Southwest Michigan Behavioral Health Board Meeting
SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002
November 14, 2025
9:30 am to 11:30 am
(d) means document provided
Draft: 11/7/25

1. **Welcome Guests/Public Comment**

2. **Agenda Review and Adoption (d) pg.1**

3. **Financial Interest Disclosure Handling**

   - None Scheduled

4. **Consent Agenda (2 minutes)**

   a. October 10, 2025, SWMBH Board Meeting Minutes (d) pg.3
   b. October 8 and October 22, 2025, Operations Committee Meeting Minutes (d) pg.7
   c. October 3, 2025, Board Finance Committee Meeting Minutes (d) pg.14

5. **Fiscal Year 2025 Year to Date Financial Statements and Cash Flow Analysis (15 minutes)**

   a. G. Guidry (d) pg.16
   b. Operations Committee

6. **Required Approvals (0 minutes)**

   - None scheduled

7. **Ends Metrics Updates *(*Requires motion)* (0 minutes)**
   Proposed Motion: Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Do the Ends need Revision?

   - None scheduled

8. **Board Actions to be Considered (0 minutes)**

   a. 2026 Board Policy Calendar (d) pg.29
   b. Board Policy Revisions (d) pg.30
   c. 3.4 Policy Annual Board Planning Cycle and 3.8 Policy Cost of Governance (d) pg.40
   d. Board Chair appointment to Board Finance Committee

9. **Board Policy Review (0 minutes)**
   Proposed Motion: Is the Board in Compliance? Does the Policy Need Revision?

   - None scheduled

10. Executive Limitations Review (5 minutes)
Proposed Motion: Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?

- None scheduled

11. Board Education (0 minutes)

- Compliance Role and Function (A. Strasser) (d) pg.47

12. Communication and Counsel to the Board (15 minutes)

a. Fiscal Year 2025 CMHSP Site Visit Review Results (M. Todd) (d) pg.61
b. Fiscal Year 2025 Health Services Advisory Group Compliance Review (A. Lacey) (d) pg.79
c. Fiscal Year 2025 Health Services Advisory Group Performance Measure Validation Audit (N. Spivak) (d) pg.84
d. PIHP Procurement Updates (d) pg.86
e. December Board Policy Direct Inspection – SWMBH Policy 2.5 Asset Protection (period 8/1/25 – 12/1/25)

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
December 12, 2025
9:30 am - 11:30 am

Southwest Michigan
BEHAVIORAL HEALTH

Board Meeting Minutes
October 10, 2025
SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002
9:30 am-11:30 am
Draft: 10/10/25

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

Members Absent: Michael Seals

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

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

Public Comment
None

Agenda Review and Adoption

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

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

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

2025 Year to Date Financial Statements; Cash Flow Analysis; Mid-Year Revenue Rate Assumptions and Revised SWMBH Budget/Projections
Garyl Guidry reported as documented for Period 11, and noted:

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

Board discussion followed.

Operations Committee Update

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

Required Approvals

None scheduled

Ends Metrics Updates

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

Board Actions to be Considered

Fiscal Year 2026 draft Budget

Garyl Guidry reported as documented noting:

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

- Regional efficiency reviews continue and work on lowering Administrative Costs
- Discussion followed.

Motion Tom Schmelzer moved to approve the Fiscal Year 2026 draft Budget as presented.
Second Karen Longanecker
Motion Carried

SWMBH Retirement Plans

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

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

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

Fiscal Year 2026 Program Integrity Compliance Plan

Alison Strasser reported as documented. Discussion followed.

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

Michigan Consortium for Healthcare Excellence (MCHE) membership

Mila Todd reported as documented. Discussion followed.

Motion Karen Longanecker moved that SWMBH maintain its MCHE membership.
Second Lorraine Lindsey
Motion Carried

Credentialing of Behavioral Health Practitioners and Credentialing of Organizational Providers

Mila Todd reported as documented.

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

Board Policy Review

2.8 Emergency Executive Officer Succession

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

Executive Limitations Review

Policy 2.4 Financial Conditions

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

BEL-010 RE 501c3 Representation

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

Board Education

Michigan Consortium for Healthcare Excellence (MCHE) Report

Mila Todd reported as documented.

Communication and Counsel to the Board

PIHP Procurement

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

Discussion followed.

State and Federal Budget Updates

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

November Board Policy Direct Inspection

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

Public Comment

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

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

Adjournment

Motion Lorraine Lindsey moved to adjourn.

Second Karen Longanecker

Meeting adjourned at 11:35am

Date:	10/8/25
Time:	9:00 am – 11:00 am
Facilitator:	Sue
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 9/19/25

9:00 am – 11:00 am		
Agenda Topics:	**Discussion Points:**	**Minutes:**
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		Approved online and in the SWMBH Board Packet for Friday, 10/10/25
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**		• TANF is starting to rebound, • YTD Revenue is 10/6% increase from last year. • Almost all revenue is in for the forecast from Milliman • Total $342 million for the Year. There is a $1.5 million difference. Should be collected in October, Nov, and December. • $301 million in revenue for PY 11 • $315 Million in expenditure for PY 11. The current deficit

		is projected to be $12.5 million for FY26.
		• $5.9 million improvement from last month to this month.
		• SWMBH consulting with Auditors regarding the GASB 10 requirements and DHHS contract requirements regarding the FY 25 deficit.
		• Ask of Garyl to try and get Rehmann to agree/provide a response to SWMBH revenue projections. Rehman wants to wait until late October for actual payment files. Ask to see if Rehmann can collaborate on projections for the SWMBH board meeting and a timeline for FY 26 projections with new payment files.
		• SCA Model
		  ○ Administrative costs across the region:
		  ▪ Identifying areas of interest for ensuring appropriateness of SCA application across regional CMHs.
		  ▪ Continuing discussions at Regional Finance.

4. Wakely Updates		• No Wakely Update
5. SWMBH Financial Management Plan, SWMBH Financial Risk Management Plan, SWMBH Cost Allocation Plan and SWMBH Bylaw review.		• Assets and Liabilities workgroup ○ A couple of options in play and a tool the workgroup is working on to bring to Ops Comm. Waiting for PY 12 interim numbers to be able to identify what needs to go into the bylaws, finance management plan, etc.
6. FY 2026 SWMBH Budget Development		• FY 26 Revenue: $376,760,990 • FY 26 Expenditure: $355,286,081 • Projections: $21.5 million Surplus
7. UM Follow up (Anne)		• Meeting doesn't happen til Monday.
8. PIHP Competitive Procurement	Regional Entity Roles and Future	• Thursday, 10/9/25, is the meeting for the injunction. • Starts at 1030 • 1030 to 12 is a state dismissal, will issue an immediate answer. If dismissed, nothing else will happen. If not dismissed, it will go to the injunction for PIHP/CMHs against procurement. • Limited to 75 min per side, closing arguments will end at 4. Will rule from the bench, or at the latest, on Friday. •

9. CCBHC Direct Payment Methodology	SUD Block Grant implications	• BH-TEDs are a hot mess, RITC meeting today, Jeff Chang to be at meeting. • PCE customers cannot bill until October 15th. • Summit Point would like to be considered for sub-capitation.
10. FY26 Proposed DCW Rate Reduction (email attached to calendar invite)		• Do nothing.
11. SWMBH Board Ends		• No Update
12. CMH financial float for SWMBH FY26 from FY25		• Woodlands would not be able to carry a receivable and would need to start getting cash advances in Feb/March. • ISK/Pivotal can maintain the receivables on the books the longest. • Riverwood, Pines, and Summit Point would be able to withstand for a while, but not as long as Pivotal/ISK
13. SWMBH RFP bid		• SWMBH to submit RFP Monday morning.
14. 2026 Meetings		• Cancelled 11/25/26 and 12/23/26.
15. Eleos		• Wants to come to the next meeting. Will be there at 9 am.
16. Next Meeting Agenda **October Facilitator-Sue** **November Facilitator-Debbie** **December Facilitator- Mike**		
17. 11:00 am-12:00 pm CMH CEOs		

Date:	10/22/25
Time:	9:00 am – 11:00 am
Facilitator:	Sue
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: Demetris Ioannouand Patrick Mulcahy from Eleos

Version 10/6/25

9:00 am – 11:00 am		
Agenda Topics:	**Discussion Points:**	**Minutes:**
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		- Minutes approved.

3. Eleos presentation		- Voice Summary
		  ○ Voice-to-text option for community members.
		- Mobile Offline
		  ○ Notes can be put into the phone offline and uploaded when there is service.
		- Review PowerPoint for additional information and platforms coming soon.

4. Financial Stability **a. SWMBH Period 11 financials, including 2025**	• FY25 deficit handling	• PY 12 not yet completed, today is the day for closure. • PIHP Operations Meeting

revenue, expense and margin projections (if available) (d) **b. State/Milliman Meeting Updates** **c. Rehmann financial oversight**		○ Additional consideration for ESTA, supplemental, is scheduled to go out for the amendment. This would go to FY 25 revenue. This should be about 2-ish million in additional revenue. • FY 26 HSW – Will be getting paid FY 25 rates until March, then will be retroed back until October 2025. Plans to accrue the additional unpaid revenue to ensure actual payments when given match expected. • Quote for RPC for GASB – Substantial- Pursuing other avenues before utilizing. • Rehman will get the 827 file this week and get a comparison to the budget from them.
5. FY26 SWMBH Budget	• Development & monitoring • MDHHS rates	
6. Assets & Liabilities Workgroup	• Status Update • Recommended edits (Financial Management Plan, Financial Risk Management Plan, Cost Allocation Plan, Bylaws, etc.)	• Rescheduled after PY 12 is available. • Options are available, will dive deeper when meeting again.
8. UM Follow-up (Anne)		• UM group met, minor edits made, sent out this morning. Highlighted and track changes. Requested feedback

		back to Mila by COB 10/29/2025.
9. PIHP Competitive Procurement	Regional Entity Roles and Future	• Status conference today at 1 pm between the council and the Judge.
10. CCBHC Direct Payment Methodology	• SUD Block Grant - reporting	• Needs CFO approval. • Need to test and figure out the appropriate policy. • There are differences between sub-capitation vs FFS. • Couple of options are proposed, need to do more internal discussing prior to moving forward.
16. Next Meeting Agenda **October Facilitator-Sue** **November Facilitator-Debbie** **December Facilitator-Michael**		- **Same agenda Items** - **Remove ELEOS**
17. 11:00 am-12:00 pm CMH CEOs		

Southwest Michigan
BEHAVIORAL HEALTH

Board Finance Committee Meeting Minutes
October 3, 2025
SWMBH, 5250 Lovers Lane, Suite 200, Portage, Michigan 49002
1:00-2:00 pm
Draft: 10/6/25

Members Present: Tom Schmelzer, Carol Naccarato

Guests: Jeff Patton, Amy Rottman

Members Absent: Michael Seals

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

Review Agenda

Motion	Carol Naccarato moved to approve the agenda as presented.
Second	Tom Schmelzer
Motion Carried	

Central Topics

Review prior meeting minutes

Motion	Carol Naccarato moved to approve the minutes as presented.
Second	Tom Schmelzer
Motion Carried	

SWMBH YTD financial statements

Garyl Guidry presented Period 11 financial statements as documented and noted:

- TANF eligibles rebound in August
- Remaining eligibles static
- Increase in revenue of 10.6% but still a projected deficit of $16.7 million
- $29 million revenue expected in September
- CCBHC has a surplus of $3.2 million
- Cost settlements for each CMH with CCBHC broken out reviewed
- CMHs can carry SWMBH receivable in 2026 with the exception of Woodlands
- March of 2026 Woodlands will need their Fiscal Year 2025 settlement
- Footnotes of unearned revenue, funds due from governmental units and funds due to governmental units
- Strategies for Fiscal Year 2025:
    - Review differences in GASB10 (Governmental Accounting Standards for Board Statement) titled “Accounting and financial reporting for risk financing and related

insurance issues" with MDHHS contract on general accepted accounting principles to utilize Fiscal Year 2026 surplus to offset Fiscal Year 2025 deficit
    - Obtaining auditor opinions
    - Reviewing precedent for moving forward with MDHHS

Discussion followed.

