

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – MAY 25, 2022
GAYLORD BOARDROOM**

ATTENDEES:	Ed Ginop, Gary Klacking, Terry Larson, Mary Marois, Gary Nowak, Jay O'Farrell, Justin Reed, Richard Schmidt, Karla Sherman, Don Smeltzer, Joe Stone, Don Tanner
ABSENT:	Roger Frye, Christian Marcus
NMRE/CMHSP STAFF:	Brian Babbitt, Jodie Balhorn, Christine Gebhard, Lauri Fischer, Eric Kurtz, Diane Pelts, Pamela Polom, Sara Sircely, Nena Sork, Tricia Wurn, Deanna Yockey, Carol Balousek
PUBLIC:	Chip Cieslinski, Jackie Guzman, Derek Miller, 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 Roger Frye and Christian Marcus were excused from the meeting on this date; all other NMRE Board Members were in attendance.

PLEDGE OF ALLEGIANCE

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

Let the record show that no Conflicts of Interest to any of the meeting Agenda items were declared.

APPROVAL OF AGENDA

Let the record show that no changes to the meeting Agenda were requested.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR MAY 25, 2022; SUPPORT BY JOE STONE. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY MARY MAROIS TO APPROVE THE MINUTES OF THE APRIL 27, 2022 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ED GINOP. MOTION CARRIED.

PRESENTATION

FY21 Financial Audit

Derek Miller, CPA with Roslund Prestage & Company was in attendance to report on the NMRE's FY21 Financial Audit.

The NMRE saw a 34.78% increase in total assets over FY20, a 60% increase in liabilities (due to \$8.8M lapse of funding due to State), and an 8.34% increase in net position. Operating revenue increased by 5.97%, operating expenses increased by 10.44%.

Mr. Miller reported that the NMRE had a clean audit and stated that he was “very happy” with the outcome.

MOTION BY RICHARD SCHMIDT TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY FISCAL YEAR 2021 FINANCIAL AUDIT BY ROSLUND, PRESTAGE AND COMPANY, PC; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the May 5, 2022 PIHP CEO meeting.
- 2) Slides from the Community Mental Health Association of Michigan (CMHAM) April Public Relations Report by Lambert.
- 3) Email correspondence from CMHAM dated May 9, 2022 regarding its planned office move.
- 4) Email correspondence from CMHAM regarding the Election of Board Officers.
- 5) A summary of the FY23 Senate and House Budget Proposals prepared by CMHAM.
- 6) Exhibit E, List of Opioid Remediation Uses, from the Opioid Settlement Agreement.
- 7) Email from MDHHS regarding the FY21 Performance Based Bonus Incentive Pool Award for NMRE.
- 8) Memorandum from Eric Kurtz dated May 3, 2022 to Amanda Zabor and Darrell Harden in response to MDHHS’s request for a Plan of Correction for Intensive Crisis Stabilization Services provided by Northeast Michigan CMHA.
- 9) Local news clips from TV 7&4 (upnorthlive) and 9&10 News covering the distribution of Carter Kits on April 27, 2022.
- 10) Draft minutes of the May 11, 2022 NMRE Regional Finance Committee meeting.

Mr. Kurtz reported that NMRE received the full \$1.7M Performance Bonus Incentive Payment for FY21. NMRE was one of, or possibly the only, PIHP that met all the standards at 100%. According to the MDHHS-PIHP Contract, the remaining amount in the pool will be redistributed to regions that met the standards; therefore, NMRE was awarded an additional \$1.3M (which the CMHSPs can use as local funds).

Mr. Kurtz drew attention to his Memorandum to MDHHS regarding a request for a Plan of Correction for Northeast Michigan CMHA. Mr. Kurtz explained that he does not feel that a POC is warranted as the alleged contract non-compliance was related to the (under) utilization of Intensive Crisis Stabilization Services (ICSS) rather than their availability. It was noted that, in the future, financial penalties will be tied to timely responses POC requests.

ANNOUNCEMENTS

Let the record show that Mary Marois announced the appointment of Angie Griffis to the NMRE Board of Directors by the Northern Lakes Community Mental Health Authority Board.

PUBLIC COMMENTS

Let the record show that Christine Gebhard introduced North Country Community Mental Health Authority’s Chief Operating Officer, Brian Babbitt to the Board; Mr. Babbitt will assume the role of Chief Executive Officer upon Ms. Gebhard’s retirement on July 1, 2022.

