Section G.15:** Recovery Incentive Pilot language removed; the program will no longer be funded through PIHPs.
- **Section 8.B.12:** Recovery Incentive Pilot payment language removed.
- **Section 4.K:** Resolved language discrepancy between 1.1 Transition and ISF sections. PIHPs must return any remaining funds to the state upon contract expiration.

Thank you,

Jackie Sproat, MSW, Director  
Division of Contracts and Quality Management  
Bureau of Specialty Behavioral Health Services

# Notice of Public Meeting

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

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

## **NORTHERN MICHIGAN REGIONAL ENTITY MEETINGS OF THE BOARD OF DIRECTORS**

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

October 22, 2025

November 26, 2025\*

December 24, 2025\*

January 28, 2026

February 25, 2026

March 25, 2026

April 22, 2026

May 27, 2026

June 24, 2026

July 22, 2026

August 26, 2026

September 23, 2026

\* The November meeting would fall on the day before Thanksgiving, and the December meeting would fall on Christmas Eve. The decision is often made to combine these two meetings into one meeting held between the two dates, possibly December 3<sup>rd</sup> or 17<sup>th</sup>.



# Northern Michigan Regional Entity

FY 2026  
BUDGET

PRESENTED TO THE NMRE  
BOARD OF DIRECTORS

SEPTEMBER 24, 2025

## REVENUE ASSUMPTIONS:

- **Calculated NMRE FY25 actual revenue to date**
- **NMRE eligibles from August 2025 and using draft Milliman information**

## BUDGET OPERATING REVENUE:

- **Traditional Medicaid including SUD (annual estimate): \$236,717,617**
- **HMP including SUD (annual estimate): \$30,281,423**
- **Traditional Medicaid Carry Forward FY25 of \$4,449,500**
- **HMP Carry Forward FY25 of \$0**
- **SUD Prevention Treatment and Block Grant and PA 2 projected at current year.**
- **Total FY26 Projected Revenue \$285,864,323**

## REVENUE CONTRACTS:

- **MDHHS/PIHP Master Contract Service \$277,849,904**
- **MDHHS/Substance Abuse Prevention and Treatment (Community Grant) Grant-SUD \$3,206,245**
- **Detail for Other Grant Revenue:**
  - **MDHHS/Veteran Navigator Grant-PIHP \$110,000**
  - **MDHHS/ State Opioid Response (SOR III) Grant-SUD \$1,546,979**
  - **MDHHS/SUD – Tobacco Grant-SUD \$4,000**
  - **MCHHS/Gambling Disorders Grant-SUD \$200,000**
  - **MDHHS/SUD: Healing and Recovery Community Engagement and Infrastructure \$150,000**
  - **MDHHS/MI Partnership for Advancing Coalitions-SUD \$322,787**

## BUDGET OPERATING EXPENSES:

- **Salary and fringes including staff COLA of 2.5% and health insurance rate increase between Mental Health and SUD: \$209,378**
- **Fully Accrued PTO**
- **Assumed filled vacant positions at full year**
- **Medicaid-HMP including SUD (annual estimate) trending from FY25**
- **SUD Prevention Treatment and Block Grant and PA2 projected at current year**
- **Total FY26 Projected Expenses \$277,275,713**

## ADMINISTRATIVE CONTRACTS:

- **Behavioral Medicine Associates PLLC-Medical Director \$10,000**
- **Roslund, Prestage & Company Audit/Finance \$28,000**
- **General Consulting \$325,097**
- **Peter Chang & Associates-Data IT \$125,000**
- **Legal \$250,000**
- **Charter Communications \$177,810**
- **Paychex HR/Payroll \$18,540**
- **United Training/Regional \$50,000**
- **SS IL Real Estate-NMRE office lease \$126,728**
- **North Shore Center \$590,748**

## PROGRAM/SERVICE CONTRACTS:

- **Northeast CMH Service/Mental Health \$38,673,889**
- **North Country CMH Service/Mental Health \$64,244,320**
- **Northern Lakes CMH Service/Mental Health \$76,410,550**
- **Wellvance Service/Mental Health \$34,084,370**
- **Centra Wellness Service/Mental Health \$21,222,217**

QUESTIONS?

?

**Approval?**