

Southwest Michigan

BEHAVIORAL HEALTH

Board Meeting Minutes

October 10, 2025

SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002

9:30 am-11:30 am

Members Present: Sherii Sherban, Tom Schmelzer, Allen Edlefson, Karen Longanecker, Lorraine Lindsey, Tina Leary, Carol Naccarato; Joyce Locke

Members Absent: Michael Seals

Guests Present: Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Alison Strasser, Interim Compliance Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Cathi Abbs, SWMBH Board Alternate; Gail Patterson-Gladney, SWMBH Board Alternate; Jon Houtz, SWMBH Board Alternate; Cameron Bullock, Pivotal; Debbie Hess, Van Buren County CMH; Ric Compton, Riverwood; Michael Mallory, Woodlands; Sue Germann, Pines BHS; Richard Thiemkey, Barry CMH; Jeff Patton, ISK; Marsha Bassett, Barry County

Welcome Guests

Sherii Sherban called the meeting to order at 9:32am and introductions were made.

Public Comment

None

Agenda Review and Adoption

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

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

Motion Lorraine Lindsey moved to approve September 12, 2025, Board Meeting minutes, September 10, and September 24, 2025, Operations Committee Meeting minutes, and September 5, 2025, Board Finance Committee Meeting minutes as presented.
Second Carol Naccarato
Motion Carried

2025 Year to Date Financial Statements; Cash Flow Analysis; Mid-Year Revenue Rate Assumptions and Revised SWMBH Budget/Projections

Garyl Guidry reported as documented for Period 11, and noted:

- TANF eligibles rebounded in August
- Remaining eligibles static
- Increase in revenue of 10.6% but still a projected deficit of \$12 million
- Amendment 3 .vs payment resulted in a \$1.5 million shortfall which should be paid over the next month or so
- CCBHC has a surplus of \$3 million
- Cost settlements for each CMH with CCBHC broke out and reviewed
- SWMBH does not have the funds to cost settle with the CMHs
- CMHs can carry SWMBH receivable in 2026 for various lengths of time except for Woodlands which would need a cost settlement in March of 2026.
- Footnotes of unearned revenue, funds due from governmental units and funds due to governmental units
- Net position reviewed
- Framework for a 3-stage process in tackling the Fiscal Year 2025 deficit:
 - Review differences in GASB10 (Governmental Accounting Standards for Board Statement) titled “Accounting and financial reporting for risk financing and related insurance issues” with MDHHS contract on general accepted accounting principles to utilize Fiscal Year 2026 surplus to offset Fiscal Year 2025 deficit. SWMBH is obtaining auditor opinion on GASB10 and MDHHS contract.
 - Phase1: Meet with MDHHS on GASB10 and their contract
 - Phase 2: Waive contract provisions in MDHHS contract
 - Phase 3: Consider additional options available

Board discussion followed.

Operations Committee Update

Cameron Bullock presented as documented in a handout that was distributed. Discussion followed.

Required Approvals

None scheduled

Ends Metrics Updates

Mila Todd reported as documented noting that the SWMBH quarterly bulletin was distributed to each CMH Board Chair, CMH CEO and respective SWMBH Board member. Discussion followed.

Board Actions to be Considered

Fiscal Year 2026 draft Budget

Garyl Guidry reported as documented noting:

- \$376 million in projected revenue (\$50 million increase due in part to change from Geographic Scoring to Regional Rates) Revenue is dependent on eligibles which can increase or decrease.
- \$355 million in projected expense
- \$21 million in projected surplus
- Potential Provider rate increase in April of 2026
- Increase in revenue due to 10 additional slots for HAB Waiver awarded to SWMBH for a total of 730 slots
- Region reviewing Delegated Managed Care Administrative Costs and why differences at each CMH including how is each CMH doing SDA.
- Rehmann is reviewing and verifying all budget numbers and information
- More revenue is great, but work needs to continue on expense reduction

- Regional efficiency reviews continue and work on lowering Administrative Costs
 - Discussion followed.
- Motion Tom Schmelzer moved to approve the Fiscal Year 2026 draft Budget as presented.
- Second Karen Longanecker
- Motion Carried

SWMBH Retirement Plans

Anne Wickham reported as documented noting two changes in each plan as recorded in each resolution.

Motion Karen Longanecker moved to approve the SWMBH Board of Directors Retirement Plan Board resolution as presented.

Second Tom Schmelzer

Motion Carried

Motion Allen Edlefson moved to approve the SWMBH Social Security Pension Retirement Plan Board resolution as presented.

Second Joyce Locke

Motion Carried

Fiscal Year 2026 Program Integrity Compliance Plan

Alison Strasser reported as documented. Discussion followed.

Motion Lorraine Lindsey moved to approve the Fiscal Year 2026 Program Integrity Compliance Plan as presented.

Second Allen Edlefson

Motion Carried

Michigan Consortium for Healthcare Excellence (MCHE) membership

Mila Todd reported as documented. Discussion followed.

Motion Karen Longanecker moved that SWMBH maintain its MCHE membership.

Second Lorraine Lindsey

Motion Carried

Credentialing of Behavioral Health Practitioners and Credentialing of Organizational Providers

Mila Todd reported as documented.

Motion Tom Schmelzer moved to approve the Credentialing of Behavioral Health Practitioners and of Organizational Providers as presented.

Second Carol Naccarato

Motion Carried

Board Policy Review

2.8 Emergency Executive Officer Succession

Mila Todd reported as documented noting that per policy the previous two staff listed in the Emergency Executive Officer succession were Anne Wickham and herself. The newly named Emergency Executive Officer succession staff are Anne Wickham and Garyl Guidry.

Executive Limitations Review

Policy 2.4 Financial Conditions

Tom Schemlzer reported as documented noting that the Board Finance Committee reviewed Policy 2.4 Financial Conditions that were revised on June 13, 2025. Discussion followed.

BEL-010 RE 501c3 Representation

Allen Edelfson reported as documented noting that he reviewed the policy and spoke with Mila Todd for clarification on the policy. Discussion followed.

Board Education

Michigan Consortium for Healthcare Excellence (MCHE) Report

Mila Todd reported as documented.

Communication and Counsel to the Board

PIHP Procurement

Mila Todd reported that the Court of Claims Evidentiary Hearing proceeding happened on 10/9/25 and thanked Jeff Patton for his testimony. Mila Todd shared dynamics from the proceeding with the Judge's ruling expected on October 14, 2025. Jeff Patton shared his perspective from the proceedings. The Board will receive updates as information becomes available.

Discussion followed.

State and Federal Budget Updates

Mila Todd stated that the State budget passed and was signed by the Governor. The Federal budget has not been approved yet.

November Board Policy Direct Inspection

EO-002 Monitoring Executive Officer Performance (Board Executive Committee) will not be done in November. This policy could be reviewed in December depending on the RFP proceedings.

Public Comment

Richard Thiemkey encouraged the Board to watch the proceedings from yesterday and thanked Jeff Patton for his expertise in testifying. A You Tube link will be sent to the Board. Richard Thiemkey also thanked Mila Todd and Beth Guisinger for their work in meeting on a complex case that most likely saved the person's life.

Karen Longanecker stated that Mila Todd is doing a spectacular job.

Adjournment

Motion Lorraine Lindsey moved to adjourn.

Second Karen Longanecker

Meeting adjourned at 11:35am