Northern Michigan Regional Entity

Board Meeting

October 23, 2024

1999 Walden Drive, Gaylord

10:00AM

Agenda

		Page Numbers
1.	Call to Order	
2.	Roll Call	
3.	Pledge of Allegiance	
4.	Acknowledgement of Conflict of Interest	
5.	Approval of Agenda	
6.	Approval of Past Minutes – September 25, 2024	Pages 2 – 9
7.	Correspondence	Pages 10 – 54
8.	Announcements	
9.	Public Comments	
10.	Reports	
	a. Executive Committee Report – Has Not Met	
	b. CEO's Report – October 2024	Page 55
	c. Financial Report – August 2024	Pages 56 – 77
	i. ISF Analysis	
	d. Operations Committee Report – October 15, 2024	Pages 78 – 82
	e. NMRE SUD Oversight Board Report – Next Meeting November 4th 10:00am	
11.	New Business	
	a. CEO Evaluation Process	Pages 83 – 92
12.	Old Business	
	a. Northern Lakes Update	
	b. FY25 PIHP Contract Update	
	c. PA 152 Opt Out	Pages 93 – 94
13.	Presentation	
	Member Satisfaction Report	
14.	Comments	
	a. Board	
	b. Staff/CMHSP CEOs	
	c. Public	
15.	Next Meeting Date – December 18, 2024 at 10:00AM	
16.	Adjourn	

Join Microsoft Teams Meeting

+1 248-333-6216 United States, Pontiac (Toll)

Conference ID: 497 719 399#

NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – SEPTEMBER 25, 2024
GAYLORD BOARDROOM

ATTENDEES:	**Bob Adrian, Tom Bratton, Ed Ginop, Gary Klacking, Eric Lawson, Mary Marois, Michael Newman, Gary Nowak, Ruth Pilon, Karla Sherman, Don Smeltzer, Don Tanner**
ABSENT:	**Jay O'Farrell, Richard Schmidt, Chuck Varner**
NMRE/CMHSP STAFF:	**Bea Arsenov, Jodie Balhorn, Brady Barnhill, Brian Babbitt, Carol Balousek, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Brandon Rhue, Nena Sork, Denise Switzer, Chris VanWagoner, Tricia Wurn, Deanna Yockey**
PUBLIC:	**Karie Bleau, Carrie Borowiak, Samantha Borowiak, Peter Bucci, Chip Cieslinski, Gennie Grover, Keri Laporte-Montero, Madeline McConnell, Kelly Mecham**

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

ROLL CALL
Let the record show that Jay O'Farrell, Richard Schmidt, and Chuck Varner were excused from the meeting on this date; all other NMRE Board Members were in attendance in Gaylord.

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

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

APPROVAL OF AGENDA
Let the record show that Taft Legal Agreement was added under "Old Business."

MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR SEPTEMBER 25, 2024 AS AMENDED; SUPPORT BY GARY NOWAK. 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 DON TANNER TO APPROVE THE MINUTES OF THE AUGUST 28, 2024 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY GARY NOWAK. MOTION CARRIED.

CORRESPONDENCE

1) The minutes of the August 1, 2024 MDHHS/PIHP CEO meeting.
2) The minutes of the August 6, 2024 Regional Entity PIP CEO meeting. The draft minutes of the September 11, 2024 regional Finance Committee meeting.
3) Michigan Department of Health and Human Services (MDHHS) Service Delivery Transformation Section July 2024Update.
4) Slide deck from an MDHHS presentation titled, "Section 1115 Reentry Services Demonstration: CMS Guidance on 1115 Demonstration Opportunity."
5) A memorandum dated September 10, 2024 from Belinda Hawks, Director of Adult Home and Community Based Services with MDHHS to PIHP and Substance Use Disorder Executive Directors regarding 2025 Healing and Recovery Regional Appropriations.
6) A memorandum dated September 10, 2024 from Belinda Hawks, Director of Adult Home and Community Based Services with MDHHS to PIHP Executive Directors Habilitation Supports Waiver (HSW) Slot Allocations.
7) Infographic from the Community Mental Health Association of Michigan (CMHAM) illustrating the impacts of Medicaid Redetermination on Michigan's Public Mental Health System.
8) Email correspondence dated September 6, 2024 from Bob Sheehan, CMHAM CEO, to PIHP and CMHSP Executive Directors and Provider Alliance members regarding advocacy efforts around the need to close the FY24 revenue gap.
9) CMHAM Advocacy plan for Closing the FY24 Medicaid Revenue Gap of Michigan's Public Mental Health System dated September 2024.
10) Action Alert from CMHAM dated September 10, 2024 asking individuals to contact Legislators to urge MDHHS to Adjust Medicaid Rates to Close the Revenue Shortfall.
11) Promotional flyer for the NMRE Substance Use Disorder (SUD) Day of Education at Treetops Resort, Gaylord on October 30, 2024 (date change).
12) The draft minutes of the September 10, 2024 regional Finance Committee meeting.

Reentry Services Demonstration

In 2023, CMS issued a State Medicaid Director Letter to implement Section 5032 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act, which directed the US Department of Health and Human Services (HHS) to issue guidance on how states can design section 1115 reentry demonstrations to provide services to justice-involved individuals prior to release to support their reentry into the community. The demonstration is expected to begin in early 2027.

Healing and Recovery Regional Appropriation

PIHPs will be getting $1M in Opioid Settlement dollars to implement projects to:

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

Projects are expected to begin November 1, 2024.

FY25 PIHP HSW Slot Allocation

The NMRE has been given 8 additional slots for FY25, bringing the region's total to 697. These 8 slots represent an additional $672K in annual revenue.

Closing the Medicaid/HMP Revenue Gap

Advocacy efforts by the Community Mental Health Association of Michigan to close the $93M FY24 Medicaid revenue gap have ramped up as the end of the fiscal year draws near. Efforts focus on two primary requests of MSHHS:

- Adjust Medicaid rates to offset disenrollment patterns and to accurately account for the necessary staffing adjustments and provider costs increases.
- Ensure that enrollees are slotted into the correct Medicaid bucket to properly empower providers to deliver needed services.

NMRE Day of Substance Use Disorder (SUD) Education

The date of the NMRE SUD event at Treetops was changed to October 30th. Current registration is at 105.

ANNOUNCEMENTS

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

PUBLIC COMMENT

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

REPORTS

Executive Committee Report

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

CEO Report

The NMRE CEO Monthly Report for September 2024 was included in the materials for the meeting on this date.

July 2024 Financial Report

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

Per the preliminary FSR, the NMRE anticipates carrying forward $2.8M into FY25. The data for the September payment was received earlier on this date. The September payment will be $1,030,000 higher than the August payment due to increased eligibles.

The NMRE's FY24 block grant allocation was depleted by the end of June. Treatment services for individuals who qualified for block grant funding will need to be billed to liquor tax funds for Quarter 4. To date, $188K in SUD Treatment services has been paid with liquor tax funds. The NMRE is working on methods to bill as much as possible to Medicaid and Healthy Michigan. Additionally, due to a glitch in the CHAMPS system, the NMRE has not been paid for individuals on HSW with spenddowns dating back to July 2023, resulting in a loss of approximately $1M. The NMRE recently learned that it will receive payments for unpaid HSW slots back to October 1, 2023.

Expenditures are currently exceeding revenue at $4.8M. Although the region has carryforward funds to supplement the deficit, it is not a sustainable practice.

Mr. Tanner asked whether the state is hanging onto the $93M in funding that was allocated by the legislature and not rolled out to PIHPs/CMHSPs to pay the Waskul settlement. Mr. Kurtz responded that it appears that the state is holding it for some purpose.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHY FINANCIAL REPORT FOR JULY 2024; SUPPORT BY DON TANNER. MOTION CARRIED.

Operations Committee Report
The draft minutes from September 17, 2024 were included in the materials for the meeting on this date.

NMRE SUD Oversight Committee Report
The draft minutes from September 9, 2024 were included in the materials for the meeting on this date.

NEW BUSINESS
Liquor Tax Requests

	Requesting Entity	Project	County	Amount
1.	Catholic Human Services	Students Leading Students	Alpena	$40,300
2.	Charlevoix County Circuit Court	33rd Circuit Hybrid Drug Court	Charlevoix	$100,940
3.	Catholic Human Services	"Pulling Together" Drug Free Coalition	Cheboygan	$62,315
4.	Catholic Human Services	Crawford Partnership to End Substance Misuse	Crawford	$41,796
5.	Emmet County Circuit Court	Emmet County Recovery Program	Emmet	$288,762
6.	217 Recovery	Recovery Stories: Message of Hope Part IV	Grand Traverse	$5,800
7.	Catholic Human Services	Grand Traverse County Drug Free Coalition	Grand Traverse	$78,451
8.	Catholic Human Services	Iosco Substance Free Coalition	Iosco	$50,768
9.	Health Department of Northwest Michigan	RISE Otsego Substance Free Coalition	Otsego	$76,058

10.	Catholic Human Services	Roscommon County Drug Free Coalition	Roscommon	$51,722
11.	Catholic Human Services	Community Based Peer Recovery Project	Alpena, Crawford, Grand Traverse, Otsego, Wexford	$158,113
12.	District Health Department #10	Deterra Medication Disposal and Lock Box Project	Missaukee, Wexford	$9,000
13.	Health Department of Northwest Michigan	SAFE in Northern Michigan Prevention Coalition	Antrim, Charlevoix, Emmet	$120,835
			Total	**$1,084,860**

Mr. Bratton asked how Board Members and Substance Use Disorder Oversight Committee Members can be better partners/advocates. Ms. Arsenov responded that the NMRE will continue to invite SUD Providers to present to the Board on their operations in the next fiscal year. The entities requesting liquor tax funds have been instructed to contact their county representatives when submitting their applications. This process is working more smoothly than it has in the past.

Ms. Pilon asked whether programs have a means to measure outcomes. Ms. Switzer responded that a "planning page" is submitted along with the liquor tax request application. Entities report to the NMRE quarterly on each planning item. NMRE staff meets monthly to review.

Mr. Eric Lawson requested that providers steer clear of the word "empowerment" in their applications as it is a vague term; he encouraged the use of more specific verbiage.

MOTION BY DON TANNER TO APPROVE THE LIQUOR TAX REQUESTS FOR FISCAL YEAR 2025 AS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE ON SEPTEMBER 9, 2024, IN THE TOTAL AMOUNT OF ONE MILLION EIGHTY-FOUR THOUSAND EIGHT HUNDRED SIXTY DOLLARS ($1,084,860.00); SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

"Yea" Votes: B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, G. Nowak, R. Pilon, K. Sherman, D. Smeltzer, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

County Overviews

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

	Projected FY25 Available Balance	Amount Approved September 9, 2024	Projected Remaining Balance
Alpena	$267,481.69	$89,315.03	$174,798.30
Antrim	$202,825.10	$34,063.82	$168,761.28

Charlevoix	$139,795.23	$139,167.46	$627.77
Cheboygan	$103,013.42	$62,315.00	$40,698.42
Crawford	$121,706.39	$67,094.08	$54,612.31
Emmet	$449,497.60	$337,304.72	$112,192.88
Grand Traverse	$523,643.24	$130,103.77	$393,539.47
Iosco	$143,363.50	50,768.00	$92,595.50
Missaukee	$31,042.50	$2,796.16	$28,246.34
Otsego	$117,712.37	$95,031.56	$22,680.81
Roscommon	$552,319.01	$51,722.00	$500,597.01
Wexford	$129,130.03	$25,177.40	$103,952.63
Total	**$2,781,530.08**	**$1,084,859.00**	**1,693,302.72**

FY25 Grant Recommendations
A summary of SUD grants for FY25 was included in the meeting materials.

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

MOTION BY DON TANNER TO APPROVE FISCAL YEAR 2025 SUBSTANCE USE DISORDER GRANT FUNDING AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY BOB ADRIAN. MOTION CARRIED. ROLL CALL VOTE.

"Yea" Votes: B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, G. Nowak, R. Pilon, K. Sherman, D. Smeltzer, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

FY25 Meeting Schedule
The proposed NMRE Board meeting schedule for FY25 was included in the materials for the meeting on this date. There will not be a meeting in November 2024. The December meeting was moved to December 18th.

MOTION BY KARLA SHERMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING SCHEDULE FOR FISCAL YEAR 2025 AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY GARY NOWAK. MOTION CARRIED.

OLD BUSINESS
Northern Lakes CMHA Update
Mr. Kurtz will be meeting with the Rehmann forensic investigation team the week of September 30th. A decision will need to be made regarding the need to go back and investigate additional

years. If the investigation does look back at additional years, the report will remain in draft status. Mr. Kurtz hopes to have more to report in October.

FY25 PIHP Contract Update
Mr. Kurtz reported that 7 of the 10 PIHPs disagree with Waskul language and ISF cap at 7.5%. Six PIHPs plan to work collectively with the law firm of Taft Stettinius & Hollister, LLP to strike the Waskul language and strike and replace the ISF language in the FY25 PIHP Contract, prior to sending it to the Department.

Mr. Tanner acknowledged that he would still like to have attorney Chris Cooke send communication to the state from Region 2. Mr. Kurtz agreed.

MOTION BY ERIC LAWSON TO STRIKE THE WASKUL LANGUAGE, STRIKE AND REPLACE THE INTERNAL SERVICE FUND LANGUAGE, AND SHOW GOOD FAITH EFFORTS TO CONTINUE TO NEGOTIATE WITH THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE FISCAL YEAR 2025 PREPAID INPATIENT HEALTH PLAN SPECIALTY SUPPORTS AND SERVICES CONTRACT; SUPPORT BY DON TANNER. ROLL CALL VOTE.

"Yea" Votes:	B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, G. Nowak, R. Pilon, K. Sherman, D. Smeltzer, D. Tanner
"Nay" Votes:	Nil

MOTION CARRIED.

Taft Legal Agreement
A legal agreement from Taft Stettinius & Hollister, LLP was distributed during the meeting. The Taft law firm has been engaged to represent the NMRE, along with other Michigan PIHPs, in the matter concerning the Michigan Department of Health and Human Services efforts to limit Internal Service Fund contributions. Region 10 will receive, review, and pay all invoices associated with this project and handle the division of fees among the other participating PIHPs.

MOTION BY GARY NOWAK TO AUTHORIZE THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER TO SIGN THE LEGAL AGREEMENT WITH AND THE LAW FIRM OF TAFT STETTINIUS & HOLLISTER, LLP; SECOND BY KARLA SHERMAN. ROLL CALL VOTE.

"Yea" Votes:	B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, G. Nowak, R. Pilon, K. Sherman, D. Smeltzer, D. Tanner
"Nay" Votes:	Nil

MOTION CARRIED.

PRESENTATION
FY25 Budget
The NMRE's preliminary budget for FY25 was included in the meeting materials. Ms. Yockey reviewed the Significant Assumptions and Key Points:
1. Medicaid and Healthy Michigan revenue projections were based on draft Milliman projections.

- The Internal Service Fund is anticipated to be fully funded at the close of FY24.

2. Medicaid and Health Michigan – Expenses
   - Substance Abuse costs were based on projected current year utilization.
3. Substance Abuse Prevention and Treatment Block Grant – Revenue based on current year actual MDHHS allocation
   - Block grant allocation was broken down into separate programs with distinct allowable uses (Treatment, Prevention, and SDA).
   - All services are expected to be provided through NMRE's provider network.
4. Public Act (PA2) Funding – Revenue anticipated to stay consistent with current year
   - PA2 funds must be used in the county from which they originated for prevention or treatment but may not be used on administration.
5. Affiliate local match and local match drawdown – Based on actual historical amounts

Total FY25 Projected Revenue – $260,952,624
Total FY25 Projected Expenses – $257,421,499
Total FY25 Anticipated Surplus – $353,113

CMHSP funding based on draft revenue projections was provides as:

AuSable Valley	Centra Wellness	North Country	Northeast MI	Northern Lakes
$29,857,764	$18,851,375	$56,000,996	$34,248,973	$69,272,950

MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2025 BUDGET AS PRESENTED AND REVIEWED ON THIS DATE; SUPPORT BY GARY NOWAK. ROLL CALL VOTE.

"Yea" Votes: B. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, M. Newman, G. Nowak, R. Pilon, K. Sherman, D. Smeltzer, D. Tanner

"Nay" Votes: Nil

MOTION CARRIED.

COMMENTS

Board

Mr. Lawson asked about the rebranding of AuSable Valley CMHA. Ms. Pelts responded that an announcement will be made on September 30th.

Ms. Sherman thanked staff for getting the FY25 budget out in time for the meeting.

MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on October 23, 2024.

ADJOURN

Let the record show that Mr. Klacking adjourned the meeting at 11:31AM.

PIHP CEO Meeting
September 5, 2024
9:30 a.m. – 10:20 p.m.
Microsoft Teams Meeting

Contents

MDHHS Attendees:

Kristen Jordan
Michelle Mills
Ashley Seeley
Meghan Groen
Jackie Sproat
Audrey Dick
Angela Smith-Butterwick
Crystal Williams
Dana Moore
Keith White
Brian Keisling
Phil Kurdunowicz
Laura Kilfoyle
Kasi Hunziger
Erin Emerson
Alex Kruger
Nicole Hudson
Belinda Hawks
Ernest Papke
Kayla Rosen
Penny Rutledge

PIHP Attendees:

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

CFAP and HCBS Update

a. Belinda Hawks provided CFAP updates.
    1. We were asked by CMS to include our strategy in our recent renewals for our 1915 C waivers as well as in our 1915 i application.
        i. We have since received feedback from CMS related to those applications where they wanted to have a conversation with the department to talk through what our strategy was.
        ii. We have plans to submit an updated version of that language in those applications with the hopes that CMS will be reviewing and approving all applications for an effective date of October 1st.
        iii. The details were needed so CMS could not see in our strategy as written in the applications that really outlines what we've already talked about with this group and with other stakeholders.
        iv. As we think about what scenarios are permissible and what only willing qualified designation criteria would look like and what that application and reapplication process would be for that designation.
        v. The timeline of October 1st was pushed out and we will be meeting internally once we've received CMS approval to talk through what the new timeline would be.
        vi. We've been getting individual input from each of you as you consider how this might impact the region and CMH within your region. Kristen and Belinda will talk more about what we think is the best strategy going forward.
b. HCBS updates
    1. Conversations that we had with the CMH directors yesterday led us to consider a way to provide technical assistance to all of your staff related to what changes have occurred as a result of those waiver renewals and the amended 1915 i, and how does that impact how you look at benefits and service array and eligibility requirements, even provider requirements could potentially have changed or shifted depending on the service.
    2. The Medicaid provider manual policy changes will be coming through once those the approvals have been made.
    3. Effective September 9th, we would expect that we're going to be soft launching the implementation of EVV for behavioral health.

Children's Bureau Update

a. Phil Kurdunowicz provided updates.
    1. we are hurrying to October 1st to get ready for the official statewide launch for the **MichiCANS,** and so far in terms of the EHR integration, the process has been going very well.

i. If you have any questions around troubleshooting for getting ready your region ready for implementation, Lisa Collins can help guide that process.
ii. Aaron Mobley can assist with IT questions.

2. We are gearing up for the statewide implementation for screening children entering in the foster care.
    i. Children's Services Administration and the hotels will conduct the screening within 30 days of entry.
    ii. We've also been working closely with the CBHC team to integrate the MichiCANS into their processes as well.
3. Intensive Care Coordination
    i. Wrap around in Michigan is delivered to both children inside and outside of the SDD waiver and was shifting to intensive care coordination with wrap around and this is a structure that's been implemented in other states.
    ii. It will be implemented through a targeted case management state plan amendment.
    iii. We are working through both the policy part of that implementation as well as the state plan.
4. Internship Program
    i. Newly launched program to provide stipends for. This is the first year that we're launching this program and received a very significant response.
    ii. We had over 1700 initiated applications over 1000 completed applications for slightly over 200 funding slots.
    iii. We are exploring continued funding in future fiscal years.
    iv. There is a very short turnaround time in getting approval for the award.
    v. We're working with Common Health Association to send out a broader communication just because we recognize it as a very short time frame to get all these forms approved.

PIHP Contract Updates

a. Jackie Sproat provided updates.
    1. This group will be seeing a policy issued around the methadone $19.00 legislatively mandated rates continuing into FY25 and the department is adjusting the mechanism that's used behind the scenes.

