



Region 10 PIHP Board Meeting Minutes

September 15, 2023, 9:00 a.m.
GHS Center for Children – Room 108
1402 S. Saginaw St., Flint, Michigan

Board Members Present: Ron Barnard, Lori Curtiss, DeElla Johnson, Joyce Johnson, Gary Jones (virtual), Bob Kozfkay, Ken Lemons, Elva Mills, Chad Polmanteer, Ed Priemer, Nancy Thomson

Board Members Absent: Dr. Niketa Dani, Bobbie Umbreit

Staff Present: *Region 10 PIHP Staff:* Jim Johnson, Chief Executive Officer; Richard Carpenter, Chief Financial Officer; Kristen Potthoff, Corporate Compliance Officer; Lauren Campbell, Quality Manager; Carrie Benacquisto, Finance Director; Robin Kalbfleisch, Recording Secretary

CMH Staff: Lauren Emmons, Lapeer CMH; Dan Russell, GHS; Lisa Polmanteer, GHS

Guests: Chris Flores, GHS; John Laframboise, BDO

1. Call to Order:

Called to order at 9:00 a.m.

2. Citizens Wishing to Address the Board

None

3. Agenda Changes (Action Item)

It was moved by Ms. Thomson, seconded by Mr. Lemons, to approve the revised meeting agenda as presented. **MOTION CARRIED**

4. Approval of Previous Meeting Minutes (Action Item)

It was moved by Ms. Joyce Johnson, seconded by Ms. Thomson, to approve the August 18, 2023, meeting minutes as presented. **MOTION CARRIED**

5. Appointment of Board Member (Action Item)

Chairperson Curtiss referenced the application received for an at-large board member to replace Mr. Strandberg. This was the only application received.

It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve the appointment of at-large board member Mr. Rex Ziebarth. **MOTION CARRIED**

Mr. Russell reported the GHS will appoint a member to the Region 10 Board this month to fill the vacancy left by Ms. Boles' departure.

6. Presentation: FY2022 Audit and Compliance Exam

Mr. Carpenter introduced Mr. John Laframboise, BDO, who presented the audit wrap up for the FY2022 audit. He reviewed the Audit Wrap Up document detailing the status of the audit, which shows an unmodified opinion on the financial statements and single audit report. This means that the auditors have determined the financial statements were free from material misstatements and there were no issues of non-compliance found in the single audit. He reviewed the financial statements prepared by Region 10 showing the opinion of the auditors beginning on page 1. Mr. Laframboise referenced the total net position on page 7 which showed a change in net position of about \$24.6 million from FY2021. The Single Audit Act Compliance document was reviewed, and he noted that Region 10 is considered a low-risk auditee. Because of this and the fact that total expenditures were over \$750,000, BDO was required to audit 20% of the total grant expenditures. Mr. Carpenter also referenced the MDHHS Compliance Report handout.

Mr. Laframboise left the meeting.

7. Finance

A. Monthly Finance Report – July 2023 (Action Item)

Mr. Carpenter reported that eligibles remain relatively flat from month to month. We should see the first reduction to eligibles in August and September. After that he will be able to trend the data. Under revenue, TANF and Healthy Michigan show a slight decrease starting in May related to the Direct Care Worker rate change.

Under Traditional Medicaid, there was a \$7.4 million redirect to CCBHC. There was a surplus of about \$5.7 million. The second retention payments are due in August and September, so this will reduce the surplus. For Healthy Michigan, about \$1.2 million was redirected to CCBHC and there was a surplus of about \$10.5 million. ISF/Savings are projected to be fully funded going into FY2024 with a potential lapse. Mr. Carpenter reviewed the CCBHC funding, which shows a deficit of about \$1.7 million, and this will be a receivable from the state.

There was discussion about the ISF and the fact that there is a \$44.4 million balance through July. Mr. Carpenter noted that language in the FY2024 contract has changed regarding the amount allowed to be put into ISFs.

It was moved by Mr. Kozfkay, seconded by Ms. Mills, to approve the Monthly Finance Report for July 2023 as presented. **MOTION CARRIED**

B. Monthly Payment Report – July 2023 (Action Item)

Mr. Carpenter presented the monthly payment report and noted the payment to NBS is for invoices received through the end of June, plus a 10% retainer. A wrap up of the construction project will be presented around the end of this year or beginning of next year. There is also a payment to TM Group which is related to the transition from Great Plains software to a new software program and includes first year licensing and consulting hours.

