Northern Michigan Regional Entity

Board Meeting

April 26, 2023

1999 Walden Drive, Gaylord

10:00AM

Agenda

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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 – February 22, 2023	Pages 2 – 9
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9.	Public Comments	
10.	Reports	
	a. Executive Committee Report – April 20th meeting	
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	c. Operations Committee Report – April 18th meeting	Pages 68 – 71
	e. NMRE SUD Oversight Board Report – The next meeting is July 10th	
11.	New Business	
	a. Jefferson Wells Proposal	Pages 72 – 86
12.	Old Business	
	a. Grand Traverse County and Northern Lakes	
	b. NMRE SUD Oversight Committee Operating Procedures	Page 87
13.	Presentation/Discussion	
	21-County Anti-Vaping PhotoVoice Project	
14.	Comments	
	a. Board	
	b. Staff/CMHSP CEOs	
	c. Public	
15.	Next Meeting Date – May 24, 2023, 2023 at 10:00AM	
16.	Adjourn	

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NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – MARCH 22, 2023
GAYLORD BOARDROOM

ATTENDEES:	**Kate Dahlstrom, Ed Ginop, Gary Klacking, Eric Lawson, Terry Larson, Mary Marois, Michael Newman, Gary Nowak, Jay O'Farrell, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner**
NMRE/CMHSP STAFF:	**Bea Arsenov, Brian Babbitt, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Pam Polom, Brandon Rhue, Sara Sircely, Nena Sork, Deanna Yockey, Carol Balousek, Lisa Hartley**
PUBLIC:	**Christine Gebhard, Susan Pulaski, Sue Winter**

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

ROLL CALL
Let the record show that all NMRE Board Members were in attendance for the meeting in Gaylord.

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

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

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

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR MARCH 22, 2023; SUPPORT BY GARY KLACKING. MOTION CARRIED.

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

MOTION BY TERRY LARSON TO APPROVE THE MINUTES OF THE FEBRUARY 22, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY JAY O'FARRELL. MOTION CARRIED.

CORRESPONDENCE
1) The minutes from the January 3rd PIHP CEO meeting.
2) The minutes from the March 2nd MDHHS PIHP CEO meeting.

3) CMHAM "Proposal for Rural-Oriented Public Mental Health Policies and Practices in Michigan" document dated February 2023.
4) Letter to Timothy Engelhardt at CMS from Farah Hanley, Chief Deputy Director for Health at MDHHS dated February 8m 2023 regarding the implementation of an integrated Dual Eligible Special Needs Plan (D-SNP).
5) Memorandum to PIHP and CMHSP CEO's and Executive Directors from Jeff Wieferich at MDHHS dated February 28, 2023 regarding the discontinuation of the Supports Intensity Scale (SIS) contract with the American Association of Intellectual and Developmental Disabilities (AAIDD) effective March 23, 2023.
6) Michigan Medicaid Policy Bulletin 23-10, Telemedicine Policy Post-COVID Public Health Emergency dated March 2, 2023.
7) Press release from MDHHS dated March 8, 2023 titled, "Michigan Launches OpiRescue Smartphone App to Help Michigan Residents Prevent and Reduce Opioid Overdoses."
8) Memorandum to PIHP and CMHSP CEO's and Executive Directors from Jeff Wieferich at MDHHS dated March 15, 2023 regarding Intensive Community Transition Services.
9) Flyer announcing Michigan Statewide Housing Plan Regional Partnership Kick-Off sites and dates.
10) Flyer for the NMRE Day of Recovery Education for individuals with substance use disorders on May 8, 2023 at Treetops Resort.
11) The draft minutes of the March 8, 2023 regional Finance Committee meeting.

Mr. Kurtz highlighted March 15th Rural Mental Health meeting with CMHAM held in conjunction with UP/NorthCare. Mr. Tanner noted that the bulleted list of allies listed in the proposal should also include courts. Mr. Larson suggested changing "Michigan Sheriff Association" to "Law Enforcement Entities." Ms. Sherman voiced appreciation for the straight-forward, succinct language. It was noted that this document is not yet final.

Mr. Kurtz explained that the State Medicare-Medicaid plans (like MI Health Link) will terminate on December 31, 2023, unless the program is converted to an "integrated" Dual Eligible Special Needs Plan (D-DNP). MDHHS plans to transition its MI Health Link program to a Highly Integrated Dual Eligible Special Needs Plan (HIDE SNP), that integrates long-term supports and services (LTSS). Managed care plans will provide most covered benefits for the dual-eligible enrollees, but specialty behavioral health services will remain carved out.

Debbi Andrews will be leading the Ability to Pay Workgroup fo MDHHS. Michigan Public Act 91 of 2022 changed the state's ability to pay standards to match to Federal guidelines for mental health and substance use disorder services.

Mr. Lawson referenced a discussion that occurred during the January 3rd PIHP CEO meeting. Moving the Medicaid benefit (physical and behavioral health) for children in the state's foster care system to the private health plans continues to gain momentum. Bob Sheehan indicated that he spoke with Director Hertel, and it became clear that there are some misunderstandings about how this benefit works. Placement issues are not the responsibility of the CMH system.

Clarification was made that the Regional Housing Partnership Kickoff is not just for individuals in public mental health system.

The requirement for the SIS Assessments will be ending with a hard stop on March 23, 2023. The Adult Needs and Strengths Assessment (ANSA) is a possible replacement.

Mr. Kurtz drew attention to the flyer for the NMRE Day of SUD Recovery Education on May 8th at Treetops Resort.

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

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

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

CEO Report
The NMRE CEO Monthly Report for March 2023 was included in the materials for the meeting on this date. Mr. Kurtz highlighted the rural health meeting on March 15th and the NLCMHS/Munson Crisis Workgroup meetings on February 27th and March 17th. Grand Traverse County has committed $5M for infrastructure. Northern Lakes CMHA Interim CEO, Brian Martinus, and Medical Director, Dr. Curtis Cummins are also attending the meetings. It was noted that there is potential for attracting private funding. Ms. Dahlstrom voiced support for creating empath units. Mr. Kurtz noted that the McLaren Cheboygan 16-bed adult facility may eventually include that type of model. McLaren has also indicated that the Petoskey Emergency Department may move toward a model that moves psychiatric patients to a separate area for specialized emergency care.

January 2023 Financial Report
- Net Position showed net surplus Medicaid and HMP of $3,370,898. Medicaid carry forward was reported as $16,369,542. The total Medicaid and HMP Current Year Surplus was reported as $19,740,440. Medicaid and HMP combined ISF was reported as $16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as $36,109,982.
- Traditional Medicaid showed $66,143,817 in revenue, and $64,187,913 in expenses, resulting in a net surplus of $1,955,904. Medicaid ISF was reported as $9,306,578 based on the current FSR. Medicaid Savings was reported as $10,913,028.
- Healthy Michigan Plan showed $11,674,745 in revenue, and $10,259,752 in expenses, resulting in a net surplus of $1,414,993. HMP ISF was reported as $7,062,964 based on the current FSR. HMP savings was reported as $5,456,514.
- Health Home showed $692,197 in revenue, and $583,200 in expenses, resulting in a net surplus of $108,997.
- SUD showed all funding source revenue of $9,593,085, and $8,195,611 in expenses, resulting in a net surplus of $1,397,474. Total PA2 funds were reported as $5,200,852.

Ms. Yockey reported that four months into FY23, revenue is above projections and spending is in line with estimates.

Ms. Yockey reviewed the PA2 page of the report, noting projected vs. actual numbers for FY23.

Projected FY23 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
$5,413,044	**$1,568,386**	**$2,720,209**	**$4,261,221**

Actual FY23 Activity			
Beginning Balance	Current Receipts	Expenditures	Ending Balance
$5,413,044	**240,837**	**$453,029**	**$5,200,852**

Mr. Larson emphasized that PA2 funds need to be spent on services, not saved.

Clarification was made that I/DD revenue is included in the PIHP Mental Health total.

MOTION BY MARY MAROIS TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JANUARY 2023; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

Operations Committee Report
The minutes from March 21, 2023 were distributed during the meeting. Mr. Kurtz drew attention to the discussion about the update provided by the State's Conflict-Free Access & Planning (CFA&P) workgroup; four options were presented. The state will decide on an option in July 2023. PIHPs will be asked to develop, submit, and begin implementing a plan of action between October 2023 and October 2024. Full implementation is planned for October 2024. Mr. Kurtz clarified that the intent is so people aren't assessing individuals and then referring them to themselves for treatment. CMHAM has expressed "deep concerns" with the proposed options.

It was noted that the Alpine CSU located in Gaylord is currently open. The CMHSPs are using single case agreements until contracts have been finalized.

Mr. Tanner referenced the meeting between Michigan's tribal nations, PIHPs, and MDHHS on March 1st. Mr. Kurtz noted that the group agreed to meet regularly to keep communications flowing.

The final amount of the FY22 Performance Bonus Incentive Pool (PBIP) earned by the region was stated a $2,352,351.23.

NMRE SUD Oversight Board Report
The notes from the March 6, 2023 meeting were included in the materials for the meeting on this date. There was not a quorum present for the meeting, so no voting took place; however, the SUD Oversight Board did review topics and made recommendations for the NMRE Governing Board to consider.

MOTION BY RICHARD SCHMIDT TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR A VAPING MEDIA CAMPAIGN IN THE AMOUNT OF THREE THOUSAND ONE HUNDRED SEVEN DOLLARS AND SIXTY-FOUR CENTS ($3,107.64) FOR MANISTEE COUNTY ONLY; SUPPORT BY MARY MAROIS.

Discussion: Mr. Schmidt expressed frustration that NMRE SUD Oversight Board members met for 1½ hours without a quorum present. No voting could occur since several counties participated in the meeting virtually. He questioned why the liquor tax requests can't just be presented to the

NMRE Governing Board. Mr. O'Farrell noted that a quorum wasn't present due to weather conditions which will always be a factor in northern Michigan. Mr. O'Farrell stressed that the role of the SUD Oversight Board needs to be ironed out. The question of whether the SUD Oversight Board is subject to the Open meetings Act was raised; Mr. Kurtz agreed to address the issue with the NMRE's legal counsel. Mr. Varner added that an adjustment may be made to the Open Meetings Act post-COVID to allow for remote voting.

Voting took place on Mr. Schmidt's motion. MOTION CARRIED.

Mr. Kurtz acknowledged that a review of the SUD Oversight Board Bylaws is also needed. There is some conflicting language between the law (PA 500), the NMRE SUD Oversight Board Bylaws, and the agreements that the NMRE has with each of the 21-counties. A meeting of the NMRE Board Executive Committee will be called to begin a review of the SUD Oversight Board Bylaws.

MOTION BY GARY NOWAK TO AUTHORIZE A REVIEW OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD BYLAWS; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

NEW BUSINESS

FY2023 Changes to Approved PA2 Projects

Since final FY22 liquor tax fund balances have been calculated, the need to revise some amounts previously approved became evident. Ms. Sircely summarized the following:

Funding adjustments REDUCING liquor tax funds:

County	Project	Provider	Approved Amount	Reduced By:	Updated Amount	Notes
Kalkaska	Opioid Use Prevention and Stigma Reduction Campaign	Catholic Human Services	20,387	$13,000	$7,387	Funding is not available for Kalkaska. Cuts to the project will minimize the impact to the fund balance.
Leelanau	Opioid Use Prevention and Stigma Reduction Campaign	Catholic Human Services	25,038	$18,500	$6,538	Funding is not available for Leelanau. Cuts to the project will minimize the impact to the fund balance.
Missaukee	Jail Services	Catholic Human Services	$26,779.79	$11,000	$15,779.79	

Funding adjustments ADDING liquor tax funds:

County	Project	Provider	Approved Amount	Added Amount	Updated Amount	Notes
Grand Traverse	Opioid Use Prevention and Stigma Reduction Campaign	Catholic Human Services	$90,218.31 (Original request was for $106,139.19)	$17,967.25	$108,185.56	Additional funding is available for Grand Traverse.

Grand Traverse	Recovery Coach Patient Engagement with Healthcare Practices	Munson	$86,908.50 (Original request was for $173,817.00)	$10,000.00	$96,908.50	Additional funding is available for Grand Traverse.
Grand Traverse	Best Medical SBIRT	Catholic Human Services	$32,036.50 (Original request was for $37,690.00)	$1,100.50	$33,137	Additional funding is available for Grand Traverse.
Cheboygan	Coalition	Catholic Human Services	$127,919.24 (Original request was for $136,084.00)	$8,164.76	$136,084	Additional funding is available for Cheboygan.

Overall, the Opioid Use Prevention and Stigma Reduction Campaign Stigma campaign budget was reduced by $29,454, from $151,564 to $122,110.

MOTION BY ERIC LAWSON TO TABLE APPROVAL OF THE CHANGES TO PREVIOUSLY APPROVED FISCAL YEAR 2023 LIQUOR TAX AMOUNTS UNTIL CLEARER NUMBERS ARE PRESENTED; SUPPORT BY TERRY LARSON. MOTION CARRIED.

PA2 Requests
The new requests recommended by the SUD Oversight Board were reviewed for approval.

Requested By	Project	County(ies)	Amount
1) 53rd Circuit Recovery Court	Drug Testing Supplies	Cheboygan	$6,500.00
2) Bear River Health	Substance Use Recovery Focused (SURF) Club	Antrim, Charlevoix, Crawford, Emmet	$119,576.00
3) Bear River Health	Peer Recovery Coach Services	Charlevoix, Emmet	$75,880.00
4) 13th Circuit Court Community Corrections	Peer Recovery Coach Services	Antrim, Grand Traverse	$15,170.00
5) Bear River Health	Jail Case Management Services	Cheboygan	$23,364.00
6) Health Department of Northwest Michigan	Vaping Prevention Media Campaign	All 21 Counties (except Manistee)	$64,500.00
		Total	**$301,882.36**

It was noted that the Vaping Prevention Media Campaign was approved for Manistee County in the amount of $3,107.64 earlier during the meeting.

MOTION BY MARY MAROIS TO APPROVE THE LIQUOR TAX FUNDING REQUESTS RECOMMENDED BY THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT BOARD ON MARCH 6, 2023 IN THE TOTAL AMOUNT OF THREE

HUNDRED ONE THOUSAND EIGHT HUNDRED EIGHTY-TWO DOLLARS AND THIRTY-SIX CENTS ($301,882.36); SUPPORT BY CHUCK VARNER. ROLL CALL VOTE.

"Yea" Votes: K. Dahlstrom, E. Ginop, G. Klacking, E. Lawson, M. Marois, M. Newman, G. Nowak, J. O'Farrell, K. Sherman, D. Smeltzer, D. Tanner, C. Varner

"Nay" Votes: T. Larson, R. Schmidt

MOTION CARRIED.

Clarification was made that the peer support services request would apply only to non-reimbursable services.

Mr. Kurtz expressed that multi-county requests will also be reviewed moving forward as they create a lot of confusion when projecting budgets.

Review of SUD Oversight Policy Board Bylaws
This topic was discussed under the SUD Oversight Board report. A date will be selected for the NMRE Board Executive Committee to meet.

OLD BUSINESS

Grand Traverse County and Northern Lakes CMHA
Mr. Kurtz noted Grand Traverse County took the draft version of the Enabling Agreement through the commission for discussion. A letter from Munson to the six counties that comprise the Northern Lakes CMHA region (Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon, and Wexford) in support of maintaining Northern Lakes CMHA was distributed to the Board during the meeting.

PRESENTATION

Information Technology (IT) Security Assessment
NMRE CIO/Operations Director, Brandon Rhue, presented on the IT Security Assessment conducted by Open Systems Technologies (OST) in January 2023.

- Attempts to crack into user accounts to help identify weak passwords resulted in 0, compared to 6 in 2022.
- The Current Vulnerability Index was calculated as 0.074, down from 0.345 in 2022.
- Final Security Rating was calculated at 7.8 (out of 10), compared to 7.1 in 2022.
- Recommendations were provided as:
  - Implement a visitor and contractor sign-in process.
  - Move identity services from local servers to cloud severs.
  - Move SQL services to the latest SQL offerings on the Cloud.
- Auditor comments were provided as:
  - The auditor was impressed and surprised by the improved security footing in only the past year.
  - The auditor encouraged the NMRE to move away from physical servers and toward an even more cloud-based environment.
  - The auditor stated he is looking forward to next year's audit given the results this year.

MOTION BY MARY MAROIS TO RECEIVE AND FILE THE NORTHERN MICHIGAN REGIONAL ENTITY INFORMATION TECHNOLOGY SECURITY ASSESSMENT BY OPEN SYSTEMS TECHNOLOGIES DATED JANUARY 2023; SUPPORT BY KATE DAHLSTROM. MOTION CARRIED.

COMMENTS

Board Members

There were no comments from Board members at the close of the meeting on this date.

Staff/CMHSP CEOs

Ms. Sircely announced that this would be her last Board meeting as she has resigned from the NMRE effective April 6th. The Board wished her well.

Public

Sue Winter, NMSAS Recovery Center Executive Director, thanked the Board for their support of the Day of Recovery Education.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on April 26, 2023.

ADJOURN

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

Regional Entity CEO Group

Jim Johnson, Vice Chair | Joseph Sedlock, Chair | Bradley Casemore, Spokesperson

REGIONAL ENTITY CEO MEETING

Date: Tuesday, March 7, 2023, Time: 12:30 pm – 3:30 pm

DRAFT – Minutes

1. Welcome / Introductions

The meeting was called to order by Joe Sedlock at 12:30pm.

Present via Zoom meeting: Megan Rooney (Reg. 1), Eric Kurtz (Reg. 2), Mary Marlatt-Dumas (Reg. 3), Brad Casemore (Reg. 4), Joe Sedlock (Reg. 5), James Colaianne (Reg. 6), Eric Doeh (Reg. 7), Dana Lasenby (Reg. 8), Dave Pankotai (Reg. 9), Jim Johnson (Reg. 10).

Absent: None

Guests (selected/applicable portions): Alan Bolter & Bob Sheehan (CMHA), Trisha Thrush (Region 5), Nicole Adelman (Region 6)

CMHA Staff: Monique Francis

2. Agenda Changes / Previous Minutes Approval

Additions/changes to the agenda: None. Bob Sheehan and Alan Bolter will join at 2:15pm.

Group agreed by consensus to accept the agenda with additions/changes for March 7, 2023 and approve the minutes from January 3, 2023.

Priority/Action Items

3. MIOG and PIHPs (Brad/Eric K.)

Eric reported that several compliance officers have stated that the OIG representative is asking for information that is not included in the contract. Eric wondered if this should be brought up during contract negotiations as this is a "heavy lift" for PIHPs. Mary stated that she is concerned that the investigative steps for fraud, waste and abuse are being placed back on the PIHPs, when it should be shifted to the OIG, where PIHPs present what was found and then it is shipped to MFCU. Compliance officers feel that the requirement should be placed in the MDHHS/PIHP Agreement through the negotiating process, should begin once the agreement is suitably revised and promulgated, and it should not apply retroactively to any case opened by a PIHP prior to the date the change order is ultimately issued. Group discussed that this felt like a forced delegation and that the OIG is already putting this in place. Group agreed they are concerned about the process, and do not understand the purpose of it. Mary reported that Jeff Wieferich had no idea this was taking place and knew nothing about it. Joe stated that this item can be taken back to contract negotiations, and the group can refuse to accept this as it is not currently in the contract. Group agreed Joe should bring this up for consideration in Contract Negotiations. Mary will keep the group informed on what she hears from Jeff Wieferich as well.