Topics from PIHP's

a. Conversations occurred regarding the below topics. Please reference the meeting recording or transcript for details.
    1. Neuro-psych testing
    2. FY 2024 and FY 2025 Medicaid rate adjustment
    3. Ongoing FY 2024 Medicaid redetermination problems in numbers, types, financial impacts
    4. Disconnect between PIHP Agreement and forms/instructions

Service Delivery Transformation Section

August 2024 Update

CONTENTS

Service Delivery Transformation Section Overview

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

Our Team

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

Danielle Hall – Behavioral Health Innovation Specialist
HallD32@michigan.gov
- Behavioral Health Home

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

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

Jennifer Ruff – CCBHC Certification Manager
RuffJ3@michigan.gov
- CCBHC Certification and Monitoring

Chance Thick - Certification Specialist
ThickC1@michigan.gov
- CCBHC Site Monitoring and Oversight

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

Behavioral Health Home

Behavioral Health Home Overview

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

Current Activities

- As of September 4, 2024, there are 3,217 people enrolled:
    - Age range: 4-86 years old
    - Race: 26% African American, 68% Caucasian, 2% or less American Indian, Hispanic, Native Hawaiian and Other Pacific Islander
- Resources, including the BHH policy, directory, and handbook, are available on the Michigan Behavioral Health Home website. Behavioral Health Home (michigan.gov).
- A State Plan Amendment to expand BHH in regions 3,4, and 9, add eligible codes to increase access for children and youth with SED, and add Youth Peer Support to the BHH staffing structure was submitted on July 16, 2024.

Certified Community Behavioral Health Clinic Demonstration

Certified Community Behavioral Health Clinic Demonstration Overview

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

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

Current Activities

- As of September 4, 2024, 101,710 Medicaid beneficiaries and 26,319 non-Medicaid individuals are assigned in the WSA to the 30 demonstration CCBHC sites.
- MDHHS conducted a health information technology survey amongst CCBHCs in 2023 to solicit feedback on the WSA operations and activities. Feedback resulted in stakeholders finding the WSA to be administratively burdensome, has frequent time outs and errors, as well as duplication of data entry between the EMR and the WSA. MDHHS has funding and is working with internal staff and contractors to develop a bidirectional EMR/WSA API Web Services benefit for stakeholders that will address feedback received. This project wrapped up on August 29th and is awaiting demo testing and onboarding of providers. MDHHS will continue working with state contractors on this effort.
- MDHHS continues to partner with evaluators at the Center for Healthcare Research Transformation at the University of Michigan on formal evaluation activities. CHRT has shared preliminary findings of key themes from interviews with PIHPs and CCBHCs and are beginning data review activities.
- A second draft version of the FY25 CCBHC Handbook was distributed for review by PIHPs and CCBHCs, detailing changes to certification criteria, PIHP/CCBHC responsibilities, and DCO policy guidelines in August. Feedback on the second draft will be reviewed by MDHHS and will be incorporated into the final version published in the beginning of October.
- Recertification has wrapped up for the 30 sites currently within the CCBHC Demonstration. Applications were due June 3rd, 2024, MDHHS reviewed those applications for criteria compliance. Certification levels have been assigned based on evidence of compliance and any noted deficiencies. As a result, certification letters have been sent to CCBHC providers and affiliated PIHPs to notify them of certification status, Corrective Action Plans, and any findings that must be addressed.
- MDHHS put forth a CCBHC expansion announcement that identified eligibility requirements for sites interested in joining the CCBHC Demonstration with an application due date of July 1st, 2024. MDHHS is currently reviewing those applications for criteria compliance. Anticipated certification results will be available, and providers will be notified of their ability to join the demonstration in the upcoming week.
- Preliminary and final Quality Bonus Payment awards for Demonstration Year 2 were shared with PIHPs, with the consultation period ending in early June and payment distributed on August 29. For DY2 awards, CCBHCs must meet benchmarks for all 6 CMS-designated measures to receive the quality bonus payment.

Questions or Comments

Lindsey Naeyaert, MPH
Service Delivery Transformation Section Manager
Behavioral and Physical Health and Aging Services Administration
Michigan Department of Health and Human Services
naeyaertl@michigan.gov
Office: (517)-335-0076
Cell: (517)-896-9721

Michigan Department of Health and Human Services
Program Policy Division PO Box 30809
Lansing MI 48909

September 26, 2024

<Provider Name>
<Provider Address 1>
<Provider Address 2>
<City> <State> zipcode5-zipcode4

Dear Provider:

RE: Direct Care Worker Wage Increase

This letter replaces Numbered Letter L 24-29, that was sent on May 9, 2024. Pursuant to Public Act 121 of 2024, the Michigan Department of Health and Human Services (MDHHS) will implement a wage increase for direct care workers, to be included on an ongoing basis. This applies to the MDHHS programs and service codes listed below:

Program Name	Services	Related HCPCS Codes
MI Choice Waiver	Community Living Supports, Respite, Adult Day Health, Residential Services	H2015, H2016, S5150, S5151, S5100, S5101, S5102, T2032, T2033
MI Health Link	Expanded Community Living Supports, Personal Care, Respite, Adult Day Program	H2015, S5150, T1019, S5100, S5101, S5102
Behavioral Health	Community Living Supports Overnight Health and Safety Supports Personal Care Prevocational Services Respite Skill Building ABA Adaptive Behavior Treatment ABA Group Adaptive Behavior Treatment ABA Exposure Adaptive Treatment Crisis Residential Services Residential Services -SUD Residential Services – Co-occurring SUD/MH Withdrawal Management – SUD Supported Employment	97153, 97154, 0373T, H2025, H0019, H0010, H0012, H0014, H0018, H2014, H2015, H2016, T2027, T1020, T2015, S5151, T1005, H2023, H0043, T2026

General Wage Increase Requirements

- The wage increase applies for services provided October 1, 2024, forward and is intended to cover an additional $0.20 per hour increase in direct care worker wages, along with an additional $0.04 per hour for agencies to cover their costs associated with implementing this increase.

- This amount supplements the $3.20 per hour increase (plus an additional $0.40 for agencies) previously appropriated for direct care worker wage increases, bringing the total to $3.40 per hour for direct care workers and an additional $0.44 per hour for agencies.

- **The wage increase cannot cover costs associated with minimum wage increases.**

- Consistent with L-22-10, the $2.35 per hour base wage increase should be paid in addition to the worker's regular wage but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on March 1, 2020. If the agency was not in business in March 2020, the direct care work must be paid at least minimum wage plus the $2.35 wage increase amount.

- Consistent with L-24-29, the FY24 additional $0.85 per hour should be a base wage increase paid in addition to the worker's regular wage but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on September 30, 2023.

- The FY25 additional $0.20 per hour should be a base wage increase paid in addition to a worker's regular wage but cannot be less than the wage being received by, or the starting wage offered to, a qualifying direct care worker on September 30, 2024.

- The entirety of the base wage increase, totaling $3.40 per hour, must be applied entirely to direct care worker wages. The $3.40 and $0.44 per hour amounts may be implemented by an equivalent as divided per billing unit.

    - Factoring in the prior year DCW wage increases, in addition to the FY25 increase, the payment would be $0.85 per 15-minute unit for the direct care worker, and $0.11 per 15-minute unit for the additional agency cost, totaling $0.96 per 15-minute unit attributed to the DCW wage increase and employer costs.

- Consistent with L-24-29, this wage increase, along with previously appropriated direct care wage increases (totaling $3.40 per hour), should also be applied to direct care worker's indirect/administrative time (necessary time for the worker to complete associated direct care paperwork) and overtime.

- Overtime compensation for non-exempt employees is eligible for reimbursement at a rate of $5.12 per hour for FY25.

- Agencies would receive an additional $0.64 per overtime hour to cover their additional costs associated with implementing this increase, making the total for overtime payments $5.76 per hour including the $5.12 per hour to the direct care worker and $0.64 per hour to the employer.

- When overtime is billed in 15-minute units, the DCW would receive an additional $1.28 per overtime 15-minute unit and the employer would receive and addition $0.16 per overtime 15-minute unit, for a total of $1.44 per 15- minute overtime unit.

Recordkeeping requirements

- Direct care worker agencies that are a network provider under a Medicaid managed care entity and/or their subcontractor must retain and be able to submit documentation upon request, either by the Department or their contracted managed care entities, that supports the distribution to direct care workers and that payments were made in accordance with the requirements in this letter.

- A direct care worker may choose to not receive the wage increase. This choice must be indicated in writing or electronically. This individual's employer must give back to the entity paying for services, as described in the table above, any funds allocated for this individual's wage increase.

Skilled Nursing Facilities (SNFs), Adult Foster Care (AFC) Homes and Homes for the Aged (HFAs)

SNFs, AFC homes and HFAs should follow guidance and reporting instructions currently provided on the MDHHS Coronavirus webpage at: Long Term Care COVID-19 Plan (michigan.gov) under the Staffing tab and the "Direct Care Worker Resources" heading.

If you have questions, you may call Provider Support at 1-800-979-4662 or e-mail them at providersupport@michigan.gov.

An electronic version of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Sincerely,

Meghan E. Groen, Director
Behavioral and Physical Health and Aging Services Administration

Michigan Department of Health and Human Services
Program Policy Division PO Box 30809
Lansing MI 48909

MDHHS
Michigan Department of Health & Human Services
GRETCHEN WHITMER, GOVERNOR | ELIZABETH HERTEL, DIRECTOR

October 1, 2024

<Provider Name>
<Provider Address 1>
<Provider Address 2>
<City> <State> zipcode5-zipcode4

Dear Provider:

The Michigan Department of Health and Human Services (MDHHS) is providing the following information related to Medicaid-funded specialty behavioral health services. Effective October 1, 2024, MDHHS will require Prepaid Inpatient Health Plans (PIHP), Community Mental Health Services Programs (CMHSP), and Certified Community Behavioral Health Clinics (CCBHC) to use the Michigan Child and Adolescent Needs and Strengths (MichiCANS) tool to support eligibility determinations for services, assist with initial determination of needs and strengths, and provide information for appropriate referrals for behavioral health services. MDHHS established specific requirements for the use of the MichiCANS in bulletin MMP 24-38. Please refer to MMP 24-38 for additional information. You can access the bulletin at www.michigan.gov/medicaidproviders >> Policy, Letters and Forms.

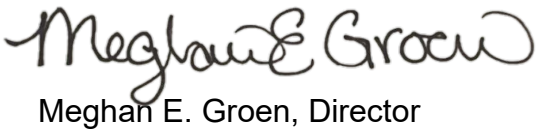
MDHHS also established contractual requirements for the PIHPs to specifically use the MichiCANS to support eligibility determinations for the Waiver for Children with Serious Emotional Disturbances (SEDW) and the 1915(i) SPA. At this time, CMS has not provided approval for the amendment to the 1915(i) SPA or provided approval for the renewal of the SEDW. For this reason, PIHPs should continue to use the Child and Adolescent Functional Assessment Scale (CAFAS) and Preschool and Early Childhood Functional Assessment Scale (PECFAS) to support eligibility determinations for the 1915(i) SPA and SEDW only, until MDHHS receives approval from CMS. PIHPs must enter CAFAS and PECFAS scores into the Waiver Support Application (WSA) for these programs as part of the enrollment process. The PIHPs must continue to fulfill all other contractual requirements.

In order to continue the temporary use of the CAFAS and PECFAS, MDHHS is entering into an agreement with Functional Assessment Systems (FAS) to allow for continued, but limited, electronic use of the CAFAS and PECFAS. Data will not be exported from the FAS system and the use of these tools will be used for the 1915(i) and SEDW eligibility determinations only, until the time that MDHHS receives approval from CMS.

MDHHS also amended the Bridges Eligibility Manual to require the use of the MichiCANS to support eligibility determinations for the SEDW. The new effective date for this change is contingent upon the approval of the renewal of the SEDW by CMS.

An electronic version of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Sincerely,



Meghan E. Groen, Director
Behavioral and Physical Health and Aging Services Administration

FELDESMAN

DRAFT MEMORANDUM
PRIVILEGED & CONFIDENTIAL

TO: Robert Sheehan, CEO
Community Mental Health Association of Michigan (CMHA)

FROM: Adam J. Falcone and Susannah Vance Gopalan

DATE: September 24, 2024

RE: Home and Community-Based Services Conflict-Free Access and Planning

---

You asked us to advise on the modified approaches put forward by the Michigan Department of Health and Human Services (MDHHS) in its communications with the federal Centers for Medicare & Medicaid Services (CMS) for meeting the conflict-free access and planning (CFA&P) rules in Medicaid home and community-based services (HCBS).

In brief, we believe that MDHHS has reformulated -- in an unreasonably (and unnecessarily) narrow way -- the exception to the CFA&P rules that describes the circumstances when it is acceptable for a single entity to furnish both individual HCBS services and person-centered care planning because only that entity is qualified and available to perform the person-centered care planning in the service area. MDHHS' new articulation of the exception overlooks the fact that Michigan law and policies have established community mental health services programs (CMHSPs) to function as hubs for both HCBS services and care planning within communities.

I. Federal Law Background

The CFA&P standards, which were added to the federal Medicaid regulations in 2014, were intended to ensure that conflicts of interest do not compromise the integrity of decisions concerning individuals' eligibility for HCBS, or decisions about the specific services to be included in an HCBS person-centered care plan. The rules provide that the same individuals/entities who furnish HCBS services may not also make HCBS service eligibility decisions or conduct HCBS person-centered care planning, as those activities might be affected by financial incentives.

The CFA&P provisions in the regulations, both for HCBS implemented under a waiver under Section 1915(c) of the Social Security Act ("1915(c) HCBS") and for HCBS under a Medicaid State plan, per Section 1915(i) of the Act ("State plan HCBS"), also provide for an exception to the CFA&P prohibition in situations where the only entities qualified and willing to conduct person-centered care planning

in a geographical area also provide HCBS.[1] Specifically, the HCBS regulations prohibit providers of HCBS from providing person-centered care planning

> unless the State demonstrates that the only willing and qualified agent to perform independent assessments and develop person-centered service plans in a geographic area also provides HCBS, and the State devises conflict of interest protections including separation of agent and provider functions within provider entities, which are described in the State plan for medical assistance and approved by the Secretary, and individuals are provided with a clear and accessible alternative dispute resolution process.[2]

II. Michigan's Current HCBS Policy Review

Even though Michigan's approved State plan (1915(i) HCBS) provisions includes measures addressing CFA&P, this year MDHHS has undertaken a review and comprehensive revision of its CFA&P guardrails for purposes of both 1915(c) HCBS and 1915(i) HCBS. The proposed policy revisions that MDHHS has discussed with CMS include both: (1) clarifying, in the context of various employment and contracting arrangements anchored within CMHSPs, when an HCBS provider is viewed as "the same" as the care planning provider for purposes of CFA&P, and (2) revising MDHHS' interpretation of the exception to the CFA&P rules.

The proposals submitted by MDHHS to CMS appear both to broaden the scope of the CFA&P prohibition, and simultaneously to limit the scope of the CFA&P exception. As to the CFA&P prohibition, current, federally-approved policy documents indicate that MDHHS (with CMS approval) identifies a conflict only when the same *individual* provides both HCBS and person-centered care planning.[3] Now it appears MDHHS intends to clarify that a conflict would exist if *different employees of the same CMHSP entity* performed HCBS service and care planning functions.[4]

As to the CFA&P exception, in a memorandum submitted to CMS, MDHHS stated that MDHHS is proposing to make the "only willing and qualified agent" exception available in situations where: (1) a provider is either located in a rural county or is a tribal provider, and (2) the provider is the only entity offering service planning in the county, and (3) the provider delivers HCBS services due

[1] 42 C.F.R. § 441.301(c)(1)(vi) (CFA&P standards in 1915(c) HCBS); 42 C.F.R. § 441.730(b)(5) (CFA&P standards in State plan HCBS).

[2] 42 C.F.R. § 441.730(b)(5) (State plan HCBS regulation); see also 42 C.F.R. § 441.730(c)(1)(vi) (1915(c) HCBS regulation, containing similarly worded exception).

[3] *See* MI State Plan Att. 3.1-i.2 (TN 19-0006), effective 10/1/2022, p.4 (stating that "These individuals responsible for the IPOS are not providers of any HCBS for that individual and are not the same people responsible for the independent HCBS needs assessment.").

[4] We refer here to a document entitled "Response to CMS re Advocacy Outreach 51424 Final," produced in a Freedom of Information Act (FOIA) disclosure made by MDHHS to CMHA.

to the lack of other service delivery providers in the county.[5] This departs from current MDHHS policy in the federally-approved State plan, which relies on a more functional analysis and on safeguards such as ensuring that recipients have the option to choose the individual who serves as their HCBS supports coordinator, and that beneficiaries have access to a fair hearing process if they feel they have not received support in exercising their right to free choice of providers.[6]

III. Analysis

Under the proposed policy changes, MDHHS is poised to expand the range of situations it would identify as a CFA&P conflict, and simultaneously to narrow the CFA&P exception to apply only to rural counties and tribal providers. In combination, these two policy changes are inconsistent with the structure of Michigan's community mental health system and could result in diminished access to critical HCBS services that Michigan has worked to cultivate under both the State plan and Section 1915(c) waivers.

Notably, MDHHS' proposed modifications to the CFA&P exception narrow the application of the exception in a manner that is not contemplated (or required) under federal regulations and could result in situations where, for practical purposes, an entity is unable to find a qualified provider of person-centered care planning for the individual, while at the same time, the exception would not be met to permit the same entity to provide both individual HCBS services and person-centered care planning.

Restricting the availability of the exception to rural counties and tribal providers is inconsistent with the federal rule, which focuses on functionally, *whether the HCBS CFA&P prohibition would limit individuals' access to HCBS and person-centered care planning*. CMS' statements in the preamble to its major rule on HCBS in 2014 demonstrate that CMS' approach on this issue is functional and situation-dependent. CMS stated that the exception exists "to address this potential problem of not having any entity available that is not a provider to perform these essential functions [of person-centered service planning] . . . Without this exception, states would be unable to make State plan HCBS available to participants in these areas."[7]

To view the limited number of qualified providers of HCBS person-centered care planning as merely an issue of rural shortages, or of a scarcity of tribal providers, as MDHHS is proposing to do through its policy revisions, disregards the fact that Michigan's community mental health system, by law, is built around the services and activities of CMHSPs *both as HCBS providers, and as hubs for person-centered care planning*. Under Chapter 7 of Michigan's Mental Health Code, CMHSPs, which are public entities (either official county agencies or regional mental health authorities) provide the

[5] We refer here to a memorandum titled "MI Only Willing and Qualified Provider HCBS Memo," dated April 8, 2024, and produced in a Freedom of Information Act (FOIA) disclosure made by MDHHS to CMHA.

[6] *See* MI State Plan Att. 3.1-i.2 (TN 19-0006), effective 10/1/2022, p.4.

[7] HHS, Final Rule, Medicaid Program; State Plan Home and Community-Based Services, 79 Fed. Reg. 2948, 2993 (Jan. 16, 2014).

direct HCBS services included in each beneficiary's person-centered service plan. CMHSPs are assigned the responsibility under State law of "ensur[ing] that a person-centered planning process is used to develop a written individual plan of services in partnership with the recipient."[8] State law and funding arrangements have thus created a system where CMHSPs are essential throughout the State of Michigan both as a source of HCBS person-centered care planning, and as service providers.

Consequently, CMHA is justified (on both a legal and policy basis) in objecting to MDHHS' plan to narrow the CFA&P exception to tribal entities or rural counties. MDHHS should instead allow, in each county, entities to seek an exception to the CFA&P prohibition by making a good-faith representation to MDHHS that that entity (as an HCBS services provider) is the only entity in the county qualified to provide the person-centered care planning function. Such an approach acknowledges that in some instances, it is the structure of the community mental health system itself, rather than specific shortages in rural or tribal areas, that results in a situation where an entity that is an HCBS provider is also the only qualified service planning entity in the area.

