

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – SEPTEMBER 27, 2023
GAYLORD BOARDROOM**

ATTENDEES:	Tom Bratton, Ed Ginop, Eric Lawson, Michael Newman, Gary Nowak, Jay O’Farrell, Ruth Pilon, Karla Sherman, Richard Schmidt, Don Smeltzer, Don Tanner, Chuck Varner
VIRTUAL ATTENDEES:	Greg McMorrow
ABSENT:	Gary Klacking, Terry Larson
NMRE/CMHSP STAFF:	Bea Arsenov, Brian Babbitt, Jodie Balhorn, Carol Balousek, Eugene Branigan, Lisa Hartley, Eric Kurtz, Diane Pelts, Nena Sork, Deanna Yockey
PUBLIC:	Chip Cieslinski, Dave Freedman, Genevieve Groover, Sue Winter

CALL TO ORDER

Let the record show that Chairman Don Tanner called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Gary Klacking and Terry Larson were excused from the meeting on this date; all other NMRE Board Members were in attendance either in person or virtually.

PLEDGE OF ALLEGIANCE

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

Let the record show that no conflicts of interest to any of the meeting Agenda items were declared.

APPROVAL OF AGENDA

Let the record show that no changes to the meeting agenda were proposed.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR SEPTEMBER 27, 2023; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

APPROVAL OF PAST MINUTES

Let the record show that the August 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 AUGUST 23, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ERIC LAWSON. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes of the August 1, 2023 PIHP CEO Meeting.
- 2) An overview of the MDHHS Bureau of Specialty Behavioral Health Services.
- 3) CMHAM document titled, "Michigan's Electronic Visit Verification System Development: CMHA Analysis and Recommendations Related to EVV Process Proposed by MDHHS and HHAX" dated August 2023.
- 4) A memorandum from Kristen Jordan at MDHHS to PIHPs and CMHSPs regarding Electronic Visit Verification (EVV) Implementation dated September 21, 2023.
- 5) CMHAM document titled, "Formation of the Rural and Frontier Caucus with CMHA and Its Initial Advocacy Platform" dated August 2023.
- 6) CMAHM document titled, "Process and Timeline for Development of 2024-2029 CMHA Strategic Plan" dated July 2023.
- 7) Informational flyer for a Crisis and Emergency Risk Course with Kerry Chamberlain, PhD from 8:00AM – 12:00PM on October 13, 2023.
- 8) The draft minutes of the September 13, 2023 regional Finance Committee meeting.

Mr. Kurtz drew attention to the correspondence items related to the electronic visit verification (EVV) requirement. Pursuant to the 21st Century Cures Act, CMS is requiring states to implement an Electronic Visit Verification (EVV) system to document the time, location, type of service, and individual(s) providing personal care and home health services. The process for achieving this, as proposed by MDHHS, has been viewed to be overly complex and not in alignment with how Michigan's PIHPs and CMHSPs are funded and operate.

Mr. Kurtz next drew attention to the Crisis and Emergency Risk Communication Course offered by the Health Department of Grand Traverse County on October 13, 2023; individuals need not be residents of Grand Traverse County to attend.

ANNOUNCEMENTS

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

PUBLIC COMMENT

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

Executive Committee Report

Let the record show that the NMRE Executive Committee met prior to the meeting on this date. A full report will be given under "New Business."

CEO Report

The NMRE CEO Monthly Report for September 2023 was included in the materials for the meeting on this date. Mr. Kurtz noted that he attended the Northern Lakes CMHA Board meeting on September 21st to discuss the NMRE's ongoing oversight and the agreement with Rehmann. Mr. Kurtz spoke about a discussion held on September 18th between members of the NMRE and MDHHS regarding Network Adequacy. Mr. Kurtz reported that the meeting went well. There was some indication that rural exceptions will be offered for some time/distance standards and staffing ratios, particularly for PIHP Regions 1 and 2.

July 2023 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$3,616,682. Budget stabilization was reported as \$16,369,542. The total Medicaid and HMP Current Year Surplus was reported as \$19,986,224. Medicaid and HMP combined ISF was reported as \$16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$36,355,766.
- Traditional Medicaid showed \$165,815,764 in revenue, and \$165,0574,292 in expenses, resulting in a net surplus of \$761,472. Medicaid ISF was reported as \$9,306,578 based on the current FSR. Medicaid Savings was reported as \$7,742,649.
- Healthy Michigan Plan showed \$29,823,192 in revenue, and \$26,967,982 in expenses, resulting in a net surplus of \$2,855,210. HMP ISF was reported as \$7,062,964 based on the current FSR. HMP savings was reported as \$8,626,893.
- Health Home showed \$2,036,446 in revenue, and \$1,782,878 in expenses, resulting in a net surplus of \$253,568.
- SUD showed all funding source revenue of \$25,221,967, and \$22,186,328 in expenses, resulting in a net surplus of \$3,035,639. Total PA2 funds were reported as \$5,243,450.