It was moved by Mr. Priemer, seconded by Ms. Thomson, to approve the Monthly Payment Report for July 2023 as presented. **MOTION CARRIED**



C. FY2024 Proposed Budget (Action Item)

Mr. Carpenter reviewed the Significant Assumptions and Key Points from the report. There was discussion about the eligibles and the assumption that we will lose more than half of the eligibles we gained during the pandemic. The state is saying we will likely lose 70% of the eligibles added during the past three years. Because of this assumption, the Department has increased our rate per person for FY2024 to try to offset a reduction in revenue and they will keep an eye on it in FY24. Healthy Michigan is expected to take a bigger hit than a 70% loss. We may lose more eligibles than the statewide average because Region 10 has historically done a great job with getting people on the Healthy Michigan program so we believe we may lose about 10% more than the state average. This won't impact services but may impact the ISF.

Mr. Carpenter presented the proposed revenue and expenses. The combined proposed operating revenues are approximately \$390 million and proposed operating expenses are approximately \$387 million.

Additional discussions occurred regarding a future financial presentation and PA2 funds.

It was moved by Mr. Priemer, seconded by Ms. Thomson, to approve the FY2024 Proposed Budget as presented. **MOTION CARRIED**

D. Direct Care Worker Policy (Action Item)

Mr. Carpenter reviewed the draft policy Direct Care Worker Wages # 01.06.10. Because of the vague direction from the Department and the difficulty to implement, the CFOs asked for a consistent methodology. Employees who provide services listed in the MDHHS "L" letter are the staff who are considered direct care workers. The premise of the new policy is to set minimum requirements to comply with the legislation and what we believe the intent of the legislation is. The intent is that lower paid staff receive more money with the increases put in place. Mr. Carpenter stated that the minimum hourly amount is currently \$14.05. CMHs can choose to go above the minimum requirements if they choose, but it would be coming out of their budget, not direct care worker funds.

There was discussion about possibly using our surplus funds to increase the wages for direct care workers. Mr. Carpenter stated he can do research with the CFOs to see if it is possible to locally increase the minimum wage with retention funds.

Mr. Carpenter noted that he presented this policy and a draft provider memo at the regional CEO meeting on Monday, and there were no objections.

It was moved by Mr. Kozfkay, seconded by Ms. Thomson, to approve the Direct Care Worker Wages Policy 01.06.10 as presented. **MOTION CARRIED**

Mr. Russell left at 10:55 a.m.

E. OEND Max Rates (Action Item)

Mr. Carpenter presented a document showing proposed maximum rates for Naloxone distribution and training services provided by Opioid Overdose Education and Naloxone Distribution (OEND) providers. These rates are provided for kit assembly and distribution, and virtual and in-person training. This is the first time asking for a max rate for non-treatment services.



It was moved by Ms. Joyce Johnson, seconded by Ms. Thomson, to approve the OEND Max Rates as presented. **MOTION CARRIED**

8. Contract Management

A. MDHHS / PIHP New Contract Summary (Action Item)

Ms. Potthoff presented the FY2024 contract summary that includes several technical corrections and updated language based on federal requirements. The seven-year contract renewal period was removed from the contract as a new contract will be issued each fiscal year. We anticipate more significant changes in the future regarding conflict free access and planning and in the area of program integrity or corporate compliance.

It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve the FY2024 MDHHS / PIHP Contract as presented. **MOTION CARRIED**

B. Annual Contract Monitoring Aggregate Report (Action Item)

Ms. Potthoff presented the report outlining the process for evaluating the Network CMH and SUD Providers. This year was the first on-site visits since the pandemic. She presented the overview, the annual monitoring components, the scoring standards, and recommendations. She referenced the exhibits which provided overall scores by provider and domain.

It was moved by Ms. Thomson, seconded by Mr. Priemer, to approve the FY2023 Annual Contract Monitoring Aggregate Report as presented. **MOTION CARRIED**

C. CMH Contract Amendment Summary (Action Item)

Ms. Potthoff presented the amendment for an extension of the PIHP/CMH contract for three months with an expiration date of December 31, 2023.