The federal State plan HCBS regulations emphasize that where the CFA&P exception is met, conflict of interest protections, "including separation of agent and provider functions within provider entities" and clear and accessible alternative dispute regulation processes, are essential.[9] In promulgating the regulations, CMS emphasized in its preamble the importance of those measures, noting, CMS "may require that states develop 'firewall' policies, for example, separating staff that perform assessments and develop person-centered services plans from those that provide any of the services in the plan; and meaningful and accessible procedures for individuals and representatives to appeal to the state."[10]

Michigan has instituted such protections in its approved 1915(i) State plan amendment. Given that the State law framework itself results in CMHSPs being the hub for both HCBS and person-centered planning in their regions, CMHA should advocate for a more balanced approach whereby MDHHS maintains its current approach to the CFA&P exception (which is compliant with the federal rules), and increases the rigor or formality of the required "firewalls" within provider organizations in situations where the CFA&P exception applies. Please see attached to this memorandum an Addendum listing some measures CMHA has suggested that MDHHS, with the support of the State's CMHSPs and PIHPs (and their network providers) could take to increase the formality and effectiveness of these firewalls.

---

[8] Mich. Mental Health Code § 330.1712. You explained that the role of the CMHSPs as "responsible agency" for person-centered care planning is reflected in Section 3.3.1 of the Grant Agreement between the State and the CMHSP.

[9] 42 C.F.R. § 441.730(b)(5).

[10] 79 Fed. Reg. at 2993.

Addendum
Suggested Additional MDHHS Measures To Strengthen Effectiveness of Beneficiary Safeguards in Situations When the Same Entity Providers Person-Centered Care Planning and HCBS Services

1. Accessible, frequently provided, and readily-available information to persons served regarding the rights and options available to persons served through the use of:

   A. A uniform set of hard-copy handouts and electronic messages;

   B. Notices on the websites of the state's CMHSPs, PIHPs, providers, and MDHHS;

   C. Social media posts

2. Continual education, training, supervision, and coaching of CMHSP, PIHP, and provider staff around these rights – efforts led by MDHHS, the state's major advocacy organizations, and CMHA.

3. The use of contractual powers, corrective action plans, and sanctions, when needed, to ensure that these rights are afforded persons served – via the MDHHS/PIHP contract, the MDHHS/CMHSP contract, and the PIHP/CMHSP contract.

4. Rigorous routine MDHHS audits of CMHSPs to monitor adherence to the firewalls under the CFA&P exception.

email correspondence

From:	Monique Francis
To:	Monique Francis
Cc:	Robert Sheehan; Alan Bolter
Subject:	Urging your media relations work around the need to close the system"s revenue gap; and press release template
Date:	Friday, October 11, 2024 2:48:39 PM
Attachments:	image001.png 2024 CMHAM Medicaid Redetermination Member Release_UPDATED_9.26-rev.docx

To: CEOs of CMHs, PIHPs, and Provider Alliance members
From: Robert Sheehan, CEO, CMH Association of Michigan
Re: Urging your media relations work around the need to close the system's revenue gap; and press release template

Recently, CMHA sent you the email, below, along with the attached press release template for your use in advocating around the need for MDHHS to increase Medicaid revenues to our system to close the yawning revenue gap experienced in our system.

REQUEST: If you have not done so already, we urge you to engage your media partners in underscoring the need for action, by MDHHS, to close the system's large funding gap. If helpful, feel free to use the press release template, attached, developed by CMHA and our public/media relations partner, Lambert.

Earlier email from Alan Bolter:

> In an effort to continue to ramp up our advocacy efforts around the current Medicaid shortfall, attached is a shell press release for you to send out to your local media outlets and to add in specific local information. The rational with having media releases coming from our membership versus CMHA (statewide approach) would be the goal of this getting picked up by multiple local media outlets which would draw the attention of your local lawmakers (especially those House members running for office this year).
>
> I believe it is critical to our success that legislators must put pressure on the department and the Governor to fully close this shortfall and the quickest way to get their attention would be through the media.
>
> On side note, earlier this week I had a conversation with the House Fiscal Agency, which they shared with me a document they recently put together showing the redetermination outcomes. In that document, DABs is the only sub-category that is below pre-PHE levels, so we're seeing similar trends to our numbers, which could help us convince legislators that our deficit numbers are legit.
>
> https://www.house.mi.gov/hfa/PDF/FiscalSnapshot/DHHS_Medicaid_Redeterminations_Sep2024.pdf
>
> Feel free to reach out to Bob and I with any questions. Please forward to us any media hits on this topic.

Robert Sheehan
Chief Executive Officer
Community Mental Health Association of Michigan
2nd Floor
507 South Grand Avenue
Lansing, MI 48933

517.374.6848 main
517.237.3142 direct
www.cmham.org

From: Alan Bolter <ABolter@cmham.org>
Sent: Friday, September 27, 2024 2:56 PM
To: Alan Bolter <ABolter@cmham.org>
Cc: Robert Sheehan <RSheehan@cmham.org>; Monique Francis <MFrancis@cmham.org>
Subject: Medicaid Shortfall - Press Release

All,

Alan Bolter
Associate Director
Community Mental Health Association of Michigan
507 S. Grand Ave, Lansing MI 48933
(517) 374-6848 Main
(616) 340-7711 Cell

[INSERT ORGANIZATION NAME] PRESS RELEASE TEMPLATE
FOR IMMEDIATE RELEASE
[Date]
CONTACT:
[Name]
[Title]
[Phone]
[Email]

[INSERT ORGANIZATION NAME] FACES CHALLENGES AS MEDICAID REDETERMINATION CUTS FUNDING, LEADS TO SERVICE REDUCTIONS

[City, State] – As Michigan undergoes Medicaid redetermination, mental health providers across the state, including [INSERT ORGANIZATION NAME], are facing significant financial shortfalls. The deficit, $52 million, facing Michigan's public mental health system was reduced from $93 million after the Michigan Department of Health and Human Services announced Tuesday that they would be sending out $41 million to the public mental health system.

However, the remaining funding gap will cause safety-net mental health organizations across the state to make difficult decisions in the weeks and months to come – budget balancing decisions that affect staff and those they serve.

"We are at a critical juncture where, without immediate Medicaid funding increases, fiscal stability of (INSERT ORGANIZATION NAME] will be significantly weakened. With dwindling fiscal reserves and insufficient relief in sight, the ability of [INSERT ORGANIZATION NAME] to ensure access to mental health care to over [INSERT NUMBER] members of our community and their families who rely upon us for their mental health care is seriously weakened.” said [INSERT SPOKESPERSON NAME], [INSERT TITLE] at [INSERT ORGANIZATION NAME]. "Without prompt action to adjust the Medicaid funding of the system to the level determined at the start of the fiscal year, by MDHHS, to be needed to adequately serve Michiganders, [INSERT ORGANIZATON NAME] will be forced to [INSERT ACTIONS HERE - FOR EXAMPLE: LAY OFF STAFF, REDUCE THE INTENSITY AND LENGTH OF CARE,...], said [INSERT SPOKESPERSON NAME]. “This is not just a financial crisis – it directly threatens the well-being of our most vulnerable community members."

The Medicaid Redetermination Impact
Michigan’s public mental health system is funded, not based on the number of persons served by this system but based on the number of Michiganders who are covered by Medicaid each month.

To ensure access to health care during the pandemic, Medicaid reenrollment requirements were put on hold, across the country, resulting in a temporary surge of Medicaid beneficiaries. With the end of the pandemic, the reinstatement of the redetermination process has now seen over 700,000 Michiganders lose Medicaid coverage. So while the basis for the financing of the public mental health system was dramatically reduced, and along with it the financing received by the system, the number of persons seeking mental health services from this system grew, as did the costs of providing that care. The greatest cost drivers have been increased demand for care and the increased costs of wages to attract and retain the thousands of dedicated staff who provide that care.

The mismatch of the funding reductions to the system, resulting from the dramatic reduction in the size of Michigan's Medicaid rolls and the increased costs associated with increased demand for services has left a sizeable gap in funding for the public mental health system.

Key Challenges:

- **Lower Enrollment, Lower Funding**: As Medicaid beneficiaries drop off, the public mental health system's funding is reduced, even though the demand for services grows.
- **Urgency of the Funding Gap:** The number of people losing Medicaid coverage, the basis for the formula used to fund the state's public mental health system, has far outpaced the Michigan Department of Health and Human Services (MDHHS) projections, creating an urgent need for revised Medicaid payment rates to offset the loss in funding. The fiscal year in which these financial losses are mounting, ends on September 30.
- **Local Impact:** [INSERT LOCAL IMPACT DETAILS – LAYOFFS, REDUCED SERVICES, OR OTHER RELEVANT CONSEQUENCES FOR THE COMMUNITY].

Call to Action

[INSERT ORGANIZATION NAME] applauds MDHHS for the steps taken to close part of the funding gap faced by Michigan's public mental health system. [INSERT ORGANIZATION NAME] is calling on Michigan legislators and Governor Whitmer to take swift action and urge MDHHS to complete this gap filling work and increase the rates paid to the public mental health system. Those steps are needed to close the remaining $52 million revenue gap. These adjustments must be made to reflect the reduction in revenues to the state's public mental health system – reductions that were far greater than expected with the volume of people losing Medicaid coverage and are critical to preventing further service disruptions, layoffs, and adverse impacts on our communities.

"We need these rate adjustments now, to close the funding gap that our organization and others across the state projected months ago," said [INSERT SPOKESPERSON NAME]. "Without it, the ability of our organization to continue to provide needed mental health services to the residents of [INSERT NAME OF COMMUNITY] will be seriously compromised."

email correspondence

From: Harrison, Julie (DHHS) harrisonj10@michigan.gov
Sent: Wednesday, September 25, 2024 3 :50PM

SENDING ON BEHALF OF MDHHS ACTUARIAL DIVISION

Good afternoon:

MDHHS is amending PIHP FY24 rates, effective October 1, 2023. On a composite basis, the October 2023 through September 2024 capitation rates from the September Amendment are approximately 1% greater than the corresponding rates in the April Amendment. This rate increase translates to an approximate $41.6 million increase to aggregate revenue over the twelve-month period.

September rates for the SED, SWP, and HSW programs were paid earlier this month at the non-September amended rates. Those payments will be recouped and repaid early in FY25, date TBD. BHMA-MHP will pay this week at the non-September amended rates. These payments will also be recouped and repaid in early FY25, date TBD. Revised September rates for the remaining rate categories will be reflected in capitated payments to PIHPs on 9/26/24.

Attached are SFY 2024 capitation rate amendment materials for the behavioral health program. The attached files include the following:

- *The SFY 2024 Behavioral Health Capitation Rate Certification – September Amendment*
  - Appendices 4 and 5 have been provided in the certification document as well as in an attached Excel file titled “SFY 2024 September Amended Certified Rates – Appendix 4 and 5.xlsx.”
- *The September 2024 Behavioral Health Capitation Rate Methodology* report and related appendices corresponding to the capitation rates reflected in the September 2024 Amendment CHAMPS templates.
  - Appendices 1a and 1b have been provided in the methodology document as well as in an attached Excel file.
  - Separately attached Excel Appendices 4 and 5 corresponding to the effective September rates and titled “September 2024 Effective Capitation Rates – Appendix 4 and 5.xlsx.”

Please send questions or other feedback to mchhs-msa-actuarial-division@michigan.gov.

Best,
MDHHS Actuarial

Actuarial Division
Bureau of Medicaid Policy, Operations & Actuarial Services
Behavioral and Physical Health and Aging Services Administration

FY2024 Q3 PIHP Final PI Numbers

CMHSP Medicaid Only & SUD All-Funding

04/01/2024 – 06/30/2024

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

NORTHERN MICHIGAN REGIONAL ENTITY

Table 1 – Access – Timeliness/Inpatient Screening

Population	Emergency Referral	# Less Than 3 Hrs.	% Less Than 3 Hrs.
Children	197	195	**98.98%**
Adults	695	691	**99.42%**
Total	**892**	**886**	**99.33%**

Table 2a – Access – Timeliness/First Request

Population	New Clients	In 14 Days	% In 14 Days
MIC	387	243	**62.79%**
MIA	631	380	**60.22%**
DDC	79	57	**72.15%**
DDA	31	21	**67.74%**
Total	**1,128**	**701**	**62.15%**

Table 2b – Access – Timeliness/First Request - Substance Use Disorder

Population	Admissions	Expired	In 14 Days	% In 14 Days
SA	Calculated	362	Calculated	Calculated **%**

Table 3 – Access – Timeliness/First Service

Population	New Clients Start Services	In 14 Days	% In 14 Days
MIC	254	179	**70.47%**
MIA	397	289	**72.80%**
DDC	76	55	**72.37%**
DDA	22	18	**81.82%**
Total	**749**	**541**	**72.23%**

Table 4a – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
Children	66	25	41	40	**97.56%**
Adults	247	104	143	134	**93.71%**
Total	**313**	**129**	**184**	**174**	**94.57%**

Table 4b – Access – Continuity of Care - Substance Use Disorder

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
SA	265	118	147	144	**97.96%**

Table 6 – Outcomes – Inpatient Recidivism

Population	# Discharges	Exceptions	Net Discharges	Readmit In 30 Days	% Readmit In 30 Days
Children	66	0	66	6	**9.09%**
Adults	248	4	244	28	**11.48%**
Total	**314**	**4**	**310**	**34**	**10.97%**

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

AVCMH - Medicaid Only

Table 1 – Access – Timeliness/Inpatient Screening

Population	Emergency Referral	# Less Than 3 Hrs.	% Less Than 3 Hrs.
Children	55	55	**100.00%**
Adults	139	139	**100.00%**
Total	**194**	**194**	**100.00%**

Table 2a – Access – Timeliness/First Request

Population	New Clients	In 14 Days	% In 14 Days
MIC	65	54	**83.08%**
MIA	137	118	**86.13%**
DDC	3	3	**100.00%**
DDA	2	2	**100.00%**
Total	**207**	**177**	**85.51%**

Table 3 – Access – Timeliness/First Service

Population	New Clients Start Services	In 14 Days	% In 14 Days
MIC	60	46	**76.67%**
MIA	129	109	**84.50%**
DDC	1	0	**0.00%**
DDA	2	2	**100.00%**
Total	**192**	**157**	**81.77%**

Table 4a – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
Children	8	1	7	7	**100.00%**
Adults	33	4	29	29	**100.00%**
Total	**41**	**5**	**36**	**36**	**100.00%**

Table 6 – Outcomes – Inpatient Recidivism

Population	# Discharges	Exceptions	Net Discharges	Readmit In 30 Days	% Readmit In 30 Days
Children	8	0	8	2	**25.00%**
Adults	33	0	33	5	**15.15%**
Total	**41**	**0**	**41**	**7**	**17.07%**

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

CWN - Medicaid Only

Table 1 – Access – Timeliness/Inpatient Screening

Population	Emergency Referral	# Less Than 3 Hrs.	% Less Than 3 Hrs.
Children	6	6	**100.00%**
Adults	7	7	**100.00%**
Total	**13**	**13**	**100.00%**

Table 2a – Access – Timeliness/First Request

Population	New Clients	In 14 Days	% In 14 Days
MIC	46	35	**76.09%**
MIA	65	40	**61.54%**
DDC	4	4	**100.00%**
DDA	0	0	**0.00%**
Total	**115**	**79**	**68.70%**

Table 3 – Access – Timeliness/First Service

Population	New Clients Start Services	In 14 Days	% In 14 Days
MIC	24	18	**75.00%**
MIA	38	23	**60.53%**
DDC	4	3	**75.00%**
DDA	0	0	**0.00%**
Total	**66**	**44**	**66.67%**

Table 4a – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
Children	2	1	1	1	**100.00%**
Adults	10	3	7	7	**100.00%**
Total	**12**	**4**	**8**	**8**	**100.00%**

Table 6 – Outcomes – Inpatient Recidivism

Population	# Discharges	Exceptions	Net Discharges	Readmit In 30 Days	% Readmit In 30 Days
Children	2	0	2	0	**0.00%**
Adults	12	0	12	0	**0.00%**
Total	**14**	**0**	**14**	**0**	**0.00%**

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

NCCMH - Medicaid Only

Table 1 – Access – Timeliness/Inpatient Screening

Population	Emergency Referral	# Less Than 3 Hrs.	% Less Than 3 Hrs.
Children	29	29	**100.00%**
Adults	127	125	**98.43%**
Total	**156**	**154**	**98.72%**

Table 2a – Access – Timeliness/First Request

Population	New Clients	In 14 Days	% In 14 Days
MIC	85	50	**58.82%**
MIA	126	81	**64.29%**
DDC	29	18	**62.07%**
DDA	9	8	**88.89%**
Total	**249**	**157**	**63.05%**

Table 3 – Access – Timeliness/First Service

Population	New Clients Start Services	In 14 Days	% In 14 Days
MIC	47	31	**65.96%**
MIA	77	57	**74.03%**
DDC	25	17	**68.00%**
DDA	7	5	**71.43%**
Total	**156**	**110**	**70.51%**

Table 4a – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
Children	15	6	9	9	**100.00%**
Adults	54	19	35	35	**100.00%**
Total	**69**	**25**	**44**	**44**	**100.00%**

Table 6 – Outcomes – Inpatient Recidivism

Population	# Discharges	Exceptions	Net Discharges	Readmit In 30 Days	% Readmit In 30 Days
Children	15	0	15	1	**6.67%**
Adults	53	0	53	7	**13.21%**
Total	**68**	**0**	**68**	**8**	**11.76%**

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

NEMCMH - Medicaid Only

Table 1 – Access – Timeliness/Inpatient Screening

Population	Emergency Referral	# Less Than 3 Hrs.	% Less Than 3 Hrs.
Children	38	37	**97.37%**
Adults	125	123	**98.40%**
Total	**163**	**160**	**98.16%**

Table 2a – Access – Timeliness/First Request

Population	New Clients	In 14 Days	% In 14 Days
MIC	62	30	**48.39%**
MIA	53	26	**49.06%**
DDC	4	1	**25.00%**
DDA	3	2	**66.67%**
Total	**122**	**59**	**48.36%**

Table 3 – Access – Timeliness/First Service

Population	New Clients Start Services	In 14 Days	% In 14 Days
MIC	46	31	**67.39%**
MIA	26	18	**69.23%**
DDC	1	1	**100.00%**
DDA	1	1	**100.00%**
Total	**74**	**51**	**68.92%**

Table 4a – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
Children	7	5	2	2	**100.00%**
Adults	20	9	11	11	**100.00%**
Total	**27**	**14**	**13**	**13**	**100.00%**

Table 6 – Outcomes – Inpatient Recidivism

Population	# Discharges	Exceptions	Net Discharges	Readmit In 30 Days	% Readmit In 30 Days
Children	7	0	7	0	**0.00%**
Adults	20	0	20	0	**0.00%**
Total	**27**	**0**	**27**	**0**	**0.00%**

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

NLCMH - Medicaid Only

Table 1 – Access – Timeliness/Inpatient Screening

Population	Emergency Referral	# Less Than 3 Hrs.	% Less Than 3 Hrs.
Children	69	68	**98.55%**
Adults	297	297	**100.00%**
Total	**366**	**365**	**99.73%**

Table 2a – Access – Timeliness/First Request

Population	New Clients	In 14 Days	% In 14 Days
MIC	129	74	**57.36%**
MIA	250	115	**46.00%**
DDC	39	31	**79.49%**
DDA	17	9	**52.94%**
Total	**435**	**229**	**52.64%**

Table 3 – Access – Timeliness/First Service

Population	New Clients Start Services	In 14 Days	% In 14 Days
MIC	77	53	**68.83%**
MIA	127	82	**64.57%**
DDC	45	34	**75.56%**
DDA	12	10	**83.33%**
Total	**261**	**179**	**68.58%**

Table 4a – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
Children	34	12	22	21	**95.45%**
Adults	130	69	61	52	**85.25%**
Total	**164**	**81**	**83**	**73**	**87.95%**

Table 6 – Outcomes – Inpatient Recidivism

Population	# Discharges	Exceptions	Net Discharges	Readmit In 30 Days	% Readmit In 30 Days
Children	34	0	34	3	**8.82%**
Adults	130	4	126	16	**12.70%**
Total	**164**	**4**	**160**	**19**	**11.88%**

FY2024 – Q3 PIHP Final PI Numbers - Medicaid Only

04/01/2024 – 06/30/2024

Substance Use Disorder

Table 2b – Access – Timeliness/First Request - Substance Use Disorder

Population	Expired
SA	362

Table 4b – Access – Continuity of Care

Population	# Discharges	Exceptions	Net Discharges	In 7 Days	% In 7 Days
SA	265	118	147	144	**97.96%**