4. MDHHS SUD 1115 Waiver Site Reviews Feedback (T. Thrush, N. Adelman – 1:00pm)

Joe introduced Nicole Adelman and Trisha Thrush to the group. Nicole reported that Regions are having issues with the tool provided for this audit as it has recently changed. She stated that Region 6 recently used this new tool, submitted the review to the Department, and were told that they used the wrong tool. She reported that the SUD Directors for all 10 regions put a summary of concerns together and would like the PIHP CEOs to address these concerns with the State. Nicole gave brief details of the concerns in the list provided to the CEOs. She stated that the list provided did not include concerns from all of the Regions as some have not gone through their audits yet. Joe Sedlock asked Nicole and Trisha if they thought this was a problem due to one single person, a team problem, or another problem altogether. He stated that this input would help the CEOs decide what path they may take for corrective action requests and discussions. Nicole felt that Kelly particularly was not experienced/informed well, but she wasn't sure if it was totally a "Kelly" problem. Trisha clarified that the entire 1115 review process is new altogether, and the problems experienced by one Region were also experienced by other Regions, so it may be a systemic problem. Joe asked what action the SUD Directors would like to see from the CEOs. Nicole stated that they would like the CEOs to ask the State for a more professional handling of this entire process. Eric Doeh asked what action the CEOs can point to as an expectation of how to move forward,

since this process was new. Trisha stated that scheduling and timelines for reviews should still be handled in a timely manner; meeting invites should be sent in a timely manner; adequate time for preparation, etc. These items/accommodations are the same for any audit and should be extended to this process as well. Trisha went on to state that the major problem of having a new tool, with no time to prep for that, was the biggest hinderance in this situation. Group briefly discussed the complexities of contracts and egrams. Joe asked who the contact at MDHHS was for this process. Trisha stated that Angie Smith-Butterwick and Kelli Dodson were their key contacts. Joe informed Trisha and Nicole that they will take this under advisement and let the SUD Directors group know of their decision. Eric Doeh felt that it was admirable of the SUD Directors to bring this item forth to the CEOs and take the initiative to create the summary provided today. Jim Johnson stated that he encouraged the SUD Directors to bring this forward and that it will continue to be a problem for other Regions that have not been audited yet. He further stated that the final scores were negatively affective on the PIHPs, and it's simply not fair for that to happen. He felt that this needs to be brought to the attention of the Department that this affects the PIHPs in a negative light. Joe stated that maybe an informal phone call to Angie may help to alleviate the problem. Group felt that this may not fix the problem, but it would be a good first step toward problem resolution. If escalated actions are needed in the future, that can be discussed. Joe asked if anyone wanted to volunteer to call Angie. Mary offered to make the call. Joe offered to join Mary on this call. Joe and Mary will reach out to Angie jointly and report back to this group the results of that call.

5. PIHP Representative to the CMHA Board (Joe)

Group discussed options for an appointment. James Colaianne offered to fill this vacancy to finish the term left by Tim Kangas. Group agreed by consensus to appoint James to this position.

6. Utilization Management Committee Charter (Brad)

Group reviewed the charter, purposes and scope presented for the formation of this committee. Joe asked if the group would support the formation of this group. Mary felt this was a good idea. Dana stated that she felt this aligned with the tool being used currently. Joe stated that the Parity workgroup could possibly be disbanded in lieu of this group. Joe asked if anyone had objection to the formation of this group. No objections were raised. Group agreed by consensus to the formation of this committee. Joe asked Brad if he would be willing to serve as the liaison to the group. Brad stated he had not thought about it yet. Group agreed to revisit this at the April meeting to appoint a liaison. Brad would like to review the liaison list in whole. Monique will send the most recent liaison form to Joe for next month's meeting.

7. Michigan Opioid Advisory Commission Updates (Brad)

Brad reported that a recent email he sent out included extremely useful links and information. He stated that he previously sent 2 recommendations to the group which will be reviewed and voted on by the Commission this Thursday. Brad reported that his term ends in June this year and he has applied to renew his term. Group asked what the conversations should be with local municipalities on how PIHPs can play a role in distributions. Brad stated that pointing to the Mental Health Code which lays out exactly what we should be doing is the best route. He stated that creating a matrix of municipalities within a region, and what their allocations are can help in planning for offering technical assistance, etc. Eric Doeh stated that he is getting questions from the Provider Network on when the funding is going to be coming to them, and the PIHP is not the one who is receiving the money to send along to them. Joe stated that MSHN has offered to administer funds to agencies within his region, through consultative advice, etc., when appropriate. Brad stated that this may be something that the PIHPs could consider doing as a whole statewide, possibly through MAC, later this year.

8. Michigan Autism Council Updates (Dana)

Dana recently sent information to the group as an update. She stated that topics discussed were the budget and legislative updates. Easter Seals will be receiving $2.5 Million to build a new Center. Funding for a BH program administrator is included as well as other items. She gave brief details of the legislative update as it was presented. Also discussed were MDHHS staffing updates. Dana stated that the council has asked if there are any concerns specifically from the PIHPs that Dana compile them and bring those concerns back to the Council. Brad asked if a recommendation letter for Dana to be reappointed to this Council when her term is up in September would be helpful. Dana stated that it would. Brad offered to draft such a letter on PIHP regional letterhead and send to Joe for finalization.

9. PIHP Contract Negotiations Update (Joe/Brad/Jim)

- No update – Next meeting is 3/24/2023.

10. Provider Network Reciprocity (V. Suder/Dana; S. Sircely/Eric K.)

- Section 927 Report Attached
- Inpatient – No Update.
- SUD Provider Performance Monitoring Reciprocity – No Update.

11. Training Reciprocity (A. Dillon/Joe)

- Update attached. Joe spoke briefly about Training Reciprocity issues raised by Providers.

12. Chief Finance Officers Group Report (R. Carpenter/Jim)

- 01/03/23 Notes attached. No discussion.

13. SUD Service Directors Group Report (D. Meier/Jim)

- January notes provided in packet.
- February notes provided in packet.

14. CIO Forum Report (B. Rhue/Brad)

- No update. Brad reported that he did a meet and greet with Brandon Rhue as the outgoing CIO liaison and welcomed the new liaison for the next year - Michelle Sucharski (Region 6).

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

- No update. Discussion covered in Item 3. Brad will inform the Compliance officers of the action on that item, and Eric K. will inform Kim Zimmerman on this.

16. PIHP Parity Workgroup – Update/Status (A. Ittner/James)

- No update. James reported that this group will be transitioning from MSHN's site to a Teams site. Joe asked James if this group will take up the topic of moving to/combining their work with the UM Committee group.

17. Provider Alliance Update (Joe)

- No update.

18. MDHHS/PIHP Operations Meeting Planning (All)

- Next meeting is April 6, 2023.
- Topics to Add to Agenda (if any)
    - Possibly 1115 Audits depending on Angie's reaction (lead will be Joe/Mary)

19. CMHA Legislation & Policy Committee (Jim)

- No Update/No Report.

20. CMHA Coordination (A. Bolter, B. Sheehan – not available to attend this meeting)

- CCBHC – growing concerns regarding the mismatch between SCA and CCBHC cost allocation method and constructs (Bob Sheehan)
  Bob spoke about the CCBHC contract and case management requirements. He spoke about what is, and what is not managed care. Milliman sees CCBHC as another Medicaid Waiver, and they are not. They are a standalone. Bob is going to be meeting with Erin Emerson on this issue to discuss a resolution to these concerns. Mary stated that she felt since Jon Villasurda left, no one within the Department has a handle on CCBHCs. The frustrations of having the same discussions, about codes, the concept of CCBHCs, etc. is mounting. Megan asked why there is this big change, with many not using the SCA. She asked if there was any indication from Erin Emerson on why this is happening. Bob reported that SCA has not been approved by CMS yet. Bob went on to report that the National Council has created a presentation on how to make CCBHCs sustainable, and he will be using this in future discussions with the State.
- Status of Wakely discussion (Bob Sheehan)
  Bob asked if the group had any update on where the group was landing on a decision for contracting with Wakely. Dave Pankotai reported that there is a meeting scheduled with Wakely this Friday, and we will have to wait and see how the first meeting goes. Bob asked that the PIHP let him know when they are comfortable with CMHA announcing that PIHPs are working with Wakely.
- Methadone rates – revenue to cover this cost increase (Bob Sheehan)
  Alan reported that the SUD Directors brought the boilerplate language regarding H0020 to his attention. He stated that they are concerned about the funding (or lack of) for covering the costs of the increased Methadone

dosing rate of $19/hr. Alan asked each of the PIHP SUD Directors to provide their funding shortfalls to him. Regions 5 and 6 reported that they have performed their analyses and will not have a shortfall. Region 10 also worked with the Department, and the increase is sufficient. Alan reported that the boilerplate was stricken but the money is still in the budget for this rate. Jim Johnson stated that this is not how you create rates, and they will develop rates in Region 10 the way they are supposed to. Region 9 reported they are under legal review and feel the same way as Region 10. All agreed that this practice of using boilerplate to set rates cannot continue to happen. Many felt that now that precedence has been set, this practice may continue to be used by legislators. Mary Dumas reported that Region 3 has not received additional funding in egrams for this increased rate, but the State is claiming that the increase is "baked into the rates". Megan Rooney provided a link to the group in the chat showing comparison rate development.
https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Keeping-Michigan-Healthy/BH-DD/Reporting-Requirements/BH_Comparison_Rate_Development_Report_SFY_2023.pdf?rev=912001fae6e845cd81c7a61fdd2098c5&hash=A5FA089CDF2A04D7C79C5446218D923E
Alan stated that he will not pursue any action with the Department in light of today's discussion, other than to push for rates to NOT be addressed in boilerplate. Group discussed the tightrope to be walked between the fact that a higher rate of pay is a GOOD thing – How obtaining that rate (in this case, through boilerplate) is being accomplished is a BAD thing. Joe pointed out that Managed Care Organizations must be able to have rate setting completely separate from boilerplate.

- Alan gave a brief update from this morning's testimony at the Health Committee hearing. He will send this group the presentation from that.
- Eric Doeh asked Bob for details about the removal of the Supports Intensity Scale tool. He asked if this was going to be an issue or concern for anyone else besides himself. Bob stated that the Department found out that it was simply too expensive. Mary went on to report that the Department stated that the platform was not able to be moved, so they had to cut it. Mary wondered what everyone is going to do with their SIS Assessors. Group expressed frustrations with the Department on their inability to just say that it got too expensive – instead of using excuses that it was too cumbersome to run the SIS. Group briefly discussed conflict free case management, lack of communication from the Department on ending the SIS, and the disappointment due to this. Group briefly discussed crisis stabilization units for children, and sustainability issues.

OTHER: No other business.

ADD to April Agenda:

1. Discussion regarding June meeting date – conflicts with CMHA Summer Conference.
2. Utilization Management Committee – liaison to be appointed.
3. Review current liaison list. (requested by Brad – sent along with these minutes)
4. List of CMHA Board PIHP representatives and their Term expirations:
    a. Ed Woods, Region 5 – Term expires 06/30/2024
    b. George Botbyl, Region 1 – Term expires 06/30/2024
    c. Jonathan Landsman, Region 8 – Term expires 06/30/2024
    d. James Colaianne, Region 6 – Term expires 06/30/2024
    *I misspoke on the end of the terms… They go through NEXT Summer – June of 2024. Sorry~

Meeting adjourned at 2:50pm.
Respectfully Submitted,
Monique Francis, CMHA Committee Clerk

PIHP CEO Meeting
April 6, 2023
9:30 a.m. – 12:00 p.m.
Microsoft Teams Meeting

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FY23 Rate Setting Revision and FY24 Rate Setting

Other

Attendees

Pre-Paid Inpatient Health Plans (PIHPs)

Megan Rooney (NorthCare Network)	Region 1
Eric Kurtz (Northern MI Regional Entity)	Region 2
Mary Marlatt-Dumas (Lakeshore Regional Entity)	Region 3
Brad Casemore (Southwest Michigan Behavioral Health)	Region 4
Joe Sedlock (Mid-State Health Network)	Region 5
James Colaianne (CMH Partnership of Southeast Michigan)	Region 6
Eric Doeh (Detroit Wayne Integrated Health Network (DWIHN))	Region 7
Dana Lasenby (Oakland Community Health Network)	Region 8
Callana Ollie (Oakland Community Health Network)	Region 8
Dave Pankotai (Macomb County CMH Services)	Region 9
Jim Johnson (Region 10 PIHP)	Region 10

Michigan Department of Health & Human Services (MDHHS)

Debi Andrews
Kelsey Bowen
Audrey Dick
Farah Hanley
Darrell Harden
Belinda Hawks
Nicole Hudson
Kristen Jordan
Brian Keisling
Alexandra Kruger
Phil Kurdunowicz
Kim Batsche-McKenzie
Lindsay McLaughlin
Dana Moore
Lindsey Naeyaert
Ashley Seeley
Angie Smith-Butterwick
Jackie Sproat
Brenda Stoneburner
Scott Wamsley
June White
Keith White
Jeffery Wieferich
Crystal Williams
Amanda Zabor

Michigan Department of Technology, Management & Budget (MDTMB)

Herve Mukuna

TBD Solutions

Remi Romanowski-Pfeiffer

Children's Bureau Update

1. Lindsay McLaughlin addressed a recent press release regarding the next round of the student loan repayment program. This is a student debt relief program for behavioral health providers who provide service in community settings (CMHs and their contractors, as well as schools). Each provider is eligible to obtain $300,000. The application cycle begins June 12 and ends June 23.
2. Phil Kurdunowicz presented Children's Bureau updates on Home-Based Services certifications, MichiCANS soft launch site selection guidance, serving children with IDD and CCIs, and decommissioning of WSA for Autism services.
    a. Home-based recertifications started April 1, 2023.
        i. The PIHPs and CMHs are in the process of submitting application packets through the new CRM system.
        ii. This will be a process over several months, so decisions might not be made immediately upon submission of the application.
        iii. MDHHS is monitoring the geographic coverage of home-based services across each PIHP's entire region to ensure network adequacy.
    b. MichiCANS soft launch site selection.
        i. There will be a soft launch of the MichiCANS to test the model to ensure the Bureau is approaching the implementation correctly before launching statewide. Full implementation is expected October 1, 2024.
        ii. MDHHS needs to identify five (5) pilot sites ideally to test the model. The five (5) sites would be CMHSPs, preferably from varying geographical areas, and possibly in different PIHPs.
            1. The PIHPs would like to see what is required before committing themselves or a CMHSP to the pilot. They also need to speak with their staff first to determine availability/ability to commit to the pilot. The PIHPs would like to see the State's initial guidelines, even if they are in draft form, to provide a starting point.
    c. Serving children with IDD in CCIs.
        i. The PIHPs are allowed to reimburse for certain state plan services within CCIs that exclusively serve children with IDD and provide those services specifically to children with IDD. Room and board are not included within that reimbursement mechanism. MDHHS has been receiving many questions regarding this so will be publishing an "L" Letter that clarifies. While it is not a change in policy, the letter will provide more operational details around the policy.
    d. WSA decommissioning for Autism services.
        i. The decommissioning process has been officially completed. Staff that had access to the WSA platform can continue to access historical data in WSA.

Strategic Behavioral Health Integration and Coordination Initiatives

1. Lindsey Naeyaert updated the group on Opioid Health Homes (OHH), Behavioral Health Homes (BHH), and CCBHC.
    a. There are currently 3,300 people enrolled into the OHH. There are plans to add two (2) more health home partners in the next month. There is also going to be a release in CareConnect 360 so PIHPs will be able to review CCBHC and health home metrics within the Integrated Health Measures section. A frequently asked questions document will be included.
    b. In terms of BHH, Mid-State (Region 5) will start on May 1, 2023. There was a kickoff for Region 5 in March.
    c. For CCBHC, work continues reviewing and finalizing Year 1 data. Final performance metrics were submitted by the CCBHCs last week.

d. There are new grant funding opportunities for clinics. Applications for those grants are due May 22 with an anticipated award date of August 31 and projected start date of September 30, 2023. Applicants must request letters of approval/support from MDHHS. Requests should be sent with an executive summary/project overview to the CCBHC mailbox by May 15.

HCBS Update

1. Belinda Hawks introduced the new Intensive Community Transition Services (ICT) Manager Alexandra Kruger.
2. Belinda introduced Remi Romanowski-Pfeiffer to provide updates on conflict-free access and planning.
    a. Remi talked about the conflict-free access and planning workgroup that has been meeting since January 2022. There were several models that were developed and presented which included criteria that needed to be considered in the decision-making process.
    b. There will be testing over the next few months to provide more robust feedback to MDHHS. The decision will be made this summer. Then there will be planning, technical guidelines, and implementation development.
    c. In October 2023, the PIHPs will prepare and submit implementation plans that will be implemented between October 2023 and October 2024, with full implementation by October 2024.
    d. Concerns were expressed about the serious and broad impacts on the system and is interested in learning about how decisions are being made. There was also a question about what the testing phase is going to look like?
        i. It was acknowledged that there are many implications and considerations that will be important for MDHHS to look at before deciding. Part of the testing process will be taking the draft option models and asking the group to point out strengths and weaknesses of each option.
        ii. Group membership will be diverse for each option. Scenarios will be developed for each option for the groups to work through to identify those concerns, strengths, and weaknesses.
        iii. The workgroup members are exclusively completing the testing. There are CMHSP and PIHP representation on that group. Testing will begin this month (April).
    e. Extensive discussion occurred regarding multiple aspects of the implementation.
    f. More information can be found here: Conflict Free Access and Planning Workgroup (michigan.gov)
    g. The email address is: Mdhhs-conflictfreeaccess@michigan.gov

Public Health Emergency Unwind

1. Nicole Hudson provided information surrounding the Public Health Emergency Unwind.
    a. Awareness letters were sent out in March 2023 for the Medicaid redeterminations that will begin in June 2023. Packets of information will be mailed in May 2023 to the enrollees who will undergo redetermination in June 2023.
    b. Awareness letters will be sent by the end of the week for the Medicaid redeterminations that will begin in July 2023.
    c. The PIHP should have already received the initial files from MDHHS, but if a PIHP hasn't, please reach out to contacts at MDHHS.
    d. MDHHS submitted a mitigation plan to CMS which has been approved to ensure that MDHHS is in compliance with Section 5131 of the Consolidated Appropriations Act.

e. A PIHP had questions about the passive renewal numbers. MDHHS hasn't run those numbers yet. The information might be provided on the files MDHHS is sharing with the PIHPs.
f. A PIHP asked if there was going to be a large drop in Healthy Michigan vs. traditional Medicaid?
    i. The first terminations in the programs won't be seen until June 30, 2023, as that is when the terminations will be effective. There will most likely be data to share in July.
    ii. MDHHS is very aware of the impact the redetermination process might have on revenue and is keeping a close eye on that. MDHHS will need to see a few months' worth of data to see the impact before MDHHS will be able to review and make any potential changes to the rates. It will be the last quarter before MDHHS can identify what might need to happen.
g. More information can be found on the MDHHS website 2023 Benefit Changes (michigan.gov)
h. Specific renewal timelines are also located on the MDHHS website Eligibility Notification Timeline (michigan.gov)
i. The stakeholder toolkit can be found on the website Stakeholder Toolkit (michigan.gov).
j. Nicole's email is hudsonn2@michigan.gov

MPCIP & MI CAL Update

1. Krista Hausermann was present to provide the updates. There will be a new behavioral health crisis services update sent shortly.
    a. There have been ongoing questions around HSAG requirements that there is approval of post crisis stabilization services within one (1) hour and how that relates to the current Michigan requirement of three (3) hours. MDHHS would like to meet with some representatives from the PIHP to talk about crisis stabilization, emergency services, and to work through and document a process in writing.
        i. The PIHPs would like to have an email sent to themselves (the CEOs) and then they will decide who best to forward the invitation to at their organizations.
    b. A new CSU Specialist has been hired and will start on April 17. She has experience in providing behavioral health crisis services and in program development and administration.
    c. Eleven applications have been received for CSU pilot sites, with all 11 being approved.
    d. A new staff person has been hired and will be leading the work around adult mobile crisis. She will be starting on April 17.

SAMHSA Communication

1. Jeff Wieferich shared information that SAMHSA is offering states some assistance on recommendations for how the State can use unspent mental health block grants, substance abuse block grants, as well as unspent SOR funds. They are offering several areas that MDHHS could potentially focus on and lessening some criteria that has already been in place for other areas.

Electronic Visit Verification

1. The PIHPs requested an update on the status of the implementation.
    a. A vendor has been selected and there have been meetings. More information will be available at the May meeting.

SIS-A Replacement

1. The PIHPs requested an update on the status of the Assessment tool that is replacing the SIS tool and asked what MDHHS is considering as an implementation plan once a decision is made on the replacement tool?
    a. Communication went out from MDHHS on March 21 that stated that SIS has been sunsetted and there isn't a replacement yet. MDHHS is aware that there needs to be an assessment tool and is working toward identifying appropriate choices.
    b. The decision-making process might extend into FY2024.

