



Northern Michigan Regional Entity

Board Meeting

December 3, 2025

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 – October 22, 2025	Pages 2 – 9
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e. NMRE SUD Oversight Board Report – November 3, 2025	Pages 48 – 54
11. New Business	
a. Liquor Tax Requests (5) County Overviews	Pages 57 – 61 Pages 62 – 66
12. Old Business	
a. Northern Lakes Lookback Update	
b. Legal Actions Related to PIHP Bid Out	Pages 67 – 87
13. PM/PM History Review Discussion	
14. Comments	
a. Board	
b. Staff/CMHSP CEOs	
c. Public	
14. Next Meeting Date – January 28, 2026 at 10:00AM	
15. Adjourn	

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**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – OCTOBER 22, 2025
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Dave Freedman, Ed Ginop, Ron Iseman, Gary Klacking, Dana Labar, Eric Lawson, Michael Newman, Jay O'Farrell, Ruth Pilon, Don Smeltzer, Don Tanner, Chuck Varner
VIRTUAL ATTENDEES:	Karen Goodman
ABSENT:	Mary Marois
NMRE/CMHSP STAFF:	Bea Arsenov, Jodie Balhorn, Carol Balousek, Brady Barnhill, Eugene Branigan, Gail Grangood-Griffin, Lisa Hartley, Chip Johnston, Brooke Kleinert, Eric Kurtz, Brian Martinus, Brie Molaison, Trish Otremba, Pamela Polom, Nena Sork, Denise Switzer, Chris VanWagoner, Tricia Wurn, Deanna Yockey, Lynda Zeller
PUBLIC:	Anonymous (3), Erin Barbus, Genevieve Groover, Kevin Hartley, Terri Henderson, Bobbi Hudson, Rob Palmer, Justin Reed

CALL TO ORDER

Let the record show that Board Chairman, Gary Klacking, called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Mary Marois was excused from the meeting on this date; all other NMRE Board Members were in attendance either in person or virtually.

PLEDGE OF ALLEGIANCE

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

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

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

APPROVAL OF AGENDA

Let the record show that no additions to the meeting agenda were requested.

MOTION BY JAY O'FARRELL TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR OCTOBER 22, 2025; SUPPORT BY DON TANNER. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

Mr. Smeltzer clarified a comment he made during the September meeting. The minutes will be updated accordingly.

MOTION BY DON TANNER TO APPROVE THE MINUTES OF THE SEPTEMBER 25, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS AS AMENDED; SUPPORT BY RUTH PILON. MOTION CARRIED.

CORRESPONDENCE

- 1) Email correspondence from Community Mental Health Association of Michigan (CMHA) Chief Executive Officer, Robert Sheehan dated September 19, 2025, to CEOs of CMHSPs, PIHPs, and Provider Alliance Members regarding proposed PIHP procurement boilerplate and emerging concepts for system redesign.
- 2) Article by Kara Berg from the Detroit News dated September 23, 2025, titled, "Privatizing State's Mental Health Services Is Meant to Aid Care. Critics Fear the Opposite."
- 3) Email correspondence from CMHA CEO Robert Sheehan dated September 25, 2025, to CEOs of CMHSPs, PIHPs, and Provider Alliance Members outlining the third leg of advocacy strategy against privatization: alternative system design components document.
- 4) Document from CMHA titled, "Recommended Components of a Redesigned Public Mental Health System In Michigan."
- 5) NMRE regional Performance Indicator report for Quarter 3 of fiscal year (FY) 2025.
- 6) Statewide PIHP Performance Indicator report for Quarter 3 of fiscal year (FY) 2025.
- 7) A memorandum from Belinda Hawks to PIHP Directors dated October 7, 2025, regarding HSW slot allocations for FY26.
- 8) NMRE Substance Use Disorder Grants Summary for FY26.
- 9) The draft minutes of the October 8, 2025, regional Finance Committee meeting.

Mr. Kurtz drew attention to the memorandum from Belinda Hawks regarding HSW slot allocations. The NMRE gained 14 slots (the most of any PIHP in the state) for a total of 711. If fully utilized, this equates to an additional \$1.1M in revenue for the region. Three of the additional slots have been filled. Additional packets have been requested from the CMHSPs.

Mr. Kurtz noted that the summary of NMRE's SUD grants for FY26, totaling \$2,073,766, was included for informational purposes.

ANNOUNCEMENTS

Let the record show that Northern Lakes CMHA CEO Lynda Zeller, was introduced. Mr. Freedman announced that Grand Traverse and Leelanau Counties have both passed resolutions opposing the PIHP bid out.

PUBLIC COMMENT

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

REPORTS

Executive Committee Report

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

CEO Report

The NMRE CEO Monthly Report for October 2025 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to the Court of Claims Hearing he attended on October 9th regarding the complaint filed by Region 10 PIHP and others related to the PIHP bid out. No decision has been made. A status conference has been scheduled for 1:00 on this date. This topic will be covered in greater detail under "Old Business."

August 2025 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of \$7,097,525. Carry forward was reported as \$447,383. The total Medicaid and HMP current year surplus was reported as \$7,544,908. FY24 HSW revenue was reported as \$1,289,241. The total Medicaid and HMP adjusted current year surplus was reported as \$6,255,667. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$28,121,064.
- Traditional Medicaid showed \$209,643,258 in revenue, and \$199,756,038 in expenses, resulting in a net surplus of \$9,887,220. Medicaid ISF was reported as \$13,514,675 based on the current FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$27,757,971 in revenue, and \$30,547,666 in expenses, resulting in a net deficit of \$2,789,695. HMP ISF was reported as \$7,068,394 based on the current FSR. HMP savings was reported as \$736,656.
- Health Home showed \$2,967,387 in revenue, and \$2,481,752 in expenses, resulting in a net surplus of \$485,635.
- SUD showed all funding source revenue of \$26,964,463 and \$21,636,400 in expenses, resulting in a net surplus of \$5,328,063. Total PA2 funds were reported as \$3,894,705.

PA2/Liquor Tax was summarized as follows:

Projected FY25 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
\$4,765,231	\$1,847,106	\$2,150,940	\$4,461,397

Actual FY25 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$4,765,231	\$835,755	\$1,706,281	\$3,894,705

As of August, the NMRE has a \$6M surplus for FY25 which is unlikely to change with the September report. FY25 revenue increased by approximately 10% over FY24 revenue.

Mr. Kurtz received informal notice that Quarter 3 FY25 PA2 revenues were directed to debt services, meaning that neither the PIHPs nor the counties received a PA2 payment in July 2025. Mr. Kurtz recommended that County Administrators be made aware of the lack of Q3 payments as the funds were likely budgeted. For FY25, PA2 was estimated at \$1,847,231. This number will be reduced, though it was acknowledged that the quarterly payments are not equal. The NMRE continues to maintain a fund balance equivalent to one year's revenue for each county.

The NMRE has approximately \$1M in SUD BGF overage for FY25, which will be utilized toward allowable FY25 PA2 projects.

Mr. Freedman asked whether the federal shutdown has any effect the flow of funds to the NMRE. Mr. Kurtz responded that it should have little or no impact at this time.

MOTION BY DON SMELTZER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR AUGUST 2025; SUPPORT BY DAVE FREEDMAN. MOTION CARRIED.

Operations Committee Report

The draft minutes from October 21, 2025, were distributed during the meeting on this date. Much of the meeting focused on the legal actions being taken in response to the PIHP bid out.

NMRE SUD Oversight Committee Report

Let the record show that the next meeting of the NMRE Substance Use Disorder (SUD) Oversight Committee is scheduled for November 3, 2025, at 10:00AM.

NEW BUSINESS

PA 152 Opt Out

A document dated March 25, 2025, from Rachael Eubanks, Michigan State Treasurer titled, "Public Employer Contributions to Medical Benefit Plans Annual Cost Limitations for Fiscal Year 2026" was included in the materials for the meeting on this date, as was a legal opinion on Public Act 152 from Steve Burnham to Chip Johnston dated October 12, 2011.

Public Act 152, the Publicly Funded Health Insurance Contribution Act, created a law that limits the amount that public employers pay toward employee medical benefit plans, effective January 1, 2012. Although the NMRE is not over the 80% cap currently, Mr. Kurtz asked the Board for permission to opt out of the Act. It was noted that a two-thirds vote of the governing body is needed to opt out.

MOTION BY CHUCK VARNER TO ALLOW THE NORTHERN MICHIGAN REGIONAL ENTITY TO COMPLY WITH PUBLIC ACT 152 OF 2011, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT, BY ADOPTING THE ANNUAL EXEMPTION OPTION FOR THE MEDICAL BENEFIT PLAN COVERAGE FOR JANUARY 1, 2026, THROUGH DECEMBER 31, 2026; SUPPORT BY DON TANNER. ROLL CALL VOTE.

"Yea" Votes: B. Adrian, D. Freedman, E. Ginop, R. Iseler, G. Klacking, D. Labar, E. Lawson, M. Newman, R. Pilon, J. O'Farrell, D. Smeltzer, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

OLD BUSINESS

Northern Lakes Lookback and Update

During the NMRE Board meeting on September 24, 2025, Northern Lakes Board Members requested a payment from the NMRE in the amount of \$3,040,311. This is difference between the amount the NMRE owes Northern Lakes for the cost settlement of fiscal years 2023 and 2024 and the amount owed to the NMRE for the cost misallocation lookback, excluding fiscal years 2018 and 2019.

The NMRE Board voted to grant the request with the condition that Northern Lakes CMHA not pursue any further review of fiscal years 2018 through 2022.

During its meeting on October 16, 2025, the Northern Lakes Board passed a motion acknowledging the cost settlement motion passed by the NMRE Board and affirming the Board's intent to have Roslund, Prestage, and Co. (RPC) complete a review of fiscal years 2020, 2021, and 2022 as moved by the Board on August 25, 2025. Mr. Freedman clarified that the vote by the Northern Lakes Board was unanimous.

Because the NMRE must do its due diligence regarding Medicaid funding, this leaves two options: 1) stand by the Rehmann findings, or 2) request that Rehmann complete the five- to seven-year cost allocation lookback (without extrapolated findings for fiscal years 2018 and 2019). Mr. Kurtz emphasized that it is the Board's decision to make. The cost to have Rehmann complete the cost misallocation lookback for fiscal years 2028 and 2019 would be approximately \$100K.

Mr. Tanner asked whether the Northern Lakes Board will challenge the findings by Rehmann for fiscal years 2018 and 2019. Mr. Freedman responded that those two fiscal years are closed and there is no need to go back. Mr. Kurtz clarified that all five years remain open due to the lookback. Also, depending on finding where Medicaid was misallocated or any other findings that occurred after a fiscal year is closed, any of the fiscal years can be reopened with the state.

MOTION BY DON TANNER TO AUTHORIZE REHMANN TO COMPLETE THE COST MISALLOCATION LOOKBACK OF NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY FOR FISCAL YEAR 2018 AND FISCAL YEAR 2019 AT A COST NOT TO EXCEED ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) AS ORIGINALLY MOVED BY THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS ON JANUARY 22, 2025; SUPPORT BY ERIC LAWSON.

Discussion: Ms. Pilon shared that the Northern Lakes Board's intention for having RPC review fiscal years 2020, 2021, and 2022 was to obtain a second opinion. Mr. Kurtz noted that the state has reached out to NMRE for a status report. Mr. Iseler asked how long it would take Rehmann to complete the investigation of fiscal years 2018 and 2019. Mr. Kurtz responded that, because a process has been established, it should be quicker than the original report. Ms. Zeller clarified that the action of Northern Lakes Board did not include 2018 or 2019, nor did the estimate from RPC.

ROLL CALL VOTING TOOK PLACE ON MR. TANNER'S MOTION.

"Yea" Votes: B. Adrian, E. Ginop, R. Iseler, G. Klacking, D. Labar, E. Lawson, M. Newman, J. O'Farrell, D. Smeltzer, D. Tanner, C. Varner

"Nay" Votes: D. Freedman, R. Pilon

MOTION CARRIED.

The discussion next turned to the NMRE potentially paying Northern Lakes CMHA for the cost settlement of fiscal years 2023 and 2024. Mr. Kurtz acknowledged that the NMRE has not paid Northern Lakes CMHA the \$10,065,474 in part because he questions Northern Lakes' ability to pay the NMRE what is owed for the cost misallocation lookback if the closeout funds are not retained, particularly considering Northern Lakes' request for a cash advance in June 2025. During the regional Operations Committee meeting on October 21st, the suggestion was made to put the

funds owed to Northern Lakes CMHA in an escrow account while the lookback is finalized. Ms. Yockey confirmed that the \$10,065,474 owed to Northern Lakes CMHA is already set up as a liability in the NMRE financial records.

Mr. Iseler asked whether it is necessary to put the entire \$10,065,474 in escrow. Mr. Freedman responded that he would prefer that Northern Lakes get the \$3,040,311 that was agreed to in September.

MOTION BY DANA LABAR TO AUTHORIZE A FISCAL YEAR 2023 AND 2024 CLOSE OUT PAYMENT TO NORTHERN LAKES COMMUNITY MENTAL HEALTH AUTHORITY IN THE AMOUNT OF THREE MILLION FORTY THOUSAND, THREE HUNDRED ELEVEN DOLLARS (\$3,040,311.00) AS MOVED BY THE NORTHERN MICHIGAN REGIONAL BOARD OF DIRECTORS ON SEPTEMBER 24, 2025, AND RETAIN THE REMAINING SEVEN MILLION TWENTY-FIVE THOUSAND ONE HUNDRED SIXTY-THREE DOLLARS (\$7,025,163.00) IN AN ESCROW ACCOUNT PENDING THE COMPLETION OF THE AUDITS BY REHMANN AND ROSLUND, PRESTAGE, AND COMPANY, PC; SUPPORT BY ERIC LAWSON.

Discussion: Mr. Tanner asked Mr. Kurtz if the motion alleviates his concerns with Northern Lakes CMHA being able to pay its debt to the NMRE for the cost misallocation piece. Mr. Kurtz responded that he is comfortable with the motion.

ROLL CALL VOTING TOOK PLACE ON MR. LABAR'S MOTION.

"Yea" Votes: B. Adrian, D. Freedman, E. Ginop, R. Iseler, G. Klacking, D. Labar, E. Lawson, M. Newman, J. O'Farrell, R. Pilon, D. Smeltzer, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

FY25 PIHP Contract Injunction and Complaint Update

There was no update on the complaint filed by Taft, Stettinius & Hollister, LLP, on behalf of Northcare Network, Northern Michigan Regional Entity, Community Mental Health Partnership of Southeast Michigan, and Region 10 PIHP (Plaintiffs) against the State of Michigan, State of Michigan Department of Health and Human Services, a Michigan State Agency, and its Director, Elizabeth Hertel, regarding the 7.5% Internal Service Fund cap.

Region 10 et al. Complaint

An injunction related to the PIHP RFP was filed by Christopher Ryan (Taft, Stettinius & Hollister, LLP) in the Court of Claims on August 28, 2025 on behalf of Region 10 PIHP, Southwest Michigan Behavioral Health, Mid-State Health Network, St. Clair County Community Mental Health Authority, Integrated Services of Kalamazoo, And Saginaw County Community Mental Health Authority (Plaintiffs) against State of Michigan, State of Michigan Department of Health And Human Services, a Michigan State Agency, and State of Michigan Department of Technology, Management & Budget, a Michigan State Agency (Defendants).

An evidentiary hearing took place on October 9, 2025, after which Judge Christopher Yates said he'll likely skip ruling on a request for preliminary injunction and issue a declaratory judgment to resolve the case. Judge Yates has not ruled on whether the way MDHHS structured the RFP is in violation of the Mental Health Code. Judge Yates wrote, "Although the court has not yet granted

plaintiffs any declaratory relief, the possibility of such an outcome is significant, and the court will act expeditiously to address what remains of the complaint seeking a declaratory judgment." As stated previously, a status conference has been scheduled for 1:00 on this date via Zoom.

CMH Complaint Filing

On October 9, 2025, Christopher Cook (Secrest Wardle) filed a complaint and request for preliminary injunction against the State of Michigan, MDHHS, and the Department of Technology and Budget on behalf of Centra Wellness Network, Northeast Michigan CMHA, Wellvance, Gogebic CMHA, North Country CMHA, and Manistee County asserting that the current RFP ignores the statutory requirements of local CMHSP control of the contracting for and provision of necessary services and the loss of local control and oversight of community-based systems (among other issues). The plaintiffs ask that the court:

- (1) Issue a preliminary injunction prohibiting the Defendants from soliciting bids under the RFP or, in the alternative, prohibiting the Defendants from contracting with bidders under the current RFP framework;
- (2) Issue judgment and a permanent injunction prohibiting the Department from privatizing the provision of mental health services.

Although the complaint was originally filed October 9th, a signed amended complaint was refiled on October 21, 2025. It is unknown whether Judge Yates will factor this complaint in his declaratory judgment in the Region 10 matter.

PRESENTATION

NMRE FY26 Compliance Plan

NMRE Compliance and Customer Services Officer, Brie Molaison, was in attendance to present on the FY25 Compliance Program Outcomes and FY26 Compliance Program Goals.

FY25 Compliance Program Outcomes

Goal 1. Strengthen the quarterly reporting elements to the OIG.

Outcome: Ten data mining scenarios and 15 audits were completed in FY25. Approximately \$147,000 was recovered from these activities. Feedback will be provided to the CMHSPs after FY25 Quarter 2 is completed.

Goal 2. Provide deeper review of trends discovered during the Medicaid Encounter Verification (MEV).

Outcome: The MEV audit identified a trend with one of the NMRE's SUD providers. A fraud investigation was opened, and the investigative audit resulted in approximately \$7,300 in recovered claims. A follow-up audit will be conducted to ensure that the issue has been resolved. A corrective action plan will be requested, if necessary.

Goal 3. Strengthen Compliance with federal and state laws regarding Adverse Benefit Determinations (ABD) sent to beneficiaries of the NMRE region.

Outcome: Regionwide training was provided in January 2025 and to a single provider in March 2025. Each CMHSP has been compliant with the increased oversight, which resulted in compliance improvement. Compliance for FY25 Quarter 1 and Quarter 2 focused on the required 6.9 grade-level readability and timeframes of ABDs. FY25 training focused on readability and proper citation use.

Goal 4. Update training materials.

Outcome: Materials were updated, and regional staff were trained on the updates. The training will be shared with the CMHSPs for provider-specific training purposes. Training for SUD providers occurs annually in January.

Goal 5. Create new policies and procedures, if needed, and update some existing policies to ensure the effectiveness of the Compliance Program.

Outcome: No new policies were created, although three policies were updated, including Compliance Reporting and Investigation, Grievance and Appeals, and Standards of Conduct. Updated policies will be shared with providers and posted to the NMRE website.

FY26 Compliance Plan Goals

Goal 1. Strengthen the quarterly reporting elements to the OIG.

Goal 2. Provide deeper review of trends discovered during the Medicaid Encounter Verification (MEV).

Goal 3. Strengthen compliance with federal and state laws regarding Adverse Benefit Determinations (ABD) sent to beneficiaries of the NMRE region.

Goal 4. Strengthen compliance with federal and state laws regarding grievances and appeal documentation to beneficiaries of the NMRE region.

Goal 5. Implement C+MCG Indicia evidence-based care guidelines to monitor data providing insight into critical benchmarks of care such as length of stay, readmission, reduction of denials, and optimize levels of care.

**MOTION BY DON TANNER TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY'S FISCAL YEAR 2025 COMPLIANCE PROGRAM OUTCOMES AND FISCAL YEAR 2026 COMPLIANCE PLAN AND PROGRAM GOALS; SUPPORT BY DAVE FREEDMAN.
MOTION CARRIED.**

COMMENTS

Board

Mr. Klacking expressed appreciation to the Board for its ability to deliberate in a collegial manner.

Public

Justin Reed thanked the Board for the agreement made regarding cost settlement funds to Northern Lakes CMHA.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on December 3, 2025.

ADJOURN

Let the record show that Mr. Klacking adjourned the meeting at 11:41AM.