Indicator 1a: Percentage of Children Receiving a Pre-Admission Screening for Psychiatric Inpatient Care for Whom the Disposition was Completed within Three Hours – 95% Standard

	Percentage	Number of Emergency Referrals for Children	Number Completed in Three Hours for Children
Detroit Wayne Mental Health Authority	95.01	761	723
Lakeshore Regional Entity	99.55	449	447
Macomb Co CMH Services	98.64	295	291
Mid-State Health Network	98.22	842	827
Northcare Network	100.00	75	75
Northern Michigan Regional Entity	98.98	197	195
Oakland Co CMH Authority	99.43	351	349
Region 10	98.97	292	289
CMH Partnership of Southeast MI	100.00	151	151
Southwest MI Behavioral Health	100.00	224	224
Statewide Total		**3,637**	**3,571**

Indicator 1b: Percentage of Adults Receiving a Pre-Admission Screening for Psychiatric Inpatient Care for Whom the Disposition was Completed within Three Hours – 95% Standard

	Percentage	Number of Emergency Referrals for Adults	Number Completed in Three Hours for Adults
Detroit Wayne Mental Health Authority	97.93	2,514	2,462
Lakeshore Regional Entity	99.36	1,571	1,561
Macomb Co CMH Services	97.50	999	974
Mid-State Health Network	99.67	2,419	2,411
Northcare Network	99.62	265	264
Northern Michigan Regional Entity	99.42	695	691
Oakland Co CMH Authority	97.48	1,308	1,275
Region 10	99.90	971	970
CMH Partnership of Southeast MI	99.85	682	681
Southwest MI Behavioral Health	99.79	961	959
Statewide Total		**12,385**	**12,248**

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

	Percentage	# of New Persons Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# of Persons Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	55.36	3,414	1,890
Lakeshore Regional Entity	54.11	1,218	659
Macomb Co CMH Services	57.14	1,162	664
Mid-State Health Network	66.21	4,093	2,710
Northcare Network	57.72	499	288
Northern Michigan Regional Entity	62.15	1,128	701
Oakland Co CMH Authority	55.59	1,198	666
Region 10	50.66	2,262	1,146
CMH Partnership of Southeast MI	48.45	1,127	546
Southwest MI Behavioral Health	75.31	2,118	1,595
Statewide Total		**18,219**	**10,865**

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

	Percentage	# MI Children Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# MI Children Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	59.06	806	476
Lakeshore Regional Entity	55.83	480	268
Macomb Co CMH Services	54.11	316	171
Mid-State Health Network	69.02	1,391	960
Northcare Network	58.14	172	100
Northern Michigan Regional Entity	62.79	387	243
Oakland Co CMH Authority	51.49	369	190
Region 10	48.60	681	331
CMH Partnership of Southeast MI	44.76	248	111
Southwest MI Behavioral Health	71.10	616	438
Statewide Total		**5,466**	**3,288**

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

	Percentage	# MI Adults Who Requested Mental Health or I/DD Services and are Referred for a Biopsychosocial Assessment	# MI Adults Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	59.46	1,983	1,179
Lakeshore Regional Entity	51.57	508	262
Macomb Co CMH Services	57.67	704	406
Mid-State Health Network	67.02	2,295	1,538
Northcare Network	56.88	269	153
Northern Michigan Regional Entity	60.22	631	380
Oakland Co CMH Authority	64.41	725	467
Region 10	51.30	1,265	649
CMH Partnership of Southeast MI	50.07	707	354
Southwest MI Behavioral Health	76.57	1,336	1,023
Statewide Total		**10,423**	**6,411**

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

	Percentage	# DD Children Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# DD Children Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	31.44	493	155
Lakeshore Regional Entity	46.56	131	61
Macomb Co CMH Services	68.52	108	74
Mid-State Health Network	47.51	301	143
Northcare Network	48.78	41	20
Northern Michigan Regional Entity	72.15	79	57
Oakland Co CMH Authority	2.94	34	1
Region 10	54.89	235	129
CMH Partnership of Southeast MI	46.83	126	59
Southwest MI Behavioral Health	81.90	116	95
Statewide Total		**1,664**	**794**

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

	Percentage	# DD Adults Who Requested Mental Health or I/DD Services and Supports and are Referred for a Biopsychosocial Assessment	# DD Adults Completing the Biopsychosocial Assessment within 14 Calendar Days of First Request for Service
Detroit Wayne Mental Health Authority	60.61	132	80
Lakeshore Regional Entity	68.69	99	68
Macomb Co CMH Services	38.24	34	13
Mid-State Health Network	65.09	106	69
Northcare Network	88.24	17	15
Northern Michigan Regional Entity	67.74	31	21
Oakland Co CMH Authority	11.43	70	8
Region 10	45.68	81	37
CMH Partnership of Southeast MI	47.83	46	22
Southwest MI Behavioral Health	78.00	50	39
Statewide Total		**666**	**372**

Indicator 2e: The Percentage of New Persons During the Quarter Receiving a Face-to-Face Service for Treatment or Supports Within 14 Calendar Days of a Non-Emergency Request for Service for Persons with Substance Use Disorders

		Admissions			
	Percentage	# of Non-Urgent Admissions to a Licensed SUD Treatment Facility as Reported in BH TEDS	# of Expired Requests Reported by the PIHP	Total	# of Persons Receiving a Service for Treatment or Supports within 14 Calendar Days of First Request
Detroit Wayne Mental Health Authority	45.55	2,967	2,644	5,611	2,612
Lakeshore Regional Entity	64.11	1,197	277	1,474	945
Macomb Co CMH Services	68.77	1,251	462	1,713	1,178
Mid-State Health Network	73.30	2,453	528	2,981	2,185
Northcare Network	64.84	521	99	620	402
Northern Michigan Regional Entity	62.29	1,062	362	1,424	887
Oakland Co CMH Authority	80.15	813	134	947	759
Region 10	77.74	1,637	299	1,936	1,505
CMH Partnership of Southeast MI	61.52	879	267	1,146	705
Southwest MI Behavioral Health	72.25	1,118	237	1,355	979
Statewide Total		**13,898**	**5,309**	**19,207**	**12,157**

Indicator 3: Percentage of New Persons During the Quarter Starting any Medically Necessary Ongoing Covered Service within 14 Calendar Days of Completing a Non-Emergent Biopsychosocial Assessment

	Percentage	# of New Persons Who Completed a Biopsychosocial Assessment within the Quarter and Are Determined Eligible for Ongoing Services	# of Persons Who Started a Face-to-Face Service within 14 Calendar Days of the Completion of the Biopsychosocial Assessment
Detroit Wayne Mental Health Authority	93.29	2,830	2,640
Lakeshore Regional Entity	54.58	1,156	631
Macomb Co CMH Services	77.00	987	760
Mid-State Health Network	67.52	3,199	2,160
Northcare Network	67.84	398	270
Northern Michigan Regional Entity	72.23	749	541
Oakland Co CMH Authority	98.88	981	970
Region 10	75.02	1,541	1,156
CMH Partnership of Southeast MI	69.06	795	549
Southwest MI Behavioral Health	58.67	1,805	1,059
Statewide Total		**14,441**	**10,736**

Table 3a: The Percentage of New Children with Emotional Disturbance During the Quarter Starting any Medically Necessary Ongoing Service within 14 Calendar Days of Completing a Non-Emergent Biopsychosocial Assessment

	Percentage	# MI Children Who Completed a Biopsychosocial Assessment within the Quarter and Are Determined Eligible for Ongoing Services	# MI Children Who Started a Face-to-Face Service within 14 Calendar Days of the Completion of the Biopsychosocial Assessment
Detroit Wayne Mental Health Authority	93.03	717	667
Lakeshore Regional Entity	53.29	471	251
Macomb Co CMH Services	63.64	297	189
Mid-State Health Network	62.21	1,085	675
Northcare Network	64.75	139	90
Northern Michigan Regional Entity	70.47	254	179
Oakland Co CMH Authority	96.81	313	303
Region 10	75.16	471	354
CMH Partnership of Southeast MI	71.96	189	136
Southwest MI Behavioral Health	62.90	504	317
Statewide Total		**4,440**	**3,161**

Indicator 3b: The Percentage of New Adults with Mental Illness During the Quarter Starting any Medically Necessary Ongoing Service within 14 Calendar Days of Completing a Non-Emergent Biopsychosocial Assessment

	Percentage	# MI Adults Who Completed a Biopsychosocial Assessment within the Quarter and Are Determined Eligible for Ongoing Services	# MI Adults Who Started a Face-to-Face Service within 14 Calendar Days of the Completion of the Biopsychosocial Assessment
Detroit Wayne Mental Health Authority	94.56	1,562	1,477
Lakeshore Regional Entity	53.59	487	261
Macomb Co CMH Services	80.93	540	437
Mid-State Health Network	68.21	1,798	1,165
Northcare Network	69.71	208	145
Northern Michigan Regional Entity	72.80	397	289
Oakland Co CMH Authority	99.82	544	543
Region 10	71.38	828	591
CMH Partnership of Southeast MI	65.77	447	294
Southwest MI Behavioral Health	57.59	1,139	656
Statewide Total		**7,860**	**5,858**

Indicator 3c: The Percentage of New Children with Developmental Disabilities During the Quarter Starting any Medically Necessary Ongoing Covered Service within 14 Calendar Days of Completing a Non-Emergent Biopsychosocial Assessment

	Percentage	# DD Children Who Completed a Biopsychosocial Assessment within the Quarter and Are Determined Eligible for Ongoing Services	# DD Children Who Started a Face-to-Face Service within 14 Calendar Days of the Completion of the Biopsychosocial Assessment
Detroit Wayne Mental Health Authority	88.99	427	380
Lakeshore Regional Entity	58.49	106	62
Macomb Co CMH Services	92.98	114	106
Mid-State Health Network	81.43	307	250
Northcare Network	56.25	32	18
Northern Michigan Regional Entity	72.37	76	55
Oakland Co CMH Authority	100.00	45	45
Region 10	90.34	176	159
CMH Partnership of Southeast MI	72.88	118	86
Southwest MI Behavioral Health	45.30	117	53
Statewide Total		**1,518**	**1,214**

Indicator 3d: The Percentage of New Adults with Developmental Disabilities During the Quarter Starting any Medically Necessary ongoing Service within 14 Calendar Days of Completing a Non-Emergent Biopsychosocial Assessment

	Percentage	# DD Adults Who Completed a Biopsychosocial Assessment within the Quarter and Are Determined Eligible for Ongoing Services	# DD Adults Who Started a Face-to-Face Service within 14 Calendar Days of the Completion of the Biopsychosocial Assessment
Detroit Wayne Mental Health Authority	93.55	124	116
Lakeshore Regional Entity	61.96	92	57
Macomb Co CMH Services	77.78	36	28
Mid-State Health Network	70.71	99	70
Northcare Network	89.47	19	17
Northern Michigan Regional Entity	81.82	22	18
Oakland Co CMH Authority	100.00	79	79
Region 10	78.79	66	52
CMH Partnership of Southeast MI	80.49	41	33
Southwest MI Behavioral Health	73.33	45	33
Statewide Total		**623**	**503**

Indicator 4a(1): The Percentage of Children Discharged from a Psychiatric Inpatient Unit Who are Seen for Follow-Up Care within 7 Days – 95% Standard

	Percentage	# Children Discharged from Psychiatric Inpatient Unit	# Children Seen for Follow-Up Care within 7 Days
Detroit Wayne Mental Health Authority	98.63	73	72
Lakeshore Regional Entity	97.70	87	85
Macomb Co CMH Services	91.30	69	63
Mid-State Health Network	100.00	130	130
Northcare Network	96.30	27	26
Northern Michigan Regional Entity	97.56	41	40
Oakland Co CMH Authority	97.44	39	38
Region 10	100.00	97	97
CMH Partnership of Southeast MI	97.37	38	37
Southwest MI Behavioral Health	98.57	70	69
Statewide Total		**671**	**657**

Indicator 4a(2): The Percentage of Adults Discharged from a Psychiatric Inpatient Unit Who are Seen for Follow-Up Care within 7 Days – 95% Standard

	Percentage	# Adults Discharged from Psychiatric Inpatient Unit	# Adults Seen for Follow-Up Care within 7 Days
Detroit Wayne Mental Health Authority	98.25	630	619
Lakeshore Regional Entity	96.60	265	256
Macomb Co CMH Services	87.55	241	211
Mid-State Health Network	97.16	634	616
Northcare Network	97.62	84	82
Northern Michigan Regional Entity	93.71	143	134
Oakland Co CMH Authority	94.81	231	219
Region 10	97.90	286	280
CMH Partnership of Southeast MI	93.07	202	188
Southwest MI Behavioral Health	98.89	361	357
Statewide Total		**3,077**	**2,962**

Indicator 4b: The Percent of Discharges from a Substance Abuse Detox Unit Who are Seen for Follow-Up Care within 7 Days – 95% Standard

	Percentage	# SA Discharged from Substance Abuse Detox Unit	# SA Seen for Follow-Up Care within 7 Days
Detroit Wayne Mental Health Authority	95.38	476	454
Lakeshore Regional Entity	97.87	94	92
Macomb Co CMH Services	100.00	231	231
Mid-State Health Network	91.91	173	159
Northcare Network	95.45	44	42
Northern Michigan Regional Entity	97.96	147	144
Oakland Co CMH Authority	99.32	148	147
Region 10	93.90	82	77
CMH Partnership of Southeast MI	99.19	124	123
Southwest MI Behavioral Health	95.00	80	76
Statewide Total		**1,599**	**1,545**

Indicator 5: Percentage of Area Medicaid Recipients Having Received PIHP Managed Services

	Percentage	Total Medicaid Beneficiaries Served	# of Area Medicaid Recipients
Detroit Wayne Mental Health Authority	6.45	47,004	728,621
Lakeshore Regional Entity	6.14	18,352	298,671
Macomb Co CMH Services	5.30	12,470	235,436
Mid-State Health Network	8.12	34,972	430,728
Northcare Network	8.05	5,664	70,401
Northern Michigan Regional Entity	8.56	11,120	129,955
Oakland Co CMH Authority	8.41	17,663	208,918
Region 10	8.18	17,787	217,458
CMH Partnership of Southeast MI	7.14	9,814	137,375
Southwest MI Behavioral Health	8.26	18,998	230,002
Statewide Total		**193,744**	**2,687,565**

Indicator 6 (old #8): The Percent of Habilitation Supports Waiver (HSW) Enrollees in the Quarter Who Received at Least One HSW Service Each Month Other Than Supports Coordination

	Percentage	# of HSW Enrollees Receiving at Least One HSW Service Other Than Supports Coordination	Total Number of HSW Enrollees
Detroit Wayne Mental Health Authority	94.51	930	984
Lakeshore Regional Entity	95.13	586	616
Macomb Co CMH Services	95.50	382	400
Mid-State Health Network	95.20	1,408	1,479
Northcare Network	98.62	357	362
Northern Michigan Regional Entity	96.39	614	637
Oakland Co CMH Authority	87.29	666	763
Region 10	98.40	493	501
CMH Partnership of Southeast MI	92.98	609	655
Southwest MI Behavioral Health	96.60	653	676
Statewide Total		**6,698**	**7,073**

Indicator 10a (old #12a): The Percentage of Children Readmitted to Inpatient Psychiatric Units within 30 Calendar Days of Discharge from a Psychiatric Inpatient Unit – 15% or Less Standard

	Percentage	# of Children Discharged from Inpatient Care	# Children Discharged that were Readmitted within 30 Calendar Days
Detroit Wayne Mental Health Authority	15.69	255	40
Lakeshore Regional Entity	10.62	113	12
Macomb Co CMH Services	11.34	97	11
Mid-State Health Network	6.38	188	12
Northcare Network	5.56	36	2
Northern Michigan Regional Entity	9.09	66	6
Oakland Co CMH Authority	14.29	49	7
Region 10	12.08	149	18
CMH Partnership of Southeast MI	14.29	49	7
Southwest MI Behavioral Health	11.21	107	12
Statewide Total		**1,109**	**127**

Indicator 10b (old #12b): The Percentage of Adults Readmitted to Inpatient Psychiatric Units within 30 Calendar Days of Discharge from a Psychiatric Inpatient Unit – 15% of Less Standard

	Percentage	# of Adults Discharged from Inpatient Care	# Adults Discharged that were Readmitted within 30 Calendar Days
Detroit Wayne Mental Health Authority	17.62	1,652	291
Lakeshore Regional Entity	13.82	398	55
Macomb Co CMH Services	15.95	514	82
Mid-State Health Network	12.79	1,063	136
Northcare Network	9.57	94	9
Northern Michigan Regional Entity	11,48	244	28
Oakland Co CMH Authority	13.17	357	47
Region 10	13.89	619	86
CMH Partnership of Southeast MI	8.88	304	27
Southwest MI Behavioral Health	16.32	625	102
Statewide Total		**5,870**	**863**

NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – OCTOBER 9, 2024
VIA TEAMS

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

REVIEW AGENDA & ADDITIONS
Brandon asked that an update on New Horizons Trainings be added to the meeting agenda. Ann requested that Behavioral Health Home closeout and Medicaid Eligibles in Other Counties be added to the meeting agenda.

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

MOTION BY CONNIE CADARETTE TO APPROVE THE MINUTES OF THE SEPTEMBER 11, 2024 NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY KEVIN HARTLEY. MOTION APPROVED.

MONTHLY FINANCIALS
August 2024

- Net Position showed net deficit Medicaid and HMP of $7,758,515. Carry forward was reported as $11,624,171. The total Medicaid and HMP Current Year Surplus was reported as $3,865,656. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $24,441,812.
- Traditional Medicaid showed $190,483,155 in revenue, and $191,801,830 in expenses, resulting in a net deficit of $1,318,675. Medicaid ISF was reported as $13,510,136 based on the current FSR. Medicaid Savings was reported as $845,073.
- Healthy Michigan Plan showed $26,235,057 in revenue, and $32,674,897 in expenses, resulting in a net deficit of $6,439,840. HMP ISF was reported as $7,066,020 based on the current FSR. HMP savings was reported as $10,779,098.
- Health Home showed $2,846,438 in revenue, and $2,487,581 in expenses, resulting in a net surplus of $358,857.
- SUD showed all funding source revenue of $26,709,246 and $24,603,696 in expenses, resulting in a net surplus of $2,105,550. Total PA2 funds were reported as $4,648,663.

PA2/Liquor Tax was summarized as follows:

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

Actual FY24 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
$5,220,509	$1,218,276	$1,790,122	$4,648,663

It was noted that four of the five member CMHSPs are overspent on Medicaid and all five member CMHSPs are overspent on Healthy Michigan; Medicaid and HMP savings will be used to offset the deficit.

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	($70,483)	($1,912,476)	($366,839)	($3,817,053)	$2,137,544
HMP	($581,876)	($1,416,598)	($202,238)	($3,169,635)	($808,157)
Total	($652,359)	($3,329,074)	($569,077)	($6,986,688)	$1,329,387

The NMRE's FY24 block grant allocation was fully expended at the end of June. Treatment services for individuals who qualified for block grant funding will need to be billed to liquor tax funds for Quarter 4. A total of $300K – $500K of liquor tax funds may be needed to supplement block grant funding. The NMRE is working on methods to bill as much as possible to Medicaid and Healthy Michigan.

MOTION BY KEVIN HARTLEY TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2024; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

FY24 Interim FSR

The FY24 Interim Financial Status Report is due to MDHHS November 1st. The NMRE requested reports from the CMHSPs by October 28th.

Donna asked whether any information was available regarding the additional FY24 adjustment announced on September 25th, totaling $41.6M statewide. Deanna responded that she will back out the September payments in full (including HSW) and repost with the new rate to disperse the additional $41.6M. The NMRE Finance Department anticipates that the region's share of the $41.6M will be approximately $2M. The September rate adjustment and October payment are both expected on October 31st (likely not broken out). Donna suggested that the NMRE keep the funds at the PIHP and use them for cost settling. The October payment will be separate for FY25. PIHPs are required to bring the extra FY24 payment into FY24. CMHSPs can book them as receivables from the NMRE.