SWMBH Check Registers

Garyl Guidry reported as documented. Discussion followed.

SWMBH Cash Flow Analysis

Garyl Guidry reported as documented noting ISF (Internal Service Fund) is now zero. 15 SWMBH staff positions have not been filled, which resulted in $1.3 million savings with a retention payment of $207,000. 2 additional staff resigned this week, currently SWMBH has 59 staff and 1 contracted staff.

SWMBH Board Policy 2.4 Financial Conditions

Tom Schmelzer reviewed the policy and the EO response and will recommend to the full Board that the EO was in compliance with this policy for Fiscal Year 2024. Discussion followed.

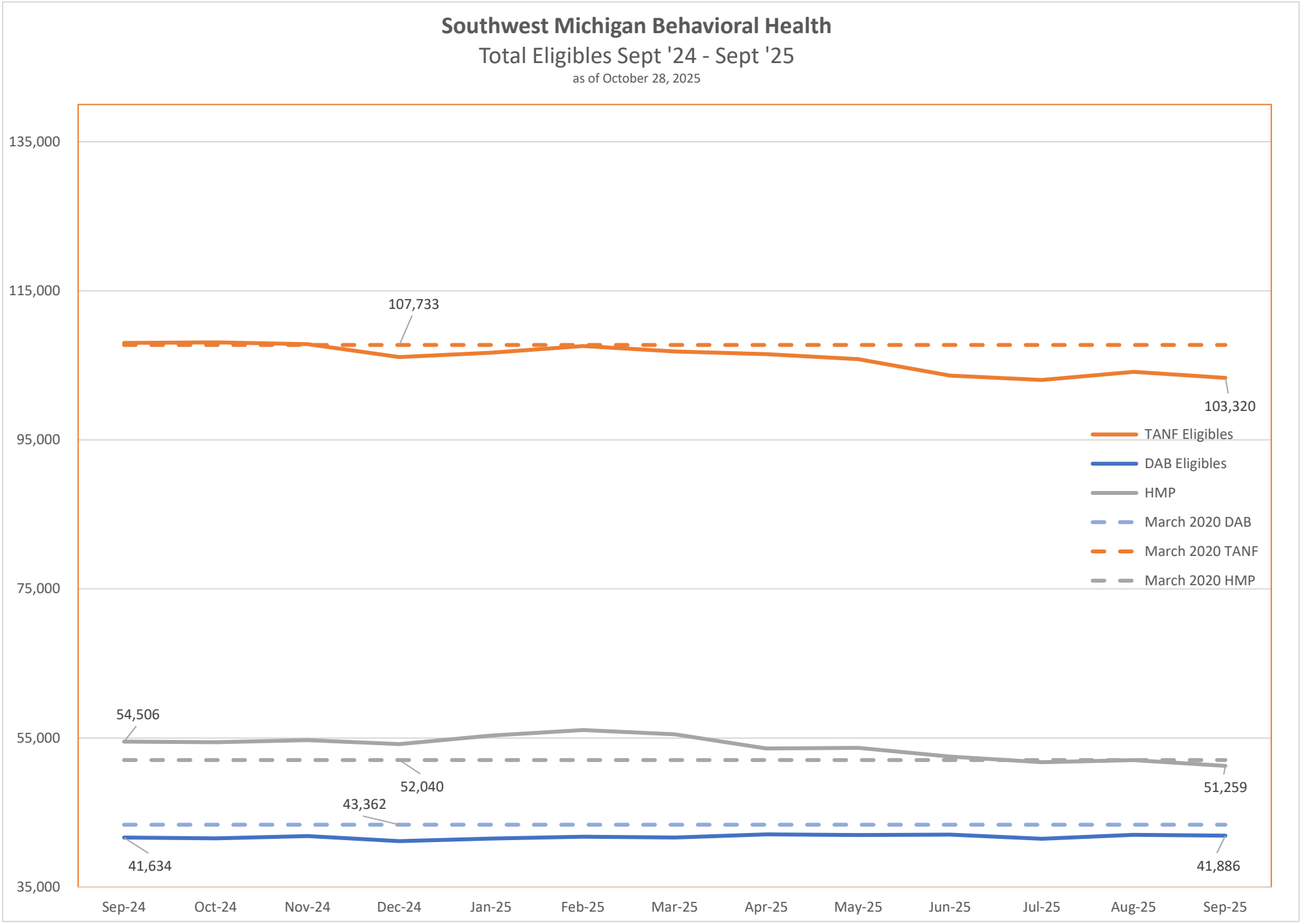
Fiscal Year 2026 Budget

Garyl Guidry reported as documented and noted:

- $376 million in projected revenue
- $307 million in projected expense
- $21.4 million in projected surplus
- Potential January 1, 2026, provider rate increases
- Region reviewing Managed Care Administrative Costs and why differences at each CMH.

Discussion followed

Meeting adjourned at 2:15pm


Southwest Michigan Behavioral Health
Total Eligibles Sept '24 - Sept '25
as of October 28, 2025
135,000
115,000
95,000
75,000
55,000
35,000
107,733
103,320
54,506
52,040
51,259
43,362
41,634
41,886
TANF Eligibles
DAB Eligibles
HMP
March 2020 DAB
March 2020 TANF
March 2020 HMP
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25

SWMBH Through September	FY25	FY24	% Change YOY	$ Change YOY
State Plan MH	101,251,021	97,400,516	4.0%	3,850,506
1915i MH	94,009,133	84,639,456	11.1%	9,369,676
Autism	32,289,559	20,393,132	58.3%	11,896,427
Habilitation Supports Waiver (HSW)	*66,427,014*	*59,508,515*	*11.6%*	*6,918,499*
Child Waiver Program (CWP)	*950,699*	*1,069,398*	*-11.1%*	*(118,699)*
Serious Emotional Disturbances (SED)	*531,998*	*1,572,940*	*-66.2%*	*(1,040,942)*
Net Capitation Payment	295,458,993	264,583,957	11.7%	30,875,036
				-
State Plan SA	7,879,573	8,099,905	-2.7%	(220,333)
Net Capitation Payment	**7,879,573**	**8,099,905**	-2.7%	(220,333)
				-
Healthy Michigan Mental Health	26,210,923	23,152,776	13.2%	3,058,147
Healthy Michigan Autism	43,884	27,308	60.7%	16,575
Net Capitation Payment	**26,254,806**	**23,180,085**	13.3%	3,074,722
				-
Healthy Michigan Substance Abuse	13,460,809	13,910,511	-3.2%	(449,702)
Net Capitation Payment	**13,460,809**	**13,910,511**	-3.2%	
				-
GRAND TOTAL	343,054,181	309,774,458	10.7%	33,279,723

as of 10/30/2025

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
1	***Southwest Michigan Behavioral Health***					
2	For the Fiscal YTD Period Ended 9/30/2025				**FY25 PIHP**	
3	*(For Internal Management Purposes Only)*					
4			**FY24 Budget**	**FY25 Budget**	**FY24 Actual as P12**	**FY25 Actual as P12**
6	**REVENUE**					
7	**Contract Revenue**					
8	Medicaid Capitation		230,693,820	256,227,043	246,730,270	*272,498,157*
9	Healthy Michigan Plan Capitation		48,606,904	38,407,790	28,321,849	*29,457,628*
10	Medicaid Hospital Rate Adjustments		5,963,797	12,089,192	14,418,582	12,089,192
11	Opioid Health Home Capitation		1,863,222	1,610,090	1,655,388	1,691,941
12	Mental Health Block Grant Funding		635,001	653,000	755,831	515,149
13	SA Block Grant Funding		7,432,909	7,763,190	8,615,616	8,423,151
14	SA PA2 Funding		2,110,931	2,184,476	1,739,237	2,079,372
15						
16	Contract Revenue		297,306,585	318,934,780	302,236,774	326,754,589
17	CMHSP Incentive Payments		501,957	419,357	494,967	485,013
18	PIHP Incentive Payments		-	2,483,291	2,397,081	2,134,267
19	Interest Income - Working Capital		573,177	1,222,315	683,946	483,591
20	Interest Income - ISF Risk Reserve		102,887	-	852,766	713,081
21	Local Funds Contributions		1,289,352	852,520	852,520	852,520
23						
24	**TOTAL REVENUE**		**299,773,958**	**323,912,264**	**307,518,053**	**331,423,061**
25						
26	**EXPENSE**					
27	**Healthcare Cost**					
28	Provider Claims Cost		24,396,146	23,023,897	24,379,262	23,589,236
29	CMHP Subcontracts, net of 1st & 3rd party		233,928,855	263,904,801	260,733,053	264,137,797
30	Insurance Provider Assessment Withhold (IPA)		3,790,852	3,746,326	3,707,984	3,746,326
31	Medicaid Hospital Rate Adjustments		5,963,797	12,089,192	14,418,582	12,089,192
33			-	-	-	-
34	**Total Healthcare Cost**		**268,079,650**	**302,764,215**	**303,238,881**	**303,562,551**
35	**Medical Loss Ratio (HCC % of Revenue)**		**90.2%**	**94.9%**	**100.3%**	**92.9%**
36						
37	**Administrative Cost**					
39	Administrative and Other Cost		11,698,386	12,805,756	9,964,804	10,294,524
44	Delegated Managed Care Admin		22,429,220	24,714,174	26,553,203	30,286,309
45	Apportioned Central Mgd Care Admin		(0)	(2,665,293)	(2,006,990)	(2,233,191)
46						
47	**Total Administrative Cost**		**34,127,607**	**34,854,637**	**34,511,017**	**38,347,642**
48	**Admin Cost Ratio (MCA % of Total Cost)**		**11.3%**	**10.3%**	**11.0%**	**11.7%**
49						
50	Local Funds Cost		1,289,352	852,520	852,520	852,520
51	PBIP Transferred to CMHPs		-	-	3,052,737	1,920,841
52						
53	**TOTAL COST after apportionment**		**303,496,608**	**338,471,372**	**341,655,154**	**344,683,553**
54						
55	**NET SURPLUS before settlement**		**(3,722,650)**	**(14,559,107)**	**(34,137,102)**	**(13,260,492)**
56	**Net Surplus (Deficit) % of Revenue**		**-1.2%**	**-4.5%**	**-11.1%**	**-4.0%**
57						
58	Prior Year Savings Utilization		9,769,410	-		-
59	Change in PA2 Fund Balance		(123,852)	-		
60	ISF Risk Reserve Abatement (Funding)		(102,887)	-		-
61	ISF Risk Reserve Utilization			1,929,280	23,649,426	806,884
62	MDHHS Shared Risk Utilization				10,487,676	
63	CCBHC Supplemental Receivable (Payable)		6,592	3,813,725		-
64	Settlement Receivable / (Payable)		-	-	-	-
67	**NET SURPLUS (DEFICIT)**		**5,826,612**	**(8,816,103)**	**0**	**(12,453,608)**
68	*HMP & Autism is settled with Medicaid*					
69						
173	*1.) FY25 Rate Certifciation, Amendment 3 forecasted $344M of additional revenue, the actual receipts $343M, $1.35M shortfall.*					
174	*2.) The Medicaid and Healthy Michigan Capitations includes the FY25 PBIP revenue accrual of $2,571,609*					