FOR IMMEDIATE RELEASE

COMMUNITY MENTAL HEALTH ASSOCIATION ANNOUNCES NEW CHIEF EXECUTIVE OFFICER

LANSING, MICH. — November 3, 2025 — The Community Mental Health Association of Michigan (CMHA) Board of Directors today announced the appointment of Alan Bolter as the organization's incoming Chief Executive Officer, effective November 1, 2025. Bolter will succeed Robert Sheehan, who has successfully led CMHA for the past decade. Sheehan will continue serving as CEO through October 31, 2026, to ensure a seamless transition in leadership.

"We feel fortunate to have selected Alan as the next CEO of CMHA, given his caliber and proven track record," said Craig Reiter, President of the CMHA Board of Directors. "Alan has spent the last 25 years dedicated to public policy and governmental affairs—14 of those years advocating on behalf of CMHA. We are confident he will continue to strengthen our mission of informing, educating, and advocating for mental health across Michigan."

A distinguished and highly respected lobbyist, Bolter joined the Community Mental Health Association of Michigan in 2009 and has since been recognized multiple times among Michigan's most effective association lobbyists by the MIRS/EPIC-MRA Michigan Insider's Survey in 2019, 2021, 2023, and again in 2025. His work has been instrumental in advancing the expansion of CCBHC sites statewide, securing increased wages for direct care workers, and championing key state appropriations that have expanded access to essential behavioral health services throughout Michigan.

Prior to joining CMHA, Bolter spent 12 years in Michigan state government, including roles in the Lieutenant Governor's office and as Chief of Staff in both chambers of the Legislature.

"Stepping into this new role is a tremendous honor," said Alan Bolter. "I deeply believe in the mission of the Community Mental Health Association and feel privileged to work alongside so many dedicated professionals who share our commitment to ensuring consistent, reliable, and affordable healthcare for all Michiganders."

The Community Mental Health Association of Michigan (CMHA) is a trade association representing Michigan's public mental health system, which delivers mental health, substance use disorder, and developmental disability services in every community across the state.

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Schedule G - Local Funding Obligation
Schedule Pursuant to PA 22 of 2025

Counties (CMHSP)/Pre-paid Inpatient Health Plan Regional Entity	FY26 CMHSP Local Funding Amount				
	Payment Due Dates				
	11/16/2025	02/15/2026	05/17/2026	08/16/2026	Oct - Sept Total
Baraga, Houghton, Keewenaw, Ontonagon (Copper Country)	\$18,918	\$18,918	\$18,918	\$18,918	\$75,672
Gogebic	9,715	9,715	9,715	9,715	38,860
Chippewa, Mackinac, Schoolcraft (Hiawatha)	23,957	23,957	23,957	23,957	95,828
Menominee, Dickinson, Iron (Northpointe)	18,951	18,951	18,951	18,951	75,804
Alger, Delta, Luce, Marquette (Pathways)	56,948	56,948	56,948	56,948	227,792
Region 1 - Northcare Network Total	128,489	128,489	128,489	128,489	513,956
Oscoda, Ogemaw, Iosco (AuSable)	14,787	14,787	14,787	14,787	59,148
Manistee-Benzie (Centa Wellness)	24,948	24,948	24,948	24,948	99,792
Antrim, Charlevoix, Cheboygan, Emmet, Kalkaska, Otsego (North Country)	42,472	42,472	42,472	42,472	169,888
Alcona, Alpena, Montmorency, Presque Isle (Northeast)	24,642	24,642	24,642	24,642	98,568
Crawford, Grand Traverse, Leelanau, Missaukee, Roscommon, Wexford (Northern Lakes)	56,642	56,642	56,642	56,642	226,568
Region 2 - Northern MI Regional Entity Total	163,491	163,491	163,491	163,491	653,964
Allegan	24,723	24,723	24,723	24,723	98,892
Kent (Network 180)	100,385	100,385	100,385	100,385	401,540
Muskegon (Health West)	58,233	58,233	58,233	58,233	232,932
Ottawa	47,163	47,163	47,163	47,163	188,652
Lake-Mason-Oceana (West MI)	21,383	21,383	21,383	21,383	85,532
Region 3 - Lakeshore Regional Entity Total	251,887	251,887	251,887	251,887	1,007,548
Barry	6,129	6,129	6,129	6,129	24,516
Berrien	37,886	37,886	37,886	37,886	151,544
Kalamazoo (Integrated Services of Kalamazoo)	76,277	76,277	76,277	76,277	305,108
Branch (Pines)	10,884	10,884	10,884	10,884	43,536
St. Joseph	16,134	16,134	16,134	16,134	64,536
Calhoun (Summit Pointe)	33,038	33,038	33,038	33,038	132,152
Van Buren	21,510	21,510	21,510	21,510	86,040
Cass (Woodlands)	11,272	11,272	11,272	11,272	45,088
Region 4 - Southwest MI Behavioral Health Total	213,130	213,130	213,130	213,130	852,520
Bay, Arenac (Bay-Arenac)	53,717	53,717	53,717	53,717	214,868
Clinton, Eaton, Ingham (C-E-I)	85,564	85,564	85,564	85,564	342,256
Clare, Gladwin, Isabella, Mecosta, Midland, Osceola (CMH for Central MI)	83,340	83,340	83,340	83,340	333,360
Gratiot	12,612	12,612	12,612	12,612	50,448
Huron	16,633	16,633	16,633	16,633	66,532
Ionia (The Right Door for Hope, Recovery & Wellness)	20,013	20,013	20,013	20,013	80,052
Jackson, Hillsdale (Lifeways)	41,994	41,994	41,994	41,994	167,976
Montcalm (Montclam Care Network)	9,355	9,355	9,355	9,355	37,420
Newaygo	12,267	12,267	12,267	12,267	49,068
Saginaw	50,218	50,218	50,218	50,218	200,872
Shiawassee (Shiawassee Health & Wellness)	16,134	16,134	16,134	16,134	64,536
Tuscola	27,866	27,866	27,866	27,866	111,464
Region 5 - Mid-State Health Network Total	429,713	429,713	429,713	429,713	1,718,852
Lenawee	15,040	15,040	15,040	15,040	60,160
Livingston	24,755	24,755	24,755	24,755	99,020
Monroe	47,687	47,687	47,687	47,687	190,748
Washtenaw	67,983	67,983	67,983	67,983	271,932
Region 6 - CMH Partnership of SE MI Total	155,465	155,465	155,465	155,465	621,860
Detroit-Wayne Integrated Health Network	497,616	497,616	497,616	497,616	1,990,464
Region 7 - Detroit Wayne Total	497,616	497,616	497,616	497,616	1,990,464
Oakland Community Health Network	234,226	234,226	234,226	234,226	936,904
Region 8 - Oakland Total	234,226	234,226	234,226	234,226	936,904
Macomb	176,403	176,403	176,403	176,403	705,612
Region 9 - Macomb Total	176,403	176,403	176,403	176,403	705,612
Genesee	127,495	127,495	127,495	127,495	509,980
Lapeer	21,035	21,035	21,035	21,035	84,140
Sanilac	21,988	21,988	21,988	21,988	87,952
St. Clair	64,962	64,962	64,962	64,962	259,848
Region 10 Total	235,480	235,480	235,480	235,480	941,920
Grand Total	\$2,485,900	\$2,485,900	\$2,485,900	\$2,485,900	\$9,943,600



901 W. Memorial Drive
Houghton, MI 49931
Ph: (906) 482-9400
Fax: (906) 483-0269

October 10, 2025

Northern Michigan Regional Entity
Attn: Eric Kurtz, CEO
1999 Walden Drive
Gaylord, MI 49735

Dear Eric:

On behalf of the Great Lakes Rural Mental Health Association's Executive Committee and its membership, I wish to extend a sincere thank you to you for joining the GLRMHA's 32nd annual Fall Conference at the Island Resort & Casino.

We very much appreciate your willingness to attend the Director's Roundtable on very short notice and sharing your valuable knowledge and expertise as we navigate through uncertain times. Because of the success of this year's conference, we will be inviting your organization, as well as Region 2 CMHs, to the 2026 conference to come together with the U.P. to learn about the issues in our rural areas, as well as discuss ways to overcome them.

Thank you and we look forward to seeing you in 2026!

Sincerely,

Angie Cline

Angie Cline,
Conference Coordinator
Great Lakes Rural Mental Health Association

*Thank
you*

Email Correspondence

From: [Monique Francis](#)
To: [Monique Francis](#)
Cc: [Robert Sheehan](#); [Alan Bolter](#)
Subject: Press Conference Videos
Date: Thursday, October 23, 2025 4:50:48 PM
Attachments: [image001.png](#)

To: CEOs of CMHs, PIHPs, and Provider Alliance members; Members of CMHA Public Relations Committee

From: Robert Sheehan, CEO, CMH Association of Michigan

Re: Press conference videos

As you may remember, CMHA and its allies held a press conference and well rally on the Capitol steps on September 17. The press conference resulted in strong media coverage; the rally drew over 3,000 attendees.

These two events underscored the opposition, by Michiganders across the state, to the MDHHS proposal to bid out the management of Michigan's public mental health system.

Three videos, below, highlight several of the speakers at that press conference.

REQUEST: We ask that your organization post these three videos on your social media platforms and on your organization's website.

Thank you.

Senator Stabenow and Representative Rheingans at press conference in opposition to MDHHS bid out proposal: <https://vimeo.com/1121988990/07f17a65c6?share=copy>

Emily White at press conference in opposition to MDHHS bid out proposal: <https://vimeo.com/1121903427/e7c5074570>

Labor leadership at press conference in opposition to MDHHS bid out proposal: <https://vimeo.com/1121671023/84751bb17b>

Robert Sheehan
Chief Executive Officer
Community Mental Health Association of Michigan
2nd Floor
507 South Grand Avenue
Lansing, MI 48933
517.374.6848 main
517.237.3142 direct
www.cmham.org



Email Correspondence

From: [Info CMHAM](#)
To: [Carol Balousek \(NMRE\)](#)
Subject: ACTION ALERT: MDHHS RFP Raises Legal Concerns — Demand Withdrawal Now
Date: Saturday, October 25, 2025 11:55:56 AM



On August 4, 2025, the Michigan Department of Health and Human Services (MDHHS) released a Request for Proposals (RFP) to competitively bid the state's public mental health managed care system. The submission deadline was October 13, 2025 and MDHHS fully intends to award bids by mid-December. The Community Mental Health Association of Michigan (CMHA) and its members remain deeply committed to improving Michigan's public behavioral health system. We support meaningful reforms that enhance access and quality of care; however, the current procurement approach introduces serious risks without addressing the system's core challenges.

Following Judge Christopher Yates' October 9 hearing and October 14, 2025 rulings, the Court confirmed that while MDHHS may pursue competitive bidding, it cannot use the RFP process to alter or override the Michigan Mental Health Code or strip Community Mental Health Service Programs (CMHSPs) of their statutory duties. This ruling underscores that any system redesign must occur within the framework of state law—and with legislative oversight.

REQUEST FOR ACTION: We urge you to contact your House and Senate members, the Governor, and the Lieutenant Governor to express concern about MDHHS's RFP process and to request the following actions:

1. Immediate pause of all bid evaluations and awards until unresolved legal issues are fully addressed. A court hearing is scheduled for December 8 to determine whether the RFP may proceed. Despite these unresolved issues, MDHHS is acting as though no legal barriers exist.

2. Withdrawal or substantial amendment of the current RFP to ensure compliance with the Mental Health Code and to include meaningful CMHSP and PIHP participation.
3. Legislative action to amend the Mental Health Code to clearly define the process MDHHS must follow for any future PIHP restructuring, ensuring that the Legislature is an active participant in approving major system changes.
4. Commitment to true reform focused on funding adequacy, workforce expansion, administrative efficiency, and local accountability—without privatizing Michigan's public mental health system.

Other states that have pursued similar restructuring have experienced higher costs, workforce losses, fragmented services, and diminished access for those most in need. Michigan must not repeat those mistakes.

*****Please feel free to customize your response as you see fit*****

We also need you **to ask that the members of your Board of Directors, your staff, and your community partners make those same contacts – SIMPLY FORWARD THIS EMAIL TO THEM.**

ACTION ALERT: MDHHS RFP Raises Legal Concerns — Demand Withdrawal Now

You are receiving this email because you signed up for alerts from Community Mental Health Association of Michigan.

Click [here](#) to unsubscribe from this mailing list.

Recommended components of a redesigned public mental health system in Michigan

The following recommended components provide a preliminary structure around which a more robust and system redesign effort would be built. It is recommended that this redesign effort be a collective effort involving representatives from MDHHS, Michigan's major advocacy groups, persons served by Michigan's public mental health system, the Michigan Association of Counties (MAC), CMHA [with CMHA representatives drawn from the state's Community Mental Health Services Programs (CMHSP), Prepaid Inpatient Health Plans (PIHP), and providers in the CMHSP and PIHP networks].

Identity of Medicaid behavioral health plan or plans¹

Public Medicaid behavioral health plans formed via collaboration of the counties and the state of Michigan. (via any of a number of mechanisms: multi-county authority, Urban Cooperation Act, Regional Entity section of the Michigan Mental Health Code)

These bodies would not circumvent the authority of the counties forming this body.

The number of public Medicaid behavioral health plans should be structured to ensure effective management capacity, low administrative costs, and uniformity of key variables within regions.

Governance of public Medicaid behavioral health plan

Membership of governing board: 1/3 persons served and/or families (1/2 of which are persons served); Several members of major statewide advocacy groups. Remainder of board appointed to ensure that the interests of the counties served by this body are pursued and protected.

Appointment of governing board members: appointment by counties with recommendations by knowledgeable parties

Bearing financial risk

A **shared risk arrangement** in which the public Medicaid behavioral health plans and the State of Michigan share the risk.

This public Medicaid behavioral health plan is sufficiently funded and has the ability to hold an actuarially sound risk reserve that would allow the newly formed public body to retain its fiscal stability in this shared risk arrangement.

Funding methodology of Community Mental Health Services Programs (CMHSPs)

As per the Michigan Mental Health Code, the CMHSPs, as the mental health/intellectual and developmental disability services hubs in each community, are the only organizations with whom the public Medicaid behavioral health plan will contract and finance for the provision of mental health and intellectual/developmental disability services. As per the Code, the CMHSPs can provide these services directly or through a contract with another party. As per the Code, The public Medicaid behavioral health plan can fund other provider organizations to provide substance use disorder services.

¹ In federal terms, a Medicaid Behavioral Health Prepaid Inpatient Health Plan (PIHP)

A **subcapitation** financing design will be used by the public Medicaid behavioral health plans

Any **savings, accrued by the CMHSPs** must be spent on services to persons with mental health needs, to ensure fiscal stability, and other statutorily mandated functions of the state's CMHSPs.

Under-funding of any given CMHSP is addressed jointly by the public Medicaid behavioral health plan and the State of Michigan.

Financial and operational transparency

The public Medicaid behavioral health plan would be required to provide the public and stakeholders with regular picture of financing status, service authorization standards and processes, services demand patterns, and other operational information.

Role of public Medicaid behavioral health plans and CMHSPs in carrying out oversight and administrative functions

System performance and compliance with federal and state statutes, regulations, and Medicaid waivers: Public Medicaid behavioral health plan

Claims payment: Public Medicaid behavioral health plan.

Authorization of services and utilization management: The responsibility for these functions, held by the public Medicaid behavioral health plan and CMHSPs, must ensure that no conflict of interest exists that would foster over-authorization (provision of clinically unnecessary services) nor under-authorization (failure to provide clinically necessary services).

Appeals of authorization decisions: Received and resolved by the public Medicaid behavioral health plan.

Authorization dispute resolution: Persons served with authorization appeals or disputes would be able to request a review by an outside body commissioned by the State of Michigan with ability to fund decisions overturning initial authorization

Provider network management (developing network, holding contracts with providers, ensuring quality of care provided by providers and provider compliance with statutes, regulations, and Medicaid waivers:

CMHSP responsibility as per Michigan Mental Health Code for mental health and intellectual/developmental disability services.

As per the Code, the public Medicaid behavioral health plan can fund other provider organizations to provide substance use disorder services.

Recipient Rights

Hearing and resolving recipient rights appeals: Public Medicaid behavioral health plan would hear and resolve recipient rights appeals **with sufficient recipient rights staff to hear appeals and resolve them**

Initial investigation and resolution of recipient rights complaints: CMHSP responsibility as per Michigan Mental Health Code.

Email Correspondence

From: Robert Sheehan
To: CEOs of CMHSPs and PIHPs
Subject: Time, dates, location of Court of Claims hearing on PIHP RFP lawsuit
Date: Wednesday, November 19, 2025 1:56:36PM

As you know, several CMHA members are engaged in litigation with MDHHS around the Department's bid out of the contracts held by the state's PIHPs. The initial hearing, in front of Court of Claims Judge Yates, resulted in an opinion by the judge and the scheduling of a second hearing in December. In the interim, the attorneys for both the plaintiffs and the defendants are obtaining documents from the other party and deposing witnesses relevant to the case.

The dates, time, and location of the December hearing have just been announced. Those dates, times, and location are noted below. Additionally, note that this hearing is slated for two dates, the result of the Judge's decision to integrate two cases into a single hearing, both cases initiated by CMHA members in opposition to the MDHHS bid out.

9:00am – 5:00pm December 8 th Michigan Hall of Justice 935 West Ottawa Street Lansing ,MI 48915	9:00am – 5:00pm December 9 th Michigan Court of Appeals Courtroom 350 West Ottawa Avenue, NW Grand Rapids, MI 49503
--	--

URGING ATTENDANCE: CMHA urges any of you who can attend both or either date of the hearing to attend. The how of interest in these cases is a key factor in their resolution.

If we learn that the hearing will be live-streamed, we will send that live-stream link to you in advance of the hearing dates.

Thank you.

Robert Sheehan
Chief Executive Officer
Community Mental Health Association of Michigan
2nd Floor
507 South Grand Avenue
Lansing, MI 48933
517-374-6848 main
517-237-3142 direct
www.cmham.org





Centra Wellness

November 4, 2025



Mr. Gary Klacking, Chair
Mr. Eric Kurtz, CEO
Northern Michigan Regional Entity
1420 Plaza Drive
Petoskey, MI 49770

Dear Mr. Klacking & Mr. Kurtz,

After extensive discussion at our October 9, 2025, Board of Directors Meeting, Manistee-Benzie Community Mental Health d/b/a Centra Wellness Network (CWN) continues to be concerned by the following budgetary issues:

- Accountability of all CMH's to remain within their PMPM
- Need to implement the NMRE Board's directive to move to full risk contracting for the CMH's within the NMRE
- Lack of mechanism to prevent a CMH from attacking the risk corridor at a level higher than they contribute without proper safeguards

Further, CWN would like to see what the NLCMH deficits look like in the timeframes from FY18-FY24. Is there a corrective action plan in place for NLCMH to become financially solvent.

The CWN Board of Directors remains committed to operating under or as closely as possible, to our allocation of per member per month (PMPM) Medicaid funds which is intended to support the citizens of Benzie and Manistee Counties.

Sincerely,

Don Tanner, Board Chair
Centra Wellness Network

Cc: CWN Board Members
NMRE Board Members

Page 19 of 87

Administrative Office: 310 North Glocheski Drive | Manistee, Michigan 49660

Manistee Wellness Center: 2198 US 31 South | Manistee, Michigan 49660 (use above address for mail)

Benzie Co. Resource Center: 6051 Frankfort Highway | Benzonia, Michigan 49616

Phone: 877.398.2013
www.centrowellness.org

**NORTHERN MICHIGAN REGIONAL ENTITY
FINANCE COMMITTEE MEETING
10:00AM – NOVEMBER 12, 2025
VIA TEAMS**

ATTENDEES: Bea Arsenov, Brian Babbitt, Melissa Bentgen, Connie Cadarette, Ann Friend, Kevin Hartley, Chip Johnston, Nancy Kearly, Eric Kurtz, Allison Nicholson, Donna Nieman, Pamela Polom, Nena Sork, Erinn Trask, Jennifer Warner, Tricia Wurn, Deanna Yockey, Lynda Zeller, Carol Balousek

REVIEW AGENDA & ADDITIONS

No additions to the meeting agenda were requested.

