

Southwest Michigan

BEHAVIORAL HEALTH

Board Meeting Minutes

January 10, 2025

Air Zoo Aerospace & Science Museum, 6151 Portage Rd, Portage, MI 49002

9:30 am-11:30 am

Members Present: Sherii Sherban, Tom Schmelzer, Louie Csokasy, Edward Meny, Erik Krogh, Cathi Abbs, Lorraine Lindsey, Tina Leary

Members Absent: Carol Naccarato

Guests Present: Mila Todd, Interim CEO, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Cameron Bullock, Pivotal; Jeannie Goodrich, Summit Pointe; John Ruddell, Woodlands; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Ric Compton, Riverwood; Jeff Patton, ISK; Michael Seals; Allen Edlefson; Joyce Locke; Richard Carpenter; Marsha Bassett

Welcome Guests

Sherii Sherban called the meeting to order at 9:30 am.

Public Comment

Louie Csokasy introduced his replacement, Joyce Locke, on the SWMBH Board. Joyce Locke shared her experience and interest about serving on the Board.

Agenda Review and Adoption

Motion Tom Schmelzer moved to approve the agenda as presented.
Second Lorraine Lindsey
Motion Carried

Financial Interest Disclosure (FID) Handling

Mila Todd distributed annual Financial Interest Disclosures to Board Members for their completion. Mila Todd reviewed the financial disclosure information for Gail Patterson-Gladney, who is a member of the VanBuren CMH Board, noting the inherent conflict of interest.

Motion Tom Schmelzer moved that a conflict exists and that:

- 1) The Board is not able to obtain a more advantageous arrangement with someone other than Gail Patterson-Gladney
- 2) The Financial Interest disclosed by Gail Patterson-Gladney is not so substantial as to be likely to affect the integrity of the services that SWMBH may expect to receive; and

- 3) A Conflict of Interest Waiver should be granted.

Second Lorraine Lindsey

Motion Carried

December 13, 2024 Second Closed Session Meeting Minutes – Dispute Resolution

Motion Tom Schmelzer moved to move the December 13, 2024 Second Closed Session Meeting minutes under the consent agenda for approval.

Second Lorraine Lindsey

Motion Carried

Consent Agenda

Motion Lorraine Lindsey moved to approve the December 13, 2024 Board minutes, December 13, 2024 First Closed Session Board minutes, December 13, 2024 Second Closed Session Board minutes, December 4, 2024 Operations Committee Meeting minutes, Board Finance Committee Meeting minutes and Board Regulatory Compliance Committee Meeting minutes as presented.

Second Cathi Abbs

Motion Carried

Required Approvals

None scheduled

Ends Metrics Updates

None scheduled

Operations Committee Update-Status update on OC recommendations re: regional financial position

Jeannie Goodrich shared the Operations Committee thoughts on the Fiscal Year 2025 budget and an 8-million-dollar deficit. The Operations Committee engaged the services of Richard Carpenter of Rehman Robson to perform an analysis of the region's revenue and expenses. Richard Carpenter stated that there are two phases in his analysis with the first phase being the revenue phase. Richard Carpenter distributed a projected revenue report and reported as documented noting the following:

- Region 4 gets paid less per member than all other regions in the State of Michigan
- Discrepancies in SWMBH's Health Michigan
- Trend shows we will continue to lose eligibles throughout the course of the Fiscal Year 2025
- Data validation to compare to payments received

Discussion followed. Richard Carpenter said that a Phase 2 expense report would be presented soon to the SWMBH Board.

Jeannie Goodrich thanked Richard Carpenter for his work and presentation and shared the following CMH CEOs Recommendations:

-Operations would request these documents to continue to monitor SWMBH's Financial Condition

*Statement of Net Position

*Statement of Net Activities

*Statement of Net Activities to Budget

-The SWMBH Board Approved Balanced Budget for FY25

*approved with \$8.8M deficit recognized

The SWMBH Budget should be updated:

*with projections – FY25 will recognize \$18.9M deficit may change as there are 3 CMH's that have provided estimates at this time but is expected to be fully accurate for December.