FY23 Rate Setting Revision and FY24 Rate Setting

1. The PIHPs would like to know the status of the FY2023 Medicaid Rate Setting activity and FY2024 Rate Setting. There have been some recent updates, but any additional information like timeframes or upcoming meetings would be appreciated.
    a. Keith White indicated that there will be a meeting to review FY2023 in May, and possibly a separate meeting for CCBHC Rate Setting. MDHHS is still finalizing its approach for the redetermination strategy. He indicated that materials for the PIHPs will be available soon.
    b. If PIHPs have questions, they can email the actuarial general mailbox at MDHHS-MSA-ACTUARIAL-DIVISION@michigan.gov or Keith White at WhiteK33@michigan.gov.

Other

1. Brad Casemore let the group know that the Opioid Advisory Commission Report came out at the end of March. It is available on Opioid Advisory Commission website: OAC 2023 Annual Report: A Planning Guide for State Policy Makers (mi.gov)
    a. Brad encouraged all PIHPs and CMHSPs to be aware of the parts of the Mental Health Code and the statutory obligations of the PIHPs and CMHSPs to provide the services, duties, and obligations in good faith.
    b. The idea to bring Tara King, the Opioid Advisory Commission program coordinator was presented and discussed. MDHHS will discuss internally.

Community Mental Health Association of Michigan

Concerns relative to the March 23 MDHHS-proposed Conflict-Free Access and Planning options

March 2023

In March 2023, the MDHHS Conflict-Free Access and Planning (CFAP) Workgroup met to review a number of CFAP options proposed by MDHHS to ensure compliance with the federal CFAP requirements. These options raised a number of concerns for the members of the Community Mental Health Association of Michigan (CMHA) – concerns around the threat that these options to the dismantling of Michigan's public mental health system.

These concerns and recommendations for action are outlined below.

Concerns over design options

Concern 1: MDHHS's Conflict-Free Access and Planning (CFAP) options are **centered on structural mitigation, rather than the allowed procedural mitigation.** [i]

These structural mitigation approaches **dismantle the core components of the state's CMHSPs and violate state law and the Medicaid waivers undergirding Michigan's public mental health system.**

The analysis below outlines the case against structural mitigation (see Concerns 2 through xxx) and proposes (see Recommendation for action) a range of procedural mitigation approaches that MDHHS had, up until this point, integrated into its HCBS state plan.

Concern 2: CMHSPs are local governmental units, paid on a sub-capitated basis and, as such, do not gain financially from receiving clients through the access, person-centered planning, and casemanagement processes. In fact, these funds are provided, on a shared-risk arrangement with the State of Michigan, through the state's PIHPs (acting as Regional Entities created by the state's CMHSPs or as stand-alone PIHPs who are also CMHSPs), to the state's CMHSPs. **As a result, gains and losses by this system are shared by the State of Michigan.**

The MDHHS proposed structural approaches to prevent private gain are not relevant to Michigan's CMHSP system**,** given its public nature, statutory obligations, nor waiver defined identity as Comprehensive Specialty Services Networks (CSSN). [ii]

Concern 4: The access and person-centered planning roles of CMHSPs, as local units of government, are core requirements of Michigan's CMHSP system under Michigan's Mental Health Code and Medicaid waiver, unlike CMHSPs in many other states, making the development of a Michigan-tailored CFAP approach essential - calling for a procedural rather than structural separation of duties. The procedural protections that are implemented should build upon and strengthen Michigan's system has a 60-year history of integrating the access, assessment PCP development, and provider roles.

Concern 5: The options proposed by MDHHS go beyond HCBS services and **are proposed for all Medicaid behavioral health services, not only HCBS services.**

Concern 6: **CMHSPs that are CCBHCs are required to operate, as providers, access and person-centered/service planning functions** – thus underscoring the need for a procedural rather than structure separation of duties.

The CCBHC design, being employed across the country, is patterned after Michigan's CMHSP system – with the same broad and integrated Comprehensive Specialty Services Network (CSSN) structure that is at the core of Michigan's public mental health system.

Concern 7: In all of the models proposed by MDHHS, **provider network management and payments to these network providers move from the CMHSPs** to the state's PIHPs – in violation of Michigan's Mental Health Code, CCBHC requirements, and the community's longstanding expectation and reliance on the CMHSPs to have the full range of behavioral health and intellectual/developmental disability services. CCBHCs are required to directly hold DCO contracts as their CCBHC provider network.

Concern 8: The proposed models **confuse managed care functions with the management necessary for the CMHSP to run a full-service comprehensive network** – as defined in statute, Medicaid waivers, contracts, and CCBHC rules.

Concern 9: The MDHHS CFAP models do not fit Michigan's CMHSP and PIHP system given that **these models are drawn from states that are unlike Michigan's system** in many key dimensions:

- These states do not have a CMHSP system that is governmental, funded with capitated Medicaid dollars, with a statutorily and waiver defined identity as a Comprehensive Specialty Services Network (CSSN) – traits that are core to Michigan's system.
- These states have a very limited number of persons receiving HCBS services – typically only those persons certified to be on habilitative, SED, or similar waivers – whereas Michigan has wisely expended the use of HCBS services to a large and diverse number of Medicaid beneficiaries.
- These states have direct contracts from the state to these providers, many of which are private non-profits and private for-profits, for whom self-referral and authorization-related private gain concerns often lead to structural mitigation models – unlike Michigan's local government CMHSP system.

Concerns over process

The announcement, in March 2023, to the MDHHS Conflict-Free Access and Planning (CFAP) Workgroup, of the CFAP options proposed by MDHHS to ensure compliance with the federal CFAP requirements, were met with deep concern by the representatives of the state's Community Mental Health Services Programs (CMHSPs) and Medicaid Prepaid Inpatient Health Plans (PIHPs) – concerns that they expressed during this March meeting of the workgroup.

Many of the CMHSP and PIHP staff on that workgroup indicated, during that meeting and since, that these models do not align with much of the workgroup's past discussions nor draw from the concepts and workable options proposed by the CMHSP and PIHP members of the workgroup. These workgroup members indicated that, throughout the life of the workgroup and again during this March 2023 discussion of these options, their views have not been heard and that the options that they have proposed to ensure Conflict-Free Access and Planning while building upon and strengthening Michigan's public mental health system were ignored.

These members were surprised at the design options presented by MDHHS and expressed deep concerns regarding these options – seeing all of these options as violating the core roles, integrity, and definition of Michigan's Community Mental Health system, as captured in statutes, regulation, and contract.

Recommendations for Action

Action 1: MDHHS should pursue the development, jointly with the members of the MDHHS CFAP Workgroup, the state's major advocacy groups, and CMHSP/PIHP leadership, of procedural mitigation approaches, rather than structural mitigation approaches to meeting the federal CFAP requirements while preserving the fundamental constructs and integrity of the state's CMHSP and PIHP system.

Sound procedural mitigation approaches, which could form the foundation for any revised approaches, are outlined in Michigan's 1915(i) State plan HCBS State plan (Attachment 3.1–i.2) the relevant sections of which are highlighted below:

> The right of every individual receiving public mental health services in Michigan to the development of an individual plan of services and supports using the person-centered planning process is established by law in Chapter 7 of the Michigan Mental Health Code. Through the MDHHS/PIHP contract, MDHHS delegates the responsibility for the authorization of the service plan to the PIHPs.
>
> The PIHPs delegate the responsibilities of plan development to CMHSP supports coordinator or other qualified staff chosen by the individual or family. 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. The CMHSPs authorize the implementation of service through a separate service provider entity. The development of the IPOS through the person-centered planning (PCP) process is led by the beneficiary with the involvement of allies chosen by the beneficiary to ensure that the service plan development is conducted in the best interests of the beneficiary. The beneficiary has the option of choosing an independent facilitator (not employed by or affiliated with the PIHP) to facilitate the planning process. In addition, the PIHP, through its Customer Services Handbook and the one-on-one involvement of a supports coordinator, supports coordinator assistant, or independent supports broker are required to provide full information and disclosure to beneficiaries about the array of services and supports available and the choice of providers.
>
> The beneficiary has the option to choose his or her supports coordinator employed by a PIHP subcontractor or can choose an independent supports coordinator (not employed directly by or affiliated with the PIHP except through the provider network) or select a supports coordinator assistant or independent supports broker. This range of flexible options enables the beneficiary to identify who he or she wants to assist with service plan development that meets the beneficiaries' interests and needs. Person-centered planning is one of the areas that QMP Site Review Team addresses during biennial reviews of each PIHP.
>
> The MDHHS/BHDDA has several safeguards in place to assure that the independent assessment, independent eligibility evaluation, development of the Individual Plan of Service (IPOS), and delivery of 1915(i) services by the PIHP provider network are free from conflict of interest through the following:

1) The mandated separation required in the MDHHS/PIHP contract that assures the assessor(s) of eligibility will not make final determinations about the amount, scope and duration of 1915i services;

2) The MDHHS/PIHP contract assures the provider responsible for the independent HCBS needs assessment are separate from the case manager/supports coordinator providers responsible for the development of the IPOS;

3) All Medicaid beneficiaries are supported in exercising their right to free choice of providers and are provided information about the full range of 1915(i) services, not just the services furnished by the entity that is responsible for the person-centered service plan development.

All beneficiaries are advised about the Medicaid Fair Hearing process in the Customer Services Handbook that is provided by the PIHP to the individual at the onset of services, at least annually at the person-centered planning meeting and upon request of the individual at any time. The Medicaid Fair Hearings process is available to the individual to appeal decisions made related to 1915(i) services.

This may include beneficiaries who believe they were incorrectly determined ineligible for 1915(i) services; beneficiaries who believe the amount, scope, and duration of services determined through the person-centered planning process is inadequate to meet their needs; and if 1915(i) services are reduced, suspended or terminated. Adequate Notice of Medicaid Fair Hearing rights is provided at the time the person-centered plan of service is developed and Advanced Notice of Medicaid Fair Hearing rights is provided prior to any reduction, elimination, suspension or termination of services;

4) The results of the individual needs assessment, including any other historical assessment or evaluation results, may be used as part of the information utilized in developing the individual plan of services (IPOS). Oversight/coordination of the IPOS is done by a case manager or supports coordinator or other qualified staff chosen by the individual or family, is not a provider of any other service for that individual, and is not the professional/entity that completes the individual needs assessment/authorization for eligibility or services;

5) The PIHP performs the utilization management managed care function to authorize the amount, scope and duration of 1915i services. PIHP utilization management staff are completely separate from the sub-contracted staff and entities performing evaluation, assessment, planning, and delivery of 1915i services;

Additional Assurances are outlined in the MDHHS contract with the state's PIHPs,:

Section 30.0 CONFLICT OF INTEREST: The PIHP and MDHHS are subject to the federal and state conflict of interest statutes and regulations that apply to the PIHP under this contract, including Section 1902(a)(4)(C) and (D) of the Social Security Act: 41 U.S.C. Chapter 21 (formerly Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. §423): 18 U.S.C. §207)): 18 U.S.C. §208: 42 CFR §438.58: 45 CFR Part 92: 45 CFR Part 74: 1978 PA 566: and MCL 330.1222. Self-Determination Policy and Practice Guideline (AttachmentP4.7.1) and Medicaid Services Verification – Technical Requirements (Attachment P6.4.1)

Action 2: To avoid the need for unnecessary firewalls, not required by federal regulation, the procedural conflict mitigation practices outlined above should be applied, only in relation to HCBS services, as required by federal regulation.

[i] Procedural mitigation approaches are allowed by CMS as per the following section of the federal HCBS regulations. Such approaches recognize that, as outlined in state law and the state's Medicaid waivers, the state's CMHSPs, as the sub-capitated Medicaid Comprehensive Specialty Services Network (CSSN), are the only bodies that can develop and approve the individual plan of service and will be, at times, also a HCBS provider:
42 CFR 441.301(c)(1)(vi) Providers of HCBS for the individual, or those who have an interest in or are employed by a provider of HCBS for the individual must not provide case management or develop the person-centered service plan, except when the State demonstrates that **the only willing and qualified entity to provide case management and/or develop person-centered service plans in a geographic area also provides HCBS**. In these cases, the State must devise conflict of interest protections including separation of entity and provider functions within provider entities, which must be approved by CMS. Individuals must be provided with a clear and accessible alternative dispute resolution process

[ii] **A. CMHSPs as comprehensive service providers as defined by statute (Michigan Mental Health Code)**:
Michigan's CMHSPs have been designed, with that design imbedded in state law, as comprehensive mental/behavioral health services providers. This role is underscored by the Michigan Mental Health Code requirement (Code language provided below) that outlines the comprehensive service array that CMHSPs must provide **whether provided directly or via contract with another provider**.

> 330.1206 Community mental health services program; purpose; services.
>
> Sec. 206.
> (1) The purpose of a community mental health services program **shall be to provide a comprehensive array of mental health services** appropriate to conditions of individuals who are located within its geographic service area, regardless of an individual's ability to pay. The array of mental health services shall include, at a minimum, all of the following:
> (a) **Crisis stabilization and response including a 24-hour, 7-day per week, crisis emergency service** that is prepared to respond to persons experiencing acute emotional, behavioral, or social dysfunctions, and the provision of inpatient or other protective environment for treatment.
> (b) **Identification, assessment, and diagnosis** to determine the specific needs of the recipient and to develop an individual plan of services.
> (c) **Planning, linking, coordinating, follow-up, and monitoring** to assist the recipient in gaining access to services.
> (d) **Specialized mental health recipient training, treatment, and support**, including therapeutic clinical interactions, socialization and adaptive skill and coping skill training, health and rehabilitative services, and pre-vocational and vocational services.
> (e) Recipient rights services.
> (f) Mental health advocacy.
> (g) **Prevention activities** that serve to inform and educate with the intent of reducing the risk of severe recipient dysfunction.
> (h) **Any other service approved by the department**.

All of the work of the CMHSP in fulfilling this role, including staff credentialling, contract management, quality improvement, claims payment, customer services and recipient rights, is **related to the CMHSP role as a comprehensive services provider as it has been for decades long prior to the advent of managed care in Michigan's Medicaid program.**

B. CMHSPs as Comprehensive Specialty Services Networks (CSSN) receiving capitated payments: Michigan's managed behavioral health Medicaid program is built on a structure that designates Michigan's CMHSPs as comprehensive providers receiving sub-capitation payments.

Since the 1998 implementation of the Michigan Medicaid Managed Specialty Supports and Services Program and subsequent federal waiver authorities, CMHSPs were designated as Comprehensive Specialty Services Networks

(CSSNs) and are expected to create and maintain Provider Specialty Services Networks (PSSNs). This has been the state's expectations for all CMHSPs and is the very foundation for Michigan's unique managed care "carve-out" sole source contractual arrangement with the public community mental health system.

These roles are outlined in a number of foundational documents of Michigan's behavioral health Medicaid program, excerpts of which are provided below:
Michigan Department of Community Health; Revised Plan for Procurement of Medicaid Specialty Prepaid Health Plans; Final Version; September 2000

> … CMHSPs in the affiliation would be eligible for a special provider designation – that of **"Comprehensive Specialty Service Network" (CSSN)** – that affords them special consideration in the provider network and qualifies them to receive a sub-capitation from the PHP or hub-CMHSP.

Michigan Department of Community Health; Specialty Pre-Paid Health Plan 2002 application for participation; January 2002

> Sub-capitation: An applicant **may sub-capitate for shared risk with affiliates** or established risk-sharing entities.

FOR IMMEDIATE RELEASE
March 23, 2023

CONTACT: Chelsea Wuth
517-241-2112
WuthC@michigan.gov

MDHHS launching Electronic Visit Verification system

LANSING, Mich. – The Michigan Department of Health and Human Services (MDHHS) is implementing an Electronic Visit Verification (EVV) system to validate in-home visits for Medicaid recipients. This EVV system will ensure beneficiaries are receiving services as planned and authorized and improve accuracy of payments for services provided.

Under Section 12006(a) of the 21st Century Cures Act, states are required to implement EVV for all Medicaid personal care services and home health services that require an in-home visit by a provider. The EVV system must verify type of service performed, along with the date, time and location of the service, as well as the individual receiving and individual providing the service.

MDHHS awarded a $11.3 million, five-year IT contract to HHAeXchange to provide an EVV system that includes data collection, data aggregation and a pre-billing module to support MDHHS and its providers. HHAeXchange has successfully implemented more than 34 payers and is the EVV aggregator for the states of New Jersey, West Virginia, Alabama, Minnesota, Mississippi and Illinois.

“MDHHS is fully committed to making the transition to EVV as easy as possible for stakeholders,” said Elizabeth Hertel, MDHHS director. “Personal care and home health providers will be able to use the free provider portal and its multilingual caregiver tools to report required information to enable the department to manage provider compliance and ensure participants are receiving appropriate services.”

MDHHS will be implementing an “Open Vendor Model.” This model allows providers and managed care organizations to use the state EVV system at no cost, or an alternate EVV system of their choosing that directly integrates with the state system.

HHAeXchange will support MDHHS by consolidating all visit data, regardless of the EVV tools being used. As the state-provided EVV system, the HHAeXchange platform will be used by providers and direct care workers serving more than 124,000 active participants across seven programs.

“As states finalize their plans to roll out EVV programs, HHAeXchange has been at the forefront of helping them find the right solutions for their unique needs, while also meeting the requirements of the 21st Century Cures Act,” said Stephen Vaccaro, President of HHAeXchange. “We’re honored to now be serving payers and providers in

the state of Michigan, empowering them with the resources they need to improve their communication, efficiency, and compliance, all the while delivering better outcomes for recipients."

In addition to bringing MDHHS into compliance with federal regulation, implementation of EVV will ensure beneficiaries are receiving services as planned and authorized, improve caregiver service accountability and accuracy of payment for services provided, enhance program integrity and compliance and increase efficiencies of program operations.

MDHHS plans to begin transitioning providers to EVV in early 2024. Implementation will be staggered to allow adequate time for training and adoption by the stakeholders.

###

FOR IMMEDIATE RELEASE
April 3, 2023

CONTACT: Chelsea Wuth
517-241-2112
WuthC@michigan.gov

MDHHS expands dental benefits for Medicaid beneficiaries

LANSING, Mich. -- To improve access to dental services, the Michigan Department of Health and Human Services (MDHHS) has expanded dental benefits for adult Medicaid beneficiaries and increased rates for dental providers. This redesigned benefit will directly help beneficiaries by increasing access to services, enhancing care coordination and improving health outcomes. Benefit enhancements and service delivery began April 1.

“This positive change recognizes the strong correlation between oral and physical health outcomes,” said Elizabeth Hertel, MDHHS director. “With better services and closer care coordination, we can maximize opportunities to create healthy outcomes for beneficiaries of all ages while also expanding the number of providers so Michigan’s residents can get care where and when they need it.”

The $85.1 million investment in increased reimbursement and $30 million in redesigned benefits will not result in any loss of services, and many recipients will have new services added. For beneficiaries who are 21 years and older, the following services will now be covered:

- X-rays
- Teeth cleanings
- Fillings
- Extractions
- Dentures
- Deep teeth cleanings (New)
- Sealants (New)
- Root canals (New)
- Crowns (New)
- Care to keep your gums healthy (New)

Changes reflect input from a broad array of stakeholders and lessons learned from the Healthy Michigan Plan and Pregnant Women dental programs. In addition to the expanded services, MDHHS has made changes to improve beneficiary access and provider participation, as well as expand access to robust care coordination services that ensure beneficiaries are supported in accessing the services they need.

As a first step in the redesign, a policy that substantially increased reimbursement rates for Medicaid dental services was implemented Jan. 1, 2023. Providers are now being paid at 100% of the Average Commercial Rate, ensuring access and incentivizing providers to treat Medicaid beneficiaries.

“The reimbursement rates for providers were very low under the old adult dental Medicaid program,” said Dr. Vince Benivegna, President of the Michigan Dental Association. “Dentists would lose money by treating adult dental Medicaid patients. As small business owners this was not sustainable. The new rates recognize the value of quality care and will allow more dental health providers to treat Medicaid patients.”

Medicaid beneficiaries will not lose any dental care benefits with these changes; however, the way services are delivered may change slightly. Medicaid beneficiaries aged 21 years and older, including Healthy Michigan Plan beneficiaries and pregnant women who are enrolled in a Medicaid Health Plan, Integrated Care Organization or Program of All-Inclusive Care for the Elderly will receive dental benefits through their health plan. The health plan becomes responsible for the beneficiary’s dental services obtained through the health plan’s dental provider network. The health plans will continue to provide robust care coordination and ensure that beneficiaries are supported in accessing the services they need.

