

**NORTHERN MICHIGAN REGIONAL ENTITY
BOARD OF DIRECTORS MEETING
10:00AM – MARCH 25, 2026
GAYLORD BOARDROOM**

ATTENDEES:	Bob Adrian, Dave Freedman, Ed Ginop, Karen Goodman, Ron Iseler, Eric Lawson, Mary Marois, Michael Newman, Jay O’Farrell, Ruth Pilon, Don Smeltzer, Mark Surbrook, Tanner, Chuck Varner
VIRTUAL ATTENDEES:	Dana Labar
NMRE/CMHSP STAFF:	Bea Arsenov, Brian Babbitt, Jodie Balhorn, Carol Balousek, Ann Friend, Gail Grangood-Griffin, Lisa Hartley, Chip Johnston, Brooke Kleinert, Eric Kurtz, Teresa McGee, Pamela Polom, Brandon Rhue, Nena Sork, Chris VanWagoner, Deanna Yockey, Lynda Zeller
PUBLIC:	Anonymous (2), Erin Barbus, Lori Enos, Genevieve Groover, Terri Henderson, Sarah Hegg, Patricia Henkel, Larry LaCross, Tobias Neal, Rob Palmer

CALL TO ORDER

Let the record show that Board Vice-Chairman, Don Tanner, called the meeting to order at 10:00AM.

ROLL CALL

Let the record show that all 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 DAVE FREEDMAN TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS MEETING AGENDA FOR MARCH 25, 2026; SUPPORT BY DON SMELTZER. MOTION CARRIED.

APPROVAL OF PAST MINUTES

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

MOTION BY DAVE FREEDMAN TO APPROVE THE MINUTES OF THE FEBRUARY 25, 2026 MEETING OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS; SUPPORT BY RUTH PILON. MOTION CARRIED.

CORRESPONDENCE

- 1) A letter to Mr. Kurtz dated February 2, 2026, from Kristen Morningstar at MDHHS approving the NMRE's Fiscal Year 2026 Risk Management Strategy.
- 2) A document from the Community Mental Health Association of Michigan (CMHA) titled, "Comments regarding Michigan's 2026 HSW Amendment."
- 3) Email correspondence to PIHP and CMHSP CEOs dated March 6, 2026, from CMHA CEO, Robert Sheehan, requesting that they participate in a 2026 Special Assessment with supporting documents, including a Q&A document.
- 4) Email correspondence to PIHP and CMHSP CEOs dated March 5, 2026, from CMHA CEO, Robert Sheehan, regarding statements made by the CMHSP and PIHP leaders during recent Listening Session with MDHHS.
- 5) A document from the CMHA Rural Caucus titled, "Protecting Rural Access to Behavioral Health Services Proposed FY27 Budget Boilerplate."
- 6) Michigan House Bill 4536 to amend 1956 PA 218, entitled "The insurance code of 1956," stating that "a health insurance policy shall not deny, modify, or delay a claim based on a review using artificial intelligence."
- 7) Michigan Medicaid Policy Bulletin 26-01 dated March 18, 2026, regarding Medicaid Health Plan (MHP) Provider Mental Health Assessment Requirements for Comprehensive Health Care Program (CHCP) Enrollees.
- 8) The draft minutes of the March 11, 2026, regional Finance Committee meeting.

Mr. Kurtz drew attention to the CMHA special assessment. Prior funds were directed to combating the MDHHS RFP to bid out the state's PIHPs. Special Assessment funds may also be used in this manner should a new RFP be issued.

The document from the Rural Caucus supplied proposed boilerplate language to standardize "rural" and "frontier" definitions. Currently three different definitions are being used. Mr. Freedman disagreed with Grand Traverse County not being considered rural because of its lakes.

Mr. Kurtz next drew attention to Michigan HB 4536, which prohibits health insurers from using artificial intelligence (AI) as the sole basis for denying, modifying, or delaying claims; it requires human oversight in claims processing.

ANNOUNCEMENTS

New Board Member, Mark Surbrook, representing Wellvance, was introduced to the group.

Centra Wellness Network's Executive Director, Chip Johnston, announced his retirement effective September 30, 2026.

Former NMRE Board Chair, Gary Klacking, was unable to attend the meeting but plans to join in April to accept a Certificate of Appreciation from the Board.

PUBLIC COMMENT

Catholic Human Services' Chief Executive Officer, Larry LaCross, addressed the Board regarding the state withholding Quarter 1 FY26 PA2/liquor tax funding. Mr. LaCross encouraged County

Commissioners to provide feedback and advocate for PA2 funds. No prior notification was sent to the PIHPs or the counties about the withhold. The reduction in liquor tax funds will likely affect projects already approved by the Board. PA2 funds are intended to be used for substance abuse prevention and treatment programs in the county from which the proceeds originated.

Mr. Kurtz responded that CMHA has been asked to reach out to the Michigan Association of Counties (MAC) regarding the use of PA2 funds for “debt services.”

