



**Southwest Michigan Behavioral Health Board Meeting
SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002**

October 10, 2025

9:30 am to 11:30 am

(d) means document provided

Draft: 10/2/25

- 1. Welcome Guests/Public Comment**
- 2. Agenda Review and Adoption (d) pg.1**
- 3. Financial Interest Disclosure Handling**
 - None Scheduled
- 4. Consent Agenda**
 - a. September 12, 2025, SWMBH Board Meeting Minutes (d) pg.3
 - b. September 10 and September 24, 2025, Operations Committee Meeting Minutes (d) pg.8
 - c. September 5, 2025, Board Finance Committee Meeting Minutes (d) pg.18
- 5. Fiscal Year 2025 Year to Date Financial Statements and Cash Flow Analysis**
 - a. G. Guidry (d) pg.20
 - b. Operations Committee
- 6. Required Approvals**
 - None scheduled
- 7. Ends Metrics Updates (*Requires motion)**

Proposed Motion: Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Do the Ends need Revision?

 - Regional Quarterly Bulletin (M. Todd) (d) pg.34
- 8. Board Actions to be Considered**
 - a. Fiscal Year 2026 Draft Budget (G. Guidry) (d) pg.37
 - b. SWMBH Retirement Plans (A. Wickham) (d) pg.40
 - c. Fiscal Year 2026 Program Integrity Compliance Plan (A. Strasser) (d) pg.42
 - d. Michigan Consortium for Healthcare Excellence Membership (M. Todd) (d) pg.73
 - e. Credentialing of Behavioral Health Practitioners (M. Todd) (d) pg.74
 - f. Credentialing of Organizational Providers (M. Todd) (d) pg.85
- 9. Board Policy Review**

Proposed Motion: Is the Board in Compliance? Does the Policy Need Revision?

 - Board Policy 2.8 Emergency Executive Officer Succession (d) pg.101

10. Executive Limitations Review

Proposed Motion: Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?

- a. Policy 2.4 (formerly BEL-002 Financial Conditions) (T. Schmelzer) (d) pg.97
- b. BEL-010 Re 501 c 3 Representation) (A. Edlefson) (d) pg.115

11. Board Education

- Michigan Consortium for Healthcare Excellence Report (M. Todd) (d) pg.118

12. Communication and Counsel to the Board

- a. PIHP Procurement Updates
- b. State and Federal Budget Updates
- c. November Board Policy Direct Inspection – EO-002 Monitoring Executive Officer Performance

13. Public Comment

14. Adjournment

SWMBH adheres to all applicable laws, rules, and regulations in the operation of its public meetings, including the Michigan Open Meetings Act, MCL 15.261 – 15.275.

SWMBH does not limit or restrict the rights of the press or other news media.

Discussions and deliberations at an open meeting must be able to be heard by the general public participating in the meeting. Board members must avoid using email, texting, instant messaging, and other forms of electronic communication to make a decision or deliberate toward a decision and must avoid "round-the-horn" decision-making in a manner not accessible to the public at an open meeting.

**Next Board Meeting
November 14, 2025
9:30 am - 11:30 am**



Board Meeting Minutes

September 12, 2025

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

9:30 am-11:30 am

Draft: 9/15/25

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

Members Absent: None

Guests Present: Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Alena Lacey, Chief Clinical Officer, SWMBH; Sarah Ameter, Manager of Customer Services, 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; Jeannie Goodrich, Summit Pointe; Michael Mallory, Woodlands; Sue Germann, Pines BHS.

Welcome Guests

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

Public Comment

None

Agenda Review and Adoption

Motion Lorraine Lindsey moved to approve the agenda with the additions of removing the 8/8/25 Board Meeting Minutes from the Consent Agenda for discussion of red line proposed changes on the 8/8/25 Board minutes, and the movement of SWMBH retirement plans to the October Board meeting.

Second Michael Seals

Motion Carried

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

Motion Joyce Locke moved to approve August 1, 2025, Special Board Meeting minutes, August 13, and August 27, 2025, Operations Committee Meeting minutes, and August 1, 2025, Board Finance Committee Meeting minutes as presented.

Second Tom Schmelzer

Motion Carried

August 8, 2025 Board Meeting Minutes

Board reviewed and discussed the edits to the 8/8/25 Board Meeting Minutes proposed by Carol Naccarato, which were included as a redline in the Board Meeting packet.

Motion Lorraine Lindsey made a motion to approve the 8/8/25 Board Meeting Minutes with the edits proposed by Carol Naccarrato as reflected in the Board Meeting packet.

Seconded Tom Schmelzer

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 10, and noted:

- Eligibles static with a slight decrease to Temporary Assistance to Needy Families (TANF)
- Revenue increases from the State are being reflected in the period 10 financials with more coming in periods 11 and 12
- Reviewed PIHP line of business that SWMBH manages with a \$16.8 million deficit and a projected year end of \$20 million deficit
- Certified Community Behavioral Health Clinics (CCBHC) revenues and expenses. CCBHCs are full risk to the CMHSPs/CCBHCs. CCBHC surplus of \$9 million
- Administrative Costs being reviewed regionally, how SCA effects administrative costs and what driving costs are; SWMBH is confirming whether CCBHCs are including CCBHC related cost to overall managed care administrative costs
- No update from the State on a possible 5th amendment
- Reviewed cost settlements per CMH
- Medicaid cost settlements are typically 2 years behind with FY 22 owing \$4.8 million, FY 23 owing zero and FY 24 the State owing SWMBH a \$10.4 million
- Net position, income statement and statement cash flow was reviewed.
- SWMBHs cash flow analysis was reviewed and Internal Service Fund noted.
- FY2026 draft budgets out to CMHs with a report coming to the October Board meeting
- Work on prevalence scores, utilization management efficiencies is to continue in FY26 and going forward.

Board discussion followed.

Operations Committee Update

Jeannie Goodrich presented as documented in a handout that was distributed. Discussion followed.

Required Approvals

None scheduled

Ends Metrics Updates

None scheduled

Board Actions to be Considered

Interim Executive Officer Compensation

Sherii Sherban stated that the group met to discuss Interim Executive Officer Compensation.

Motion Tom Schmelzer moved that the Interim Executive Officer's salary be increased by 20% retroactive to 8/1/25.

Second Michael Seals

Motion Carried

Annual SWMBH Finance Committee Charter review

Tom Schmelzer noted that the charter was reviewed at the 9/5/25 Board Finance Committee meeting.

Motion Tom Schmelzer moved to revise the Board Finance Committee Charter to expand membership to up to 4 Board and/or Board Alternate Members.

Second Carol Naccarato

Motion Carried

Discussion followed regarding Bob Becker and/or Kayla Wiesinski being appointed to the Board Finance Committee at a future meeting, pending Kayla completing the Financial Interest Disclosure process.

Board Policy Review

EO-001 Executive Role and Job Description

Sherii Sherban reported as documented.

Motion Allen Edlefson moved that the Board is in compliance with EO-001 Executive Role and Job Description and the policy does not need revision.

Second Tom Schmelzer

Motion Carried

Executive Limitations Review

BEL-007 Compensation and Benefits

Michael Seals reported as documented and thanked Anne Wickham for the materials to review and meeting with him.

Motion Michael Seals moved that the Executive Officer was in compliance with BEL-007 Compensation and Benefits and the policy does not need revision.

Second Tom Schmelzer

Motion Carried

BEL-005 Treatment of Plan Members

Tina Leary reported as documented, thanked Anne Wickham for the materials to review the policy and shared feedback from SWMBH staff.

Motion Tina Leary moved that the Executive Officer was in compliance with BEL-005 Treatment of Plan Members and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BEL-008 Communication and Counsel

Sherii Sherban reported as documented.

Motion Lorraine Lindsey moved that the previous Executive Officer was not in compliance with BEL-008 Communication and Counsel and the policy does not need revision.

Second Michael Seals

Motion Carried

Board Education

Executive Office subcommittee update

Sherii Sherban stated that the Executive Officer process and appointment is paused due to the RFP and corresponding litigation.

Communication and Counsel to the Board

SWMBH Retirement Plans Amendments

Moved to the October Board meeting.

State Opioid Response (SOR) 4 Region 4 – 2025 Site Visit Letter

Mila Todd reported as documented.

MDHHS Substance Use, Gambling and Epidemiology Division Fiscal Review

Mila Todd reported as documented.

Health Services Advisory Group (HSAG) Technical Report Overview

Alena Lacey reported as documented noting strengths and weaknesses. Discussion followed.

PIHP Procurement

Mila Todd reported the following:

- State responded to lawsuit (760-page response). Multiple laws firms representing the plaintiffs and multiple Attorneys General named as the State's counsel.
- 9/12/25 plaintiffs' reply brief in support of motion for preliminary injunction due
- 9/16/25 Case conference with Judge Yates.
- 9/22/25 plaintiffs' response brief in opposition to the State's motion is due
- 9/26/25 State's reply brief is due.
- 9/17/25 Walk A Mile event with opposition to the RFP and privatization of Behavioral Health focus
- SWMBH received legal advice to submit a bid to the RFP within SWMBH constraints. RFP bid due 10/6/25. SWMBH is developing a bid to the RFP to meet legal obligations.
- Board will receive updates as information becomes available

Discussion followed.

Substance Use Disorder Oversight Policy Board Meeting September 15, 2025

Mila Todd noted the Monday September 15 SUDOPB meeting and shared the meeting includes testimonials from providers of services and persons served. A very impactful meeting and encouraged the Board to attend. Michelle Jacobs to send the SUDOPB invite to the Board.

October Board Policy Direct Inspection

2.4 Policy Financial Conditions and Activities (formerly BEL-002 Financial Conditions) (T. Schmelzer); 2.8 Policy (formerly EO-003) Emergency Executive Officer Succession (M. Todd)

Public Comment

Mila Todd introduced Alison Strasser as the new Interim Compliance Officer.

SWMBH Board meetings

Board discussed current meeting location at SWMBH as conducive to meeting going forward.

Motion Lorraine Lindsey moved to have SWMBH Board meetings at the SWMBH Office, 5250 Lovers Lane, Suite 200, Portage, MI 49002

Second Michael Seals

Motion Carried

Adjournment

Motion Lorraine Lindsey moved to adjourn

Second Michael Seals

Meeting adjourned at 11:11am

Date:	9/10/25
Time:	9:00 am – 11:00 am
Facilitator:	Rich
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ Michael Mallory (Woodlands)
☒ Ric Compton (Riverwood) ☒ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☐ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)

Guest: Anne Wickham, Timothy Brown - Pines

Version 9/4/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Reviewed via email for SWMBH Board meeting.
3. Financial Stability a. SWMBH Period 10 financials including 2025 revenue, expense and margin projections (if available) (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight		<ul style="list-style-type: none"> Static eligibles. YTD revenue is up 8% still below the projected 11% P10: <ul style="list-style-type: none"> \$269.4 Million of Revenue, includes the first \$6 Million of the \$14 million expected from Amendment 3. 287.1 Million Expenses, \$17 million, current deficit, which,

		<p>projected out, is around \$21.1 Million.</p> <ul style="list-style-type: none"> ○ Financials presented by CMH, now broken down by CCBHC vs Medicaid. ○ SWMBH will not have enough money to settle the costs with CMHs at the end of FY 25. Garyl asks the CMHs who can maintain receivables from SWMBH. ● Meeting with Rehmann today, template is underway. ● No State/Milliman meeting <ul style="list-style-type: none"> ○ No response from the state when discussing applying the rate adjustments for full FY instead of half.
4. Wakely Updates		<ul style="list-style-type: none"> ● No current update.
5. SWMBH Financial Management Plan, SWMBH Financial Risk Management Plan, SWMBH Cost Allocation Plan and SWMBH Bylaw review.		<ul style="list-style-type: none"> ● Working with the subgroup , looking for the answers from the state to be able to dive deeper and finalize course of action.
6. FY 2026 SWMBH Budget Development		<ul style="list-style-type: none"> ● No rate increase for the providers until the following: <ul style="list-style-type: none"> ○ Actual revenue is in the door. ○ Not occur until April 1, 2026. ● \$376 Projected Revenue for FY 26

		<ul style="list-style-type: none"> • \$348.9 Million Expense • \$27.8 Million Surplus possible <ul style="list-style-type: none"> ○ ISF restored to 40% ○ Fully funded Savings account. • Managed Care Admin – 13.2% <ul style="list-style-type: none"> ○ Needing a number for the goal. ○ Garyl is going to meet with each CMH to figure out what is acceptable for SCA, and review what is allowable via the SCA model. • State and Federal Budgets are still not approved. This has the potential to change, hopefully not, but it is a potential point of concern. • Rehmann has been sent the revenue assumptions, has not confirmed as of yet. • CMH Prevalence Reports: <ul style="list-style-type: none"> ○ Update: CMH versions of the CMH prevalence reports need to go through validation and will be sent out. Need to know who at the CMH the report is sent to. ○ Mila to include action steps and questions for the CMH to follow up on.
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7. UM Follow-up (Anne)		<ul style="list-style-type: none"> Anne presented an update based on feedback. Project will go back to RUM and address the concerns raised by Riverwood.
8. PIHP Competitive Procurement	Regional Entity Roles and Future	<ul style="list-style-type: none"> State filed a 700+ page response to the lawsuit. Sept 12th, response is due 9/16 Case Conference with Judge Christopher Yates 9/22 – Response to Summary Disposition - Opposition due 9/26 State reply due
9. CCBHC Direct Payment Methodology	SUD Block Grant implications	<ul style="list-style-type: none"> Reached out to the state, the grid that was sent out indicates that the PIHP has no oversight or responsibility for outpatient services. This has been sent back to the state about BG payment, and has been circled back. Response has been received, meeting internally and will release a response later this week. SWMBH intends to move this to fee-for-service for BG services.
10. FY26 Proposed DCW Rate Reduction (email attached to calendar invite)		<ul style="list-style-type: none"> It is currently a reserved section in Provider contracts.
11. Next Meeting Agenda September Facilitator-Jeff October Facilitator-Sue November Facilitator-Debbie		1-9.
12. 11:00 am-12:00 pm CMH CEOs		

Date:	9/24/25
Time:	9:00 am – 11:00 am
Facilitator:	Ric
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ Michael Mallory (Woodlands)
☒ Ric Compton (Riverwood) ☒ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☒ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)

Version 9/23/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		<ul style="list-style-type: none"> • Prevalence report with Pat Davis
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> • No changes, accepted.
3. Financial Stability a. SWMBH Period 11 financials including 2025 revenue, expense and margin projections (if available) (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight d. FY25 CMH cost settlement discussions update e. State shutdown implications		<ul style="list-style-type: none"> • Financial Stability <ul style="list-style-type: none"> ○ Will be put together, will be sent out hopefully by Friday, Monday. ○ Ask of additional details by CMH for additional fundings. ○ \$344 million projected revenue, first blush, looking like \$341 million so a slight variance.

		<ul style="list-style-type: none"> ○ Ask of IT to break it down from Garyl. ○ Projection from P10, shows an \$11/12 million deficit. P11 should show a lower deficit. ● No Milliman/State meeting. Need to get something on the books. <ul style="list-style-type: none"> ● Current plan is to submit a negative ISF, and site GASB 10, which is different from other regions that experienced deficits. ● Rehmann Financial Oversight <ul style="list-style-type: none"> ● Sent over additional population files, hope to hear back on the verification soon. ● FY 25 CMH Cost Settlement <ul style="list-style-type: none"> ● Woodlands would need a cash advance in April ● Current ongoing conversation with the Liability workgroup. The next Ops Comm meeting will feature a presentation on the options available for Ops to consider. ● State Shutdown <ul style="list-style-type: none"> ● SUD/Mental Health BG – Will not go into E- Grams until budget is decided.
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		<ul style="list-style-type: none"> • Medicaid is a Federal entitlement and should be passed through; the person who presses the button may not be there. • Will keep everyone updated if it happens, and what everyone's needs are.
4. FY26 Provider Rates	Beacon Letter Pine Rest Inpatient	<ul style="list-style-type: none"> • Beacon sent out a rate for FY26. Mila to reach out to the Provider network to see if there is any response. Will work on a regional response if Provider Network wants additional support. • Looking at the HRA payments for continuing the current FY25 Rates. • Pine Rest has presented a few creative options that SWMBH is considering. However, there is difficulty in getting consumers placed there. Possible holding the rates, but as for a 2%<u>Pine Rest has agreed to continue FY25 rate for FY26 Q1 if guaranteed a 2% increase for Q2-Q4.</u>
5. FY26 DCW Rate	Status/discussion – <ul style="list-style-type: none"> • House budget ensuring \$3.40/hr. • DCW Included in Milliman rates 	<ul style="list-style-type: none"> • DCW is included in Milliman rates; there is no state budget approving the DCW. • Currently, there is a placeholder in contracts for the DCW rates.

		<ul style="list-style-type: none"> • Administrative burden of adding it later, or recouping it. Placeholder is the “easiest.” • Keep rates static, if the rates are reduced at the state level, we will need to recoup/change rates for providers.
6. SWMBH Financial Management Plan, SWMBH Financial Risk Management Plan, SWMBH Cost Allocation Plan and SWMBH Bylaw review.		<ul style="list-style-type: none"> • No update, subcommittee is still working on it.
7. FY 2026 SWMBH Budget Development		<ul style="list-style-type: none"> • No updated version, no major changes. • Possible \$26-27 million surplus. • Waiting for Barry and Woodlands for the finalized budget. • Identifying and standardizing SCA applications to each CMH. For example access being applied to Managed care 100% vs healthcare costs as well.
8. UM Follow up (Anne)	Project plan to be reviewed by RUM 10/13/25	<ul style="list-style-type: none"> • Update to follow on 10/13/25
9. PIHP Competitive Procurement	SWMBH RFP Bid Litigation Update	<ul style="list-style-type: none"> • 10/9/25 – Evidentiary Hearing. • Hope to pause the RFP, while it is litigated in court, due to irreparable harm to the

		<p>system. But there needs to be a pause for us to be able to litigate.</p> <ul style="list-style-type: none"> • The state is asserting that there is no question of facts, and no issue of law here, and is looking for summary disposition. • Contingency planning: <u>SWMBH intends to submit a bid to the RFP, within the constraints of current structure and authorities.</u> Submitting letters of intent from CMH's for FY 27. • Elements of board structure in agreement: CMH appointing board reps who are not on their board or work for the CMH; the inclusion of lived experience, and people at large. • Delegation – the bid will include a delegation of functions unless law prohibits
10. CCBHC Direct Payment Methodology	SUD Block Grant implications	<ul style="list-style-type: none"> • SUD BG will <u>not</u> be fee for service, but rather an allocation will be given to each CMH and not cost settled. If there is more BG that becomes available later in the year, a request can be made for additional, and it will be evaluated.
11. SWMBH Board Ends	<p>Approved Ends (d)</p> <ul style="list-style-type: none"> • CMH comparative data 	<ul style="list-style-type: none"> • Quarterly bulletins to CMH boards with data, high level

	<ul style="list-style-type: none"> Adoption of regionally specific behavioral norms 	updates, etc. for communication.
12. OC Evaluation	Required by SWMBH Operating Agreement	<ul style="list-style-type: none"> The OC evaluation will be completed in the near future as it is required in the bylaws.
13. Prevalence Report		<ul style="list-style-type: none"> <u>Acknowledged that we need to continue monitoring these reports to better understand how what we do impacts rates.</u> <u>SWMBH has completed county-specific prevalence reports. Meeting internally on 10/14 (the day after the RFP response is due) to finalize the "ask" and next steps before sending to the CMH-designated recipients.</u>
13. Upcoming Due Dates		Will include a written list at next OC meeting
14. Next Meeting Agenda September Facilitator-Jeff October Facilitator-Sue November Facilitator-Debbie		
15. 11:00 am-12:00 pm CMH CEOs		



Board Finance Committee Meeting Minutes

September 5, 2025

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

1:00-2:00 pm

Draft: 9/5/25

Members Present: Tom Schmelzer, Michael Seals, Carol Naccarato

Guests: Jeff Patton, Amy Rottman

Members Absent: None

SWMBH Staff Present: Mila Todd, Interim, CEO, SWMBH; Garyl Guidry, Chief Financial Officer; Michelle Jacobs, Senior Operations Specialist and Rights Advisor

Review Agenda

The committee approved the agenda without any revisions.

Central Topics

Review prior meeting minutes

Motion Carol Naccarato moved to approve the minutes as presented.
Second Michael Seals
Motion Carried

SWMBH YTD financial statements

Garyl Guidry presented Period 10 financial statements as documented and noted:

- Increase in revenue but still a projected deficit
- CCBHC has a surplus of \$8 million
- Cost settlements for each CMH with CCBHC broken out reviewed
- Footnotes of unearned revenue, funds due from governmental units and funds due to governmental units

Discussion followed.

SWMBH Check Registers

Garyl Guidry reported as documented.

SWMBH Cash Flow Analysis

Garyl Guidry reported as documented.

Fiscal Year 2026 Budget

Garyl Guidry reported as documented and noted:

- \$376 million in revenue according to Milliman

- Projected surplus to be kept as cushion due to rate changes with CCBHC and/or other
- Unknown future cuts for Fiscal Year 2026
- January 1, 2026 potential provider rate increases
- Administrative Costs 12.69%

Discussion followed

RFP for Auditor

Garyl Guidry stated that it's time to do a RFP to select an audit firm. SWMBH Management will start the process. Discussion followed.

Board Finance Committee Charter

Tom Schmelzer stated that he read through the document and it does not need revisions. This charter will be reviewed at the September 12, 2025 meeting along with discussion of Board Finance Committee continuation and expanding board membership on committee.

Adjournment

Michael Seals

Second

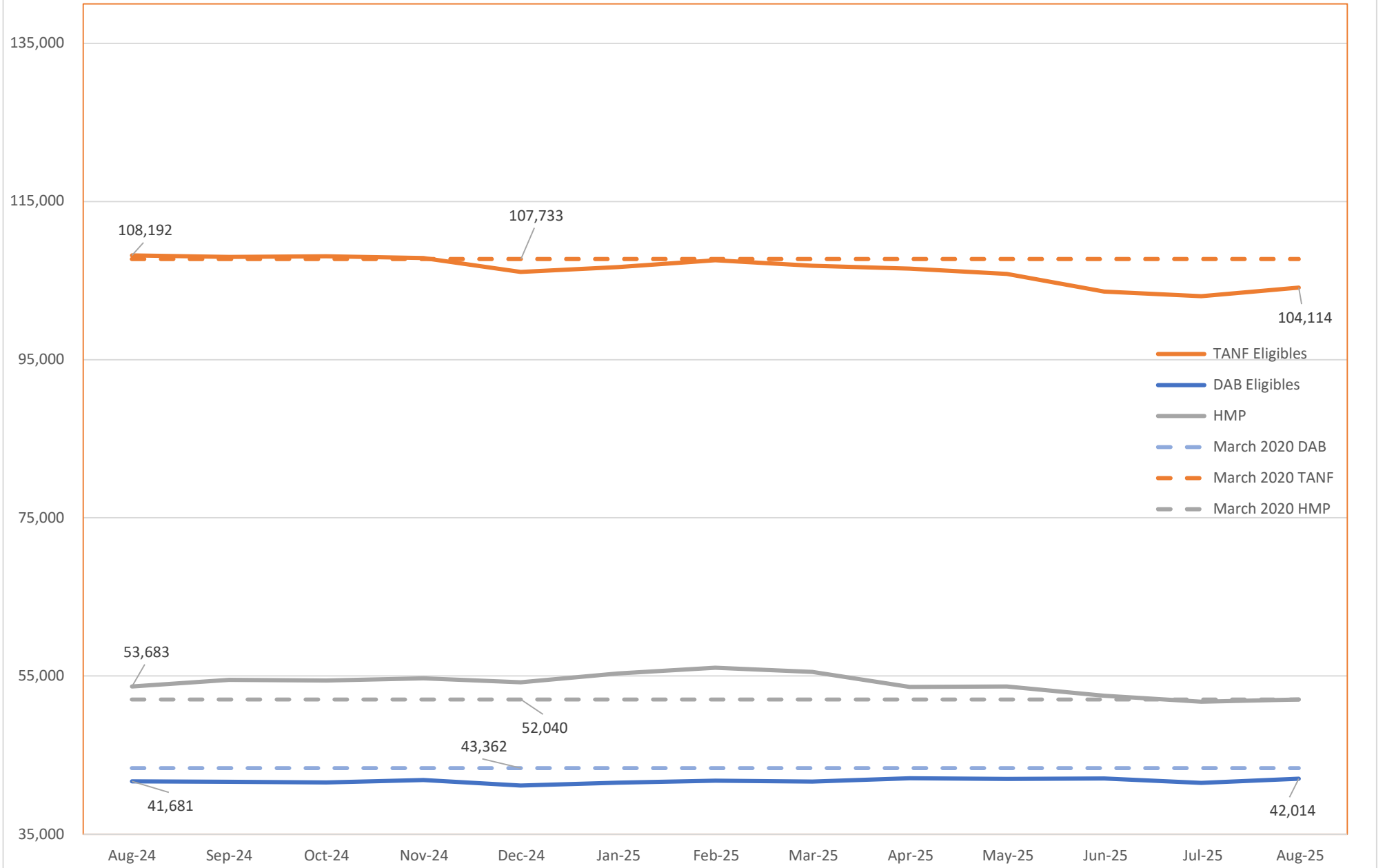
Carol Naccarato

Meeting adjourned at 2:30pm

Southwest Michigan Behavioral Health

Total Eligibles Aug '24 - Aug '25

as of September 26, 2025



SWMBH Through August	FY25	FY24	% Change YOY	\$ Change YOY
State Plan MH	92,363,904	89,326,683	3.4%	3,037,221
1915i MH	86,025,090	77,615,561	10.8%	8,409,528
Autism	29,545,668	18,655,972	58.4%	10,889,696
Habilitation Supports Waiver (HSW)	61,070,488	54,483,100	12.1%	6,587,388
Child Waiver Program (CWP)	871,961	977,710	-10.8%	(105,750)
Serious Emotional Disturbances (SED)	493,421	1,431,701	-65.5%	(938,280)
Net Capitation Payment	270,370,101	242,490,727	11.5%	27,879,374
				-
State Plan SA	7,219,116	7,453,510	-3.1%	(234,394)
Net Capitation Payment	7,219,116	7,453,510	-3.1%	(234,394)
				-
Healthy Michigan Mental Health	23,978,545	21,248,581	12.8%	2,729,964
Healthy Michigan Autism	40,438	24,251	66.8%	16,188
Net Capitation Payment	24,018,983	21,272,832	12.9%	2,746,151
				-
Healthy Michigan Substance Abuse	12,365,256	12,605,359	-1.9%	(240,103)
Net Capitation Payment	12,365,256	12,605,359	-1.9%	
				-
GRAND TOTAL	313,973,456	283,822,428	10.6%	30,151,028

as of 9/29/2025

State Plan, 1915i, B3 and Autism have DAB and TANF payments included.

