

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – JANUARY 24, 2024
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Tom Bratton, Ed Ginop, Gary Klacking, Eric Lawson, Greg McMorrow, Michael Newman, Gary Nowak, Ruth Pilon, Richard Schmidt, Karla Sherman, Don Smeltzer, Don Tanner, Chuck Varner
ABSENT:	Jay O’Farrell
NMRE/CMHSP STAFF:	Bea Arsenov, Joe Balberde, Eugene Branigan, Carol Balousek, Lisa Hartley, Chip Johnston, Eric Kurtz, Brian Martinus, Diane Pelts, Brandon Rhue, Nena Sork, Tricia Wurn, Deanna Yockey
GUESTS:	Steve Burnham, Richard Carpenter, Kerreen Conley
PUBLIC:	Chip Cieslinski, Dave Freedman, Kassondra Glenister, Laruen Reed

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 Jay O’Farrell was excused from the meeting on this date; all other NMRE Board Members were in attendance.

PLEDGE OF ALLEGIANCE

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

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

APPROVAL OF AGENDA

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

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR JANUARY 24, 2024; SUPPORT BY KARLA SHERMAN. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY ED GINOP TO APPROVE THE MINUTES OF THE DECEMBER 13, 2023 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY ERIC LAWSON. MOTION CARRIED.

CORRESPONDENCE

- 1) The minutes from the January 2, 2024 PIHP CEO meeting.
- 2) Email correspondence from the Community Mental Health Association of Michigan (CMHAM) dated December 21, 2023 regarding concern over significant revenue reduction to state's public mental health system due to Medicaid re-enrollment.
- 3) CMHM Comparison of Actuarial Projected Population Counts and Trended Paid Population Counts for FY24.
- 4) MDHHS Press Release dated December 21, 2023 announcing that it has renewed Medicaid or Healthy Michigan plan coverage for nearly 1 million people in 2023.
- 5) CMHAM Legislative and Policy Committee Policy Update dated January 2024.
- 6) CMHAM summary of 2024 key bills.
- 7) Regional Performance Indicator Report for Quarter 4 of FY23.
- 8) The draft minutes of the January 10, 2024 regional Finance Committee meeting.

Mr. Kurtz drew attention to the statewide Medicaid enrollment estimates for FY24 supplied by CMHAM. The Medicaid disenrollment trend has declined deeper than originally projected by MDHHS and Milliman.

Mr. Kurtz next highlighted the CMHAM summary of 2024 key bills and the NMRE fiscal year 2023, quarter 4 Performance Indicators.

ANNOUNCEMENTS

Let the record show that new Board Member, Bob Adrian, representing Northeast Michigan Community Mental Health Authority was introduced.

It was also noted that the IRS reimbursable mileage rate was raised to \$0.67 effective January 1, 2024.

PUBLIC COMMENT

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

Executive Committee Report

Let the record show that the minutes of the January 10, 2024 NMRE Executive Committee meeting were included in the materials for the meeting on this date. The subject of the meeting will be reviewed under "Old Business."

CEO Report

The NMRE CEO Monthly Report for January 2024 was included in the materials for the meeting on this date. Mr. Kurtz has been in contact with staff at MDHHS regarding the provision of personal care and community living supports (CLS) in specialized residential settings. Reporting CLS and personal care per diem in licensed and certified residential settings is permitted based on the MDHHS Behavioral Health Code Chart. This has been questioned, however, as individuals' enhanced SSI payments are intended to cover enhanced personal care. CMHSPs were advised to begin to transition individuals from personal care to CLS; a CLS per diem code is being considered.

Mr. Kurtz acknowledged his presentation on Certified Community Behavioral Health Clinics (CCBHC) to the North Country CMHA Board on January 18th.

November 2023 Financial Report

- Net Position showed net surplus Medicaid and HMP of \$1,113,556. Carry forward was reported as \$13,325,617. The total Medicaid and HMP Current Year Surplus was reported as \$14,439,173. The total Medicaid and HMP Internal Service Fund was reported as \$17,437,845. The total Medicaid and HMP net surplus was reported as \$31,877,018.
- Traditional Medicaid showed \$34,754,797 in revenue, and \$32,744,791 in expenses, resulting in a net surplus of \$2,010,006. Medicaid ISF was reported as \$10,371,825 based on the current FSR. Medicaid Savings was reported as \$2,324,071.
- Healthy Michigan Plan showed \$4,656,419 in revenue, and \$5,552,869 in expenses, resulting in a net deficit of \$896,450. HMP ISF was reported as \$7,066,020 based on the current FSR. HMP savings was reported as \$11,001,546.
- Health Home showed \$450,025 in revenue, and \$395,159 in expenses, resulting in a net surplus of \$54,866.
- SUD showed all funding source revenue of \$4,946,672 and \$4,351,071 in expenses, resulting in a net surplus of \$595,601. Total PA2 funds were reported as \$5,026,878.