	A	B	C	D	E	F
1	***Southwest Michigan Behavioral Health***					
2	For the Fiscal YTD Period Ended 9/30/2025				**FY25 CCBHC**	
3	*(For Internal Management Purposes Only)*					
4			**FY24 Budget**	**FY25 Budget**	**FY24 Actual as P12**	**FY25 Actual as P12**
5						
6	**REVENUE**					
7	**Contract Revenue**					
8	CCBHC Base		40,182,407	40,182,407	37,238,365	43,670,117
9	CCBHC Supplemental		54,807,224	54,807,224	33,823,503	56,799,098
17	CCBHC Incentive Payments		-	3,422,650	2,995,352	5,431,436
18						
19	**TOTAL REVENUE**		**85,003,146**	**98,412,281**	**74,057,220**	**105,900,651**
20						
21	**EXPENSE**					
22	**Healthcare Cost**					
23	CCBHC Subcontracts		82,452,731	82,461,854	80,234,580	87,661,762
24						
25	**Total Healthcare Cost**		**82,452,731**	**82,461,854**	**80,234,580**	**87,661,762**
26	**Medical Loss Ratio (HCC % of Revenue)**		**97.0%**	**83.8%**	**108.3%**	**82.8%**
27						
28						
29	**Administrative Cost**					
30	Apportioned Central Mgd Care Admin		2,550,415	2,665,293	2,006,990	2,233,191
31						
32	**Total Administrative Cost**		**2,550,415**	**2,665,293**	**2,006,990**	**2,233,191**
33	**Admin Cost Ratio (MCA % of Total Cost)**		**3.0%**	**3.1%**	**2.4%**	**2.5%**
34						
35	**TOTAL COST**		**85,003,146**	**85,127,147**	**82,241,570**	**89,894,953**
36						
37	**NET SURPLUS before non MCA cost**		**0**	**13,285,134**	**(8,184,350)**	**16,005,697**
38	**Net Surplus (Deficit) % of Revenue**		**0.0%**	**13.5%**	**-11.1%**	**15.1%**
39						
40	CCBHC Non Medicaid Cost		-	(10,261,247)	-	(10,438,022)
41	CCBHC Supplemental Reciveable (Payable)				8,551,694	
42	Settlement Receivable / (Payable)					(2,970,622)
43			-	-	-	-
44	**CCBHC Net Surplus/(Deficit)**		**0**	**3,023,886**	**367,343**	**2,597,053**
45						

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)

August 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)**

September

Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	24,064,521	10,643,586	49,426,456	13,563,396	46,211,477	17,289,956	75,947,553	16,772,181	25,106,323	279,025,450
Expense	25,569,481	7,418,541	53,079,080	13,582,111	47,355,233	20,719,576	84,992,708	18,899,444	24,020,739	295,636,913
Difference	(1,504,960)	3,225,045	(3,652,624)	(18,714)	(1,143,756)	(3,429,620)	(9,045,155)	(2,127,263)	1,085,584	(16,611,463)
HMP										
Revenue	14,047,570	886,602	4,639,003	675,822	4,965,058	1,745,156	5,062,825	1,628,968	1,848,904	35,499,908
Expense	10,009,391	1,089,463	4,162,653	1,323,419	5,499,080	2,096,706	6,003,977	1,678,848	1,880,392	33,743,930
Difference	4,038,179	(202,861)	476,350	(647,597)	(534,022)	(351,550)	(941,152)	(49,880)	(31,488)	1,755,978

September Revenue and Expense										
Revenue	**29,253,598**	**6,836,975**	**32,555,623**	**8,676,978**	**30,921,037**	**11,402,861**	**49,159,369**	**10,737,040**	**16,059,801**	**195,603,282**
Expense	**26,306,570**	**5,139,221**	**34,345,672**	**9,752,619**	**31,049,437**	**13,643,702**	**53,515,067**	**11,427,344**	**14,945,347**	**200,124,979**

Capitation Deficit	**(14,855,484.55)**

Actual FY 2025

Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	24,064,521	10,643,586	49,426,456	13,563,396	46,211,477	17,289,956	75,947,553	16,772,181	25,106,323	279,025,450
Expense	25,569,481	7,418,541	53,079,080	13,582,111	47,355,233	20,719,576	84,992,708	18,899,444	24,020,739	295,636,913
Difference	(1,504,960)	3,225,045	(3,652,624)	(18,714)	(1,143,756)	(3,429,620)	(9,045,155)	(2,127,263)	1,085,584	(16,611,463)
HMP										
Revenue	14,047,570	886,602	4,639,003	675,822	4,965,058	1,745,156	5,062,825	1,628,968	1,848,904	35,499,908
Expense	10,009,391	1,089,463	4,162,653	1,323,419	5,499,080	2,096,706	6,003,977	1,678,848	1,880,392	33,743,930
Difference	4,038,179	(202,861)	476,350	(647,597)	(534,022)	(351,550)	(941,152)	(49,880)	(31,488)	1,755,978

Combined Medicaid/HMP	**2,533,219**	**3,022,184**	**(3,176,274)**	**(666,311)**	**(1,677,778)**	**(3,781,170)**	**(9,986,307)**	**(2,177,143)**	**1,054,096**	**(14,855,485)**
August Results	(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)
1Month Comparison	3,874,472	(80,164)	(597,795)	(751,323)	(176,378)	29,275	(560,036)	(411,415)	549,746	1,876,382

Projected	**(14,855,484.55)**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 9/30/2025 **9/30/2025** ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Barry County CMHA	HCC%	100%	40.6%	0.1%	5.4%	0.0%	0.2%	0.8%	32%	11.6%	9.5%
PIHP Summary Information											
Capitation Payment			12,211,478	214,832	1,139,163	377,687	37,755	935,327	1,782,723.87	630,248	-
Less: CCBHC Base Payment			(1,782,724)	-	(630,248)	-	-	-	-	-	-
Subcontract revenue			10,428,754	214,832	508,915	377,687	37,755	935,327	1,782,723.87	630,248	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,444,645.15	1,101,117.17	-
CCBHC 1st/3rd Party Cost Offset									102,512.33	9,077	463,425
CCBHC General Fund Revenue									-	-	66,767
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue	6,070,324	11,567,943	**10,428,754**	**214,832**	**508,915**	**377,687**	**37,755**	**935,327**	**4,329,881**	**1,740,443**	**530,192**
External provider cost			5,752,859	-	832,631	-	-	78,543	-	-	-
Internal program cost			615,619	8,326	11,559	372	31,121	40,935	4,994,202.78	1,825,733	1,495,494
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	1,041,737	-	244,902	-	-	114,774	-	-	-
Subcontract cost	6,819,936	8,539,125	**7,410,215**	**8,326**	**1,089,092**	**372**	**31,121**	**234,252**	**4,994,203**	**1,825,733**	**1,495,494**
Net before settlement			**3,018,539**	**206,506**	**(580,177)**	**377,316**	**6,635**	**701,075**	**(664,321)**	**(85,291)**	**(965,302)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	(12,664)	-	-	-
Subcontract settlement (includes PPS-1 Paym	(226,937)	(3,028,819)	(3,018,539)	(206,506)	580,177	(377,316)	(6,635)	-	(63,821)	(163,116)	-
Net after settlement			**-**	**-**	**-**	**-**	**-**	**688,411**	**(728,142)**	**(248,407)**	**(965,302)**
Berrien Mental Health Authori	HCC%	100.00%	71.9%	0.0%	5.4%	0.0%	0.3%	1.4%	13.0%	5.6%	2.5%
PIHP Summary Information											
Capitation Payment			53,879,498	854,825	5,117,069	1,704,318	195,296	2,208,386	5,307,867	2,182,384	-
Less: CCBHC Base Payment			(5,307,867)	-	(2,182,384)	-	-	-	-	-	-
Subcontract revenue			48,571,631	854,825	2,934,685	1,704,318	195,296	2,208,386	5,307,867	2,182,384	-
Supplemental CCBHC Payment			-	-	-	-	-	-	6,982,832	3,718,663	-
CCBHC 1st/3rd Party Cost Offset									262,898	55,822	413,700
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue	18,510,466	54,260,755	**48,571,631**	**854,825**	**2,934,685**	**1,704,318**	**195,296**	**2,208,386**	**12,553,597**	**5,956,869**	**413,700**
External provider cost			46,513,801		3,452,410			475,990	-	-	-
Internal program cost			2,044,566	1,517	178,543	2,709	195,296	453,991	8,768,837	3,767,296	1,660,473
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	(100,301)			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	4,519,196	-	528,991	-	-	476,307	-	-	-
Subcontract cost	12,536,133	57,437,029	**53,077,563**	**1,517**	**4,159,944**	**2,709**	**195,296**	**1,305,987**	**8,768,837**	**3,767,296**	**1,660,473**
Net before settlement			**(4,505,932)**	**853,308**	**(1,225,259)**	**1,701,609**	**-**	**902,399**	**3,784,760**	**2,189,573**	**(1,246,773)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	(1,246,773)	-	-	1,246,773
Subcontract settlement (includes PPS-1 Paym	(5,226,131)	3,176,274	4,505,932	(853,308)	1,225,259	(1,701,609)	-	-	(3,196,618)	(2,029,514)	-
Net after settlement			**-**	**-**	**-**	**-**	**-**	**(344,374)**	**588,142**	**160,059**	**-**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 9/30/2025 | **9/30/2025** | ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT

		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Pines Behavioral Health Servi	HCC%	99.99%	61.2%	0.0%	5.7%	0.0%	0.1%	2.2%	18.1%	6.9%	5.6%
PIHP Summary Information											
Capitation Payment			15,733,403	230,412	1,161,142	375,719	28,267	880,617	2,400,418	861,039	-
Less: CCBHC Base Payment			(2,400,418)	-	(861,039)	-	-	-	-	-	-
Subcontract revenue			13,332,985	230,412	300,103	375,719	28,267	880,617	2,400,418	861,039	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,379,123	1,025,159	81,514
CCBHC 1st/3rd Party Cost Offset									88,161	15,516	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue	6,769,416	14,267,485	**13,332,985**	**230,412**	**300,103**	**375,719**	**28,267**	**880,617**	**4,867,702**	**1,901,713**	**81,514**
External provider cost			12,526,201	-	1,155,085	-	-	353,953	-	-	-
Internal program cost			329,202	3,932	46,701	6,753	28,267	113,883	3,808,610	1,442,912	1,171,503
SSI Reimb, 1st/3rd Party Cost Offset			(2,997)	-	-	-	-	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	725,772	-	114,880	-	-	59,164	-	-	-
Subcontract cost	5,251,522	14,933,796	**13,578,178**	**3,932**	**1,316,666**	**6,753**	**28,267**	**527,001**	**3,808,610**	**1,442,912**	**1,171,503**
Net before settlement			**(245,194)**	**226,479**	**(1,016,563)**	**368,966**	**-**	**353,616**	**1,059,093**	**458,801**	**(1,089,989)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	592,818	-	-	-
Subcontract settlement (includes PPS-1 Paym	(1,055,013)	666,311	245,194	(226,479)	1,016,563	(368,966)	-	(946,434)	(710,139)	(344,874)	946,434
Net after settlement			**-**	**-**	**-**	**-**	**-**	**(0)**	**348,953**	**113,928**	**(143,555)**
Summit Pointe (Calhoun Cour	HCC%	100.00%	64.7%	0.0%	7.3%	0.0%	0.0%	3.5%	15.7%	4.9%	3.9%
PIHP Summary Information											
Capitation Payment			50,828,986		6,080,235	-	-	1,859,500	4,617,509	1,115,177	-
Less: CCBHC Base Payment			(4,617,509)	-	(1,115,177)	-	-	-	-	-	-
Subcontract revenue			46,211,477	-	4,965,058	-	-	1,859,500	4,617,509	1,115,177	-
Supplemental CCBHC Payment			-	-	-	-	-	-	8,823,655	4,187,197	-
CCBHC 1st/3rd Party Cost Offset									-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue	18,743,538	51,176,536	**46,211,477**	**-**	**4,965,058**	**-**	**-**	**1,859,500**	**13,441,164**	**5,302,374**	**-**
External provider cost			39,328,600	-	4,634,581	-	-	2,082,773	-	-	-
Internal program cost			2,702,744	2,989	120,016	6,363	155	192,148	10,192,434	3,173,162	2,511,725
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	5,320,900	-	738,120	-	-	407,507	-	-	-
Subcontract cost	13,365,595	52,854,469	**47,352,244**	**2,989**	**5,492,717**	**6,363**	**155**	**2,682,429**	**10,192,434**	**3,173,162**	**2,511,725**
Net before settlement			**(1,140,766)**	**(2,989)**	**(527,659)**	**(6,363)**	**(155)**	**(822,929)**	**3,248,730**	**2,129,212**	**(2,511,725)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	3,186,917	-	-	-
Subcontract settlement (includes PPS-1 Paym	(5,480,219)	1,677,933	1,140,766	2,989	527,659	6,363	155	(2,363,988)	(3,622,009)	(1,858,211)	-
Net after settlement			**-**	**-**	**-**	**-**	**-**	**0**	**(373,278)**	**271,001**	**(2,511,725)**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 9/30/2025 | **9/30/2025** | ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Woodlands Behavioral Health	HCC%	100.0%	85.6%	1.2%	6.1%	2.6%	0.5%	4.1%			
PIHP Summary Information											
Capitation Payment			17,039,007	250,949	1,312,650	432,506	60,955	867,092			
Less: CCBHC Base Payment			-	-	-	-					
Subcontract revenue			17,039,007	250,949	1,312,650	432,506	60,955	867,092			
Supplemental CCBHC Payment											
CCBHC 1st/3rd Party Cost Offset											
CCBHC General Fund Revenue											
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*									
Subcontract revenue	-	19,096,067	**17,039,007**	**250,949**	**1,312,650**	**432,506**	**60,955**	**867,092**			
External provider cost			14,580,480	-	398,506	-	-	288,023			
Internal program cost			4,302,400	255,484	955,921	574,410	60,955	654,732			
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	1,581,212	-	167,869	-	-	71,365			
Subcontract cost	-	22,877,237	**20,464,091**	**255,484**	**1,522,296**	**574,410**	**60,955**	**1,014,121**			
Net before settlement			**(3,567,733)**	**(25,133)**	**(322,803)**	**(176,540)**	**-**	**(147,029)**			
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	98,063			
Subcontract settlement	-	4,092,209	3,567,733	25,133	322,803	176,540	-	-			
Net after settlement											
Integrated Services of Kalama	HCC%	100.0%	64.79%	0.00%	4.58%	0.00%	0.00%	0.00%	19.92%	6.86%	3.85%
PIHP Summary Information											
Capitation Payment			89,992,411		9,271,329		111,957		14,044,858	4,208,504	-
Less: CCBHC Base Payment			(14,044,858)	-	(4,208,504)	-	-	-	-	-	-
Subcontract revenue			**75,947,553**	**-**	**5,062,825**	**-**	**111,957**	**-**	**14,044,858**	**4,208,504**	**-**
Supplemental CCBHC Payment			-	-	-	-	-	-	11,778,094	5,950,489	-
CCBHC 1st/3rd Party Cost Offset									563,390	80,472	1,122,182
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	268,768
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	1,326,190
Subcontract revenue	36,625,807	81,122,336	**75,947,553**	**-**	**5,062,825**	**-**	**111,957**	**-**	**26,386,342**	**10,239,465**	**2,717,140**
External provider cost			**72,804,846**		**5,272,125**		**-**		5,629,667	1,751,771	991,849
Internal program cost			2,037,464		14,422		1,254		17,382,230	6,176,601	3,461,153
SSI Reimb, 1st/3rd Party Cost Offset			(7,165)	-	(57)	-	-	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	**10,157,564**	**-**	**717,488**	**-**	**-**	**-**	**-**	**-**	**-**
Subcontract cost	30,940,268	90,997,939	**84,992,708**	**-**	**6,003,977**	**-**	**1,254**	**-**	**23,011,897**	**7,928,372**	**4,453,002**
Net before settlement			**(9,045,155)**	**-**	**(941,152)**	**-**	**110,704**	**-**	**3,374,446**	**2,311,094**	**(1,735,862)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**481,690**
Subcontract settlement (includes PPS-1 Paym	4,018,590	9,875,603	**9,045,155**	**-**	**941,152**	**-**	**(110,704)**	**-**	**4,612,283**	**(593,693)**	**-**
Net after settlement			**-**	**-**	**-**	**-**	**-**	**-**	**7,986,728**	**1,717,401**	**(1,254,172)**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 9/30/2025 | **9/30/2025** | ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
CMH of St Joseph County	HCC%	100.0%	63.3%	0.0%	5.4%	0.0%	0.3%	2.4%	18.02%	4.90%	5.73%
PIHP Summary Information											
Capitation Payment			18,812,575	309,719	1,719,120	571,188	78,969	1,042,561	2,350,113	661,340	-
Less: CCBHC Base Payment			(2,350,113)	-	(661,340)	-	-	-	-	-	-
Subcontract revenue			16,462,462	309,719	1,057,780	571,188	**78,969**	**1,042,561**	**2,350,113**	**661,340**	**-**
Supplemental CCBHC Payment			-	-	-	-	-	-	3,357,117	1,560,337	-
CCBHC 1st/3rd Party Cost Offset											(125,550)
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue	7,928,907	18,480,118	**16,462,462**	**309,719**	**1,057,780**	**571,188**	**78,969**	**1,042,561**	**5,707,230**	**2,221,677**	**(125,550)**
External provider cost			16,531,128	-	1,419,616	-	-	570,182	-	-	-
Internal program cost			634,555	2,441	32,477	1,821	78,969	86,863	**4,888,490**	**1,328,497**	1,554,308
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	1,731,320	-	224,934	-	-	181,789	-	-	-
Subcontract cost	6,216,987	20,657,261	**18,897,003**	**2,441**	**1,677,027**	**1,821**	**78,969**	**838,834**	**4,888,490**	**1,328,497**	**1,554,308**
Net before settlement			**(2,434,541)**	**307,278**	**(619,247)**	**569,367**	**-**	**203,727**	**818,740**	**893,180**	**(1,679,858)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	1,301,427	-	-	-
Subcontract settlement (includes PPS-1 Paym	2,841,565	2,177,143	2,434,541	(307,278)	619,247	(569,367)	-	(1,507,110)	2,572,486	269,079	1,507,110
Net after settlement									**3,391,226**	**1,162,259**	**(172,748)**
Van Buren Mental Health Auth	HCC%	74.6%	66.9%	0.0%	4.9%	0.0%	0.5%	2.3%	16.8%	4.8%	3.7%
PIHP Summary Information											
Capitation Payment			27,298,023	423,878	2,061,200	680,061	63,736	1,077,870	2,615,579	892,357	-
Less: CCBHC Base Payment			(2,615,579)	-	(892,357)	-	-	-	-	-	-
Subcontract revenue			24,682,444	423,878	1,168,843	680,061	63,736	1,077,870	2,615,579	892,357	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,286,483	489,506	-
CCBHC 1st/3rd Party Cost Offset									-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	*CCBHC Revenue*	*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue	5,283,925	27,018,963	**24,682,444**	**423,878**	**1,168,843**	**680,061**	**63,736**	**1,077,870**	**3,902,062**	**1,381,863**	**-**
External provider cost			19,398,646	-	1,567,728	-	-	690,365			
Internal program cost			2,529,203	-	39,546	-	67,600	153,732	5,514,822	1,585,062	1,208,513
SSI Reimb, 1st/3rd Party Cost Offset			(105,417)	-	-	-	(3,864)	-			
Mgd care administration	*CCBHC Cost*	*PIHP Cost*	2,198,306	-	273,118	-	-	153,721	-	-	-
Subcontract cost	7,099,884	25,964,867	**24,020,739**	**-**	**1,880,392**	**-**	**63,736**	**997,818**	**5,514,822**	**1,585,062**	**1,208,513**
Net before settlement			**661,705**	**423,878**	**(711,549)**	**680,061**	**-**	**80,052**	**(1,612,760)**	**(203,199)**	**(1,208,513)**
Other Redistributions of State GF	*CCBHC Stlmt*	*PIHP Stlmt*	-	-	-	-	-	883,179	-	-	-
Subcontract settlement (includes PPS-1 Paym	2,157,523	(1,054,096)	(661,705)	(423,878)	711,549	(680,061)	-	(1,208,513)	1,652,817	504,706	-
Net after settlement			**-**	**-**	**-**	**-**	**-**	**(245,282)**	**40,057**	**301,507**	**(1,208,513)**