DAB refers to the "disabled, aged, or blind" eligibility categories for Medicaid programs.

TANF refers to "Temporary Assistance for Needy Families" for Medicaid programs.

	E	F	I	J	K	L	M
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 8/31/2025			FY25 PIHP			
3	(For Internal Management Purposes Only)						
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	A	B	C	D	E	F	G
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 8/31/2025			FY25 CCBHC			
3	(For Internal Management Purposes Only)						
4			FY24 Budget	FY25 Budget	FY24 Actual as P11	FY25 Actual as P11	FY 25 Projection
5							
6	REVENUE						
16	Contract Revenue		85,003,146	94,989,631	62,209,088	92,851,127	101,292,139
17	CCBHC Incentive Payments		-	3,422,650	-	4,499,413	4,908,451
18							
19	TOTAL REVENUE		85,003,146	98,412,281	62,209,088	97,350,540	106,200,589
20							
21	EXPENSE						
22	Healthcare Cost						
23	CCBHC Subcontracts		82,452,731	82,461,854	61,831,449	78,519,474	85,657,608
24							
25	Total Healthcare Cost		82,452,731	82,461,854	61,831,449	78,519,474	85,657,608
26	Medical Loss Ratio (HCC % of Revenue)		97.0%	83.8%	99.4%	80.7%	80.7%
27							
28							
29	Administrative Cost						
30	Apportioned Central Mgd Care Admin		2,550,415	2,665,293	1,604,759	1,977,487	2,157,259
31							
32	Total Administrative Cost		2,550,415	2,665,293	1,604,759	1,977,487	2,157,259
33	Admin Cost Ratio (MCA % of Total Cost)		3.0%	3.1%	2.5%	2.5%	2.5%
34							
35	TOTAL COST		85,003,146	85,127,147	63,436,208	80,496,961	87,814,867
36							
37	NET SURPLUS before non MCA cost		0	13,285,134	(1,227,120)	16,853,579	18,385,722
38	Net Surplus (Deficit) % of Revenue		0.0%	13.5%	-2.0%	17.3%	17.3%
39							
40	CCBHC Non Medicaid Cost		-	(10,261,247)	-	(10,039,618)	(10,952,311)
41	CCBHC Supplemental Reciveable (Payable)				7,725,657		
42	Settlement Receivable / (Payable)				(6,498,537)	(3,520,388)	(3,840,424)
43			-	-	-	-	-
44	CCBHC Net Surplus/(Deficit)		0	3,023,886	-	3,293,572	3,592,988
45							

July										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	18,197,792	8,805,520	40,457,517	11,118,890	38,107,845	14,133,562	62,171,100	13,860,009	20,641,135	227,493,371
Expense	17,226,943	6,301,890	43,699,114	11,057,461	39,134,280	17,616,923	71,379,203	15,583,755	20,978,782	242,978,351
Difference	970,849	2,503,630	(3,241,597)	61,429	(1,026,435)	(3,483,361)	(9,208,102)	(1,723,746)	(337,647)	(15,484,980)
HMP										
Revenue	7,844,199	735,900	3,727,825	546,994	4,131,440	1,451,132	4,163,943	1,351,930	1,541,800	25,495,163
Expense	9,900,853	920,313	3,348,292	1,104,565	4,257,081	1,681,236	4,701,568	1,452,927	1,538,831	28,905,667
Difference	(2,056,653)	(184,413)	379,533	(557,571)	(125,641)	(230,105)	(537,625)	(100,997)	2,969	(3,410,504)
April Revenue and Expense										
Revenue	17,183,498	4,848,207	22,675,506	6,103,644	21,983,787	7,952,444	34,484,034	7,547,830	11,287,509	134,066,458
Expense	17,855,493	3,853,421	24,151,345	7,009,116	21,586,484	10,125,580	38,599,153	7,885,734	11,561,829	142,628,154
Capitation Deficit										(18,895,483.92)
August										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	25,188,504	9,856,936	45,265,101	12,490,155	42,597,532	15,871,810	69,893,281	15,463,125	23,128,045	259,754,488
Expense	24,110,547	6,795,229	48,228,200	11,846,274	43,531,908	19,087,008	78,070,743	17,052,876	22,602,789	271,325,575
Difference	1,077,956	3,061,707	(2,963,099)	643,881	(934,376)	(3,215,199)	(8,177,462)	(1,589,751)	525,256	(11,571,087)
HMP										
Revenue	6,884,747	820,695	4,197,824	622,373	4,604,011	1,613,863	4,675,073	1,495,924	1,709,810	26,624,320
Expense	9,192,186	1,038,583	3,598,331	1,188,327	5,045,918	1,891,572	5,138,360	1,524,757	1,772,744	30,390,777
Difference	(2,307,438)	(217,888)	599,493	(565,953)	(441,907)	(277,709)	(463,287)	(28,833)	(62,935)	(3,766,457)
April Revenue and Expense										
Revenue	23,214,757	5,984,419	27,953,089	7,550,287	26,946,045	9,853,422	42,717,344	9,294,940	13,942,428	167,456,731
Expense	24,030,429	4,465,029	28,930,470	7,881,690	26,772,950	11,806,001	45,727,485	9,426,685	13,419,749	172,460,488
Capitation Deficit										(15,337,543.93)
Annualized										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	27,478,367	10,753,021	49,380,110	13,625,623	46,470,035	17,314,701	76,247,216	16,868,864	25,230,594	283,368,532
Expense	26,302,415	7,412,977	52,612,582	12,923,208	47,489,355	20,822,191	85,168,084	18,603,137	24,657,588	295,991,537
Difference	1,175,953	3,340,044	(3,232,472)	702,415	(1,019,319)	(3,507,490)	(8,920,868)	(1,734,274)	573,006	(12,623,004)
HMP										
Revenue	7,510,634	895,304	4,579,444	678,952	5,022,557	1,760,578	5,100,080	1,631,917	1,865,247	29,044,712
Expense	10,027,839	1,132,999	3,925,452	1,296,356	5,504,638	2,063,533	5,605,483	1,663,371	1,933,903	33,153,575
Difference	(2,517,205)	(237,696)	653,992	(617,404)	(482,080)	(302,955)	(505,404)	(31,454)	(68,656)	(4,108,862)
Combined Medicaid/HMP	(1,341,253)	3,102,348	(2,578,479)	85,012	(1,501,400)	(3,810,445)	(9,426,271)	(1,765,728)	504,350	(16,731,866)
July Results	(1,302,965)	2,783,059	(3,434,477)	(595,371)	(1,382,491)	(4,456,158)	(11,694,873)	(2,189,692)	(401,614)	(22,674,581)
1Month Comparison	(38,288)	319,289	855,998	680,382	(118,909)	645,713	2,268,602	423,964	905,964	5,942,715
Projected										(16,731,866.11)

For the Fiscal YTD Period Ended 8/31/2025
(For Internal Management Purposes Only)

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SWMBH TOTAL
Excluding GF

100%

Berrien Mental Health Authority	HCC%	100.00%	72.1%	0.0%	5.1%	0.0%	0.9%	0.8%	13.1%	5.6%	2.4%
<u>PIHP Summary Information</u>											
Capitation Payment			49,527,416	783,005	4,712,621	1,564,479	179,021	2,040,023	5,045,320	2,079,276	-
Less: CCBHC Base Payment			(5,045,320)	-	(2,079,276)	-	-	-	-	-	-
Subcontract revenue			44,482,096	783,005	2,633,345	1,564,479	179,021	2,040,023	5,045,320	2,079,276	-
Supplemental CCBHC Payment			-	-	-	-	-	-	6,504,729	3,476,431	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	238,294	50,721	396,965
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	<u>CCBHC Revenue</u>	<u>PIHP Revenue</u>	-	-	-	-	-	-	-	-	-
Subcontract revenue	17,394,771	49,641,946	44,482,096	783,005	2,633,345	1,564,479	179,021	2,040,023	11,788,343	5,606,428	396,965
External provider cost			42,207,668	-	2,957,614	-	-	413,403	-	-	-
Internal program cost			1,833,876	993	147,408	19,012	529,423	74,348	7,980,608	3,402,704	1,490,440
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	(87,085)	-	-	-
Mgd care administration	<u>CCBHC Cost</u>	<u>PIHP Cost</u>	4,185,663	-	474,297	-	-	383,100	-	-	-
Subcontract cost	11,383,312	52,355,954	48,227,207	993	3,579,319	19,012	529,423	783,766	7,980,608	3,402,704	1,490,440
Net before settlement			(3,745,111)	782,012	(945,974)	1,545,467	(350,402)	1,256,257	3,807,735	2,203,724	(1,093,475)
Other Redistributions of State GF	<u>CCBHC Stlmt</u>	<u>PIHP Stlmt</u>	-	-	-	-	-	(1,093,475)	-	-	1,093,475
Subcontract settlement (includes PPS-1 Payr	(4,782,229)	2,714,008	3,745,111	(782,012)	945,974	(1,545,467)	350,402	-	(2,901,439)	(1,880,790)	-
Net after settlement			-	-	-	-	-	162,782	906,296	322,934	-

100.00%

Capitation Payment			49,527,416	783,005	4,712,621	1,564,479	179,021	2,040,023	5,045,320	2,079,276	-
Less: CCBHC Base Payment			(5,045,320)	-	(2,079,276)	-	-	-	-	-	-
Subcontract revenue			44,482,096	783,005	2,633,345	1,564,479	179,021	2,040,023	5,045,320	2,079,276	-
Supplemental CCBHC Payment			-	-	-	-	-	-	6,504,729	3,476,431	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	238,294	50,721	396,965
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue	17,394,771	49,641,946	44,482,096	783,005	2,633,345	1,564,479	179,021	2,040,023	11,788,343	5,606,428	396,965
External provider cost			42,207,668	-	2,957,614	-	-	413,403	-	-	-
Internal program cost			1,833,876	993	147,408	19,012	529,423	74,348	7,980,608	3,402,704	1,490,440
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	(87,085)	-	-	-
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	4,185,663	-	474,297	-	-	383,100	-	-	-
Subcontract cost	11,383,312	52,355,954	48,227,207	993	3,579,319	19,012	529,423	783,766	7,980,608	3,402,704	1,490,440
Net before settlement			(3,745,111)	782,012	(945,974)	1,545,467	(350,402)	1,256,257	3,807,735	2,203,724	(1,093,475)
Other Redistributions of State GF	<i>CCBHC Stmt</i>	<i>PIHP Stmt</i>	-	-	-	-	-	(1,093,475)	-	-	1,093,475
Subcontract settlement (includes PPS-1 Payr	(4,782,229)	2,714,008	3,745,111	(782,012)	945,974	(1,545,467)	350,402	-	(2,901,439)	(1,880,790)	-
Net after settlement			-	-	-	-	-	162,782	296,296	322,934	-

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 8/31/2025

(For Internal Management Purposes Only)

INCOME STATEMENT

Pines Behavioral Health Servi

PIHP Summary Information

	HCC%	99.98%	60.9%	0.0%	5.9%	0.0%	0.1%	2.3%	18.1%	7.0%	5.7%
Summary of Local CMHSP Components											
			Medicaid MH/DD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Capitation Payment			14,474,281	211,029	1,071,284	345,423	23,556	807,233	2,195,155	794,333	-
Less: CCBHC Base Payment			(2,195,155)	-	(794,333)	-	-	-	-	-	-
Subcontract revenue			12,279,126	211,029	276,950	345,423	23,556	807,233	2,195,155	794,333	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,214,791	960,809	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	83,063	14,710	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	CCBHC Revenue	PIHP Revenue	-	-	-	-	-	-	-	-	-
Subcontract revenue	6,262,861	13,136,084	12,279,126	211,029	276,950	345,423	23,556	807,233	4,493,009	1,769,852	-
External provider cost			10,898,614	-	1,034,420	-	-	317,694	-	-	-
Internal program cost			299,560	3,615	42,086	6,499	23,556	98,155	3,333,780	1,278,075	1,042,152
SSI Reimb, 1st/3rd Party Cost Offset			(2,997)	-	-	-	-	-	-	-	-
Mgd care administration	CCBHC Cost	PIHP Cost	647,482	-	105,322	-	-	53,932	-	-	-
Subcontract cost	4,611,855	13,058,156	11,842,659	3,615	1,181,827	6,499	23,556	469,780	3,333,780	1,278,075	1,042,152
Net before settlement			436,467	207,414	(904,877)	338,923	-	337,453	1,159,228	491,777	(1,042,152)
Other Redistributions of State GF	CCBHC Stlmt	PIHP Stlmt	-	-	-	-	-	574,250	-	-	-
Subcontract settlement (includes PPS-1 Payrr	(1,044,262)	(77,927)	(436,467)	(207,414)	904,877	(338,923)	-	(911,702)	(712,267)	(331,994)	911,702
Net after settlement			-	-	-	-	-	0	446,961	159,783	(130,450)

Summit Pointe (Calhoun Cour

PIHP Summary Information

	HCC%	100.00%	64.6%	0.0%	7.3%	0.0%	0.0%	3.7%	15.6%	4.9%	3.9%
Summary of Local CMHSP Components											
			Medicaid MH/DD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Capitation Payment			46,793,430	-	5,620,982	-	-	1,704,542	4,195,898	1,016,971	-
Less: CCBHC Base Payment			(4,195,898)	-	(1,016,971)	-	-	-	-	-	-
Subcontract revenue			42,597,532	-	4,604,011	-	-	1,704,542	4,195,898	1,016,971	-
Supplemental CCBHC Payment			-	-	-	-	-	-	8,086,392	3,940,384	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	CCBHC Revenue	PIHP Revenue	-	-	-	-	-	-	-	-	-
Subcontract revenue	17,239,644	47,201,543	42,597,532	-	4,604,011	-	-	1,704,542	12,282,290	4,957,354	-
External provider cost			36,046,966	-	4,240,788	-	-	2,027,864	-	-	-
Internal program cost			2,516,957	2,404	110,399	5,900	87	168,258	9,329,263	2,925,006	2,351,777
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
Mgd care administration	CCBHC Cost	PIHP Cost	4,965,581	-	688,830	-	-	380,295	-	-	-
Subcontract cost	12,254,269	48,577,913	43,529,504	2,404	5,040,018	5,900	87	2,576,417	9,329,263	2,925,006	2,351,777
Net before settlement			(931,972)	(2,404)	(436,007)	(5,900)	(87)	(871,875)	2,953,028	2,032,348	(2,351,777)
Other Redistributions of State GF	CCBHC Stlmt	PIHP Stlmt	-	-	-	-	-	3,223,651	-	-	-
Subcontract settlement (includes PPS-1 Payrr	(5,159,015)	1,376,370	931,972	2,404	436,007	5,900	87	(2,351,777)	(3,345,185)	(1,813,831)	-
Net after settlement			-	-	-	-	-	(0)	(392,157)	218,517	(2,351,777)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 8/31/2025

(For Internal Management Purposes Only)

INCOME STATEMENT

Woodlands Behavioral Health

PIHP Summary Information

	HCC%	100.0%	85.8%	1.1%	6.0%	2.6%	0.5%	4.0%
Capitation Payment			15,641,755	230,055	1,215,415	398,448	50,796	794,835
Less: CCBHC Base Payment								
Subcontract revenue								
Supplemental CCBHC Payment								
CCBHC 1st/3rd Party Cost Offset								
CCBHC General Fund Revenue								
Incentive Payment Revenue								
<i>CCBHC Revenue</i>		<i>PIHP Revenue</i>						
Subcontract revenue	-	17,536,469	15,641,755	230,055	1,215,415	398,448	50,796	794,835
External provider cost			13,417,848	-	355,888	-	-	266,801
Internal program cost			3,959,371	226,564	860,200	523,219	108,290	543,916
SSI Reimb. 1st/3rd Party Cost Offset			-	-	-	-	-	-
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	1,483,226	-	152,265	-	-	65,211
Subcontract cost	-	21,086,870	18,860,445	226,564	1,368,353	523,219	108,290	875,927
Net before settlement			(3,218,690)	3,491	(152,938)	(124,771)	(57,494)	(81,092)
Other Redistributions of State GF	<i>CCBHC Stmt</i>	<i>PIHP Stmt</i>	-	-	-	-	-	81,092
Subcontract settlement	-	3,550,402	3,218,690	(3,491)	152,938	124,771	57,494	-
Net after settlement			-	-	-	-	-	0

Integrated Services of Kalama

PIHP Summary Information

	HCC%	100.0%	65.30%	0.00%	4.30%	0.00%	0.00%	0.00%	19.36%	6.97%	4.07%
Capitation Payment			82,733,243		8,530,852		93,298		12,839,962	3,855,779	-
Less: CCBHC Base Payment			(12,839,962)	-	(3,855,779)	-	-	-	-	-	-
Subcontract revenue			69,893,281	-	4,675,073	-	93,298	-	12,839,962	3,855,779	-
Supplemental CCBHC Payment			-	-	-	-	-	-	10,976,062	5,566,166	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	496,113	70,862	496,113
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	268,768
Incentive Payment Revenue			-	-	-	-	-	-	-	-	1,326,190
<i>CCBHC Revenue</i>		<i>PIHP Revenue</i>									
Subcontract revenue	33,804,944	74,661,652	69,893,281	-	4,675,073	-	93,298	-	24,312,137	9,492,807	2,091,071
External provider cost			66,857,862		4,508,940		-		4,917,228	1,535,037	880,075
Internal program cost			1,829,259		11,500		3,393		15,445,032	5,797,124	3,401,879
SSI Reimb. 1st/3rd Party Cost Offset			(6,310)	-	(51)	-	-	-	-	-	-
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	9,389,932	-	617,971	-	-	-	-	-	-
Subcontract cost	27,694,419	83,212,496	78,070,743	-	5,138,360	-	3,393	-	20,362,259	7,332,160	4,281,954
Net before settlement			(8,177,462)	-	(463,287)	-	89,905	-	3,949,878	2,160,646	(2,190,883)
Other Redistributions of State GF	<i>CCBHC Stmt</i>	<i>PIHP Stmt</i>	-	-	-	-	-	-	-	-	498,931
Subcontract settlement (includes PPS-1 Payr	3,314,761	8,550,844	8,177,462	-	463,287	-	(89,905)	-	3,976,543	(661,782)	-
Net after settlement			-	-	-	-	-	-	7,926,421	1,498,865	(1,691,952)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 8/31/2025

(For Internal Management Purposes Only)

INCOME STATEMENT

CMH of St Joseph County

PIHP Summary Information

	HCC%	71.2%	63.0%	0.0%	5.4%	0.0%	0.3%	2.5%			
			Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/DD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Capitation Payment			17,330,268	284,475	1,590,643	526,359	72,388	955,681	2,151,617	621,079	-
Less: CCBHC Base Payment			(2,151,617)	-	(621,079)	-	-	-	-	-	-
Subcontract revenue			15,178,650	284,475	969,564	526,359	72,388	955,681	2,151,617	621,079	-
Supplemental CCBHC Payment			-	-	-	-	-	-	3,134,573	1,465,010	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	88,514	10,747	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			-	-	-	-	-	-	-	-	-
<u>Subcontract revenue</u>	<u>7,372,280</u>	<u>17,031,437</u>	<u>15,178,650</u>	<u>284,475</u>	<u>969,564</u>	<u>526,359</u>	<u>72,388</u>	<u>955,681</u>	<u>5,286,190</u>	<u>2,086,089</u>	<u>-</u>
External provider cost			14,903,918	-	1,283,250	-	-	539,404	4,471,846	1,226,277	1,390,488
Internal program cost			582,068	3,136	37,158	1,481	78,371	79,807	-	-	-
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
Mgd care administration			1,563,754	-	202,869	-	-	164,913	-	-	-
<u>Subcontract cost</u>	<u>5,598,863</u>	<u>18,656,003</u>	<u>17,049,740</u>	<u>3,136</u>	<u>1,523,276</u>	<u>1,481</u>	<u>78,371</u>	<u>784,125</u>	<u>4,383,332</u>	<u>1,215,530</u>	<u>1,390,488</u>
<u>Net before settlement</u>			<u>(1,871,090)</u>	<u>281,339</u>	<u>(553,712)</u>	<u>524,879</u>	<u>(5,983)</u>	<u>171,556</u>	<u>902,858</u>	<u>870,559</u>	<u>(1,390,488)</u>
Other Redistributions of State GF			-	-	-	-	-	1,295,098	-	-	-
Subcontract settlement (includes PPS-1 Payr			1,871,090	(281,339)	553,712	(524,879)	5,983	(1,466,654)	2,287,995	227,680	1,466,654
<u>Net after settlement</u>			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0)</u>	<u>3,190,853</u>	<u>1,098,239</u>	<u>76,166</u>

Van Buren Mental Health Auth

PIHP Summary Information

	HCC%	75.5%	67.7%	0.0%	5.0%	0.0%	0.4%	2.4%	16.2%	4.7%	3.6%
Capitation Payment			25,107,855	388,157	1,902,945	625,102	58,424	1,098,033	2,367,966	818,238	-
Less: CCBHC Base Payment			(2,367,966)	-	(818,238)	-	-	-	-	-	-
Subcontract revenue			22,739,888	388,157	1,084,707	625,102	58,424	1,098,033	2,367,966	818,238	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,193,109	457,636	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			-	-	-	-	-	-	-	-	-
<u>Subcontract revenue</u>	<u>4,836,949</u>	<u>24,896,279</u>	<u>22,739,888</u>	<u>388,157</u>	<u>1,084,707</u>	<u>625,102</u>	<u>58,424</u>	<u>1,098,033</u>	<u>3,561,076</u>	<u>1,275,873</u>	<u>-</u>
External provider cost			18,431,303	-	1,491,897	-	-	670,587	-	-	-
Internal program cost			2,283,190	-	31,235	-	134,364	62,193	4,954,156	1,447,019	1,108,358
SSI Reimb, 1st/3rd Party Cost Offset			(115,958)	-	-	-	(3,864)	-	-	-	-
Mgd care administration			2,004,255	-	249,612	-	-	140,075	-	-	-
<u>Subcontract cost</u>	<u>6,401,175</u>	<u>24,506,034</u>	<u>22,602,789</u>	<u>-</u>	<u>1,772,744</u>	<u>-</u>	<u>130,500</u>	<u>872,855</u>	<u>4,954,156</u>	<u>1,447,019</u>	<u>1,108,358</u>
<u>Net before settlement</u>			<u>137,099</u>	<u>388,157</u>	<u>(688,037)</u>	<u>625,102</u>	<u>(72,076)</u>	<u>225,178</u>	<u>(1,393,080)</u>	<u>(171,146)</u>	<u>(1,108,358)</u>
Other Redistributions of State GF			-	-	-	-	-	883,179	-	-	-
Subcontract settlement (includes PPS-1 Payr			(137,099)	(388,157)	688,037	(625,102)	72,076	(1,108,358)	1,447,321	452,250	-
<u>Net after settlement</u>			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,241</u>	<u>281,105</u>	<u>(1,108,358)</u>

Southwest Michigan Behavioral Health
Statement of Net Position
August 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Current assets			
Cash and cash equivalents - unrestricted	\$ 20,615,397	\$ -	\$ 20,615,397
Cash and cash equivalents - restricted	363,879	1,037,699	1,401,578
Accounts receivable	7,948	-	7,948
Due from other governmental units	29,954,556	-	29,954,556
Due from other funds	231,624	-	231,624
Prepaid expenses	227,833	-	227,833
Total current assets	51,401,236	1,037,699	52,438,935
Noncurrent assets			
Capital assets being depreciated, net	756,078	-	756,078
Total assets	52,157,314	1,037,699	53,195,013
Current liabilities			
Accounts payable	376,149	-	376,149
Accrued payroll and benefits	2,008	-	2,008
Due to other governmental units	36,344,170	-	36,344,170
Due to other funds	-	231,624	231,624
Unearned revenue	6,347,471	-	6,347,471
Compensated absences, due within one year	52,793	-	52,793
Direct borrowing, due within one year	137,475	-	137,475
Total current liabilities	43,260,067	231,624	43,491,691
Noncurrent liabilities			
Compensated absences, due beyond one year	299,163	-	299,163
Direct borrowing, due beyond one year	626,277	-	626,277
Total noncurrent liabilities	925,440	-	925,440
Total liabilities	44,185,507	231,624	44,417,131
Net position			
Net investment in capital assets	(7,675)	-	(7,675)
Restricted for Medicaid risk management	-	77,551	77,551
Restricted for Healthy Michigan risk management	-	16,252	16,252
Restricted for Performance Bonus Incentive Pool	2,334,472	-	2,334,472
Unrestricted	5,645,010	712,272	6,357,282
Total net position	\$ 7,971,807	\$ 806,075	\$ 8,777,882