<u>EDIT UPDATE</u>

The next EDIT meeting is scheduled for October 17th at 10:00AM. Donna reported that individuals with the Crisis Professional credential can bill H2011 but not T1023 per the Mental Health Code. The SED wraparound H2022 per diem code was intended to go away on October 1st, however, that didn't happen. It remains on the code chart with no modifier(s) attached.

Donna noted that Kasi Hunziger will no longer be running EDIT; Vincenza Randazzo will be taking over as Chair.

<u>EQI UPDATE</u>

The Period 2 (October 1, 2023 through May 31, 2024) EQI report was submitted September 30th. The full FY24 report is due to MDHHS on February 28, 2025.

ELECTRONIC VISIT VERIFICATION (EVV)

The Regional EVV workgroup is group taking the lead on implementation. Weekly meetings are occurring to track progress. Concerns were raised about HHAX's adaptation to Michigan's behavioral health system and the need for better training support across CMHs. The group is working through issues. Support from HHAX is not meeting the region's needs. MDHHS is aware and has expressed some frustrations with the process. HHAX is unable to properly process internal modifiers for Respite and CLS. HHAX is working with PCE to fix the situation. Phase 3 training is taking place on October 15th. Despite the difficulties, no official extension to the October 7th launch has been given.

HSW UPDATE

The region is working to fill the eight additional slots allocated for FY25. Currently, there are 13 open slots with 11 packets in the queue. MDHHS has indicated that it is "overwhelmed" with packets and has limited the number that can be submitted at one time to five.

Missing spenddown payments/CHAMPS Issue

The NMRE's payment received on this date showed funding for 637 of the region's 689 filled slots, leaving 52 slots unpaid. The NMRE will continue to submit reports of unpaid slots to MDHHS until the end of December; a fix is expected in January 2025. The issue was first spotted in July 2023, however, MHHS only committed retroactive payments back to October 1, 2023. The NMRE finance department added $1,700,000 in anticipated revenue to FY24 year-end accruals. Clarification was made that these funds were not reflected in the current (August) financial report.

DCW INCREASE

Michigan Medicaid Provider L Letter 24-59 regarding the FY25 Direct Care Worker Wage $0.20 Increase was released on September 26th. On October 3rd, Deanna distributed a memorandum from Richard Carpenter to Region 10's CMHSPs, CMHSPs' subcontractors, and SUD providers. In the memo, Richard broke down the DCW increase as follows:

Wage Component		**Rate**	
	Michigan Minimum Wage (January 1, 2024)	$	10.33
	DCW Adjustment – 2018	$	0.50
	DCW Adjustment – 2019	$	0.25
	DCW Adjustment – 2023	$	2.35
	DCW Adjustment – 2024	$	0.85
	DCW Adjustment – 2025	$	0.20
DCW Required Wage		**$**	**14.48**

Deanna clarified that the NMRE does not embed the DCW in rates.

Connie asked the CMHSPs whether they are continuing to collect DCW attestations. Erinn responded that Wellvance collects one-time attestation to confirm that the providers complied with the increase; the increase is then rolled into rates. Ann responded that North Country receives some attestations monthly, and some quarterly. The new $0.20 will have to be paid separately then rolled into FY25 rates. Donna responded that she included the $0.20 increase in rates and contract language; the signed contract then serves as the attestation.

OTHER

New Horizons Training Credits

Brandon reported that the NMRE Board approved the purchase of $50K in New Horizons training credits in February 2024. The training credits were matched by the vendor for a total of $100K in training credits. The region currently has a $57K balance. A minimum purchase of $20K is required by February 2025 to get the match and extend the expiration balance.

A regional Teams group called "New Horizons Trainings" has been added to help with information dissemination and registration processes.

Behavioral Health Home Closeout

Ann asked whether the NMRE make the CMHSPs whole on BHH funds if they are currently in a deficit. Deanna responded, yes, assuming funds are available.

Medicaid Eligibles in Other Counties

Ann asked whether the CMHSPs are moving eligibles who are housed out of region and switched Medicaid to their county of residence back in region. Eric noted that the Medicaid county is often moved to enable individuals to access healthcare. Chip added that Medicaid should be changed to the local county especially if DAB. It was noted that an individual's DHS office can differ from their county of residence. Brandon clarified that the PMPM payment is made to the PIHP listed in 270/271 file. Brandon forwarded an email from Jackie Sproat dated March 17, 2017 which states that "generally payments are made based on county of residence… services should be provided based on a 'where found' model, or where the person lives."

FY25 PIHP Contract

Eric shared information related to the status of the FY25 PIHP Contract. The NMRE struck language in FY25 related to the Waskul Settlement and Internal Service Fund (as did several other PIHPs). The changes were not accepted by the Department. In an email from Kristen Jordan on October 8th, Eric was informed that payments will continue as scheduled. Deanna confirmed that the October payment was received earlier on this date.

General Funds Request

Connie noted that Northeast Michigan requested additional general funds from the state; she asked if any of the other CMHSPs have made a similar request in the past and if/when the funds generally arrive. Donna responded that notification should be sent by the end of the year so the funds can be booked as an accrual.

Brian shared that in FY23, North Country had surplus general funds that no one in the region needed. MDHHS requested that they be sent to Detroit Wayne Integrated Health Network. For FY24, North Country's excess general funds were split $75K each to Northeast Michigan, Northern Lakes, and Wellvance.

If Northeast Michigan has not heard of a transfer coming from another CMHSP, it is likely that no additional general funds will be forthcoming.

NEXT MEETING

The next meeting was scheduled for November 13th at 10:00AM.

Chief Executive Officer Report

October 2024

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

Sept 27: Attended and participated in PIHP Contract Negotiations meeting.

Sept 27: Attended and participated in Rural Frontier Caucus meeting.

Sept 30: Attended and participated in Alpine CRU viability meeting.

Oct 1: Attended and participated in PIHP CEO meeting.

Oct 2: Attended and participated in Internal Operations Committee meeting.

Oct 3: Attended and participated in regional BIT Committee meeting.

Oct 4: Attended and participated in MDHHS discussion about SUD county residency.

Oct 7: Met with regional supported employment providers.

Oct 9: Attended and participated in NMRE regional Finance Committee meeting.

Oct 11: Attended and participated in in Crawford County Opioid Advisory Committee meeting.

Oct 15: Chaired NMRE Operations Committee meeting.

Oct 16: Attended and participated in Internal Operations Committee meeting.

Oct 18: Plan to attend PIHP contract meeting with MDHHS.

Northern Michigan Regional Entity

August 2024 Finance Report

August 2024 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	(1,318,675)	845,073	13,510,136
Healthy Michigan	(6,439,840)	10,779,098	7,066,020
	$ (7,758,515)	$ 11,624,171	$ 20,576,156

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	603,407	1,845,891	(6,986,689)	(3,329,075)	(569,077)	1,329,387	(652,359)	$ (7,758,515)
Carry Forward		-	-	-	-	-	-	11,624,171
Total Med/HMP Current Year Surplus	603,407	1,845,891	(6,986,689)	(3,329,075)	(569,077)	1,329,387	(652,359)	$ 3,865,656
Medicaid & HMP Internal Service Fund								20,576,156
Total Medicaid & HMP Net Surplus								$ 24,441,812

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2023 through August 31, 2024

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	$ 184,245,630	$ 6,237,525						$ 190,483,155
CMHSP Distributions	(176,175,293)		58,249,223	47,125,200	29,363,081	25,479,054	15,958,736	-
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	8,070,337	6,237,525	58,249,223	47,125,200	29,363,081	25,479,054	15,958,736	190,483,155
Expense								
PIHP Admin	2,508,388	54,906						2,563,293
PIHP SUD Admin		59,467						59,467
SUD Access Center		37,376						37,376
Insurance Provider Assessment	1,644,286	37,437						1,681,723
Hospital Rate Adjuster	3,310,906							3,310,906
Services		3,944,463	62,066,276	49,037,676	29,729,920	23,341,510	16,029,219	184,149,064
Total expense	7,463,580	4,133,649	62,066,276	49,037,676	29,729,920	23,341,510	16,029,219	191,801,830
Net Actual Surplus (Deficit)	$ 606,757	$ 2,103,876	$ (3,817,053)	$ (1,912,476)	$ (366,839)	$ 2,137,544	$ (70,483)	$ (1,318,675)

Notes

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

Medicaid Savings - $845,073

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2023 through August 31, 2024

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	$ 16,241,434	$ 9,993,623						$ 26,235,057
CMHSP Distributions	(12,376,613)		4,503,119	3,655,338	1,565,252	1,627,785	1,025,120	-
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	3,864,821	9,993,623	4,503,119	3,655,338	1,565,252	1,627,785	1,025,120	26,235,057
Expense								
PIHP Admin	258,281	136,195						394,476
PIHP SUD Admin		147,511						147,511
SUD Access Center		92,713						92,713
Insurance Provider Assessment	168,364	90,803						259,167
Hospital Rate Adjuster	3,441,526							3,441,526
Services		9,784,386	7,672,754	5,071,936	1,767,490	2,435,942	1,606,996	28,339,504
Total expense	3,868,171	10,251,608	7,672,754	5,071,936	1,767,490	2,435,942	1,606,996	32,674,897
Net Surplus (Deficit)	$ (3,350)	$ (257,985)	$ (3,169,635)	$ (1,416,598)	$ (202,238)	$ (808,157)	$ (581,876)	$ (6,439,840)

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

Net Surplus (Deficit) MA/HMP	**$ 603,407**	**$ 1,845,891**	**$ (6,986,689)**	**$ (3,329,075)**	**$ (569,077)**	**$ 1,329,387**	**$ (652,359)**	**$ (7,758,515)**
Medicaid/HMP Carry Forward								**11,624,171**
Total Med/HMP Current Year Surplus								$ 3,865,656
Medicaid & HMP ISF - based on current FSR								**20,576,156**
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								**$ 24,441,812**

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2023 through August 31, 2024

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	$ 756,305		622,099	366,282	293,712	232,808	575,232	$ 2,846,438
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	756,305	-	622,099	366,282	293,712	232,808	575,232	2,846,438
Expense								
PIHP Admin	33,703							33,703
BHH Admin	32,607							32,607
Insurance Provider Assessment	-							-
Hospital Rate Adjuster								
Services	331,138		622,099	366,282	293,712	232,808	575,232	2,421,271
Total expense	397,448	-	622,099	366,282	293,712	232,808	575,232	2,487,581
Net Surplus (Deficit)	$ 358,857	$ -	$ -	$ -	$ -	$ -	$ -	$ 358,857

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health

October 1, 2023 through August 31, 2024

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	$ 6,237,525	$ 9,993,623	$ 3,482,470	$ 5,205,510	$ 1,790,118	$ 26,709,246
Expense						
Administration	114,373	283,706	88,688	244,733		731,500
OHH Admin			75,471	-		75,471
Access Center	37,376	92,713	-	30,866		160,956
Insurance Provider Assessment	37,437	90,803	-			128,240
Services:						
Treatment	3,944,463	9,784,386	3,058,650	3,257,430	1,790,119	21,835,048
Prevention	-	-	-	1,038,017	-	1,038,017
ARPA Grant	-	-	-	634,464	-	634,464
Total expense	4,133,649	10,251,608	3,222,809	5,205,510	1,790,119	24,603,696
PA2 Redirect			-	-		-
Net Surplus (Deficit)	$ 2,103,876	$ (257,985)	$ 259,661	$ 0	$ -	$ 2,105,550

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

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

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	$ 184,245,630	$ 6,237,525	$ -	$ 190,483,155
Medicaid Savings	845,073	-	-	845,073
Healthy Michigan	16,241,434	9,993,623	-	26,235,057
Healthy Michigan Savings	10,779,098	-	-	10,779,098
Health Home	2,846,438	-	-	2,846,438
Opioid Health Home	-	3,482,470	-	3,482,470
Substance Use Disorder Block Grant	-	5,205,510	-	5,205,510
Public Act 2 (Liquor tax)	-	1,790,117	-	1,790,117
Affiliate local drawdown	594,816	-	-	594,816
Performance Incentive Bonus	478,660	-	-	478,660
Miscellanous Grant Revenue	-	4,000	-	4,000
Veteran Navigator Grant	62,425	-	-	62,425
SOR Grant Revenue	-	1,842,786	-	1,842,786
Gambling Grant Revenue	-	170,941	-	170,941
Other Revenue	47	-	6,639	6,686
Total operating revenue	216,093,621	28,726,972	6,639	244,827,232
Operating expenses				
General Administration	3,119,187	573,641	-	3,692,828
Prevention Administration	-	107,676	-	107,676
OHH Administration	-	75,471	-	75,471
BHH Administration	32,607	-	-	32,607
Insurance Provider Assessment	1,812,650	128,240	-	1,940,890
Hospital Rate Adjuster	6,752,432	-	-	6,752,432
Payments to Affiliates:				
Medicaid Services	181,090,722	3,944,463	-	185,035,185
Healthy Michigan Services	18,555,118	9,784,386	-	28,339,504
Health Home Services	2,421,271	-	-	2,421,271
Opioid Health Home Services	-	3,058,650	-	3,058,650
Community Grant	-	3,257,430	-	3,257,430
Prevention	-	930,341	-	930,341
State Disability Assistance	-	-	-	-
ARPA Grant	-	634,464	-	634,464
Public Act 2 (Liquor tax)	-	1,790,119	-	1,790,119
Local PBIP	2,011,358	-	-	2,011,358
Local Match Drawdown	594,816	-	-	594,816
Miscellanous Grant	-	4,000	-	4,000
Veteran Navigator Grant	62,425	-	-	62,425
SOR Grant Expenses	-	1,842,786	-	1,842,786
Gambling Grant Expenses	-	170,941	-	170,941
Total operating expenses	216,452,586	26,302,608	-	242,755,194
CY Unspent funds	(358,965)	2,424,364	6,639	2,072,038
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	3,058,105	5,220,509	20,576,156	28,854,770
Unspent funds - ending	$ 2,699,140	$ 7,644,873	$ 20,582,795	$ 30,926,808

Northern Michigan Regional Entity

Statement of Net Position

August 31, 2024

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	$ 44,251,503	$ 7,351,412	$ 20,582,795	$ 72,185,710
Accounts Receivable	2,455,665	2,112,067	-	4,567,732
Prepaids	105,159	-	-	105,159
Total current assets	46,812,327	9,463,479	20,582,795	76,858,601
Noncurrent Assets				
Capital assets	9,615	-	-	9,615
Total Assets	46,821,942	9,463,479	20,582,795	76,868,216
Liabilities				
Current liabilities				
Accounts payable	43,912,350	1,818,606	-	45,730,956
Accrued liabilities	210,452	-	-	210,452
Unearned revenue	-	-	-	-
Total current liabilities	44,122,802	1,818,606	-	45,941,408
Unspent funds	$ 2,699,140	$ 7,644,873	$ 20,582,795	$ 30,926,808

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

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

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	$ 187,752,708	$ 172,106,649	$ 184,245,630	$ 12,138,981	7.05%
Carryover	11,400,000	-	845,073	845,073	-
Healthy Michigan					
Capitation	19,683,372	18,043,091	16,241,434	(1,801,657)	(9.99%)
Carryover	5,100,000	-	10,779,098	10,779,098	0.00%
Health Home	1,451,268	1,330,329	2,846,438	1,516,109	113.96%
Affiliate local drawdown	594,816	594,816	594,816	-	0.00%
Performance Bonus Incentive	1,334,531	1,334,531	478,660	(855,871)	(64.13%)
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	100,837	62,425	(38,412)	(38.09%)
Other Revenue	-	-	47	47	0.00%
Total operating revenue	227,426,695	193,510,253	216,093,621	22,583,368	11.67%
Operating expenses					
General Administration	3,591,836	3,263,818	3,119,187	144,631	4.43%
BHH Administration	-	-	32,607	(32,607)	0.00%
Insurance Provider Assessment	1,897,524	1,739,397	1,812,650	(73,253)	(4.21%)
Hospital Rate Adjuster	4,571,328	4,190,384	6,752,432	(2,562,048)	(61.14%)
Local PBIP	1,737,753	-	2,011,358	(2,011,358)	0.00%
Local Match Drawdown	594,816	594,816	594,816	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	84,073	62,425	21,648	25.75%
Payments to Affiliates:					
Medicaid Services	176,618,616	161,900,398	181,090,722	(19,190,324)	(11.85%)
Healthy Michigan Services	17,639,940	16,169,945	18,555,118	(2,385,173)	(14.75%)
Health Home Services	1,415,196	1,297,263	2,421,271	(1,124,008)	(86.64%)
Total operating expenses	208,177,013	189,240,094	216,452,586	(27,212,492)	(14.38%)
CY Unspent funds	$ 19,249,682	$ 4,270,159	(358,965)	$ (4,629,124)	
Transfers in			-		
Transfers out			-	216,452,586	
Unspent funds - beginning			3,058,105		
Unspent funds - ending			$ 2,699,140	(358,965)	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

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

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	$ 4,678,632	$ 4,288,746	$ 6,237,525	$ 1,948,779	45.44%
Healthy Michigan	11,196,408	10,263,374	9,993,623	(269,751)	(2.63%)
Substance Use Disorder Block Grant	6,467,905	5,928,913	5,205,510	(723,402)	(12.20%)
Opioid Health Home	3,419,928	3,134,934	3,482,470	347,536	11.09%
Public Act 2 (Liquor tax)	1,533,979	1,022,653	1,790,117	767,464	75.05%
Miscellanous Grants	4,000	3,667	4,000	333	9.09%
SOR Grant	2,043,984	1,873,652	1,842,786	(30,866)	(1.65%)
Gambling Prevention Grant	200,000	183,333	170,941	(12,392)	(6.76%)
Other Revenue	-	-	-	-	0.00%
Total operating revenue	29,544,836	26,699,271	28,726,972	2,027,701	7.59%
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,082,576	937,365	573,641	363,724	38.80%
Prevention Administration	118,428	108,559	107,676	883	0.81%
Insurance Provider Assessment	113,604	104,137	128,240	(24,103)	(23.15%)
Medicaid Services	3,931,560	3,603,930	3,944,463	(340,533)	(9.45%)
Healthy Michigan Services	10,226,004	9,373,837	9,784,386	(410,549)	(4.38%)
Community Grant	2,074,248	1,901,394	3,257,430	(1,356,036)	(71.32%)
Prevention	634,056	581,218	930,341	(349,123)	(60.07%)
State Disability Assistance	95,215	87,281	-	87,281	100.00%
ARPA Grant	-	-	634,464	(634,464)	0.00%
Opioid Health Home Admin	-	-	75,471	(75,471)	0.00%
Opioid Health Home Services	3,165,000	2,901,250	3,058,650	(157,400)	(5.43%)
Miscellanous Grants	4,000	3,667	4,000	(333)	(9.09%)
SOR Grant	2,043,984	1,873,652	1,842,786	30,866	1.65%
Gambling Prevention	200,000	183,333	170,941	12,392	6.76%
PA2	1,533,978	1,022,652	1,790,119	(767,467)	(75.05%)
Total operating expenses	25,222,653	22,682,275	26,302,608	(3,620,333)	(15.96%)
CY Unspent funds	$ 4,322,183	$ 4,016,996	2,424,364	$ (1,592,632)	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			5,220,509		
Unspent funds - ending			$ 7,644,873		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration

October 1, 2023 through August 31, 2024

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	$ 1,921,812	$ 1,761,661	$ 1,740,070	$ 21,591	1.23%
Fringes	666,212	580,822	553,894	26,928	4.64%
Contractual	683,308	626,373	510,995	115,378	18.42%
Board expenses	18,000	16,500	18,981	(2,481)	(15.04%)
Day of recovery	14,000	14,000	13,205	795	5.68%
Facilities	152,700	139,975	131,873	8,102	5.79%
Other	135,804	124,487	150,169	(25,682)	(20.63%)
Total General Admin	$ 3,591,836	$ 3,263,818	$ 3,119,187	$ 144,631	4.43%