A fully funded ISF is anticipated at the close of FY23. A \$3M – \$4M lapse to the state is also expected.

MOTION BY CHUCK VARNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JULY 2023; SUPPORT BY DON SMELTZER. MOTION CARRIED.

Operations Committee Report

The minutes from September 19, 2023 were included in the materials for the meeting on this date for informational purposes. Mr. Kurtz drew attention to the potential loss of HAB waiver slots to other areas in the State. The State hasn't reallocated slots in over 10 years. The NMRE currently has 24 open slots, though 15 packets are pending approval from the State. The NMRE currently has 96.5% of its 689 slots filled. Each slot accounts for roughly \$5,000 in monthly revenue on average.

NMRE SUD Oversight Committee Report

The minutes from September 11, 2023 were included in the materials for the meeting on this date. Liquor tax requests will be reviewed under the next agenda topic.

NEW BUSINESS

Liquor Tax Requests

Two liquor tax requests were presented to the NMRE Substance Use Disorder Oversight Committee and moved for approval of NMRE Board of Directors on September 11, 2023. It was noted that the SUD Oversight Committee requested program updates be presented to the Committee in March of 2024 to address sustainability.

1.	Bear River Health	Recovery Home	Emmet County	\$47,418.00
2.	Community Recovery Alliance, Inc.	Recovery Alliance & Recovery Center	Emmet County	\$205,000.00

MOTION BY RICHARD SCHMIDT TO APPROVE THE EMMET COUNTY LIQUOR TAX REQUESTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON SEPTEMBER 11, 2023, FOR A

TOTAL AMOUNT OF TWO HUNDRED FIFTY-TWO THOUSAND FOUR HUNDRED EIGHTEEN DOLLARS (\$252,418.00); SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

Mr. Schmidt spoke about the drug Kloxxado, which delivers an 8 mg dosage of naloxone; Narcan delivers 4 mg of naloxone.

NMRE Staff Reinvestment

Mr. Kurtz requested approval to provide a one-time FY23 staff reinvestment payment of \$3,500 to each NMRE staff at a total cost of \$84,000.

MOTION BY GARY NOWAK TO APPROVE A FISCAL YEAR 2023 REINVESTMENT PAYMENT TO EACH NORTHERN MICHIGAN REGIONAL ENTITY STAFF MEMBER IN THE AMOUNT OF THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00); SUPPORT BY DON SMELTZER. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

Secrest Wardle Retainer Agreement

A retainer agreement for the law firm of Secrest, Wardle, Lynch, Hampton, Truex and Morley was included in the materials for the meeting on this date. Mr. Kurtz clarified that the agreement is to retain the services of attorney Chris Cooke. A meeting with Mr. Cooke and the NMRE Board Executive Committee will be scheduled for some time within the next few weeks. Clarification was made that the retainer payment is in the amount of \$10,000; the firm will bill against the retainer until it is exhausted, at which time billing we begin monthly for services rendered.

MOTION BY RICHARD SCHMIDT TO APPROVE A RETAINER AGREEMENT WITH THE LAW FIRM OF SECREST, WARDLE, LYNCH, HAMPTON, TRUEX AND MORLEY SUPPORT BY KARLA SHREMAN. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

PIHP FY24 Contract

The NMRE FY24 Contract with the State was not included in the materials for the meeting on this date but will be posted to the NMRE.org website following the meeting. Mr. Kurtz explained that

the single-year contract, replaces the previous 7-year contract that began in FY21. The total contract amount was provided as \$268, 904,580.00.

MOTION RICHARD SCHMIDT TO APPROVE THE SPECIALTY SUPPORTS AND SERVICES CONTRACT BETWEEN THE NORTHERN MICHIGAN REGIONAL ENTITY AND THE STATE OF MICHIGAN FOR FISCAL YEAR 2024; SUPPORT BY DON SMELTZER. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

NMRE Building Lease

Mr. Kurtz requested approval of an extension of the NMRE's office space lease at an additional \$500 per month effective November 1, 2023, for a period of 5 years. This increased amount will be for total control of the site basement. It was noted that the NMRE pays separately for utilities.

MOTION BY GARY NOWAK TO RECOMMEND APPROVAL OF EXTENDING THE NORTHERN MICHIGAN REGIONAL ENTITY'S OFFICE SPACE LEASE AT 1999 WALDEN DRIVE, GAYLORD, MICHIGAN, 49735, AT THE RATE OF TEN THOUSAND FIVE HUNDRED NINETEEN DOLLARS (\$10,519.00) PER MONTH FOR SIXTY MONTHS BEGINNING ON NOVEMBER 1, 2023; SUPPORT BY ED GINOP. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

NMRE CEO Contract

The NMRE Board Executive Committee met at 9:00AM on this date to review the FY23 CEO Evaluation Survey Report and the CEO Contract. The decision was made to offer the same COLA increase approved for NMRE staff to the CEO. The staff COLA request will be presented under the "Presentation" portion of the agenda.