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ending August 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Operating revenues			
State and federal funding			
Medicaid	\$ 291,138,875	\$ -	\$ 291,138,875
Healthy Michigan	36,384,351	-	36,384,351
CCBHC	57,186,319	-	57,186,319
Incentive payments	2,619,281	-	2,619,281
MDHHS risk corridor	-	-	-
State and federal grant revenue	8,483,427	-	8,483,427
Total State and Federal funding	395,812,252	-	395,812,252
Local funding			
Public Act 2 funding	1,826,246	-	1,826,246
Local match drawdown	781,476	-	781,476
Total local funding	2,607,722	-	2,607,722
Total operating revenues	398,419,974	-	398,419,974
Operating expenses			
Funding for affiliate partners			
Barry County Community Mental Health	13,944,589	-	13,944,589
Kalamazoo Community Mental Health	110,906,915	-	110,906,915
Pines Behavioral Health	17,670,012	-	17,670,012
Riverwood Center	63,574,966	-	63,574,966
St. Joseph Community Mental Health	24,254,866	-	24,254,866
Summit Pointe	60,832,182	-	60,832,182
Van Buren Community Mental Health	30,907,208	-	30,907,208
Woodlands Behavioral Healthcare Network	21,086,870	-	21,086,870
PBIP funding for affiliate partners	1,920,841	-	1,920,841
CCBHC funding for affiliate partners	4,499,413	-	4,499,413
Total funding for affiliate partners	349,597,862	-	349,597,862
Contract expenditures			
Contractual services	21,611,222	-	21,611,222
IPA and HRA taxes	15,278,208	-	15,278,208
Local match drawdown	781,476	-	781,476
Total contract expenditures	37,670,906	-	37,670,906
Administrative expenses			
Salaries and contracted personnel	5,321,670	-	5,321,670
Fringe benefits	1,665,432	-	1,665,432
Board	4,358	-	4,358
Community education	249,491	-	249,491
Depreciation	6,658	-	6,658
Furniture and small equipment	850,894	-	850,894
Insurance	28,669	-	28,669
IT and Consulting services	443,849	-	443,849
Lease	181,787	-	181,787
Legal and professional	281,669	-	281,669

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ending August 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Maintenance and custodial	\$ 18,069	\$ -	\$ 18,069
Meeting and training	66,712	-	66,712
Membership and dues	18,908	-	18,908
Other	5,677	-	5,677
Staff development and travel	60,633	-	60,633
Supplies	19,054	-	19,054
Utilities	48,979	-	48,979
Total administrative expenses	9,272,508	-	9,272,508
Total operating expenses	396,541,276	-	396,541,276
Operating income (loss)	1,878,698	-	1,878,698
Non-operating revenues (expenses)			
Investment income	453,715	712,272	1,165,987
Interest expense	-	-	-
Non-operating local expense	(174,316)	-	(174,316)
Total non-operating revenues (expenses)	279,399	712,272	991,672
Transfers			
Transfer in (out)	-	-	-
Total transfer in (out)	-	-	-
Change in net position	2,158,097	712,272	2,870,370
Net position, beginning of year			
Beginning as previously presented	5,813,710	93,803	5,907,513
Beginning as restated	5,813,710	93,803	5,907,513
Net position, end of year	\$ 7,971,807	\$ 806,075	\$ 8,777,883

Southwest Michigan Behavioral Health
Statement of Cash Flows
For the Month Ending August 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Cash flows from operating activities			
Receipts from the State and other governments	\$ 398,635,341	\$ -	\$ 398,635,341
Payments to employees	(7,122,007)	-	(7,122,007)
Payments to affiliates and other governments	(403,837,742)	-	(403,837,742)
Payments to suppliers and providers	(2,748,497)	-	(2,748,497)
Net cash provided by operating activities	(15,072,905)	-	(15,072,905)
Cash flows from capital and related financing activities			
Acquisition of capital assets	18,763	-	18,763
Payment of direct borrowing	(0)	-	(0)
Payment of interest	-	-	-
Net cash provided by capital and related financing activities	18,763	-	18,763
Cash flows from noncapital financing activities			
Payments from/to other funds	8,366,851	(8,366,851)	-
Payments for non-operating local expense	(174,316)	-	(174,316)
Net cash provided by noncapital financing activities	8,192,536	(8,366,851)	(174,316)
Cash flows from investment activities			
Investment income	453,715	712,272	1,165,987
Net cash provided by investment activities	453,715	712,272	1,165,987
Net change in cash and cash equivalents	(6,407,890)	(7,654,579)	(14,062,470)
Cash and cash equivalents, beginning of year	27,387,167	8,692,278	36,079,445
Cash and cash equivalents, end of year	\$ 20,979,277	\$ 1,037,699	\$ 22,016,975
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,878,698	\$ -	\$ 1,878,698
Depreciation expense	6,658	-	6,658
Changes in assets and liabilities:			
Accounts receivable	39,177	-	39,177
Due from other governmental units	3,704,937	-	3,704,937
Prepaid expenses	(146,943)	-	(146,943)
Accounts payable	(322,806)	-	(322,806)
Accrued payroll and benefits	(134,905)	-	(134,905)
Due to other governmental units	(20,273,911)	-	(20,273,911)
Unearned revenue	176,191	-	176,191
Compensated absences	(1)	-	(1)
Net cash provided by operating activities	\$ (15,072,905)	\$ -	\$ (15,072,905)

Southwest Michigan Behavioral Health
Footnotes
For the Month Ending August 31, 2025

Unearned Revenue	
Barry County	831,221
Berrien County	763,683
Branch County	598,734
Calhoun County	204,755
Cass County	636,995
Kazoo County	2,269,536
St. Joe County	397,641
Van Buren County	644,905

FY25 County Specific PA2 Fund Balance.

Due from other governmental units	
Barry County	48,912
Barry CMH	2,843,819
Barry CCBHC	264,890
Berrien County	198,934
Riverwood CCBHC	4,782,229
Branch County	40,122
Pines BHN	77,927
Pines CCBHC	1,044,262
Calhoun County	354,276
Summit Pointe CCBHC	5,159,015
Cass County	42,043
Kalamazoo County	370,083
St. Joseph County	53,084
Van Buren County	86,365
Van Buren CMH	390,245
MDHHS	18,678,972

Balance includes FY24 MDHHS Shared Risk Receivable, FY25 PA2 funds due to SWMBH, FY25 CMHSP Settlements, FY25 SUD and MHBG Receivable.

Due to other governmental units	
Riverwood	2,714,008
Summit Pointe	1,376,370
Woodlands	3,550,402
ISK	8,550,844
ISK CCBHC	3,314,761
Pivotal	1,624,567
Pivotal CCBHC	2,515,676
Van Buren CCBHC	1,899,571
MDHHS	6,700,378
Local Match	(11,528)
IPA	383,904
Due to Other Agencies	8,205,842

Balance includes FY22 SWMBH Lapse to MDHHS, FY21 Death Recoupments and FY25 CMHSP Settlements.

Regional Quarterly Bulletin

From SWMBH CEO to Partner CMH
Boards of Directors



Introduction to Mila Todd, Interim-CEO

I am honored to currently serve as SWMBH's Interim Executive Officer and would like to briefly introduce myself to those of you who I have not yet had the pleasure of meeting. My name is Mila Todd. I was born and raised in Portage, MI and secured my Bachelor of Science in Psychology from WMU, and my Juris Doctor from MSU. I practiced law in both a defense and a prosecutor capacity for roughly 5 years before I joined SWMBH in August 2015 as a member of the Program Integrity & Compliance team. I took on the role of the Chief Compliance & Privacy Officer in February 2016 and later added Director of Provider Network to my title and oversight portfolio in 2018. I worked closely with Brad Casemore, SWMBH's outgoing CEO, as part of both Emergency and Planned Executive Succession Planning.

It is with great humility that I step into this role at such a crucial time in the existence of the public behavioral health system. I am encouraged and grateful for not only the dedication and talents of SWMBH and CMH staff, but for the support and partnering of the CMH CEOs. As we move ahead down uncertain paths, my goal is to do so with collaboration, transparency, and teamwork. Please feel free to reach out to me with any questions you have or if you would like to chat further – mila.todd@swmbh.org, (269) 488-6794.

Upcoming SWMBH Board Meetings

9:30-11:30
SWMBH Board
Room



Farewell

The SWMBH Board and Bradley Casemore, SWMBH CEO mutually agreed to an amiable separation effective August 1, 2025. Brad says "It is one of my professional honors to have served as the inaugural SWMBH CEO. The innovations and successes achieved by the region and by SWMBH leadership and staff are innumerable." Sherii Sherban, Summit Pointe representative to the SWMBH Board and its Chairperson said, "The Board is grateful to Mr. Casemore for his twelve years of successful leadership and we wish him and his family health and happiness."

Financial Updates

2025

Through a combination of regional cost saving measures by our partner CMHs and SWMBH and improved rates from MDHHS, our expected deficit for Fiscal Year (FY) 2025 has decreased from nearly \$25M to approximately \$12M.

2026

Based on initial projections, for FY2026 we anticipate higher revenues and expect to fully restore our Medicaid Savings as well as up to 40% of our internal service fund.

This is pending an approved state budget.

Population Health Reports Available by County

At the September 12, 2025, SWMBH Board meeting it was shared that the SWMBH developed a series of eight Population Health Reports, one for each county in our Region. These reports are available on the SWMBH website at [Population Health & Integrated Healthcare | Southwest Michigan Behavioral Health](#). The purpose of this work is to establish a baseline that highlights disparities, emerging trends, and opportunities for targeted improvements. By comparing county-level data to regional averages, each report helps identify where additional support or focus may be needed. These reports analyze calendar year 2024 data and focus on key indicators such as demographics, behavioral and chronic health conditions, healthcare utilization, and pharmacy-related risk patterns.

Ensuring these reports meet the request of your boards for comparative data, each of the reports contains comparative analyses from the broader eight-county SWMBH Region to contextualize local results. Analyses are stratified by age group, sex, race, and dual Medicare and Medicaid enrollment to better understand variation across subpopulations.

SWMBH Advocacy ~ Reprourement of PIHPs

MDHHS released a Request for Proposal (RFP) on August 4, 2025, seeking to replace the Prepaid Inpatient Health Plans (PIHPs) through a competitive procurement process. The RFP's structure, if implemented, would effectively abolish existing PIHP arrangements under the Mental Health Code by making it impossible for CMH-created regional entities to fulfill their statutory role. Through the RFP, MDHHS has redrawn the regional boundaries to reduce the number of PIHP regions from 10 to 3. By doing so, existing PIHPs are prevented from successfully bidding because PIHPs, under statute, only have authority in their designated service areas.

After thoughtful and careful consideration, including consultation with the SWMBH Operations Committee, on August 28, 2025, SWMBH joined two other PIHPs and three CMHSPs (the Plaintiffs) in filing a lawsuit in the Court of Claims challenging the legality of the RFP. As part of the filing, the Plaintiffs requested the Court issue a Preliminary Injunction – an Order that would pause the RFP process while the Court considers the legal challenges raised in the lawsuit. The State filed a response to the lawsuit and has requested the Court dismiss the lawsuit altogether.

The Court of Claims has scheduled a hearing for October 9, 2025, to consider both the Plaintiffs' request for a Preliminary Injunction, and the State's motion to dismiss the case.

Collaborative Projects in our Region

Regional Claims and Coding Workgroup: Initiated at the request of the CMHs and facilitated by SWMBH, the purpose of this regional workgroup is to discuss billing and business process issues and ensure regional consistency to the extent practicable.

Assets and Liabilities Workgroup: SWMBH initiated this workgroup which meets biweekly to assess regional assets and liabilities, and develop recommendations around an equitable distribution plan in the event the regional entity dissolves. Recommendations are scheduled to be presented to the Operations Committee and to the SWMBH Board in October and November.

Utilization Management Quality Improvement Workgroup: Initially a commission of the Operations Committee to review level of care authorization guidelines and evaluate data to determine outlier trends to ensure consistent adherence to uniform benefit, regionally. The purpose of this workgroup has expanded to include quality assurance and performance improvement activities related to ensuring regional consistency in utilization management practices in support of uniformity of benefit across our region.

Regional County PA2 Funds

Public Act 2 (PA2) funds are derived from Michigan's liquor tax, are returned to the county in which the tax was generated, and are split between the county and SWMBH. SWMBH's use of these funds is under the purview of the Substance Use Disorder Oversight Policy Board (SUDOPB) with the primary use being for substance use disorder treatment and prevention services. At the SUDOPB meeting on September 15th, the Board approved the FY26 PA2 budget of approximately \$3 million. There were 11 provider agencies in attendance, and the Board heard comments and testimonials from both providers and persons served about the impact of PA2 funds. One individual served stated:

*"Their program has shown me the light and the courage.
Without courage I would have given up a long time ago."*

Another notable statement was made by an employee from a public school system about a program that is in their middle school:

*"Their programs meet our students exactly where they are.
It helps them make healthy choices around substances."*

*"They are creating a culture of strength, empathy.
They don't serve just children, they serve families."*

Certified Behavioral Health Clinics

The six CMH-CCBHCs who were part of the demonstration in 2024 have been awarded nearly \$4.5M in quality based payment funds. These funds were awarded based on the CCBHCs meeting six metrics that reflect the excellent services provided.

If a metric is not met, those funds go into a redistribution pool, Barry County and Riverwood earned additional funds for one metric, and Pivotal earned additional funds for two metrics. Congratulations!

Our region's six CMHs who participated in the CCBHC demonstration in 2024 received a total of \$4,499,414 in 2024 Quality Based Payments which are local funds.

In addition, for fiscal year 2025, the seven CMHs in the demonstration received an additional \$900K+ from state general funds to assist with covering the costs for individuals served who did not have Medicaid coverage.

Of particular note and importance, starting October 1, 2025, the CCBHC demonstration is being directly managed by MDHHS. This means that the PIHP has no oversight responsibilities related to CCBHC services, and CCBHCs will have to bill and submit services on a fee-for-service basis to MDHHS.

Mila Todd, Interim Chief Executive Officer

Mila.Todd@SWMBH.org



Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 9/30/2026

(For Internal Management Purposes Only)

FY26 Budget - DRAFT-

INCOME STATEMENT

REVENUE

Contract Revenue

	FY25 Budget - Original	FY25 Budget Current Status - Revised	FY26 Budget Current Status	<u>Comparison</u>	
Medicaid Capitation	256,227,043	272,780,465	314,064,882	41,284,417	15.13%
Healthy Michigan Plan Capitation	38,407,790	30,965,275	34,620,863	3,655,589	11.81%
Opioid Health Home Capitation	1,610,090	1,537,064	1,871,969	334,905	21.79%
Medicaid Hospital Rate Adjustments	12,089,192	12,089,192	12,089,192	-	0.00%
CCBHC Supplemental	-	1,460,410	-	(1,460,410)	-100.00%
Mental Health Block Grant Funding	653,000	582,654	580,000	(2,654)	-0.46%
SA Block Grant Funding	7,763,190	7,391,149	7,795,203	404,054	5.47%
SA PA2 Funding	2,184,476	2,184,476	2,184,476	-	0.00%
Contract Revenue	318,934,780	328,990,684	373,206,585	44,215,900	13.44%
CMHSP Incentive Payments	419,357	483,601	483,601	-	0.00%
PIHP Incentive Payments	2,483,291	2,134,267	2,134,267	0	0.00%
Interest Income - Working Capital	1,222,315	361,598	47,805	(313,794)	-86.78%
Interest Income - ISF Risk Reserve	-	943,397	36,212	(907,185)	-96.16%
Local Funds Contributions	852,520	852,520	852,520	-	0.00%
TOTAL REVENUE	323,912,264	333,766,068	376,760,990	42,994,922	12.88%

EXPENSE

Healthcare Cost

Provider Claims Cost	22,142,286	23,131,126	22,684,580	(446,546)	-1.93%
CMHP Subcontracts, net of 1st & 3rd party	255,970,308	260,639,634	270,272,643	9,633,010	3.70%
Insurance Provider Assessment Withhold (IPA)	3,746,326	2,934,199	2,910,115	(24,084)	-0.82%
Medicaid Hospital Rate Adjustments	12,089,192	12,089,192	12,089,192	-	0.00%
Total Healthcare Cost	293,948,112	298,794,150	307,956,530	9,162,380	3.07%
Medical Loss Ratio (HCC % of Revenue)	92.0%	90.7%	82.4%		

Administrative Cost

Purchased Professional Services	1,412,585	380,374	450,825	70,451	18.52%
SWMBH Central Administrative Cost	11,385,908	10,616,077	10,468,429	(147,647)	-1.39%
SWMBH Central Administrative Transition Cost	-	-	2,186,447	2,186,447	#DIV/0!
Depreciation	7,263	7,263	7,263	-	0.00%
Delegated Managed Care Admin	24,714,174	30,125,592	33,364,066	3,238,474	10.75%
Apportioned Central Mgd Care Admin	(2,665,293)	(1,460,410)	-	1,460,410	-100.00%
Total Administrative Cost	34,854,637	39,668,896	46,477,031	6,808,135	17.16%
Admin Cost Ratio (MCA % of Total Cost)	10.6%	12.2%	13.1%		

Local Funds Expense	852,520	852,520	852,520	-	0.00%
PBIP Transferred to CMHPs		1,784,005	1,920,841	136,836	7.67%

TOTAL COST after apportionment	329,655,269	341,099,570	355,286,081	14,186,510	4.16%
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NET SURPLUS before settlement	(5,743,004)	(7,333,502)	21,474,909	28,808,412	392.83%
Net Surplus (Deficit) % of Revenue	-1.8%	-2.2%	5.7%		
Prior Year Savings	-	-	-		
Change in PA2 Fund Balance	-	-	-		
ISF Risk Reserve Abatement (Funding)	-	-	-		
ISF Risk Reserve (Deficit) Funding	1,929,280	564,327	36,212	(528,115)	-93.58%
CCBHC Supplemental Receivable (Payable)	3,813,725	-	-		
Settlement Receivable / (Payable)	-	-	-		
NET SURPLUS (DEFICIT)	(0)	(6,769,175)	21,511,121	28,280,296	417.78%



FY26 Budget											
Medicaid/HMP	SWMBH-Central										
	SWMBH	Admin	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	39,801,536	10,926,517	15,398,243	62,311,286	19,347,063	57,433,475	20,507,797	96,269,500	23,629,673	31,135,899	376,760,990
Expense	38,536,407	10,926,517	10,211,072	57,897,781	17,825,168	51,231,701	22,348,744	99,077,374	20,338,231	24,706,639	353,099,634
Difference	1,265,129	-	5,187,171	4,413,506	1,521,895	6,201,774	(1,840,947)	(2,807,874)	3,291,442	6,429,260	23,661,356

Managed Care Administration										
	SWMBH-Central									
	Admin	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revised FY25	11,003,714	745,597	5,285,964	865,338	5,823,993	1,797,966	11,190,385	1,756,548	2,659,801	41,129,306
FY26 Budget	10,926,517	1,462,396	5,134,409	919,714	6,179,091	1,804,979	13,437,564	1,927,225	2,498,688	44,290,584
Difference	77,197	(716,799)	151,555	(54,376)	(355,098)	(7,013)	(2,247,179)	(170,677)	161,112	(3,161,278)
ACR %	22.09%	14.32%	8.87%	5.16%	12.06%	8.08%	13.56%	9.48%	10.11%	12.54%



Current Revenue Assumption	FY26 Revenue									
	Assumption	SWMBH Central	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St. Joseph	Van Buren
Medicaid	\$ 233,749,303	\$ -	\$ 12,139,660	\$ 44,258,718	\$ 13,753,120	\$ 45,794,743	\$ 13,351,730	\$ 63,229,900	\$ 18,114,674	\$ 23,106,758
HSW "C" Waiver Capitation	\$ 70,682,821	\$ -	\$ 2,212,929	\$ 13,391,968	\$ 4,713,938	\$ 7,002,846	\$ 6,082,266	\$ 26,993,739	\$ 4,029,569	\$ 6,255,567
CWVP	\$ 964,209	\$ -	\$ 39,516	\$ 292,601	\$ -	\$ 316,131	\$ 39,516	\$ 276,444	\$ -	\$ -
SED	\$ 226,289	\$ -	\$ 15,996	\$ 12,938	\$ 10,436	\$ 65,389	\$ 5,563	\$ 99,250	\$ 3,833	\$ 12,883
Medicaid SA	\$ 8,442,260	\$ -	\$ 438,445	\$ 1,598,480	\$ 496,718	\$ 1,653,956	\$ 482,221	\$ 2,283,657	\$ 654,243	\$ 834,540
HMP	\$ 22,201,491	\$ -	\$ 1,070,577	\$ 4,670,068	\$ 1,078,569	\$ 4,208,545	\$ 1,246,999	\$ 6,360,723	\$ 1,613,202	\$ 1,952,808
HMP SA	\$ 12,419,373	\$ -	\$ 598,874	\$ 2,612,406	\$ 603,344	\$ 2,354,233	\$ 697,563	\$ 3,558,148	\$ 902,415	\$ 1,092,388
HMO	\$ 1,871,969	\$ 1,634,993	\$ -	\$ -	\$ -	\$ 236,976	\$ -	\$ -	\$ -	\$ -
DHIP	\$ 483,601	\$ -	\$ 7,060	\$ 57,185	\$ 11,296	\$ 67,069	\$ 9,178	\$ 234,388	\$ 20,474	\$ 76,953
HRA	\$ 12,089,192	\$ 12,089,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mental Health Block Grant Funding	\$ 580,000	\$ 580,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SA Block Grant Funding	\$ 7,795,203	\$ 7,795,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SA PA2 Funding	\$ 2,184,476	\$ 2,184,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PIHP Incentive Payments	\$ 2,134,267	\$ 213,427	\$ 103,312	\$ 362,192	\$ 113,272	\$ 375,112	\$ 111,528	\$ 508,606	\$ 154,931	\$ 191,887
Interest Income - Working Capital	\$ 47,805	\$ 47,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income - ISF Risk Reserve	\$ 36,212	\$ 36,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Funds Contributions	\$ 852,520	\$ 852,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deductions:										
Insurance Provider Assessment Withhold	\$	\$ 2,910,115	\$ (148,241)	\$ (567,395)	\$ (163,218)	\$ (565,176)	\$ (165,480)	\$ (799,678)	\$ (221,756)	\$ (279,171)
SWMBH Central Managed Care Pmnt	\$	\$ 13,112,965	\$ (619,147)	\$ (2,505,052)	\$ (782,242)	\$ (2,295,506)	\$ (829,043)	\$ (3,878,402)	\$ (950,451)	\$ (1,253,121)
DRM Adjustment	\$	\$ 9,271,147	\$ (460,739)	\$ (1,872,824)	\$ (488,168)	\$ (1,780,844)	\$ (524,243)	\$ (2,597,275)	\$ (691,461)	\$ (855,593)
Overall Net Capitation Payment	\$ 376,760,990	\$ 50,728,053	\$ 15,398,243	\$ 62,311,286	\$ 19,347,063	\$ 57,433,475	\$ 20,507,797	\$ 96,269,500	\$ 23,629,673	\$ 31,135,899

Southwest Michigan Behavioral Health

Resolutions of the Board of Directors

The board of directors (the "*Board*") of Southwest Michigan Behavioral Health ("*SWMBH*") hereby takes the following actions:

WHEREAS SWMBH maintains the Southwest Behavioral Health Retirement Savings Plan (the "*Plan*"), as previously amended; and

WHEREAS the Board desires to amend the Plan's loan provisions to clarify loan interest rate

WHEREAS the Board desires to amend the Plan's "cash out limit" to align with federal regulations

RESOLVED that Board hereby approves the Sixth Amendment to the Retirement Savings Plan (the "*Amendment*"), in the form presented to the Board and attached hereto; and farther

RESOLVED that the Chief Executive Officer and Retirement Plan Committee are authorized and directed to take any and all actions they deem necessary or advisable to effect the foregoing resolutions.

The foregoing resolutions are dated _____, 2025, and were adopted at a meeting of the Board as of that dated.

Certified

Sherii Sherban, Board Chair

Southwest Michigan Behavioral Health

Resolutions of the Board of Directors

The board of directors (the "*Board*") of Southwest Michigan Behavioral Health ("*SWMBH*") hereby takes the following actions:

WHEREAS SWMBH maintains the Southwest Behavioral Health SSA Pension Plan (the "*Plan*"), as previously amended; and

WHEREAS the Board desires to amend the Plan's to clarify part-time employees

WHEREAS the Board desires to amend the Plan's "cash out limit" to align with federal regulations

RESOLVED that Board hereby approves the Fifth Amendment to the SSA Pension Plan (the "*Amendment*"), in the form presented to the Board and attached hereto; and farther

RESOLVED that the Chief Executive Officer and Retirement Plan Committee are authorized and directed to take any and all actions they deem necessary or advisable to effect the foregoing resolutions.

The foregoing resolutions are dated _____, 2025, and were adopted at a meeting of the Board as of that dated.

Certified

Sherii Sherban, Board Chair

Southwest Michigan Behavioral Health CORPORATE COMPLIANCE PLAN

Approved by SWMBH Board of Directors
~~10/11/2024~~INSERT 2025 DATE

~~Mila C. Todd~~Alison Strasser
Interim SWMBH ~~Chief~~ Compliance Officer

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ORGANIZATIONAL STRUCTURE

Southwest Michigan Behavioral Health (SWMBH) serves as both the Medicaid Prepaid Inpatient Health Plan (PIHP) and Coordinating Agency (effective no later than 10/1/14) for the following eight county region:

Barry County:	Barry County Community Mental Health Authority;
Berrien County:	Berrien Mental Health Authority d/b/a Riverwood Center;
Branch County:	Branch County Community Mental Health Authority, d/b/a Pines Behavioral Health Services;
Calhoun County:	Calhoun County Community Mental Health Authority, d/b/a Summit Pointe;
Cass County:	Cass County Community Mental Health Authority d/b/a Woodlands Behavioral Healthcare Network;
Kalamazoo County:	Kalamazoo County Community Mental Health Authority d/b/a Integrated Services of Kalamazoo;
St. Joseph County:	St. Joseph County Community Mental Health Authority d/b/a Pivotal;
Van Buren County:	Van Buren Community Mental Health Authority

The Participant community mental health authorities have elected to configure SWMBH under the Michigan Mental Health Code Section 3301.1204b.