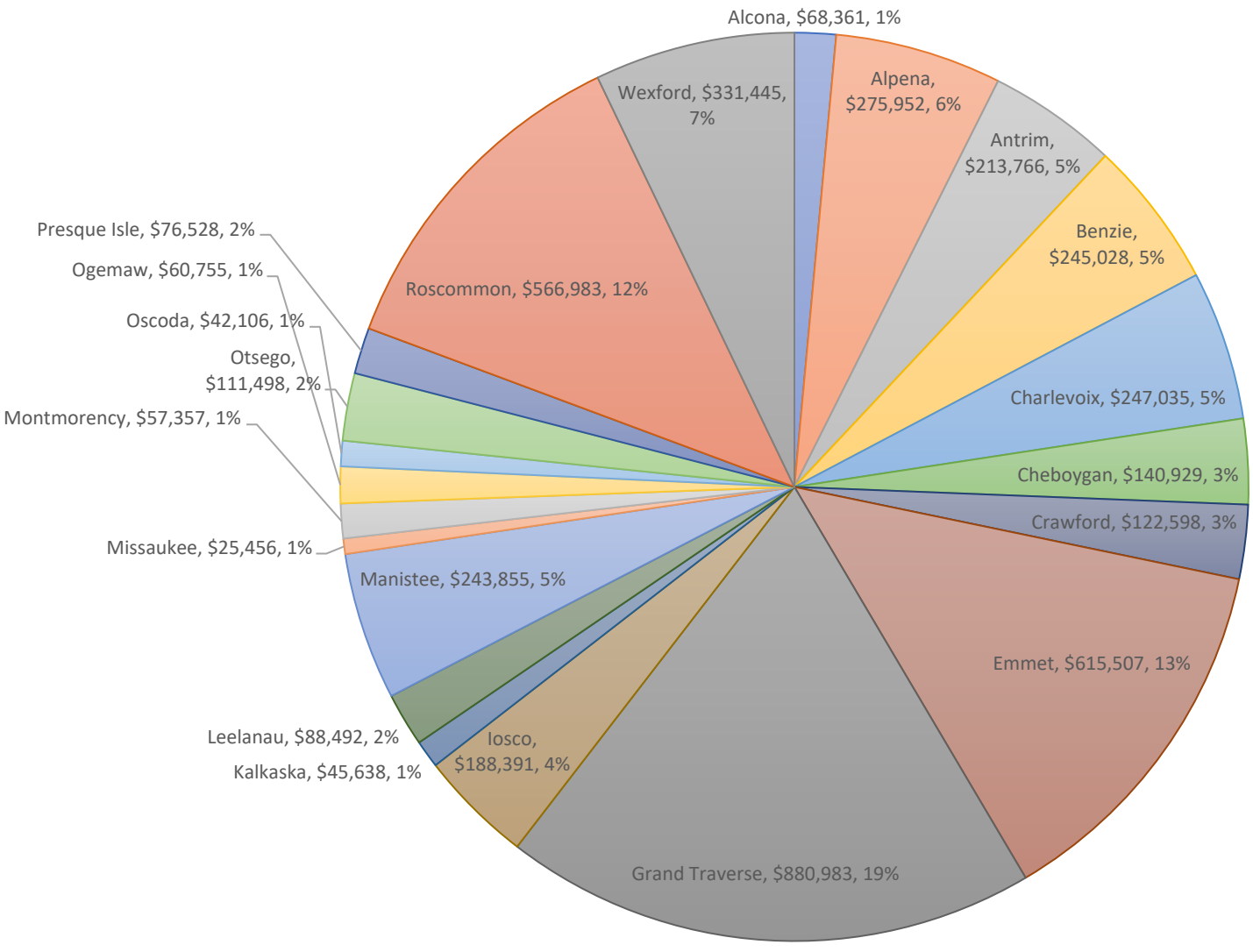
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2023 through August 31, 2024

County	Projected FY24 Activity				Actual FY24 Activity			
	Beginning Balance	FY24 Projected Revenue	FY24 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
						Actual Expenditures by County		
Alcona	$ 79,250	$ 23,184	$ 47,690	$ 54,744	$ 15,179	25,394	$ 674	$ 68,361
Alpena	302,452	80,118	115,089	267,482	53,588	78,236	1,853	275,952
Antrim	212,068	66,004	72,490	205,582	47,112	43,899	1,516	213,766
Benzie	224,046	59,078	21,930	261,194	42,226	20,100	1,144	245,028
Charlevoix	336,031	101,224	272,367	164,889	70,558	157,852	1,702	247,035
Cheboygan	163,153	84,123	141,260	106,016	56,397	76,971	1,651	140,929
Crawford	107,533	36,525	20,706	123,352	23,879	7,910	905	122,598
Emmet	771,608	181,672	478,053	475,227	120,667	274,607	2,161	615,507
Grand Traverse	1,035,890	440,668	524,017	952,541	306,142	455,074	5,976	880,983
Iosco	253,083	83,616	190,357	146,341	55,614	118,667	1,638	188,391
Kalkaska	42,471	41,470	34,179	49,762	27,568	23,253	1,148	45,638
Leelanau	86,055	62,190	51,029	97,215	42,087	38,240	1,410	88,492
Manistee	204,938	83,138	24,985	263,090	54,400	13,893	1,590	243,855
Missaukee	17,521	21,128	5,832	32,818	14,742	5,832	976	25,456
Montmorency	51,302	31,822	21,810	61,313	19,996	13,339	602	57,357
Ogemaw	96,797	74,251	96,041	75,006	45,369	80,045	1,366	60,755
Oscoda	55,406	20,578	38,064	37,920	14,291	27,052	539	42,106
Otsego	125,550	96,172	101,106	120,616	69,298	81,753	1,597	111,498
Presque Isle	96,731	25,177	85,120	36,788	16,474	35,843	833	76,528
Roscommon	559,806	82,157	87,287	554,676	57,591	48,857	1,556	566,983
Wexford	398,819	100,198	166,138	332,880	65,096	130,304	2,166	331,445
	5,220,509	1,794,492	2,595,550	4,419,450	1,218,276	1,757,118	33,004	4,648,663
PA2 Redirect								-
								4,648,663

PA2 FUND BALANCES BY COUNTY



Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

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

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	$ 502,752	$ 460,856	$ 230,624	$ 230,232	49.96%
Fringes	145,464	133,342	52,556	80,786	60.59%
Access Salaries	220,620	202,235	121,246	80,989	40.05%
Access Fringes	67,140	61,545	39,710	21,835	35.48%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	68,750	99,877	(31,127)	(45.28%)
Board expenses	5,000	4,587	5,340	(753)	(16.42%)
Day of Recover	-	-	254	(254)	0.00%
Facilities	-	-	-	-	0.00%
Other	12,600	6,050	24,034	(17,984)	(297.26%)
Total operating expenses	$ 1,082,576	$ 937,365	$ 573,641	$ 363,724	38.80%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2023 through August 31, 2024

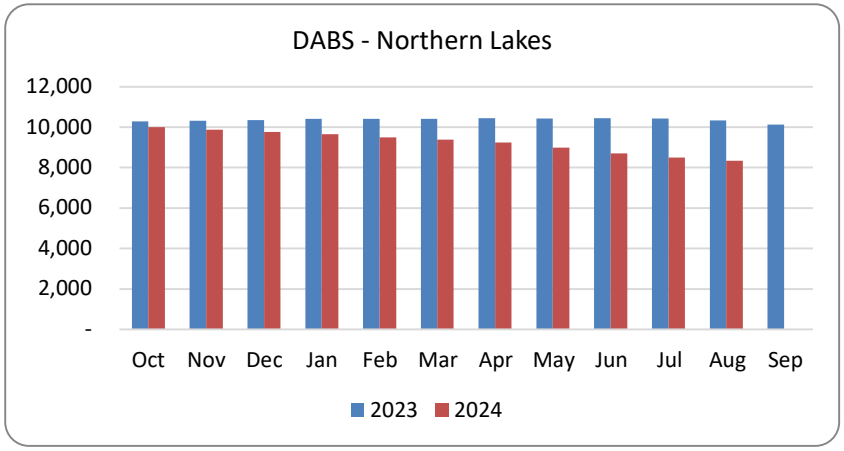
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	$ -	$ -	$ -	$ -	0.00%
Interest and Dividends	7,500	6,875	6,639	(236)	(3.43%)
Total operating revenue	7,500	6,875	6,639	(236)	(3.43%)
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	$ 7,500	$ 6,875	6,639	$ (236)	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			20,576,156		
Unspent funds - ending			$ 20,582,795		