Dental services for beneficiaries who are not enrolled in a health plan will be provided through the Medicaid FFS program.

For questions, beneficiaries can call the Beneficiary Help Line for free at 800-642-3195 (TTY: 866-501-5656) or send an email to beneficiarysupport@michigan.gov.

Providers can call 800-292-2550 or email providersupport@michigan.gov.

###

Service Delivery Transformation Section

April 2023 Update

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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

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

Kelsey Bowen – Health Home Specialist
Bowenk8@michigan.gov
- Opioid and Substance Use Disorder Health Homes
- Quality Initiatives within Section

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

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

Hailey Dziegelewski – CCBHC Analyst
DziegelewskiH@michigan.gov
- CCBHC Programmatic Support

Opioid Health Home

Opioid Health Home Overview

- Medicaid Health Homes are an optional State Plan Amendment under Section 1945 of the Social Security Act.
- Michigan's OHH is comprised of primary care and specialty behavioral health providers, thereby bridging the historically two distinct delivery systems for optimal care integration.
- Michigan's OHH is predicated on multi-disciplinary team-based care comprised of behavioral health professionals, addiction specialists, primary care providers, nurse care managers, and peer recovery coaches/community health workers.
- As of October 1, 2022, OHH services are available to eligible beneficiaries in 76 Michigan counties. Service areas include PIHP region 1, 2, 4, 5, 6, 7, 8, 9, and 10.

Current Activities

- As of April 1, 2023, 3,370 beneficiaries are enrolled in OHH services.
- Resources including the OHH policy, directory, and handbook, are available on the Michigan Opioid Health Home website Opioid Health Home (michigan.gov)
- With the OHH expansion in October 2022, LE's have continued to expand OHH services with new Health Home Partners (HHPs). There are currently 37 Health Home Partners (HHP) contracted to provide services to OHH beneficiaries. Four HHPs are contracting with multiple LEs.
- MDHHS continues to collaborate with many state agencies to ensure OHH beneficiaries have comprehensive support services to aid in their recovery journey.

Substance Use Disorder Health Home

Substance Use Disorder Health Home Overview

- The Substance Use Disorder Health Homes is an optional opportunity under the SUD Block Grant Supplemental.
- The Substance Use Disorder Health Homes is designed as a look a-like health home comprised of primary care and specialty behavioral health providers, with a similar structure to the current operational Opioid Health Home (OHH).
- With the same structure as the OHH, the Substance Use Disorder Health Home is predicated on multi-disciplinary team-based care comprised of behavioral health professionals, addiction specialists, primary care providers, nurse care managers, and peer recovery coaches/community health workers.

Current Activities

- Three PIHP regions (2, 7, and 8) are using available funds to operate the Substance Use Disorder Health Home.
- Two PIHP regions (4 and 6) will use Substance Use Disorder Health Home funds as a staffing grant to assist providers in meeting capacity to become an OHH partner within the next fiscal year.

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 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.
- Behavioral Health Home services are available to beneficiaries in 42 Michigan counties including PIHP regions 1 (upper peninsula), 2 (northern lower Michigan), 6 (Southeast Michigan), 7 (Wayne County), and 8 (Oakland County).

Current Activities

- As of April 4, 2023, there are 2,315 people enrolled:
    - Age range: 6-86 years old
    - Race: 25% African American, 69% 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)
- MDHHS staff are working to expand the BHH into PIHP Region 5, Mid-State Health Network. Anticipated start date is May 1, 2023.
- The final policy was released on March 23rd.
- MDHHS hosted a Behavioral Health Home Kick-Off for Region 5 on March 23rd and March 24th. The agenda included an overview of the national landscape of health homes, program requirements, a panel discussion, and presentations by 3 Health Home Providers.

Promoting Integration of Physical and Behavioral Health Care Grant

Promoting Integration of Physical and Behavioral Health Care (PIPBHC) Overview

- PIPBHC is a five-year Substance Abuse and Mental Health Services (SAMHSA) grant that seeks to improve the overall wellness and physical health status for adults with SMI or children with an SED. Integrated services must be provided between a community mental health center (CMH) and a federally qualified health center (FQHC).
- Grantees must promote and offer integrated care services related to screening, diagnosis, prevention, and treatment of mental health and substance use disorders along with co-occurring physical health conditions and chronic diseases.
- MDHHS partnered with providers in three counties:
    - Barry County: Cherry Health and Barry County Community Mental Health to increase BH services
    - Saginaw County: Saginaw County Community Mental Health and Great Lakes Bay Health Centers
    - Shiawassee County: Shiawassee County Community Mental Health and Great Lakes Bay Health Centers to increase primary care

Current Activities

- Grantees are currently working toward integrating their EHR system to Azara DRVS to share patient data between the CMH and FQHC. This effort should improve care coordination and integration efforts between the physical health and behavioral health providers.
- PIPBHC sites are focused on sustainability and the ways in which integrated care can continue after the end of the grant.

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. 13 sites, including 10 CMHSPs and 3 non-profit behavioral health providers, are participating in the demonstration. 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

- The CCBHC team is working on reviewing and finalizing Year 1 data. CCBHCs reported providing 817,251 daily visits to Medicaid beneficiaries during FY22 and 70,143 visits to individuals without Medicaid coverage. Services were provided to 62,626 unique individuals. Approximately 30% served were children and young adults, age 0-21, and 70% were adults age 21+. As of April 4, 2023, 59,154 Medicaid beneficiaries and 11,468 individuals without Medicaid are assigned in the WSA to the 13 demonstration CCBHC sites.
- CCBHCs have submitted their DY1 Cost Reports, and PPS rates for DY2 are under development.
- MDHHS continues to partner with evaluators at the Center for Healthcare Research Transformation at the University of Michigan on formulating an evaluation, which is intended to help measure the impact of the demonstration- particularly efforts to expand access to behavioral health services for underserved populations. Work to develop a comprehensive evaluation plan will begin in early 2023. Clinic-reported metric reports were submitted March 31 and are under review.

- Training and technical assistance is ongoing. The April session of the CCBHC learning collaborative will focus on DCO relationships. An integrated health training is being planned for early May. MDHHS is also sponsoring the training of two Community Health Workers (CHWs) at each CCBHC demonstration site in FY23 and has open spots remaining.
- SAMHSA has released final revised certification criteria and the MDHHS team is reviewing to determine an expected implementation timeline for demonstration sites.
- MDHHS has implemented an internal steering committee to help develop a plan for the possibility of CCBHC expansion. The committee has already completed two out of the five planning sessions and continues to review feedback and guidance from members. A process for collecting external feedback is under development.
- SAMHSA has released new grant funding opportunities for clinics. Clinics without previous CCBHC experience can apply for CCBHC Planning, Development, and Implementation grants and existing grant recipients or demonstration sites can apply for CCBHC Improvement and Advancement grants. Applicants must request letters of approval from MDHHS and should send an executive summary or project overview to mdhhs-ccbhc@michigan.gov by May 15, 2023.

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

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ELIZABETH HERTEL
DIRECTOR

April 3, 2023

Mr. Ed Kurtz, CEO
Northern Michigan Regional Entity
1999 Walden Drive
Gaylord, MI 49735

Dear Mr. Kurtz:

We have completed a review of Northern Michigan Regional Entity's (NMRE) FY 2023 Risk Management Strategy. The components of NMRE's Risk Management Strategy are in compliance with PIHP contract sections 4.I Internal Service Fund, 7.I Risk Corridor and the Policy and Practice guideline *Internal Service Fund Technical Requirement* at: www.michigan.gov/documents/mdhhs/Internal-Service-Fund-Technical-Requirement_704454_7.pdf and the MDHHS policy regarding risk management strategies as established in the Technical Advisory issued October 10, 2008.

If there are any anticipated changes to NMRE's FY 2023 Risk Management Strategy during the fiscal year, please submit a revised plan to: MDHHS-BHDDA-Contracts-MGMT@michigan.gov.

Sincerely,

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

cc: Jeff Wieferich, MDHHS
June White, MDHHS
Stephanie Heywood, MDHHS
Deanna Yockey, NMRE

Communication with Those Charged with Governance during Planning

April 19, 2023

To the Members of the Board
Northern Michigan Regional Entity
Gaylord, Michigan

We are engaged to examine Northern Michigan Regional Entity's (the PIHP's) compliance with the compliance requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services that are applicable to the Medicaid Contract and General Fund Contract for the year ended September 30, 2022. Professional standards require that we provide you with the following information related to our compliance audit.

We would also like to extend the opportunity for you to share with our firm any concerns you may have regarding the PIHP, whether they be in relation to FSR reporting, controls over assets, or issues regarding personnel, as well as an opportunity for you to ask any questions you may have regarding the compliance audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the PIHP complied with the requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services that are applicable to the Medicaid Contract and General Fund Contract. Our compliance audit does not relieve you or management of your responsibilities.

As part of obtaining reasonable assurance about whether the PIHP complied with the requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services that are applicable to the Medicaid Contract and General Fund Contract, we will also perform tests of the PIHP's compliance with certain provisions of laws, regulations, and other contracts. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Our responsibility is to plan and perform the compliance audit to obtain reasonable, but not absolute, assurance that the PIHP complied with the requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services that are applicable to the Medicaid Contract and General Fund Contract. We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the compliance process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the PIHP's compliance with the requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material noncompliance and to design the nature, timing, and extent of further compliance audit procedures. Noncompliance may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

We will generally communicate our significant findings at the conclusion of the compliance audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

During planning for this engagement, we considered the following significant risks of noncompliance. Our auditing procedures have been tailored to help detect these risks should they occur. Should any actual instances of noncompliance be detected during the performance of our engagement, these would be communicated to the Board in the *Communication with Those Charged with Governance at the Conclusion of the Audit*. Those risks **considered** during planning are:

- Improper identification of consumer eligibility
- Improper expenditure recognition due to fraud

Again, these are risks that are considered in determining the audit procedures to be applied. While these are risks that are considered during planning, it is not an indication that any such activity has taken place. To address these risks, we incorporate unpredictability into our compliance audit procedures, emphasize the use of professional skepticism, and assign staff to the engagement with industry expertise.

Derek Miller is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The information included in this letter is intended solely for the use of those charged with governance and management of the PIHP, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

Community Mental Health Association of Michigan
Rough Projection of Capitation Populations and Funding by Month using pre-PHE Populations
Assuming Expanded Population Will Either not Re-enroll or no Longer be Qualified for Coverage

Eligibility Notification Timeline					Projection based on linear trend to ave. population counts before PHE			
Individual's Renewal Month	Awareness Letter Sent	Renewal Packet Sent*	Month Renewal Packet is Processed	Last Date of Coverage (No Longer Eligible or No Packet Returned)	Month of Capitation	DAB Population	HMP Population	TANF Population
					Feb 2023 Actual Population	544,208	1,009,914	1,508,034
					May 2023 Projected:	***547,878***	***1,028,011***	***1,533,429***
Jun-23	Mar-23	May-23	Jun-23	30-Jun-23	***June 2023 Projected:***	***542,781***	***995,876***	***1,504,206***
Jul-23	Apr-23	Jun-23	Jul-23	31-Jul-23	***July 2023 Projected:***	***537,684***	***963,741***	***1,474,983***
Aug-23	May-23	Jul-23	Aug-23	31-Aug-23	***August 2023 Projected:***	***532,587***	***931,606***	***1,445,760***
Sep-23	Jun-23	Aug-23	Sep-23	30-Sep-23	***September 2023 Projected:***	***527,490***	***899,471***	***1,416,537***
Oct-23	Jul-23	Sep-23	Oct-23	31-Oct-23	***October 2023 Projected:***	***522,393***	***867,336***	***1,387,314***
Nov-23	Aug-23	Oct-23	Nov-23	30-Nov-23	***November 2023 Projected:***	***517,296***	***835,201***	***1,358,091***
Dec-23	Sep-23	Nov-23	Dec-23	31-Dec-23	***December 2023 Projected:***	***512,199***	***803,066***	***1,328,868***
Jan-24	Oct-23	Dec-23	Jan-24	31-Jan-24	***January 2024 Projected:***	***507,102***	***770,931***	***1,299,645***
Feb-24	Nov-23	Jan-24	Feb-24	29-Feb-24	***February 2024 Projected:***	***502,005***	***738,796***	***1,270,422***
Mar-24	Dec-23	Feb-24	Mar-24	31-Mar-24	***March 2024 Projected:***	***496,908***	***706,661***	***1,241,199***
Apr-24	Jan-24	Mar-24	Apr-24	30-Apr-24	***April 2024 Projected:***	***491,811***	***674,526***	***1,211,976***
May-24	Feb-24	Apr-24	May-24	31-May-24	***May 2024 Projected:***	***486,718***	***642,395***	***1,182,755***
					Projected Population Drop per Month:	5,097	32,135	29,223

Comparison of the Monthly Actuarial Expectaion Provided in the Certification to the Population Paid Prior to the Public Health Emergency

Public Health Emergency Comparison	DAB	HMP	TANF	All Populations
Aprox. Monthly PHE Start Count	486,718	642,395	1,182,755	2,311,868
Current Actuarial Expectation Count/Mo.	537,992	987,416	1,473,957	2,999,365
Difference	51,274	345,021	291,203	687,498
% Higher than PHE Start:	11%	54%	25%	30%

Average Projected Value of Per Member Per Month Funding

Medicaid Capitaion Funded Population	Actuarial Projected Annual Funding	Actuarial Projected Annual Per Member Per	Average per Member per Month Funding
DAB	$ 2,169,800,000	6,455,904	$ 336.10
HMP	$ 600,100,000	11,848,991	$ 50.65
TANF	$ 565,300,000	17,687,489	$ 31.96

Projected Result in Loss Funding Per Month if Capitation Rates are not Adjusted (Using average PM/PM rates X's population reduction)

Medicaid Capitaion Funded Population	Projected loss in funding per mo. from prior mo.	Projected for 4 Months
DAB	**$ (1,712,967)**	**$ (17,129,665)**
HMP	**$ (1,627,481)**	**$ (16,274,815)**
TANF	**$ (933,975)**	**$ (9,339,754)**
Total Monthly Funding Loss:	**$ (4,274,423)**	
Cummulative loss between June and September:		**$ (42,744,234)**

Technology, Management & Budget

Michigan Department of Health & Human Services

SAVE the DATE

for the

Caro Psychiatric Hospital Open House Celebration

Monday, June 5, 2023

Doors open at 10:00 a.m.

Ceremony starts at 10:30 a.m.

2040 Chambers Road

Caro, MI 48723

Event invitation with more information to follow.

ORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – APRIL 12, 2023
VIA TEAMS

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

REVIEW AGENDA & ADDITIONS

Donna requested a discussion about taxonomy code corrections; the taxonomy code identifies the type of hospital. Connie asked to revisit the DCW and H2025 code. Deanna agreed to discuss the PBIP payment.

REVIEW PREVIOUS MEETING MINUTES

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

MOTION BY CONNIE CADARETTE TO APPROVE THE MINUTES OF THE MARCH 8, 2023 NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

MONTHLY FINANCIALS

February 2023

- Net Position showed net surplus Medicaid and HMP of $4,136,233. Budget stabilization was reported as $16,369,542. The total Medicaid and HMP Current Year Surplus was reported as $20,505,775. Medicaid and HMP combined ISF was reported as $16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as $36,875,317.
- Traditional Medicaid showed $82,518,695 in revenue, and $80,370,514 in expenses, resulting in a net surplus of $2,148,181. Medicaid ISF was reported as $9,306,578 based on the current FSR. Medicaid Savings was reported as $7,742,649.
- Healthy Michigan Plan showed $14,542,394 in revenue, and $12,554,342 in expenses, resulting in a net surplus of $1,988,052. HMP ISF was reported as $7,062,964 based on the current FSR. HMP savings was reported as $8,626,893.
- Health Home showed $908,630 in revenue, and $747,784 in expenses, resulting in a net surplus of $160,846.
- SUD showed all funding source revenue of $12,179,321, and $10,591,204 in expenses, resulting in a net surplus of $1,588,117. Total PA2 funds were reported as $5,001,798.

It was noted that a "Budget Stabilization" line was added to the Financial Summary page of the report. The surplus amount includes PM/PM and budget stabilization amounts. Carry forward/budget stabilization must be used as first dollars spent.

Erinn asked whether there has been any word from Milliman regarding new rates. Eric responded that MDHHS has indicated that the effects of the Medicaid redeterminations won't be known until August. A rate setting meeting is scheduled for May 8th. The NMRE is in the process of running

scenarios based on historical (pre-COVID) data. Revenue estimates for FY24 will be calculated in late July. The FY24 budget will be a standing agenda item moving forward.

MOTION BY ERINN TRASK TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR FEBRUARY 2023; SUPPORT BY CONNIE CADARETTE. MOTION APPROVED.

EDIT UPDATE
The next EDIT meeting is scheduled for April 20th at 10:00AM. Donna ran through the agenda topics.

FSR
There was nothing new to report on this topic.

EQI UPDATE
Donna requested a copy of the EQI that was submitted to the state. Tricia agreed to upload the CMHSPs' and NMRE's EQI reports to ShareFile. The data pull for Period 1 will be May 3rd. Reports will be due to NMRE on May 22nd. Variance CPT codes have been received, but no detail was provided; NMRE IT is waiting on a response from Milliman. A response to the variance report is due April 30th. The Period 1 EQI report is due to the Department on June 3rd. Clarification was made that the SCA tab does not need to be completed; there is a (yes/no) box on the attestation to indicate whether SCA methodology was used.

HSW OPEN SLOTS
Of 689 slots, 642 are currently filled, making 42 available. Revenue is approximately $5K per slot. It was noted that several deaths have been reported recently. Packet submissions need to be improved in both quantity and quality. This will be a discussion topic during the April 21st regional Clinical Leadership meeting. There are currently two packets pending MDHHS approval.

OTHER
Taxonomy Code Corrections
Brandon shared an email from Michelle Lehman (MDHHS) to CIO Forum members dated March 6th regarding FY22 and FY33 null taxonomy codes for inpatient encounters. The inpatient encounters with incorrect taxonomy codes need to be corrected and resubmitted. Nancy noted that Northeast Michigan received notice of missing (vs. incorrect) taxonomy codes which have already been resolved. Ann indicated that PCE is resubmitting the encounters for North Country. Taxonomy codes can be found by visiting NPPES NPI Registry (hhs.gov).

DCW
Connie asked whether there has been any resolution regarding the omission of the H2025 code. An email was received on March 17th from Kasi Hunzinger indicating that the H2025 should be included in the DCW codes, though no formal letter has been received to date.

Incentive Payments
The total Performance-Based Incentive Payment earned was reported as $2,352,351.23. The split by Board based on PM/PM was shared as:

AuSable Valley	Centra Wellness	North Country	Northeast Michigan	Northern Lakes	NMRE
$298,852.17	$189,977.54	$605,509.89	$359,125.97	$731,039.82	$167,845.84

Electronic Visit Verification
A press release was issued by the Department on March 23rd announcing the launch of the EVV system. The EVV system is intended to ensure beneficiaries are receiving in-home services as planned and authorized and improve the accuracy of payments for services provided. Michigan is required to implement EVV for all Medicaid personal care services and home health services that require an in-home visit by a provider. MDHHS has contracted with HHAeXchange to create the EVV system.

Chip asked whether anyone has read the federal rules on EVV. Brandon agreed to take a look.

Mid-Year Report
Deanna reminded the committee that the mid-year report is due May 31st.

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

Chief Executive Officer Report

April 2023

This report is intended to brief the NMRE Board of 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.

March 20: Attended and participated in NLCMHA six county administrators'/commissioners' group.

March 21: Chaired NMRE Operations Committee meeting.

March 22: Attended and participated in NMRE Internal Operations Committee meeting.

March 23: Attended and participated in state meeting regarding CSU financing.

March 24: Attended and participated in MDHHS PIHP Contract Negotiations meeting.

March 28: Attended and participated in CMHAM Conflict Free Access and Planning meeting.

April 3: Attended and participated in NLCMHA six county administrators'/commissioners' group.

April 4: Attended and participated in PIHP/CEO meeting.