- **SWMBH as the PIHP**

SWMBH serves as the Medicaid Prepaid Inpatient Health Plan (PIHP) for the region with authority and accountability for operations and fulfillment of applicable federal and state statutory, regulatory and contractual obligations related to the applicable waiver(s) and MDHHS contract(s). The role of SWMBH as the PIHP is defined in federal statute, specifically 42 CFR 438 and the MDHHS/PIHP Contract.

SWMBH is the contracting entity for Medicaid contracts with MDHHS. Contracts include Medicaid 1115 Demonstration Waiver, 1915(c)/(i) Specialty Supports and Services, the Healthy Michigan Program, the Flint 1115 Waiver, Substance Use Disorder Community Grant Programs, and/or other(s).

- **SWMBH as the Coordinating Agency**

Beyond a Medicaid role, SWMBH also serves as the Coordinating Agency (CA) for member counties with authority and accountability for operations and fulfillment of applicable federal and state statutory, regulatory and contractual obligations related to that role and its contracts. SWMBH, as a designated CA, manages SAPT Block Grant funds, other federal/state non-Medicaid SUD funds, and PA2 liquor tax funds.

SWMBH: MISSION, VISION AND VALUES

Philosophy:

"Excellence through Partnership."

Mission:

"SWMBH strives to be Michigan's pre-eminent benefits manager and integrative healthcare partner, assuring regional health status improvements, quality, value, trust, and CMHSP participant success."

The MISSION of SWMBH is to provide a community-based, integrated specialty care system for individuals and families with mental health, developmental disabilities, and substance abuse needs that empowers people to succeed. We ensure all persons receiving our services have access to the highest quality care available.

Vision:

"An optimal quality of life in the community for everyone."

The Vision of SWMBH is to ensure persons with specialty care needs reside in their own community, have a quality and healthy lifestyle, and are fully accepted.

Values:

- Customer Driven
- Person-Centered
- Recovery Oriented
- Evidenced-Based
- Integrated Care
- Trust
- Integrity
- Transparency
- Inclusive
- Accessibility
- Acceptability
- Impact
- Value
- Culturally Competent & Diverse Workforce
- High Quality Services
- Regulatory Compliance

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OVERVIEW

This Corporate Compliance Plan documents SWMBH's approach to assuring that federal and state regulatory and contractual obligations related to compliance of the Prepaid Inpatient Health Plan (PIHP) are fulfilled.

The SWMBH Corporate Compliance Plan addresses SWMBH's regulatory compliance obligations as a Prepaid Inpatient Health Plan (PIHP) and how, where it has obligations, it will oversee the PIHP functions it delegates to the Participant Community Mental Health Service Providers (CMHSP). SWMBH's Corporate Compliance Program is designed to further SWMBH's commitment to comply with applicable laws, promote quality performance throughout the SWMBH region, and maintain a working environment for all SWMBH personnel that promotes honesty, integrity and high ethical standards. SWMBH's Corporate Compliance Program is an integral part of SWMBH's mission, and all SWMBH personnel, Participant CMHSPs and contracted and sub-contracted Providers are expected to support the Corporate Compliance Program. SWMBH's Compliance Plan is comprised of the following principal elements as outlined in the Federal Sentencing Guidelines:

- 1) The development and distribution of written standards of conduct, as well as written policies and procedures, that promote SWMBH's commitment to compliance and that address specific areas of potential fraud;
- 2) The designation of a Chief Compliance Officer and other appropriate bodies, (e.g., a Corporate Compliance Committee), charged with the responsibility and authority of operating and monitoring the compliance program;
- 3) The development and implementation of regular, effective education and training programs for all affected employees;
- 4) The development of effective lines of communication between the Chief Compliance Officer and all employees, including a hotline to receive complaints and the adoption of procedures to protect the anonymity of complainants and to protect callers from retaliation;
- 5) The use of audits or other risk evaluation techniques to monitor compliance and assist in the reduction of identified problem areas within delivered services, claims processing and managed care functions;
- 6) The development of disciplinary mechanisms to consistently enforce standards and the development of policies addressing dealings with sanctioned and other specified individuals; and
- 7) The development of policies to respond to detected offenses, to initiate corrective action to prevent similar offenses, and to report to Government authorities when appropriate.

SWMBH's Corporate Compliance Program is committed to the following:

- Minimizing organizational risk and improving compliance with the service provision, documentation, and billing requirements of Medicaid and other SWMBH-managed funding streams;

- Maintaining adequate internal controls throughout the region and provider network;
- Encouraging the highest level of ethical and legal behavior from all employees and providers;
- Educating employees, contract providers, board members, and stakeholders on their responsibilities and obligations to comply with applicable local, state, and federal laws; and
- Providing oversight and monitoring functions.

There are numerous laws that affect the regulatory compliance of SWMBH and its provider network; however, in formalizing the PIHP's compliance program, the legal basis of the SWMBH compliance program centers around four key laws and statutes:

- **The Affordable Care Act (2010)** This Act requires the PIHP to have a written and operable compliance program capable of preventing, identifying, reporting, and ameliorating fraud, waste and abuse across the PIHP's provider network. All programs funded by the PIHP including CMHSPs, sub-contracted provider organizations and practitioners, board members and others involved in rendering PIHP covered services fall under the purview and scope of SWMBH's compliance program.
- **The Federal False Claims Act** This Act applies when a company or person knowingly presents (or causes to be presented) to the Federal government (or any entity on its behalf) a false or fraudulent claim for payment; knowingly uses (or causes to be used) a false record or statement to get a claim paid; conspires with others to get a false or fraudulent claim paid; or knowingly uses (or causes to be used) a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Federal government (or its designated entity).
- **The Michigan False Claims Act** This Act prohibits fraud in the obtaining of benefits or payments in conjunction with the MI Medical assistance program; prohibits kickbacks or bribes in connection with the program; prohibits conspiracies in obtaining benefits or payments; and authorizes the MI Attorney General to investigate alleged violations of this Act.
- **The Anti-Kickback Statute** This Act prohibits the offer, solicitation, payment or receipt of remuneration, in cash or in kind, in return for or to induce a referral for any service paid for or supported by the Federal government or for any good or service paid for in connection with consumer service delivery.

There are numerous Federal and State regulations that affect the SWMBH compliance program. Some of these laws not referenced above include but are not limited to:

- The Medicaid Managed Care Final Rules (42 CFR Part 438)
- The Deficit Reduction Act of 2005
- Social Security Act of 1964 (Medicare & Medicaid)

- Privacy and Security requirements of the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH)
- 42 CFR Part 2 Confidentiality of Alcohol and Drug Abuse Patient Records
- Code of Federal Regulations
- Letters to State Medicaid Directors
- The MI Medicaid False Claims Act (Current through amendments made by Public Act 421 of 2008, effective 1/6/2009)
- Michigan Whistleblowers Act, Act 469 of 1980
- Michigan Mental Health Code and Administrative Rules
- Medical Services Administration (MSA) Policy Bulletins
- State Operations Manual
- State of Michigan PIHP contract provisions
- Provisions from Public Act 368 of 1978 – revised – Article 6 Substance Abuse
- Michigan State Licensing requirements
- Michigan Medical Records Act
- Civil Monetary Penalty Law of 1981
- American with Disabilities Act of 1990

The SWMBH Compliance Plan is subject to the following conditions:

- A. SWMBH's Chief Compliance Officer (CCO) may recommend modifications, amendments or alterations to the written Corporate Compliance Plan as necessary and will communicate any changes promptly to all personnel and to the Board of Directors.
- B. This document is not intended to, nor should it be construed as, a contract or agreement and does not grant any individual or entity employment or contract rights.

APPLICATION OF COMPLIANCE PLAN

SWMBH is a regional PIHP and as such, this Plan is intended to address SWMBH's function as a PIHP. It is the intent of SWMBH that the scope of all its compliance policies and procedures should promote integrity, support objectivity and foster trust throughout the service region. This Plan applies to all SWMBH operational activities and administrative ~~actions, and actions~~ and includes those activities that come within federal and state regulations relating to PIHPs. SWMBH personnel are subject to the requirements of this plan as a condition of employment. All SWMBH personnel are required to fulfill their duties in accordance with SWMBH's Compliance Plan, human resources and operational policies, and to promote and protect the integrity of SWMBH. Failure to do so by SWMBH personnel will result in discipline, up to and including termination of employment depending on the egregiousness of the offense. Disciplinary action may also be taken against a supervisory employee who directs or approves an employee's improper conduct, is aware of the improper conduct and does not act appropriately to correct it, or who fails to properly exercise appropriate supervision over an employee.

SWMBH directly and indirectly, through its Participant CMHSPs, contracts services for adults and children with mental illness, developmental disabilities, and co-occurring mental health and substance abuse disorders within its eight counties (Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, Saint Joseph, and Van Buren counties).

The PIHP Compliance Plan applies to all contracted and subcontracted providers receiving payment through SWMBH and/or through the PIHP managed care functions. All Participant CMHSPs and contracted and subcontracted providers, including their officers, employees, servants and agents, are subject to the requirements of this Plan as applicable to them and as stated within the applicable contracts. Failure to follow the SWMBH Compliance Plan and cooperate with the compliance program will result in remediation effort attempts and/or contract action, if needed. SWMBH has the responsibility of regulating, overseeing and monitoring the Medicaid processes of business conducted throughout its service area. SWMBH also has the responsibility to support business practices conducted with integrity and in compliance with the requirements of applicable laws and sound business practices.

The SWMBH Corporate Compliance Plan standards and policies included or referenced herein are not exhaustive or all inclusive. All SWMBH personnel, Participant CMHSPs and providers are required to comply with all applicable laws, rules and regulations including those that are not specifically addressed in the Corporate Compliance Plan.

DEFINITIONS AND TERMS

- Compliance investigation: the observation or study of suspected fraud, abuse, waste, or reported violations of applicable laws and regulations for all SWMBH-administered funding streams by close examination and systematic inquiry.
- Abuse: means provider practices that are inconsistent with sound fiscal, business, or clinical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards of care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program. (42 CFR § 455.2)
- Fraud (Federal False Claims Act): means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law including but not limited to the Federal False Claims Act and the Michigan False Claims Act. (42 CFR § 455.2)
- Fraud (MI Medicaid False Claims Act): Michigan law permits a finding of Medicaid fraud based upon “constructive knowledge.” This means that if the course of conduct reflects a systematic or persistent tendency to cause inaccuracies” then it may be fraud, rather than simply a good faith error or mistake. (Public Act 421 of 2008, effective 1/6/2009)
- Waste: means overutilization of services, or other practices that result in unnecessary costs. Generally not considered caused by criminally negligent actions but rather the misuse of resources.

- **Participant CMHSPs:** Participant CMHSPs hold a subcontract with SWMBH to provide supports and services to adults and children with mental illness, developmental disabilities, and co-occurring mental health and substance abuse disorders to Plan Members and to perform various delegated managed care functions consistent with SWMBH policy. “Participant CMHSPs” includes the agency itself as well as those acting on its behalf, regardless of the employment or contractual relationship.
- **Contracted Providers:** substance abuse and other Providers throughout the SWMBH region with which SWMBH directly holds a contract to provide Medicaid covered mental health and substance abuse services.
- **Subcontracted Providers:** various Providers throughout the SWMBH region that contract directly with one or more of the Participant CMHSPs to provide covered mental health and substance abuse services.

SECTION I - CODE OF CONDUCT

➤ SWMBH Personnel and Board of Directors Code of Conduct

In order to safeguard the ethical and legal standards of conduct, SWMBH will enforce policies and procedures that address behaviors and activities within the work setting, including but not limited to the following:

- 1) **Confidentiality:** SWMBH is committed to protecting the privacy of its consumers. Board members and SWMBH personnel are to comply with the Michigan Mental Health Code, Section 330.1748, 42 CFR Part 2 relative to substance abuse services, and all other privacy laws as specified under the Confidentiality section of this document.
- 2) **Harassment:** SWMBH is committed to an environment free of harassment for Board members and SWMBH personnel. SWMBH will not tolerate harassment based on sex, race, color, religion, national origin, citizenship, chronological age, sexual orientation, or any other condition, which adversely affects their work environment. SWMBH has a strict non-retaliation policy prohibiting retaliation against anyone reporting suspected or known compliance violations.
- 3) **Conflict of Interest:** SWMBH Board members and personnel will avoid any action that conflicts with the interest of the organization. All Board members and personnel must disclose any potential conflict of interest situations that may arise or exist. SWMBH will maintain standards establishing a clear separation of any supplemental employment in terms of private practice and outside employment from activities performed for SWMBH.
- 4) **Reporting Suspected Fraud:** SWMBH Board members and personnel must report any suspected or actual “fraud, abuse or waste” (consistent with the

definitions as set forth in this Plan) of any SWMBH funds to the organization.

- 5) Culture: SWMBH Board members, Executive Officer and management personnel will establish at SWMBH, and encourage throughout its region, cultures that promote prevention, detection, and resolution of instances of misconduct in order to conform to applicable laws and regulations. SWMBH will assist Participant CMHSPs, contracted and subcontracted providers in adopting practices that promote compliance with Medicaid fraud, abuse and waste program requirements. The SWMBH Compliance Plan and program will be enforced consistently.
- 6) Delegation of Authority: SWMBH Board members, Executive Officer and management personnel will use due care not to delegate substantial discretionary authority to individuals whom they know, or should have known through due diligence, have a propensity to engage in illegal activities.
- 7) Excluded Individuals: SWMBH will perform, or cause to be performed, criminal records checks on potential SWMBH personnel, and shall avoid placing untrustworthy or unreliable employees in key positions. In addition, SWMBH will consult the OIG Cumulative Sanctions List, the System for Award Management, and the Michigan Department of Health and Human Services List of Sanctioned Providers to determine whether any current or prospective SWMBH Board members or personnel have been excluded from participation in federal health care programs.
- 8) SWMBH Board members and SWMBH personnel are expected to participate in compliance training and education programs.
- 9) SWMBH Board members and SWMBH personnel are expected to cooperate fully in any investigation.
- 10) Reporting: All SWMBH Board members and SWMBH personnel have the responsibility of ensuring the effectiveness of the organization's Compliance Program efforts by actively participating in the reporting of suspected violations of the Compliance Plan or policies, and the standards stated in this Code of Conduct.
- 11) Gifts From Consumers/Members: SWMBH personnel are prohibited from soliciting tips, personal gratuities or gifts from members or member families. Additionally, SWMBH personnel are prohibited from accepting gifts or gratuities of more than nominal value. SWMBH generally defines "nominal" value as \$25.00 per gift or less. If a member or other individual wishes to present a monetary gift of more than nominal value, he or she should be referred to the Executive Officer.
- 12) Gifts Influencing Decision-Making: SWMBH personnel will not accept from anyone gifts, favors, services, entertainment or other things of value to the extent that decision-making or actions affecting SWMBH might be influenced. Similarly, the offer or giving of money, services or other things of value with the expectation of influencing the judgment or decision-making process of any purchaser, supplier, customer/member, government official or other person by any SWMBH personnel or

SWMBH is absolutely prohibited. Any such conduct should be reported immediately to the CCO, or through the SWMBH corporate compliance hotline at (800) 783-0914.

- 13) Gifts from Existing Vendors: SWMBH personnel may accept gifts from vendors, suppliers, contractors or other persons that have nominal values as defined in SWMBH financial and compliance policies. SWMBH expects SWMBH personnel to exercise good judgment and discretion in accepting gifts. If any SWMBH personnel have any concerns regarding whether a gift should be accepted, the person should consult with his or her supervisor. SWMBH personnel will not accept excessive gifts, meals, expensive entertainment or other offers of goods or services, which has a more than a nominal value as defined in SWMBH financial and compliance policies.
- 14) Vendor Sponsored Entertainment: At a vendor's invitation, SWMBH personnel may accept meals or refreshments of nominal value at the vendor's expense. Occasional attendance at local theater or sporting events, or similar activity at a vendor's expense may also be accepted provided ~~that, that~~ a business representative of the vendor attends with SWMBH personnel. Such activities are to be reported to the Chief Compliance Officer by SWMBH personnel.
- 15) Purchasing and Supplies: It is the policy of SWMBH to ensure that all rental, lease, and purchasing agreements are structured in accordance with applicable federal and state self-referral and anti-kickback regulations as well as federal guidelines regarding tax-exempt organizations. All agreements must be commensurate with the fair market value for equipment or space.

All subcontractor and supplier arrangements will be managed in a fair and reasonable manner, consistent with all applicable laws and good business practices. Subcontractors, suppliers, and vendors will be selected based on objective criteria including quality, technical excellence, price, delivery, and adherence to schedules, services and maintenance of adequate sources of supply. Purchasing decisions will be made on the supplier's ability to meet needs and not on personal relationships or friendships. SWMBH will always employ the highest ethical standards in business practices in source selection, negotiation, determination of contract awards, and the administration of purchasing activities.

- 16) Marketing: Marketing and advertising practices are defined as those activities used by SWMBH to educate the public, provide information to the community, increase awareness of services, and recruit employees or contractual providers. SWMBH will present only truthful, fully informative and non-deceptive information in any materials or announcements. All marketing materials will reflect available services.

The federal Anti-kickback Statute (section 1128B[b] of the Social Security Act) makes it a felony, punishable by criminal penalties, to offer, pay,

solicit, or receive “remuneration” as an inducement to generate business compensated by Medicare and Medicaid programs. Therefore, all direct-to-consumer marketing activities require advance review by the Compliance Committee or designee if the activity involves giving anything of value directly to a consumer.

- 17) Financial Reporting: SWMBH shall ensure ~~integrity~~the integrity of all financial transactions. Transactions shall be executed in accordance with established policies and procedures and with federal and state ~~law, and law~~and shall be recorded in conformity with generally accepted accounting principles or any other applicable criteria.

All financial reports, accounting records, research reports, expense accounts, time sheets and other documents will accurately and clearly represent the relevant facts or the true nature of a transaction. No undisclosed or unrecorded funds or assets will be established for any purpose.

SWMBH will not tolerate improper or fraudulent accounting, documentation, or financial reporting. SWMBH personnel have a duty to make reasonable inquiry into the validity of financial information reporting. In addition to employee discipline and termination, SWMBH may terminate the contractual arrangement involving any contracted provider due to fraudulent accounting, documentation, or financial reporting.

SWMBH shall develop internal controls and obtain an annual independent audit of financial records; shall ensure that reimbursement for services billed is accurate, appropriate, and based on complete documentation; and shall maintain accountability of assets.

- 18) Third Party Billing and Governmental Payers: SWMBH is committed to truthful billing that is supported by complete and accurate documentation. SWMBH personnel may not misrepresent charges to, or on behalf of, a consumer or payer.

SWMBH must comply with all payment requirements for government-sponsored programs. All SWMBH personnel must exercise care in any written or oral statement made to any government agency. *SWMBH will not tolerate false statements by SWMBH personnel to a governmental agency.* Deliberate misstatements to governmental agencies or to other payers will expose the individual to potential criminal penalties and termination.

- 19) Responding to Government Investigations: SWMBH will fully comply with the law and cooperate with any reasonable demand made in a governmental investigation as outlined and specified in the SWMBH Compliance and Program Integrity Operating Policy 19.9, *Response To Government Investigations*. SWMBH personnel may not conceal, destroy,

or alter any documents, lie or make misleading statements to governmental representatives. SWMBH personnel may not aid in any attempt to provide inaccurate or misleading information or obstruct, mislead, or delay the communication of information or records relating to a possible violation of the law.

It is crucial that the legal rights of SWMBH personnel and SWMBH are protected. If any SWMBH personnel receives an inquiry, a subpoena, or other legal documents requiring information about SWMBH business or operation, whether at home or in the workplace, from any government agency, SWMBH requests that the person notify SWMBH's Executive Officer or the Chief Compliance Officer immediately.

SWMBH will distribute the Code of Conduct to all SWMBH personnel upon hire who shall certify in writing that they have received, read, and will abide by the organization's Code of Conduct. In addition to the Code of Conduct, all SWMBH personnel will be familiar with and agree to abide by all SWMBH operational and human resources policies and procedures as well as the employee handbook. All operational and human resources policies and procedures and the employee handbook are available to SWMBH personnel through the SWMBH intranet and the shared drive.

➤ Participant CMHSP and Contracted and Subcontracted Provider Relationships

It is the policy of SWMBH to ensure that all direct and subcontracted provider contractual arrangements are structured in accordance with federal and state laws and regulations and are in the best interest of the organization and the consumers we serve. In order to ethically and legally meet all standards, SWMBH will strictly adhere to the following:

- 1) SWMBH does not receive or provide any inducement for referrals. Consumer referrals and intakes will be accepted based on the consumer's needs, eligibility, and SWMBH's ability to provide the services needed.
- 2) No employee, Participant CMHSP, or contracted or subcontracted provider, or any other person acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of consumers.
- 3) SWMBH does not enter into financial arrangements with physicians that are designed to provide inappropriate remuneration to the organization in return for the physician's ability to provide services to state and federal health care program beneficiaries.
- 4) SWMBH does not enter into contractual relationships with individuals or agents/agencies that have been convicted of a criminal offense related to health care or that are listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federal health care programs. Reasonable and prudent background investigations will be completed prior to entering into contractual relationships with all individuals and agents/agencies. SWMBH will consult the National Practitioner Data

Bank and the OIG Cumulative Sanctions List to determine whether any current or prospective Participant CMHSPs or contracted or subcontracted Providers have been excluded from participation in federal health care programs.

- 5) All Participant CMHSP, contracted and subcontracted provider personnel have the responsibility of ensuring the effectiveness of SWMBH's Compliance Program efforts by actively participating in the reporting of suspected violations of the Compliance Plan or policies, and the standards stated in this Code of Conduct consistent with SWMBH compliance policies.

Participant CMHSPs and contracted and subcontracted providers will be required to comply with the SWMBH Code of Conduct or provide evidence of a sufficient Code of Conduct of their own. If complying with the SWMBH Code of Conduct, Participant CMHSPs and contractual providers will receive a copy of the Code of Conduct at the time of the initial contract and will be required to certify in writing that they have received, read, and will abide by SWMBH's Code of Conduct for inclusion in the contractor file. Participant CMHSPs and contracted or subcontracted providers having developed their own Code of Conduct will be required to provide evidence of such for inclusion in the contractor file. Participant CMHSPs and contracted and subcontracted providers will be familiar with and agree to abide by the SWMBH Compliance Plan and all applicable policies and procedures as incorporated into relevant contracts. All policies and procedures are available to the Participant CMHSPs, contracted, and subcontracted providers via the SWMBH Internet Website at www.swmbh.org. Participant CMHSPs and contracted and subcontracted providers are responsible for monitoring and staying informed of regulatory developments independent of SWMBH Compliance Program efforts.

- All SWMBH personnel, Participant CMHSPs, contracted and subcontracted providers will refrain from conduct that may violate the Medicare and Medicaid anti-kickback, false claims or physician self-referral laws and regulations. A false claim includes the following: billing for services not rendered; misrepresenting services actually rendered; falsely certifying that certain services were medically necessary; or submitting a claim for payment that is inconsistent with or contrary to Medicaid payment requirements. In general, these laws prohibit:
 - Submission of false, fraudulent or misleading claims for payment, the knowing use of a false record or statement to obtain payment on false or fraudulent claims paid by the United States government, or the conspiracy to defraud the United States government by getting a false or fraudulent claim allowed or paid. If the claims submitted are knowingly false or fraudulent then the False Claims Act has been violated;
 - Knowingly and willfully making false representation to any person or entity in order to gain or retain participation in the Medicaid program or to obtain payment for any service from the United States government;

- A physician (or immediate family member of the physician) who has a financial relationship with an entity from referring a Medicaid patient to the entity for the provision of certain “designated health services” unless an exception applies; or an entity from billing an individual, third party payer, or other entity for any designated health services provided pursuant to a prohibited referral; and
- Knowingly and willfully making or causing to be made any false statement or representation of a material fact in any application (claim) for benefits or payments under a Federal health care program.

SECTION II - CHIEF COMPLIANCE OFFICER AND COMPLIANCE COMMITTEES

SWMBH EO will designate a Chief Compliance Officer (CCO) who reports directly to the SWMBH EO and has direct access to the SWMBH Board of Directors, and who will be given sufficient authority to oversee and monitor the Compliance Plan, including but not limited to the following:

- Recommending revisions/updates to the Compliance Plan, policies, and procedures to reflect organizational, regulatory, contractual and statutory changes.
- Reporting on a regular basis the status of the implementation of the Compliance Plan and related compliance activities.
- Assuring and/or coordinating compliance training and education efforts for SWMBH personnel, Participant CMHSPs and contracted and subcontracted providers.
- Assuring continuing analysis, technical expertise and knowledge transmission of corporate compliance requirements and prepaid health plan performance in keeping with evolving federal requirements and MDHHS contractual obligations and standards.
- Coordinating internal audits and monitoring activities outlined in the compliance work plan.
- Performing, or causing to be performed, risk assessments, verification audits, and on-site monitoring consistent with the approved annual PIHP compliance work plan(s) intended to reduce the risk of criminal conduct at SWMBH, Participant CMHSPs, contracted and subcontracted providers.
- Ensure coordinating efforts with Human Resources, Provider Network Management, and other relevant departments regarding employee certifications/licensure, background checks, and privileging and credentialing.
- Developing and modifying policy and programs that encourage the reporting of suspected fraud and other potential problems without fear of retaliation.
- Independently investigating and acting on matters related to compliance.
- Drafting and maintaining SWMBH Board and executive reports including annual Compliance Program Evaluation and bi-annual Board compliance reports.