Southwest Michigan Behavioral Health
Statement of Net Position
September 30, 2025

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Current assets			
Cash and cash equivalents - unrestricted	$ 25,434,428	$ -	$ 25,434,428
Cash and cash equivalents - restricted	364,892	785	365,677
Accounts receivable	6,968	-	6,968
Due from other governmental units	39,362,271	-	39,362,271
Due from other funds	-	806,099	806,099
Prepaid expenses	166,079	-	166,079
Total current assets	65,334,639	806,884	66,141,523
Noncurrent assets			
Capital assets being depreciated, net	599,531	-	599,531
Total assets	65,934,170	806,884	66,741,054
Current liabilities			
Accounts payable	494,241	-	494,241
Accrued payroll and benefits	114,212	-	114,212
Due to other governmental units	49,631,446	-	49,631,446
Due to other funds	806,099	-	806,099
Unearned revenue	6,182,600	-	6,182,600
Compensated absences, due within one year	52,793	-	52,793
Direct borrowing, due within one year	112,865	-	112,865
Total current liabilities	57,394,255	-	57,394,255
Noncurrent liabilities			
Compensated absences, due beyond one year	299,163	-	299,163
Direct borrowing, due beyond one year	514,161	-	514,161
Total noncurrent liabilities	813,323	-	813,323
Total liabilities	58,207,578	-	58,207,578
Net position			
Net investment in capital assets	(27,494)	-	(27,494)
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	2,571,609	-	2,571,609
Unrestricted	5,182,477	713,081	5,895,558
Total net position	$ 7,726,592	$ 806,884	$ 8,533,476

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ending September 30, 2025

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Operating revenues			
State and federal funding			
Medicaid	$ 313,649,075	$ -	$ 313,649,075
Healthy Michigan	45,758,007	-	45,758,007
CCBHC	62,230,534	-	62,230,534
Incentive payments	2,701,774	-	2,701,774
MDHHS risk corridor	-	-	-
State and federal grant revenue	8,938,299	-	8,938,299
Total State and Federal funding	433,277,689	-	433,277,689
Local funding			
Public Act 2 funding	2,079,372	-	2,079,372
Local match drawdown	852,520	-	852,520
Total local funding	2,931,892	-	2,931,892
Total operating revenues	436,209,581	-	436,209,581
Operating expenses			
Funding for affiliate partners			
Barry County Community Mental Health	15,359,061	-	15,359,061
Kalamazoo Community Mental Health	121,938,208	-	121,938,208
Pines Behavioral Health	20,185,318	-	20,185,318
Riverwood Center	70,028,893	-	70,028,893
St. Joseph Community Mental Health	26,876,204	-	26,876,204
Summit Pointe	66,220,064	-	66,220,064
Van Buren Community Mental Health	33,120,482	-	33,120,482
Woodlands Behavioral Healthcare Network	22,926,202	-	22,926,202
PBIP funding for affiliate partners	1,920,841	-	1,920,841
CCBHC funding for affiliate partners	5,431,436	-	5,431,436
Total funding for affiliate partners	384,006,709	-	384,006,709
Contract expenditures			
Contractual services	23,590,322	-	23,590,322
IPA and HRA taxes	15,830,886	-	15,830,886
Local match drawdown	852,520	-	852,520
Total contract expenditures	40,273,727	-	40,273,727
Administrative expenses			
Salaries and contracted personnel	6,010,768	-	6,010,768
Fringe benefits	1,823,914	-	1,823,914
Board	4,358	-	4,358
Community education	266,592	-	266,592
Depreciation	163,204	-	163,204
Furniture and small equipment	925,675	-	925,675
Insurance	32,590	-	32,590
IT and Consulting services	467,305	-	467,305
Lease	19,379	-	19,379
Legal and professional	312,738	-	312,738

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ending September 30, 2025

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Maintenance and custodial	$ 20,249	$ -	$ 20,249
Meeting and training	75,160	-	75,160
Membership and dues	19,750	-	19,750
Other	3,513	-	3,513
Staff development and travel	61,545	-	61,545
Supplies	19,997	-	19,997
Utilities	52,984	-	52,984
Total administrative expenses	10,279,720	-	10,279,720
Total operating expenses	434,560,156	-	434,560,156
Operating income (loss)	1,649,425	-	1,649,425
Non-operating revenues (expenses)			
Investment income	483,591	713,081	1,196,672
Interest expense	(42,126)	-	(42,126)
Non-operating local expense	(178,008)	-	(178,008)
Total non-operating revenues (expenses)	263,457	713,081	976,538
Transfers			
Transfer in (out)	-	-	-
Total transfer in (out)	-	-	-
Change in net position	1,912,882	713,081	2,625,963
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	$ 7,726,592	$ 806,884	$ 8,533,476

Southwest Michigan Behavioral Health
Statement of Cash Flows
For the Month Ending September 30, 2025

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Cash flows from operating activities			
Receipts from the State and other governments	$ 436,261,058	$ -	$ 436,261,058
Payments to employees	(7,857,383)	-	(7,857,383)
Payments to affiliates and other governments	(436,969,849)	-	(436,969,849)
Payments to suppliers and providers	(2,571,738)	-	(2,571,738)
Net cash provided by operating activities	(11,137,912)	-	(11,137,912)
Cash flows from capital and related financing activities			
Acquisition of capital assets	18,763	-	18,763
Payment of direct borrowing	(136,728)	-	(136,728)
Payment of interest	(42,126)	-	(42,126)
Net cash provided by capital and related financing activities	(160,090)	-	(160,090)
Cash flows from noncapital financing activities			
Payments from/to other funds	9,404,574	(9,404,574)	-
Payments for non-operating local expense	(178,008)	-	(178,008)
Net cash provided by noncapital financing activities	9,226,566	(9,404,574)	(178,008)
Cash flows from investment activities			
Investment income	483,591	713,081	1,196,672
Net cash provided by investment activities	483,591	713,081	1,196,672
Net change in cash and cash equivalents	(1,587,844)	(8,691,493)	(10,279,337)
Cash and cash equivalents, beginning of year	27,387,167	8,692,278	36,079,445
Cash and cash equivalents, end of year	$ 25,799,323	$ 785	$ 25,800,108
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$ 1,649,425	$ -	$ 1,649,425
Depreciation expense	163,204	-	163,204
Changes in assets and liabilities:			
Accounts receivable	40,157	-	40,157
Due from other governmental units	(5,702,778)	-	(5,702,778)
Prepaid expenses	(85,189)	-	(85,189)
Accounts payable	(204,714)	-	(204,714)
Accrued payroll and benefits	(22,701)	-	(22,701)
Due to other governmental units	(6,986,635)	-	(6,986,635)
Unearned revenue	11,320	-	11,320
Compensated absences	(1)	-	(1)
Net cash provided by operating activities	$ (11,137,913)	$ -	$ (11,137,913)

Southwest Michigan Behavioral Health Board Policy Review Calendar Year 2026

Policy Number	Policy Name	Reviewer	Policy Effective	Policy Review Date	Policy Review Period
Section 1 Ends					
1.0	Ends Global Statement	Board	June 2025	June 2026	8/1/25 - 6/1/26
Section 2 Executive Limitations					
2.0	Global Executive Constraint	Carol Naccarato	June 2025	August 2026	8/1/25-8/1/26
2.1	Treatment of Plan Members	Tina Leary	June 2025	September 2026	8/1/25-9/1/26
2.2	Treatment of Staff	Lorraine Lindsey	June 2025	August 2026	8/1/25-8/1/26
2.3	Financial Planning and Budgeting	Board Finance Committee	June 2025	June 2026	8/1/25-6/1/26
2.4	Financial Conditions and Activity	Board Finance Committee	June 2025	October 2026	8/1/25-10/1/26
2.5	Asset Protection	Board Finance Committee	June 2025	December 2026	8/1/25-1/1/26
2.6	Investments	Board Finance Committee	June 2025	April 2026	8/1/25-4/1/26
2.7	Compensation and Benefits	Michael Seals	June 2025	September 2026	8/1/25-9/1/26
2.8	Emergency Executive Officer Succession	Board	June 2025	October 2026	8/1/25-10/1/26
2.9	Communication and Support to the Board	Sherii Sherban	June 2025	September 2026	8/1/25-9/1/26
Section 3 Goverance Process					
3.0	Global Governance Commitment	Board	June 2025	May 2026	6/13/25-6/1/26
3.1	Governing Style and Commitment	Board	June 2025	May 2026	6/13/25-6/1/26
3.2	Board Member Job Description	Board	June 2025	March 2026	6/13/25-3/1/26
3.3	Board Code of Conduct	Board	June 2025	December 2026	6/13/25-12/1/26
3.4	Annual Board Planning Cycle	Board	June 2025	April 2026	6/13/25-4/1/26
3.5	Board Chair Role	Board	June 2025	March 2026	6/13/25-3/1/26
3.6	Board Committee Principles	Board	June 2025	June 2026	6/13/25-6/1/26
3.7	Board Committees	Board	June 2025	June 2026	6/13/25-6/1/26
3.8	Cost of Governance	Board	June 2025	June 2026	6/13/25-6/1/26
Section 4 Board Management Delegation					
4.0	Global Board-Management Delegation	Board	June 2025	June 2026	6/13/25-6/1/26
4.1	Unity of Control	Board	June 2025	June 2026	6/13/25-6/1/26
4.2	Accountability of the Executive Officer	Board	September 2025	September 2026	6/13/25-9/1/26
4.3	Delegation to the Executive Officer	Board	June 2025	June 2026	8/1/25-6/1/26
4.4	Monitoring Executive Officer Performance	Executive Board Committee	January 2025	November 2026	8/1/25-11/1/26
V 11.3.25					

SWMBH Board Policy Manual

Approved 6/13/25

Table of Contents

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~~benefiting 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 organization's 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 (formerly BEL-006)

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 (formerly BEL-007)

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.