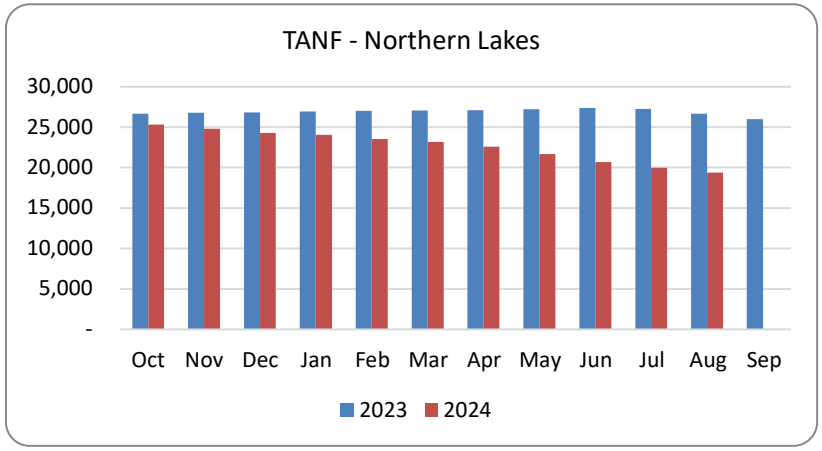
Northern Michigan Regional Entity

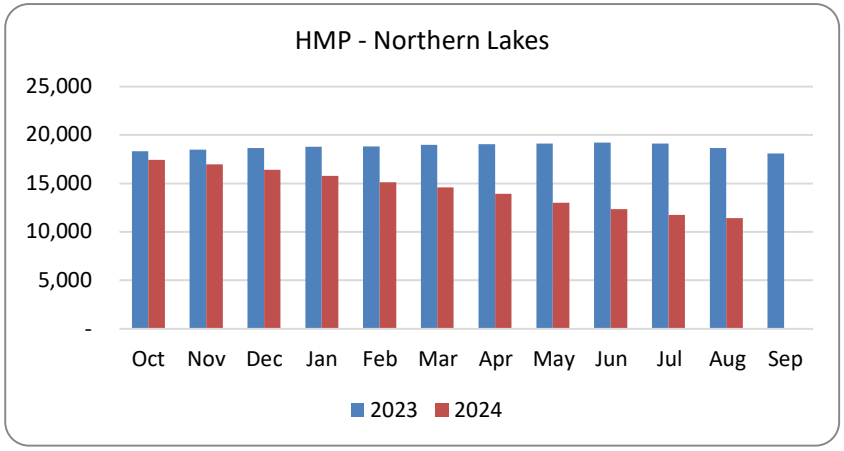
Narrative

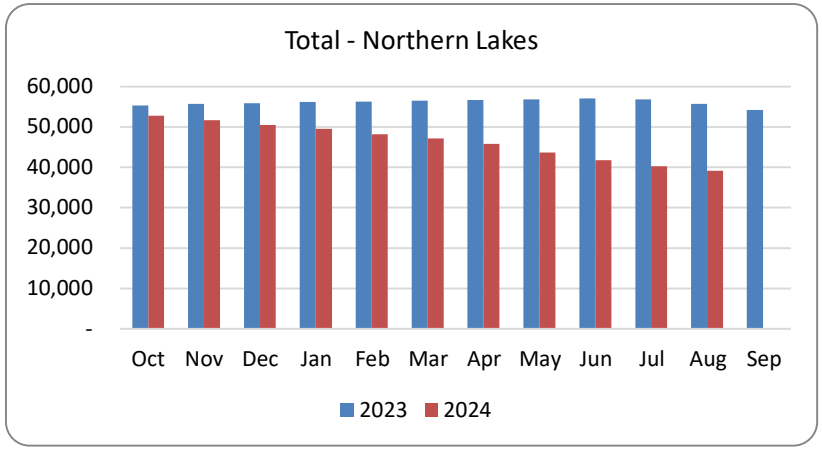
October 1, 2023 through August 31, 2024

Northern Lakes Eligible Members Trending - based on payment files







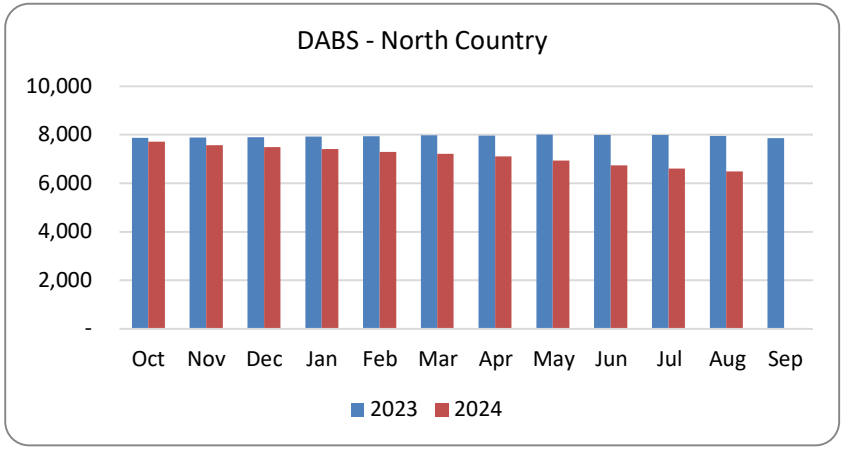


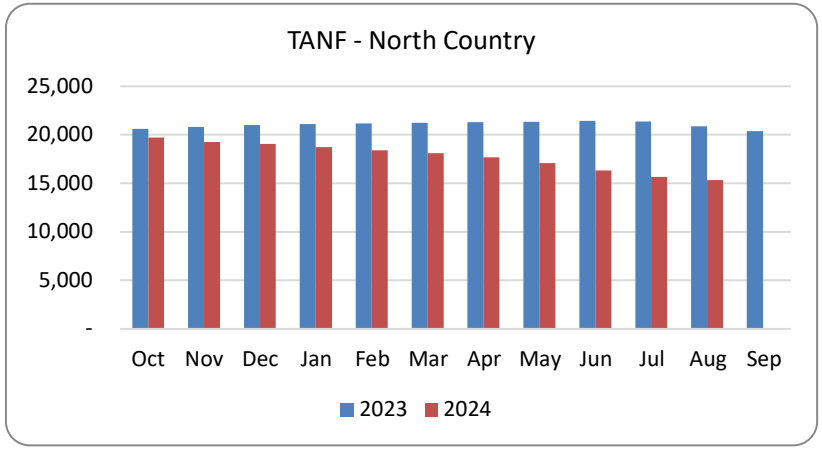
Northern Michigan Regional Entity

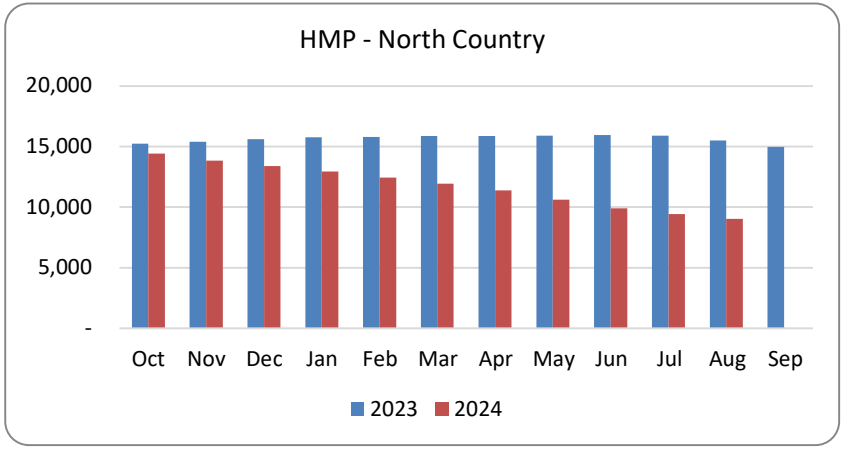
Narrative

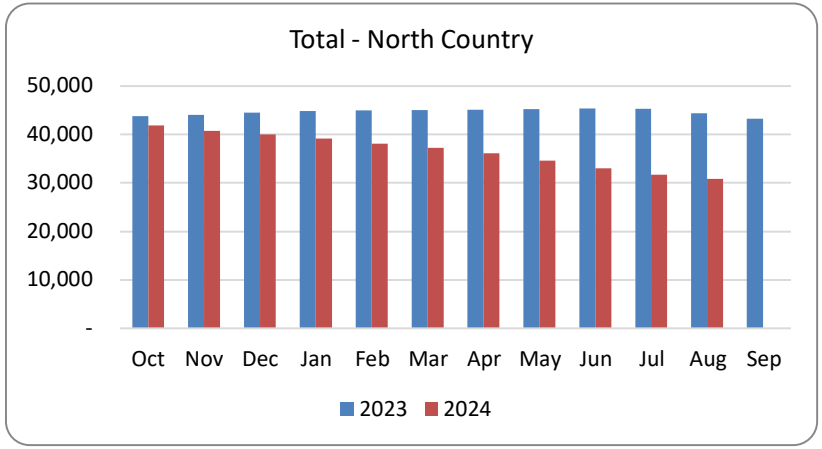
October 1, 2023 through August 31, 2024

North Country Eligible Members Trending - based on payment files







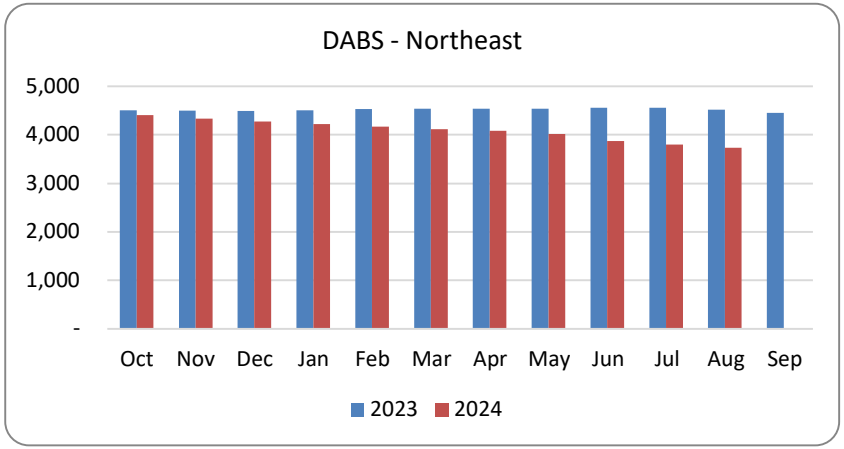


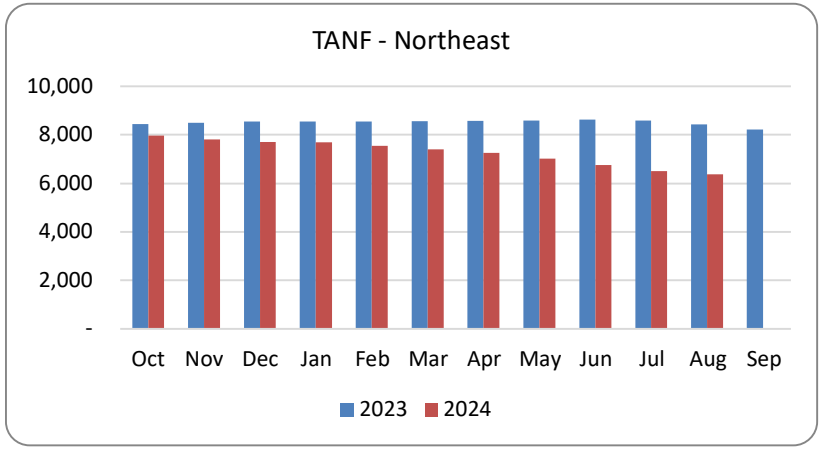
Northern Michigan Regional Entity

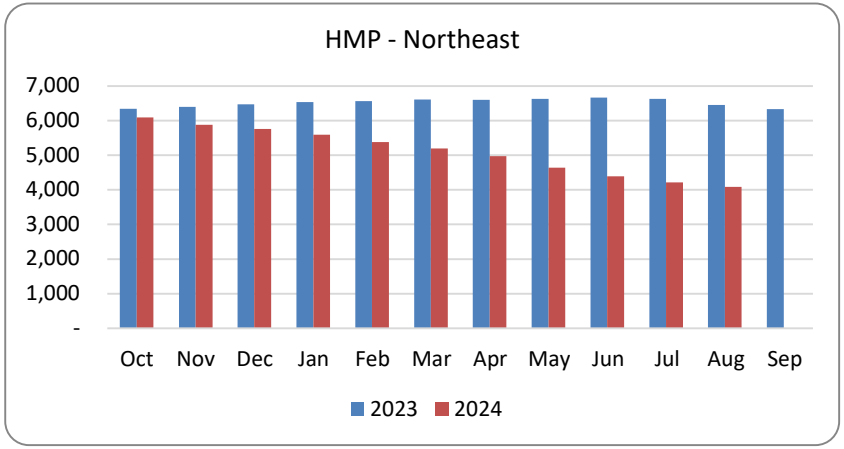
Narrative

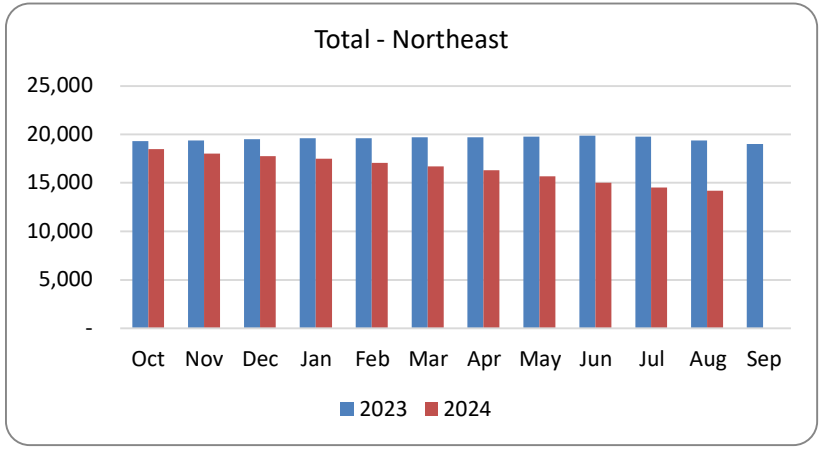
October 1, 2023 through August 31, 2024

Northeast Eligible Members Trending - based on payment files







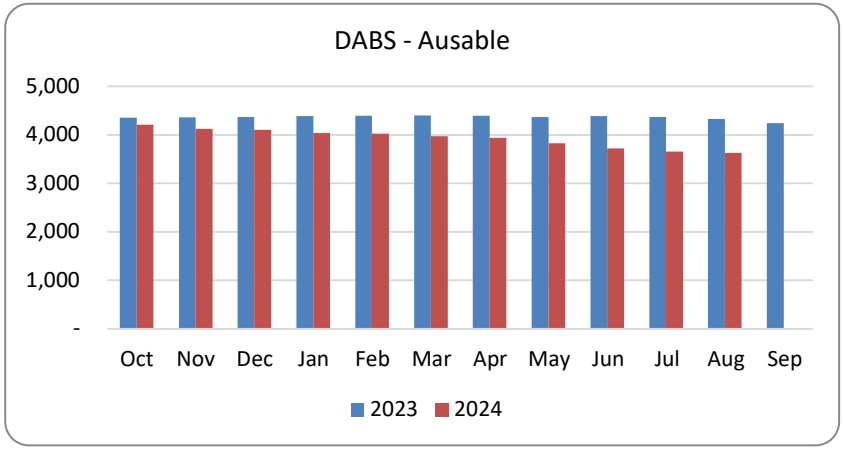


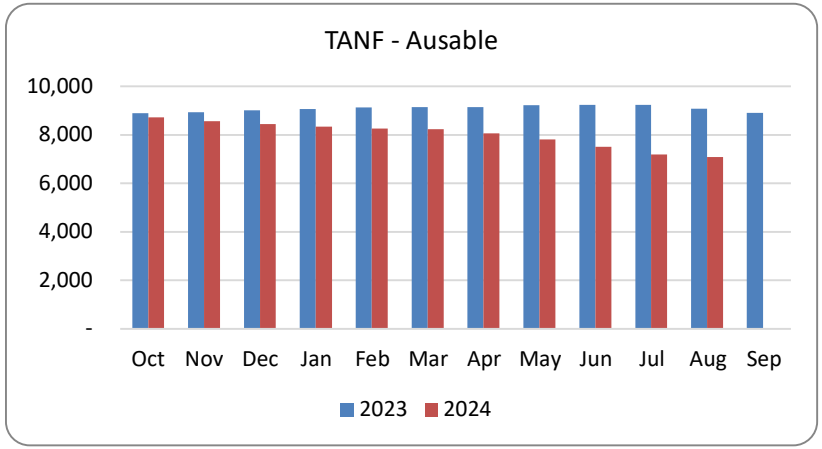
Northern Michigan Regional Entity

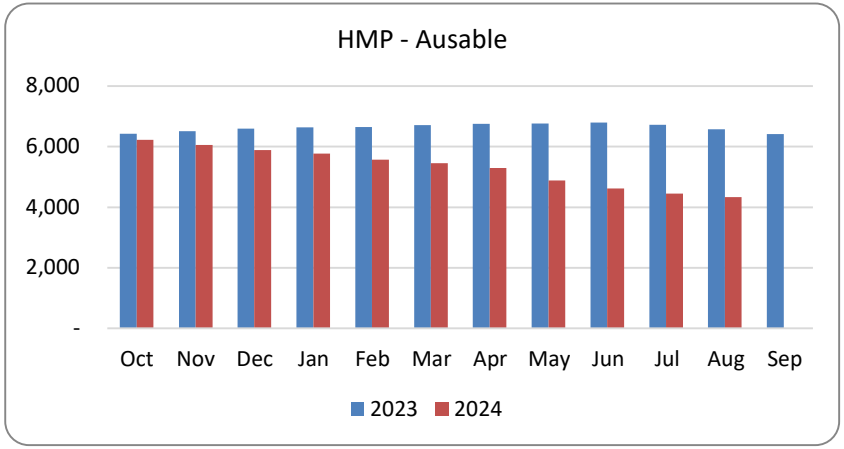
Narrative

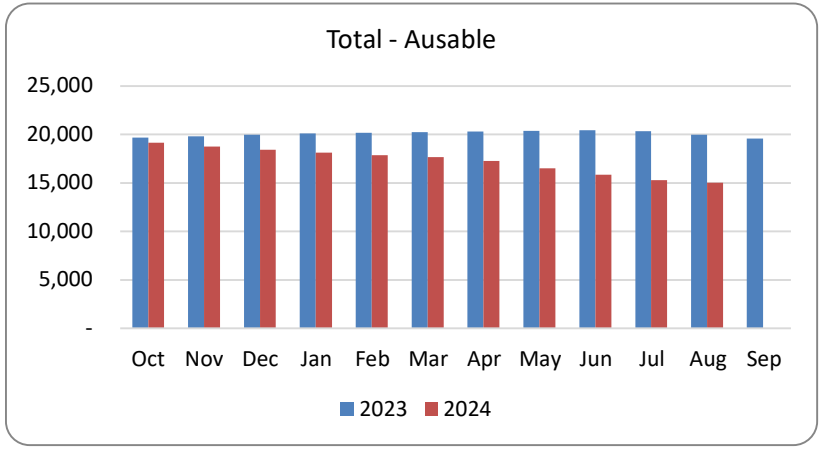
October 1, 2023 through August 31, 2024

AuSable Valley Eligible Members Trending - based on payment files







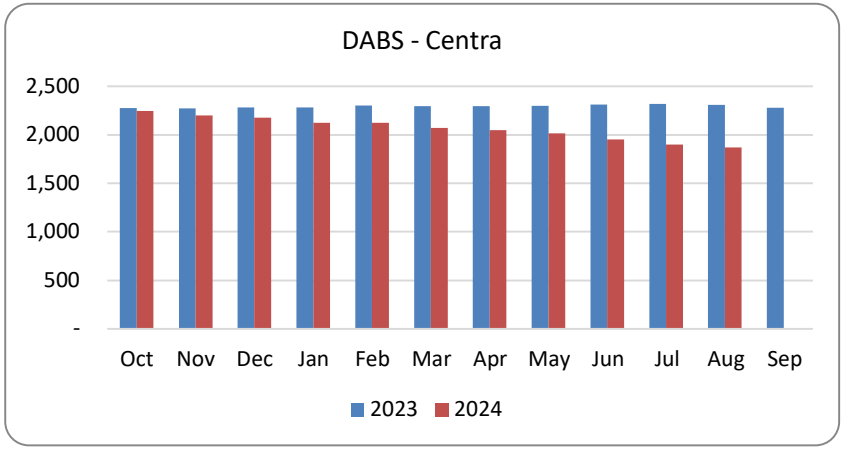


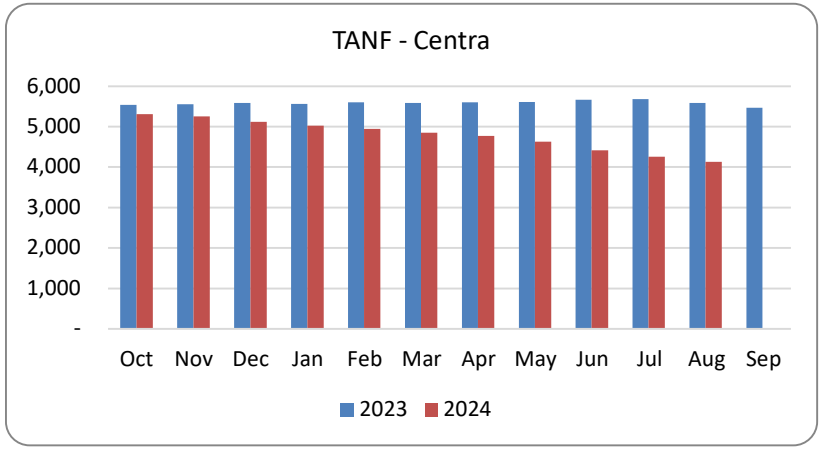
Northern Michigan Regional Entity

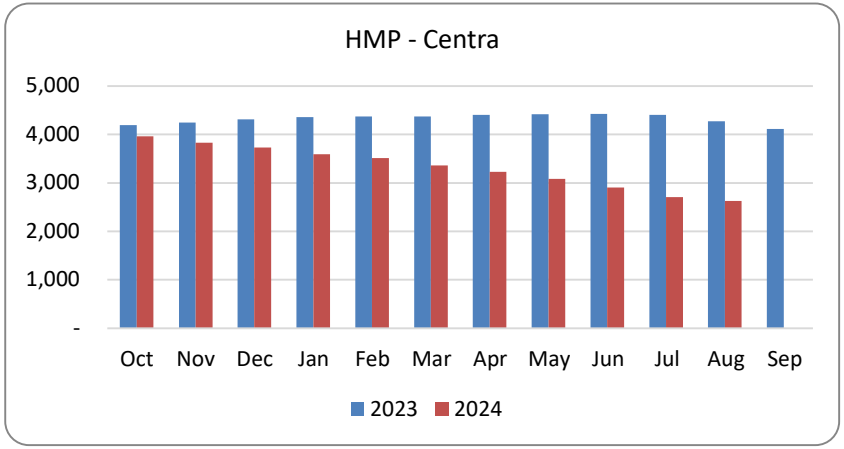
Narrative

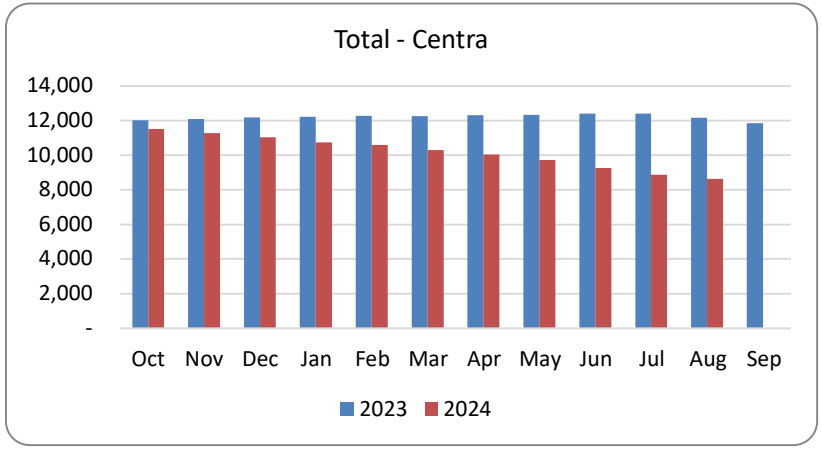
October 1, 2023 through August 31, 2024

Centra Wellness Eligible Members Trending - based on payment files







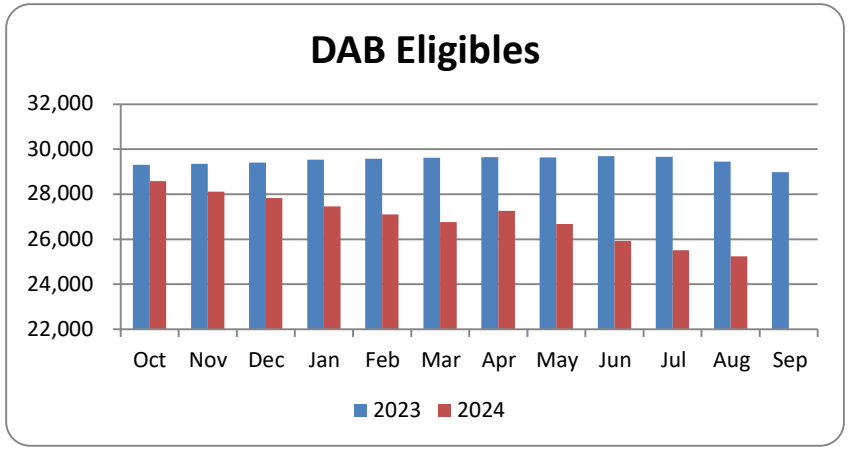


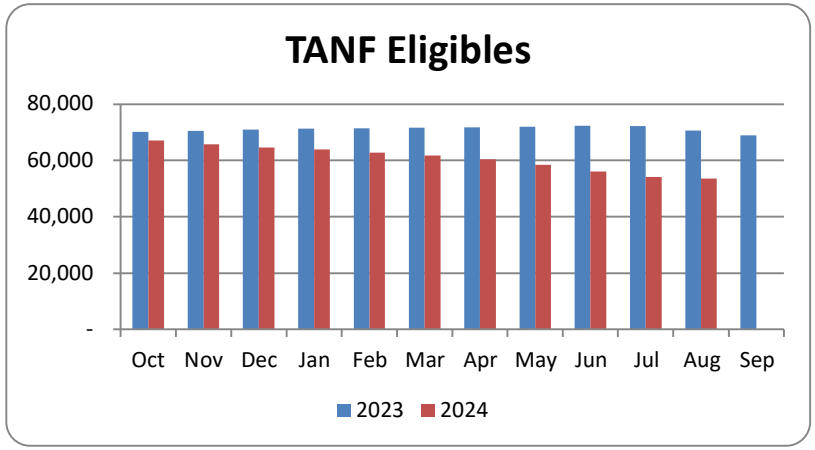
Northern Michigan Regional Entity

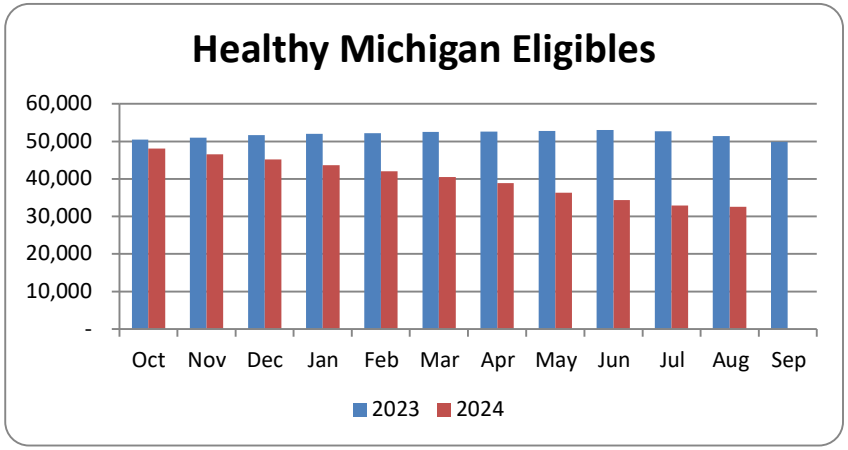
Narrative

October 1, 2023 through August 31, 2024

Regional Eligible Trending





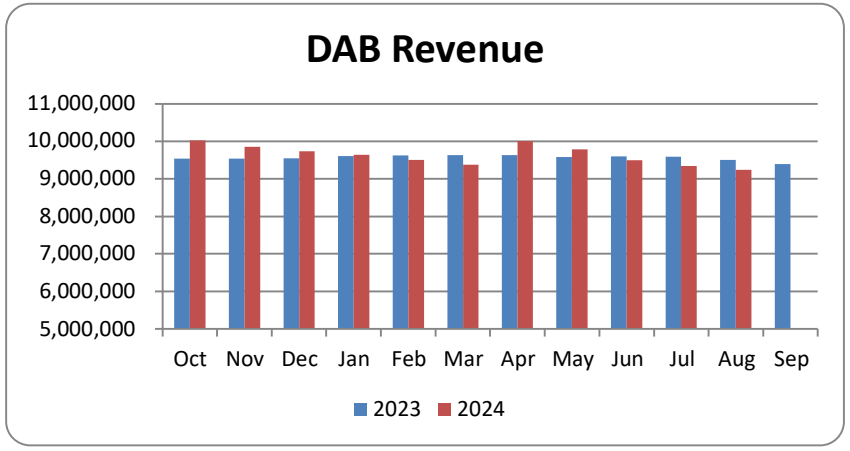


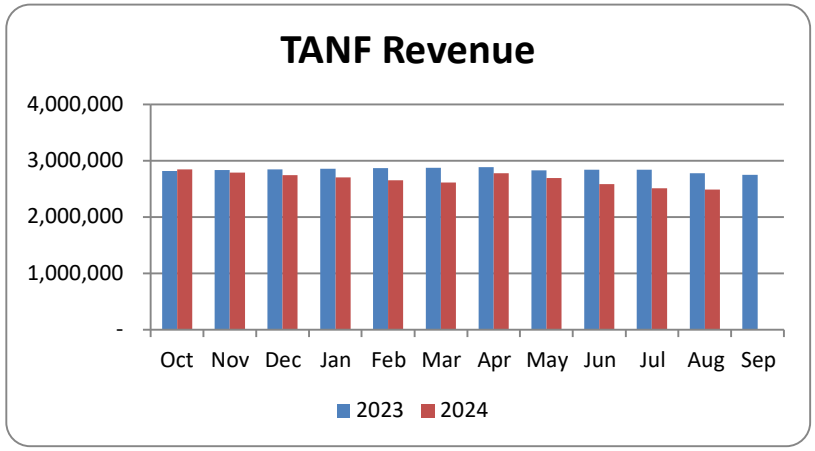
Northern Michigan Regional Entity

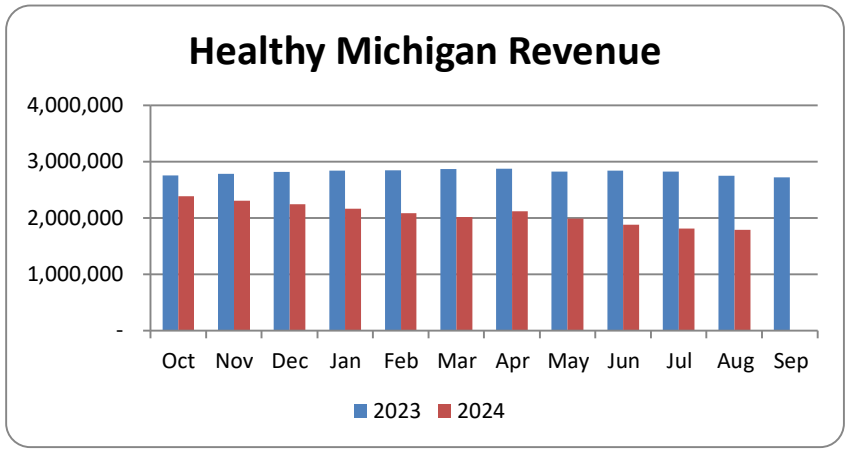
Narrative

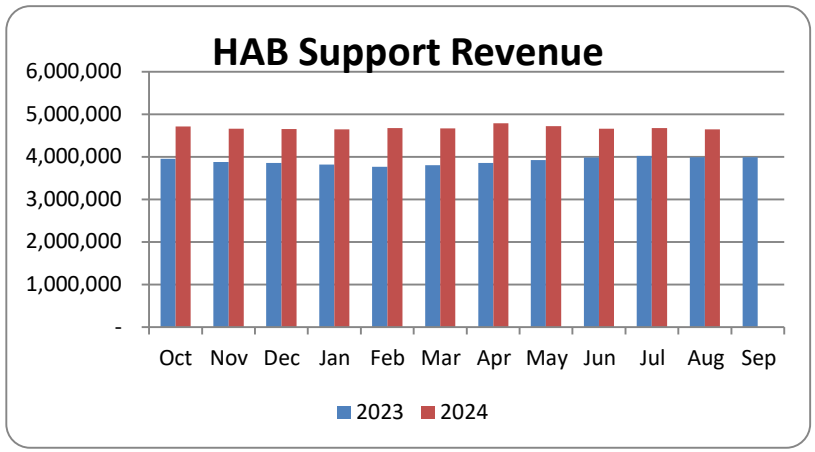
October 1, 2023 through August 31, 2024

Regional Revenue Trending









NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – OCTOBER 15, 2024
GAYLORD CONFERENCE ROOM

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

REVIEW OF AGENDA AND ADDITIONS

A discussion about the Milliman ISF Analysis was added under "Finance Committee and Related." Mr. Kurtz also added a discussion about the requested memorandum to Elizabeth Hertel. Mr. Johnston added a discussion about the Department's invitation to Centra Wellness to become a CCBHC. Ms. Sork added a discussion about Michigan's Tri-Share Program.