REVIEW PREVIOUS MEETING MINUTES

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

MOTION BY KEVIN HARTLEY TO APPROVE THE MINUTES OF THE OCTOBER 8, 2025, NORTHERN MICHIGAN REGIONAL ENTITY REGIONAL FINANCE COMMITTEE MEETING; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

MONTHLY FINANCIALS

September 2025 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of \$7,354,182. Carry forward was reported as \$447,383. The total Medicaid and HMP current year surplus was reported as \$7,801,565. FY24 HSW revenue was reported as \$1,289,241. The total Medicaid and HMP adjusted current year surplus was reported as \$6,512,324. The total Medicaid and HMP Internal Service Fund was reported as \$20,576,156. The total Medicaid and HMP net surplus was reported as \$28,377,721.
- Traditional Medicaid showed \$229,155,265 in revenue, and \$218,601,787 in expenses, resulting in a net surplus of \$10,553,478. Medicaid ISF was reported as \$13,514,675 based on the current FSR. Medicaid Savings was reported as \$0.
- Healthy Michigan Plan showed \$ 30,031,322 in revenue, and \$33,230,618 in expenses, resulting in a net deficit of \$3,199,296. HMP ISF was reported as \$7,068,394 based on the current FSR. HMP savings was reported as \$736,656.
- Health Home showed \$3,193,959 in revenue, and \$2,726,906 in expenses, resulting in a net surplus of \$467,053.
- SUD showed all funding source revenue of \$28,898,004 and \$24,160,950 in expenses, resulting in a net surplus of \$4,737,054. Total PA2 funds were reported as \$4,669,035.

PA2/Liquor Tax was summarized as follows:

Projected FY25 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
\$4,765,231	\$1,847,106	\$2,377,437	\$4,234,900

Actual FY25 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$4,765,231	\$1,780,037	\$1,876,232	\$4,669,035

NMRE's Health Home surplus will be used to offset the Behavioral Health Home and SUD Health Home deficits. Any remaining Health Home surplus after cost settling will be spread to the CMSHPs to be used as local funds.

MOTION BY KEVIN HARTLEY TO RECOMMEND APPROVAL OF THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR SEPTEMBER 2025; SUPPORT BY DONNA NIEMAN. MOTION APPROVED.

EDIT UPDATE

The minutes from October 23rd were included in the meeting materials.

- A new series of EQI meetings will discuss CCBHCs and how they will report to the EQI.
- The current code chart lists both authority and funding source under "coverage." MDHHS is seeking feedback on the most beneficial way to structure this moving forward.
- HMP coverage has been removed for H2023 (Supported Employment) and H2014 (Skill Building) unless the HMP beneficiary is also enrolled in an iSPA/1015(i) waiver program.
- The current telehealth modifier "93" should be used for audio only services. The previous telehealth modifier "GT" used for both audio and audio/visual was discontinued May 12, 2023. The processing of telehealth claims for dually enrolled (Medicare/Medicaid) beneficiaries is currently on hold during the government shutdown. In-person visits remain the preferred method of service delivery, with telemedicine to be used as a complement to in-person care.
- Feedback is being requested on the use of a modifier to H2021 (community-based wraparound services) to identify team meetings with a target implementation date of April 1, 2026.
- MDHHS provided clarification on the utilization of Intensive Care Coordination with Wraparound (ICCW) or Targeted Case Management (TCM) with Home-Based services for youth enrolled in the Waiver for Children with Serious Emotional Disturbance (SEDW). Use of billing guidance below will be reviewed during site reviews. For SEDW enrollees open to TCM or ICCW and Home-Based Services:
 - During the IPOS development and implementation meeting, the TCM or ICCW is the facilitator of the IPOS development and utilize either T1017 or H2021.
 - The Home-Based Therapist can participate in treatment planning and utilize H0032.
 - When the TCM or ICCW meets with youth in an ongoing session, this would be recognized as a case management activity (T1017 or H2021).
 - The Home-Based Services staff would report therapeutic treatment only by using H0036, and the service provision times cannot overlap with case management.
- Billing for 0373T (adaptive behavior treatment with protocol modification for patients with destructive behaviors) requires that all components are in place. A previous iteration of the code chart included only 2 of 4 bullets. The code was not intended to be used for 2:1 coverage for children with ASD who exhibit severe behaviors. The BCBA must be onsite for the entire time that the code is used, and the environment must be specifically designed to implement the treatment plan.

- For MDHHS to ensure proper benefit plan designation under the Mental Health Framework, PIHPs and CMHSPs are being asked to ensure they are coding enrollees correctly and submitting encounters timely and appropriately using the encounter reports from MDHHS.
- The September 26, 2025 update to the Behavioral Health Code Charts and Provider Qualifications may be found at [Reporting Requirements](#).

EQI UPDATE

The Period 2 EQI was submitted November 10th. Hopefully issues with Health Home services (direct vs. contracted) have been fixed. No date has been set yet for Period 3. Kevin noted that the Period 3 EQI for FY24 was pulled on January 3, 2025.

ELECTRONIC VISIT VERIFICATION (EVV)

Donna reported that a regional meeting was held on November 10th, which was helpful. A statewide meeting is scheduled for November 12th. The Home Help program has gone live with submitting claims through the adjudicating process within the EVV system. Peter Chang has voiced opposition to this process, preferring that claims go through PCE.

HSW OPEN SLOTS UPDATE

Currently 5 of the region's 711 slots are open. Packets are pending in the queue. A waitlist has been created to advocate for additional slots if/when they become available. MDHHS has indicated that slots will be reallocated annually.

Proposed Medicaid 25-33 which revises the HAB Waiver section of the Medicaid Provider Manual was shared with the committee. Comments are due to MDHHS by December 15, 2025.

CHAMPS Fix Update & Verification Research Project

Brandon continues to work with MDHHS on unpaid but enrolled HSW beneficiaries. Brandon has connected with someone that Kasi has been working with who is closer to the CHAMPS payment process and they are attempting to narrow down the issue with coverage not showing properly in eligibility. Meanwhile, manual payment requests continue to be submitted for those individuals who are not paid properly. MDHHS will not process manual payments for the most recent 4 months.

The NMRE should have received some payment on the November 10th pay cycle; another manual payment file will be created and sent at the end of the month.

NMRE REVENUE & ELIGIBLES ANALYSIS

An analysis of October 2023 – October 2025 Revenue and Eligibles was emailed to the committee prior to the meeting.

Children's Waiver Program			
	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
Revenue	\$36,882	\$31,620	-14.27%
Enrollees	11	9	-18.18%
Average Payment per Enrollee	\$3,353	\$3,513	4.78%

DAB

	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
Revenue	\$10,003,003	\$11,134,181	11.31%
Enrollees	28,444	25,016	-12.05%
Average Payment per Enrollee	\$352	\$445	26.56%

HMP

	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
Revenue	\$2,369,569	\$2,223,443	-6.17%
Enrollees	47,550	28,698	-39.65%
Average Payment per Enrollee	\$50	\$77	55.47%

HSW

	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
Revenue	\$4,638,399	\$5,243,067	13.04%
Enrollees	650	647	-0.46%
Average Payment per Enrollee	\$7,136	\$8,104	13.56%

SED

	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
Revenue	\$40,846	\$27,281	-33.21%
Enrollees	21	37	76.19%
Average Payment per Enrollee*	\$1,945	\$737	-62.09%

**SED revenue was moved into DAB October 1, 2024.

TANF

	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
Revenue	\$2,865,200	\$2,774,645	-3.16%
Enrollees	66,801	51,094	-23.51%
Average Payment per Enrollee	\$43	\$54	26.61%

TOTAL

	<u>October 2023</u>	<u>October 2025</u>	<u>% Change</u>
	\$19,953,899	\$21,434,237	7.42%

FY25 year-to-date revenue was compared by funding source to FY24 September year-to-date revenue.

	DAB	HMP	HSW	TANF	Total
YTD Sept. 2024	\$115,077,441	\$24,938,868	\$56,277,045	\$31,978,822	\$228,272,176
YTD Sept. 2025	\$123,292,923	\$27,453,535	\$65,631,480	\$34,726,560	\$251,104,518
Increase	\$8,215,482	\$8,215,482	\$9,354,436	\$2,747,757	\$22,832,343

FY25 YEAR END

The claims deadline for FY25 was November 6th.

Sent FY25 Medicaid & HMP PMPM Totals

The FY25 Medicaid and Healthy Michigan PMPM totals were shared with the CMHSPs.

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Total PMPM FY25	\$20,381,931	\$61,663,135	\$37,023,525	\$73,509,654	\$32,803,945
Total PMPM FY24	\$18,593,729	\$55,402,965	\$33,855,127	\$68,544,332	\$29,655,588
Increase	\$1,788,202	\$6,260.170	\$3,168,170	\$4,965,321	\$3,148,357
% Increase	9.6%	11.3%	9.4%	7.2%	10.6%

BHH Totals Will be After the November 6th Claims Deadline

The FY25 BHH totals will be shared with the CMHSPs by November 14th. Deanna requested feedback if the NMRE totals don't agree with the Boards' records

FY26 REVENUE PROJECTIONS

The NMRE October 2025 eligibles decreased by 4,551 from September 2025 and a net revenue increase of \$56,482 (not including HSW). The November revenue and eligibles will be reviewed closely.

ANNOUNCEMENTS

Lynda announced that Kevin has resigned as Northern Lakes' CFO. Melissa Bentgen will be stepping in as Interim CFO.

NEXT MEETING

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



Chief Executive Officer Report

November/December 2025

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

Oct 23: Participated in CARF Interview for North Country.

Oct 27&28: Attended and participated in CMHAM Fall Conference.

Oct 30: Attended and participated in NMRE Internal Operations Committee Meeting.

Nov 3: Attended and participated in SUD Oversight Committee Meeting.

Nov 4: Attended and participated in PIHP CEO Meeting.

Nov 4: Attended and participated in GT County Crisis/Access Meeting.

Nov 10: Met with NMRE legal counsel regarding PIHP RFP.

Nov 12: Attended NMRE Regional Finance Committee Meeting.

Nov 18: Met with MDHHS and Rehmann regarding NLCMHA lookback.

Nov 18: Met with CMHAM and legal counsel.

Nov 20: Attended MDHHS PIHP Operations Meeting.

Nov. 20: Attended and participated in NMRE Internal Operations Committee Meeting.

Nov 21: Attended and participated in statewide CIO Forum.

Nov 24: Attended and participated in statewide Compliance Officers Meeting.



September
2025

Draft Finance
Report

September 2025 Financial Summary

Funding Source	YTD Net Surplus (Deficit)	Carry Forward	ISF					
Medicaid	10,553,478	-	13,514,675					
Healthy Michigan	(3,199,296)	447,383	7,068,394					
	<u>\$ 7,354,182</u>	<u>\$ 447,383</u>	<u>\$ 20,583,069</u>					
	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Net Surplus (Deficit) MA/HMP	2,592,545	5,314,658	(5,959,927)	2,246,875	470,200	1,493,736	1,196,096	\$ 7,354,182
Carry Forward		-	-	-	-	-	-	447,383
Total Med/HMP Current Year Surplus	2,592,545	5,314,658	(5,959,927)	2,246,875	470,200	1,493,736	1,196,096	\$ 7,801,565
FY24 Hab Support Waiver Revenue								\$ (1,289,241)
Total Med/HMP Current Year Surplus Adjusted								\$ 6,512,324
Medicaid & HMP Internal Service Fund								20,576,156
Total Medicaid & HMP Net Surplus								<u>\$ 28,377,721</u>

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2024 through September 30, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Traditional Medicaid (inc Autism)								
Revenue								
Revenue Capitation (PEPM)	\$ 222,138,059	\$ 7,013,062	68,049,634	57,435,684	35,113,644	30,795,021	19,182,527	\$ 229,151,121
CMHSP Distributions	(210,576,509)							-
1st/3rd Party receipts			4,144	-	-	-	-	4,144
Net revenue	11,561,550	7,013,062	68,053,778	57,435,684	35,113,644	30,795,021	19,182,527	229,155,265
Expense								
PIHP Admin	3,076,837	56,862						3,133,699
PIHP SUD Admin		131,066						131,066
SUD Access Center		-						-
Insurance Provider Assessment	1,827,069	35,414						1,862,483
Hospital Rate Adjuster	3,187,626							3,187,626
Services	738,435	3,815,704	70,559,129	54,660,773	34,456,153	28,820,615	17,236,104	210,286,913
Total expense	8,829,967	4,039,046	70,559,129	54,660,773	34,456,153	28,820,615	17,236,104	218,601,787
Net Actual Surplus (Deficit)	\$ 2,731,583	\$ 2,974,016	\$ (2,505,351)	\$ 2,774,911	\$ 657,491	\$ 1,974,406	\$ 1,946,423	\$ 10,553,478

Notes

Medicaid ISF - \$13,514,675 - based on current FSR

Medicaid Savings - \$0

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2024 through September 30, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Healthy Michigan								
Revenue								
Revenue Capitation (PEPM)	\$ 17,721,214	\$ 12,310,108	██████████	██████████	██████████	██████████	██████████	\$ 30,031,322
CMHSP Distributions	(14,805,680)	██████████	5,460,020	4,227,451	1,909,881	2,008,924	1,199,404	-
1st/3rd Party receipts	██████████	██████████	██████████	-	-	-	-	-
Net revenue	2,915,534	12,310,108	5,460,020	4,227,451	1,909,881	2,008,924	1,199,404	30,031,322
Expense								
PIHP Admin	301,119	140,403	██████████	██████████	██████████	██████████	██████████	441,522
PIHP SUD Admin		323,631	██████████	██████████	██████████	██████████	██████████	323,631
SUD Access Center		-	██████████	██████████	██████████	██████████	██████████	-
Insurance Provider Assessment	175,666	83,655	██████████	██████████	██████████	██████████	██████████	259,321
Hospital Rate Adjuster Services	2,577,787	9,421,777	8,914,596	4,755,487	2,097,172	2,489,594	1,949,731	2,577,787
Total expense	3,054,572	9,969,466	8,914,596	4,755,487	2,097,172	2,489,594	1,949,731	33,230,618
Net Surplus (Deficit)	\$ (139,038)	\$ 2,340,642	\$ (3,454,576)	\$ (528,036)	\$ (187,291)	\$ (480,670)	\$ (750,327)	\$ (3,199,296)
Notes								
HMP ISF - \$7,068,394 - based on current FSR								
HMP Savings - \$736,656								
<hr/>								
Net Surplus (Deficit) MA/HMP	\$ 2,592,545	\$ 5,314,658	\$ (5,959,927)	\$ 2,246,875	\$ 470,200	\$ 1,493,736	\$ 1,196,096	\$ 7,354,182
Medicaid/HMP Carry Forward								447,383
Total Med/HMP Current Year Surplus								\$ 7,801,565
<hr/>								
Medicaid & HMP ISF - based on current FSR								20,576,156
Total Medicaid & HMP Net Surplus (Deficit) including Carry Forward and ISF								\$ 28,377,721

Northern Michigan Regional Entity

Funding Source Report - PIHP

Mental Health

October 1, 2024 through September 30, 2025

	NMRE MH	NMRE SUD	Northern Lakes	North Country	Northeast	Wellvance	Centra Wellness	PIHP Total
Health Home								
Revenue								
Revenue Capitation (PEPM)	\$ 1,006,301		497,595	394,720	457,456	246,198	591,689	\$ 3,193,959
CMHSP Distributions	-							-
1st/3rd Party receipts								-
Net revenue	1,006,301	-	497,595	394,720	457,456	246,198	591,689	3,193,959
Expense								
PIHP Admin	39,450							39,450
BHH Admin	40,146							40,146
Insurance Provider Assessment	-							-
Hospital Rate Adjuster Services								
	459,652	-	497,595	394,720	457,456	246,198	591,689	2,647,310
Total expense	539,248	-	497,595	394,720	457,456	246,198	591,689	2,726,906
Net Surplus (Deficit)	\$ 467,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467,053

Northern Michigan Regional Entity

Funding Source Report - SUD

Mental Health

October 1, 2024 through September 30, 2025

	Medicaid	Healthy Michigan	Opioid Health Home	SAPT Block Grant	PA2 Liquor Tax	Total SUD
Substance Abuse Prevention & Treatment						
Revenue	<u>\$ 7,013,062</u>	<u>\$ 12,310,108</u>	<u>\$ 4,183,276</u>	<u>\$ 3,515,327</u>	<u>\$ 1,876,231</u>	<u>\$ 28,898,004</u>
Expense						
Administration	187,928	464,034	176,984	230,499		1,059,445
OHH Admin			78,175			78,175
Block Grant Access Center	-	-	-	-		-
Insurance Provider Assessment	35,414	83,655	-			119,069
Services:						
Treatment	3,815,704	9,421,777	3,593,484	1,767,349	1,876,231	20,474,545
Prevention	-	-	-	976,726	-	976,726
Healing and Recovery Grant				912,237		912,237
ARPA Grant	-	-	-	540,753	-	540,753
Total expense	<u>4,039,046</u>	<u>9,969,466</u>	<u>3,848,643</u>	<u>4,427,564</u>	<u>1,876,231</u>	<u>24,160,950</u>
PA2 Redirect			-	0		0
Net Surplus (Deficit)	<u>\$ 2,974,016</u>	<u>\$ 2,340,642</u>	<u>\$ 334,633</u>	<u>\$ (912,237)</u>	<u>\$ -</u>	<u>\$ 4,737,054</u>

Northern Michigan Regional Entity

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds

October 1, 2024 through September 30, 2025

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Operating revenue				
Medicaid	\$ 222,138,059	\$ 7,013,062	\$ -	\$ 229,151,121
Medicaid Savings	-	-	-	-
Healthy Michigan	17,721,214	12,310,108	-	30,031,322
Healthy Michigan Savings	736,656	-	-	736,656
Health Home	3,193,959	-	-	3,193,959
Opioid Health Home	-	4,183,276	-	4,183,276
Substance Use Disorder Block Grant	-	3,515,327	-	3,515,327
Public Act 2 (Liquor tax)	-	1,876,231	-	1,876,231
Affiliate local drawdown	594,816	-	-	594,816
Performance Incentive Bonus	1,653,705	-	-	1,653,705
Miscellaneous Grant Revenue	-	4,000	-	4,000
Healing & Recovery Revenue	-	912,237	-	912,237
Veteran Navigator Grant	117,878	-	-	117,878
SOR Grant Revenue	-	1,493,739	-	1,493,739
Gambling Grant Revenue	-	200,000	-	200,000
Other Revenue	1,740	-	3,692	5,432
Total operating revenue	246,158,027	31,507,980	3,692	277,669,699
Operating expenses				
General Administration	3,696,181	780,670	-	4,476,851
Prevention Administration	-	123,155	-	123,155
OHH Administration	-	78,175	-	78,175
BHH Administration	40,146	-	-	40,146
Insurance Provider Assessment	2,002,735	119,069	-	2,121,804
Hospital Rate Adjuster	5,765,413	-	-	5,765,413
Payments to Affiliates:				
Medicaid Services	206,467,065	3,815,704	-	210,282,769
Healthy Michigan Services	20,206,580	9,421,777	-	29,628,357
Health Home Services	2,647,310	-	-	2,647,310
Opioid Health Home Services	-	3,593,484	-	3,593,484
Community Grant	-	1,767,349	-	1,767,349
Prevention	-	853,571	-	853,571
State Disability Assistance	-	-	-	-
ARPA Grant	-	540,753	-	540,753
Public Act 2 (Liquor tax)	-	1,876,231	-	1,876,231
Local PBIP	1,579,647	-	-	1,579,647
Local Match Drawdown	594,816	-	-	594,816
Miscellaneous Grant	-	4,000	-	4,000
Healing & Recovery Grant	-	912,237	-	912,237
Veteran Navigator Grant	117,878	-	-	117,878
SOR Grant Expenses	-	1,493,739	-	1,493,739
Gambling Grant Expenses	-	200,000	-	200,000
Total operating expenses	243,117,771	25,579,914	-	268,697,685
CY Unspent funds	3,040,256	5,928,066	3,692	8,972,014
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Unspent funds - beginning	3,466,474	4,765,230	20,583,069	28,814,773
Unspent funds - ending	\$ 6,506,730	\$ 10,693,296	\$ 20,586,761	\$ 37,786,787