April 5: Attended and participated in NMRE Internal Operations Committee meeting.

April 6: Attended and participated in MDHHS PIHP CEO meeting.

April 10: Attended and participated in state 1115 Waiver Evaluation.

April 11: Presented to Leelanau County Commission regarding PA 2.

April 12: Attended and participated in NMRE Regional Finance Committee meeting.

April 18: Chaired NMRE Operations Committee meeting.

April 18: Attended NMRE/MDHHS beneficiary concerns meeting.

April 20: Attended and participated in MDHHS rate setting meeting.

February 2023 Finance Report

February 2023 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF
Medicaid	2,148,181	7,742,649	9,306,578
Healthy Michigan	1,988,052	8,626,893	7,062,964
	$ 4,136,233	$ 16,369,542	$ 16,369,542

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	604,299	1,334,478	(1,030,876)	1,820,533	34,509	1,566,277	(192,987)	$ 4,136,233
Budget Stabilization		1,878,908	4,919,342	4,095,691	2,272,462	1,955,236	1,247,903	16,369,542
Total Med/HMP Current Year Surplus	604,299	3,213,386	3,888,466	5,916,224	2,306,971	3,521,513	1,054,916	$ 20,505,775
Medicaid & HMP Internal Service Fund								16,369,542
Total Medicaid & HMP Net Surplus								$ 36,875,317

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2022 through February 28, 2023

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	$ 79,709,685	$ 2,638,257						$ 82,347,942
CMHSP Distributions	(76,880,683)		25,147,854	21,178,758	12,998,138	10,854,599	6,701,333	-
1st/3rd Party receipts			170,753	-	-	-	-	170,753
Net revenue	2,829,002	2,638,257	25,318,607	21,178,758	12,998,138	10,854,599	6,701,333	82,518,695
Expense								
PIHP Admin	1,003,814	25,668						1,029,483
PIHP SUD Admin		32,168						32,168
SUD Access Center		21,012						21,012
Insurance Provider Assessment	718,840	15,854						734,694
Hospital Rate Adjuster	555,016							555,016
Services		1,944,745	26,321,112	19,940,462	13,354,471	9,568,204	6,869,148	77,998,142
Total expense	2,277,670	2,039,447	26,321,112	19,940,462	13,354,471	9,568,204	6,869,148	80,370,514
Net Actual Surplus (Deficit)	$ 551,332	$ 598,810	$ (1,002,505)	$ 1,238,296	$ (356,333)	$ 1,286,395	$ (167,815)	$ 2,148,181

Notes

Medicaid ISF - $9,306,578 - based on current FSR

Medicaid Savings - $7,742,649

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2022 through February 28, 2023

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	$ 9,124,774	$ 5,417,620						$ 14,542,394
CMHSP Distributions	(8,435,605)		3,070,728	2,555,091	1,045,947	1,060,139	703,700	(0)
1st/3rd Party receipts			-	-	-	-	-	-
Net revenue	689,169	5,417,620	3,070,728	2,555,091	1,045,947	1,060,139	703,700	14,542,394
Expense								
PIHP Admin	95,509	58,912						154,421
PIHP SUD Admin		73,830						73,830
SUD Access Center		48,225						48,225
Insurance Provider Assessment	65,757	37,520						103,277
Hospital Rate Adjuster	474,936							474,936
Services		4,463,465	3,099,099	1,972,855	655,104	780,257	728,873	11,699,653
Total expense	636,202	4,681,952	3,099,099	1,972,855	655,104	780,257	728,873	12,554,342
Net Surplus (Deficit)	$ 52,967	$ 735,668	$ (28,371)	$ 582,236	$ 390,843	$ 279,882	$ (25,173)	$ 1,988,052

Notes
HMP ISF - $7,062,964 - based on current FSR
HMP Savings - $8,626,893

Net Surplus (Deficit) MA/HMP	**$ 604,299**	**$ 1,334,478**	**$ (1,030,876)**	**$ 1,820,533**	**$ 34,509**	**$ 1,566,277**	**$ (192,987)**	**$ 4,136,233**
Medicaid Carry Forward								**16,369,542**
Total Med/HMP Current Year Surplus								$ 20,505,775
Medicaid & HMP ISF - based on current FSR								**16,369,542**
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								**$ 36,875,317**

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health
October 1, 2022 through February 28, 2023

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	AuSable Valley	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	$ 200,378		263,578	129,854	32,289	63,877	218,654	$ 908,630
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	200,378	-	263,578	129,854	32,289	63,877	218,654	908,630
Expense								
PIHP Admin	9,533							9,533
BHH Admin	15,955							15,955
Insurance Provider Assessment	-							-
Hospital Rate Adjuster								
Services	14,044		263,578	129,854	32,289	63,877	218,654	722,296
Total expense	39,532	-	263,578	129,854	32,289	63,877	218,654	747,784
Net Surplus (Deficit)	$ 160,846	$ -	$ -	$ -	$ -	$ -	$ -	$ 160,846

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health

October 1, 2022 through February 28, 2023

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	$ 2,638,257	$ 5,417,620	$ 1,859,577	$ 1,611,780	$ 652,087	$ 12,179,321
Expense						
Administration	57,836	132,742	44,933	105,936		341,447
OHH Admin			50,148	-		50,148
Access Center	21,012	48,225	-	11,446		80,683
Insurance Provider Assessment	15,854	37,520	-			53,374
Services:						
Treatment	1,944,745	4,463,465	1,510,857	1,059,359	652,087	9,630,513
Prevention	-	-	-	391,086	-	391,086
ARPA Grant	-	-	-	43,953	-	43,953
Total expense	2,039,447	4,681,952	1,605,938	1,611,780	652,087	10,591,204
PA2 Redirect			-	(0)	0	-
Net Surplus (Deficit)	$ 598,810	$ 735,668	$ 253,639	$ -	$ 0	$ 1,588,117

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds
October 1, 2022 through February 28, 2023

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	$ 79,709,685	$ 2,638,257	$ -	$ 82,347,942
Medicaid Savings	7,742,649	-	-	7,742,649
Healthy Michigan	9,124,774	5,417,620	-	14,542,394
Healthy Michigan Savings	8,626,893	-	-	8,626,893
Health Home	908,630	-	-	908,630
Opioid Health Home	-	1,859,577	-	1,859,577
Substance Use Disorder Block Grant	-	1,611,780	-	1,611,780
Public Act 2 (Liquor tax)	-	652,086	-	652,086
Affiliate local drawdown	272,766	-	-	272,766
Performance Incentive Bonus	-	-	-	-
Miscellanous Grant Revenue	-	1,334	-	1,334
Veteran Navigator Grant	42,890	-	-	42,890
SOR Grant Revenue	-	640,297	-	640,297
Gambling Grant Revenue	-	-	-	-
Other Revenue	960	-	3,361	4,321
Total operating revenue	106,429,247	12,820,951	3,361	119,253,559
Operating expenses				
General Administration	1,241,281	289,706	-	1,530,987
Prevention Administration	-	48,175	-	48,175
OHH Administration	-	50,148	-	50,148
BHH Administration	15,955	-	-	15,955
Insurance Provider Assessment	784,597	53,374	-	837,971
Hospital Rate Adjuster	1,029,952	-	-	1,029,952
Payments to Affiliates:				
Medicaid Services	75,882,644	1,944,745	-	77,827,389
Healthy Michigan Services	7,236,188	4,463,465	-	11,699,653
Health Home Services	722,296	-	-	722,296
Opioid Health Home Services	-	1,510,857	-	1,510,857
Community Grant	-	1,059,359	-	1,059,359
Prevention	-	342,911	-	342,911
State Disability Assistance	-	-	-	-
ARPA Grant	-	43,953	-	43,953
Public Act 2 (Liquor tax)	-	652,087	-	652,087
Local PBIP	-	-	-	-
Local Match Drawdown	297,408	-	-	297,408
Miscellanous Grant	-	1,334	-	1,334
Veteran Navigator Grant	42,890	-	-	42,890
SOR Grant Expenses	-	640,297	-	640,297
Gambling Grant Expenses	-	-	-	-
Total operating expenses	87,253,211	11,100,411	-	98,353,622
CY Unspent funds	19,176,036	1,720,540	3,361	20,899,937
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	2,602,594	5,413,045	16,369,542	24,385,181
Unspent funds - ending	$ 21,778,630	$ 7,133,585	$ 16,372,903	$ 45,285,118

Northern Michigan Regional Entity

Statement of Net Position

February 28, 2023

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	$ 32,048,575	$ 7,300,511	$ 16,372,903	$ 55,721,989
Accounts Receivable	18,841,429	1,588,330	-	20,429,759
Prepaids	65,928	-	-	65,928
Total current assets	50,955,932	8,888,841	16,372,903	76,217,676
Noncurrent Assets				
Capital assets	125,002	-	-	125,002
Total Assets	51,080,934	8,888,841	16,372,903	76,342,678
Liabilities				
Current liabilities				
Accounts payable	29,040,606	1,755,256	-	30,795,862
Accrued liabilities	261,698	-	-	261,698
Unearned revenue	-	-	-	-
Total current liabilities	29,302,304	1,755,256	-	31,057,560
Unspent funds	$ 21,778,630	$ 7,133,585	$ 16,372,903	$ 45,285,118

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health
October 1, 2022 through February 28, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	$ 187,752,708	$ 78,230,295	$ 79,709,685	$ 1,479,390	1.89%
Carryover	11,400,000	11,400,000	7,742,649	(3,657,351)	(0)
Healthy Michigan					
Capitation	19,683,372	8,201,405	9,124,774	923,369	11.26%
Carryover	5,100,000	5,100,000	8,626,893	3,526,893	69.15%
Health Home	1,451,268	604,695	908,630	303,935	50.26%
Affiliate local drawdown	594,816	297,408	272,766	(24,642)	(8.29%)
Performance Bonus Incentive	1,334,531	-	-	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	45,835	42,890	(2,945)	(6.43%)
Other Revenue	-	-	960	960	0.00%
Total operating revenue	227,426,695	103,879,638	106,429,247	2,549,609	2.45%
Operating expenses					
General Administration	3,591,836	1,486,190	1,241,281	244,909	16.48%
BHH Administration	-	-	15,955	(15,955)	0.00%
Insurance Provider Assessment	1,897,524	790,635	784,597	6,038	0.76%
Hospital Rate Adjuster	4,571,328	1,904,720	1,029,952	874,768	45.93%
Local PBIP	1,737,753	-	-	-	0.00%
Local Match Drawdown	594,816	297,408	297,408	-	0.00%
Miscellanous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	38,215	42,890	(4,675)	(12.23%)
Payments to Affiliates:					
Medicaid Services	176,618,616	73,591,090	75,882,644	(2,291,554)	(3.11%)
Healthy Michigan Services	17,639,940	7,349,975	7,236,188	113,787	1.55%
Health Home Services	1,415,196	589,665	722,296	(132,631)	(22.49%)
Total operating expenses	208,177,013	86,047,898	87,253,211	(1,205,313)	(1.40%)
CY Unspent funds	$ 19,249,682	$ 17,831,740	19,176,036	$ 1,344,296	
Transfers in			-		
Transfers out			-	87,253,211	
Unspent funds - beginning			2,602,594		
Unspent funds - ending			$ 21,778,630	19,176,036	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse
October 1, 2022 through February 28, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	$ 4,678,632	$ 1,949,430	$ 2,638,257	$ 688,827	35.33%
Healthy Michigan	11,196,408	4,665,170	5,417,620	752,450	16.13%
Substance Use Disorder Block Grant	6,467,905	2,694,958	1,611,780	(1,083,178)	(40.19%)
Opioid Health Home	3,419,928	1,424,970	1,859,577	434,607	30.50%
Public Act 2 (Liquor tax)	1,533,979	-	652,086	652,086	0.00%
Miscellanous Grants	4,000	1,667	1,334	(333)	(19.96%)
SOR Grant	2,043,984	851,660	640,297	(211,363)	(24.82%)
Gambling Prevention Grant	200,000	83,333	-	(83,333)	(100.00%)
Other Revenue	-	-	-	-	0.00%
Total operating revenue	29,544,836	11,671,188	12,820,951	1,149,764	9.85%
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,082,576	426,075	289,706	136,369	32.01%
Prevention Administration	118,428	49,345	48,175	1,170	2.37%
Insurance Provider Assessment	113,604	47,335	53,374	(6,039)	(12.76%)
Medicaid Services	3,931,560	1,638,150	1,944,745	(306,595)	(18.72%)
Healthy Michigan Services	10,226,004	4,260,835	4,463,465	(202,630)	(4.76%)
Community Grant	2,074,248	864,270	1,059,359	(195,089)	(22.57%)
Prevention	634,056	264,190	342,911	(78,721)	(29.80%)
State Disability Assistance	95,215	39,677	-	39,677	100.00%
ARPA Grant	-	-	43,953	(43,953)	0.00%
Opioid Health Home Admin	-	-	50,148	(50,148)	0.00%
Opioid Health Home Services	3,165,000	1,318,750	1,510,857	(192,107)	(14.57%)
Miscellanous Grants	4,000	1,667	1,334	333	19.96%
SOR Grant	2,043,984	851,660	640,297	211,363	24.82%
Gambling Prevention	200,000	83,333	-	83,333	100.00%
PA2	1,533,978	-	652,087	(652,087)	0.00%
Total operating expenses	25,222,653	9,845,287	11,100,411	(1,255,124)	(12.75%)
CY Unspent funds	$ 4,322,183	$ 1,825,901	1,720,540	$ (105,361)	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			5,413,045		
Unspent funds - ending			$ 7,133,585		

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration
October 1, 2022 through February 28, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	$ 1,921,812	$ 800,755	$ 674,387	$ 126,368	15.78%
Fringes	666,212	264,010	234,138	29,872	11.31%
Contractual	683,308	284,715	191,491	93,224	32.74%
Board expenses	18,000	7,500	5,431	2,069	27.59%
Day of recovery	14,000	9,000	-	9,000	100.00%
Facilities	152,700	63,625	58,173	5,452	8.57%
Other	135,804	56,585	77,661	(21,076)	(37.25%)
Total General Admin	$ 3,591,836	$ 1,486,190	$ 1,241,281	$ 244,909	16.48%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration
October 1, 2022 through February 28, 2023

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
SUD Administration					
Salaries	$ 502,752	$ 209,480	$ 122,373	$ 87,107	41.58%
Fringes	145,464	60,610	32,739	27,871	45.98%
Access Salaries	220,620	91,925	57,736	34,189	37.19%
Access Fringes	67,140	27,975	22,947	5,028	17.97%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	31,250	45,857	(14,607)	(46.74%)
Board expenses	5,000	2,085	2,190	(105)	(5.04%)
Facilities	-	-	-	-	0.00%
Other	12,600	2,750	5,864	(3,114)	(113.24%)
Total operating expenses	$ 1,082,576	$ 426,075	$ 289,706	$ 136,369	32.01%

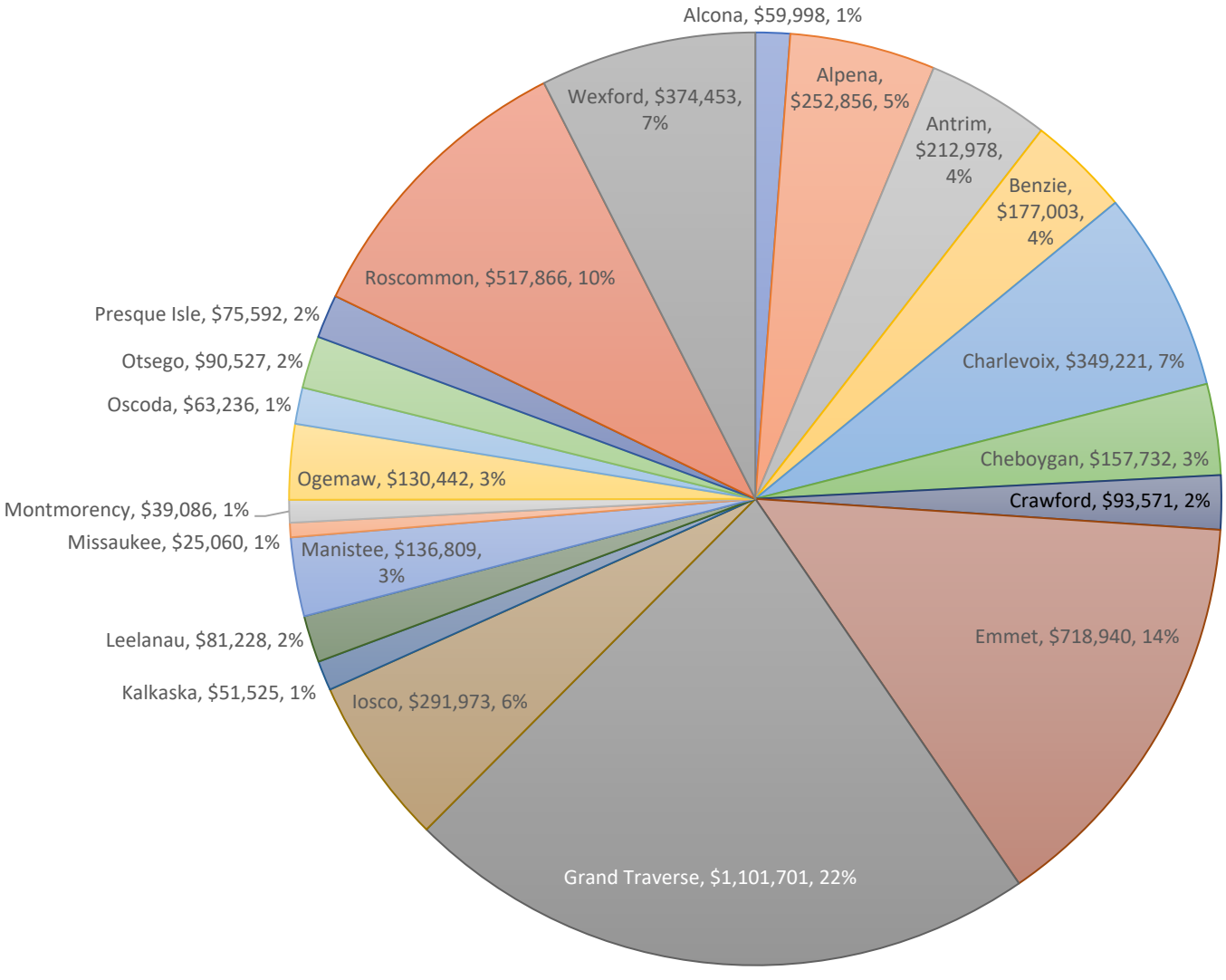
Northern Michigan Regional Entity

Schedule of PA2 by County

October 1, 2022 through February 28, 2023

	Projected FY23 Activity				Actual FY23 Activity			
	Beginning Balance	FY23 Projected Revenue	FY23 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
County						Actual Expenditures by County		
Alcona	$ 59,376	$ 20,389	$ 4,410	$ 75,355	$ 3,048	2,425	$ -	$ 59,998
Alpena	263,254	69,040	45,317	286,976	10,701	21,098	-	252,856
Antrim	219,249	59,729	80,820	198,158	9,075	15,346	-	212,978
Benzie	173,705	52,923	14,857	211,771	8,217	4,919	-	177,003
Charlevoix	359,548	89,334	110,699	338,183	13,685	24,012	-	349,221
Cheboygan	191,247	74,954	138,728	127,472	11,422	44,936	-	157,732
Crawford	92,406	31,228	17,903	105,731	4,902	3,737	-	93,571
Emmet	716,610	155,245	115,175	756,679	24,999	22,668	-	718,940
Grand Traverse	1,282,987	406,430	1,248,209	441,208	61,007	242,293	-	1,101,701
Iosco	329,202	70,865	180,735	219,332	10,979	48,208	-	291,973
Kalkaska	74,226	31,700	83,823	22,103	5,320	28,021	-	51,525
Leelanau	102,658	56,613	117,817	41,454	8,508	29,938	-	81,228
Manistee	131,924	68,873	10,407	190,390	10,608	5,723	-	136,809
Missaukee	37,771	18,044	48,883	6,931	2,797	15,508	-	25,060
Montmorency	54,974	27,338	42,322	39,990	3,920	19,808	-	39,086
Ogemaw	154,130	50,286	142,919	61,497	8,557	32,245	-	130,442
Oscoda	65,061	20,039	36,568	48,532	2,701	4,526	-	63,236
Otsego	108,477	88,483	94,620	102,340	13,434	31,384	-	90,527
Presque Isle	75,221	22,256	5,450	92,027	3,367	2,997	-	75,592
Roscommon	524,550	74,697	72,090	527,157	11,202	17,886	-	517,866
Wexford	396,468	79,925	108,457	367,936	12,392	34,407	-	374,453
	5,413,044	1,568,386	2,720,209	4,261,221	240,837	652,083	-	5,001,798
PA2 Redirect								-
								5,001,798