-Operations recommends

*Review Budget with Rehmann Revenue projections (\$18.9 deficit)

*CMHs will provide estimate of FY25 expenses based on first quarter results

*Collectively review at Operations the FY25 Budget

*Action Plan for expense reduction that includes SWMBH and CMH

*Not 90/10 reduction to balance budget

-Rehman Expense/Encounter Analysis (Phase 2) is due for Review end of January

*Reviewed by Operations

*Plan to be developed to review across the Region within SWMBH structure for reductions

*ensure through review of State files to CMH reporting that all encounters are reported with Accuracy

– not through SWMBH data warehouse (verifying data) CMH to SWMBH, SWMBH to State, and State back to SWMBH

-CMH CEOs recommend to the SWMBH Board to appoint CMH CFO (specifically Amy Rottman, ISK) to the SWMBH Board Finance Committee to provide CMH perspective to support that Finance Committee.

-CMH CEOs recommend SWMBH immediately contract with Rehman to provide:

*Financial Oversight

*Assurance of SCA Compliance – FY25 (or FY26) requirement for audit for PHIP

*Assurance of SCA/Financial alignment of CMH to SWMBH reporting
(align with CMH reporting structure)

-CEOs recommend PCE Implementation

*Better linkage between CMH

*All other PIHPs are on this data platform

*Ease of reporting/current state requirements

For the last two recommendations. CMH CEOs understand this is an additional expense.

The structure of Financial oversight and Data reporting needs to be changed.

In a time of Financial Crisis, doing the same doesn't change the outcome. We need to better understand and take quicker action on these issues.

Board Actions to be Considered

Calendar Year 2025 Board Meeting Calendar

Sherii Sherban reported as documented.

Motion Tom Schmelzer moved to approve the Calendar Year 2025 Board Meeting Calendar as presented.

Second Edward Meny

Motion Carried

Calendar Year 2025 Board Policy Calendar

Sherii Sherban reported as documented.

Motion Tom Schmelzer moved to approve the 2025 Board Policy Calendar as presented.

Second Edward Meny

Motion Carried

Holiday Luncheon

Sherii Sherban reported as documented.

Motion Cathi Abbs moved that the Board would not have a luncheon.

Second Lorraine Lindsey

Motion Carried

Board Policy Review

BG-005 Chairperson's Role

Sherii Sherban reported as documented. Discussion of Chair's authority to appoint Board Members to committees without a Board vote. Board members noted that 6.6 of the policy covers this issue.

Motion Lorraine Lindsey moved that the Board is in compliance with BG-005 Chairperson's Role and that the policy does not need revisions.

Second Edward Meny

Motion Carried

EO-002 Monitoring Executive Officer Performance

Edward Meny reported as documented. Sherii Sherban commented that there could be future revisions to this policy based on new Board Ends being established. Discussion followed.

Motion Edward Meny moved that the Board is in compliance with EO-002 Monitoring Executive Officer Performance and the policy does not need revisions.

Second Lorraine Lindsey

Motion Carried

Executive Limitations Review

BEL-003 Asset Protection

Erik Krogh reported as documented. Discussion followed.

Motion Erik Krogh moved that the Executive Officer is in compliance with BEL-003 Asset Protection and that the policy does not need revisions.

Second Tom Schmelzer

Motion Carried

Board Education

Fiscal Year 2025 Year to Date Financial Statements

Garyl Guidry reported as documented. Garyl Guidry shared a current cash flow analysis. Louie Csokasy asked that the financials be moved to the beginning of the agenda. Board Members agreed. Discussion on financials followed.

Communication and Counsel to the Board

Fiscal Year 2024 Contract Vendor Summary

Report is included in the packet for the Board's information.

Fiscal Year 2024 Customer Services Report

Report is included in the packet for the Board's information.

February Board Policy Direct Inspection

None scheduled.

Public Comment

Mila Todd updated Board at recent PIHP/MDHHS meeting that CMS approved the HAB Waiver so Conflict Free Access and Planning (CFAP) is restarting implementation at a date to be determined by MDHHS. Cathi Abbs asked if the Board was doing something for Brad Casemore. Discussion followed and Anne Wickham will follow up on the Board's behalf. Louie Csokasy stated that SWMBH will be out of money by August. Jeff Patton stated that it's important that the region take things step by step and exercise patience.

Adjournment

Motion Louie Csokasy moved to adjourn at 11:35am

Second Edward Meny

Motion Carried