6

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 members 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 ____.)~~ SWMBH Operating Policy 10.10

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, *per Policy 3.8*
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 *if in alignment with the budget policy 2.3*.
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.

Commented [MT1]: Requires budget in June. See requirement in 3.8 for budget development in March.

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.

Board to review dates and obligations in 3.4.3.1 and 3.4.3.2. MT

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.**~~

Commented [MT2]: Propose deletion. This appears to be an editorial comment that was left in the final version.

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.

Commented [MT3]: Requires budget development in March.

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

15

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

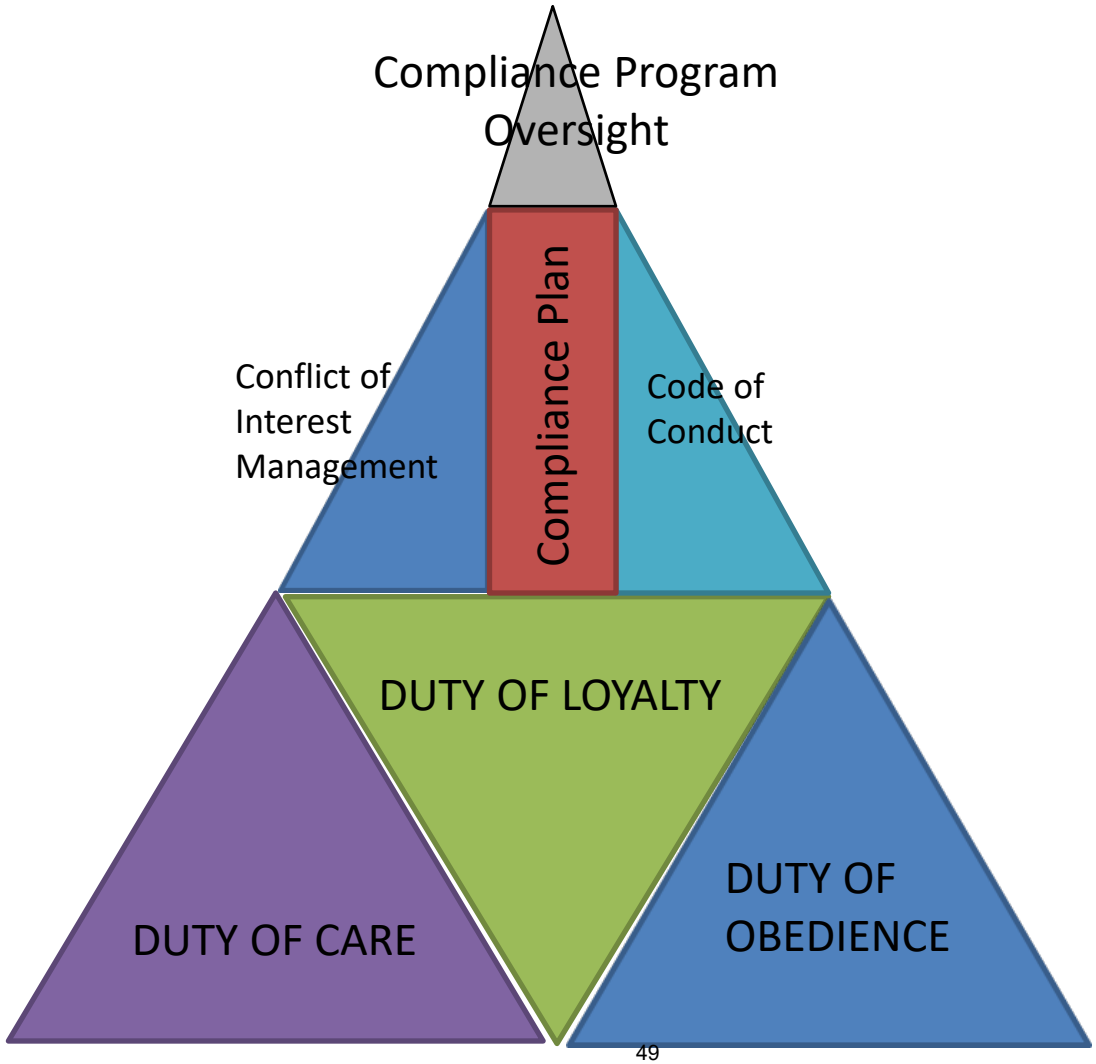
16

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			

SWMBH Board Corporate Compliance Role and Function

11/3/2025

Board of Directors: Role & Function



Board of Directors: Role & Function

FIDUCIARY DUTIES OWED TO SWMBH:

- Duty of Care – requires a Board Member to exercise reasonable care that an ordinarily prudent person would use in similar circumstances.

- Duty of Loyalty – requires a Board Member to act faithfully in the best interest of the organization and never for self-benefit financially or any other personal gain.

- Duty of Obedience – requires a Board Member to serve in a manner that is faithful to and consistent with the organization's mission.

SWMBH Board Members' Compliance role flows from and complements these fiduciary duties.

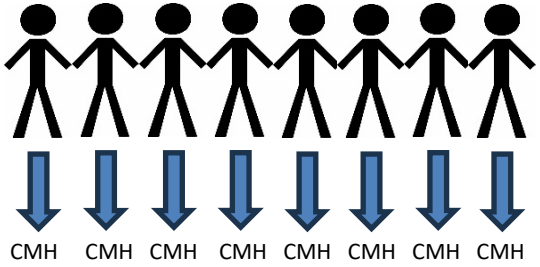
Board of Directors: Role & Function

Conflicts of Interest

- Inherent conflicts: How do SWMBH Board members fulfill their fiduciary duties within the structure of the PIHP-CMHSP governance system?

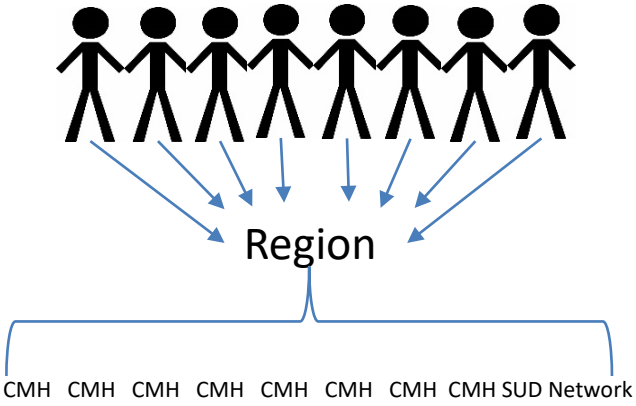
CMH Board Member

Duties owed to a discreet CMH (individually)



Regional Entity Board Member

Duties owed to the Regional Entity/region as a whole (collectively)



Board of Directors: Role & Function

Managing Conflicts of Interest

- Questions to ask yourself (duty to disclose) and your fellow Board Members (duty to inquire)
  - Can I act in the best interests of the Region as a whole?
  - Do I have a relationship/position that may effect my decision-making when sitting as a SWMBH Board Member?
    - Examples – spouse is employed by a provider within SWMBH's provider network; you serve as a Board member for a contracted entity; child works for a SWMBH vendor.
  - **Open Meetings Act compliance** – ensuring Board deliberations and decisions happen in a meeting open to the public

- Complete Financial Interest Disclosure Statements (FIDs) annually and whenever a new actual or perceived COI exists.
  - Chief Compliance Officer reviews and Board determines if an actual or perceived conflict of interest exists and any steps necessary to manage the conflict.

- Protects the integrity of Board action and ensures that you are fulfilling your fiduciary duties owed to SWMBH.

Board of Directors: Role & Function

Comply with Corporate Compliance Plan & Code of Conduct

- Comply with SWMBH's Corporate Compliance Plan;

- Comply with SWMBH's Code of Conduct including:
  - Understanding and abiding by reporting obligations – duty to report actual/suspected fraud, waste, or abuse to the Chief Compliance Officer;
  - Cooperating fully with any Compliance investigation;
  - Remaining free of the influence of alcohol and illegal drugs while performing Board service;
  - Abstaining from harassment and discrimination in any form;
  - Remaining free from conflicts of interest;
  - Maintaining confidentiality, when appropriate (subject to OMA);
  - Not accepting or soliciting business courtesies or gifts meant to effect business decisions, nor any single gift of more than a $25 value or $300 value per year.

Board of Directors: Role & Function

Ensure Compliance Program Oversight

Compliance Program Oversight – the exercise of reasonable care to assure that SWMBH staff carry out their management responsibilities and comply with the law, and that the Compliance Program is effective.

How should Board oversight of Compliance Program functions be accomplished?

Adequate reporting systems.

Board Oversight Responsibilities

Making inquiries to ensure:

- (1) a corporate information and reporting system exists, and
- (2) the reporting system is adequate to assure the Board that appropriate information relating to compliance with applicable laws will come to its attention timely and as a matter of course. *(In re Caremark Int'l, Inc. Derivative Litig. 698 A.2d 959 (Del. Ch. 1996)*).

Practical Guidance for Health Care Governing Boards on Compliance Oversight (Published April 20, 2015):

- "The existence of a corporate reporting system is a key compliance program element, which not only keeps the Board informed of the activities of the organization, but also enables an organization to evaluate and respond to issues of potentially illegal or otherwise inappropriate activity."

Board Oversight Responsibilities

(1) a corporate information and reporting system exists…

- Designation of Chief Compliance Officer
  - Delegated day-to-day operational responsibility for the development and implementation of the compliance program
  - Direct access and accountability to the Board
  - Schedule for reporting included on the Board Calendar
- Reporting obligations, including Whistleblower protections, are well-publicized and communicated to Board members, staff, and network providers
  - Corporate Compliance Plan
  - SWMBH Code of Conduct
  - SWMBH Policy for reporting FWA

Board Oversight Responsibilities

(2) the reporting system is adequate to assure the Board that appropriate information relating to compliance with applicable laws will come to its attention timely and as a matter of course.

- Annually the Board reviews and prospectively approves the SWMBH Corporate Compliance Plan.
  - Includes Audit & Monitoring Plan
- Bi-annual reports to the Board regarding Program Integrity & Compliance (PI/C) investigations, breaches, and audits. Includes any reporting to outside entities.
- Annual PI/C Program Evaluation submitted to the Board to review program initiatives, changes, and improvements.
- Communications as needed for education and/or regulatory changes affecting the Board.