PA2 Funds by County



Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2022 through February 28, 2023

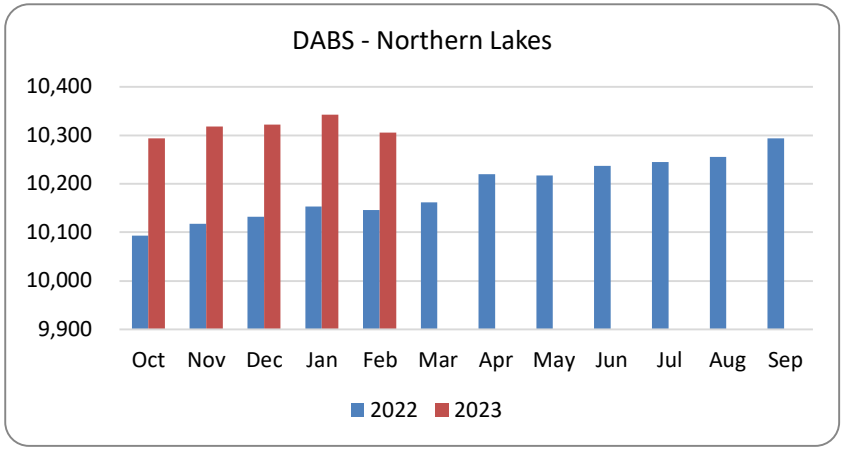
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	$ -	$ -	$ -	$ -	0.00%
Interest and Dividends	7,500	3,125	3,361	236	7.55%
Total operating revenue	7,500	3,125	3,361	236	7.55%
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	0.00%
CY Unspent funds	$ 7,500	$ 3,125	3,361	$ 236	
Transfers in			-		
Transfers out			-	-	
Unspent funds - beginning			16,369,542		
Unspent funds - ending			$ 16,372,903		

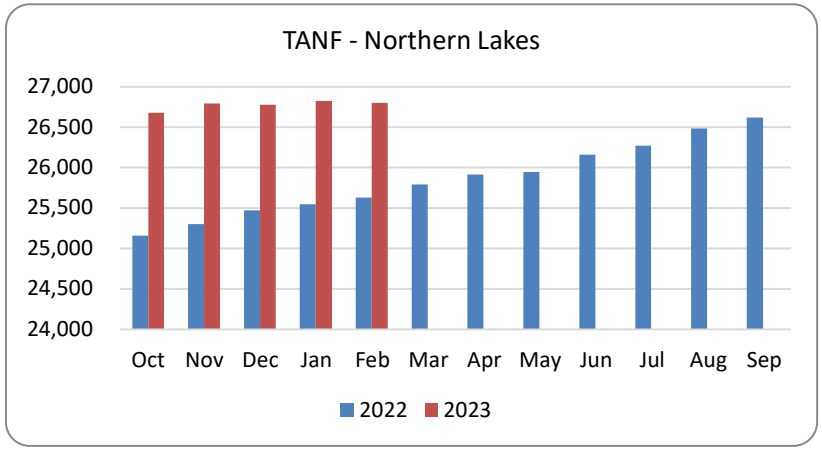
Northern Michigan Regional Entity

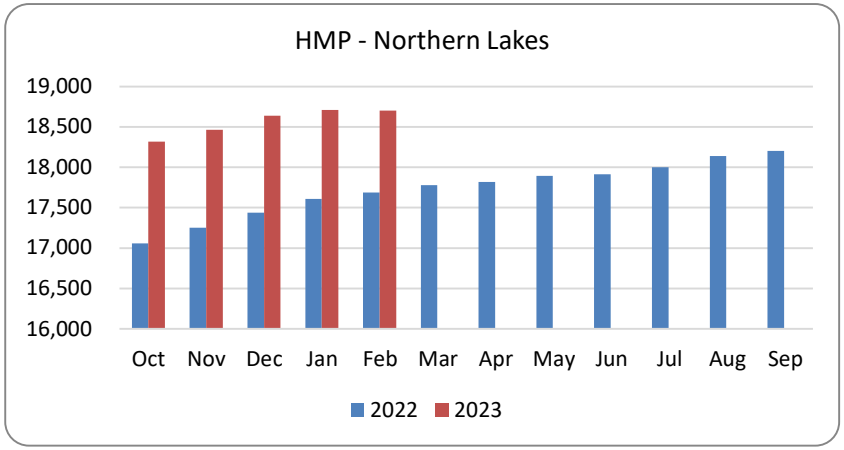
Narrative

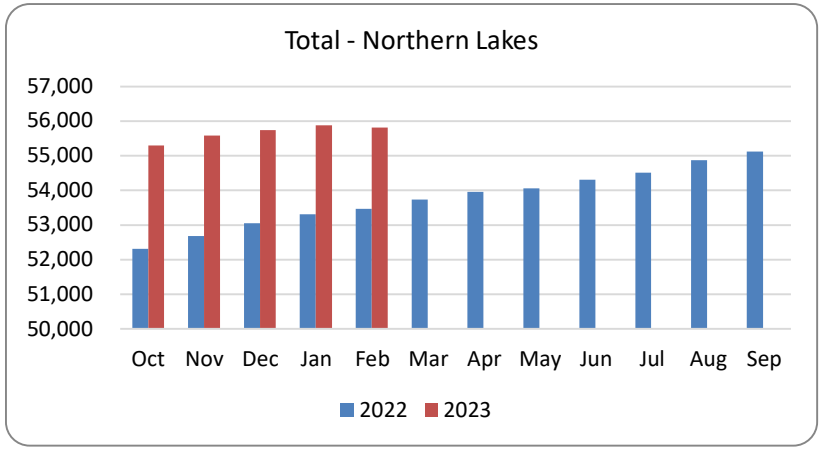
October 1, 2022 through February 28, 2023

Northern Lakes Eligible Members Trending - based on payment files







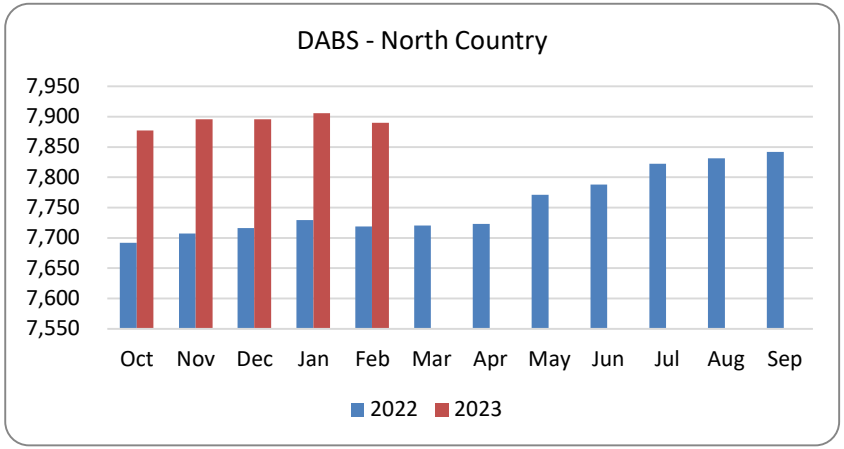


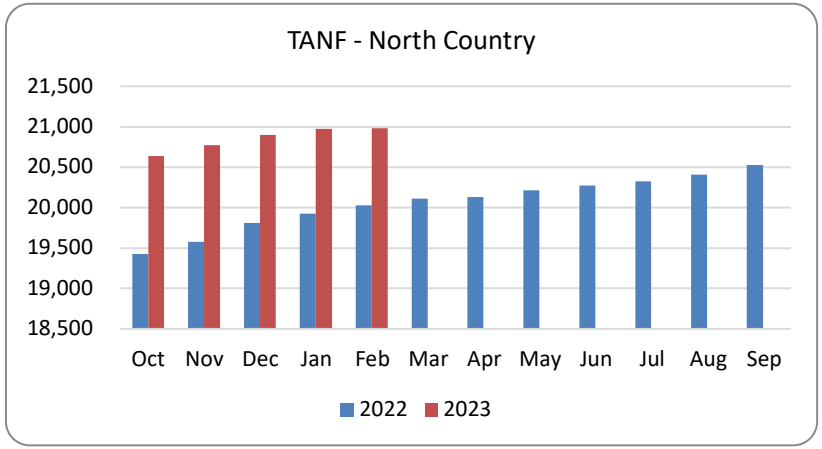
Northern Michigan Regional Entity

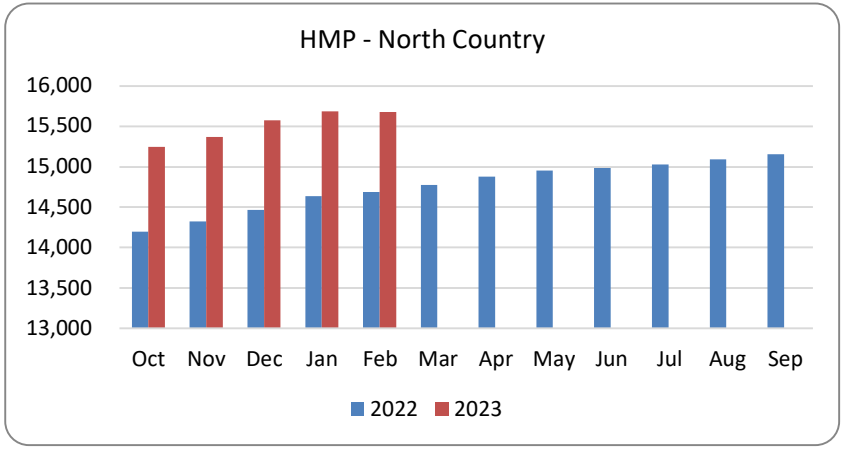
Narrative

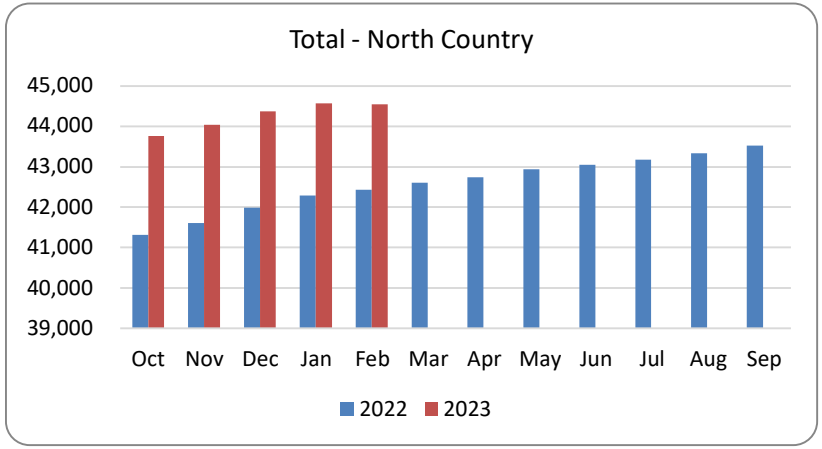
October 1, 2022 through February 28, 2023

North Country Eligible Members Trending - based on payment files







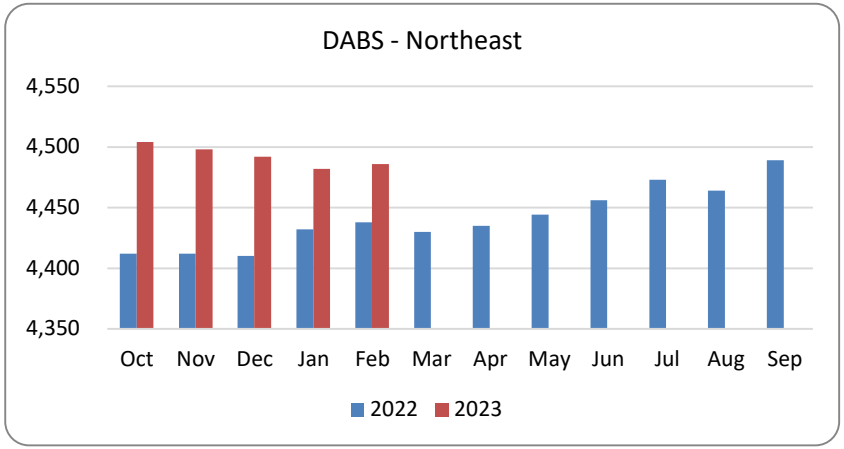


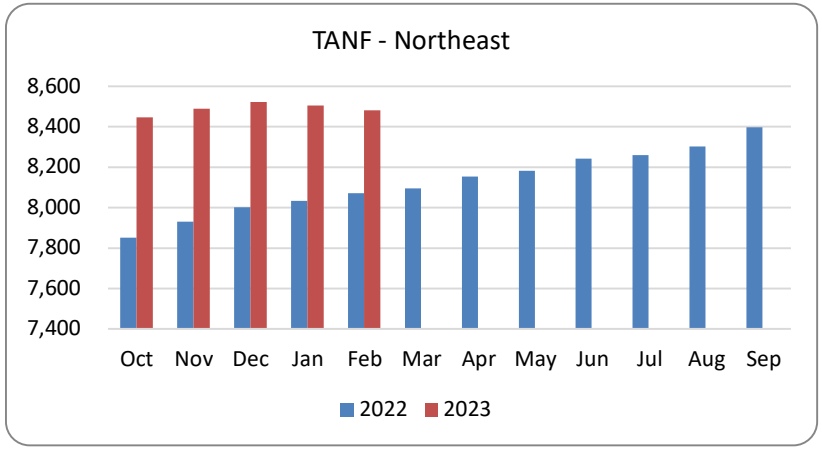
Northern Michigan Regional Entity

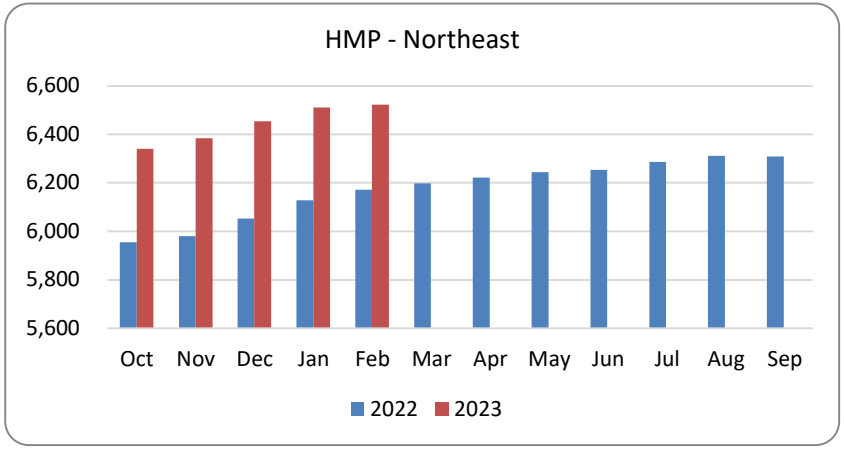
Narrative

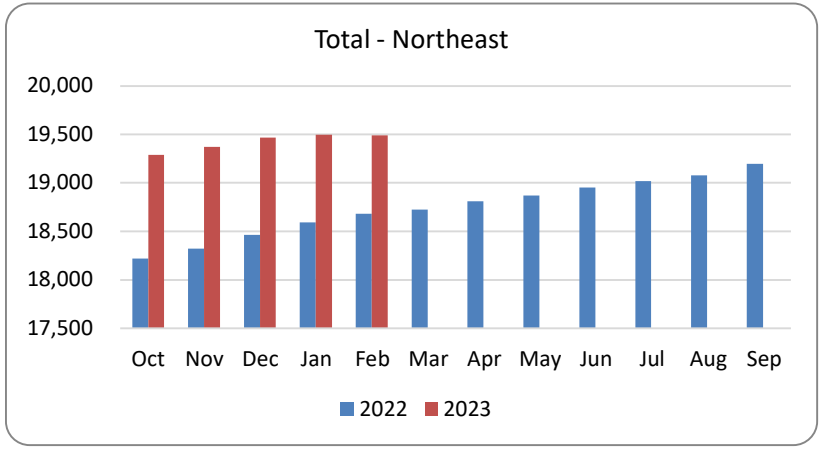
October 1, 2022 through February 28, 2023

Northeast Eligible Members Trending - based on payment files







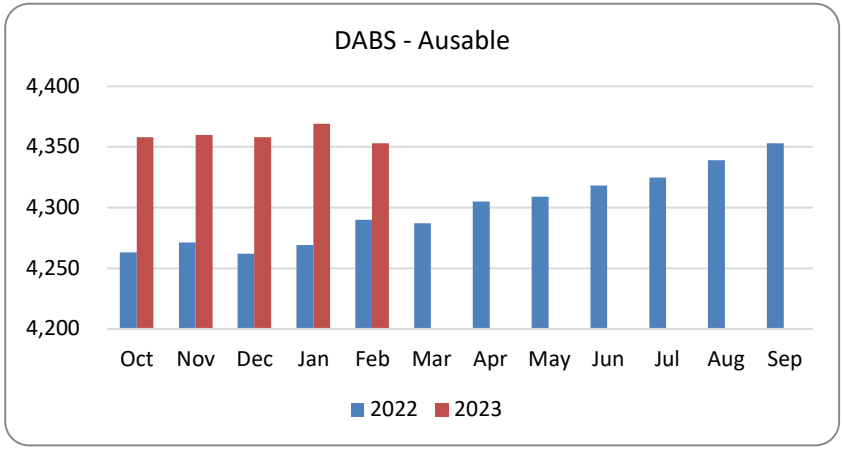


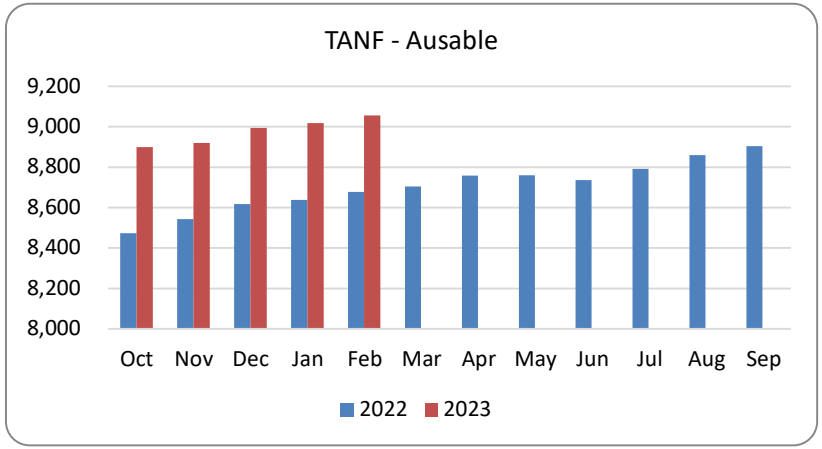
Northern Michigan Regional Entity

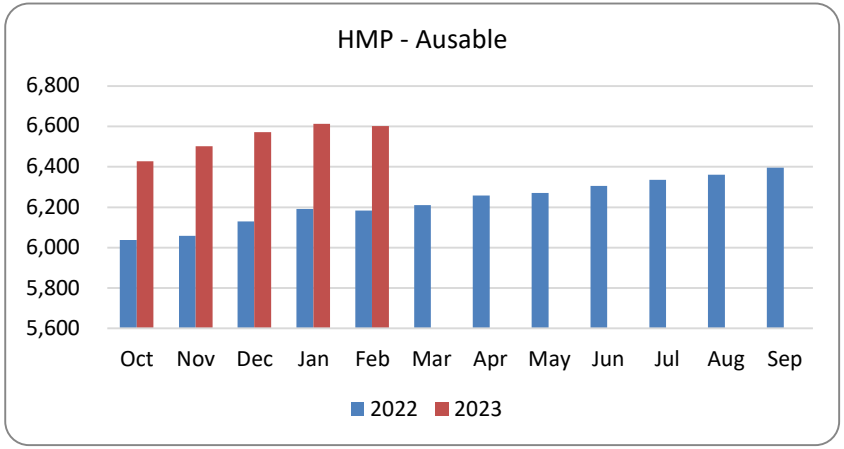
Narrative

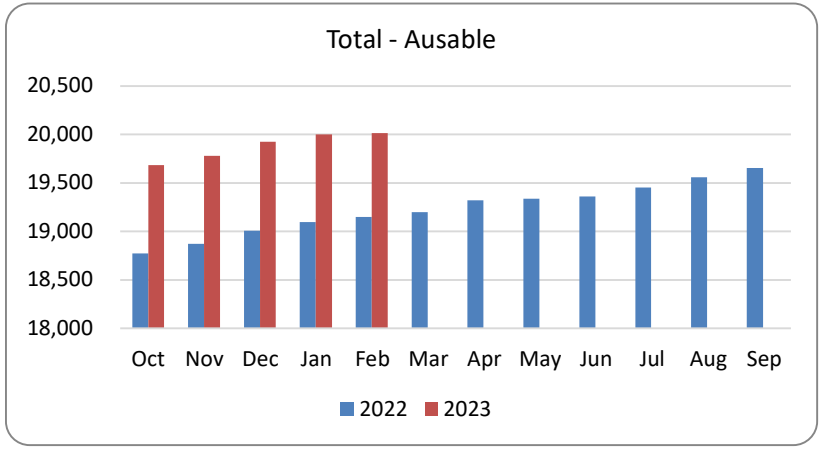
October 1, 2022 through February 28, 2023