REPORTS

Executive Committee Report

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

CEO Report

The NMRE CEO Monthly Report for March 2026 was included in the materials for the meeting on this date. Mr. Kurtz drew attention to the February 23rd meeting with legal counsel regarding next steps should MDHHS issue a new RFP to secure the state’s PIHPs and the upcoming hearing on related to the lawsuit filed by NorthCare Network, NMRE, CMH Partnership of Southwest MI, and Region 10 PIHP (24-000198-MZ) on April 9th.

January 2026 Financial Report

- Net Position showed a net surplus for Medicaid and HMP of \$2,898,539. Carry forward was reported as \$2,844,054. The total Medicaid and HMP current year surplus was reported as \$5,833,593. The total Medicaid and HMP Internal Service Fund was reported as \$20,590,089. The total Medicaid and HMP net surplus was reported as \$26,423,682.
- Traditional Medicaid showed \$77,578,883 in revenue, and \$73,899,837 in expenses, resulting in a net surplus of \$3,679,046. Medicaid ISF was reported as \$13,519,285 based on the current FSR. Medicaid Savings was reported as \$2,844,054.
- Healthy Michigan Plan showed \$9,003,229 in revenue, and \$9,692,736 in expenses, resulting in a net deficit of \$689,507. HMP ISF was reported as \$7,070,804 based on the current FSR. HMP savings was reported as \$0.
- Health Home showed \$1,113,754 in revenue, and \$869,057 in expenses, resulting in a net surplus of \$244,697.
- SUD showed all funding source revenue of \$7,321,002 and \$6,438,200 in expenses, resulting in a net surplus of \$882,802. Total PA2 funds were reported as \$4,766,844.

PA2/Liquor Tax was summarized as follows:

Projected FY26 Activity			
Beginning Balance	Projected Revenue	Approved Projects	Projected Ending Balance
\$5,142,821	\$1,847,106	\$2,071,443	\$4,918,483

Actual FY26 Activity			
Beginning Balance	Current Receipts	Current Expenditures	Current Ending Balance
\$5,142,821	\$0	\$375,976	\$4,766,844

CMHSP Medicaid and surplus/(deficit) was summarized as follows:

	Centra Wellness	North Country	Northeast MI	Northern Lakes	Wellvance
Medicaid	\$551,778	\$1,100,250	\$1,242,215	(\$664,619)	\$1,202,212
HMP	(\$91,727)	(\$166,414)	\$115,251	(\$867,185)	(\$96,122)
Total	\$460,051	\$933,836	\$1,357,466	(\$1,531,804)	\$1,106,090

Ms. Yockey noted that revenue for October 2025 through January 2026 looks similar to September 2025, on which the FY26 budget was based; however, the number of eligibles is declining. Overall, February revenue (all funding sources) was \$460K lower than September 2025. There is talk about a mid-year rate adjustment (possibly in April/May). There is no indication that eligibles will increase. No changes to Medicaid eligibility have been made at the federal level. CMHSPs work closely with DHHS workers to keep individuals on Medicaid. The NMRE IT Department is closely monitoring eligibility.

As stated previously, no PA2 payments have been received thus far for FY26. The Quarter 1 payments were used by the Michigan Department of Treasury to pay on debt. Quarter 2 payments are expected at the end of April. Historically, the Quarter 1 payment is lower than the other three annual payments; it is hoped that the projected FY26 PA2 revenue of \$1,847,106 will not be significantly impacted.

MOTION BY MARY MAROIS TO APPROVE THE NORTHERN MICHIGAN REGIONAL ENTITY MONTHLY FINANCIAL REPORT FOR JANUARY 2026; SUPPORT BY ERIC LAWSON. MOTION CARRIED.

Operations Committee Report

The draft minutes from the March 17, 2026, Operations Committee meeting were included in the materials for the meeting on this date.

NMRE SUD Oversight Committee Report

Let the record show that the March 2, 2026, meeting of the NMRE Substance Use Disorder Oversight Committee was cancelled due to a lack of agenda items. The next meeting is scheduled for May 4, 2026, at 10:00AM.

NEW BUSINESS

Nominating Committee Report/Election of Officers

The NMRE Board Nominating Committee met on this date at 9:30AM. Mr. O’Farrell reported that the Nominating Committee voted in favor of electing Ed Ginop as Board Chair, and continuing Eric Lawson, and Ruth Pilon in their roles as Vice-Chair and Secretary as they were elected in January. Don Tanner was selected for appointment to the NMRE Board Executive Committee, representing Centra Wellness Network.

- Chair – Ed Ginop (North Country)
- Vice-Chair – Eric Lawson (Northeast Michigan)
- Secretary – Ruth Pilon (Northern Lakes)
- Additional Executive Committee Members: Don Tanner (Centra Wellness) and Chuck Varner (Wellvance)

Mr. Tanner called three times for additional nominations. Let the record show that no additional nominations were brought forth.