Northern Michigan Regional Entity

Statement of Net Position

September 30, 2025

	PIHP MH	PIHP SUD	PIHP ISF	Total PIHP
Assets				
Current Assets				
Cash Position	\$ 37,909,549	\$ 7,777,160	\$ 20,586,761	\$ 66,273,470
Accounts Receivable	431,539	4,255,513	-	4,687,052
Prepays	86,393	-	-	86,393
Total current assets	38,427,481	12,032,673	20,586,761	71,046,915
Noncurrent Assets				
Capital assets	479,259	-	-	479,259
Total Assets	38,906,740	12,032,673	20,586,761	71,526,174
Liabilities				
Current liabilities				
Accounts payable	32,139,318	427,140	-	32,566,458
Accrued liabilities	260,692	-	-	260,692
Unearned revenue	-	-	-	-
Total current liabilities	32,400,010	427,140	-	32,827,150
Unspent funds	\$ 6,506,730	\$ 11,605,533	\$ 20,586,761	\$ 38,699,024

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health

October 1, 2024 through September 30, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid					
* Capitation	\$ 187,752,708	\$ 187,752,708	\$ 222,138,059	\$ 34,385,351	18.31%
Carryover	11,400,000	11,400,000	-	(11,400,000)	(1)
Healthy Michigan					
Capitation	19,683,372	19,683,372	17,721,214	(1,962,158)	(9.97%)
Carryover	5,100,000	5,100,000	736,656	(4,363,344)	(85.56%)
Health Home	1,451,268	1,451,268	3,193,959	1,742,691	120.08%
Affiliate local drawdown	594,816	594,816	594,816	-	0.00%
Performance Bonus Incentive	1,334,531	1,334,531	1,653,705	319,174	23.92%
Miscellaneous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,000	110,000	117,878	7,878	7.16%
Other Revenue	-	-	1,740	1,740	0.00%
Total operating revenue	227,426,695	227,426,695	246,158,027	18,731,332	8.24%
Operating expenses					
General Administration	3,819,287	3,786,699	3,696,181	90,518	2.39%
Health Home Administration	-	-	40,146	(40,146)	0.00%
Insurance Provider Assessment	1,897,524	1,897,524	2,002,735	(105,211)	(5.54%)
Hospital Rate Adjuster	4,571,328	4,571,328	5,765,413	(1,194,085)	(26.12%)
Local PBIP	1,737,753	-	1,579,647	(1,579,647)	0.00%
Local Match Drawdown	594,816	594,816	594,816	-	0.00%
Miscellaneous Grants	-	-	-	-	0.00%
Veteran Navigator Grant	110,004	91,716	117,878	(26,162)	(28.53%)
Payments to Affiliates:					
Medicaid Services	176,618,616	176,618,616	206,467,065	(29,848,449)	(16.90%)
Healthy Michigan Services	17,639,940	17,639,940	20,206,580	(2,566,640)	(14.55%)
Health Home Services	1,415,196	1,415,196	2,647,310	(1,232,114)	(87.06%)
Total operating expenses	208,404,464	206,615,835	243,117,771	(36,501,936)	(17.67%)
CY Unspent funds	\$ 19,022,231	\$ 20,810,860	3,040,256	\$ (17,770,604)	
Transfers in					
Transfers out			-	243,117,771	
Unspent funds - beginning			<u>3,466,474</u>		
Unspent funds - ending	\$ 6,506,730			3,040,256	

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse

October 1, 2024 through September 30, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Medicaid	\$ 4,678,632	\$ 4,678,632	\$ 7,013,062	\$ 2,334,430	49.90%
Healthy Michigan	11,196,408	11,196,408	12,310,108	1,113,700	9.95%
Substance Use Disorder Block Grant	6,467,905	6,467,905	3,515,327	(2,952,578)	(45.65%)
Opioid Health Home	3,419,928	3,419,928	4,183,276	763,348	22.32%
Public Act 2 (Liquor tax)	1,533,979	1,533,979	1,876,231	342,252	22.31%
Miscellaneous Grants	4,000	4,000	4,000	-	0.00%
Healing & Recovery Grant	-	-	912,237	912,237	0.00%
SOR Grant	2,043,984	2,043,984	1,493,739	(550,245)	(26.92%)
Gambling Prevention Grant	200,000	200,000	200,000	-	0.00%
Other Revenue	-	-	-	-	0.00%
Total operating revenue	29,544,836	29,544,836	31,507,980	1,963,144	6.64%
Operating expenses					
Substance Use Disorder:					
SUD Administration	1,127,295	1,067,295	780,670	286,625	26.86%
Prevention Administration	131,394	131,394	123,155	8,239	6.27%
Insurance Provider Assessment	113,604	113,604	119,069	(5,465)	(4.81%)
Medicaid Services	3,931,560	3,931,560	3,815,704	115,856	2.95%
Healthy Michigan Services	10,226,004	10,226,004	9,421,777	804,227	7.86%
Community Grant	2,074,248	2,074,248	1,767,349	306,899	14.80%
Prevention	634,056	634,056	853,571	(219,515)	(34.62%)
State Disability Assistance	95,215	95,215	-	95,215	100.00%
ARPA Grant	-	-	540,753	(540,753)	0.00%
Opioid Health Home Admin	-	-	78,175	(78,175)	0.00%
Opioid Health Home Services	3,165,000	3,165,000	3,593,484	(428,484)	(13.54%)
Miscellaneous Grants	4,000	4,000	4,000	-	0.00%
Healing & Recovery Grant	-	-	912,237	(912,237)	0.00%
SOR Grant	2,043,984	2,043,984	1,493,739	550,245	26.92%
Gambling Prevention	200,000	200,000	200,000	-	0.00%
PA2	1,533,978	1,533,978	1,876,231	(342,253)	(22.31%)
Total operating expenses	25,280,338	25,220,338	25,579,914	(359,576)	(1.43%)
CY Unspent funds	\$ 4,264,498	\$ 4,324,498	5,928,066	\$ 1,603,568	
Transfers in			-		
Transfers out			-		
Unspent funds - beginning			<u>4,765,230</u>		
Unspent funds - ending	\$ 4,264,498	\$ 4,324,498	5,928,066	\$ 1,603,568	
Unspent funds - ending	\$ 10,693,296				

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health Administration

October 1, 2024 through September 30, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
General Admin					
Salaries	\$ 2,023,189	\$ 2,023,189	\$ 2,013,338	\$ 9,851	0.49%
Fringes	704,786	672,198	629,721	42,477	6.32%
Contractual	770,808	770,808	755,673	15,135	1.96%
Board expenses	18,000	18,000	23,536	(5,536)	(30.76%)
Day of recovery	14,000	14,000	8,968	5,032	35.94%
Facilities	152,700	152,700	132,600	20,100	13.16%
Other	135,804	135,804	132,345	3,459	2.55%
Total General Admin	\$ 3,819,287	\$ 3,786,699	\$ 3,696,181	\$ 90,518	2.39%

Northern Michigan Regional Entity

Schedule of PA2 by County

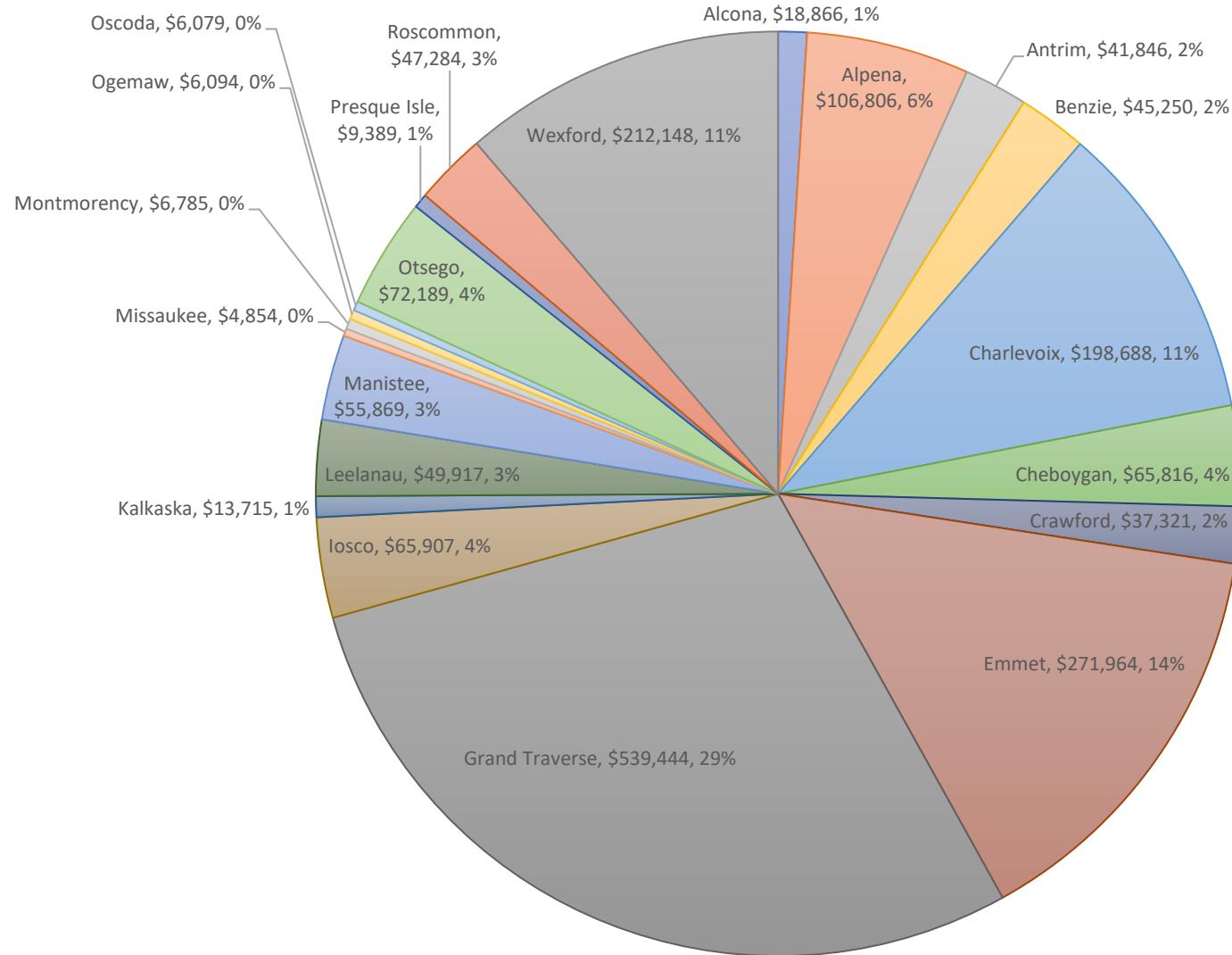
October 1, 2024 through September 30, 2025

County	Projected FY25 Activity				Actual FY25 Activity			
	Beginning Balance	FY25 Projected Revenue	FY25 Approved Projects	Projected Ending Balance	Current Receipts	County Specific Projects	Region Wide Projects by Population	Ending Balance
Actual Expenditures by County								
Alcona	\$ 71,885	\$ 23,013	\$ 21,562	\$ 73,336	\$ 21,116	18,866	\$ -	\$ 74,135
Alpena	276,605	81,249	115,352	242,502	81,004	106,806	-	250,804
Antrim	225,891	71,430	52,590	244,731	72,014	41,846	-	256,058
Benzie	257,777	64,021	74,100	247,698	62,373	45,250	-	274,901
Charlevoix	240,410	106,977	224,833	122,553	99,416	198,688	-	141,138
Cheboygan	141,238	85,508	65,816	160,930	86,418	65,816	-	161,840
Crawford	126,884	36,205	68,993	94,096	38,175	37,321	-	127,739
Emmet	604,860	182,951	467,204	320,608	175,856	271,964	-	508,752
Grand Traverse	947,150	464,163	598,334	812,978	437,464	539,444	-	845,169
Iosco	186,997	84,319	73,780	197,537	82,403	65,907	-	203,492
Kalkaska	25,843	41,796	14,030	53,610	39,781	13,715	-	51,909
Leelanau	97,166	63,811	53,976	107,001	59,611	49,917	-	106,860
Manistee	259,014	82,480	120,153	221,341	78,600	55,869	-	281,745
Missaukee	30,683	22,352	4,864	48,171	23,110	4,854	-	48,938
Montmorency	59,540	30,318	8,457	81,401	27,846	6,785	-	80,601
Ogemaw	64,110	68,787	11,101	121,797	65,658	6,094	-	123,674
Oscoda	44,727	21,668	7,577	58,818	22,219	6,079	-	60,866
Otsego	112,969	105,067	98,424	119,612	102,415	72,189	-	143,195
Presque Isle	82,660	24,977	11,701	95,936	24,376	9,389	-	97,647
Roscommon	576,714	87,317	55,007	609,024	84,132	47,284	-	613,562
Wexford	332,107	98,696	229,583	201,220	96,051	212,148	-	216,010
	4,765,231	1,847,106	2,377,437	4,234,900	1,780,037	1,876,232	-	4,669,035

PA2 Redirect

[4,669,035](#)

PA2 FUND BALANCES BY COUNTY



Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Abuse Administration

October 1, 2024 through September 30, 2025

	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
--	--------------	------------	------------	----------------------------------	---------------------------------

SUD Administration

Salaries	\$ 768,091	\$ 768,091	\$ 469,532	\$ 298,559	38.87%
Fringes	212,604	212,604	158,317	54,287	25.53%
Access Salaries	-	-	-	-	0.00%
Access Fringes	-	-	-	-	0.00%
Access Contractual	-	-	-	-	0.00%
Contractual	129,000	75,000	108,757	(33,757)	(45.01%)
Board expenses	5,000	5,000	5,300	(300)	(6.00%)
Day of Recover	-	-	13,971	(13,971)	0.00%
Facilities	-	-	-	-	0.00%
Other	12,600	6,600	24,793	(18,193)	(275.65%)
Total operating expenses	\$ 1,127,295	\$ 1,067,295	\$ 780,670	\$ 286,625	26.86%

Northern Michigan Regional Entity

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - ISF

October 1, 2024 through September 30, 2025

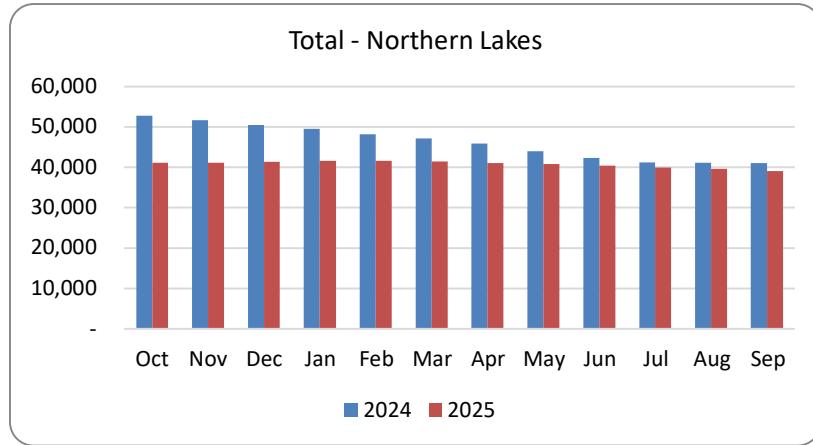
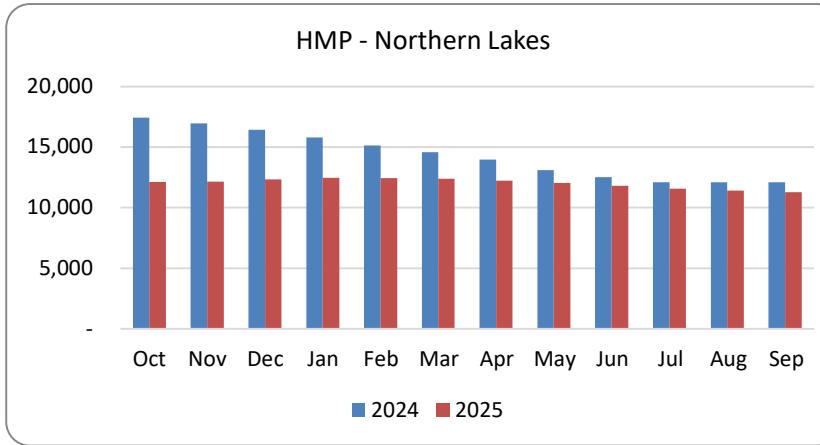
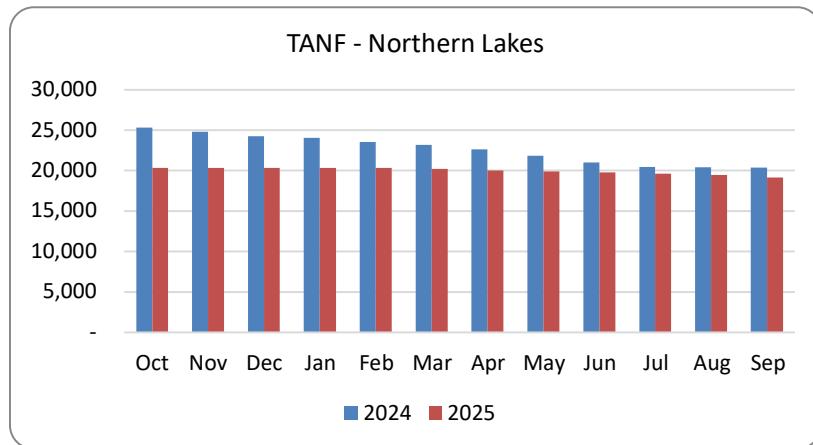
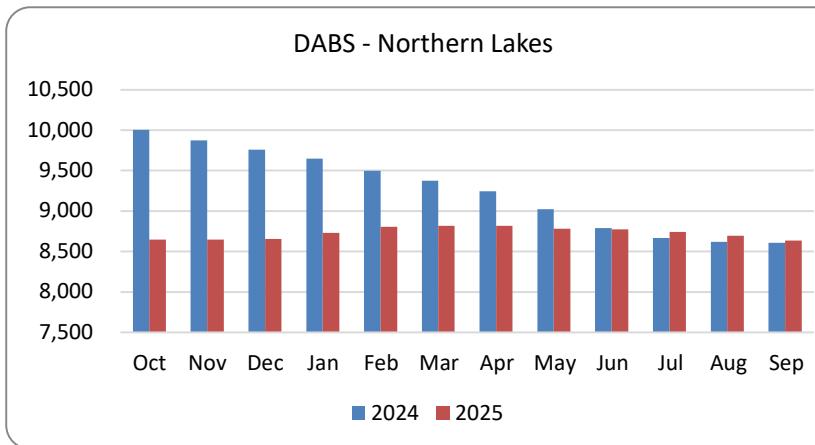
	Total Budget	YTD Budget	YTD Actual	Variance Favorable (Unfavorable)	Percent Favorable (Unfavorable)
Operating revenue					
Charges for services	\$ -	\$ -	\$ -	\$ -	0.00%
Interest and Dividends	<u>7,500</u>	<u>7,500</u>	<u>3,692</u>	<u>(3,808)</u>	<u>(50.77%)</u>
Total operating revenue	<u>7,500</u>	<u>7,500</u>	<u>3,692</u>	<u>(3,808)</u>	<u>(50.77%)</u>
Operating expenses					
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
CY Unspent funds	\$ 7,500	\$ 7,500	3,692	\$ (3,808)	
Transfers in				-	
Transfers out				-	
Unspent funds - beginning			<u>20,583,069</u>		
Unspent funds - ending	\$ 20,586,761				