APPROVAL OF PREVIOUS MINUTES

The minutes from September 17th were included in the meeting materials.

MOTION BY DIANE PELTS TO APPROVE THE SEPTEMBER 17, 2024 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY NENA SORK. MOTION CARRIED.

FINANCE COMMITTEE AND RELATED

August 2024

- Net Position showed net deficit Medicaid and HMP of $7,758,515. Carry forward was reported as $11,624,171. The total Medicaid and HMP Current Year Surplus was reported as $3,865,656. The total Medicaid and HMP Internal Service Fund was reported as $20,576,156. The total Medicaid and HMP net surplus was reported as $24,441,812.
- Traditional Medicaid showed $190,483,155 in revenue, and $191,801,830 in expenses, resulting in a net deficit of $1,318,675. Medicaid ISF was reported as $13,510,136 based on the current FSR. Medicaid Savings was reported as $845,073.
- Healthy Michigan Plan showed $26,235,057 in revenue, and $32,674,897 in expenses, resulting in a net deficit of $6,439,840. HMP ISF was reported as $7,066,020 based on the current FSR. HMP savings was reported as $10,779,098.
- Health Home showed $2,846,438 in revenue, and $2,487,581 in expenses, resulting in a net surplus of $358,857.
- SUD showed all funding source revenue of $26,709,246 and $24,603,696 in expenses, resulting in a net surplus of $2,105,550. Total PA2 funds were reported as $4,648,663.

The NMRE's preliminary FSR predicts a carryforward for FY24 of $2.8M. The FY24 Interim FSR is due to MDHHS on November 1st.

An additional FY24 rate adjustment was announced on September 25th, totaling $41.6M statewide. The NMRE's share is anticipated to be $1.7M – $2M. The additional funds will be used to make the CMHSPs whole and add to the FY24 carryforward.

MOTION BY DIANE PELTS TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2024; SUPPORT BY CHIP JOHNSTON. MOTION APPROVED.

FY25 Revenue Outlook

A document outlining projected FY25 enrollment rates was distributed to the Committee. The NMRE Finance Department used the August payment and eligible information plus the FY25 rate to calculate the following:

	FY24 Rates	FY25 Monthly Amount with October 1, 2024 MDHHS Rates	August Eligibles FY25 Rates Monthly Increase
DAB	$9,744,668.32	$10,204,941.44	$460,273.12
TANF	$2,030,104.78	$2,438,012.29	$407,907.51
DAB + TANF	$11,774,773.10	$12,642,953.73	$868,180.63
HMP	$1,848,105.73	$2,227,623.16	$379,517.43
DAB + TANF + HMP			$1,247,698.06
HSW			$177,847.00
DAB + TANF + HMP + HSW			**$1,425,545.06**

HSW Slots

The region is working to fill the eight additional slots allocated for FY25. Currently, there are 13 open slots with 11 packets in the queue. MDHHS has indicated that it is "overwhelmed" with packets and has limited the number that can be submitted at one time to five.

Enrollment Trend

Regional enrollment data showing the effects of the redetermination process was included in the meeting materials.

FY23

Starting #		Changed	DAB	TANF	HMP	TOTAL
30,246	**DAB**	1,080	29,166	935	145	**30246**
64,025	**TANF**	3,666	533	60,359	3,133	**64,025**
52,011	**HMP**	2,553	642	1,911	49,458	**52,011**
146,282	**TOTAL**	**7,299**	**30,341**	**63,205**	**52,736**	**146,282**

FY24

Starting #		Changed	DAB	TANF	HMP	TOTAL
29,387	**DAB**	3,081	26,306	2,678	403	**29,387**
65,640	**TANF**	5,315	1,326	60,325	3,989	**65,640**
48,357	**HMP**	4,263	862	3,401	44,094	**48,357**
143,384	**TOTAL**	**12,659**	**28,494**	**66,404**	**48,486**	**143,384**

Average rates for the enrollment categories were provided as:

	FY25 Average Rate
DAB	$426.67
TANF	$39.49
HMP	$55.88

Enrollment data from the House Fiscal Agency was shared with the Committee.

Cases and Percent Change Since the Start of the Public Health Emergency by Category and Subcategory					
		July 2023 – 1 Month Before Redetermination		July 2024 – End of Redetermination	
Category	**March 2020 Start of PHE Cases**	**Cases**	**Difference from Start of PHE**	**Cases**	**Difference from Start of PHE**
HMP	664,480	1,091,722	64.3%	705,994	6.2%
Traditional	1,738,525	2,159,065	24.2%	1,899,520	9.3%
Children	942,222	1,149,579	22.0%	931,900	(1.1%)
DAB	499,867	545,149	9.1%	449,824	(10.0%)
Total	**2,403,005**	**3,250,787**	**35.3%**	**2,605,514**	**8.4%**

ISF Analysis

The results of Milliman's 2024 analysis of the NMRE's ISF were distributed during the meeting.

Results

"The scenarios tested imply that the NMRE's Medicaid ISF should continue to be funded with annual surpluses when available. While the ISF balance and savings may be sufficient in the near term, projected annual deficits in certain scenarios suggest there is potential that the ISF dollars will be needed to offset these deficits in the long term. Therefore, we recommend all available Medicaid surpluses be used to fund the ISF, keeping in mind the maximum allowable levels."

Based on Milliman's analysis, the NMRE's ISF should be funded at approximately 15% of annual revenue.

Mr. Kurtz noted that Milliman (for ISF analysis purposes only) may begin to establish the ISF amounts equal to two months' revenue rather than considering the 7.5% in the future.

PIHP FY25 CONTRACT NEGOTIATIONS

The NMRE returned a modified version of the FY25 PIHP Contract to the Department on September 26th; language pertaining to the Waskul settlement was struck and language pertaining to the Internal Service Fund was struck and replaced. Seven PIHPs took the strikeout approach, while three PIHPs signed the contract as it was presented (Detroit Wayne Integrated Health Network, Mid-State Health Network, Southwest Michigan Behavioral Health). The strikeout

contracts were not accepted by the Department; however, the October payments were sent. A meeting between MDHHS and PIHPs is scheduled for October 18th at 2:00PM.

ALPINE CRU

Mr. Kurtz met with Jill Lebourdais and Dr. Ibrahim to discuss Alpine CRU funding for FY25. The decision was made to extend the current 1/12th arrangement through December 31, 2024. Dr. Ibrahim expressed concern about the Gaylord facility's viability after the Grand Traverse Mental Health Access and Crisis Center opens. FY24 occupancy was roughly 50%. Clarification was made that the facility can be used for respite services. The CMHSPs may pursue fee-for-service contracts beginning January 1, 2025 at the per diem rate of $600 and respite rate of $350.

ABA BHT RATE

Per communication from Jackie Sproat on October 8, 2024, MDHHS will be requiring ABA adaptive behavior treatment (procedure code 97153) to be paid at a rate of at least $66 per hour. MDHHS will be submitting a State Plan Amendment which will occur simultaneously with the issuance of a policy anticipated to be effective November 1st, 2024. Milliman was aware of this legislative mandated rate and used this information in setting the FY25 PMPM rates.

PA 121(FY25 appropriations), Section 924 reads as follows:

> "Sec. 924. From the funds appropriated in part 1, for the purposes of actuarially sound rate certification and approval for Medicaid behavioral health managed care programs, the department shall maintain a fee schedule for autism services reimbursement rates for direct services. Expenditures used for rate setting shall not exceed the rates identified in the fee schedule. The Fee Schedule must include a rate for behavioral technicians that is not less than $66.00 per hour."

INPATIENT RATES

Staff from Acadia Healthcare – Bronson Behavioral Health Hospital in Battle Creek have contacted North Country and Northern Lakes about contracting at a per diem rate of $1,090. Contracting efforts will be pursued while due diligence regarding recipient rights reviews, onsite site reviews, and quality verifications with other PIHPs/CMHs. The facility is licensed for 96 inpatient behavioral health beds.

MOTION BY NENA SORK TO APPROVE A CONTRACT WITH ACADIA HEALTHCARE – BRONSON BEHAVIORAL HEALTH HOSPITAL AT A PER DIEM RATE OF ONE THOUSAND NINETY DOLLARS ($1,090.00) PROVIDED THAT THE FACILITY MEETS ALL NORTHERN MICHIGAN REGIONAL ENTITY CONTRACTING STANDARDS; SUPPORT BY CHIP JOHNSTON. MOTION CARRIED.

NORTHERN LAKES CMHA UPDATE

Staff appear to be stable, and the HR Department is functioning effectively. The FY23 Financial Investigation is wrapping up.

OTHER

Memo to Director Hertel

The Board charged attorney Chris Cook and Eric with composing a letter on behalf of the region to MDHHS Director, Elizabeth Hertel, regarding the financial ramifications of the proposed Waskul Settlement Agreement and the fiscal implications of the 7.5% Internal Service Fund cap. Mr. Kurtz asked the CMHSPs what, if anything, else should be included in the correspondence and, given the current circumstances with contract negotiations, whether the tone should be modified; the content could also include what the NMRE has done previously while partnering with MDHHS. The decision was made to include a list of current grievances including the Waskul Settlement, ISF cap, Conflict-Free Access and Planning, the $93M Funding Gap, numerous agenda, and the five separate waivers. It was also suggested that the region's strengths be highlighted. Mr. Cooke will be copied and included in the correspondence.

It was noted that the State plans to reallocate funding for CCBHC to give funds directly to MORC.

Certified Community Behavioral Health Clinics (CCBHC)

In an email dated October 10, 2024, Centra Wellness Network was approached about becoming a (rural) CCBHC. A follow-up phone call is planned for October 18th. Mr. Johnston intends to highlight the reasons why the CCBHC is not a viable service model in PIHP Regions 1 and 2.

Michigan Tri-Share Program

Ms. Sork asked whether any of the CMHSPs are thinking of implementing the Michigan Tri-Share childcare program. Mr. Babbitt responded that he considered it, but it does not cover North Country's entire region.

Tri-Share is a program under which the cost of an employee's childcare is shared equally among the employer, the employee and the State of Michigan with coordination provided regionally by a MI Tri-Share facilitator hub.

NEXT MEETING

The next meeting was scheduled for December 10th at 9:30AM.

NMRE CEO Evaluation

The purpose of this survey is to collect data related to the annual performance of the Chief Executive Officer (CEO) of the Northern Michigan Regional Entity (NMRE) per contractual requirement. The areas of Mission, Vision, and Strategic Planning, Board Relations, Member Relationships, Program Management, Staff Relations, and External Liaison and Public Image will be reviewed.

Please rate the statements given and indicate your response. The survey should take approximately 7-10 minutes to complete. Thank you.

Mission, Vision, and Strategic Planning

Does the Chief Executive Officer…

1. ***Work with the Board to develop a clear vision for the NMRE?***
   ○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

   *Please explain a response of "Needs Improvement or "Poor"

   _____

   _____

2. ***When working with the board, translate the NMRE's mission into realistic goals and objectives?***
   ○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

   *Please explain a response of "Needs Improvement or "Poor"

   _____

   _____

3. ***With input from the Board, create an effective process for long range or strategic planning for the NMRE?***
   ○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

   *Please explain a response of "Needs Improvement or "Poor"

   _____

   _____

4. ***Have a sense of what must change and what must remain the same in order to accomplish the NMRE's mission and realize its vision?***

   ○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

   *Please explain a response of "Needs Improvement or "Poor"

   _____

   _____

5. ***What are the CEO's strengths in the area of Mission, Vision, and Strategic Planning?***

   _____

   _____

6. ***What could the CEO do better in the area of Mission, Vision, and Strategic Planning?***

   _____

   _____

7. ***Please add any other comments related to Mission, Vision, and Strategic Planning.***

   _____

   _____

<u>Board Relations</u>

Does the Chief Executive Officer…

8. ***Communicate information, data, and concerns to the Board effectively and concisely, so that the Board has current knowledge about the NMRE?***

   ○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

   *Please explain a response of "Needs Improvement or "Poor"

   _____

   _____

9. Build an effective working relationship with the Board Members?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

10. Receive and accept Board direction?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

11. Receive Board Member ideas?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

12. What are the CEO’s major strengths in the area of Board Relations?

_____

_____

13. What could the CEO do better in the area of Board Relations?

_____

_____

14. Please add any other comments related to Board Relations.

_____

_____

Member Relationships

Does the Chief Executive Officer…

15. Communicate in a timely and effective manner to keep the board and Regional CEOs informed about state and federal policy and regulatory and performance information and developments?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

16. Effectively facilitate committees established in the Operating Agreement to achieve the timely completion of tasks and duties?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

17. Provide guidance and technical assistance to CMHSPs to support their operations and help them achieve and sustain compliance with contractual and regulatory obligations?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

18. Provide Board Members Agenda and Meeting minutes in a timely manner?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

19. Visit Member CMHSP offices on a regular basis to garner a better understanding of the communities which they operate?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

20. What are the CEO's major strengths in the area of Member Relationships?

_____

_____

21. What could the CEO do better in the area of Member Relationships?

_____

_____

22. Please add any other comments related to Member Relationships.

_____

_____

<u>Program Management</u>

Does the Chief Executive Officer…

23. Demonstrate substantive knowledge about the NMRE's mandates, Balanced Budget Act, MDHHS Contracts, and other applicable rules and regulations?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

24. Develop appropriate policies to ensure the PIHP functions are implemented?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

25. Ensure that NMRE staff manages rules and regulation requirements properly?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

26. Set high standards of quality for NMRE operations?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

27. Assure policies and procedures are developed and approved to guide managed care operations?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of “Needs Improvement or “Poor”

_____

_____

28. What are the CEO’s major strengths in the area of Program Management?

_____

_____

29. What could the CEO do better in the area of Program Management?

_____

_____

30. Please add any other comments related to Program Management.

_____

_____

Staff Relations

Does the Chief Executive Officer…

31. To your knowledge, promote staff morale by encouraging staff participation in identifying needs, developing programs, and solving problems?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

32. To your knowledge, build and maintain a collegial working relationship with staff?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

33. To your knowledge, provide clear directives that comply with rules?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

34. To your knowledge, manage staff evaluations effectively and impose discipline appropriately?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

35. What are the CEO's strengths in the area of Staff Relations?

_____

_____

36. What could the CEO do better in the area of Staff Relations?

_____

_____

37. Please add any other comments related to Staff Relations.

_____

_____

External Liaison and Public Image

Does the Chief Executive Officer…

38. Communicate with external entities as necessary to promote understanding about NMRE's objectives and operations?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

39. Provide leadership to external entities (i.e., MDHHS) as appropriate?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

40. Consult with Board Members when taking action necessary to protect the Board's interest when there is a disagreement with another entity?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

41. Demonstrate he is an articulate and knowledgeable spokesperson for the NMRE?

○ Excellent ○ Very Good ○ Acceptable ○ Needs Improvement* ○ Poor*

*Please explain a response of "Needs Improvement or "Poor"

_____

_____

42. What are the CEO's major strengths in the areas of External Liaison and Public Image?

_____

_____

43. What could the CEO do better in the areas of External Liaison and Public Image?

_____

_____

44. Please add any other comments related to External Liaison and Public Image.

_____

_____

Optional

You may include your name if you wish.

Board Member Name _____

STEVEN E BURNHAM
ATTORNEY AT LAW
10286 N RIVERVIEW
PLAINWELL, MICHIGAN 49080-9688

October 12, 2011

Chip Johnston
Chief Executive Officer
Centra Wellness Network
310 N Gloucheski Drive
Manistee, Michigan 49660-0335

RE: Publicly Funded Health Insurance Contribution Act, SB7 of 2011

Dear Mr. Johnston:

You have requested that I provide a brief legal opinion regarding the recently enacted Publicly Funded Health Insurance Contribution Act, otherwise known as Senate Bill 7 or Public Act 152 of 2011.

You have specifically requested comment on two particular questions. The first is whether the act applies to Centra Wellness Network. The second is a brief explanation on the ability to opt out of the Act's application.

I will answer your questions sequentially. I will start with a brief overview of the Act itself. This is not intended to be an exhausted discussion of the Act or it's implications or ramifications- simply a brief wave of the hand description. Beginning January 1, 2012, public employers who offer medical benefit plans to their employees or elected official may not pay more than 80% of the total annual costs of all the medical benefit plans they offer to said employees or elected officials. Additionally, any collective bargaining agreement or contract settled on or after the effective date would have to comply with the requirements of the act as well. The Act defines what are 'costs', 'total costs', 'medical benefit plan' and what is a local unit of government and a public employer. The Act makes allowances for having either an 80/20 cap or a 'hard cap' of an overall dollar amount- ($5,500 for individual coverage, $11,000 for individual and spousal coverage and $15,000 for employees with family coverage).

The first question posed is whether or not your agency is subject to the Act. The simple answer to that question is **YES**. A local unit of government is defined as a city, county,

village, township or authority (SEE Sec 2 (d) of Act). Further a 'public employer' is defined as the "...state, a local unit of government or other political subdivision of this state; any intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivision; a school district, a public school academy, or an intermediate school district..... (SEE Sec 2(f) of Act). As you are aware you agency is formed under the auspices of the Urban Cooperation Act and the Mental Health Code. Your agency is clearly a public employer and therefore subject to the Act.

The second question you have requested a brief response to is whether or not your board may opt out of the Act. Interestingly enough the Act does permit a public employer to opt out the Act. Section 8 of the Act indicates that "**by a 2/3 vote of its governing body each year, a local unit of government may exempt itself from** the **requirements of this act for the next succeeding year**." Each succeeding year requires a new vote. There are penalty provisions if a public employer does not comply with the Act- Section 9. The penalty provision imposes a financial reduction of certain state funding- specifically funding coming from the economic vitality incentive program and certain funding under the state school aid act of 1979. However a quick review of these sections would seem to indicate that your agency does not receive funding from either of those sources. I do not see the penalty provision as being a reason to not opt out if that is the boards' direction. I would recommend that in the event the board pursues this option that a roll call vote be taken on the motion.

I hope this brief correspondence covers the two questions you have posed. The statute is new- just signed into law on September 27, 2011 and therefore a bit untested as to the direction is will ultimately take. For purposes of Centra Wellness Network two statements are true- you are a public employer subject to the Act and you are eligible to opt out of the provisions of the Act through a 2/3's vote of your board.

If you have additional questions please do not hesitate to contact me. Thank you for the opportunity to be of service to you and your board.

Steven E. Burnham
Attorney At Law
269.744.1489
seburn@kalcounty.com