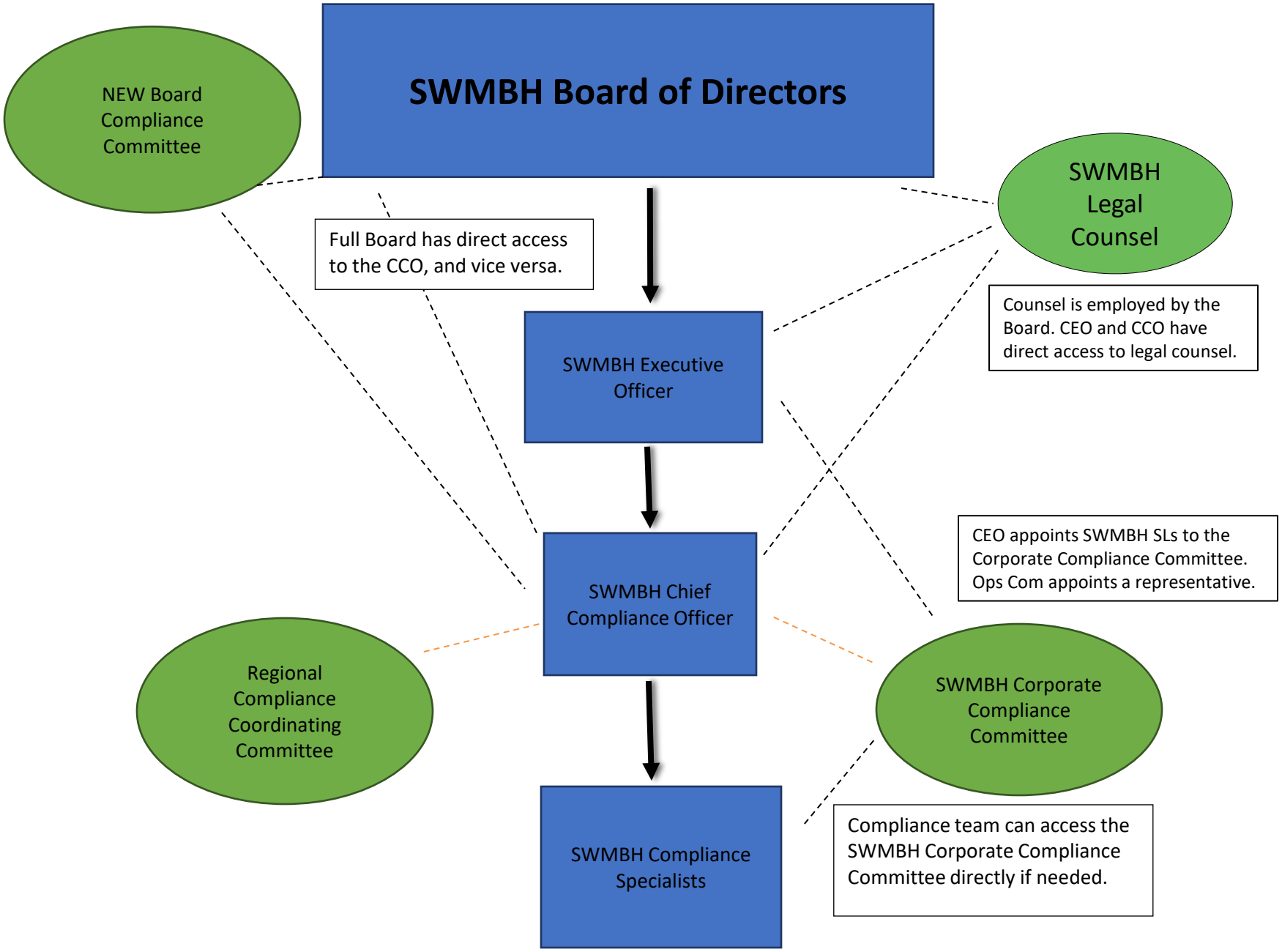
Are you satisfied with the information you receive? If not, it is your responsibility to instruct management that you want more.

SWMBH Compliance Team

- SWMBH Program Integrity & Compliance Department
  - Alison Strasser currently serves as the Interim Compliance Officer.
  - Responsible for day-to-day operations of the Compliance Program
- SWMBH Compliance Committee
  - Comprised of SWMBH Senior leadership from varying departments, as well as a CMH CEO (presently Van Buren's Debbie Hess)
  - Responsible for oversight of Compliance Program activities
  - Meets monthly
- Regional Compliance Coordinating Committee
  - Compliance Officer from each CMHSP and SWMBH Compliance Dept.
  - Meets bi-monthly to coordinate compliance activities across the Region
- Corporate Counsel
- PIHP Compliance Officers
  - Meet periodically to discuss compliance related issues

SWMBH Compliance Team (cont.)

- NEW Board Regulatory Compliance Committee
  - Required by the Code of Federal Regulations and the MDHHS-PIHP Master Contract.
  - Consists of three (3) SWMBH Board Members and the SWMBH Chief Compliance Officer.
  - Purpose: Support and enhance the Board's duty to exercise reasonable oversight of the SWMBH compliance program and its compliance with the requirements applicable to the PIHP.


NEW Board Compliance Committee
SWMBH Board of Directors
SWMBH Legal Counsel
Full Board has direct access to the CCO, and vice versa.
Counsel is employed by the Board. CEO and CCO have direct access to legal counsel.
SWMBH Executive Officer
SWMBH Chief Compliance Officer
CEO appoints SWMBH SLs to the Corporate Compliance Committee. Ops Com appoints a representative.
Regional Compliance Coordinating Committee
SWMBH Corporate Compliance Committee
SWMBH Compliance Specialists
Compliance team can access the SWMBH Corporate Compliance Committee directly if needed.

Board Compliance Reports

- Current schedule:
  - Bi-annual reports
    - Number, type, and outcome of investigations and breaches
    - Update on on-going compliance audits
  - Annual Corporate Compliance education
  - Updates as needed
    - Anytime an external agency is involved, or when disclosure is required to an authoritative body
    - Any situations that would implicate the entity's Executive Officer
  - Board prospectively reviews and approves the Corporate Compliance Plan for the coming Fiscal Year
- **Do you feel this meets your needs?**
- **Is there additional information you feel is necessary?**

Fiscal Year 2025(October 1, 2024- September 30, 2025) SWMBH Participant Community Mental Health Site Review Summary Results

Upstream Requirements

- **Managed Care Rules require the following (42 CFR §438.230):**
  - PIHPs remain ultimately responsible for adhering to and complying with the terms of their contract with the State;
  - All contracts between the PIHP and a subcontractor must be in writing and specify:
    - Any delegated activities or obligations, and related reporting responsibilities;
    - That the subcontractor agrees to perform the delegated activities in compliance with the PIHP's contract obligations;
    - A method for revocation of the delegation of activities or obligations, or specify other remedies in instances where the PIHP determines that the subcontractor has not performed satisfactorily;
    - That the subcontractor agrees to comply with all applicable Medicaid laws, regulations, including applicable subregulatory guidance, and contract provisions.
- **MDHHS-PIHP Contract**
  - SWMBH is held "fully liable" and retains "full responsibility" for the performance and completion of all Contract requirements, regardless of whether SWMBH performs the work or subcontracts.
  - SWMBH must "monitor the performance of subcontractors on an ongoing basis" including conducting formal reviews.
  - MDHHS contracts with Health Services Advisory Group (HSAG) to perform an External Quality Review (EQR) of the PIHPs annually, to assess compliance with contractual and managed care responsibilities.

Upstream Requirements

- **Enhanced Oversight & Monitoring**
  - HSAG EQR has become increasingly more robust and rigid.
    - Includes file reviews in delegated managed care functional areas.
    - Results in Corrective Action Plans that are monitored by HSAG and reported to MDHHS
  - MDHHS-PIHP contract requires PIHPs to submit all Delegation Agreements to MDHHS for approval. Any proposed changes/new delegation arrangements must be submitted to MDHHS for approval at least 90 calendar days prior to the effective date of the change.
  - MDHHS-PIHP contract has had language added increasingly PIHP reporting obligations to MDHHS when a PIHP issues a Notice of Revocation of Delegated Functions or is otherwise monitoring corrective action of a CMH as it relates to delegated managed care functions.
    - PIHPs must notify MDHHS ten (10) days in advance of issuing a Notice to Revoke a delegated function or imposing other sanctions for inadequate or deficient performance.
    - PIHPs must submit quarterly reports to MDHHS of all subcontractor (CMH) noncompliance or deficiencies as it relates to delegated functions, a brief description of the deficiency, what action the PIHP took and is taking to resolve the issue including specific monitoring, and status updates on those efforts.