Northern Michigan Regional Entity

Narrative

October 1, 2024 through September 30, 2025

Northern Lakes Eligible Members Trending - based on payment files

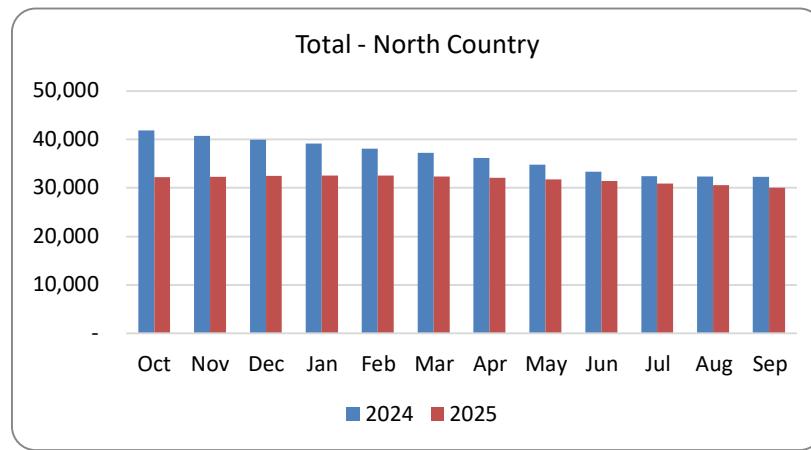
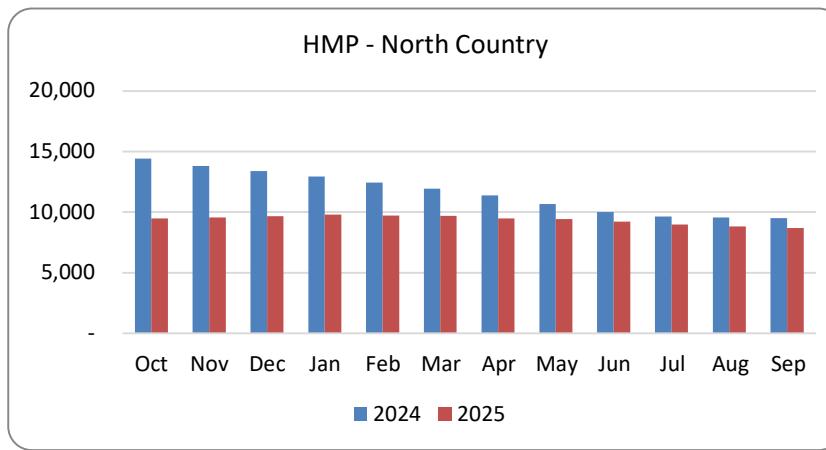
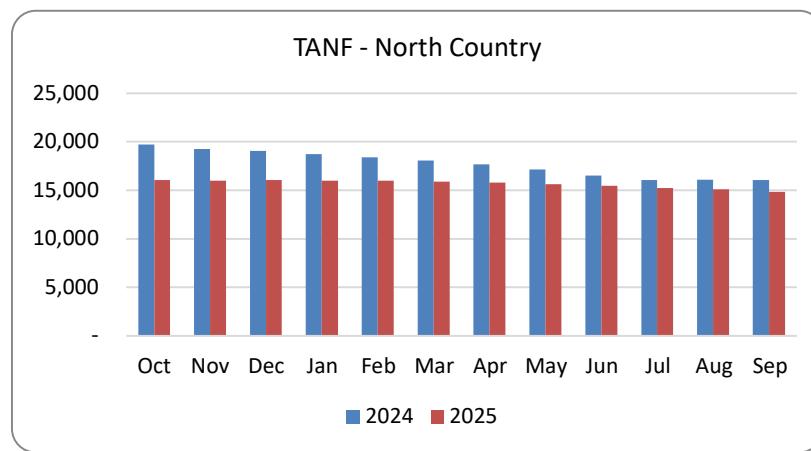
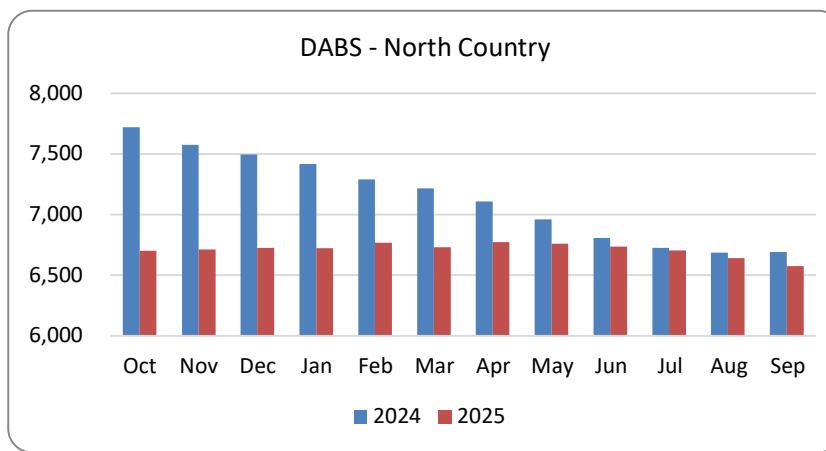


Northern Michigan Regional Entity

Narrative

October 1, 2024 through September 30, 2025

North Country Eligible Members Trending - based on payment files

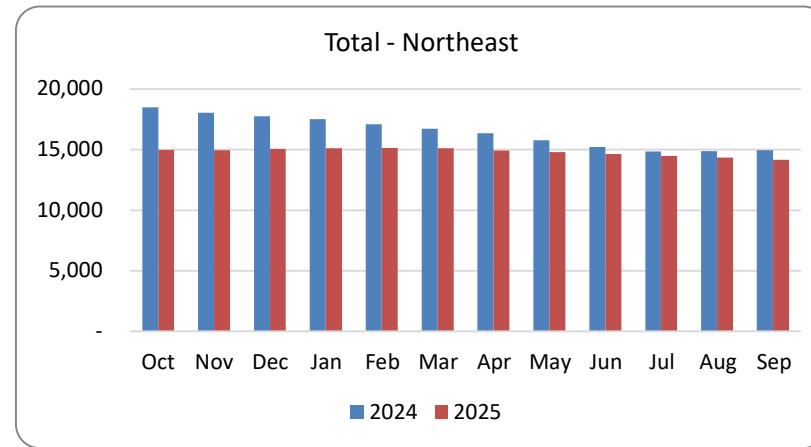
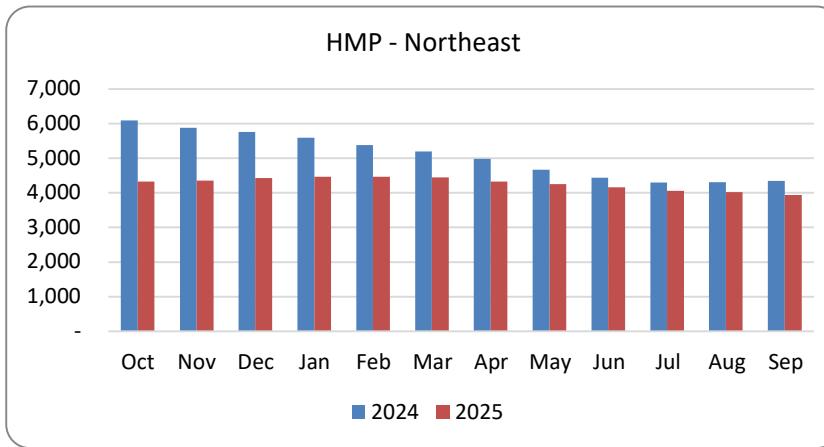
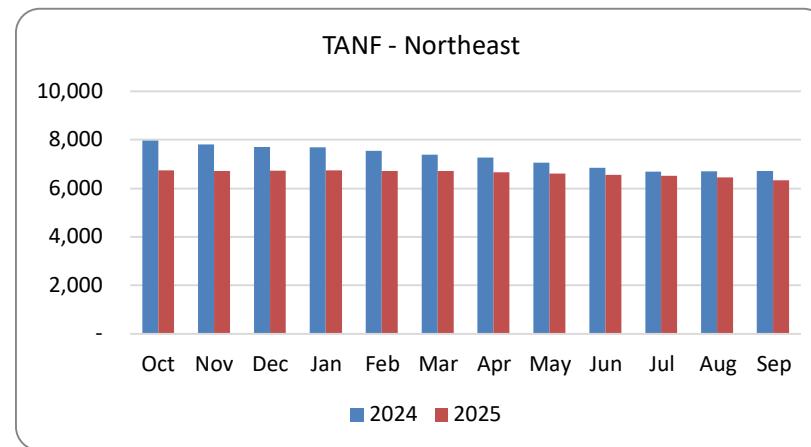
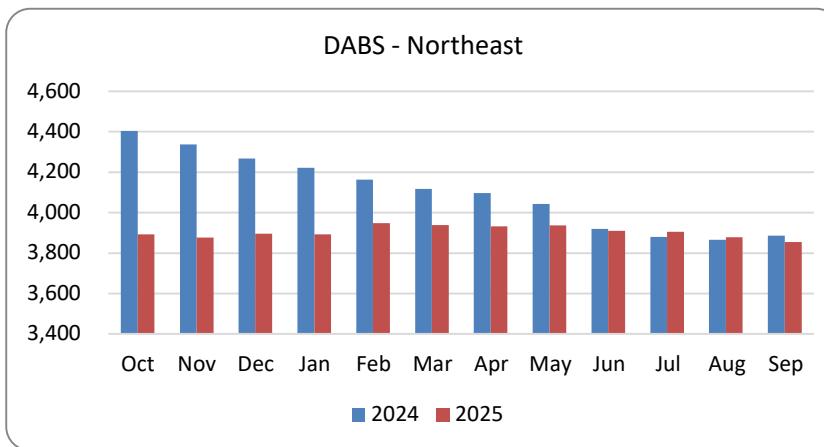


Northern Michigan Regional Entity

Narrative

October 1, 2024 through September 30, 2025

Northeast Eligible Members Trending - based on payment files

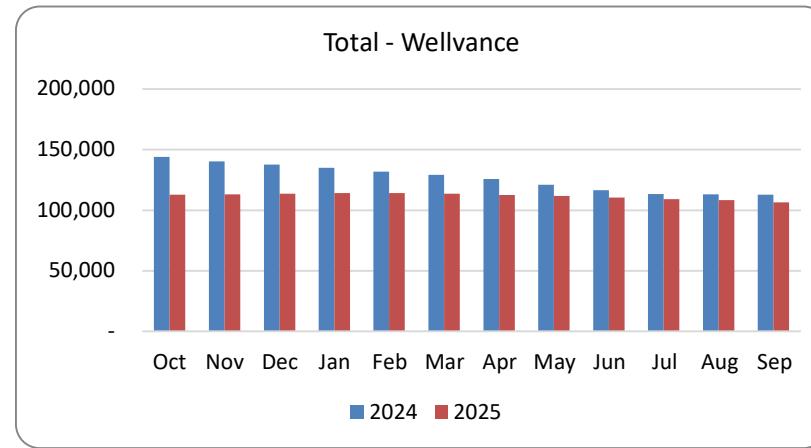
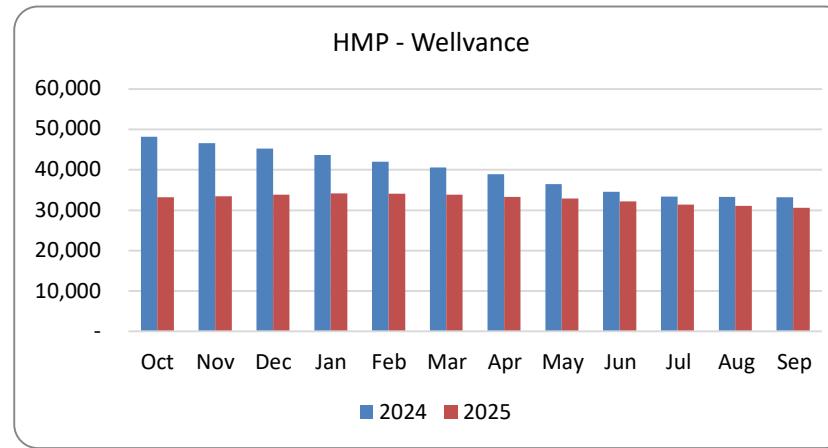
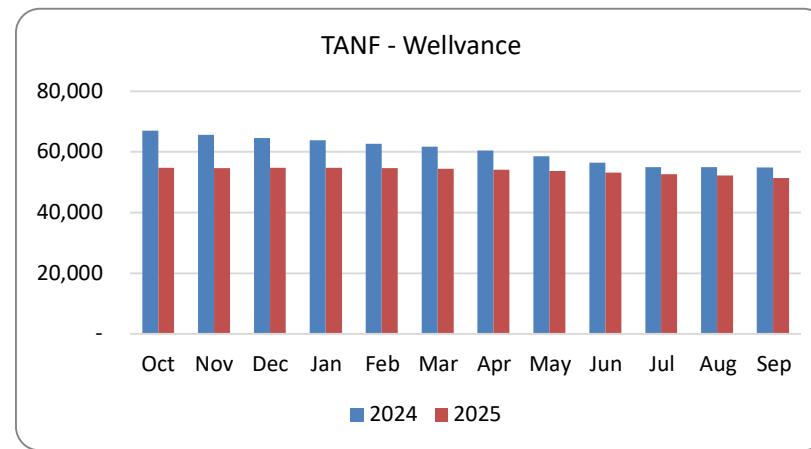
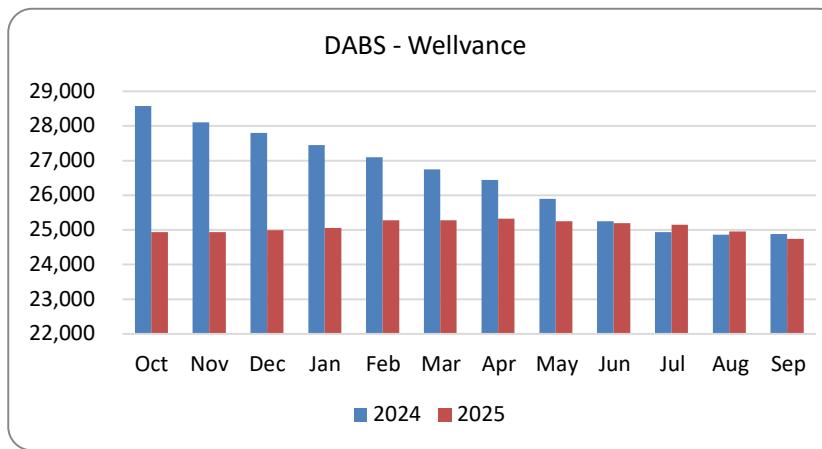


Northern Michigan Regional Entity

Narrative

October 1, 2024 through September 30, 2025

Wellvance Eligible Members Trending - based on payment files

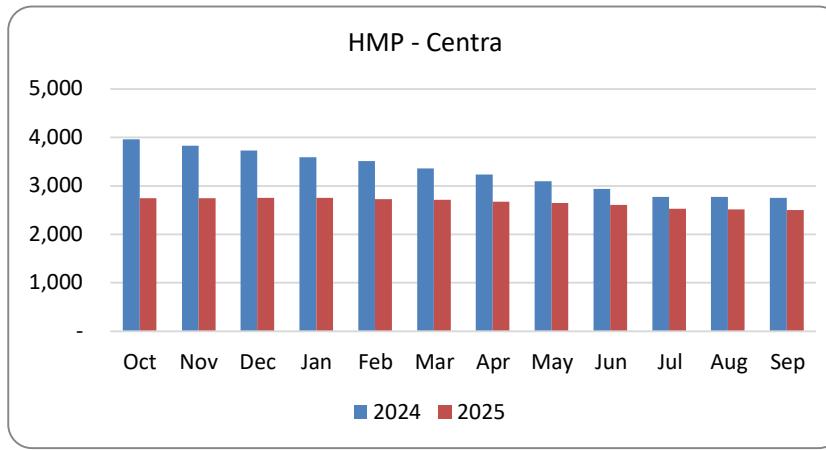
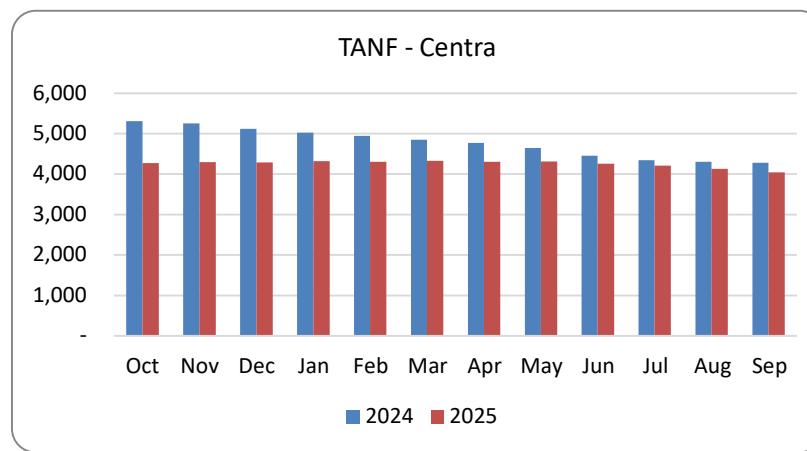
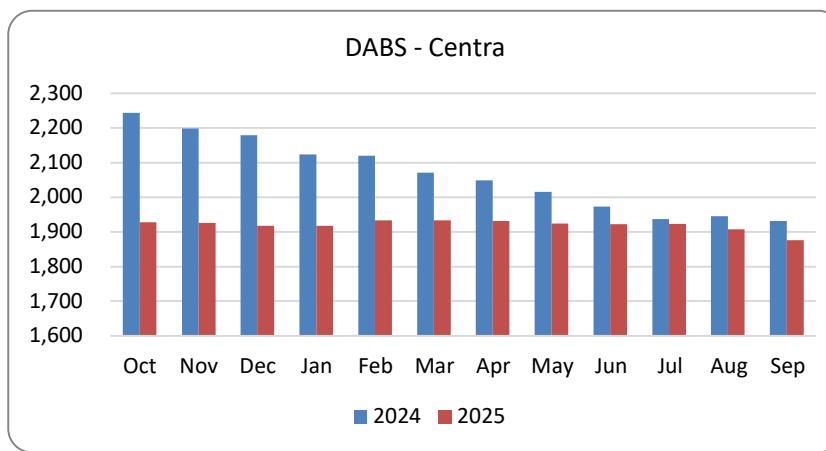


Northern Michigan Regional Entity

Narrative

October 1, 2024 through September 30, 2025

Centra Wellness Eligible Members Trending - based on payment files



Northern Michigan Regional Entity

Narrative

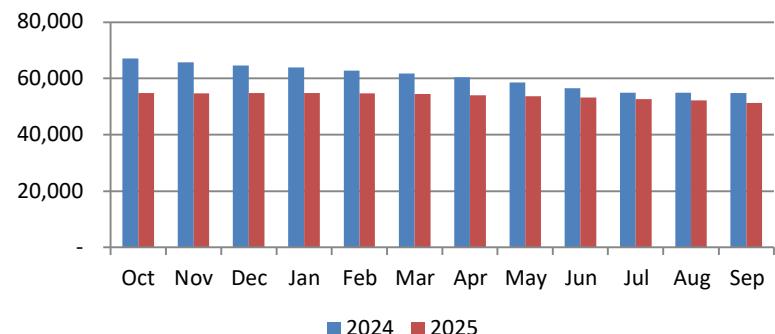
October 1, 2024 through September 30, 2025