Since September revenue has increased for DAB by \$137,786 (1.5%), decreased for HMP by \$562,028 (-20.6%), and decreased for TANF by \$68,461 (-2.5%), resulting in a net decrease of \$492,703 (-3.3%).

The December change in DAB, HMP, and TANF Annualized would equate to (\$5,912,434). This decrease is offset by the increase in HSW, which annualized would equate to \$7,393,668.

The region currently has 16 open HSW slots; the CMHSPs are working to get them filled.

It was noted that the FY24 rate adjustment was favorable to the NMRE.

MOTION BY GARY NOWAK TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR NOVEMBER 2023; SUPPORT BY RICHARD SCHMIDT. MOTION CARRIED.

Operations Committee Report

The minutes from January 16, 2024 were included in the materials for the meeting on this date.

It was noted that during the Medicaid reenrollment process, a number of individuals fell into inappropriate categories of Medicaid (Plan First), some with very complex behavioral healthcare needs. Plan first is a Medicaid family planning-only program and has no behavioral health benefit. Mr. Kurtz has requested that an Action Alert on the issue be circulated by CMHAM in the near future if the trends do not change.

NMRE SUD Oversight Committee Report

The minutes from January 8, 2024 were included in the materials for the meeting on this date. Liquor tax requests will be reviewed under the next agenda topic.

NEW BUSINESS

Liquor Tax Requests

Eight liquor tax requests were presented to the NMRE Substance Use Disorder Oversight Committee and moved for approval of NMRE Board of Directors on January 8, 2024.

1.	AuSable Valley CMHA	Jail Services	Iosco, Ogemaw, Oscoda	Renewal	\$67,789.00
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MOTION BY KARLA SHERMAN TO APPROVE THE REQUEST FROM AUSABLE VALLEY COMMUNITY MENTAL HEALTH AUTHORITY FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF SIXTY-SEVEN THOUSAND SEVEN HUNDRED EIGHTY-NINE DOLLARS (\$67,789.00) FOR JAIL SERVICES IN IOSCO, OGEMAW, AND OSCODA COUNTIES; SUPPORT BY CHUCK VARNER. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

2.	AuSable Valley CMHA	Peer Recovery Coaching	Iosco, Ogemaw, Oscoda	Renewal	\$54,772.50
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MOTION BY CHUCK VARNER TO APPROVE THE REQUEST FROM AUSABLE VALLEY COMMUNITY MENTAL HEALTH AUTHORITY FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF FIFTY-FOUR THOUSAND SEVEN HUNDRED SEVENTY-TWO DOLLARS AND FIFTY CENTS (\$54,772.50) FOR PEER RECOVERY COACHING SERVICES IN IOSCO, OGEMAW, AND OSCODA COUNTIES; SUPPORT BY GARY KLACKING. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

3.	33 rd Circuit Court	Charlevoix Drug and Alcohol Court	Charlevoix	New	\$151,983.00
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MOTION BY GARY NOWAK TO APPROVE THE REQUEST FROM THE THIRTY-THIRD (33RD) CIRCUIT COURT FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF ONE HUNDRED FIFTY-ONE THOUSAND NINE HUNDRED EIGHTY-THREE DOLLARS (\$151,983.00) TO IMPLEMENT AN ADULT TREATMENT COURT IN CHARLEVOIX COUNTY; SUPPORT BY ED GINOP. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

4.	Charlevoix County Jail	Individual Counseling	Charlevoix	New	\$21,000.00
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MOTION BY GARY NOWAK TO APPROVE THE REQUEST FROM THE CHARLEVOIX COUNTY JAIL FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF TWENTY-ONE THOUSAND DOLLARS (\$21,000.00) TO PROVIDE INDIVIDUAL COUNSELING SERVICES TO INDIVIDUALS IN THE CHARLEVOIX COUNTY JAIL; SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

5.	89 th District Court	Intelligent Fingerprint Testing Equipment	Cheboygan	New	\$6,500.00
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MOTION BY ED GINOP TO APPROVE THE REQUEST FROM THE EIGHTY-NINETH (89TH) DISTRICT COURT FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500.00) TO PURCHASE INTELLIGENT FINGERPRINT TESTING EQUIPMENT FOR CHEBOYGAN COUNTY; SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

6.	Bear River Health	Jail Case Management	Cheboygan	Renewal/New	\$40,744.00
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Mr. Kurtz noted that the request requires a revision so that staff salary amounts are based on the actual staff costs not the NMRE billing rate.