FY24 Board Meeting Schedule

The proposed Northern Michigan Regional Entity Board of Directors meeting schedule for FY24 was included in the materials for the meeting on this date. Often, the NMRE Board opts to forego the November and December meetings in favor of a meeting early in December. Mr. Smeltzer suggested a meeting on December 13th in lieu of the November and December meetings.

MOTION BY TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING SCHEDULE FOR FISCAL YEAR 2024 AS AMENDED; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

The FY24 meeting schedule will be posted to the NMRE.org website.

OLD BUSINESS

Northern Lakes CMHA Update

Mr. Kurtz shared that he met with the Northern Lakes CMHA Board on September 21, 2023 regarding the Rehmann management review. Richard Carpenter, Principal and Director of Governmental Outsourcing, Governmental and Not-for-Profit Services, with Rehmann was also in attendance. The Northern Lakes CMHA Board expressed interest in having contracts looked at, as well as determining whether the information provided to Board Members is sufficient to make decisions. It was noted that the Agreement with Rehmann may be enhanced based on this input.

PRESENTATION

NMRE FY24 Budget

The NMRE's preliminary budget for FY24 was included in the meeting materials. Mr. Kurtz reviewed the Significant Assumptions and Key Points:

- Medicaid and Healthy Michigan Plan (HMP) flat revenue projections with understanding that HMP revenue will be hit the hardest based on redetermination process.
 - The ISF was anticipated to be fully funded at the close of FY23.
- Medicaid and Healthy Michigan – Expenses
 - Substance Abuse costs were based on projected current year utilization.
- Autism program revenue was included in the capitation methodology.
- Substance Abuse Prevention and Treatment Block Grant revenue was based on current year actual MDHHS allocation.
 - Block grant allocation was broken down into separate programs with distinct allowable uses (prevention, treatment, and SDA).
 - All services were expected to be provided through NMRE's provider network.
- PA2 funding revenue was anticipated to stay consistent with the current year.
- Affiliate local match and local match drawdown was based on historical amounts.

Other items of note were stated as:

- The NMRE received a positive geographic factor of 2.1%. How it affects DAB/TANF will not be known until the rate sheet detail is reviewed and payments begin to be received.
- The rationale for the \$10 decrease in the HMP rate is unclear, especially with the anticipated decrease in enrollees.
- A 3.5% (\$112K) or 4% (\$122K) COLA for NMRE staff was built into the budget.
- Although counties' PA2 tax revenue percentage will be increased to 60%, it is expected that the counties and the NMRE will receive nearly the same amounts.

The NMRE's proposed FY24 operating revenue was provided as **\$266,464,918**.

The NMRE's proposed FY24 operating expenses were provided as **\$247,725,521**.

The NMRE's anticipated FY24 surplus was provided as **\$18,739,397**.

The CMHSPs' Projected Budgets for FY24 were provided as:

	AVCMH	CWN	NCCMH	NEMCMH	NLCMH
Medicaid	\$26,147,913	\$16,028,174	\$50,796,056	\$31,234,256	\$60,480,238
Healthy Michigan	\$2,541,419	\$1,682,633	\$6,120,442	\$2,508,216	\$7,356,338
TOTAL	\$28,689,332	\$17,710,807	\$56,916,498	\$33,742,472	\$67,836,576

MOTION BY GARY NOWAK TO APPROVE A COST-OF-LIVING ADJUSTMENT (COLA) OF FOUR PERCENT (4%) TO NORTHERN MICHIGAN REGIONAL ENTITY STAFF FOR FISCAL YEAR 2024 FOR A TOTAL AMOUNT OF ONE HUNDRED TWENTY-TWO THOUSAND FOUR HUNDRED FORTY-NINE DOLLARS (\$122,449.00); SUPPORT BY DON SMELTZER. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

MOTION BY KARLA SHERMAN TO APPROVE A COST-OF-LIVING ADJUSTMENT (COLA) OF FOUR PERCENT (4%) TO THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER FOR FISCAL YEAR 2024 FOR A TOTAL AMOUNT OF NINE THOUSAND DOLLARS (\$9,000.00); SUPPORT BY ERIC LAWSON. MOTION CARRIED.

MOTION BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY PRELIMINARY BUDGET FOR FISCAL YEAR 2024; SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

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

"Nay" Votes: Nil

MOTION CARRIED.

COMMENTS

Board

- Ms. Sherman thanked NMRE staff for their good work. Mr. Kurtz referenced the regional Health Home Summit that took place on September 26, 2023. Staff throughout the region are doing an outstanding job championing the program and addressing the healthcare needs of individuals served.
- Mr. McMorrow expressed gratitude to the NMRE for its support of Northern Lakes CMHA; the oversight currently being provided was deeply needed.
- Mr. Tanner shared a personal story about his son, Sheridan.

Staff/CMHSP CEOs

NMRE staff thanked the Board for the FY23 reinvestment payment and the FY24 COLA.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on October 25, 2023.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:24AM.