Ausable Valley Eligible Members Trending - based on payment files







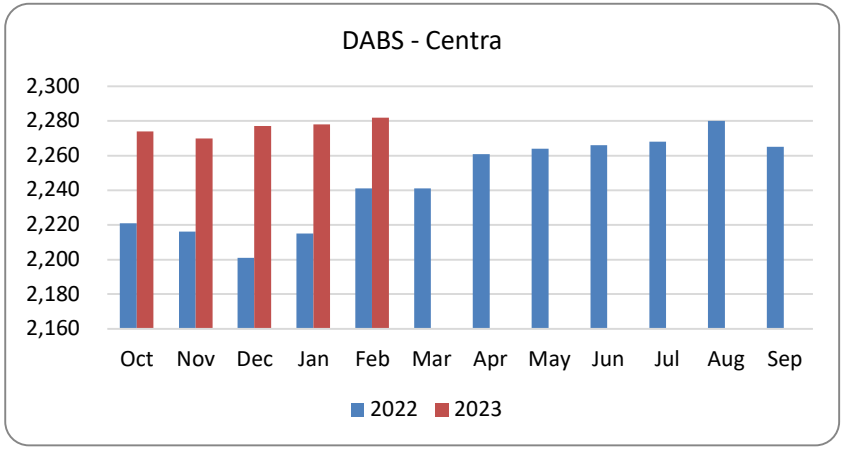


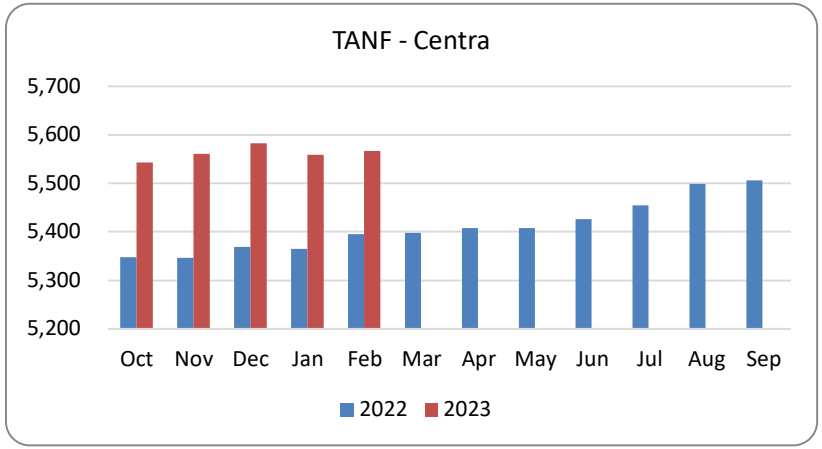
Northern Michigan Regional Entity

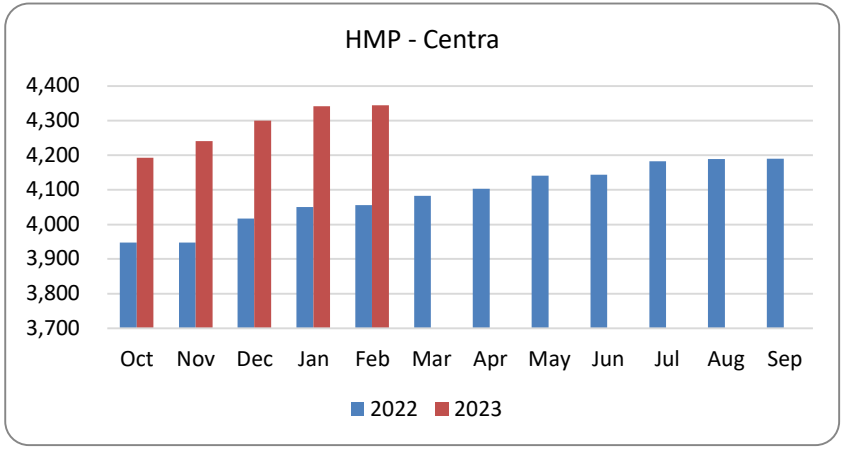
Narrative

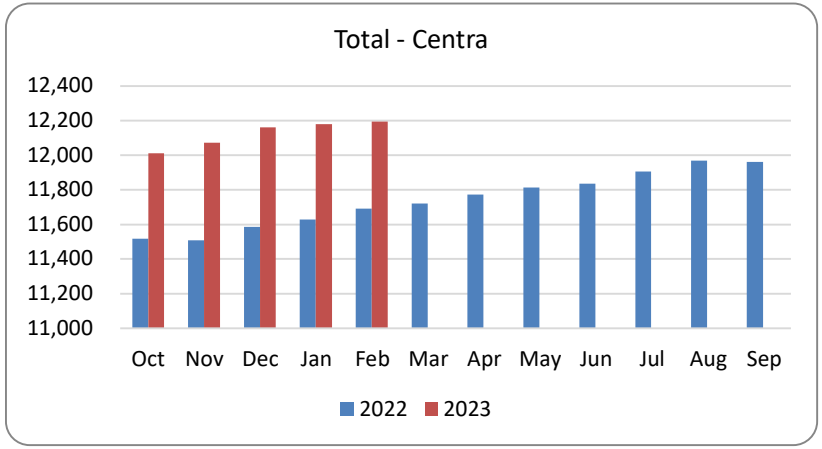
October 1, 2022 through February 28, 2023

Centra Wellness Eligible Members Trending - based on payment files







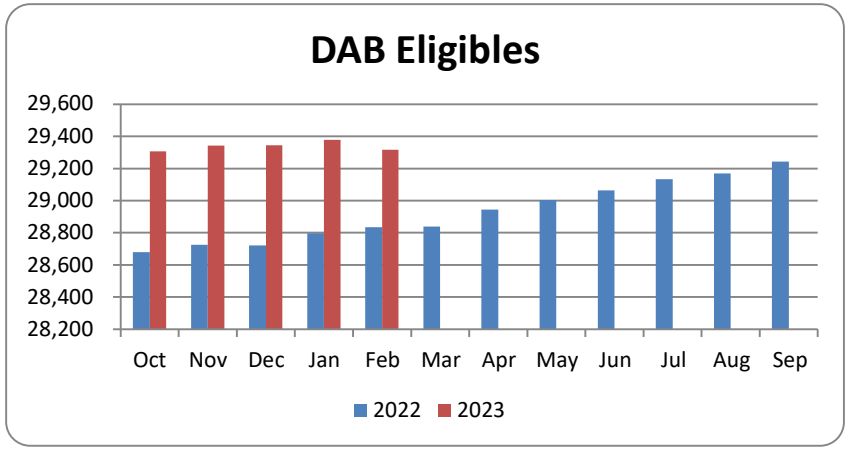


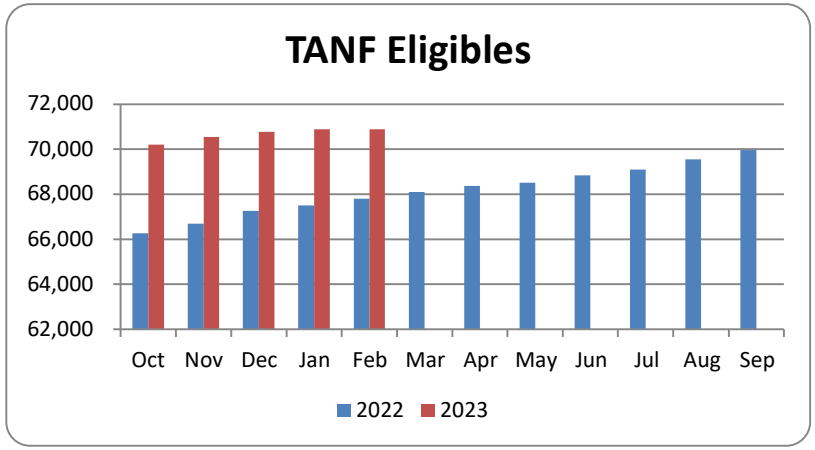
Northern Michigan Regional Entity

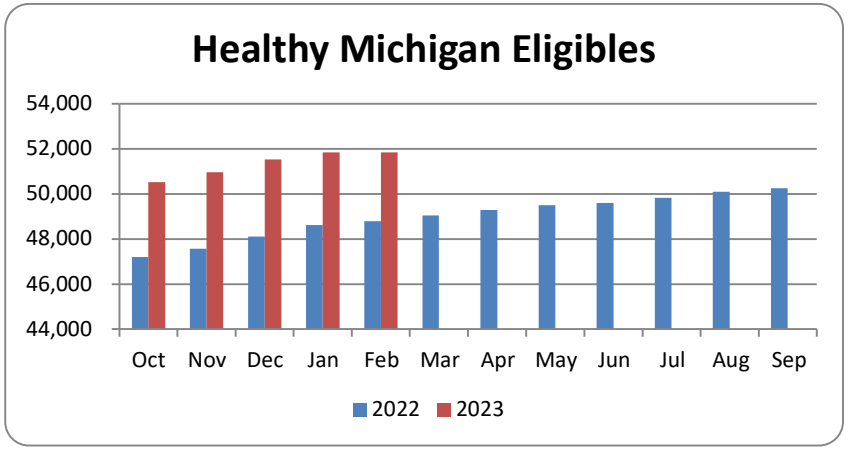
Narrative

October 1, 2022 through February 28, 2023

Regional Eligible Trending





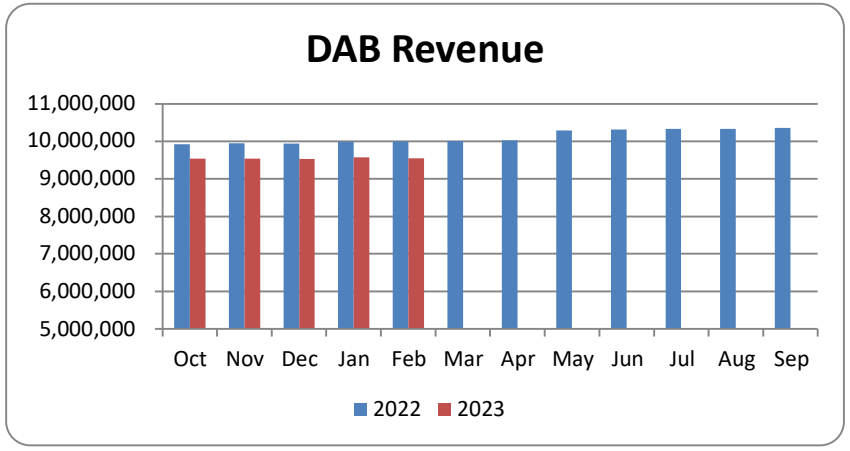


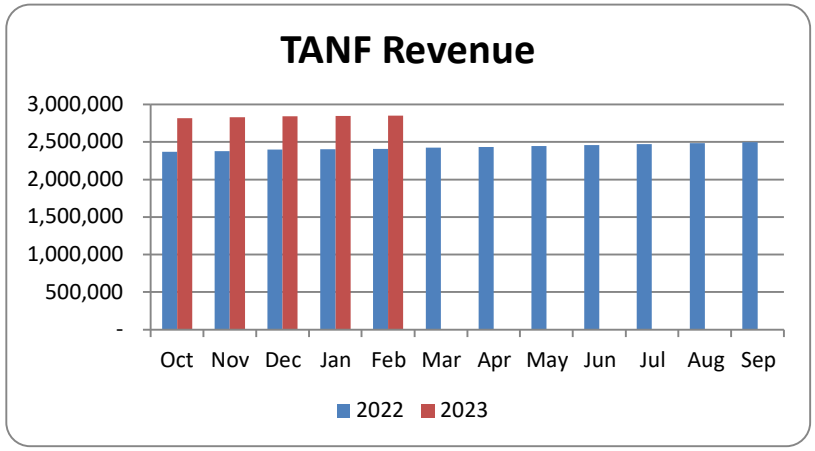
Northern Michigan Regional Entity

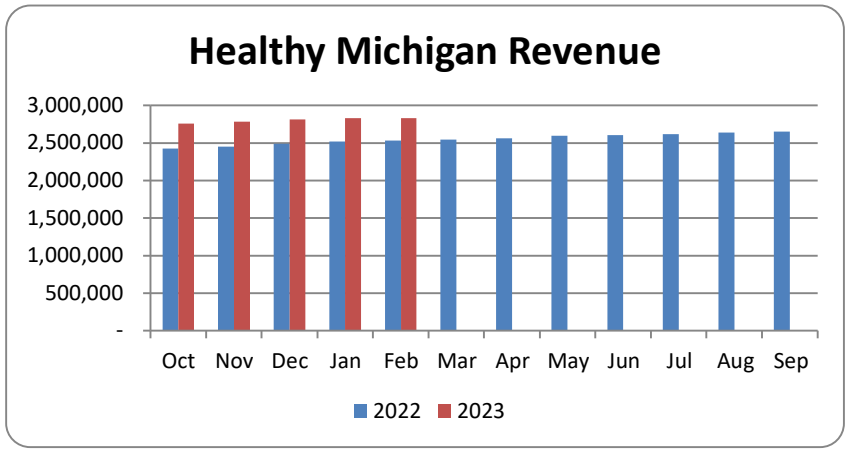
Narrative

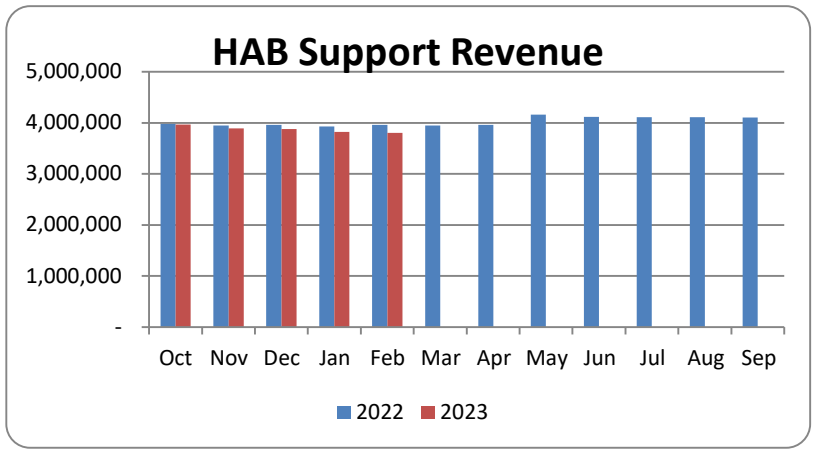
October 1, 2022 through February 28, 2023

Regional Revenue Trending









NORTHERN MICHIGAN REGIONAL ENTITY
OPERATIONS COMMITTEE MEETING
9:30AM – APRIL 18, 2023
GAYLORD CONFERENCE ROOM

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

REVIEW OF AGENDA AND ADDITIONS
No additions to the meeting agenda were proposed.

APPROVAL OF PREVIOUS MINUTES
The minutes from March 21st were included in the meeting materials.

MOTION BY DIANE PELTS TO APPROVE THE MINUTES OF THE MARCH 21, 2023 MINUTES OF THE NORTHERN MICHIGAN REGIONAL ENTITY OPERATIONS COMMITTEE; SUPPORT BY NENA SORK. MOTION CARRIED.

FINANCE COMMITTEE AND RELATED

February 2023

- Net Position showed net surplus Medicaid and HMP of $4,136,233. Budget stabilization was reported as $16,369,542. The total Medicaid and HMP Current Year Surplus was reported as $20,505,775. Medicaid and HMP combined ISF was reported as $16,369,542; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as $36,875,317.
- Traditional Medicaid showed $82,518,695 in revenue, and $80,370,514 in expenses, resulting in a net surplus of $2,148,181. Medicaid ISF was reported as $9,306,578 based on the current FSR. Medicaid Savings was reported as $7,742,649.
- Healthy Michigan Plan showed $14,542,394 in revenue, and $12,554,342 in expenses, resulting in a net surplus of $1,988,052. HMP ISF was reported as $7,062,964 based on the current FSR. HMP savings was reported as $8,626,893.
- Health Home showed $908,630 in revenue, and $747,784 in expenses, resulting in a net surplus of $160,846.
- SUD showed all funding source revenue of $12,179,321, and $10,591,204 in expenses, resulting in a net surplus of $1,588,117. Total PA2 funds were reported as $5,001,798.

Mr. Kurtz noted that NMRE staff is running some simulations using post-COVID enrollment. MDHHS has indicated that the effects of the Medicaid redeterminations won't be known until August. A rate setting meeting is scheduled for May 8th. The State may not do anything with rate redeterminations until FY24. Revenue estimates for FY24 will be calculated in late July.

The announcement issued from MDHHS on April 3rd regarding the expansion of dental benefits for Medicaid beneficiaries was referenced; this will likely help keep beneficiaries enrolled in traditional Medicaid.

MOTION BY CHIP JOHNSTON TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR FEBRUARY 2023; SUPPORT BY BRIAN BABBITT. MOTION APPROVED.

FY23 Budget Stabilization

At the request of the regional CFO, a line was added to the finance report to show each CMHSP allocation of budget stabilization funds.

AuSable Valley	Centra Wellness	North Country	Northeast Michigan	Northern Lakes	NMRE (SUD)	Total
$1,955,236	$1,247,903	$4,095,691	$2,272,462	$4,919,342	$1,878,908	$16,369,542

It is likely that some budget stabilization funds will be available in FY24.

PBIP

The total amount earned was reported as $2,352,351.23. The split by Board based on PM/PM was shared as:

AuSable Valley	Centra Wellness	North Country	Northeast Michigan	Northern Lakes	NMRE
$298,852.17	$189,977.54	$605,509.89	$359,125.97	$731,039.82	$167,845.84

JEFFERSON WELLS

A proposal from an external provider (Jefferson Wells) to conduct Medicaid Encounter Verification audits was included in the meeting materials. The cost for these services was provided based on the number of claims reviewed. The NMRE will likely fall in the middle range. Mr. Kurtz would like to begin with a one-year engagement.

Number of Claims (all lines)	Fee Estimates
500	$32,000 – $40,000
1,000	$40,000 – $55,000
2,000	$80,000 – $95,000

MOTION BY CHIP JOHNSTON TO RECOMMEND APPROVAL OF A ONE-YEAR CONTRACT WITH JEFFERSON WELLS FOR MEDICAID ENCOUNTER VERIFICATION SERVICES AS DISCUSSED AND REVIEWED ON THIS DATE; SUPPORT BY DIANE PELTS. MOTION CARRIED.

REGIONAL TRAINING

David Bartley

Mr. Martinus and Ms. Sork are involved in an effort to bring a speaker David Bartley to the region to address mental illness and suicide prevention. Mr. Kurtz agreed that NMRE would be willing to sponsor this effort. Mr. Martinus agreed to reach out to Mr. Bartley to arrange the details (likely in September).