MOTION BY ED GINOP TO APPROVE THE REQUEST FROM BEAR RIVER HEALTH FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF FORTY THOUSAND SEVEN HUNDRED FORTY-FOUR DOLLARS (\$40,744.00) TO PROVIDE CASE MANAGEMENT SERVICES IN THE CHEBOYGAN COUNTY JAIL WITH THE STIPULATION THAT THE STAFF SALARY AMOUNT(S) BE AMENDED BASED ON ACTUAL COSTS; SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

7.	Catholic Human Services	Prevention Coalition	Kalkaska	Renewal	\$20,000.00
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MOTION BY GARY NOWAK TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000.00) TO SUPPORT THE LIVE WELL KALKASKA PREVENTION COALITION; SUPPORT BY GREG MCMORROW. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

8.	Health Dept. of NW MI	Prevention Coalition	Otsego	Addendum	\$12,000.00
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MOTION BY KARLA SHERMAN TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR LIQUOR TAX DOLLARS IN THE AMOUNT OF TWELVE THOUSAND DOLLARS (\$12,000.00) TO SUPPORT THE RISE OTSEGO PREVENTION COALITION; SUPPORT BY CHUCK VARNER. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

Let the record show that the total liquor tax funding approved during the meeting on this date was \$374,788.50.

OLD BUSINESS

Northern Lakes CMHA Update

Mr. Tanner explained that the NMRE Board Executive Committee felt it was important for the full board to hear an update from Richard Carpenter and Kerreen Conley from Rehmann regarding the Management Review of Northern Lakes CMHA.

MOTION BY TOM BRATTON TO MOVE THE NMRE BOARD INTO CLOSED SESSION FOR THE PURPOSE OF RECEIVING INFORMATION THAT IS CONFIDENTIAL OR PRIVILEGED BY STATUTE AS PERMITTED BY SECTION 8(H) OF THE MICHIGAN OPEN MEETINGS ACT; SUPPORT BY RICHARD SCHMIDT. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

In addition to NMRE Board Members, the following individuals were asked to be included in the closed session:

- Eric Kurtz – NMRE Chief Executive Officer
- Deanna Yockey – Chief Financial Officer
- Brandon Rhue – NMRE Chief Information Officer/Operations Director
- Carol Balousek – NMRE Executive Administrator/Board Recording Secretary
- Brian Martinus – Northern Lakes CMHA Interim Chief Executive Officer
- Steve Burnham – NMRE Legal Counsel

MOTION BY CHUCK VARNER TO MOVE THE NMRE BOARD OUT OF CLOSED SESSION; SUPPORT BY TOM BRATTON. MOTION CARRIED.

It was noted that three firms in the state do most of the CMHSP and PIHP auditing, and one other besides Rehman was contacted but could not start the process till May or June. Mr. Kurtz recommended proceeding with Rehmann since they are already involved and would like the ability to negotiate and sign the agreement with the involvement of legal counsel.

MOTION BY GREG MCMORROW TO AUTHORIZE THE NORTHERN MICHIGAN REGIONAL ENTITY CHIEF EXECUTIVE OFFICER TO NEGOTIATE WITH REHMANN TO BEGIN A FORENSIC INVESTIGATION OF NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY'S FINANCES FOR FISCAL YEAR 2023 IN AN AMOUNT NOT TO EXCEED FIFTY-SIX THOUSAND DOLLARS (\$56,000.00); SUPPORT BY KARLA SHERMAN. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, T. Bratton, E. Ginop, G. Klacking, E. Lawson, G. McMorrow, G. Nowak, R. Pilon, R. Schmidt, K. Sherman, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

Mr. Kurtz was granted the authority to negotiate for additional fiscal years as needed.

An expanded Medicaid Verification Audit by NMRE staff will also be conducted.

COMMENTS

Board

Mr. Adrian asked how the Board can prevent the issues currently being observed at Northern Lakes CMHA from happening. Mr. Tanner responded that these issues occurred over time. It was noted that the Michigan Mental Health Code outlines the responsibilities of a CMHSP/PIHP Board.

Mr. McMorrow thanked Mr. Johnston for providing his Red Book training to the Northern Lakes CMHA Board of Directors on January 18th.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on February 28, 2024.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 12:13PM.