The authority given the CCO will include the ability to review all SWMBH, Participant CMHSP, contracted and subcontracted provider Medicaid and any other SWMBH-managed funding streams

documents and other information relevant to compliance activities, including, but not limited to, consumer records, billing records, employee records and contracts and obligations of SWMBH, consistent with applicable contract provisions.

SWMBH maintains and charters a Corporate Compliance Committee that oversees the implementation and operation of the SWMBH Compliance Plan. The Corporate Compliance Committee reviews reports and recommendations made by the SWMBH CCO regarding compliance activities. This includes data regarding compliance generated through audits, monitoring, and individual reporting. Based on these reports, the Chief Compliance Officer will make recommendations to the Executive Officer regarding the efficiency of the SWMBH Compliance Plan and program. The Corporate Compliance Committee will be chaired by the CCO and will consist of members appointed by the EO of SWMBH, which can include:

- Executive Officer (EO) of SWMBH or his/her designee;
- Chief Compliance Officer/Privacy Officer;
- Chief Information Officer;
- Member Services Coordinator;
- Director of Performance Improvement Program;
- Directors of Clinical functional areas;
- Chief Administrative Officer;
- Provider Network Manager;
- Chief Financial Officer; and
- Participant CMHSP CEO

Specific responsibilities of the Corporate Compliance Committee include:

- Regularly reviewing compliance program policies to ensure they adequately address legal requirements and address identified risk areas;
- Assisting the CCO with developing standards of conduct and policies and procedures to promote compliance with the Compliance Plan;
- Analyzing the effectiveness of compliance education and training programs;
- Reviewing the compliance log for adequate and timely resolution of issues and/or inquiries;
- Assisting the CCO in identifying potential risk areas, advising and assisting the CCO with compliance initiatives, identifying areas of potential violations, and recommending periodic monitoring/audit programs;
- Assisting in the development of policies to address the remediation of identified problems;
- Receiving, interpreting, and acting upon reports and recommendations from the CCO;
- Evaluating the overall performance of the Compliance Program and making recommendations accordingly; and
- Providing a forum for the discussion of ethical issues related to entity business functions.

The SWMBH Board Regulatory Compliance Committee exercises oversight of the SWMBH compliance program and its compliance with the requirements of the MDHHS-SWMBH Master Contract. The SWMBH Chief Compliance Officer serves as the committee chair, organizer and facilitator. The committee consists of three (3) Board Members appointed by SWMBH's Board Chair.

Specific responsibilities of the Board Regulatory Committee include:

- Facilitating open communications between the SWMBH Chief Compliance Officer and the SWMBH Board of Directors;
- Reviewing and discussing the Compliance Plan and strategy in the interest of facilitating open dialogue as to its implementation and suggesting modifications as necessary;
- Reviewing ongoing SWMBH Program Integrity & Compliance activities as part of the Board's direct inspection monitoring responsibilities;
- Offering insight and perspective to support and improve the SWMBH compliance program goals and initiatives.

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SECTION III - COMPLIANCE TRAINING AND EDUCATION

Proper and continuous training and education of SWMBH personnel at all levels is a significant element of an effective compliance program. Therefore, SWMBH will establish a regular training program consistent with applicable compliance policies that covers the provisions of the Code of Conduct, as well as the processes for obtaining advice and reporting misconduct. Training is provided upon hire for new employees; annual and periodic retraining is provided to existing SWMBH personnel and, as applicable, independent contractors.

SWMBH Board members and personnel will be scheduled to receive SWMBH's compliance program training on the Compliance Plan and Code of Conduct at orientation or within thirty (30) days of employment. Tailored training may be required for employees involved in specific areas of risk and the CCO will coordinate and schedule this as needed and will supplement with training and/or newsletters, e-mails and in-services. Records will be maintained on all formal training and educational activities. Training is considered a condition of employment and failure to comply will result in appropriate disciplinary action.

Upon employment, all SWMBH personnel will be provided a written copy of the Plan; staff signature (Compliance Certification Form Attachment A) acknowledges that the staff received:

- Corporate Compliance Orientation
- A copy of the Code of Conduct
- A copy of the SWMBH Corporate Compliance Plan

The Compliance Certification Forms will be maintained in the Program Integrity and Compliance Office. Modifications to the Plan will be distributed to all personnel after revisions have been approved by the SWMBH Compliance Committee and accepted by the Board of Directors.

A copy of the Plan will be kept on file by the CCO and maintained at SWMBH's corporate office. The SWMBH Corporate Compliance Plan can also be accessed on the shared drive of SWMBH's network, and on the SWMBH Internet Website at www.swmbh.org.

- Initial training: The Chief Compliance Officer shall ensure the scheduling and documentation of initial trainings for all SWMBH personnel regarding SWMBH's Corporate Compliance Plan. Training sessions may include, but are not limited to, face-to-face educational presentations or videotapes. Subsequent compliance instruction will occur annually.
- Continuing Education: The CCO shall review and circulate periodic information to the Corporate Compliance Committee regarding any health care fraud issues as received from the Office of Inspector General (OIG), the Department of Health and Human Services (DHHS), and other updated compliance materials. The CCO shall ensure current mandates are instituted in both initial and refresher

education/training that will assist in answering personnel questions related to modifications in either federal or state edicts. Continued compliance training will be documented in electronic format. These training sessions are obligatory, personnel initiated, or instituted upon request of the supervisor. Failure to participate in mandatory training session(s) will result in verbal/written reprimand, suspension, or termination of employment as deemed appropriate by SWMBH's EO. The CCO will be available to all personnel to answer questions regarding modifications of governmental guidelines.

- Regulations: It is the responsibility of SWMBH personnel to maintain job specific certifications and/or licensing requirements, proficiencies, and competencies set forth by the State of Michigan licensing body.

Training and educational opportunities related to compliance may be made available by SWMBH to Participant CMHSPs, contracted and subcontracted provider staff, as well as consumers and others as appropriate. Participant CMHSPs, contracted and subcontracted providers are expected to provide the following minimum compliance training annually to all staff and agents working on their behalf:

- Establish and review policies and procedures that provide detailed information about the Federal False Claims Act;
- Establish and review policies and procedures that provide detailed information about the MI State False Claims Act;
- Review administrative, civil and criminal remedies for false claims and statements under both the Federal and State False Claims Act;
- Establish and review agency policies/procedures relating to prevention of fraud, waste and abuse; and
- Establish and review agency policies and procedures relating to whistleblower provisions and non-retaliation protections.

SWMBH reserves the right to review all compliance related training materials used by Participant CMHSPs covering the elements noted above in order to ensure compliance with contractual requirements.

SECTION IV - COMPLIANCE REPORTING AND ONGOING COMMUNICATION

All SWMBH Board members and personnel must be familiar with applicable federal and state laws and regulations as well as SWMBH policies and procedures. Any SWMBH Board member and personnel that know, or has reason to believe, that an employee of, or independent professional providing services to, SWMBH is not acting in compliance with federal and state laws and regulations should report such matters to the CCO consistent with the applicable compliance policy. Reporting of suspected violations may be accomplished through a verbal, written, or anonymous report using the following mechanisms:

- SWMBH Telephone Hot Line – Suspected compliance violations or questions can be made to a toll-free hot line. The number is (800) 783-0914 and includes confidential voice mail.
- SWMBH Electronic Mail (E-Mail) – Suspected compliance violations or questions can be sent electronically via e-mail to the mila.todd@swmbh.org, eralison.strasser@swmbh.org or swmbhcompliance@swmbh.org.
- Mail Delivery – Suspected compliance violations or questions can be mailed to:
Southwest Michigan Behavioral Health
Attn: Chief Compliance Officer
5250 Lovers Lane, Suite 200
Portage, MI 49002
- In Person - Suspected compliance violations or questions can be made in person to SWMBH's CCO at the above address.

Whistleblower Protections for SWMBH Personnel

Employees who make good faith reports of violations of federal or state law are protected by state and federal whistleblower statutes, as more fully described below.

Under the *Federal False Claims Act* and the *Michigan Medicaid False Claims Act*, employees who report violations in good faith are entitled to protection from disciplinary actions taken by their employer.

The *Federal False Claims Act*, 31 USC §§3729 through 3731, provides for administrative remedies, encourages enactment of parallel State laws pertaining to civil and criminal penalties for false claims and statements, and provides “whistle-blower” protection for those making good faith reports of statutory violations.

Under the *Michigan Medicaid False Claims Act*, an employer shall not discharge, demote, suspend, threaten, harass, or otherwise discriminate against an employee in the terms and conditions of employment because the employee initiates, assists in, or participates in a proceeding or court action under this act or because the employee cooperates with or assists in an investigation under this act. This prohibition does not apply to an employment action against an employee who the court finds: (i) brought a frivolous claim, as defined in section 2591 of the revised judicature act of 1961, 1961 PA 236, MCL §600.2591; or, (ii) planned, initiated, or participated in the conduct upon

which the action is brought; or, (iii) is convicted of criminal conduct arising from a violation of that act.

An employer who takes action against an employee in violation of the *Michigan Medicaid False Claims Act* is liable to the employee for all of the following:

1. Reinstatement to the employee's position without loss of seniority;
2. Two times the amount of lost back pay;
3. Interest on the back pay;
4. Compensation for any special damages; and,
5. Any other relief necessary to make the employee whole.

Under the *Federal False Claims Act*, any employee who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because of lawful acts done by the employee on behalf of the employee or others in furtherance of an action under this section, including investigation for, initiation of, testimony for, or assistance in an action filed or to be filed under this section, shall be entitled to all relief necessary to make the employee whole. Such relief shall include reinstatement with the same seniority status such employee would have had but for the discrimination, 2 times the amount of back pay, interest on the back pay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorneys' fees. An employee may bring an action in the appropriate district court of the United States for the relief provided in this subsection.

Partly because of their status as primary contracted agents performing delegated managed care functions and in order to minimize regional risk and harm, Participant CMHSPs will report suspected compliance issues within three business days or less to the SWMBH Chief Compliance Officer when one or more of the following criteria are met:

- 1) During an inquiry by the Participant CMHSP compliance ~~officer~~officer, there is determined to be (reasonable person standard) Medicaid fraud, abuse, or waste as defined by federal statute, CMS, HHS OIG and applicable Michigan statute or regulation; or
- 2) Prior to any self-disclosure to any federal or state of Michigan Medicaid authority. In no way is this intended to, nor should it be interpreted ~~as~~as a requirement or request to violate the letter or spirit of federal or Michigan reporting and whistleblower statutes or related regulations; or
- 3) When a Participant CMHSP knows or (reasonable person standard) suspects that an action or failure to take action in the organization or its contractors would result in the improper application or improper retention of Medicaid funds.

Participant CMHSPs shall undertake fraud, waste and abuse prevention, detection, and surveillance measures per contractual obligations and industry standards.

They are encouraged to independently assure that claims, encounters, other data and financial submissions to SWMBH are complete, accurate and timely on an ongoing basis. They are encouraged to update financial reports and encounter submissions consistent with this approach.

SECTION V - COMPLIANCE AUDITING, MONITORING AND RISK EVALUATION

The SWMBH CCO is responsible for monitoring compliance activities and operations within SWMBH. The CCO must then report any determinations of noncompliance to the Executive Officer, the Corporate Compliance Committee, and SWMBH's Board of Directors. The CCO will identify, interpret and determine standards of compliance through internal audit and monitoring functions and external audits. The CCO shall prepare an Annual Auditing and Monitoring Plan for EO, [Board Regulatory Compliance Committee](#), and Corporate Compliance Committee review and input.

Monitoring and Auditing: SWMBH believes that a thorough and ongoing evaluation of the various aspects of SWMBH's Compliance Plan is crucial to its success. In order to evaluate the effectiveness of the Plan, SWMBH will employ a variety of monitoring and auditing techniques, including but not limited to, the following:

- Periodic interviews with personnel within SWMBH, Participant CMHSPs, and contracted and subcontracted providers regarding their perceived levels of compliance within their departments or areas of responsibilities;
- Questionnaires developed to poll personnel within SWMBH, Participant CMHSPs, contracted and subcontracted providers regarding compliance matters including the effectiveness of training/education;
- Information gained from written reports from SWMBH compliance staff utilizing audit and assessment tools developed to track all areas of compliance;
- Audits, both planned and unplanned, designed and performed by internal and/or external auditors utilizing specific compliance guidelines;
- Data mining activities based on identified risk areas, that review data for potential deficiencies;
- Investigations of alleged noncompliance reports as described in SWMBH Compliance Operating Policy 10.8 – *Compliance Reporting Responsibilities and Operating Procedure 10.08.02 Compliance Investigations*; and
- Exit interviews with departing SWMBH employees.
- Participant CMHSPs, contracted and subcontracted providers are encouraged to perform auditing and monitoring functions involving Medicaid covered services through their own compliance program efforts.

The SWMBH CCO, legal counsel, Corporate Compliance Committee, and as appropriate, other SWMBH personnel will take actions to ensure the following:

- Access to and familiarity with the latest HHS OIG compliance guidelines and current enforcement priorities; and

- Assessment of the baseline risk of any significant issues regarding non-compliance with laws or regulations in accordance with SWMBH's Compliance Plan.

The CCO is also responsible to ensure a risk assessment is performed annually with the results integrated into the daily operations of the organization.

SECTION VI - ENFORCEMENT OF COMPLIANCE POLICIES AND STANDARDS

Corrective action shall be imposed as a means of facilitating the overall SWMBH Compliance Plan goal of full compliance. Corrective action plans should assist SWMBH personnel, Participant CMHSPs, contracted and subcontracted providers to understand specific issues and reduce the likelihood of future noncompliance. Corrective action, however, shall be sufficient to address the particular instance of noncompliance and should reflect the severity of the noncompliance. The following Corrective Action Plan Guidelines are to be used with SWMBH Personnel, Participant CMHSPs, contracted and subcontracted providers:

<u>Violation</u>	<u>Possible Disciplinary Action</u>
Knowingly and willfully committing fraud and/or violation of a federal or state billing or documentation practice(s). Knowingly and willfully providing false or misleading information in a compliance context to SWMBH, governmental agency, consumer or MDHHS. [E.g. billing for services not performed, forging documentation or signatures, upcoding, kickbacks, bribes]	<p>First Offense for SWMBH Personnel: Immediate termination of employment.</p> <p>First Offense for Participant CMHSP, Contracted or Subcontracted Provider: Termination of subcontract or provider contract. All related remuneration and/or funds will be recouped by SWMBH.</p>
Unknowingly violating federal or state billing or documentation practice(s).	<p>First Offense for SWMBH Personnel: Possible/potential disciplinary action as warranted and based upon CCO/human resources judgment up to and including: written reprimand for personnel file, mandatory compliance refresher training, individual counseling with manager and Chief Compliance Officer, probation, etc.</p> <p>Second Offense for SWMBH Personnel: Possible/potential disciplinary action as warranted and based upon EO.</p> <p>First Offense for Participant CMHSP, Contracted or Subcontracted Provider: Written notice of noncompliance for contract file, mandatory compliance</p>

	<p>training approved by SWMBH Corporate Compliance Committee or provided by SWMBH CCO, Corrective Action Plan to be submitted to the SWMBH Corporate Compliance Committee, may be placed on probationary period. Related individual(s) may be barred from Medicaid/SWMBH-administered funding streams service provision or administrative activity. All related remuneration and/or funds will be recouped by SWMBH.</p> <p>Second Offense for Participant CMHSP, Contracted or Subcontracted Provider: Possible termination of subcontract or contract.</p>
Knowingly violating policies and/or procedures as set forth in the Compliance Plan.	<p>First Offense for SWMBH Personnel: Written reprimand for personnel file, individual counseling with manager and Chief Compliance Officer, and placed on 60-day probation.</p> <p>Second Offense for SWMBH Personnel: Unpaid suspension and possible termination.</p> <p>First Offense for Participant CMHSP, Contracted and Subcontracted Providers: Written notice of noncompliance for contract file, Corrective Action Plan to be submitted to SWMBH Corporate Compliance Committee, may be placed on probationary period. Related individual(s) may be barred from Medicaid/SWMBH-administered funding streams service provision or administrative activity.</p> <p>Second Offense for Participant CMHSP, Contracted or Subcontracted Provider: Possible termination of subcontract or contract.</p>
Detection of, but <u>but</u> failure to report or failure to detect substantive violations of federal and state mandates in duties where a	<p>First Offense for SWMBH Personnel: Written reprimand for personnel file, mandatory compliance refresher training,</p>

<p>reasonable person could be expected to detect violation(s).</p>	<p>individual counseling with manager and Chief Compliance Officer, and<u>Officer and</u> placed on 60-day probation.</p> <p>Second Offense for SWMBH Personnel: Suspension and possible termination.</p> <p>First Offense for Participant CMHSP, Contracted or Subcontracted Provider: Written notice of noncompliance for contract file, mandatory compliance training approved by SWMBH Corporate Compliance Committee or provided by SWMBH CCO, Corrective Action Plan to be submitted to SWMBH Corporate Compliance Committee, may be placed on probationary period. Related individual(s) may be barred from Medicaid/SWMBH-administered funding stream service provision or administrative activity.</p> <p>Second Offense for Participant CMHSP, Contracted or Subcontracted Provider: Possible termination of subcontract or contract.</p>
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Basis for Participant CMHSP, Contracted or Subcontracted Provider Corrective Action:

Monitoring and auditing, and reports of questionable practices may form the basis for imposing corrective action.

Elements of a Participant CMHSP, Contracted or Subcontracted Provider Corrective Action Plan: As appropriate given the nature of the noncompliance, a corrective action plan submitted to SWMBH for approval shall include:

- A description of how the issue(s) identified was immediately corrected OR the reason the issue(s) cannot be immediately corrected (i.e. the consumer has been discharged).
- A description of the steps to be put into place to prevent the issue(s), or a similar issue(s), from occurring again (i.e. staff training, process redesign, etc.)
- A description of the quality assurance program put into place for monitoring purposes to ensure the corrective action plan is effective and/or similar issues do not occur.

SECTION VII - CONFIDENTIALITY AND PRIVACY

SWMBH is committed to protecting the privacy of its consumers and shall strictly govern the disclosure of any information to anyone other than those authorized in the current published Privacy Notice. Any Board member, SWMBH personnel, or contracted or subcontracted provider who engages in unauthorized disclosure of consumer information is subject to disciplinary action which may result in removal from the Board, termination of employment, or termination of the contract.

To ensure that all consumer information remains confidential, SWMBH personnel and contracted and subcontracted providers are required to comply with all confidentiality policies and procedures in effect, specifically to include the HIPAA privacy regulations outlined below:

- Privacy Notice - SWMBH will have a Notice of Privacy Practices to be given to each consumer at intake and to be further available upon request.
- Consent - Prior to treatment, Participant CMHSPs and contracted and subcontracted providers will obtain a signed consumer consent for permission to treat, bill for and carry out health care operations described in the Privacy Notice.
- Authorization - If consumer Protected Health Information is disclosed to an individual or entity outside of SWMBH, a signed authorization will be obtained from the consumer consistent with the HIPAA Privacy Rule, MI Mental Health Code, and 42 CFR Part 2 requirements.
- Business Associate Agreement – SWMBH will obtain assurances with all Business Associates that protected health care information shared with them, will be protected and appropriately safeguarded consistent with all applicable State and Federal laws and requirements.
- SWMBH shall investigate any reports of suspected violations and respond to findings of the investigations in compliance with the HIPAA Privacy and Security regulations.
- SWMBH will perform any necessary risk analyses or assessments to ensure compliance.

All SWMBH Board members, SWMBH personnel, Participant CMHSPs, and contracted and subcontracted providers must conduct themselves in accord with the principle of maintaining the confidentiality of consumers' information in accordance with all applicable laws and regulations, including but not limited to the Michigan Mental Health Code, the Privacy and Security Regulations issued pursuant to HIPAA and recent updated HITECH revisions, and 42 CFR Part 2 as it relates to substance abuse records. All will refrain from disclosing any personal or confidential information concerning members unless authorized by laws relating to confidentiality of records and protected health information. If specific questions arise regarding the obligation to maintain the confidentiality of information or the appropriateness of releasing information, SWMBH Board members, SWMBH personnel, and Participant CMHSPs should seek guidance from the Chief Compliance Officer/Chief Privacy Officer (the Chief Compliance Officer also fulfills the role of Chief Privacy Officer), or anonymously through the SWMBH corporate compliance hotline at (800) 783-0914.

SWMBH PERSONNEL COMPLIANCE CERTIFICATION FORM

- 1) I have received, read and understand the SWMBH Compliance Plan, Code of Conduct, and related policies and procedures.
- 2) I pledge to act in compliance with and abide by the Code of Conduct and SWMBH Compliance Plan during the entire term of my employment and/or contract.
- 3) I acknowledge that I have a duty to report to the Chief Compliance Officer any alleged or suspected violation of the Code of Conduct, agency policy, or applicable laws and regulations.
- 4) I will seek advice from my supervisor or the Chief Compliance Officer concerning appropriate actions that I may need to take in order to comply with the Code of Conduct or Compliance Plan.
- 5) I understand that failure to comply with this certification or failure to report any alleged or suspected violation of the Code of Conduct or Compliance Plan may result in disciplinary action up to and including termination of employment or contract.
- 6) I agree to participate in any future compliance trainings as required and acknowledge my attendance at such trainings as a condition of my continued employment/contract.
- 7) I agree to disclose the existence and nature of any actual or potential conflict of interest to the Chief Compliance Officer. Further, I certify that I am not aware of any current, undisclosed conflicts of interest.

Employee/Provider/Contractor Signature

Date

SWMBH BOARD OF DIRECTORS COMPLIANCE CERTIFICATION FORM

- 1) I have received, read and understand the SWMBH Compliance Plan and Code of Conduct.
- 2) I pledge to act in compliance with and abide by the Code of Conduct and SWMBH Compliance Plan during the entire term of my Board service.
- 3) I acknowledge that I have a duty to report to the SWMBH Chief Compliance Officer any alleged or suspected violation of the Code of Conduct or related laws and regulations by myself, another Board Member or any other person.
- 4) I will seek advice from the SWMBH Board Chairman or the SWMBH Chief Compliance Officer concerning appropriate actions that I may need to take in order to comply with the Code of Conduct or Compliance Plan.
- 5) I understand that failure to comply with any part of this certification may result in my removal from the Board of Directors.
- 6) I agree to participate in future Board compliance trainings as required
- 7) I agree to disclose the existence and nature of any actual or potential conflict of interest to the Board Chairman and Chief Compliance Officer. Further, I certify that I am not aware of any current, undisclosed conflicts of interest.

Board Member Signature

Date

SWMBH FY2025 Payment Integrity and Clinical Quality Audit and Monitoring Plan
October 1, 2024 - September 30, 2025

The SWMBH FY2026 Payment Integrity Auditing and monitoring plan, monitors services delivered by CMHSPs as well as contracted service providers to assess compliance with applicable Federal and State billing rules, applicable contracts, and SWMBH policies and procedures. The reviews are also designed to monitor and detect deficiencies in business processes used for coverage determinations and claims adjudication. The Audit and Monitoring Plan focuses on review of services that fall under the following business lines: Medicaid, Healthy Michigan, SED Waiver, SAPT Block Grant and P.A.2 funds both in Fee-for-Service claims and net cost contract formats.

	Audit Topic	Audit Mechanism	Known Risks and/or Purpose of Audit	Frequency of Audits	Responsibility
1	Medicaid Services Verification Claims Review CONTRACT REQUIREMENT: FY25 Section C.4 Medicaid Services Verification	Review Medicaid covered services using the Medicaid Services Verification Review Tool. Tool will identify those items for which scores will be reported to the State. Reviews CMHSP provided services, CMHSP subcontracted provider services, and SUD services paid for utilizing Medicaid funds, for documentation and claims/payment accuracy.	1) Required through PIHP/MDHHS contract; 2) Procedures prescribed by MDHHS Technical Advisory; and 3) Additional elements added to address known risk areas (overlapping billing, IOP, etc.).	Quarterly audit (based on Fiscal Year Quarters) consisting of a sample for CMHSPs of 15 internal services and 15 external services. CMHSP sampling universes will be stratified to remove the top external providers and top hospital providers that will be independently audited. Audit will consist of a sample of 30 dates of service from SUD providers collectively (stratified to remove any SUD provider that is also a top external provider and to include only 10 methadone dosing claims), 15 dates of service for each of the top three hospital providers (by dollar figure), 30 dates of service for each of the top three external providers (by dollar figure), 30 dates of service for the top SWMBH-contracted fee-for-service SUD provider, and a 60 date of service sample for the remaining providers in the region. Samples pulled utilizing sampling specifications consistent with the OIG Self Reporting Protocol.	SWMBH Program Integrity & Compliance
2	Block Grant FFS Claims	Review of Block Grant Fee-for-Service claims including ATP process.	1) SWMBH Organizational Risk Assessment identified very minimal oversight of Block Grant funding stream; 2) Past findings concerning ATP process.	Quarterly sample of 60 DOS for SUD services paid via Block Grant funds. Audit will ensure: Customer eligibility, Block Grant used as last resort, ATP completed, client Medicaid application, bills only for the contracted service fee minus the applicable ATP amount, valid Treatment plan, and service documentation.	SWMBH Program Integrity & Compliance

SWMBH FY2025 Payment Integrity and Clinical Quality Audit and Monitoring Plan
October 1, 2024 - September 30, 2025

	Audit Topic	Audit Mechanism	Known Risks and/or Purpose of Audit	Frequency of Audits	Responsibility
3	Block Grant FFS CMH	Review of Block Grant FFS CMH claims including ATP process.	1) SWMBH Organizational Risk Assessment identified very minimal oversight of Block Grant funding stream; 2) Past findings concerning ATP process; 3) Captiated CMHs' have not been audited on their Block Grant/ATP process; 4) Beginning FY26, CMHs are now all FFS for Block Grant funded services.	Quarterly sample of 30 DOS for SUD services paid via Block Grant funds. Audit will ensure: Customer eligibility, Block Grant used as last resort, ATP completed, client Medicaid application, bills only for the contracted service fee minus the applicable ATP amount, valid Treatment plan, and service documentation.	SWMBH Program Integrity & Compliance
4	Net cost Contract Review	Review of SUD Net Cost Contracts - review to include FSR (financial status reports) and Data Template review, SWMBH work plan included with contracts, and supporting documentation from Provider as necessary.	1) Previous SWMBH Organizational Risk Assessment identified need for Funding Stream Oversight; 2) Financial audit requirements	Quarterly monitoring of •Staffing Costs •Supplied and Materials •Sub-Contracts •Documentation for invoicing/payments •Data Reporting	SWMBH Finance (SWMBH Program Integrity & Compliance to consult)
5	Coordination of Benefits audit	Audit of SUD providers to ensure that Coordination of Benefits occurs when a client has both commercial and Medicaid insurance.	Required to ensure that SWMBH is the payor of last resort when a client has commercial insurance.	Quarterly review of 30 claims to ensure Medicaid is the payor of last resort. Ensure EOB is accurate and the Medicaid payment is secondary to the primary insurance payment.	SWMBH Program Integrity & Compliance
7	SUD Health Home (SUDHH) Monitoring (formerly Opioid Health Home)	Audit of SUDHH (S0280) payable claims to ensure SUDHH requirements are being met and business processes followed.	Monitoring for compliance with authorization, service documentation and claim submission processes.	Quarterly audit (based on Fiscal Year Quarters) consisting of a sample of payable S0280 (SUDHH) claims. Ensure appropriate authorization is in place, review Care Plan and service documentation to ensure SUDHH requirements are met.	SWMBH Program Integrity & Compliance

The SWMBH FY2026 Payment Integrity Data Mining Plan, monitors services delivered by CMHSPs as well as contracted service providers to assess compliance with applicable Federal and State billing rules, applicable contracts, and SWMBH policies and procedures. The data-mining scenarios reviewed and described below are developed to address known risks or deficiencies as identified by routine audits and monitoring, investigations, OIG referrals and OIG workplans.