Regional Eligible Trending

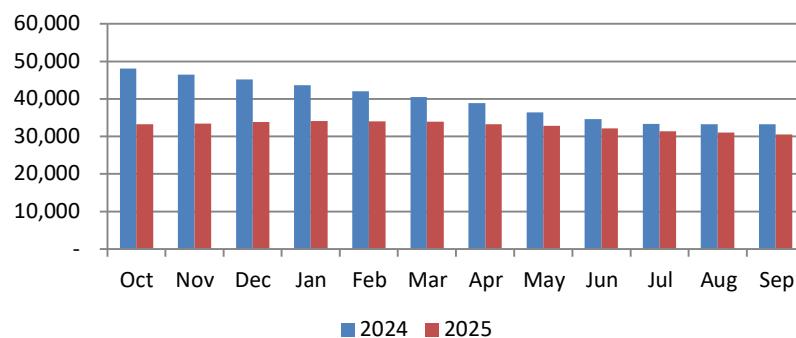
DAB Eligibles



TANF Eligibles



Healthy Michigan Eligibles

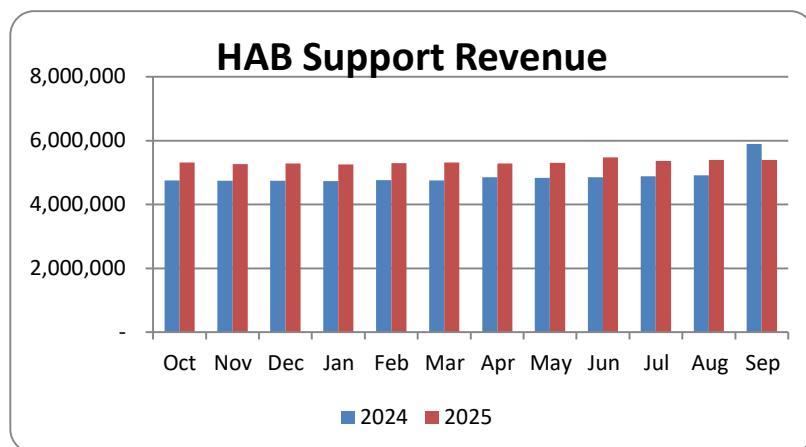
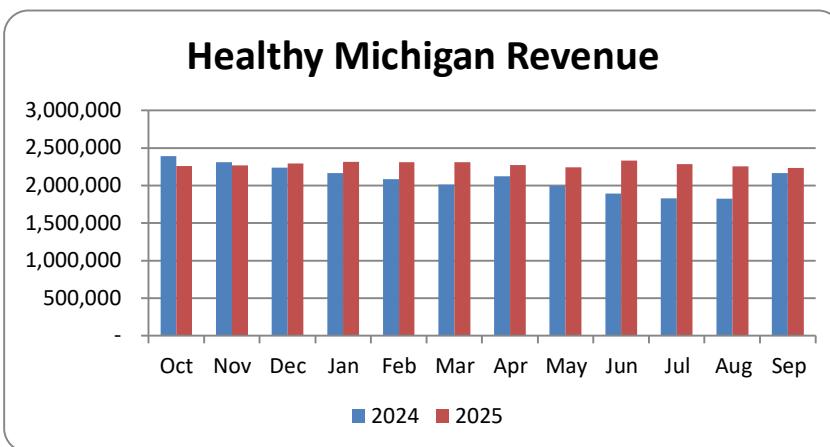
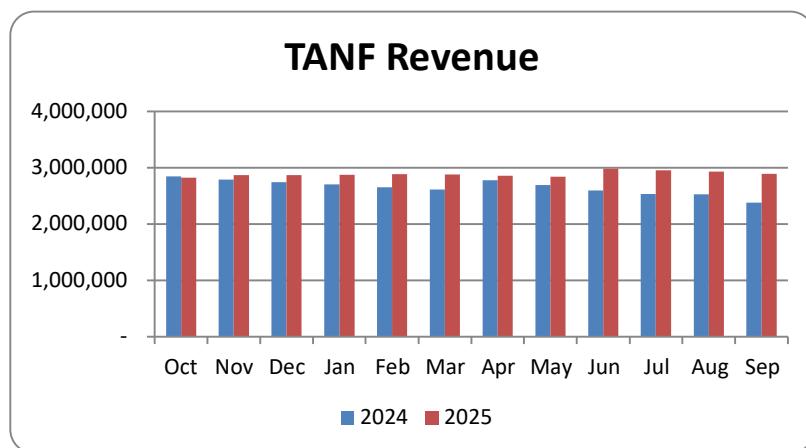
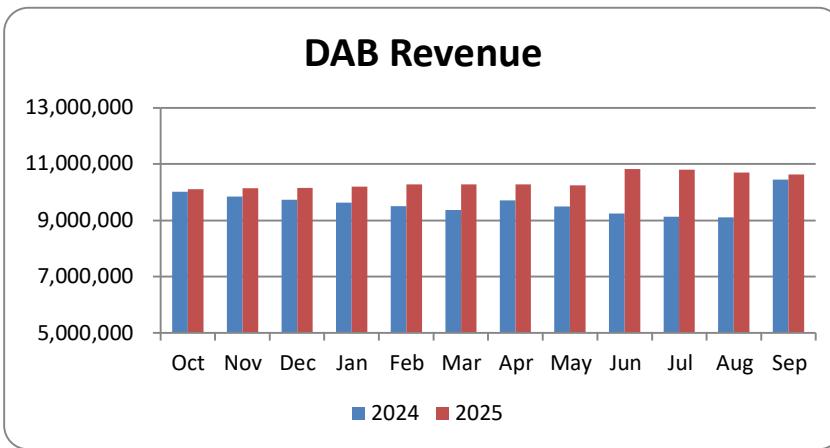


Northern Michigan Regional Entity

Narrative

October 1, 2024 through September 30, 2025

Regional Revenue Trending



**NORTHERN MICHIGAN REGIONAL ENTITY
SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING
10:00AM – NOVEMBER 3, 2025
GAYLORD CONFERENCE ROOM & MICROSOFT TEAMS**

Alcona	<input checked="" type="checkbox"/> Carolyn Brummund	Kalkaska	<input type="checkbox"/> David Comai
Alpena	<input type="checkbox"/> Lucille Bray	Leelanau	<input type="checkbox"/> Vacant
Antrim	<input checked="" type="checkbox"/> Pam Singer	Manistee	<input type="checkbox"/> Vacant
Benzie	<input checked="" type="checkbox"/> Tim Markey	Missaukee	<input type="checkbox"/> Dean Smallegan
Charlevoix	<input checked="" type="checkbox"/> Annemarie Conway	Montmorency	<input checked="" type="checkbox"/> Michelle Hamlin
Cheboygan	<input checked="" type="checkbox"/> John Wallace	Ogemaw	<input checked="" type="checkbox"/> Ron Quackenbush
Crawford	<input type="checkbox"/> Matthew Moeller	Oscoda	<input checked="" type="checkbox"/> Chuck Varner
Emmet	<input checked="" type="checkbox"/> Terry Newton	Otsego	<input checked="" type="checkbox"/> Doug Johnson
Grand		Presque Isle	<input checked="" type="checkbox"/> Dana Labar
Traverse	<input checked="" type="checkbox"/> Dave Freedman	Roscommon	<input checked="" type="checkbox"/> Darlene Sensor
Iosco	<input checked="" type="checkbox"/> Jay O'Farrell	Wexford	<input checked="" type="checkbox"/> Gary Taylor
Staff:	<input checked="" type="checkbox"/> Bea Arsenov <input checked="" type="checkbox"/> Jodie Balhorn <input checked="" type="checkbox"/> Carol Balousek <input type="checkbox"/> Brady Barnhill <input type="checkbox"/> Lisa Hartley <input checked="" type="checkbox"/> Eric Kurtz <input type="checkbox"/> Heidi McClenaghan <input checked="" type="checkbox"/> Pamela Polom <input type="checkbox"/> Brandon Rhue <input checked="" type="checkbox"/> Denise Switzer <input type="checkbox"/> Chris VanWagoner <input type="checkbox"/> Deanna Yockey	Chief Clinical Officer Prevention Coordinator Executive Administrator IT Specialist Claims Assistant Chief Executive Officer Quality Manager Finance Specialist Chief Information Officer/Operations Director Grant and Treatment Manager Contract and Provider Network Manager Chief Financial Officer	
Public:	Angie Gullekson, Sarah Hegg, Chip Johnston, Larry Lacross, David McGraham, Jarris Rubingh, Cori Smoker, Angela VanSlembrouck		

CALL TO ORDER

Let the record show that acting Chair, Jay O'Farrel, called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that Lucille Bray, David Comai, Matthew Moeller, and Dean Smallegan were absent for the meeting on this date; all other SUD Oversight Committee Members were in attendance either in Gaylord or virtually.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF PAST MINUTES

The September minutes were included in the materials for the meeting on this date.

MOTION BY PAM SINGER TO APPROVE THE MINUTES OF THE SEPTEMBER 8, 2025 NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING; SUPPORT BY CAROLYN BRUMMUND. MOTION CARRIED.

APPROVAL OF AGENDA

Let the record show that no additions or revisions to the meeting Agenda were proposed.

MOTION BY DOUG JOHNSON TO APPROVE THE AGENDA FOR THE NOVEMBER 3, 2025 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE; SUPPORT BY ANNEMARIE CONWAY. MOTION CARRIED.

ANNOUNCEMENTS

Mr. Kurtz provided an update on the PIHP bid out.

On August 4, 2025, the Michigan Department of Health and Human Services (MDHHS) released a Request for Proposals (RFP) to competitively bid the state's public mental health managed care system, reducing the PIHP regions from 10 to 3. Current PIHPs were prohibited from bidding. The submission deadline was October 13, 2025. MDHHS intends to award bids by mid-December. The RFP has no mention of what happens to SUD funding outside of Medicaid.

NorthCare Network (Region 1 PIHP) and the Northern Michigan Regional Entity (Region 2 PIHP) submitted a bid under the entity Bridge Health, formed under an urban cooperation agreement. It was noted that the RFP doesn't limit the number of PIHPs to one per region.

Lawsuits filed by Region 10 PIHP, Southwest Michigan Behavioral Health, Mid-State Health Network, St. Clair County Community Mental Health Authority, Integrated Services of Kalamazoo, And Saginaw County Community Mental Health Authority (Case # 25-000148-MB) and Centra Wellness Network, Northeast Michigan CMHA, Wellvance, Gogebic CMHA, North Country CMHA, and Manistee County (Case #25-000162-MB) against State of Michigan, State of Michigan Department of Health And Human Services, a Michigan State Agency, and State of Michigan Department of Technology, Management & Budget, a Michigan State Agency have been enjoined. A hearing is scheduled to take place on December 8th and 9th.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST

Let the record show that Mr. O'Farrell called for any conflicts of interest to any of the meeting agenda items; none were declared.

INFORMATIONAL REPORTS

Regional Admissions Report

The admissions report through September 30, 2025, was included in the materials for the meeting on this date. Admissions were down 15% (consistent across all levels of care) from the same period in FY24, likely due to individuals losing Medicaid and Healthy Michigan (HMP) after the resumption of redeterminations, particularly for individuals on Healthy Michigan (20% decline). It was noted that the number of covered lives in the region has also declined. The data showed that outpatient was the highest level of treatment admissions at 38%, and alcohol was the most prevalent primary substance at 59%, all opiates (including heroin) were the second most prevalent primary substance at 18%, and methamphetamine was the third most prevalent primary substances at 16%.

County-specific reports were posted to the NMRE website at [County Admission Reports | NMRE](#). The county-specific reports are intended to be shared with Boards of Commissioners and other community stakeholders.

Ms. Arsenov agreed to send additional reports showing the prevalence of secondary and tertiary substances per county to the Committee Members following the meeting.

Financial Report

All SUD funding through August 31, 2025, showed revenue of \$26,964,463 and \$21,636,400 in expenses, resulting in a net surplus of \$5,328,063. Total PA2 funds were reported as \$3,894,705

PA2/Liquor Tax was summarized as follows:

Projected FY25 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
\$4,765,231	\$1,847,106	\$2,150,940	\$4,461,397

Actual FY25 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$4,765,231	\$835,755	\$1,706,281	\$3,894,705

The NMRE has approximately \$1M in SUD BGF coverage for FY25, which will be utilized toward allowable FY25 PA2 projects.

No PA2 Payment for Quarter 3 Fiscal Year 2025

The NMRE received informal notice that Quarter 3 FY25 PA2 revenues were directed to debt services, meaning that neither the PIHPs nor the counties received a PA2 payment in July 2025. For FY25, PA2 was estimated at \$1,847,231. This number will be reduced, though it was acknowledged that the quarterly payments are not equal. The NMRE continues to maintain a fund balance equivalent to one year's revenue for each county. The Quarter 4 payment was posted on October 27th. FY25 PA2 ending balances will be finalized in mid-November.

Liquor Tax Parameters

The Liquor Tax funds parameters approved by the NMRE Board of Directors on April 24, 2024 were included in the meeting materials to inform the SUD Oversight Committee's decision whether to recommend approval of the liquor tax requests brought before the Committee on this date.

FY26 Liquor Tax Requests

During the September meeting, a liquor tax request from Catholic Human Services for the Students Leading Students program in Presque Isle County in the amount of \$67,483 was tabled until this meeting. It was noted, however, that other funding was secured for this project and it will not be presented on this date.

1. 217 Recovery	Recovery Center and Peer Services	Grand Traverse	\$100,000	New
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Meets PA2 Parameters? Yes No

Discussion: Mr. Labar noted that Corey Winfield is listed as the Director of 217 Recovery and his wife, Marnie Winfield is listed as the Outreach Program Coordinator. Mr. Labar questioned whether this poses any conflict of interest. Ms. Arsenov responded that she does not anticipate any conflict. Other staff are involved through funding from an additional grant.

MOTION BY DAVE FREEDMAN TO APPROVE THE REQUEST FROM 217 RECOVERY FOR FISCAL YEAR 2026 GRAND TRAVERSE COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) TO SUPPORT THE TRAVERSE CITY RECOVERY CENTER; SUPPORT BY PAM SINGER. MOTION CARRIED.

2.	Catholic Human Services	Grand Traverse County Jail SUD Medication	Grand Traverse	\$200,000	New
	Meets PA2 Parameters?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No		

A Letter of Support from the Grand Traverse County Sheriff's Office was distributed during the meeting.

Discussion: Clarification was made that the medications offered are Vivitrol, Sublocade, and Bixaldi. NMRE will fund only those services that are billed, rather than supplying the full amount requested upfront.

Mr. Newton asked whether there are counties in the region that are not providing MAT in their jails. Ms. Arsenov responded that there are and the NMRE is working with providers to bring supports into jails in the hope that they will be expanded. At this time, Emmet County provides Vivitrol but no controlled substances. Larry LaCross, CEO of Catholic Human Services, added that CHS works closely with jails. He noted that there are additional expenses related to providing MAT in jails related to dispensing. Counties are hesitant based on infrastructure rather than ideology.

MOTION BY TO APPROVE THE REQUEST FROM CATHOLIC HUMAN SERVICES FOR FISCAL YEAR 2026 GRAND TRAVERSE COUNTY LIQUOR TAX DOLLARS IN AMOUNT OF TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) TO PROVIDE MEDICATION ASSISTED TREATMENT FOR SUBSTANCE USE DISORDER IN THE GRAND TRAVERSE COUNTY JAIL; SUPPORT BY . MOTION CARRIED. Dave/Chuck

3.	Centra Wellness Network	Safenet Prevention Program	Multi County	\$64,304	Continuation
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Meets PA2 Parameters? Yes No

Benzie	\$	26,863.26
Manistee	\$	37,340.74
Total	\$	64,204.00

MOTION BY ANNEMARIE CONWAY TO APPROVE THE REQUEST FROM CENTRA WELLNESS NETWORK FOR FISCAL YEAR 2026 BENZIE AND MANISTEE COUNTY LIQUOR TAX DOLLARS IN THE TOTAL AMOUNT OF SIXTY-FOUR THOUSAND THREE

HUNDRED FOUR DOLLARS (\$64,304.00) TO FUND SAFENET PREVENTION SERVICES; SUPPORT BY TIM MARKEY. MOTION CARRIED.

4. District Health Department #10 Deterra Disposal and Medication Lockbox Project Multi County \$10,000 Continuation

Meets PA2 Parameters? Yes No

Missaukee	\$	3,106.85
Wexford	\$	6,893.15
Total	\$	10,000.00

MOTION BY GARY TAYLOR TO APPROVE THE REQUEST FROM DISTRICT HEALTH DEPARTMENT TEN FOR FISCAL YEAR 2026 MISSAUKEE AND WEXFORD COUNTY LIQUOR TAX DOLLARS IN THE TOTAL AMOUNT OF TEN THOUSAND DOLLARS (\$10,000.00) TO FUND THE DETERRA DISPOSAL AND MEDICATION LOCKBOX PROJECT; SUPPORT BY RON QUACKENBUSH. MOTION CARRIED.

5. Health Department of Northwest Michigan Michigan Profile for Healthy Youth Incentive for Schools Multi County \$12,000 Addendum

Meets PA2 Parameters? Yes No

Benzie	\$	3,000.00
Missaukee	\$	2,000.00
Wexford	\$	7,000.00
Total	\$	12,000.00

Discussion: Clarification was made that the same request came through the committee in September for 13 of the region's 21 counties in the amount of \$52,500. This request is to add the counties of Benzie, Missaukee, and Wexford for an additional \$12,000. Funds will be used to incentive schools to participate in the Michigan Profile for Healthy Youth (MIPHY) project. Ms. Hamlin asked if Montmorency County was included in the original 13 county request. NMRE staff responded that Montmorency was included at \$3,000.

MOTION BY TERRY NEWTON TO APPROVE THE REQUEST FROM THE HEALTH DEPARTMENT OF NORTHWEST MICHIGAN FOR FISCAL YEAR 2026 BENZIE, MISSAUKEE, AND WEXFORD COUNTY LIQUOR TAX DOLLARS IN THE TOTAL AMOUNT OF TWELVE THOUSAND DOLLARS (12,000.00) TO PROVIDE SCHOOL INCENTIVES FOR THE MICHIGAN PROFILE FOR YOUTH PROJECT; SUPPORT BY DAVE FREEDMAN. MOTION CARRIED.

County Overviews

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

	Projected FY26 Available Balance	Amount Approved November 3, 2025	Projected Remaining Balance
Benzie	\$233,454.16	\$29,863.26	\$203,590.90
Grand Traverse	\$404,348.90	\$300,000.00	\$104,348.90
Manistee	\$215,833.04	\$37,340.74	\$178,492.30
Missaukee	\$48,748.14	\$5,106.85	\$43,641.29
Wexford	\$66,151.78	\$13,893.15	\$52,258.63
Total	\$968,536.02	\$386,204.00	\$582,332.02

The “Projected Remaining Balance” reflects funding available for projects while retaining a fund balance equivalent of one year’s receivables.

NMRE FY26 Grant Revenue

A summary of NMRE’s SUD grants for FY26, totaling \$2,073,766, was included for informational purposes.

PRESENTATION

Overdose Fatality Reviews

Dr. David McGreaham of Tamarack North Consulting and the Northern Michigan Opioid Response Consortium (NMORC) and Angela VanSlembrouck from Michigan Public Health Institute (MPHI) were in attendance to present on overdose fatality reviews.

An Overdoes Fatality Review is a multidisciplinary review of a person’s death, led by the Medical Examiner’s office and a local facilitator, that leads to the identification of gaps in resources, care, or services, and provides insight into what might be needed to prevent future deaths.

During an opioid fatality review, a decedent’s life cycle is examined in terms of:

- Drug use history
- Comorbidity
- Major health events
- Social an/or emotional trauma (including adverse childhood experiences)
- Encounters with law enforcement and the criminal justice system
- Treatment history
- Other factors including local conditions to facilitate a deeper understanding of missed opportunities for prevention and intervention that may have prevented the overdose death.

Data in the 21 counties covered by the NMRE with the addition of Arenac, Clare, Gladwin and Lake Counties (25 total) showed 41 overdose deaths according to the University of Michigan System for Opioid Overdose Surveillance (SOS); three of those overdose deaths received fatality reviews. Naloxone was used to reverse opioid overdoses 417 times during 2024 for the same 25 counties according to the SOS.