MOTION BY JAY O'FARRELL ELECT ED GINOP AS CHAIR OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD OF DIRECTORS, RETAIN ERIC LAWSON AS VICE-CHAIR, AND RUTH PILON AS SECRETARY AND APPOINT DON TANNER AND RETAIN CHUCK VARNER AS MEMBERS OF THE NORTHERN MICHIGAN REGIONAL ENTITY BOARD EXECUTIVE COMMITTEE; SUPPORT BY DON SMELTZER. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, D. Freedman, E. Ginop, K. Goodman, R. Iseler, E. Lawson, M. Marois, J. O'Farrell, R. Pilon, M. Newman, D. Smeltzer, M. Surbrook, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

OLD BUSINESS

CMHSP Updates

The five regional CEOs met on March 5th and 6th to discuss moving toward obtaining a rural exemption, particularly regarding strict requirements for MDHHS-mandated programs and Evidence-Based Practices' (EBP) model fidelity.

Mr. Johnston spoke about addressing the topic at the federal level at conferences such as the National Association of County Behavioral Health and Developmental Disability Directors and National Rural Association.

Mr. Johnston explained how Centra Wellness Network is meeting the intent of MDHHS' Intensive Crisis Stabilization Services program in a way that works for Benzie and Manistee Counties. He argued against being held to standards required by MDHHS that are best suited for Southeast Michigan. Northeast Michigan CMHA is working on submitting three Concept Papers to secure Health Endowment Grant funding.

The group discussed the Crisis Intervention Team (CIT) program model. CIT is a community partnership, typically requiring a 40-hour training curriculum for law enforcement and first responders to safely and effectively handle mental health crises. Core requirements include, at minimum, 32-40 hours of training in de-escalation, mental health disorders, and scenario-based role-playing. Although meeting these training requirements is an arduous task for rural communities, many rural communities have implemented innovative ways to keep individuals with mental illness out of jail and in treatment. Several areas in the NMRE region have implemented, or are interested in implementing, Crisis Response Officers.

Mr. LaCross reported that Catholic Human Services has received a grant to embed two recovery coaches in public safety buildings to assist when individuals with substance use disorders are placed under arrest.

Legal Actions Related to the PIHP Bid Out

The Attorney General's office has submitted a motion to dismiss the lawsuits filed against the State related to the PIHP bid out (25-000143-MB and 25-000162MB) due to the cancellation of the RFP. A hearing is scheduled for April 13, 2026, at 1:00PM in Lansing.

A statewide guidance group is meeting to develop boilerplate language to keep Michigan’s mental health system public. A smaller group is meeting with attorney Neil Marchand (Miller Johnson) and the CMHA leadership about potential next steps if a new RFP is issued.

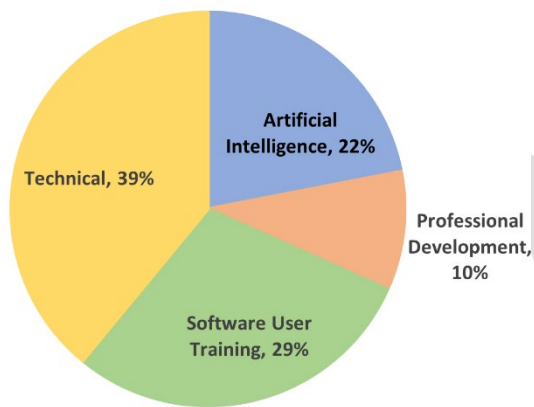
PRESENTATION

New Horizons Learning Credit Request and Usage Report

The NMRE has purchased training credits to be used by staff from the NMRE and its five Member CMHSPs for the past several years. Current training funds are low. New Horizons offers a 100% match so long as the purchase price is larger than the previous amount. The NMRE is requesting training credits totaling \$30,000 for a total of \$60,000 training credits to be used regionwide.

The NMRE’s Chief Information Officer/Operations Manager, Brandon Rhue, summarized FY25 learning credit usage.

Training Usage by Topic:



Training Usage by CMHSP:

	Number of Courses Taken	Dollar Amounts Used
Centra Wellness	5	\$2,128
North Country	18	\$19,318
Northeast MI	0	\$0
Northern Lakes	1	\$2,495
Wellvance	12	\$16,530
NMRE	5	\$1,975
Total	41	\$42,446

Ms. Sork clarified that Northeast Michigan CMHA utilizes an alternative training platform.

MOTION BY JAY O’FARRELL TO APPROVE THE PURCHASE OF NEW HORIZONS TRAINING CREDITS IN THE AMOUNT OF THIRTY THOUSAND DOLLARS (\$30,000.00); SUPPORT BY CHUCK VARNER. ROLL CALL VOTE.

"Yea" Votes: R. Adrian, D. Freedman, E. Ginop, K. Goodman, R. Iseler, E. Lawson, M. Marois, J. O'Farrell, R. Pilon, M. Newman, D. Smeltzer, M. Surbrook, D. Tanner, C. Varner

"Nay" Votes: Nil

MOTION CARRIED.

COMMENTS

Board

Mr. Tanner thanked the Board for the honor of acting as Board Chair since Mr. Klacking's resignation in January.

NEXT MEETING DATE

The next meeting of the NMRE Board of Directors was scheduled for 10:00AM on April 22, 2026.

ADJOURN

Let the record show that Mr. Tanner adjourned the meeting at 11:10AM.

DRAFT