	Audit Topic	Audit Mechanism	Known Risks and/or Purpose of Audit	Frequency of Audits	Responsibility
1	Potential Duplicate Claims	Review of Tableau Report which pulls data if all of the following are the same: Medicaid ID, Date of Service, Provider Name, Code+Modifier(s), Place of Service Code & Units	To ensure claims are not inappropriately or inadvertently duplicated. To ensure that per diem/day codes are reported only once/day. To ensure codes with DT limits are not over-reported. Also informs if Providers are utilizing inappropriate codes for reporting encounters.	Quarterly reports are run to review any risk that has occurred within the areas of identified concern. Claim corrections, recoupments and/or CAPs can be requested when issues are discovered.	SWMBH Program Integrity & Compliance
2	Day of Discharge Billing	Review of Tableau Report which pulls data if a H0018, H0010 or H0019 claim has the same date as the BHTeds Discharge for that customer and provider.	The Day of Discharge is not billable for SUD Residential/Detox providers.	Quarterly reports are run to review any risk that has occurred within the areas of identified concern. Claim corrections, recoupments and/or CAPs can be requested when issues are discovered.	SWMBH Program Integrity & Compliance
3	Inappropriate Overlapping Claims	Review of Tableau Report which pulls data if the same Medicaid ID receives a per diem or bundled service and a disallowed overlapping service on the same date, regardless of provider.	Per MDHHS: The per diem and bundled codes used by the CMH system and SUD residential services are inclusive of all the services in the service code description. Additional services provided must not replace those services that are part of the bundle/code.	Quarterly reports are run to review any risk that has occurred within the areas of identified concern. Claim corrections, recoupments and/or CAPs can be requested when issues are discovered.	SWMBH Program Integrity & Compliance

SOUTHWEST MICHIGAN BEHAVIORAL HEALTH

TO: SWMBH BOARD OF DIRECTORS

FROM: MILA C. TODD

SUBJECT: MICHIGAN CONSORTIUM FOR HEALTHCARE EXCELLENCE (MCHE) MEMBERSHIP

DATE: 10/10/2025

MCHE is a Michigan non-profit membership corporation of/for PIHPs transitioned from Michigan Association of Coordinating Agencies (CAs) in 2014/2015 when CAs were ceased by DHHS and the statutory CA roles given to PIHPs. Since its founding MCHE has served as vehicle for favorable pricing group purchasing most notably contracting with Wakely an actuarial firm for review of PIHP rates, and MCG for utilization management criteria guidelines. MCHE holds the contract with MCG, which expires in 2027, on behalf of the PIHPs. MCHE carries an active agency and Officers & Directors insurance policy. There are no dues imposed on members by MCHE. The semi-annual EO Report on MCHE and Board Policy BEL-010 Report are also included in this month's Board packet.

Given the continuing requirement that PIHPs use MCG criteria, and the existing favorable arrangement by which MCHE holds the group purchase contract with MCG, it is the EO's recommendation that this Board continue to approve SWMBH's membership in MCHE.

Suggested Motion:

I move to continue SWMBH membership in MCHE through November 2026.



Section: Provider Network Management	Policy Name: Credentialing & Re-Credentialing: Behavioral Health Practitioners	Policy Number: 02.02
Owner: Chief Compliance & Privacy Officer	Reviewed By: Mila Todd	Total Pages: 11
Required By: <input checked="" type="checkbox"/> BBA <input checked="" type="checkbox"/> MDHHS <input type="checkbox"/> Other (please specify): _____	Final Approval By: Approved by SWMBH Board 10/10/2025	Date Approved:
Application: <input checked="" type="checkbox"/> SWMBH Staff/Ops <input checked="" type="checkbox"/> Participant CMHSPs <input checked="" type="checkbox"/> SUD Providers <input checked="" type="checkbox"/> MH/IDD Providers <input type="checkbox"/> Other (please specify): _____	Line of Business: <input checked="" type="checkbox"/> Medicaid <input type="checkbox"/> Other (please specify): <input checked="" type="checkbox"/> Healthy Michigan _____ <input checked="" type="checkbox"/> SUD Block Grant <input checked="" type="checkbox"/> SUD Medicaid <input checked="" type="checkbox"/> CCBHC	Effective Date: 1/1/14

Policy: Southwest Michigan Behavioral Health (SWMBH), its participant Community Mental Health Service Providers (CMHSP), and network organizational providers with contractual credentialing responsibilities will ensure the credentialing and re-credentialing of behavioral health practitioners whom they employ, contract with, and who fall within their scope of authority. The credentialing process will be completed in compliance 42 CFR 422.204 and MDHHS Credentialing and Recredentialing standards. Practitioners may not provide care for SWMBH members until they have been credentialed in accordance with this policy.

SWMBH and its participant CMHSPs will not discriminate against any provider solely on the basis of race, ethnic/national identity, gender, age, sexual orientation, licensure, registration or certification. SWMBH and its participant CMHSPs will not discriminate against health care professionals who serve high-risk populations or those that specialize in the treatment of conditions that require costly treatment.

Purpose: To ensure that all customers receiving services within the SWMBH Region receive care from practitioners who are properly credentialed, licensed and/or qualified.

Scope: SWMBH Provider Network Management; Participant CMHSPs; network providers.

Responsibilities: SWMBH Provider Network Management, Participant CMHSPs, and network providers must follow the below requirements as it relates to practitioner credentialing activities.



Definitions:

- A. **Civil Judgment:** 45 CFR 60.3 defines civil judgment as a court-ordered action rendered in a federal or state court proceeding, other than a criminal proceeding. This does not include consent judgments that have been agreed upon and entered to provide security for civil settlement in which there was no finding or admission of liability.
- B. **Criminal Conviction:** The Social Security Act 1128(i) states that an individual or entity is considered to have been convicted of a criminal offense related to the delivery of a health care item or service when:
 - a. A judgment of conviction has been entered against an individual or entity by a federal, state, tribal, or local court regardless of whether there is an appeal pending or the conviction or other record relating to criminal conduct has been expunged. There has been a finding of guilt against an individual or entity by a federal, state, tribal, or local court; or
 - b. A plea of guilty or nolo contendere (no contest) by the individual or entity has been accepted by a federal, state, tribal, or local court; or
 - c. When an individual or entity has entered participation in a first offender, deferred adjudication, or other arrangement where conviction has been withheld.
- C. **National Practitioner Databank (NPDB) and the Healthcare Integrity and Protection Databank (HIPDB):** The U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions, Office of Workforce Evaluation and Quality Assurance, Practitioner Data Banks Branch is responsible for the management of the NPDB and the HIPDB. They can be located on the Internet at <https://www.npdb.hrsa.gov/>.
- D. **Practitioner:** A professional who provides health care services within the scope of practice that he/she is legally authorized to do so by the State in which he or she delivers the services.

Standards and Guidelines:

- A. **MDHHS Community Mental Health Services Program (CMHSP) Credentialing (Universal Credentialing)**
 - 1. SWMBH, its participant CMHSPs and network providers shall cooperate in the implementation and use of the MDHHS CMHSP Credentialing Program (commonly referred to as "Universal Credentialing").
- B. **Practitioner Types Requiring Credentialing**
 - 1. Credentialing will be completed for all practitioners as required by this policy and all applicable Michigan and Federal laws. Specifically, the following types of practitioners will be credentialed:
 - a. Physicians (M.D.s or D.O.s)
 - b. Physician Assistants
 - c. Psychologists (Licensed, Limited License, and Temporary License),
 - d. Licensed Master's Social Workers, Licensed Bachelor's Social Workers, Limited License Social Workers, and Registered Social Service Technicians
 - e. Licensed Professional Counselors
 - f. Board Certified Behavior Analysts
 - g. Nurse Practitioners, Registered Nurses, and Licensed Practical Nurses
 - h. Occupational Therapists and Occupational Therapist Assistants
 - i. Physical Therapists and Physical Therapist Assistants
 - j. Speech Pathologists



- k. Licensed Marriage and Family Therapists
- l. Other behavioral healthcare specialists licensed, certified, or registered by the State

C. Timeframes for Credentialing and Re-Credentialing Individual Practitioners

1. Initial credentialing of individual practitioners applying for inclusion in the SWMBH network must be completed within 90 calendar days.
 - a. The 90-day timeframe starts when SWMBH or the participant CMHSP has received a completed, signed and dated credentialing application from the individual practitioner.
 - b. The completion time is the date written communication is sent to the individual practitioner notifying them of SWMBH or the participant CMHSP's decision.
 - c. Primary source verification must be completed within the 180 days preceding the credentialing decision date.
2. Re-credentialing shall occur at least every three (3) years.

D. Requirements for Initial Credentialing and Re-Credentialing Individual Practitioners

1. Prior to inclusion in the SWMBH provider network and at least every three (3) years thereafter, individual practitioners requesting inclusion or participating in the SWMBH provider network will complete, sign and date the universal credentialing application in the MDHHS CRM or the current SWMBH Individual Practitioner Credentialing Application (as applicable), including all attestations, and provide any supporting documentation necessary for credentialing to occur.
2. SWMBH or Participant CMHSP credentialing staff will verify information obtained in the credentialing application and validate the standards contained in the table below. Copies of verification sources will be maintained in the practitioner credentialing file. When source documentation is not electronically dated, staff will initial and date with the current date.

Credentialing Standard	Verification Method	Clean File Criteria	Required for Initial Credentialing	Required for Re-credentialing
Completed universal credentialing application within the Customer Relationship System or current SWMBH Individual Practitioner Credentialing Application as applicable, signed and dated by the individual practitioner that attests to the following: <ul style="list-style-type: none"> • Lack of present illegal drug use; • History of loss of license, registration, 	Review of completed Individual Practitioner Credentialing Application and any relevant addenda concerning: <ul style="list-style-type: none"> • The reasons for inability to perform essential functions; • Lack of present illegal drug use; • History of loss of license; • History of loss or limitation of privileges; • Current malpractice coverage that was not provided with the application and signed attestation. 	Complete, signed and dated application with no positively answered attestation questions.	Yes	Yes

<p>certification, and/or felony convictions;</p> <ul style="list-style-type: none"> Any history of loss or limitation of privileges or disciplinary action; Accuracy and completeness of information in the applications; and Ability to perform the essential functions of the position with or without accommodation. 				
<p>Criminal history and National and State sex offender registry checks.</p>	<p>ICHAT: https://apps.michigan.gov Michigan Public Sex Offender Registry: https://mspsor.com National Sex Offender Registry: http://www.nsopw.gov</p>	<p>No results.</p>	<p>Yes</p>	<p>Yes</p>
<p>Evaluation of the individual practitioner's work history for the prior five (5) years, with each gap in work history of six (6) month or more clarified in writing by the practitioner.</p>	<p>Review of credentialing application, with any gaps of six (6) months or more explained in writing.</p>		<p>Yes</p>	<p>Yes</p>
<p>Licensure or certification, and in good standing.</p>	<p>Primary source verification made directly with the state licensing agency website (LARA for Michigan – http://w3.lara.stat.mi.us/free/) SPECIAL NOTE FOR PHYSICIANS:</p> <ul style="list-style-type: none"> The American Medical Association (AMA) or American Osteopathic Association (AOA) physician profile information may be used as the primary source for licensure, board certification, and education verification for physicians. 	<p>Current valid and unrestricted license to practice in the state of Michigan; and No state sanctions or restrictions on licensure in the past ten (10) years.</p>	<p>Yes</p>	<p>Yes</p>

Board Certification, or highest level of credentials attained, if applicable, or completion of any required internships/residency programs or other postgraduate training.	<ul style="list-style-type: none"> Primary source verification directly with the applicable certification board. Because medical specialty boards verify education and training, verification of board certification fully meets the requirement for verification of education. 		Yes	Yes
If a practitioner is NOT Board Certified - Verification of education	<ul style="list-style-type: none"> Official transcript of graduation from an accredited school; and/or LARA license; and/or Verification via the National Student Clearinghouse: https://www.studentclearinghouse.org <p>SPECIAL NOTE:</p> <ul style="list-style-type: none"> The Educational Commission for Foreign Medical Graduates (ECFMG) may be used to verify education of foreign physicians educated after 1986 (for practitioners who are not board certified and verification of completion of a residency program or graduation from a foreign medical school are not verifiable with the primary source). 		Yes	No
Primary source verification of the past five (5) years of malpractice lawsuits, judgments, or settlements.	<p>National practitioner Databank (NPDB)/HIPDB query and a written description of any malpractice lawsuits and/or judgments or settlements within the last five (5) years provided by either the practitioner or their malpractice carrier; OR In lieu of an NPDB/HIPDB query, verification of ALL of the following:</p> <ul style="list-style-type: none"> Historical checks of criminal convictions related to the delivery of a health care item or service. Historical checks of civil judgments related to the delivery of a health care item or service. Disciplinary status with regulatory board or agency. Medicare/Medicaid sanctions and exclusions (see below) 	<p>No malpractice lawsuits or judgments or settlements within the last five (5) years; OR No positive findings on any of the verifications.</p>	Yes	Yes

The individual practitioner is not excluded from participation in Medicare, Medicaid, or other federal contracts, and is not excluded from participation through the MDHHS Sanctioned Provider List.	<p>CMS Sanctioned Provider List: https://exclusions.oig.hhs.gov</p> <p>MI Sanctioned Provider List: www.michigan.gov/MDHHS (Providers>Information for Medicaid Providers>List of Sanctioned Providers)</p> <p>System for Award Management (SAM): https://sam.gov</p> <p>**Checked during initial credentialing and monthly thereafter via monthly sanctioned provider screenings.**</p>	<p>Initial Credentialing: Practitioner is not listed as excluded or sanctioned.</p> <p>Recredentialing: Monthly sanctioned provider monitoring results from initial credentialing through recredentialing show the practitioner is not listed as excluded or sanctioned.</p>	Yes	Yes
Current professional liability insurance meets the standards defined in the contract.	Copy of current certificate of insurance.	Meets contractual requirements.	Yes	Yes
A quality review is completed at recredentialing.	<p>Documented review of the following:</p> <ul style="list-style-type: none"> Grievances & appeals Recipient Rights complaints/investigations Customer services complaints Program Integrity & Compliance Investigations MMBPIS or other applicable performance indicators The most recent annual site review/monitoring report, if applicable. 	Grievances & appeals, recipient rights, and customer services complaints are within the expected threshold given the provider's size; there has been no substantiations of credible allegations of fraud; MMBPIS and other performance indicators substantially meet set	No	Yes



		standards (if applicable).		
The practitioner is enrolled in the MDHHS CHAMPS System.	Verification of CHAMPS enrollment.	Practitioner is enrolled in CHAMPS	Yes	Yes

E. Temporary/Provisional Credentialing Process

1. Temporary or provisional status can be granted one time to practitioners until formal credentialing is completed. Temporary or provisional credentialing should be used when it is in the best interest of Medicaid members to have providers available to provide care prior to formal completion of the entire credentialing process.

2. Timeframes.

- a. A decision regarding temporary/provisional credentialing shall be made within 31 days of receipt of a complete application and the minimum documents listed below.
- b. Temporary/provisional credentialing status shall not exceed 150 days, after which time the credentialing process shall move forward according to this credentialing policy.
- c. Primary source verification must be completed within the 180 days preceding the provisional credentialing decision date.

3. Requirements.

- a. Providers seeking temporary or provisional status must complete and sign the current approved SWMBH Practitioner Credentialing Application, including attestations regarding:
 - i. Lack of present illegal drug use;
 - ii. History of loss of license, registration, certification, and/or felony convictions;
 - iii. Any history of loss or limitation of privileges or disciplinary action;
 - iv. The accuracy and completeness of the application.
- b. SWMBH and/or participant CMHSPs shall perform verification from primary sources of:
 - i. Current valid license or certification, in good standing.
 - ii. Board Certification, or highest level of credentials attained, if applicable, or completion of any required internships/residency programs, or other postgraduate training.
 - iii. Official transcript of graduation from an accredited school and/or LARA license.
 - iv. National Practitioner Databank (NPDB)/Healthcare Integrity and Protection Databank (HIPDB) query or, in lieu of the NPDB/HIPDB query, all the following must be verified:
 - a. Minimum five (5) year history of professional liability claims resulting in a judgment of settlement; and
 - b. Disciplinary status with regulatory board or agency.
 - v. Medicare/Medicaid sanctions and exclusions.
 - vi. CHAMPS Enrollment.
 - vii. If the individual practitioner undergoing credentialing is a physician, then physician profile information obtained from the American Medical Association or American Osteopathic Association may be used to satisfy the primary source requirements of (i), (ii), and (iii) above.
- c. SWMBH/Participant CMHSPs shall evaluate the individual practitioner's work history for the



prior five (5) years. Gaps in employment of six (6) months or more in the prior five (5) years must be addressed in writing during the application process.

4. SWMBH/Participant CMHSPs shall follow the same process for presenting provisional credentialing files to the Credentialing Committee as it does for its regular credentialing process.

Temporary/Provisional credentialing decisions shall be made by the applicable entity's Credentialing Committee and not through the clean file process.

F. Credentialing Reciprocity (Deemed Status).

1. **Out of Region.** SWMBH and its participant CMHSPs may accept credentialing activities conducted by any other Region in lieu of completing its own credentialing activities. If SWMBH chooses to accept the credentialing activities of another Region, copies of the credentialing Region's decision shall be maintained in the SWMBH/Participant CMHSP credentialing file.

2. **In Region.** SWMBH and its participant CMHSPs shall work collaboratively to reduce the burden on shared network providers (providers that contract with two or more participant CMHSPs) by coordinating credentialing/recredentialing activities to ensure, to the extent practicable, that shared providers in the SWMBH network only complete credentialing/recredentialing through a single participant CMHSP or SWMBH, and that those credentialing/recredentialing results are shared with the Region.

3. **Reciprocity Procedure.** When accepting credentialing activities performed by another Region or another in-Region entity, SWMBH and its participant CMHSPs shall follow SWMBH Procedure 02.03.01 – Credentialing Reciprocity.

G. Practitioner Right for Request for Review

1. The Applicants Rights for Credentialing and Re-credentialing will be included in the initial credentialing packet sent to Applicants applying to be providers in the SWMBH provider network.

2. Applicants have the right, upon request, to be informed of the status of their application. Applicants may contact the credentialing staff via telephone, in writing or email as to the status of their application.

3. Applicants have the right to review the information submitted in support of their credentialing application. This review is at the applicant's request. The following information is excluded from a request to review information:

a. Southwest Michigan Behavioral Health is not required to provide the applicant with information that is peer-review protected.

b. Information reported to the National Practitioner Data Bank (NPDB).

c. Criminal background check data.

4. Should the information provided by the applicant on their application vary substantially from the information obtained and/or provided to SWMBH/participant CMHSPs by other individuals or organizations contacted as part of the credentialing and/or re-credentialing process, credentialing staff will contact the applicant within 180 days from the date of the signed attestation and authorization statement to advise the applicant of the variance and provide the applicant with the opportunity to correct the information if it is erroneous.

5. The applicant will submit any corrections in writing within fourteen (14) calendar days to the credentialing staff. Any additional documentation will be date stamped and kept as part of the applicant's credentialing file.



H. Credentialing Decisions

1. Credentialing decisions shall be made in accordance with SWMBH policies 02.02 (Clean Credentialing & Re-Credentialing Files) and 02.05 (Credentialing Committee, Confidentiality of Credentialing Records, & Provider Nondiscrimination). Practitioners not selected for inclusion in the network will be given written notice of the reason for the decision.
2. SWMBH and/or participant CMHSPs shall notify an individual practitioner that is denied credentialing or re-credentialing of the reason(s) for the adverse credentialing decision in writing within thirty (30) days of the decision. This written adverse credentialing decision notification must include information on the appeal process available to the practitioner, in accordance with SWMBH Policy 2.14.
3. SWMBH retains the right to approve, suspend, or revoke/terminate from participation in the provision of Medicaid funded services, any provider (organizational or practitioner) in the Region 4 network (including participant CMHSP network providers), regardless of whether SWMBH or a participant CMHSP performed the credentialing activities.

I. Reporting Requirements.

1. Routine.

- a. Participant CMHSPs shall submit a monthly credentialing report to SWMBH, utilizing the MDHHS credentialing report template.
- b. SWMBH shall submit quarterly reports to MDHHS at the timeframes referenced in the MDHHS-PIHP Master Contract Schedule E, utilizing the MDHHS credentialing report template.

2. Ad hoc.

- a. To ensure quality and safety of care between credentialing cycles, SWMBH performs on-going monitoring of the following, in accordance with SWMBH Policy 2.18:
 - i. Member complaints, adverse events, and information from quality improvement activities related to identified instances of poor quality,
 - ii. Any incidences of Medicaid and Medicare sanctions and,
 - iii. Restrictions and/or sanctions on licensure and/or certification.
- b. Participant CMHSPs shall promptly report to SWMBH's Director of Provider Network information about a practitioner which could result in suspension or termination from the SWMBH network, including but not limited to:
 - i. Known improper conduct (e.g. fraud, threats to member health and safety, etc.);
 - ii. Positive sanctions/exclusions screening results, in accordance with SWMBH Procedure 10.13;
 - iii. Any other information that may affect the practitioner's status as a SWMBH network provider.
- c. SWMBH shall report any known improper conduct of an individual practitioner which could result in suspension or termination from the SWMBH network in accordance with applicable SWMBH policies and to the applicable regulatory authority (MDHHS, MI OIG, AG, provider's governing board, etc.).

Procedures: 02.03.01 Credentialing Reciprocity



Effectiveness Criteria: N/A

References: 42 CFR § 438.214 (a-e)

MDHHS-PIHP Contract Schedule A, Section 1(N)(1)

MDHHS BPHASA Credentialing and Recredentialing Processes

Public Act 218 as amended by Act 59 section 400.734b

42 FR 422.204

SWMBH Policy 2.18

SWMBH Policy 10.13

Attachments: 02.02A Applicant Credentialing Rights

Revision History

Revision #	Revision Date	Revision Location	Revision Summary	Revisor
1	5/18/15	N/A: before new template	N/A: before new template	N/A: before new template
2	12/1/16	N/A: before new template	N/A: before new template	N/A: before new template
3	5/10/17	N/A: before new template	N/A: before new template	N/A: before new template
4	12/14/18	N/A	Annual Board approval as required per MDHHS contract	Mila Todd & SWMBH Board
5	01/10/20	N/A	Annual Board approval as required per MDHHS contract	Mila Todd & SWMBH Board
6	09/28/21	Paragraph G	Added Reporting Requirements	Mila Todd
7	11/12/21	N/A	Annual Board approval as required per MDHHS contract	Mila Todd & SWMBH Board
8	02/14/23	Multiple	Revised entire policy to be consistent with updated MDHHS Credentialing Process.	Mila Todd
9	03/17/23	N/A	Reviewed by Regional PNM Committee.	Mila Todd
10	10/13/23	N/A	Annual Board approval as required per MDHHS contract	Mila Todd & SWMBH Board
11	02/14/25	Multiple	Updated in accordance with MDHHS Credentialing Policy; require compliance with Universal Credentialing; updated re-credentialing to every three years.	Mila Todd
12	10/10/25	N/A	Annual Board approval as required per MDHHS contract	Mila Todd & SWMBH Board



Section: Provider Network Management	Policy Name: Credentialing & Re-Credentialing: Organizational Providers	Policy Number: 02.03
Owner: Director of Provider Network Management	Reviewed By: Mila Todd	Total Pages: 10
Required By: <input checked="" type="checkbox"/> BBA <input checked="" type="checkbox"/> MDHHS <input type="checkbox"/> Other (please specify): _____	Final Approval By: Approved by SWMBH Board	Date Approved: 10/10/2025
Application: <input checked="" type="checkbox"/> SWMBH Staff/Ops <input checked="" type="checkbox"/> Participant CMHSPs <input checked="" type="checkbox"/> SUD Providers <input checked="" type="checkbox"/> MH/IDD Providers <input type="checkbox"/> Other (please specify): _____	Line of Business: <input checked="" type="checkbox"/> Medicaid <input type="checkbox"/> Other (please specify): <input checked="" type="checkbox"/> Healthy Michigan _____ <input checked="" type="checkbox"/> SUD Block Grant <input checked="" type="checkbox"/> SUD Medicaid <input checked="" type="checkbox"/> CCBHC	Effective Date: 1/1/14

Policy: Southwest Michigan Behavioral Health (SWMBH) and its participant Community Mental Health Service Providers (CMHSPs) will credential and re-credential behavioral health organizational providers with whom they contract and that fall within their scope of authority and action. Neither SWMBH nor its participant CMHSPs will discriminate against any provider solely on the basis of licensure, registration or certification. Neither SWMBH nor its participant CMHSPs will discriminate against health care professionals or organizations who serve high-risk populations or those that specialize in the treatment of conditions that require costly treatment.