Clinical Leadership (EMDR/Other)
The regional Clinical Leadership committee has asked whether the NMRE would be willing to sponsor an online Eye Movement Desensitization and Reprocessing (EMDR) therapy training. The NMRE has requested that a proposal be submitted to the NMRE for review and consideration. This will be a discussion topic during the April 21st Clinical Leadership meeting.

SECTION 1115 WAIVER AND JAIL SERVICES
Included in the meeting materials was a letter to MDHHS Director, Elizabeth Hertel, from the Executive Director of the Michigan Association of Counties, the Executive Director of the Michigan Sheriffs' Association, and Bob Sheehan requesting that MDHHS apply for a Medicaid 1115 waiver from CMS. The waiver would be used to offset portions of the Medicaid Inmate Exclusion Policy, allowing health care for inmates within county jails. California was cited as a precedent. Clarification was made that in California the model was approved for the provision of medication assisted treatment (MAT) in jails, something that the NMRE region provides using liquor tax funds. Mr. Kurtz stressed that no change will be made until the 1115 waiver is amended.

A discussion about the sustainability of the Certified Community Behavioral Health Clinics (CCBHC) followed.

INPATIENT WORKGROUP SOLUTIONS
An email dated April 14th from Jeff Wieferich (MDHHS) to PIHP CEOs regarding inpatient psychiatric solutions was included in the meeting materials. MDHHS convened a workgroup to develop changes to the payment responsibility grid to address an ongoing problem with unpaid inpatient hospital stays and emergency department visits. The draft updated payment grid was included in the meeting materials. Rate adjustments will be needed to account for the previously unpaid claims. A policy supporting the changes will be available for public comment in the coming weeks.

It was noted that SED/IDD kids are being left in emergency departments for extended periods. Ms. Pelts stressed that the primary issue is staffing (vs. lack of beds, though hospitals often refuse admissions). Mr. Kurtz asked to be notified if the CMHSPs have individuals waiting longer than 7 days for inpatient hospitalization. Mr. Kurtz plans to draft a response to the changes to the payment responsibility grid.

CIO PCE E-MEMO
An E-memo from Mr. Kurtz to regional CEOs, CFOs, CIOs, and Clinical Leadership staff regarding resurrecting a regional data, information technology, and PCE workgroup was included in the meeting materials. The committee voiced support for the memo and Mr. Kurtz agreed to distribute it. Ms. Pelts requested that the group meet in person ASAP.

RURAL MEETINGS
A Northern and UP Rural Mental Health Workgroup meeting is scheduled for April 21st. A Rural Mental Health Caucus meeting is scheduled for May 26th. Both groups will be discussing the

"Proposal for Rural-Oriented Public Mental Health Policies and Practices in Michigan" and next steps.

GRAND TRAVERSE COUNTY AND NORTHERN LAKES

Mr. Kurtz reported that the revised enabling agreement is making its way through the County Commissions. Voting should conclude on May 9th.

Mr. Martinus noted that Nancy Stevenson has been hired as a Chief Clinical Officer. The position of Human Resources Manager is currently posted.

ALPINE CRU

The Alpine CRU location may be added to current North Shores Center contracts. Mr. Kurtz agreed to reach out to Jill LeBourdais to inquire about what is needed from the NMRE.

REP FOR CHILDREN'S CRISIS RESIDENTIAL

Mr. Kurtz expressed that he would like to proceed with issuing an RFP for a children's CRU to be established within the NMRE region. The CEOs voiced support of moving forward (per a motion approved during the October 2021 Operations Committee meeting).

OTHER

Electronic Visit Verification

A press release was issued by the Department on March 23rd announcing the launch of the EVV system. The EVV system is intended to ensure beneficiaries are receiving in-home services as planned and authorized and improve the accuracy of payments for services provided. Michigan is required to implement EVV for all Medicaid personal care services and home health services that require an in-home visit by a provider. MDHHS has contracted with HHAeXchange to create the EVV system.

Mr. Johnston noted that he is creating a document listing required State plan and Waiver services; he agreed to share it with the CEOs for review.

Carter Kits

Ms. Sork noted that no training for educators/schools has been provided by the Carter Kits team. Ms. Pelts advised that Northeast Michigan move forward using CMHSP staff as trainers.

NEXT MEETING

The next meeting was scheduled for 9:30AM on May 16th in Gaylord.

Jefferson Wells™
ManpowerGroup

Proposal to Provide Compliance Audit Services

Prepared for: Northern Michigan Regional Entity

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2 Project Approach, Scope & Fees

3 Project Tools & Thought Leadership

5 Appendix: About Jefferson Wells

Our Understanding of Your Needs

Our Understanding of Your Needs

Jefferson Wells™
ManpowerGroup

YOUR NEEDS

Co-Source Compliance Audit Assistance

Northern Michigan Regional Entity (NMRE) is requesting assistance to conduct Medicaid and non-Medicaid billing verification audits of the provider panel, which includes direct-operated and contract-operated programs..

The objective of the audit is to:

- Verify that services specified in each claim were authorized
- Verify the existence of appropriate clinical records and other documentation supporting each claim
- Verify specific attributes of the clinical records for reasonableness, accuracy, and completeness.
- Verify that services provided were covered/listed

These audits are to be performed accordance with Generally Accepted Government Auditing Standards (GAGAS) and the Institute of Internal Audit (IIA) Standards for the Professional Practice of Internal Auditing.

YOUR LEADERSHIP

OUR EXPERTISE

OUR EXPERIENCE

Jefferson Wells has deep expertise performing compliance audits of Medicaid (and non-Medicaid) covered services.

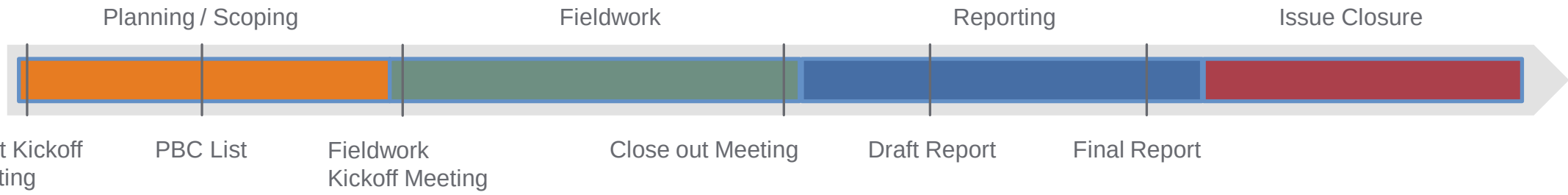
Jefferson Wells has successfully conducted the Medicaid and non-Medicaid Billing Verification Audits since 2002 and has developed several of the spreadsheets and templates that are in use today to collect and report on the audit.

Our people leverage their extensive ***industry & technical experience*** (15+ years) to deliver practical and actionable solutions.

Our tailored solutions and flexible delivery model, ranging from standalone ***projects*** and ***integrated teams*** through to ***full outsource,*** results in business acceleration for our clients.

Project Approach, Practice Overviews & Fees

Compliance Audit Approach



Planning/Scoping

- Set expectations – timing, deliverables, etc.
- Identify resources
- Create / finalize audit plan
- Review claims database
- Select sample
- Provide notification of audits
- Create/Distribute request List (PB
- Finalize detailed project plan with Key Stakeholders

Key Deliverables: Project plan, audit notification and sample list

Fieldwork

- Verify that services specified in each claim were authorized
- Verify the existence of clinical records and other documentation supporting each claim tested
- Verify specific attributes of the clinical records for reasonableness, accuracy, and completeness.
- Verify that services provided were covered/listed
- Weekly status meetings/reporting

Key Deliverables: Supporting work papers detailing the validation procedures performed,

Reporting

- Perform wrap-up and reporting
- Summarize recovery / remediation plans from keys stakeholders for final report
- Perform key stakeholder report readouts
- Obtain management representations

Key Deliverables: An independent report including project objectives, observations, findings, and recommendations and Management Representation sign-off.

Issue Closure (If requested)

- Perform tracking of issues
- Obtain updates from the business on issue closure
- Provide updates on status of issues and issues resolution

Key Deliverables: Issue and remediation tracking

Our audit approach will be augmented to fit your internal audit methodology

Pricing

Engagement Role	Hourly Rates
Audit Director	$155
Audit Manager	$135
IT/Data Professional	$125
Audit Professional	$95
Travel Expenses (to Providers)	Not anticipated

Number of Claims (all lines)	Fee Estimates
500	$32,000 - $40,000
1,000	$40,000 - $55,000
2,000	$80,000 - $95,000

Assumptions

- Prior to the inception of the engagement, NMRE will consider and choose one of the following approach options: 1) outsourcing the verification audit; or 2) leveraging additional resources to supplement current verification efforts.
- Estimates will be finalized once a further understanding of scope of services is defined, including decision on sample size, audit approach, availability of data, data format, quarterly, versus annually, data form, etc.
- NMRE will provide access to necessary information, including access to key personnel
- Providers will provide access to necessary information, including access to key personnel
- Final judgment/decisions on findings are the responsibility of NMRE management

Project Leadership

Paula Patterson| CPA (inactive)

- Paula is our Client Services Director
- Responsible for overall client account relationships, management and satisfaction
- Single point of contact for all aspects of our relationship
- 30 years of experience in audit, finance and consulting, including Big 4 and Controller roles
- Extensive background in finance, external audit, operational accounting, internal audit, compliance, and technical accounting

Email: Paula.Patterson@jeffersonwells.com
Cell: 248-408-3699

Laurence Talley| CPA,

- Great Lakes Region Risk Advisory Services Director
- 15+ years of experience including 10 years Big 4
- Experience with a variety of clients in public sector and financial services industry
- Expertise with compliance, financial, IT, and operational audit
- Significant experience in developing and overseeing internal audit solutions, operational risk management, as well as internal controls identification testing and implementation

Email: Laurence.Talley@jeffersonwells.com
Cell: 216-533-2293

Project Tools & Thought Leadership

Project Management Tools

Jefferson Wells employs robust project management rigor to all engagements including frequent communications on key milestones, progress, issues and budgets. We conduct regularly scheduled status meetings and utilize a variety of customized reports.

Ref No	Vendor Name	Recovery 1 File Not Located 2022	Recovery 1 File Not Located 2020	Recovery 2a Progress Note Doesn't Match Service Billed 2022	Recovery 2a Progress Note Doesn't Match Service Billed 2020	Recovery 2b Progress Note Missing 2022	Recovery 2b Progress Note Missing 2020	Recovery 2c Progress Note Incorrectly Dated 2022	Recovery 2c Progress Note Incorrectly Dated 2020	Recovery 2d Progress Note Duration of Service Missing 2022	Recovery 2d Progress Note Duration of Service Missing 2020	Recovery 2e Progress Note Duration of Service Incorrect 2022	Recovery 2e Progress Note Duration of Service Incorrect 2020
1	Judson Center	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%
2	Renewal Christian	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ 100.00 1 0.1%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ 500.00 1 0.0%	$ - 0 0.0%
3	CNS Healthcare	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 8 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%
4	Blue Water Developmental Housing, Inc.	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%
5	xxx	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ 350.00 3 0.5%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%	$ - 0 0.0%

Detail Workpapers

Client
Audit Schedule
As of Tuesday, June 1, 20__

Progress and Status Tracking

Ref No	Fieldwork Start Date	Fieldwork End Date	Vendor	Claim Numbers	Claim Lines	No. of Clients
1	Monday, June 27, 2022	Friday, July 1, 2022	Judson Center	500	1,000	30
2	Monday, June 27, 2022	Friday, July 1, 2022	Renewal Christian Counseling Center, Inc.	500	2,000	80
3	Monday, June 27, 2022	Friday, July 1, 2022	CNS Healthcare	400	1,000	90
7	Monday, June 27, 2022	Friday, July 1, 2022	Blue Water Developmental Housing, Inc.	600	1,000	10
8	Monday, June 27, 2022	Friday, July 1, 2022	xxx	700	2,500	30
11	Monday, June 27, 2022	Friday, July 1, 2022	xxx	200	500	30
52			xxx	150	500	20
75			xxx	150	500	10
			Totals	**3,200**	**9,000**	**300**

Example – Final Report Summary Report

Client
20__ Medicaid Billing Verification Audit
All Stats-Summary
As of: September __, 20__

Summary of Audit Progress

Status	# of Claim Lines	% of Claim Lines	# of Vendors	% of Vendors
Complete	45,000	100.0%	55	100.0%
Pending	0	0.0%	0	0.0%
Total	**45,000**	**100.0%**	**55**	**100.0%**

Summary of Exception Totals

Description	Recoverable	Non-Recoverable	Total Exceptions
$ Amount	$ 24,000.00	$ 20,000.00	$44,000.00
# of Claims	200	190	390
Percent of Total Exceptions $	51.2%	48.8%	100.0%
Percent of Total Audited $	0.6%	0.5%	1.1%

Summary of Exception Variances

Total # of Exceptions for all Claims	390
Total # of Claims with Exceptions	365

Summary of Exceptions by Type

Recoverable

		# of Claims	Pct of Total	Amount	Pct of Total
1	File Not Located	42	21.0%	$2,300.00	9.6%
2a	Progress Note Doesn't Match Service Billed	4	2.0%	$800.00	3.3%
2b	Progress Note Missing	74	37.0%	$8,000.00	33.3%
2c	Progress Note Incorrectly Dated	10	5.0%	$2,900.00	12.1%
2d	Progress Note Duration of Service Missing	5	2.5%	$1,200.00	5.0%
2e	Progress Note Duration of Service Incorrect	25	12.5%	$2,600.00	10.8%
2f	Progress Note Signature Missing	39	19.5%	$3,800.00	15.8%
3a	Service Billed Not In Plan of Service	1	0.5%	$400.00	1.7%
3b	Plan of Service Not In File	11	5.5%	$1,300.00	5.4%
3c.1	Plan of Service Signature(s) Missing	0	0.0%	$0.00	0.0%
4a	Other – Recoverable	4	2.0%	$700.00	2.9%
	Total Recoverable	**200**	**100.0%**	**$24,000.00**	**100.0%**

Non-Recoverable

		# of Claims	Pct of Total	Amount	Pct of Total
2g	Progress Note Credentials Missing	75	39.5%	$5,000.00	25.0%
2h	Incorrect Place of Service	50	26.3%	$5,000.00	25.0%
3c.2	Plan of Service Signature(s) Missing	30	15.8%	$5,000.00	25.0%
4b	Other – Non-Recoverable	35	18.4%	$5,000.00	25.0%
	Total Non-Recoverable	**190**	**100.0%**	**$20,000.00**	**100.0%**

Jefferson Wells Service Quality Process (SQP)


Understand Client Expectations → **Obtain Client Commitment** → **Service Delivery Plan and Execute** → **Assess Client Satisfaction**

SERVICE QUALITY PROCESS ELEMENTS

1. **ENGAGEMENT APPROACH**
   Engagement planning, collaboratively determine project deliverables, project reporting and communication timing
2. **WORK PLAN MANAGEMENT**
   Timely budget and milestone updates, status reporting with key metrics
3. **INTERNAL COMMUNICATIONS**
   Consistent communication plan, revisited throughout project
4. **DELIVERY QUALITY MANAGEMENT**
   Deliverable management against defined client preferred format
5. **RISK MANAGEMENT**
   Ongoing check in points for satisfaction, knowledge transfer at conclusion of project, and recommendation takeaways
6. **RESOURCE MANAGEMENT**
   Consistent experienced resources, mapped to project timeline

Thought Leadership in Internal Audit

Emerging Insights
Managing Cyber Risks in Turbulent Times – Parts 1 and 2

Managing cyber risks in today's digital environment was already challenging enough, but now amidst a once-in-a-century event, it's straining our ability to keep systems and data secure. Individuals with malicious intent are taking advantage of the current chaos to launch attacks and break down defenses already weakened by a myriad of impacts.

Managing Cyber Risks in Turbulent Times Webinar

Security and control professionals are doing their best to cope under adverse circumstances. They realize, however, that hitting the pause button on security initiatives and technical audits could lead to catastrophic security breaches jeopardizing critical business processes. How do you weather the storm, keep a challenging situation from becoming disastrous, and what actions can your organization take right now to withstand these attacks and keep essential services running.

Combating Increased Fraud Risk During the Pandemic

Fraud is typical in almost every organization today, usually occurring at the level of 5-10% of annual revenue. To effectively monitor and manage a potential increase in fraudulent activity, organizations should be taking appropriate actions to offset the increase of fraud risk.

New Risk Assessment Game Plan

For the internal audit function to add value when assessing and evaluating risks it is important to look at the risks that matter most today with an eye on the risks that will matter tomorrow.

Appendix: About Jefferson Wells

Jefferson Wells Differentiators

Experience

YEARS OF EXPERTISE

- Combination of public & industry experience
- Operational focus
- Best Practices
- Career Consultants

Results

COLLABORATIVE

- Adaptable solutions based on client needs
- Tailored approach to align with client goals and culture

Value

RESULTS DRIVEN

- Quality assurance with high client satisfaction
- Experienced team at competitive rates

Independence

UNIQUE ALTERNATIVE

- High quality alternative to Big Four and regional consulting firms as an “execution” partner on major initiatives

Agility

FLEXIBLE DELIVERY

- Flexible delivery modes to serve all client needs
- Flex to respond with emerging business needs

Our People

TEAM CONTINUITY

- Right functional skills with the right soft skills to meet your needs
- Strong continuity of resources

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April 06, 2023

Eric Kurtz
Executive Director
Northern Michigan Regional Entity
1999 Walden Drive
Gaylord, MI 49735

RE: Substance Use Disorder Oversight Committee and the Open Meetings Act

Dear Mr. Kurtz:

You asked if I could render an opinion on whether or not the Substance Use Disorder Oversight Committee (SUD) was subject to the Open Meetings Act (OMA). I conclude that it is not, with my rationale to follow.

LEGAL CITES

The Substance Use Disorder Oversight Committee (SUD) was established because of the existence of co-occurring disorders and other similarities in the populations served by the former Substance Abuse Coordinating Agencies (CA) and the Community Mental Health Programs (CMHSPs). This was accomplished via Public Act 500 of 2012, codified in MCLA 330.1281 et. seq. Specific to this opinion we look at MCAL 330.1287(5) wherein it is clear as to the role of the SUD board. It is to 'advise and recommend' in most cases on substance use disorder contracts.
See: http://legislature.mi.gov/doc.aspx?mcl-330-1287

The Michigan Open Meetings Act (OMA) Act, 1976 PA 267; MCLA 15.261 et seq; became effective March 31, 1977. At its core, the OMA provides that all meetings of a "public body" shall be open to the public and shall be held in a place that is available to the general public. Since its inception it has been subject to numerous court opinions and Attorney General Opinions.

The OMA defines 'public body' as "any state or local legislative or governing body . . . which is empowered . . . to . . . perform a governmental or proprietary function.' MCLA 15.262(a). The original bill contained a much more expansive definition of 'public body' than the one ultimately passed becoming law. (SEE: SB 920, section 2(a) of 1975) This change caused Attorney General Frank Kelley, in his penultimate opinion in 1977 to conclude "that the Act does not apply to committees and subcommittees of public bodies which are merely advisory or only capable of

making 'recommendations concerning the exercise of governmental authority'. These bodies are not legally capable of rendering a 'final decision.' (1977 OAG No. 5183, p 25) This opinion has been recited innumerable times over the years by just about every Attorney General since- e.g., OAG opinion 7066 (Grandholm), 7165 and 7235 (Cox), 7290 (Schuette) and most recently for other reasons 7318 (Nessel).

In researching this question I also referred to the Michigan Attorney General's Open Meetings Handbook (https://www.michigan.gov/-/media/Project/Websites/AG/open-meetings/OMA_handbook.pdf) and spoke with one of its authors.

CONCLUSION

I conclude based on the legal cites and review referenced above that the SUD Oversight Board is not bound to follow the edicts of the Open Meetings Act. This is not to conclude that the work of the SUD board is not important, only that pursuant to the language in the act creating it the authorities granted are to "advise and recommend." The work of the SUD board is of vital assistance and necessary for appropriate decision making. I also conclude, in looking at other historical documents, that if the legislature had intended the SUD boards to be bound by the OMA they could have included such language when creating them.

If you have additional questions, please do not hesitate to reach out to me.

Very Truly Yours,

Steven E Burnham (P43358)
Attorney at Law