Ms. Singer expressed concern that overdose deaths rose in Antrim county from 3 in 2022 to 10 in 2024. Ms. VanSlembrouck responded that a targeted outcome of overdose fatality reviews is to identify problem areas and take action. Review teams need to do their work over time to identify patterns. Data is also used to target areas for spending opioid settlement funding. Clarification was made that overdose deaths include only accidental (not intentional) overdoses.

PUBLIC COMMENT

Antrim County Commissioner, Jarris Rubingh, shared that he has participated in meetings with the Antrim County Sheriff and County Administrator during which overdose fatalities were discussed. Medical Examiners have been instructed to keep costs down which may skew the data.

NEXT MEETING

The next meeting was scheduled for January 5, 2026 at 10:00AM.

ADJOURNMENT

MOTION BY CHUCK VARNER TO ADJOURN THE MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY SUBSTANCE USE DISORDER OVERSIGHT COMMITTEE MEETING FOR NOVEMBER 3, 2025; SUPPORT BY ANNEMARIE CONWAY. MOTION CARRIED.

Let the record show that Mr. Freedman adjourned the meeting at 11:21AM.



PA2/Liquor Tax Criteria for Review/Adoption

- The NMRE will update projected end balances for each county for the current fiscal year monthly. New applications will be compared to projected end balances to ensure that there is adequate funding in the county to financially support the request.
- If possible, depending on SUD Block Grant usage, a balance equivalent to one year's revenue will remain as a fund balance for each county.
- Project requests for services that can be covered by routine funding from other sources (Medicaid, Healthy Michigan) will not be considered.
- Applications that include any purchase of or renovations to buildings, automobiles, or other capital investments* will not be considered.
- To be considered, applications must be for substance use disorder prevention, treatment, or recovery services or supports.
- Region-wide (21 county) requests should be limited to media requests; other region-wide requests will be evaluated on a case-by-case basis.
- Multi-county requests (2 or more) must include detailed information on the provision of services and/or project activities for each county from which funds are requested.
- Staff who receive staffing grants via liquor tax approvals will not be eligible to bill services to the NMRE.
- Budget Requirements:
 - Budgets must include information in all required fields.
 - Fringe benefit budget requests that exceed 30% should be broken out by Health, Dental, Vision, Retirement, taxes, etc. totals and be subject to NMRE staff and Board approval.
 - Indirect costs, when applicable, should **not** exceed 10% of the requested budget total.
 - Liquor tax funds may be used to cover up to one FTE (across all projects) per person.

- The amount requested for salaries should be based on the staff person's actual salary and not the billable rate.
- All staff participating in PA2 funded activities are to be listed under budget FTEs (not under indirect cost).
- Requests for liquor tax funds should be coordinated with area stakeholders (CMHSPs, SUD Oversight Committee Members, County Commissioners, courts, law enforcement, SUD services providers) whenever possible.
 - Requestor should inform the county of the request submission at the same time submission to NMRE is completed.

* “Capital.investment<.refers.to.funds.invested.in.a.company.or.enterprise.to.further.its.business.objectives; Capital.investments.are.often.used.to.acquire.or.upgrade.physical.assets.such.as.property?buildings?or.equipment.to.expand.or.improve.long_term.productivity.or.efficiency; (Source; Nasdaq)

If at the end of the NMRE's fiscal year there is excess SUD Block Grant funding available, it will be used to offset liquor tax expenses as opposed to lapsing SUD Block Grant funding. In reverse, if SUD Block Grant funding runs a deficit, PA2 funding is used for treatment deficits. Normally for under or uninsured clients.

217 RECOVERY – RECOVERY CENTER AND PEER SERVICES - NEW

Organization/Fiduciary:	217 Recovery
County:	Grand Traverse
Project Total:	\$100,000.00

DESCRIPTION:

217 Recovery is seeking PA2 funding to help sustain the 217 Recovery Center in Traverse City and support local outreach. The Center provides a safe, welcoming environment where individuals can engage in peer recovery support services, participate in groups, and connect with community resources at no cost.

As a Recovery Community Organization and Center, 217 Recovery works to build recovery capital across northern Lower Michigan. We serve anyone seeking recovery from substance use concerns, with or without co-occurring mental health issues, by offering non-clinical peer support, activities, and barrier reduction services outside formal treatment settings.

Meets Parameters for
PA2 Funding:

Yes

County	Project	Requested Budget
Grand Traverse	Recovery Center and Peer Services	\$100,000

CHS – GRAND TRAVERSE COUNTY JAIL SUD MEDICATION - NEW

Organization/Fiduciary:	CHS
County:	Grand Traverse
Project Total:	\$200,000.00

DESCRIPTION:

This is a collaboration between Grand Traverse County Sheriff's Office and Catholic Human Services. Funds will go to dedicate towards the purchase of medication for medication assisted treatment for both alcohol and opioid use disorder for individuals incarcerated and lodged at Grand Traverse County Jail. As of 2024, SOR (State Opioid Response) grant funds are no longer available for the purchase of medication at county jails in the NMRE region. CHS and the Grand Traverse County jail has been successful with the implementation and coordination with jail medical and medical providers in the community for the continuation of medication of assisted treatment for individuals incarcerated. The funds will allow the jail for further sustainability of purchasing the medication portion of the substance use disorder jail-based treatment. The Grand Traverse County jail is set up to provide 3 FDA-approved medications to treat opioid use disorder and 1 FDA-approved medication to treat alcohol use disorder. Research shows that these medications are effective in treating both opioid use disorder and alcohol use disorder with helping with withdrawal symptoms and psychological cravings. The Grand Traverse County Jail and CHS has worked hard to ensure that the SUD jail-based program provides 4 evidence based portions of treatment of SUD which includes having an evidence-based screening protocol, offering FDA-approved medications to treat SUD, providing SUD treatment as well as providing aftercare planning to assist individuals with appropriate aftercare for substance use disorder treatment and follow up medical oversite for continuation of medication assisted treatment. CHS and the Grand Traverse County Jail will work with the drug companies to also offer in-kind samples of the FDA-approved medications if allowable. CHS and the Grand Traverse County Jail will also submit matching proposals to the opioid settlement funds to allocate further medication for the population served.

Meets Parameters for
PA2 Funding:

Yes

County	Project	Requested Budget
Grand Traverse	Grand Traverse County Jail SUD Medication	\$200,000

SAFENET PREVENTION PROGRAM - CONTINUATION

Organization/Fiduciary: **Centra Wellness Network**

County: **Multi County**

Project Total: **\$ 64,304**

DESCRIPTION:

Funding is requested to continue to provide Safenet prevention services in Manistee and Benzie Counties. The SafeNet prevention program provides education to elementary age youth, grades K-5, to assist with coping skill acquisition, problem-solving skills, and relationship building. Services also assist students by providing psychoeducation for such topics as: identifying and validating emotions, conquering negative thoughts, maintaining friendships, building social skills, and more. These skills are taught to assist with increasing protective factors, thus reducing risk factors associated with school, the family, and at the individual level. The increase in protective factors can lead to a decrease in substance use/misuse, truancy, family conflict, and others.

Meets Parameters for
PA2 Funding:

Yes

County	Project	Requested Budget
Benzie	Safenet Prevention Program	\$26,863.26
Manistee	Safenet Prevention Program	\$37,340.74

DETERRA DISPOSAL AND MEDICATION LOCKBOX PROJECT - CONTINUATION

Organization/Fiduciary: District Health Department #10

County: Multi County

Project Total: \$ 10,000

DESCRIPTION:

Deterra™ Disposal Project: District Health Department #10 (DHD#10) will purchase Deterra™ Drug Deactivation Systems (pouches) to provide a safe, convenient, and permanent way to dispose of unused, expired, and unwanted medications at home. These pouches will be distributed to homebound individuals and those lacking transportation through a partnership with Meals on Wheels. Pouches will also be distributed to general community members at community events, food banks, farmer's market days, etc. to promote proper disposal of medications. A brief educational session will also be provided on why it's important to properly dispose of unused and/or expired medications. Medication Lock Box Project: DHD#10 will purchase medication lock boxes to promote securing medications in the home. This project will serve as an adjunct to promoting proper disposal of unused and/or expired medications through Deterra™ Disposal pouches and promotion of permanent disposal sites. A monitor-secure-dispose educational handout will accompany each lock box, along with a listing of local permanent disposal sites. This project will encompass monitor-secure-dispose related to prescription drug use prevention.

Meets Parameters for
PA2 Funding:

Yes

County	Project	Requested Budget
Missaukee	Deterra Disposal and Medication Lockbox Project	\$3,106.85
Wexford	Deterra Disposal and Medication Lockbox Project	\$6,893.15

MICHIGAN PROFILE FOR HEALTHY YOUTH (MIPHY) INCENTIVE FOR SCHOOLS (ADDENDUM)

Organization/Fiduciary:	Health Department of Northwest Michigan
County:	Multi County
Project Total:	\$ 12,000

DESCRIPTION:

The Drug Free Northern Michigan 21 County Alliance (DFNM Alliance) seeks funding to maintain and increase school participation in the 2025–2026 Michigan Profile for Healthy Youth (MiPHY) survey by offering incentives. The MiPHY is the region's most consistent and reliable tool for measuring and tracking youth substance use. The DFNM Alliance is a regional collaboration of prevention partners that has met since 2019. The Health Department of Northwest Michigan (HDNW) will serve as fiduciary for this proposal, as the DFNM Alliance is not a stand-alone nonprofit.

The MiPHY is a statewide, voluntary, opt out survey offered to students in grades 7, 9, and 11 by the Michigan Departments of Education and Health and Human Services. Parents or guardians must be notified before the survey is administered, and they have the right to opt their child out of participation. It collects data on youth behaviors including substance use, violence, nutrition, sexual activity, and emotional health. The MiPHY takes approximately one class period to complete. MiPHY data is invaluable to guide prevention programming, support grant applications, assess the need in counties, and access the impact of existing service.

Previously Approved Amount (Multi County, not including these new Counties) was: \$52,500

Recommendation: Approve

County	Project	Requested Budget
Benzie	MiPHY Incentive	\$3,000
Missaukee	MiPHY Incentive	\$2,000
Wexford	MiPHY Incentive	\$7,000

BENZIE COUNTY OVERVIEW

Projected FY26 Balance **\$233,454.16**

Project	Requested Budget	Remaining County Running Balance
MiPHY Incentive	\$3,000.00	\$230,454.16
Safenet Prevention Program	\$26,863.26	\$203,590.90

County	One Year Fund Balance (withheld)	Projected FY26 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Benzie	\$67,707.20	\$233,454.16	\$29,863.26	\$203,590.90

GRAND TRAVERSE COUNTY OVERVIEW

Projected FY26 Balance **\$404,348.90**

Project	Requested Budget	Remaining County Running Balance
Grand Traverse County Jail SUD Medication	\$200,000	\$204,348.90
217 Recovery Center and Peer Services	\$100,000	\$104,348.90

County	One Year Fund Balance (withheld)	Projected FY26 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Grand Traverse	\$455,155.20	\$404,348.90	\$300,000.00	\$104,348.90

MANISTEE COUNTY OVERVIEW

Projected FY26 Balance **\$215,833.04**

Project	Requested Budget	Remaining County Running Balance
SafeNet Prevention Program	\$37,340.74	\$178,492.16

County	One Year Fund Balance (withheld)	Projected FY26 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Manistee	\$80,450.80	\$215,833.04	\$37,340.74	\$178,492.30

MISSAUKEE COUNTY OVERVIEW

Projected FY26 Balance **\$48,748.14**

Project	Requested Budget	Remaining County Running Balance
MiPHY Addendum	\$2,000	\$46,748.14
Deterra Disposal and Medication Lockbox Project FY26	\$3,106.85	\$43,641.29

County	One Year Fund Balance (withheld)	Projected FY26 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Missaukee	\$24,997.60	\$48,748.14	\$5,106.85	\$43,641.29

WEXFORD COUNTY OVERVIEW

Projected FY26 Balance **\$66,151.78**

Project	Requested Budget	Remaining County Running Balance
MiPHY Addendum	\$7,000	\$59,151.78
Deterra Disposal and Medication Lockbox Project FY26	\$6,893.15	\$52,258.63

County	One Year Fund Balance (withheld)	Projected FY26 Available Balance	Sum of Requested Project Amounts	Projected Remaining Balance
Wexford	\$95,416.00	\$66,151.78	\$13,893.15	\$52,258.63

STATE OF MICHIGAN
IN THE COURT OF CLAIMS

REGION 10 PIHP, SOUTHWEST
MICHIGAN BEHAVIORAL HEALTH, MID-
STATE HEALTH NETWORK, ST. CLAIR
COUNTY COMMUNITY MENTAL HEALTH
AUTHORITY, INTEGRATED SERVICES OF
KALAMAZOO, and SAGINAW COUNTY
COMMUNITY MENTAL HEALTH
AUTHORITY,

Consolidated COC Case Nos.: 25-
000143-MB and 25-000162-MB

HON. CHRISTOPHER P. YATES

**STIPULATED ORDER FOR
CONSOLIDATION**

Plaintiffs,

v

STATE OF MICHIGAN, STATE OF
MICHIGAN DEPARTMENT OF HEALTH
AND HUMAN SERVICES, a Michigan State
Agency, and STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY,
MANAGEMENT & BUDGET, a Michigan
State Agency,

Defendants.

TAFT, STETTINIUS & HOLLISTER, LLP
Christopher Ryan (P74053)
Attorney for Plaintiff Region 10
27777 Franklin Road, Suite 2500
Southfield, MI 48034
(248) 727-1553

VARNUM LLP
Sarah L. Wixson (P76496)
Attorney for Plaintiffs Southwest
Michigan Behavioral Health and
Mid-State Health Network
101 N. Main Street, Suite 525
Ann Arbor, MI 48104
(734) 372-2915

MILLER JOHNSON
Neil Marchand (P73118)
Attorney for Plaintiffs St. Clair County
Community Mental Health Authority,
Integrated Services of Kalamazoo, and
Saginaw County Community Mental
Health Authority
45 Ottawa Ave. SW, Suite 1100
Grand Rapids, MI 49503
(616) 831-1700

Stephanie M. Service (P73305)
Bryan W. Beach (P69681)
Heather L. Sneden (P71485)
Attorneys for Defendants
Michigan Department of Attorney General
Health, Education & Family
Services Division
P.O. Box 30758
Lansing, MI 48909
(517) 335-7603

Tyler R. Kitzmiller (P86684)
Scott L. Damich (P74126)
Attorneys for Defendants
Michigan Department of
Attorney General
State Operations Division
P.O. Box 30754
Lansing, MI 48909
(517) 335-7573

/

CENTRA WELLNESS NETWORK,
NORTHEAST MICHIGAN COMMUNITY
MENTAL HEALTH AUTHORITY,
WELLVANCE GOGEBIC COMMUNITY
MENTAL HEALTH AUTHORITY, NORTH
COUNTRY COMMUNITY MENTAL HEALTH
AUTHORITY, MANISTEE COUNTY,

Consolidated COC Case Nos.: 25-
000143-MB and 25-000162-MB

HON. CHRISTOPHER P. YATES
**STIPULATED ORDER FOR
CONSOLIDATION**

Plaintiffs,

v

STATE OF MICHIGAN, STATE OF
MICHIGAN DEPARTMENT OF HEALTH
AND HUMAN SERVICES, a Michigan State
Agency, and STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY AND
BUDGET, a Michigan State Agency

Defendants.

SECREST WARDLE
Christopher K. Cooke (P35034)
Attorney for Plaintiffs Centra Wellness
Network, Northeast Michigan Community
Mental Health Authority, Wellvance Gogebic
Community Mental Health Authority, and
North Country Community Mental Health
Authority, Manistee County
2025 East Beltline Ave. Southeast
Suite 600
Grand Rapids, MI 49546
(616) 285-0143

Bryan W. Beach (P69681)
Heather L. Sneden (P71485)
Stephanie M. Service (P73305)
Attorneys for Defendants
Michigan Department of
Attorney General
Health, Education & Family
Services Division
P.O. Box 30758
Lansing, MI 48909
(517) 335-7603

Tyler R. Kitzmiller (P86684)
Scott L. Damich (P74126)
Attorneys for Defendants
Michigan Department of
Attorney General
State Operations Division
P.O. Box 30754
Lansing, MI 48909
(517) 335-7573

STIPULATED ORDER FOR CONSOLIDATION

Pursuant to the stipulation reached by counsel:

IT IS HEREBY ORDERED that, in accordance with MCR 2.505(A)(2), Case Nos. 25-000143-MB and 25-000162-MB are consolidated because they involve a substantial and controlling common question of law and fact. The Parties reserve the right to request separate trials under MCR 2.505(B).

IT IS FURTHER ORDERED that all applicable deadlines in Case No. 25-000162-MB are held in abeyance pending the outcome of the December 8, 2025 hearing scheduled in Case No. 25-000143-MB. This includes, but is not limited to, Defendants' responses to Plaintiffs' First Amended Complaint and 10/9/2025 Motion for Preliminary Injunction filed in Case No. 25-000162-MB.

IT IS FURTHER ORDERED that if any of Plaintiffs' claims in Case No. 25-000162-MB remain following the December 8, 2025 hearing, the parties shall confer and submit a joint scheduling order addressing any responses and/or briefing that may be required.

THIS IS NOT A FINAL ORDER.

IT IS SO ORDERED

Date: November 26, 2025



P41017

Hon. Christopher P. Yates
Court of Claims Judge



We stipulate to entry of the above order.

/s/ Neil Marchand w/ permission

Neil Marchand (P73118)
Attorney for Plaintiffs St. Clair County
Community Mental Health Authority,
Integrated Services of Kalamazoo, and
Saginaw County Community Mental
Health Authority
MILLER JOHNSON

Date: 11/20/2025

/s/ Stephanie M. Service

Stephanie M. Service (P73305)
Attorney for Defendants
Mich Dep't of Attorney General

Date: 11/20/2025

/s/ Christopher Ryan w/ permission

Christopher Ryan (P74053)
Attorney for Plaintiff Region 10
TAFT, STETTINIUS & HOLLISTER,
LLP

Date: 11/20/2025

/s/ Sarah L. Wixson w/ permission

Sarah L. Wixson (P76496)
Attorney for Plaintiffs Southwest
Michigan Behavioral Health and
Mid-State Health Network
VARNUM LLP

Date: 11/20/2025

/s/ Christopher K. Cooke w/ permission

Christopher K. Cooke (P35034)
Attorney for Plaintiffs Centra Wellness
Network, Northeast Michigan
Community Mental Health Authority,
Wellvance Gogebic Community Mental
Health Authority, and North Country
Community Mental Health Authority,
Manistee County
SECREST WARDLE

Date: 11/20/2025

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STATE OF MICHIGAN
COURT OF CLAIMS

REGION 10 PIHP, SOUTHWEST MICHIGAN
BEHAVIORAL HEALTH, MID-STATE
HEALTH NETWORK, ST. CLAIR COUNTY
COMMUNITY MENTAL HEALTH
AUTHORITY, INTEGRATED SERVICES OF
KALAMAZOO, and SAGINAW COUNTY
COMMUNITY MENTAL HEALTH
AUTHORITY,

Plaintiffs,

v

Case No. 25-000143-MB

STATE OF MICHIGAN, STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN
SERVICES, a Michigan State Agency, and STATE
OF MICHIGAN DEPARTMENT OF
TECHNOLOGY, MANAGEMENT, & BUDGET,
a Michigan State Agency,

Hon. Christopher P. Yates

Defendants.

CENTRA WELLNESS NETWORK,
NORTHEAST MICHIGAN COMMUNITY
MENTAL HEALTH AUTHORITY,
WELLVANCE, GOGEBIC COMMUNITY
MENTAL HEALTH AUTHORITY, NORTH
COUNTRY COMMUNITY MENTAL HEALTH
AUTHORITY, and MANISTEE COUNTY

Plaintiffs,

v

Case No. 25-000162-MB

STATE OF MICHIGAN, STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN
SERVICES, a Michigan State Agency, and
STATE OF MICHIGAN DEPARTMENT OF

TECHNOLOGY, MANAGEMENT & BUDGET,
a Michigan State Agency,

Defendants.