Purpose: To ensure that all customers served receive care from organizational providers that are properly credentialed, licensed and/or qualified.

Scope: SWMBH Provider Network Management; Participant CMHSPs, network providers.

Responsibilities: SWMBH Provider Network Management, participant CMHSPs, and network providers will follow the requirements listed herein as it relates to credentialing.

Definitions:

Civil Judgment: 45 CFR 60.3 defines civil judgment as a court-ordered action rendered in a federal or state court proceeding, other than a criminal proceeding. This does not include consent judgments that have been agreed upon and entered to provide security for civil settlement in which there was no finding or admission of liability.

Criminal Conviction: The Social Security Act 1128(i) states that an individual or entity is considered to have been convicted of a criminal offense related to the delivery of a health care item or service when:



1. A judgment of conviction has been entered against an individual or entity by a federal, state, tribal, or local court regardless of whether there is an appeal pending or the conviction or other record relating to criminal conduct has been expunged. There has been a finding of guilt against an individual or entity by a federal, state, tribal, or local court; or
2. A plea of guilty or nolo contendere (no contest) by the individual or entity has been accepted by a federal, state, tribal, or local court; or
3. When an individual or entity has entered participation in a first offender, deferred adjudication, or other arrangement where conviction has been withheld.

National Practitioner Databank (NPDB) and the Healthcare Integrity and Protection Databank (HIPDB):

The U.S. Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions, Office of Workforce Evaluation and Quality Assurance, Practitioner Data Banks Branch is responsible for the management of the NPDB and the HIPDB. They can be located on the Internet at <https://www.npdb.hrsa.gov/>.

Organizational provider: An entity that directly employs and/or contracts with individuals to provide health care services. Examples of organizational providers include, but are not limited to, community mental health services programs (CMHSPs); hospitals; nursing homes; homes for the aged; psychiatric hospitals, psychiatric units, and partial hospitalization programs; substance use disorder programs; and home health agencies.



Standards and Guidelines:

A. MDHHS Community Mental Health Services Program (CMHSP) Credentialing (Universal Credentialing)

1. SWMBH, its participant CMHSPs and network providers shall cooperate in the implementation and use of the MDHHS CMHSP Credentialing Program (commonly referred to as "Universal Credentialing").

B. Timeframes for Credentialing and Re-Credentialing Organizational Providers

1. Initial credentialing of all organizational providers applying for inclusion in the SWMBH network must be completed within 90 calendar days.
 - a. The 90-day time frame starts when SWMBH or the participant CMHSP has received a completed, signed and dated credentialing application from the organizational provider.
 - b. The completion time is the date when written communication is sent to the organizational provider notifying them of SWMBH or the participant CMHSP's decision.
 - c. Primary source verification must be completed within the 180 days preceding the credentialing decision date.
2. Re-credentialing shall occur at least every three (3) years.
3. During initial credentialing and at re-credentialing, SWMBH and its participant CMHSPs will ensure that organizational providers are notified of the credentialing decision in writing within 10 business days following a decision. In the event of an adverse credentialing decision, the organizational provider will be notified of the reason(s) in writing and of their right to and process for appealing/disputing the decision in accordance with SWMBH Policy 2.14.

C. Organizational Provider Assignments

1. SWMBH is responsible for credentialing/recredentialing the following organizational provider types, on behalf of the Region:
 - a. Substance Use Disorder
 - b. Psychiatric Inpatient
 - c. Crisis Residential
 - d. Autism Services
 - e. Financial Management Services
 - f. Specific Specialized Residential service providers as determined by the Regional Provider Network Management Committee
2. Participant CMHSPs are responsible for credentialing/recredentialing all other organizational provider types for inclusion in each participant CMHSP subcontracted network of providers.
3. SWMBH retains the right to approve, suspend, or revoke/terminate from participation in the provision of Medicaid funded services, any provider (organizational or practitioner) in the Region 4 network (including participant CMHSP network providers), regardless of whether SWMBH or a participant CMHSP performed the credentialing activities.

D. Requirements for Credentialing and Re-Credentialing Organizational Providers

1. Before executing an initial contract and at least every three (3) years thereafter, SWMBH and its participant CMHSPs will validate the standards contained in the table below, for organizational providers wishing to provide contracted services in the SWMBH network.
2. During initial credentialing and at re-credentialing, SWMBH or participant CMHSPs will submit credentialing packets along with primary source verifications and other supporting documentation to its Credentialing Committee for a decision regarding inclusion in the SWMBH Provider Network. Packets will



be reviewed for completeness prior to any Committee meeting. If files meet clean file criteria in every category listed, the Medical Director (or designee) of the agency completing the credentialing may sign off to approve the provider, in lieu of review and decision by the Credentialing Committee. See SWMBH Policy 2.04 Clean Credentialing and Re-credentialing Files for additional information.

3. Credentialing and recredentialing files and supporting documentation shall be maintained in accordance with SWMBH Policy 2.05.

Credentialing Standard	Verification Method	Clean File Criteria	Required for Initial Credentialing?	Required for Re-credentialing?
Completed Universal Credentialing application within the Customer Relationship system (CRM) or SWMBH Organizational Credentialing Application (as applicable) signed and dated by an authorized representative of the organizational provider.	Review of completed Organizational Credentialing Application.	Complete, signed application with no positively answered attestation questions.	Yes	Yes
The organizational provider is licensed or certified and in good standing as necessary to operate in the state.	State License verification (LARA) Certification verification (certifying entity) Record of any violations or special investigations	Current valid license/certification; No license/certification violations and no special state investigations within the most recent five (5) years for initial or three (3) years for re-credentialing.	Yes	Yes
Accreditation by a national accrediting body, if obtained. Accreditation is required for Substance Use Disorder (SUD) treatment providers	Proof of accreditation by any of the following: CARF Joint Commission DNV Healthcare NCQA CHAPS COA AOA	Full accreditation status during the last accreditation review.	Yes	Yes

and Inpatient providers.				
<p>If the organizational provider is not accredited (and is not required to be), an on-site or alternative quality assessment is conducted by SWMBH or CMHSP prior to contracting.</p> <p>An on-site quality assessment is required for Specialized Residential sites (homes). The parent organization's accreditation does not eliminate this requirement.</p>	On-site quality assessment (can be from another Region as part of Credentialing Reciprocity) OR Alternative quality assessment for solely community-based providers (i.e. no "site" to perform an on-site review)	No plan of correction resulting from the on-site/alternative quality assessment.	Yes	No
Primary source verification of the past five (5) years of civil judgments or malpractice claims.	National Practitioner Data Bank (NPDB) Query Verification from provider's malpractice insurance carrier	No malpractice lawsuits and/or civil judgments related to the delivery of a health care item or service within the last five (5) years.	Yes	Yes
The organizational provider, and any individuals listed as a "Screened Person" under SWMBH Policy 10.13, are not excluded from participation in Medicare, Medicaid, other federal contracts, and are not excluded from participation through the MDHHS Sanctioned Provider list.	<p>CMS Sanctioned Provider List: https://exclusions.oig.hhs.gov</p> <p>MI Sanctioned Provider List: www.michigan.gov/MDHHS (Providers > Information for Medicaid Providers > List of Sanctioned Providers)</p> <p>System for Award Management (SAM): https://sam.gov</p> <p>**Checked during initial credentialing and monthly thereafter via monthly sanctioned provider screenings**</p>	<p>Initial Credentialing: Organizational provider and any "Screened Persons" are not listed as excluded or sanctioned.</p> <p>Recredentialing: Monthly sanctioned provider monitoring results from initial credentialing through recredentialing show the organizational provider and any "Screened Persons" are not listed as</p>	Yes	Yes – monthly sanctioned provider screening results

		excluded or sanctioned.		
Organizational provider's current insurance coverage meets contractual expectations.	Copy of the organizational provider's liability insurance policy declaration sheet.	Current insurance coverage meets contractual requirements.	Yes	Yes
A quality review is completed at recredentialing.	<p>Documented review of the following:</p> <ul style="list-style-type: none"> • Grievances & appeals • Recipient Rights complaints/investigations • Customer services complaints • Program Integrity & Compliance Investigations • MMBPIS or other applicable performance indicators • The most recent annual site review/monitoring report. 	Grievances & appeals, recipient rights, and customer services complaints are within the expected threshold given the provider's size; there has been no substantiations of credible allegations of fraud; MMBPIS and other performance indicators substantially meet set standards (if applicable).	No	Yes
The organizational provider is enrolled in the MDHHS CHAMPS System.	Verification of CHAMPS enrollment.	Organization is enrolled in CHAMPS.	Yes	Yes
If the organizational provider seeks to contract to provide services/programs that require MDHHS certification, the organizational provider has already obtained MDHHS certification. (Crisis Residential, Clubhouse, SUD ASAM Level of Care, etc.)	Verification of program/service certification by MDHHS.	Applicable programs/services have MDHHS certification	Yes	Yes
Any other standards applicable to the organizational provider type of services.	As needed depending on the applicable standard(s).	As needed depending on the applicable standard(s).	Yes	As needed depending on the applicable standard(s).



D. Temporary/Provisional Credentialing Process

- a. Temporary or provisional status can be granted one time to organizations until formal credentialing is completed. Temporary or provisional credentialing should be used when it is in the best interest of Medicaid members to have providers available to provide care prior to formal completion of the entire credentialing process.
- b. **Timeframes.**
 - i. A decision regarding temporary/provisional credentialing shall be made within 31 days of receipt of a complete application and the minimum documents listed below.
 - ii. Temporary/provisional credentialing status shall not exceed 150 days, after which time the credentialing process shall move forward according to this credentialing policy.
 - iii. Primary source verification must be completed within the 180 days preceding the provisional credentialing decision date.
- c. **Requirements.**
 - i. Standard Requirements.
 1. Providers seeking temporary or provisional status must complete the current approved SWMBH Organizational Credentialing Application, signed and dated by an authorized representative.
 2. SWMBH and/or Participant CMHSPs shall perform verification from primary sources of:
 - a. Current valid license or certification and in good standing as necessary to operate in the State of Michigan.
 - b. National Practitioner Databank (NPDB)/Healthcare Integrity and Protection Databank (HIPDB) query or, in lieu of the NPDB/HIPDB query, all of the following:
 - i. Minimum five (5) year history of professional liability claims resulting in a judgment or settlement; and
 - ii. Disciplinary status with regulatory board or agency.
 - c. Medicare/Medicaid sanctions (OIG, SAM, and Michigan Sanctioned Provider lists)
 - d. CHAMPS Enrollment.
 3. SWMBH and/or Participant CMHSPs shall evaluate the organizational provider's continuing operation as a provider for the prior five (5) years. Gaps in operation of six (6) months or more in the prior five (5) years must be addressed in writing during the application process.
 - ii. Requirements Specific to Accreditation and CHAMPS enrollment.
 1. Temporary or provisional status may be considered for organizational providers that are required to be accredited while their accreditation is pending, only with written permission from MDHHS and SWMBH.
 - a. Accreditation is a precursor requirement for some provider types to securing a Medicare Number, which is a precursor requirement to CHAMPS enrollment. This means that some providers who are awaiting accreditation will not yet be enrolled in CHAMPS.
 2. Temporary or provisional status may be considered for organizational providers that are not yet enrolled in CHAMPS, only with written permission from MDHHS and SWMBH.
 - a. If temporary or provisional credentialing status is approved for an organization provider who is not yet enrolled in CHAMPS, contracts with that organizational provider may not exceed 120 days, and must terminate immediately after the 120-day time period, unless either of the following occurs:
 - i. Written permission by MDHHS to extend the contract beyond the 120-day limit; or
 - ii. Verification of the organizational provider's enrollment in CHAMPS.



- d. SWMBH/Participant CMHSPs shall follow the same process for presenting provisional credentialing files to the Credentialing Committee as it does for its regular credentialing process. Temporary/Provisional credentialing decisions shall be made by the applicable entity's Credentialing Committee and not through the clean file process.

E. Credentialing Reciprocity (Deemed Status).

- a. **Out of Region.** SWMBH and its participant CMHSPs may accept credentialing activities conducted by any other Region in lieu of completing its own credentialing activities. If SWMBH chooses to accept the credentialing activities of another Region, copies of the credentialing Region's decision shall be maintained in the SWMBH/Participant CMHSP credentialing file.
- b. **In Region.** SWMBH and its participant CMHSPs shall work collaboratively to reduce the burden on shared network providers (providers that contract with two or more participant CMHSPs) by coordinating credentialing/recredentialing activities to ensure, to the extent practicable, that shared providers in the SWMBH network only complete credentialing/recredentialing through a single participant CMHSP or SWMBH, and that those credentialing/recredentialing results are shared with the Region.
- c. **Reciprocity Procedure.** When accepting credentialing activities performed by another Region or another in-Region entity, SWMBH and its participant CMHSPs shall follow the SWMBH Procedure 02.03.01 – Credentialing Reciprocity.

F. Organizational Provider credentialing of its direct employees and contractors.

- a. Organizational providers may be held responsible for credentialing and re-credentialing their direct employees and subcontracted professional service providers per SWMBH or SWMBH participant CMHSP contractual requirements.
- b. Organizational providers shall maintain written credentialing/re-credentialing policies and procedures consistent with SWMBH and MDHHS credentialing policies and any other applicable requirements.
- c. Organizational providers shall perform credentialing/re-credentialing activities in accordance with applicable contractual requirements, SWMBH policies and procedures, MDHHS policies and procedures, and any other applicable requirements.
- d. SWMBH or a participant CMHSP shall verify through annual on-site reviews and other means as necessary that the organizational provider's credentialing practices meet applicable policies and requirements.

G. Reporting Requirements.

- a. **Routine.**
 - i. Participant CMHSPs shall submit a monthly credentialing report to SWMBH, utilizing the MDHHS credentialing report template.
 - ii. SWMBH shall submit quarterly reports to MDHHS at the timeframes referenced in the MDHHS-PIHP Master Contract Schedule E, utilizing the MDHHS credentialing report template.
- b. **Ad hoc.**
 - i. Participant CMHSPs shall promptly report to SWMBH's Director of Provider Network information about an organizational provider which could result in suspension or termination from the SWMBH network, including but not limited to:
 - 1. Known improper conduct (e.g. fraud, threats to member health and safety, etc.);
 - 2. Positive sanctions/exclusions screening results, in accordance with SWMBH Procedure 10.13;
 - 3. Any other information that may affect the organizational provider's status as a SWMBH network provider.
 - ii. SWMBH shall report any known improper conduct of an organizational provider which could result in suspension or termination from the SWMBH network in accordance with applicable SWMBH policies and



to the applicable regulatory authority (MDHHS, MI OIG, MI AG, provider's governing board, etc.).

Procedures: SWMBH Operating Procedure 2.03.01 Credentialing Reciprocity

Effectiveness Criteria: N/A

References:

MDHHS-PIHP Contract Schedule A, Section 1(O)(1)
MDHHS BPHASA Credentialing and Re-Credentialing Processes
BBA § 438.214
SWMBH Policy 2.18
SWMBH Policy 2.04
SWMBH Policy 2.05
SWMBH Procedure 10.13

Attachments:

2.03A SWMBH Organizational Credentialing Application
2.03B SWMBH Organizational Credentialing Checklist

Revision History

Revision #	Revision Date	Revision Location	Revision Summary	Revisor
1	5/18/15	N/A: before new template	N/A: before new template	N/A: before new template
2	12/1/16	N/A: before new template	N/A: before new template	N/A: before new template
3	12/1/17	N/A: before new template	N/A: before new template	N/A: before new template
4	12/14/18	N/A	Annual Board approval as required by MDHHS contract	Mila Todd & SWMBH Board
5	01/10/20	N/A	Annual Board approval as required by MDHHS contract	Mila Todd & SWMBH Board
6	09/28/21	Paragraph E	Added Reporting Requirements	Mila Todd
7	11/12/21	N/A	Annual Board approval as required by MDHHS contract	Mila Todd & SWMBH Board
8	02/10/23	Multiple	Revised entire policy to ensure alignment with revised MDHHS Credentialing Policy, and to add specificity around Quality checks and Reciprocity process.	Mila Todd
9	03/17/23	N/A	Reviewed by Regional PNM Committee	Mila Todd
10	10/13/23	N/A	Annual Board approval as required by MDHHS contract	Mila Todd & SWMBH Board
11	02/07/25	Throughout	Updated policy to include MDHHS universal credentialing; updated recredentialing timeframe to 3 years; updated/reformatted credentialing/recredentialing grid	Mila Todd
12	10/10/25	N/A	Annual Board approval as required by MDHHS contract	Mila Todd & SWMBH Board

SWMBH Board Policy Manual

Approved 6/13/25

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SWMBH Policy Manual *Uninterrupted*

Ends (Proposed to align with PG Philosophy)

1.0 Global End

As a benefits manager of state and federal funds, SWMBH exists to assure that member agencies and providers create sustainable programs and provide specialty services so that persons in the SWMBH region have access to appropriate resources and experience improvements in their health status and quality of life, optimizing self-sufficiency, recovery, and family preservation. Quality services are provided while minimizing costs through efficient stewardship of human, financial, and technology resources available and use of shared knowledge.

- 1.1 Member CMH boards, EOs, and staff value the partnership with SWMBH, and experience the relationship as collaborative, transparent, responsive, and reciprocal.
- 1.2 Member CMHs are aware of environmental disruptors and trends and benefit from SWMBH's regional and statewide regulatory and public relations advocacy impacting the Mental Health Community.
- 1.3 Member CMHs have the resources needed to address their communities' individualized needs, successfully access appropriate resources and successfully meet contractual obligations (*including managed care functions*).
- 1.4 Member CMHs and other providers assure and monitor ready access to appropriate programs and services for their consumers and contribute accurate data so SWMBH can create aggregated, comprehensive, and comparative regional results which supports access to maximum funding available.
- 1.5 The SWMBH regional partners align with best practice, learning from each other, collaborating, sharing resources, and benefitting from lessons learned.

Section 2: Executive Limitations **(reordered with recommended changes)**

2.0 POLICY: Global Executive Constraint (formerly BEL009)

The Executive Officer (EO) shall not cause or allow any practice, activity, decision, or organizational circumstance which is either ~~illegal~~ *unlawful*, imprudent, in violation of commonly accepted business and professional ethics or in violation of contractual obligations.

2.1 POLICY: Treatment of Plan Members (formerly BEL005)

With respect to interactions with Plan members, the SWMBH EO shall not allow conditions, procedures, or processes which are unsafe, disrespectful, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy.

Further, including but not limited to, the Executive Officer may not:

- 2.1.1. Use forms or procedures that elicit information for which there is no clear necessity.
- 2.1.2. Use methods of collecting, reviewing, or storing plan member information that fail to protect against improper access to the information elicited.
- 2.1.3. Fail to provide procedural safeguards for the secure transmission of Plan members' protected health information.
- 2.1.4. Fail to establish with Plan members a clear contract of what may be expected from SWMBH including but not limited to their rights and protections.
- 2.1.5. Fail to inform Plan members of this policy or to provide a grievance process to those plan members who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

2.2 POLICY: Treatment of Staff (formerly BEL004)

With respect to the treatment of paid and volunteer staff, the EO shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

Further, including but not limited to, the Executive Officer may not:

- 2.2.1. Operate without written personnel rules that:
 - a. Clarify rules for staff
 - b. Provide effective handling of grievances, and
 - c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
- 2.2.2. Retaliate against any staff member for expression of dissent.
- 2.2.3. Fail to acquaint staff with the EO interpretation of their protections under this policy.
- 2.2.4. Allow staff to be unprepared to deal with emergency situations.

2.3 POLICY: Financial Planning and Budgeting (formerly BEL001)

Budgeting any fiscal year or the remaining part of any fiscal year will not deviate from the organizations mission, board ends and means, risk fiscal jeopardy with the exception of federal, state and regional requirements, or fail to be derived from an annual plan.

Further, including but not limited to, the Executive Officer may not allow budgeting which

- 2.3.1. Contains too little information or omits information to allow credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- 2.3.2. Expends more funds than have been received in the fiscal year-to-date or uses any long-term reserves without board notification.
- 2.3.3. Provides less than is sufficient for board prerogatives, such as costs of fiscal audit, Board development, Board and Committee meetings, and Board legal fees.
- 2.3.4. Endangers the fiscal soundness of future years or ignore the building of organizational capability sufficient to achieve future ends.
- 2.3.5. Cannot be shared with the Board on a monthly basis

2.4 POLICY: Financial Conditions and Activities (formerly BEL002)

With respect to the actual, ongoing condition of the organization's financial health, the Executive Officer may not cause or allow the development of fiscal jeopardy or the material negative

deviation of actual expenditures from board priorities established in policies and inclusive of annual budget.

Further, including but not limited to, the Executive Officer may not:

- 2.4.1. Expend more funds than have been received in the fiscal year to date (including carry forward funds from prior year).
- 2.4.2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues in accordance with Board approved schedule.
- 2.4.3. Use any designated reserves other than for established purposes.
- 2.4.4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within ninety days.
- 2.4.5. Fail to settle payroll and debts in a timely manner.
- 2.4.6. Allow tax payments or other government-ordered payments of filings to be overdue or inaccurately filed.
- 2.4.7. Make a single purchase or commitment of greater than \$100,000 in a fiscal year, except for participant CMH contracts and Region 4 Clinical Service Providers. Splitting orders to avoid this limit is not acceptable.
- 2.4.8. Purchase or sell real estate in any amount.
- 2.4.9. Fail to aggressively pursue receivables after a reasonable grace period.
- 2.4.10. Assure that total direct fiscal year annual costs payable to MCHE shall not exceed \$5,000.
 - 2.4.10.1 *Exception:* Group purchases which in the EO's judgment are required and have more favorable terms than an independent purchase by SWMBH. In the event of an urgent payment required, EO shall contact SWMBH Board Chair for guidance.

2.5 POLICY: Asset Protection (formerly BEL003)

The Executive Officer shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Further, including but not limited to, the Executive Officer may not:

- 2.5.1. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 2.5.2. Leave intellectual property, information and files unprotected from loss or significant damage.
- 2.5.3. Allow physical assets to be uninsured against theft and property losses at an appropriate level and against liability losses to board members, staff and the organization itself in an amount greater than the average for comparable organizations.
- 2.5.4. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisers.
- 2.5.5. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.
- 2.5.6. Change the organization's name or substantially alter its identity in the community.
- 2.5.7. Allow unbonded personnel access to material amounts of funds.
- 2.5.8. Unnecessarily expose the organization, its Board, or Staff to claims of liability.
- 2.5.9. Make any purchases:
 - i. Wherein normally prudent protection has not been given against conflict of interest

- ii. Inconsistent with federal and state regulations related to procurement using SWMBH funds
 - iii. Of more than \$100,000 without having obtained comparative prices and quality
 - iv. Of more than \$100,000 without a stringent method of assuring the balance of long-term quality and cost.
- 2.5.10. Receive, process, or disburse under controls that are insufficient to meet the Board-appointed auditor's standards.
- 2.5.11. Invest or hold operating capital and risk reserve funds in instruments *at the expense of safety and liquidity*.

2.6 POLICY: Investments

The Executive Officer will not cause or allow investment strategies or decisions that pursue a high rate of return at the expense of safety and liquidity.

Further, including but not limited to, the Executive Officer may not:

- 2.6.1 Make investment decisions without consultation and guidance of an independent qualified investment advisor.
- 2.6.2 Ignore these priority values in investment decisions
 - Preservation of principal.
 - Income generation.
 - Long term growth of principal.
 - Protected from bank failures.
- 2.6.3 invest or hold capital in insecure instruments except where necessary to facilitate ease in operational transactions
- 2.6.4 invest without establishing a comparative benchmark to demonstrate investment performance.

2.7 POLICY: Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants, contract workers, Interns and volunteers, the Executive Officer (EO) shall not cause or allow jeopardy to financial integrity or to public image.

Further, including but not limited to, the Executive Officer may not:

- 2.7.1. Change the EO's own compensation and benefits.
- 2.7.2. Promise permanent or guaranteed employment.
 - 2.7.2.1 Exception: Time-limited Executive Employment and Professional Services Agreements with termination clauses are permissible.
- 2.7.3. Establish current compensation and benefits which:
 - 2.7.3.1 Deviate materially from the geographic and professional market for the skills employed.
 - 2.7.3.2 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
 - 2.7.3.3 Fail to solicit or fail to consider staff preferences.
- 2.7.4. Establish or change retirement benefits so the retirement provisions:
 - 2.7.4.1. Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs.

- 2.7.4.2. Provide less than some basic level of benefits to all full-time employees.
Differential benefits which recognize and encourage longevity are not prohibited.
- 2.7.4.3 Make revisions to Retirement Plan documents.
- 2.7.4.4 Implement employer discretionary contributions to staff.

2.8 POLICY: Emergency Executive Officer Succession (formerly EO-003)

In order to protect the Board from sudden loss of the Executive Officer services, the Executive Officer will have no less than two executives identified to the Board sufficiently familiar with Board and Executive Officer issues and processes to enable them to take over with reasonable proficiency as an interim Executive Officer if called upon by the Board.