Mr. Reed stated that he attended the meeting of the Grand Traverse County Board of Commissioners on May 18th. He spoke publicly about the county’s intention to break away from Northern Lakes CMHA as a recipient of services. Mr. Reed made it clear that he wasn’t speaking

on behalf of the NMRE Board. He stressed the need for the county to have a clear plan. This topic will be discussed further as a separate Agenda item under “New Business.”

REPORTS

Executive Committee Report

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

CEOs Report

The NMRE CEO Monthly Report for May 2022 was included in the materials for the meeting on this date. Mr. Kurtz thanked Northeast Michigan CMHA for the invitation to participate in its Annual Board Planning Session.

Financial Report

March 2022

- Net Position showed net surplus Medicaid and HMP of \$8,248,294. Medicaid carry forward was reported as \$16,358,117. The total Medicaid and HMP Current Year Surplus was reported as \$24,606,411. Medicaid and HMP combined ISF was reported as \$16,358,117; the total Medicaid and HMP net surplus, including carry forward and ISF was reported as \$40,964,528.
- Traditional Medicaid showed \$99,621,062 in revenue, and \$90,082,236 in expenses, resulting in a net surplus of \$9,538,825. Medicaid ISF was reported as \$9,298,368 based on the unaudited FSR. Medicaid Savings was reported as \$11,296,867.
- Healthy Michigan Plan showed \$15,432,891 in revenue, and \$13,157,185 in expenses, resulting in a net surplus of \$2,275,707. HMP ISF was reported as \$7,059,749 based on the unaudited FSR. HMP savings was reported as \$5,061,250.
- Health Home showed \$734,211 in revenue, and \$520,044 in expenses, resulting in a net surplus of \$214,167.
- SUD showed all funding source revenue of \$12,092,064, and \$10,063,392 in expenses, resulting in a net surplus of \$2,028,672. Total PA2 funds were reported as \$5,814,770.

The direct care wage surplus was estimated as \$3.5M.

Mr. Stone stressed the need for spending plans to reduce the potential lapse. The pause in redeterminations continues to affect revenue (the NMRE is currently being paid for 1 million individuals on HMP; prior to the pandemic, the number was approximately 500,000). It is anticipated that the Public Health Emergency will extend through the end of the fiscal year.

MOTION BY ED GINOP TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR MARCH 2022; SUPPORT BY JAY O’FARRELL. MOTION CARRIED.

Operations Committee Report

The draft minutes from May 17, 2022 were included in the materials for the meeting on this date.

NMRE SUD Oversight Board Report

The draft minutes from the May 9, 2022 were included in the materials for the meeting on this date. One liquor tax request was recommended for approval and will be discussed under “New Business.”

NEW BUSINESS

Liquor Tax Request

Catholic Human Services – Cheboygan Substance Free Coalition/Cheboygan Youth Coalition - \$23,366

MOTION BY GARY NOWAK TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR CHEBOYGAN COUNTY LIQUOR TAX DOLLARS IN THE AMOUNT OF TWENTY-THREE THOUSAND THREE HUNDRED SIXTY-SIX DOLLARS (\$23,366.00) TO EXPAND THE CHEBOYGAN SUBSTANCE FREE COALITION TO INCLUDE THE CHEBOYGAN YOUTH COALITION; SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.

“Yea” Votes: E. Ginop, G. Klacking, T. Larson, M. Marois, G. Nowak, J. O’Farrell, J. Reed, R. Schmidt, K. Sherman, D. Smeltzer, J. Stone, D. Tanner

“Nay” Votes: Nil

American Rescue Plan Act (ARPA) Grant Recommendations

Ms. Sircely summarized the recommendations of NMRE staff for APRA grant awards based in the recent Request for Proposals. Clarification was made that the funding is for four years.

Project	Amount	Recommended for Contract
Prevention Evidence-Based Practice	\$119,060	Health Department of Northwest MI*
Same Day Appointments for Detox, Residential, or Methadone	\$50,000	
SUD Health Home Maintenance	\$10,000	
Telehealth Technology	\$75,000	Catholic Human Services - \$50,000 Bear River Health - \$25,000**
Recovery Community Organization	\$150,000	Bear River Health - \$81,970
Recovery Support Services	\$75,000	***
Recovery Housing	\$100,000	****

* Catholic Human Services also submitted a request for a media campaign but these funds may not be utilized for a media campaign.