/

AMENDED NOTICE OF HEARING

IT IS HEREBY ORDERED that an evidentiary hearing on plaintiffs' motions for preliminary injunction in Case Nos. 25-000143-MB and 25-000162-MB, and a hearing on defendants' motions for summary disposition in Case No. 25-000143-MB, will begin on **Monday, December 8, at 9:00 a.m.** in the Michigan Court of Appeals courtroom located within the Hall of Justice at **925 W. Ottawa Street, Lansing, MI 48915**. The hearing will continue on **Tuesday, December 9, at 9:00 a.m.** in the Michigan Court of Appeals courtroom located at **350 W. Ottawa, NW, Grand Rapids, MI 49503**.

IT IS SO ORDERED.

Date: November 26, 2025


Hon. Christopher P. Yates (P41017)
Judge, Court of Claims



STATE OF MICHIGAN
IN THE COURT OF CLAIMS

CENTRA WELLNESS NETWORK,
NORTHEAST MICHIGAN COMMUNITY
MENTAL HEALTH AUTHORITY,
WELLVANCE, GOGEBIC COMMUNITY
MENTAL HEALTH AUTHORITY, NORTH
COUNTY COMMUNITY MENTAL HEALTH
AUTHORITY, MANISTEE COUNTY

Case No. 2025-000162- MB
Consolidated with
Case No. 25-000143-MB

Hon. Christopher P. Yates

Plaintiffs

v

STATE OF MICHIGAN, STATE OF
MICHIGAN DEPARTMENT OF HEALTH
AND HUMAN SERVICES, a Michigan State
Agency, and, STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY AND
BUDGET, a Michigan State Agency.

Defendants.

Christopher K. Cooke (P35034)
SECREST WARDLE
2025 East Beltline, SE, Suite 600
Grand Rapids, MI 49546
616-285-0143 / 616-285-0145 (f)
ccooke@secrestwardle.com
zlambert@secrestwardle.com – Sec.
Attorney for Plaintiffs

**Michigan Dept. of Attorney General Health,
Education & Family Services**
Stephanie M. Service (P73305)
Bryan W. Beach (P69681)
Heather L. Sneden (P71485)
P.O. Box 30758
Lansing, MI 48909
(517) 335-760
*Attorneys for Defendants State of Michigan
and MDHHS*

Michigan Dept. of Attorney General
Tyler Kitzmiller (P86684)
Scott Damich (P74126)
State Operations Division
P.O. Box 30754
Lansing, MI 48909
(517) 335-7573
Attorneys for Defendants

PLAINTIFFS' OPENING BRIEF

NOW COMES Plaintiffs, CENTRA WELLNESS NETWORK, NORTHEAST MICHIGAN COMMUNITY MENTAL HEALTH AUTHORITY, WELLVANCE, GOGEBIC COMMUNITY MENTAL HEALTH AUTHORITY, NORTH COUNTY COMMUNITY MENTAL HEALTH AUTHORITY, and MANISTEE COUNTY, by and through their attorneys of record, Secrest Wardle, and, hereby, submit Plaintiffs' Opening Brief.

Reliance on the Trial Brief of the Region 10 Plaintiffs

The Region 10 plaintiffs have submitted a very thorough and comprehensive brief reviewing the myriad ways the RFP published by Defendant DTMB at the request, and with the input of Defendant DHHS, violates the specific provisions of the Mental Health Code. These plaintiffs will avoid rehashing many of these points but instead incorporates them by reference in their submission to this Court. However, some bear additional focus as does the overall development and scope of the provision of mental health services in the State that, in the opinion of these Plaintiffs, will be severely, permanently and detrimentally impacted should the RFP process be allowed to continue.

Defendant Department of Transportation, Management and Budget Is Acting In Contravention to Its Statutory Mandate In Issuing The RFP

In 1996, then Gov. John Engler reorganized a number of governmental agencies through Executive Reorganization Order, No. 1996-1, eff. April 1, 1996, Amended by Executive Reorganization Order 1996-4, eff. June 6, 1996. The Department of Mental Health was renamed the Department of Community Health and transferred to it the powers, duties, functions and responsibilities of the Department of Social Services, the Medical Assistance Program, commonly known as the State Medicaid Program, and those of the Medical Services Administration. In

conjunction with the reorganization, Gov. Engler closed 16 State hospitals with the specific direction that the provision of mental health services will be *community-based*. In the preamble to the Executive Order the Governor stated:

WHEREAS, Article V, Section 8, of the Constitution of the State of Michigan of 1963 provides that each principal department shall be under the supervision of the Governor unless otherwise provided by the Constitution; and

WHEREAS, Article IV, Section 51, states that the public health and general welfare of the people of the state are matters of public concern; and

WHEREAS, Article VIII, Section 8, states that institutions, programs and services for the care, treatment, education or rehabilitation of those inhabitants who are physically, mentally, or otherwise seriously handicapped shall always be fostered and supported; and

...

WHEREAS, the State of Michigan finances the purchase or provision of health care services for at least 1.5 million persons, including Medicaid recipients, individuals with unique health care needs, persons with acute substance abuse needs, persons who are mentally ill and/or developmentally disabled; and

...

WHEREAS, the state will continue to move toward *community-based systems* for the delivery and administration of health care services;"

(MCL 330.3101)

In that regard the Department of Transportation, Management and Budget is charged with the responsibility to purchase services for all State departments. MCL 18.1261 requires that the Department "shall solicit competitive bids from the private sector *whenever practicable to efficiently and effectively meet the state's needs.*" Ms. Marisa Gove, the solicitation manager for the Defendant DTMB on this particular project has recently been deposed. Consistent with its statutory responsibility, Defendant DTMB is required to abide by the Michigan Procurement Policy Manual. The Manual requires the Department to, first, analyze the need. It states:

4.1.1 Identifying the Need

The procurement process begins with the identification of a purchasing need. The identification of the need may be made by an end user of the needed good or service, agency administration, information technology (IT) agency services, a subject matter expert, or the Purchasing Professional. A purchasing need may result from a new customer need, legislation, a desire to rebid an expiring contract, or guidance from a category plan.

The Manual further requires the DTMB to undertake market research to determine what define the need.

4.2.1 Market Research

Once a purchasing need has been identified, the Purchasing Professional must partner with the requestor to ensure that market research and analysis regarding the need has been conducted. The extent to which market research is performed will vary based on the complexity of the purchasing need and the anticipated duration of the resultant contract.

Market research may take the form of identification of:

- Industry trends
- The supply base
- Similar contracts in other states
- Similar contracts within the state of Michigan's portfolio and any associated problems or issues that may have arisen
- Useful life of needed good or service
- Risk management strategies
- Projected value of contract

Market research tools may include market indexes, industry reports, and informal vendor presentations.

Ms. Gove testified that, to her knowledge, none of this work has been done. She conceded that, under these circumstances, the RFP violated the law. She testified:

BY MR. COOKE:

Q. That kind of ties in what Mr. Marchand was asking. That's one of the first things that the department is supposed to do or whoever the department is working for, whatever agency – in this case the Department of Health and Human Services – they are supposed to do some sort of market analysis to determine whether or not their RFP is going to effectively and efficiently meet the needs of that community. Is that true?

A. Yes.

Q. Okay. All right.

So if nobody – not the DHHS, not your department who apparently has the statutory responsibility – has done anything to determine whether or not this RFP is going to efficiently and effectively meet the state needs in my communities, would you agree with me that's violating the statute?

MR. KITZMILLER: Again, objection. Form. But you can go ahead and answer, Ms. Gove.

THE WITNESS: I cant speak to what DHHHS has done to ensure that, so I don't know.

BY MR. COOKE:

Q. Let's just assume that DHHS has done nothing. Your department has done nothing as far as I understand as far as analyzing the need of my clients in these rural communities, would you agree with me that's a violation of this statutory requirement?

A. As it's written, yes.

Q. All right. Thank you.

(Exhibit 1, Deposition of Marissa Gove, at p. 234-237)

The RFP is an illegal attempt to legislate through Administrative Fiat.

Const. 1963, art. 3, § 2 summarizes the separation-of-powers principle in Michigan as follows:

The powers of government are divided into three branches: legislative, executive and judicial. No person exercising powers of one branch shall exercise powers properly belonging to another branch except as expressly provided in this constitution.

“[T]he principal function of the separation of powers ... is to ... protect individual liberty[.]” *Clinton v. City of New York*, 524 U.S. 417, 482, 118 S. Ct. 2091, 141 L. Ed. 2d 393 (1998) (Breyer, J., dissenting). “ ‘[T]he accumulation of all powers, legislative, executive, and judiciary, in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny.’ ” *46th Circuit Trial Court v. Crawford Co.*,

476 Mich. 131, 141, 719 N.W.2d 553 (2006), quoting The Federalist No. 47 (Madison) (Rossiter ed., 1961), p. 301. And as Montesquieu explained, “[w]hen the legislative and executive powers are united in the same person, or in the same body of magistrates, there can be no liberty; because apprehensions may arise, lest the same monarch or senate should enact tyrannical laws, to execute them in a tyrannical manner.” Baron de Montesquieu, *The Spirit of the Laws* (London: J. Nourse and P. Vaillant, 1758), Book XI, ch. 6, p. 216. (see: *In re Certified Questions From United States Dist. Ct. , W. Dist. of Michigan , S. Div.*, 506 Mich. 332, 357, 958 N.W.2d 1, 16–17 (2020)).

In re Certified Questions was a request from the Federal Court to the Michigan Supreme Court to speak to the Constitutionality of Governor Whitmer’s re-issuance of an Executive Order during the COVID crisis where she declared a state emergency under the Emergency Management Act (EMA) and the Emergency Powers of the Governor’s Act (EPGA) immediately after she declared the emergency at an end after the 28 day authorization for such an act ended under the statute. The Supreme Court ruled that although the power granted to the Governor to declare an emergency was broad, it was properly constrained by the 28 time limit wherein which the Governor could seek a joint resolution of both bodies of the legislature to extend the declaration or it would expire. The Governor could not then subsume additional power not granted to her by statute by immediately declaring a new emergency and then issuing comparable orders.

Herein, the specific statutory authorizations found in the Mental Health Code are numerous and intended to further the government’s stated interest in providing mental health services that are “*community-based systems* for the delivery and administration of health care services.” While the Region 10 Plaintiffs’ brief enumerates the statutory constraints in detail, the Centra-Wellness plaintiffs’ concur but also will detail the very probable deleterious impact to their consumers in the rural Michigan counties within their delivery network.

In brief, they are:

- a. **MCL 330.1116 (2)(b):** Requires MDHHS to “...promote and maintain an adequate and appropriate system of community mental health services programs (CMHSPs) throughout the state”, and “... shift primary responsibility for the direct delivery of public mental health services from the state to a CMHSP whenever the CMHSP has demonstrated a willingness and capacity to provide an adequate and appropriate system of mental health services for the citizens of that service area.” All of the Centra Wellness plaintiffs have demonstrated a willingness and capacity to provide such services and are the only entities statutorily authorized to do so. The statute then gives the Plaintiffs the primary authority to develop a “system” for the “direct delivery of public mental health services.”
- b. **MCL 330.1206(1)** states that the purpose of a CMHSP 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.

It would be impossible for a CMHSP to provide a “comprehensive array of mental health services, including “inpatient” or “protective environment” services if they could not contract with a “network” for these myriad services.

- c. **MCL 330.1206a (1):** Requires recipients to be offered an opportunity to request mediation to resolve a dispute between the recipient or his or her individual representative and the CMHSP or other service provider *under contract* with the CMHSP related to planning and providing services or supports to the recipient. CMHSPs could never prevail upon an independent provider to participate in mediation services with a beneficiary if there was no contract between the two requiring the provider's participation.

d. **MCL 330.1124 (2):** Requires CMHSPs maintain waiting lists if all service needs are not met, and that the waiting lists include data by type of services, diagnostic groups or program categories, age, and gender, the length of time each individual has been on the waiting list from the date of the initial request for services. The order of priority on the waiting lists is based on MCL 330.1208 defining severity and urgency of need. Individuals determined to be of equal severity and urgency of need shall be served in the order in which they applied for services. This is a specific statutory obligation of the CMHSPs which aligns with the goal of “community based” services.

e. **MCL 330.1209a (1) and (2):** Requires CMHSPs with the assistance of the state facility or licensed hospital *under contract* with CMHSP to develop an individualized prerelease plan for appropriate community placement and a prerelease plan for aftercare services appropriate for each resident including *contracting* with other service providers for these services. There is no way to assure that the CMHSP would be able to fulfill this statutory obligation without having other providers under contract.

f. **MCL 330.1226 (1)(i):** Establishes the responsibility of the CMHSP Board to “Approve and authorize *all contracts* for the provision of services.”

g. **MCL 330.1409 (1)-(4)** Requires each CMHSP to establish a preadmission screening unit with 24-hour availability to provide assessment and screening services for individuals being considered for admission into hospitals, assisted outpatient treatment programs, or crisis services, and if clinically suitable, authorize voluntary admission to the hospital., and provide for a second opinion from the CMHSP executive director for any denials. This process must be expedited and is a specific statutory obligation of the executive director.

h. **MCL 330.1409 (6):** Requires the CMHSP to assess individuals brought to the preadmission screening unit by a peace officer or security transport officer or ordered by a court and determine the hospital if the requirements for inpatient care are met.

i. **MCL 330.1410** (informal or formal voluntary admissions), **MCL 330.1427** (Persons in protective custody) and **MCL 330.1438** (Court Order for Hospitalization) all require the CMHSP to be involved in proceedings that involve authorizing and contracting with providers for accessing to inpatient hospital services.

j. **MCL 330.1712:** Requires the CMHSP to ensure that a person-centered planning process is used to develop a written individual plan of services for all recipients. The individual plan of services shall consist of a treatment plan, a support plan, or both, establish meaningful and measurable goals, and address the recipient's need for food, shelter, clothing, health care, employment opportunities, educational opportunities, legal services, transportation, and recreation. The person centered

planning process is specific statutory obligation of the CMHSP. The RFP gives this duty away to the new regional PIHP in direct derogation of the statute. Further, in order for a CMHSP to carry out this statutory duty they must have contracts with all these providers of services, housing, transportation, etc. to assure that it can meet its statutory obligation.

- k. **MCL 330.1713:** Requires the CMHSP to offer choice of physician or other mental health professional in accordance with the established policy and within the limits of available staff in the CMHSP, or *service provider under contract with the CMHSP*. The CMHSP could not offer a choice of professionals unless they were part of the contract network with the CMHSP.
- l. **MCL 330.1722 (1) and (2):** Requires the CMHSP to protect recipients from abuse or neglect and ensure that appropriate disciplinary action is taken against CMHSP and contract provider staff who have engaged in abuse or neglect. It is obvious that the CMHSP could not follow through on this statutory obligation without having and enforceable contract with the provider that incorporates this right.

Conclusion

The claimed need that formed the basis of the RFP was not properly researched. No analysis has been conducted to assure that the RFP is *practicable to efficiently and effectively* fulfill the claimed need. Testimony will reveal that the DHHS and the DTMB are remarkably unfamiliar with how the rural Plaintiff CMHSPs provide the full array of community mental health services and the corollary responsibilities for housing, transportation, recreation and other benefits that are statutorily mandated to this vulnerable population.

The RFP is illegal as it attempts to confer authority to the new regional PIHP that is specifically granted by statute to the CMHSPs. Finally, because the RFP was not properly researched to, first, determine if there was a need and, second, to assure that the RFP was practicable, efficient and effective in satisfying that need, there is a strong probability that the way the delivery of mental health services would be provided under the terms of the RFP would create substantial harm to the service population, particularly in areas served by these Plaintiff CMHSPs.

Respectfully submitted,
SECREST WARDLE
Attorney for Plaintiffs

Dated: November 24, 2025

By: */s/Christopher K. Cooke*
Christopher K. Cooke (P35034)
2025 E. Beltline Ave SE, Suite 600
Grand Rapids, MI 49546
(616) 285-0143

10336709

EXHIBIT 1

SECRET WORDLE

1 **UNCERTIFIED ROUGH DRAFT**

2 this point in time?

3 A. By "the department," you mean DTMB?

4 Q. Yes. Yes, I do.

5 A. Because DHHS has the authority to procure these
6 contracts so we haven't been involved.

7 Q. Where did they get the authority, if you know?

8 A. I don't know.

9 Q. Okay. All right. All right.

10 So now looking at the competitive
11 bidding process that DHHS has now undertaken and
12 your department is in conjunction with them is
13 soliciting, it requires the department shall
14 solicit competitive bids from the private sector
15 wherever practicable to efficiently and
16 effectively meet the state's needs, correct?

17 A. Yes.

18 Q. Okay. What in your mind does "practicable" mean?

19 A. I don't know.

20 Q. Okay. Efficiently and effectively meet the
21 state's needs, do you understand what that means?

22 A. Yes.

23 Q. So here's my question. If the department has not
24 looked at the needs of my clients in these rural
25 areas and Department of Health and Human Services

1

UNCERTIFIED ROUGH DRAFT

2

has not come to you and said the needs of
Mr. Cooke's clients in these rural areas are
different than, say, maybe the needs in the Metro
Detroit area, how can the department know that
these competitive bids are going to efficiently
and effectively meet those needs?

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MR. KITZMILLER: Objection. Form and
foundation.

But you can go ahead and answer.

THE WITNESS: Again. You're meaning

DTMB as the department?

BY MR. COOKE:

Q. Yes, I'm sorry. I'm referring to this statute
that we have up on the screen here, and it's for
the Department of Management and Budget. This is
the department statutory requirement that the
department shall solicit competitive bids from
the private sector whenever practicable to
efficiently and effectively meet the state needs.

And my question is how can you know if
the RFP is going to efficiently and effectively
meet the needs of my rural county clients if
nobody has ever even bothered to do an analysis
of that or come to you with an analysis?

1 **UNCERTIFIED ROUGH DRAFT**

2 MR. KITZMILLER: Same objections.

3 but you can go ahead and answer.

4 THE WITNESS: I don't know.

5 BY MR. COOKE: .

6 Q. That kind of ties in what Mr. Marchand was
7 asking. That's one of the first things that the
8 department is supposed to do or whoever the
9 department is working for, whatever agency -- in
10 this case the Department of Health and Human
11 Services -- they are supposed to do some sort of
12 market analysis to determine whether or not their
13 RFP is going to effectively and efficiently meet
14 the needs of that community. Is that true?

15 A. Yes.

16 Q. Okay. All right.

17 So if nobody -- not the DHHS, not your
18 department who apparently has the statutory
19 responsibility -- has done anything to determine
20 whether or not this RFP is going to efficiently
21 and effectively meet the state needs in my
22 communities, would you agree with me that's
23 violating the statute?

24 MR. KITZMILLER: Again, objection.

25 Form.

1 **UNCERTIFIED ROUGH DRAFT**

2 But you can go ahead and answer,

3 Ms. Gove.

4 THE WITNESS: I can't speak to what
5 DHHS has done to ensure that, so I don't know.

6 BY MR. COOKE:

7 Q. Let's just assume that DHHS has done nothing.

8 Your department has done nothing as far as I
9 understand as far as analyzing the needs of my
10 clients in these rural communities, would you
11 agree with me that's a violation of this
12 statutory requirement?

13 A. As it's written, yes.

14 Q. All right. Thank you.

15 MR. COOKE: And that's all the
16 questions I have, Ms. Gove. Thank you. I pass
17 the witness.18 VIDEO OPERATOR: Any more follow-ups?
19 ^^No. ^^WHO ? I don't have anything
20 right now.21 Tyler, do you want to -- do you have
22 anything you want to follow up on?23 MR. KITZMILLER: No, I have no
24 questions, so I think that concludes.

25 Ms. Gove, you're free to go, I believe.