2.9 POLICY: Communication and Support to the Board (formerly BEL-008)

The Executive Officer shall not cause or allow the Board to be uninformed or unsupported in its work.

Further, including but not limited to, the Executive Officer may not:

- 2.9.1. Neglect to submit monitoring data required by the Board *on the schedule established by the Board* in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including Executive Officer interpretations as well as relevant data.
- 2.9.2. Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
- 2.9.3. Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
- 2.9.4. Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes, including:
 - a. the status of uniform benefits across the region (from 2.1.3)
 - b. timely and accurate investment reports
 - c. information related to MCHE, including
 - i. semi-annual written MCHE status reports to the SWMBH Board in April and October
 - ii. verbal reports to the SWMBH Board if there are MCHE related items of importance which in the Executive Officer's judgment materially affect favorably or unfavorably SWMBH's core roles, strategy, or finances;
 - iii. MCHE Articles of Incorporation revisions and bylaws to the Board prior to voting on them and after adoption by MCHE.
- 2.9.5. Allow the Board to be unaware that, in the Executive Officer's opinion, the Board is not in compliance with its own policies, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Officer.
- 2.9.6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 2.9.7. Allow the Board to be without a workable mechanism for official Board, Officer, or Committee communications.
- 2.9.8. Deal with the Board in a way that favors or privileges certain Board Members over others, except when fulfilling individual requests for information or responding to Officers or Committees duly charged by the Board.
- 2.9.9. Fail to submit to the Board a consent agenda containing items delegated to the Executive Officer yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.

Section 3: Governance Process Policies

3.0 Global Governance Commitment

The purpose of the Board who serve as the stewards of funding available for mental health services in the Southwest Region of Michigan, on behalf of the State of Michigan and the founding Plan Members, is to see to it that SWMBH achieves appropriate impacts through its Plan Members at an appropriate value and to assure that the organization avoids unacceptable situations and risks.

3.1 Governing Style and Commitment (formerly BG-011)

The Board will govern lawfully and in compliance with the agency's bylaws, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive roles, (e) collective rather than individual decisions, (f) future rather than past or present focus, and (g) proactivity rather than reactivity.

Accordingly, the SWMBH Board shall:

- 3.1.1 Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual member to substitute for the judgment of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.
- 3.1.2 Direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts, not on administrative or programmatic means of attaining those effects.
- 3.1.3 Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will observe those currently in force.
- 3.1.4 Conduct continual Board development, including orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.
 - 3.1.4.1 New Board Members shall be required to complete an initial orientation for purposes of enhancing their knowledge of the roles and responsibilities of SWMBH as an agency, and their understanding to assist in governance decision-making. Specifically, they shall be provided the following information:
 - Governance Documents (Hierarchical)
 - SWMBH Board Bylaws
 - SWMBH Operating Agreement

- Michigan Consortium of Healthcare Excellence Bylaws (MCHE)
- Ends, Proofs and Strategy
 - Previous and Current Years' SWMBH Board Ends and Proofs
- Context
 - SWMBH General PowerPoint
 - Current SWMBH Board Meeting Calendar and Roster
- New Board Members will be offered a live/remote briefing for each functional area leader.

3.1.5 Allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling group obligations.

3.1.6 The Board will monitor and discuss the Board's process and performance periodically. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

3.2 POLICY: Board Member Job Description (formerly BG-008)

Specific job outputs of the Board, as informed agents of ownership, are those that ensure appropriate organizational performance.

Accordingly, to distinguish the Board's own unique job from the jobs of its staff, the Board will concentrate its efforts on the following job "products" or outputs:

- 3.2.1 The link between Southwest Michigan Behavioral Health and CMH Boards of the Plan Members.
- 3.2.2 Written governing policies which, at the broadest levels, address:
 - a. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which needs at what worth to the organization).
 - b. Executive Limitations: Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - c. Governance Process: Specification of how the Board conceives carries out and monitors its own task.
 - d. Board-EO Delegation: How Board expectations are assigned and properly monitored; the EO role, authority and accountability.
- 3.2.3 The assurance of organizational and EO performance.

3.3 POLICY: Board Code of Conduct (formerly BG-007)

The Board commits itself to ethical, lawful, and businesslike conduct including proper use of authority and appropriate decorum when acting as Board Members.

Accordingly:

- 3.3.1 SWMBH Board Members represent the interests of Southwest Michigan Behavioral Health. This accountability supersedes any potential conflicts of loyalty to other interests including advocacy or interest groups, membership on other Boards, relationships with others or personal interests of any Board Member. As a result, Board members will follow the SWMBH Conflict of Interest Policy (contained in Appendix ____.)
 - 3.3.1.1 Conflict of Interest is defined as any actual or proposed direct or indirect financial relationship or ownership interest between the Board Member and any entity with which SWMBH has or proposes to have a contract, affiliation, arrangement or other transaction.
 - 3.3.1.2 When a Member either must recuse themselves or chooses to recuse themselves from voting on a Board decision their prior potential vote count will be removed from the vote tally denominator; however, when a Member abstains from voting on a Board decision their potential vote count will not be removed from the vote tally denominator.
- 3.3.2 Members will respect the confidentiality appropriate to issues of a sensitive nature including, but not limited to, those related to client privacy laws, substance abuse services, or SWMBH business or strategy.
- 3.3.3 Members will be properly prepared for Board deliberation as well as educate themselves on the SWMBH Compliance Plan and Code of Conduct.
- 3.3.4 Member will support the legitimacy and authority of the final determination of the Board on any matter, without regard to the Member's personal position on the issue.
- 3.3.5 Persons who have been excluded from participation in Federal Health Care Programs may not serve as Board Members.
 - 3.3.5.1 If a Board Member believes they will become an excluded individual, that member is responsible for notifying the SWMBH Compliance Department. The Board Member is responsible for providing information necessary to monitor possible exclusions.
 - 3.3.5.1.1 SWMBH shall periodically review Board Member names against the excluded list per regulatory and contractual obligations.
- 3.3.6 SWMBH Board members will establish, and encourage throughout its region, cultures that promote prevention, detection, and resolution of instances of misconduct in order to conform to applicable laws and regulations.
 - 3.3.6.1 Members have a duty to report to the SWMBH Chief Compliance Officer any alleged or suspected violation of the Board Code of Conduct or related laws and regulations by themselves or another Board Member.

- 3.3.6.2 SWMBH Board Members shall cooperate fully in any internal or external Medicaid or other SWMBH funding stream compliance investigation.
- 3.3.6.3 Failure to comply with the Compliance Plan and Board Code of Conduct may result in the recommendation to a Participant CMH Board for the member's removal from the SWMBH Board.
- 3.3.6.4 Members will participate in Board compliance trainings and educational programs as required.
- 3.3.6.5 Members will use due care not to delegate substantial discretionary authority to individuals whom they know, or should have known through due diligence, who have a propensity to engage in illegal activities.
- 3.3.7 Board Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - 3.3.7.1 Members' interaction with the Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
 - 3.3.7.2 Members' commenting on the agency and Executive Officer performance must be done collectively and in regard to explicit Board policies.
- 3.3.8 Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board Member to speak for the Board unless provided in policy, *or specifically authorized by the board through an officially passed motion of the Board.*

3.4 POLICY Annual Board Planning Cycle (formerly BG-006)

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda cycle which (a) drives exploration of Ends concerns, (b) continually improves board performance through board education and enriched input and deliberation, and (c) re-examines the relevance of the underlying values that support existing policy.

3.4.1 The board calendar shall generally follow this sequence:

Jan-March	Ownership Linkage Activity
April-May:	Environmental Scan and Strategic Imperatives Review with Board.
May--	Board Retreat
June –	Develop Board's Cost of Governance, <i>per Policy 3.8</i>
July –	24 month Ends Interpretation and Metrics are presented for review for reasonableness and further input on Mission, Capital, Market, Growth, Products, Alliances
September-	Budget Board review and approval <i>if in alignment with the budget policy 2.3.</i>
November –	Annual Evaluation of the EO after review of Ends and Executive Limitations monitoring reports received in the last year.
December –	Approval of the annual plan of Board work.

3.4.2 Performance assessment will follow the policy monitoring calendar established in Appendix A for both operational performance on Ends and Executive Limitations and Board performance against Governance Process and Board Management Delegation policies.

- 3.4.3 The cycle will start with the board's development of its own strategic exploration agenda for the next year.
 - 3.4.3.1. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged by August 31 to be held during the balance of the next fiscal year.
 - 3.4.3.2. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be engaged by October 31 to be held during the balance of the fiscal year.
- 3.4.4 The Board will formally review all Board policies annually for consideration of relevance and consistence with Policy Governance.

3.5 POLICY: Board Chair Role (formerly BG-005)

The Chair shall be a specially empowered member of the Board who shall be responsible for ensuring the integrity of the Board's process and occasionally represents the Board to outside parties.

Accordingly:

- 3.5.1. The result of the Chair's job is that the Board acts consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - 1. Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - 2. Information that is neither for monitoring Board or enterprise performance nor for Board decisions will be avoided or minimized.
 - 3. Deliberation will be fair, open, and thorough, but also timely and orderly.
 - 4. Every effort will be made to assure a psychologically safe environment for all engaging during any board meeting.
- 3.5.2 The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (i) employment or termination of the EO and (ii) areas where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provision in these policies.
- 3.5.3 The Chair is empowered to preside over all SWMBH Board meetings with all the commonly accepted power of that position, such as agenda review, ruling, and recognizing.
- 3.5.4 The Chair has no authority to make decisions about policies created by the Board within *Ends* and *Executive Limitations* policy areas. Therefore, the Chair has no authority to supervise or direct the EO.
- 3.5.5 The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.

3.6 POLICY: Board Committee Principles (formerly BG-010)

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and to not interfere with delegation from the Board to the EO. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of

whether the group includes Board members. It does not apply to committees formed under the authority of the EO.

Accordingly, the Committees shall:

- 3.6.1 Assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
- 3.6.2 Refrain from speaking or acting on behalf of the Board except when formally given such authority for specific and time-limited purposes.
- 3.6.3 Refrain from exercising authority over staff.
- 3.6.4 Be used sparingly and ordinarily in an ad hoc capacity.

3.7 POLICY: Board Committees (formerly BG-001)

A committee is a Board Committee only if *its* existence and charge come from the Board, *and it helps the board do its own work* regardless whether Board Members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its work is complete.

Audit Committee *appointed on Mar 14, 2025 needs membership, authority, deliverables delineated.*

3.8 POLICY: Cost of Governance

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Accordingly:

- 3.8.1 Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - 3.8.1.1 Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
 - 3.8.1.2 Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
 - 3.8.1.3 Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
- 3.8.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability. The Board will develop its budget by March each year to assure its inclusion in the overall budget and will include allowances for:
 - A training, including attendance at conferences and workshops.
 - B audit and other third-party monitoring of organizational performance.
 - C surveys, focus groups, opinion analyses, and meeting costs.

Section 4: Board-Management Delegation

4.0 POLICY: Global Board-Management Delegation (formerly BG-002)

The Board's official connection to the operational organization, its achievements and conduct will be through its chief executive officer, titled Executive Officer, however, the Fiscal Officer and Chief Compliance Officer shall have direct access to the Board on matters of internal audited compliance with Board policy.

4.1 POLICY: Unity of Control (formerly BG-003)

Only officially passed motions of the Board are binding on the EO.

Accordingly:

- 4.1.1 Decisions or instructions of individual Board Members, Officers, or Committees are not binding on the Executive Officer (EO) except in instances when the Board has specifically authorized such exercise of authority.
- 4.1.2 In the case of Board Members or Committees requesting information or assistance without Board authorization, the EO can refuse such requests that require, in the EO's opinion, a material amount of staff time or funds, or are disruptive.

4.2 POLICY: Accountability of the Executive Officer (formerly EO-001)

The EO is accountable to the board acting as a body. The Board will instruct the EO through written policies or directives consistent with Board policies, delegating to the EO the interpretation and implementation of those policies and Ends.

Accordingly:

- 4.2.1 The Board will not give instructions to persons who report directly or indirectly to the EO.
- 4.2.2 The Board will not evaluate, either formally or informally, any staff other than the EO.
- 4.2.3 The board will view EO performance as identical to organizational performance, so that organizational accomplishment of board stated Ends and avoidance of board proscribed means will be viewed as successful EO performance.

4.3 POLICY: Delegation to the Executive Officer

The board will instruct the EO through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the EO to use any reasonable interpretation of these policies.

Accordingly:

- 4.3.1 The board will develop policies instructing the EO to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
- 4.3.2 The board will develop policies which limit the latitude the EO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
- 4.3.3 As long as the EO uses any reasonable interpretation of the board's Ends and Executive Limitations policies, the EO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
- 4.3.4 The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and EO domains. By doing so, the board changes the latitude of choice given to the EO. But as long as any particular delegation is in place, the board will respect and support the EO's choices.

4.4 POLICY: Monitoring EO Performance (formerly EO-002)

Monitoring Executive Officer performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of EO performance, formal or informal, may be derived from these monitoring data.

Accordingly,

- 4.4.1 The purpose of monitoring is to determine the degree to which Board policies are being fulfilled. Information that does not do this will not be considered to be monitoring.
- 4.4.2 A given policy may be monitored in one or more of three methods with a balance of using all of the three types of monitoring:
 - Internal report: Disclosure of compliance information to the Board from the Executive Officer.
 - External report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board. Such reports must assess Executive Officer performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.
 - Direct Board inspection: Discovery of compliance information by a Board Member, a Committee, or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a "prudent person" test of policy compliance.
- 4.4.3 Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method.
- 4.4.4 Each November the Board will have a formal evaluation of the EO. This evaluation will consider monitoring data as defined here and as it has appeared over the calendar year.
 - 4.4.4.1 The Executive Committee, (Chair, Vice Chair, and Secretary), will take data and information from the bulleted documents below upon which the annual performance of the EO will be evaluated. The overall evaluation consists of compliance with Executive Limitations Policies, Ends Interpretation and Ends Monitoring reports and supporting documentation, (as per the Board developed schedule), and follow through on Board requests, (what we ask for in subsequent meetings and what we want to see on the agendas).

For the performance review, the following should be documents given the Executive Committee at least one month prior (October)

- Minutes of all meetings
- Ends Monitoring reports for the past year along with the Ends Interpretation for each Ends Monitoring report
- Any supporting Ends documentation
- Ends Monitoring Calendar
- Other policies monitoring calendar

Appendix A: Southwest Michigan Behavioral Health Board Policy Review Calendar Year 2024

Policy Number	Policy Name	Board Review	Reviewer	
Board Governance (Policy Review)				
1.0 et al	Board Ends and Accomplishments	January	Board	
3.4	Annual Board Planning	April	Board	
3.3	Code of Conduct	February	Board	
3.7	Committee Structure	March	Board	
3.6	Board Committee Principles	April	Board	
3.1	Governing Style & Commitment	May	Board	
	Open Meetings Act and Freedom of Information Act	June	Board	
3.2	Board Member Job Description	September	Board	
3.8	Cost of Governance	?	Board	
3.5	Board Chair Role	December	Board	
Direct Inspection (Reports)				
2.3	Budgeting	March	Naccarato	GG
2.7	Compensation and Benefits	August	Barnes	AW
2.4	Financial Conditions	October	Csokasy	GG
2.6	Investments	August	Sherban	GG
2.2	Treatment of Staff	August	Perino	AW
2.1	Treatment of Plan Members	September	Csokasy	AW/SA
2	Global Executive Constraints	July	Meny	BC
2.9	Communication and Counsel	September	Schmelzer	BC
	RE 501 (c) (3) Representation	November	Sherban	BC
2.5	Asset Protection	December	Krogh	
2.8	EO Emergency Succession	October	?	GG

Board-Staff Relationship (Policy Review)			
4.4	Monitoring Executive Performance	November	Board
4.2.	Executive Role & Job Description	September	Board
4.1	Unity of Control	August	Board
4.3	Delegation to the EO	July	Board
V 8.14.23			
Board Approved			

**Executive Limitations
Monitoring to Assure Executive Performance
Board Meeting October 10, 2025**

Policy Number: BEL-002

Policy Name: Financial Conditions

Assigned Reviewer: Tom Schmelzer

Purpose: The Executive Officer shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a budget plan.

Policy: With respect to the actual, ongoing condition of the organization's financial health, the Executive Officer may not cause or allow the development of fiscal jeopardy or the material deviation of actual expenditures from Board priorities established in policies.

EO Response: This report addresses fiscal year 2024, October 1, 2023 to September 30, 2024. As expected, any material exceptions noted after September 30, 2024 to close of current year would be provided to the Board regardless of the reporting period.

Standards: Accordingly, the EO may not;

1. Expend more funds than have been received in the fiscal year to date, (including carry forward funds from prior year), unless the Board's debt guideline is met.

EO Response: *SWMBH has not expended more funds than have been received for the reviewed fiscal year.*

In fiscal year 2024, October 1, 2023 to September 30, 2024, SWMBH received gross revenues, (all types), of \$401,700,655 million. Expenses during the period, (all types), were \$423,735,335 million and an unfavorable difference of \$22,034,680 million.

Please see 2024 Financial Audit as presented to the Board in August for a detailed breakdown by contract/business line/funding streams. Recall that Medicaid and Medicaid-Healthy Michigan are entitlements with cost settled risk contracts with MDHHS. Substance Abuse Prevention, Treatment Block Grant and PA2 are not entitlements and are funded on a reimbursement basis and do-not-exceed grant contract from MDHHS.

2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues in accordance with Board approved schedule.

EO Response: *SWMBH has incurred no debt obligations.*

3. Use any designated reserves other than for established purposes.

EO Response: *No designated reserve funds, (Internal Service Fund), have been used for any purpose other than that mentioned above. SWMBH has no other contractual or Board-designated reserves.*

4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within ninety days.

EO Response: *No interfund shifting has occurred outside these parameters.*

5. Fail to settle payroll and debts in a timely manner.

EO Response: *Payroll has been paid in a timely manner as evidenced by payroll run reports and absence of staff complaints related thereto. Accounts Payable payment policy is 30 days. All invoices received and deemed accurate for payment were paid within this period, on average 2,200 invoices a year.*

6. Allow tax payments or other government-ordered payments of filings to be overdue or inaccurately filed.

EO Response: *Tax payments and other government-ordered payments tax returns have been timely and accurately filed. Tax filings are available upon request.*

7. Fail to adhere to applicable Generally Acceptable Accounting standards.

EO Response: *Per CFO all monthly financial statements were prepared and presented in accordance with accepted accounting principles. This was verified by external auditors via their unqualified opinion.*

8. Make a single purchase or commitment of greater than \$100,000 in a fiscal year, except for participant CMH contracts and Region 4 Clinical Service Providers. Splitting orders to avoid this limit is not acceptable.

EO Response: *No single purchase or commitment of greater than \$100,000 has occurred between October 1, 2023 and September 30, 2024 without Board approval. The group purchase of Eleos exceeded this*

threshold and board approval was granted at the February 14, 2025 meeting. The EO interprets “purchase or commitment” as acquisition of a product or service which excludes a termination clause.

9. Purchase or sell real estate in any amount absent Board authorization.

EO Response: *No real estate has been purchased. No real estate is owned.*

10. Fail to aggressively pursue receivables after a reasonable grace period.

EO Response: *Receivables include payments from MDHHS which are routine transmissions to us on a regular MDHHS-defined schedule. Immaterial receivables stem from contracts with other agencies who are invoiced promptly and pay promptly.*

Materials available for Review: Fiscal Year 2024 External Audit and Financial Statements (provided at the September 12, 2025 Board meeting).

Mr. Schmelzer was invited to contact the CEO and/or CFO, to request additional materials, or set a phone or live meeting to discuss.

Enclosures:

- 2024 Audited Financial Statements
- July 31, 2025 Financials

Southwest Michigan

B E H A V I O R A L H E A L T H

Section: Board Policy – Executive Limitations		Policy Number: BEL-010	Pages: 1
Subject: Regional Entity 501 (c)(3) Representation		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO			Required Reviewer: SWMBH Board
Effective Date: 02.13.2015	Last Review Date: 6/13/25	Past Review Dates: 2.13.15, 3.11.16, 10.14.16, 10.13.17, 10.12.18, 11.8.19, 12.11.20, 11/12/21, 11/11/22, 11/10/23, 10/11/24	

I. **PURPOSE:**

To define the SWMBH Executive Officer role and responsibilities in conjunction with SWMBH MCHE membership.

II. **POLICY:**

1. The SWMBH Board has approved SWMBH becoming a member of MCHE; and
2. the EO of SWMBH is hereby authorized to serve as SWMBH's representative and a Director of the MCHE Board, the latter being subject to the approval of the Board Members of MCHE in accordance with its Bylaws; and
3. the EO is hereby authorized and directed to execute and deliver any and all instruments, certificates, agreements, and other documents necessary for SWMBH to hold a membership interest in MCHE; and
4. the SWMBH Board will evaluate on at least an annual basis in October of each year whether SWMBH will continue to hold a membership interest in MCHE or withdraw from such membership.

III. **STANDARDS:**

Accordingly, the Executive Officer as SWMBH representative to MCHE shall:

1. Provide semi-annual written MCHE status reports to the SWMBH Board in April and October; and
2. Provide verbal reports to the SWMBH Board if there are MCHE related items of importance which in the Executive Officer's judgment materially affect favorably or unfavorably SWMBH's core roles, strategy, or finances; and
3. Present MCHE Articles of Incorporation revisions to the Board prior to voting on them; and
4. Present MCHE Bylaws revisions to the Board prior to voting on them and also after the adoption of them by MCHE Board; and
5. Assure that total direct fiscal year annual costs payable to MCHE shall not exceed \$5,000, absent prior official approval of the Board except for group purchases which in the EO's judgement are required and have more favorable terms through MCHE than an independent purchase by SWMBH. In the event of an urgent payment required, EO shall contact SWMBH Board Chair for guidance.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations		Policy Number: BEL-010	Pages: 1
Subject: Regional Entity 501 (c)(3) Representation		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO			Required Reviewer: SWMBH Board
Effective Date: 02.13.2015	Last Review Date: 6/13/25	Past Review Dates: 2.13.15, 3.11.16, 10.14.16, 10.13.17, 10.12.18, 11.8.19, 12.11.20, 11/12/21, 11/11/22, 11/10/23, 10/11/24	

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II. **POLICY:**

1. The SWMBH Board has approved SWMBH becoming a member of MCHE; and
2. the EO of SWMBH is hereby authorized to serve as SWMBH's representative and a Director of the MCHE Board, the latter being subject to the approval of the Board Members of MCHE in accordance with its Bylaws; and
3. the EO is hereby authorized and directed to execute and deliver any and all instruments, certificates, agreements, and other documents necessary for SWMBH to hold a membership interest in MCHE; and
4. the SWMBH Board will evaluate on at least an annual basis in October of each year whether SWMBH will continue to hold a membership interest in MCHE or withdraw from such membership.

III. **STANDARDS:**

Accordingly, the Executive Officer as SWMBH representative to MCHE shall:

1. Provide semi-annual written MCHE status reports to the SWMBH Board in April and October; and
 - a. *EO Response: Updates were provided in April 2024, October 2024, and April 2025, per Board records.*
2. Provide verbal reports to the SWMBH Board if there are MCHE related items of importance which in the Executive Officer's judgment materially affect favorably or unfavorably SWMBH's core roles, strategy, or finances; and
 - a. *EO Response: There were no such updates to the best of my knowledge, recognizing that I was not appointed as the MCHE Alternate representative from SWMBH until June 13, 2025.*
3. Present MCHE Articles of Incorporation revisions to the Board prior to voting on them; and
4. Present MCHE Bylaws revisions to the Board prior to voting on them and also after the adoption of them by MCHE Board; and
 - a. *EO Response: Confirmed with the MCHE Chairperson that there were not any changes to the MCHE Articles of Incorporation or Bylaws during the review period.*
5. Assure that total direct fiscal year annual costs payable to MCHE shall not exceed \$5,000, absent prior official approval of the Board except for group purchases which in the EO's judgement are required and have more favorable terms through MCHE than an independent purchase by SWMBH. In the event of an urgent payment required, EO shall contact SWMBH Board Chair for guidance.

- a. *EO Response: Payments to MCHE for FY25 totaled \$41,840. These payments were for the continued group purchase of the MCG Utilization Management criteria, which is required by MDHHS. The MCG group purchase beginning in 2021 through MCG as the terms were more favorable than if SWMBH (and every other PIHP) purchased the criteria individually/separately. The arrangement was approved by the SWMBH Board at its initiation on 09/10/2021.*

Additional EO Response: The review period for this policy is a time period for which I was not the Executive Officer. These responses are provided to the best of my knowledge, information, and belief and are based on my review of SWMBH Board records (meeting minutes and meeting materials), exchanges with the MCHE Chairperson, a review of the MCG purchase arrangement, and discussions with SWMBH's CFO.



Michigan Consortium for Healthcare Excellence

**Board Report
October 10, 2025**

Ongoing Efforts

- Joint contracting with Wakely a Health Management Associates Actuarial firm for purposes of performing an objective review of MDHHS and Milliman Medicaid rate setting practices, remediation and advocacy tactics. Resulted in Wakely recommending to MDHHS and Milliman to move to regional rates. MDHHS did this for FY26.
- Group purchase arrangement with MCHE holding the contract for MDHHS-required MCG Utilization Management Criteria (contract expires in 2027).
- Ongoing review of MCHE Bylaws for possible revisions – drafted but put on hold due to RFP.

Why Collaborate?

- Enhance public policy influence via collective consensus views and advocacy with executive and legislative branches
- Enhance collective and individual relations with Advocacy groups and leaders
- Share scarce resources and technical assistance
- Share operational performance information for quality improvement
- Reduce CMH and provider burdens and administrative costs
- Reduce PIHP administrative costs
- Pursue joint purchasing opportunities