** Sacred Heart also applied for these funds; however, there are no NMRE funded clients in treatment services at the location.

*** Catholic Human Services applied for these funds; however, Women’s Specialty Services (WSS) will be utilized due to the request.

**** Billy Jane’s Recovery House also applied; however, SOR 2 funding will be utilized due to the request. Project Unity also applied for these funds but the requested activities are not allowable under the grant. Sacred Heart applied for these funds as well. The agency would like to establish a recovery home in Emmet or Cheboygan County; however, there is no house currently.

MOTION BY ED GINOP TO APPROVE AMERICAN RESCUE PLAN ACT GRANT FUNDS TO THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN IN THE AMOUNT OF ONE HUNDRED NINETEEN THOUSAND SIXTY DOLLARS (\$119,060.00), CATHOLIC HUMAN SERVICES IN THE AMOUNT OF FIFTY THOUSAND DOLLARS (\$50,000.00), AND BEAR RIVER HEALTH IN THE AMOUNT OF ONE HUNDRED SIX THOUSAND NINE HUNDRED SEVENTY DOLLARS (\$106,970.00); SUPPORT BY MARY MAROIS. MOTION CARRIED.

Grand Traverse County and Northern Lakes

Mr. Kurtz has met with Grand Traverse County Administrator, Nate Alger, and Northern Lakes CMHA staff about the county's intent to separate from Northern Lakes CMHA. An evaluation is currently underway. No Letter of Intent (to dissolve the enabling agreement) has been sent to the State to date. It was noted that Grand Traverse County Sheriff, Tom Bensley, is pushing hard for the separation. Mr. Kurtz clarified that what is being suggested is not what occurred in Washtenaw County; Washtenaw went from having an urban cooperative agreement (UCA) with the U of M to a county department (but was already a CMH).

Ms. Marois acknowledged that it is a complex problem. She stated that the Northern Lakes Governing Board operates under a Policy Governance (Carver) Model, which is ineffective. The Board is often restricted from making key decisions. Ms. Marois emphasized that there are many, many unanswered questions currently. It was noted that separation isn't the only answer (the enabling agreement could be redone). Mr. Kurtz is well versed in different arrangements and will continue to share his expertise with the parties involved. Mr. Reed indicated that transparency between the county and the public is essential.

OLD BUSINESS

Senate Bills 597 & 598/House Bills 4925 – 4929 – The Latest

The Senate Bills were close to passing the Michigan Senate in early March. New versions of the bill will most likely change again on the Senate floor and may be headed for a vote by the end of June.

COMMENTS

Board

Mr. Smeltzer compared the situation with Grand Traverse County and Northern Lakes CMHA to a similar to a split in Benzie County in 2010 with townships breaking apart from the county planning and zoning department.

Mr. Tanner reported that Centra Wellness Network is speaking with the Sheriff's office about adding qualified mental health professionals to work in the police department (funded with local from third party billing).

Mr. Reed announced that parking for the Cherry Festival (July 2nd – July 9th) will be available at Northern Lakes CMHA parking lot; proceeds will benefit the Traverse House Clubhouse.

Staff/CMHSP CEOs

The Day of Recovery Education took place May 20th at Treetops Resort; this was the first gathering of individuals served since before the pandemic.

Ms. Gebhard announced that North Country CMHA signed an agreement with Pine Rest to train four child psychiatrist fellows. North Country CMHA is also looking to implement an onsite pharmacy and has engaged a recruiting firm to find adult psychiatrist. An adult crisis residential unit is scheduled to open later this year in Gaylord.

Ms. Gebhard spoke about response following the tornado in Gaylord on May 20th. North Country CMHA's Director of Crisis Services, Carole Doherty, coordinated with law enforcement, first responders, hospitals, AFC homes, etc. Ms. Gebhard acknowledged that there is more to be done in the aftermath; resources are posted on the [North Country Community Mental Health \(norcocmh.org\)](http://norcocmh.org) website. Mr. Kurtz added that individuals throughout the State reached out to inquire about staff and building safety and to offer support.

Ms. Pelts added that AuSable Valley CMHA is also looking to establish an onsite pharmacy.

Public

Sue Winter thanked NMRE staff for offering support after the tornado in Gaylord on May 20th.

MEETING DATES

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on June 22, 2022.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:39AM.