It was moved by Ms. Thomson, seconded by Mr. Barnard, to approve the CMH Contract Amendment as presented. **MOTION CARRIED**

D. SUD Treatment New Contract Summary (Action Item)

Ms. Potthoff presented the contracts for SUD Treatment, SUD Prevention, and SUD Recovery Housing together due to the similar updates. Updates include changes to the PIHP address, removal of COVID-19 references due to the end of the PHE, and other language changes throughout as detailed on the summary pages.

It was moved by Ms. Thomson, seconded by Mr. Barnard, to approve the FY2024 PIHP-SUD Treatment contracts, FY2024 PIHP-SUD Prevention contracts, and FY2024 PIHP-SUD Recovery Housing contracts as presented. **MOTION CARRIED**

E. SUD Prevention New Contract Summary (Action Item)

See agenda item D.



F. SUD Recovery Housing New Contract Summary (Action Item)

See agenda item D.

G. SUD Letters of Agreement (Action Item)

Ms. Potthoff presented the SUD letters of agreement for FY2024. The two that are listed as TBD are related to RSAT services that are related to a federal grant and that information has not been received yet. Dollar amounts are based on FY2023 estimates.

It was moved by Mr. Priemer, seconded by Ms. Thomson, to approve the FY2024 SUD Letters of Agreement as presented. **MOTION CARRIED**

9. Policy

A. Emergency and Post-Stabilization Services Policy # 05.03.17 (Action Item)

Ms. Potthoff presented the new policy and a memo summarizing what is included in the policy. This policy is in response to an HSAG recommendation to ensure behavioral health emergency and post-stabilization services for R10 members designed to ensure no delays in service.

It was moved by Mr. Kozfkay, seconded by Mr. Lemons, to approve the Emergency and Post-Stabilization Services Policy # 05.03.17 as presented. **MOTION CARRIED**

10. Quality Management

A. FY2023 Quality Improvement Program Annual Report (Action Item)

1. QI Program Summary FY2023 Q4

Ms. Campbell presented the annual report for FY2023 and reviewed in detail the summary page showing the status of the goals for the 4th Quarter of FY2023. There was no feedback from the Board members.

It was moved by Mr. Lemons, seconded by Ms. Thomson, to approve the FY2023 Quality Improvement Program Annual Report as presented. **MOTION CARRIED**

11. Substance Use Disorder

A. SUD Meeting Minutes (9.5.2023)

Mr. Johnson presented the minutes.

B. By-Laws

Mr. Johnson presented the revised by-laws for the SUD Oversight Policy Board. The SUD Board is not covered by the Open Meetings Act and is able to conduct meetings virtually, as detailed in Article VI. Approval is required by the PIHP Board.

It was moved by Mr. Barnard, seconded by Ms. Thomson, to approve the SUD Oversight Policy Board By-Laws as presented. **MOTION CARRIED**



C. PA2 Funding Requests (Action Item)

Ms. Potthoff presented the proposed FY2024 PA2 Funding Report, which has been endorsed by the SUD Oversight Policy Board.

It was moved by Mr. Priemer, seconded by Ms. Thomson, to approve the FY2024 Proposed PA2 Funding requests as presented. **MOTION CARRIED**

12. Director's Report

Mr. Johnson stated that Region 10 is supporting CPI/Meridian in hosting the movie "We Can Be Heroes" in November (as referenced in the PA 2 request above), which is an anti-stigma movie about addiction.

Board Retreat: The Board Retreat will take place on November 17th at Lapeer Country Club with the main topic of CCBHC Finance. That is the day of the regularly scheduled Board Meeting, so that will occur after the retreat if it is needed.

Conflict Free Access and Planning: There were no additions in the FY2024 contract, but we have been told by MDHHS to expect contract amendments related to CFAP this year likely related to PIHP delegation and sub-contracting. They are still engaging with people served and advocates, as well as having internal discussions regarding this.

Mr. Johnson reported that the state legislature is breaking early this year – possibly by the end of October - to give earlier affect to the bills regarding the state presidential primary and tax credit legislation. The Governor may call a special session later in the Fall after they have gone on break.

The federal government is fairly likely to have a shutdown on September 30th. A continuing resolution to fund the government and critical services may be put in place.

13. Any Other Business to Properly Come Before the Board

None

14. Citizens Wishing to Address the Board

None

15. Adjournment (Action Item)

With no further business to discuss, Chairperson Curtiss adjourned the meeting at 11:53 a.m.

Respectfully submitted,

Reviewed and approved,

Robin Kalbfleisch,
Recording Secretary

Region 10 PIHP Board
Secretary / Designee