Subcontractual Relationships & Delegation

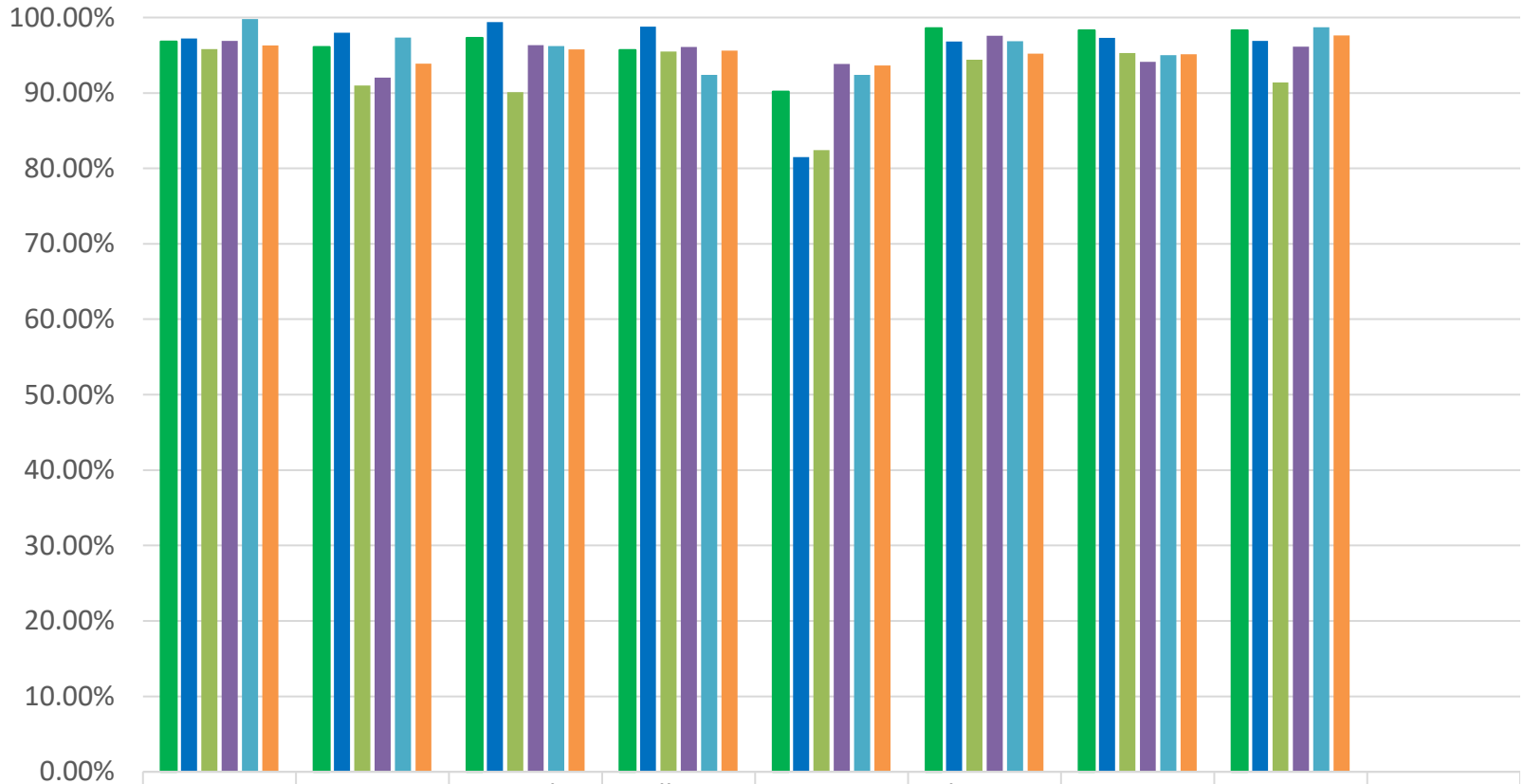
PIHP-CMHSP Monitoring

- Upstream requirements and enhanced oversight and monitoring necessarily flow downstream.
- Documentation in place to satisfy managed care and MDHHS-PIHP contract requirements for written agreements:
  - Written Delegation Memorandum Of Understanding with each participant CMHSP, which include specifics around delegated functions, reporting responsibilities, and corrective action and revocation steps.
  - Written contracts that further define requirements and monitoring.
- Annual Participant CMHSP Site Reviews
  - Monitor delegated managed care functions and contractual obligations.
  - Require Corrective Action Plans for identified deficiencies.
  - Monitoring schedule provided to CMH and used to monitor the implementation and effectiveness of CMH corrective action plans.
  - Annual Site Reviews are relied on heavily to show HSAG that SWMBH is meeting its contractual obligations by ensuring they are performed through its subcontractors.

CMHSP Site Review Process

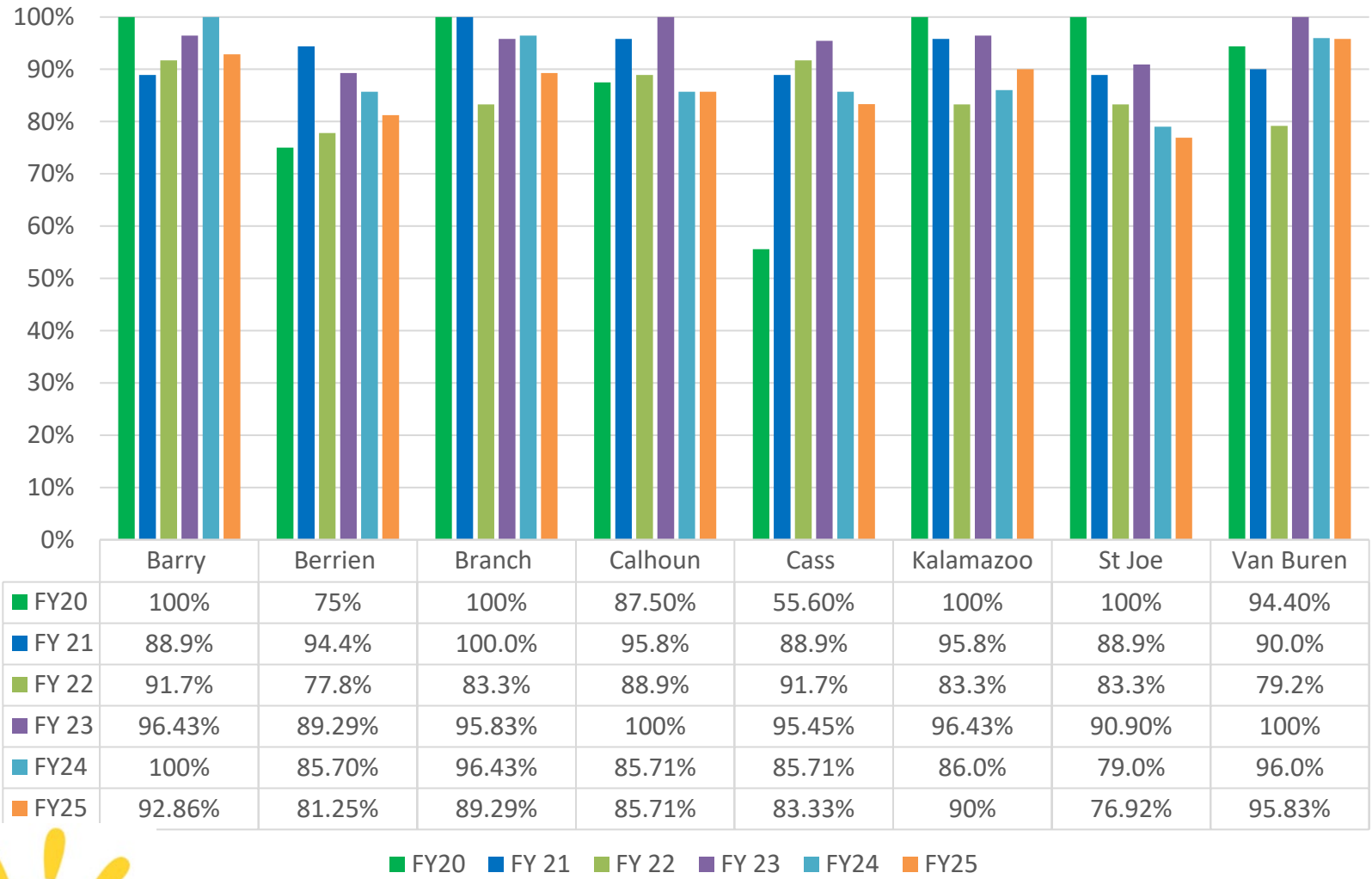
- Reviews delegated functions and contractual requirements
  - Any functions that are not in full compliance with MDHHS, 42 CFR § 438 (Managed Care), and SWMBH requirements require corrective action plans to be submitted by the participant CMHSP and approved by SWMBH
- SWMBH monitors select clinical programs each year for program and staffing fidelity, and adherence to MDHHS contractual requirements for specialty services
  - Clinical requirements not meeting 90% compliance require corrective action plans
- SWMBH monitors corrective action plan implementation at designated intervals to ensure it is occurring and assess CAP effectiveness at resolving identified deficiencies.
  - Quarterly monitoring & oversight occurs in certain functional areas (ABDs, Grievances & Appeals, etc.).
- FY25 Site Review process was abbreviated and did not review certain elements that received a full credit score the prior year.

Delegated / Administrative Function Review Overall Scores by CMHSP



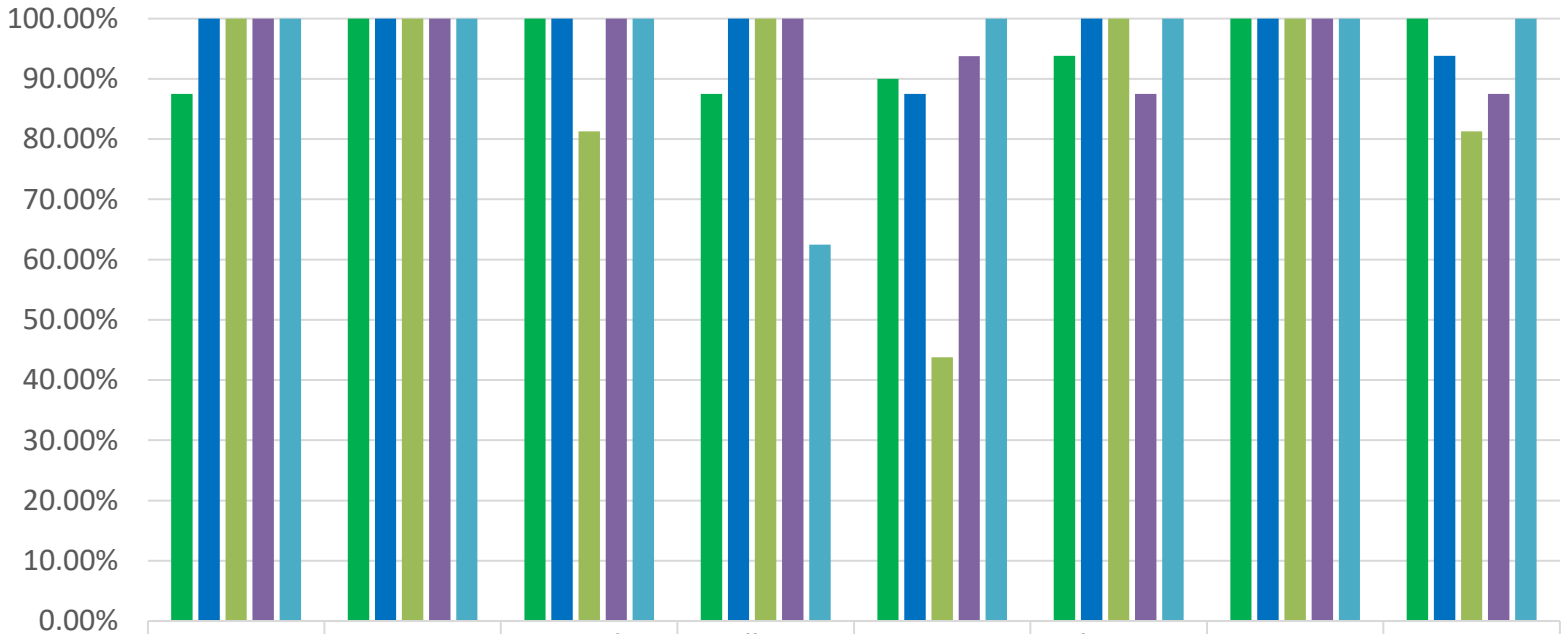
	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St. Joe	Van Buren
Overall Score FY20	96.80%	96.10%	97.30%	95.70%	90.20%	98.60%	98.30%	98.30%
Overall Score FY21	97.2%	98.0%	99.4%	98.8%	81.5%	96.8%	97.3%	96.9%
Overall Score FY22	95.8%	91.0%	90.1%	95.5%	82.4%	94.4%	95.3%	91.4%
Overall Score FY23	96.91%	92.02%	96.35%	96.10%	93.83%	97.57%	94.14%	96.14%
Overall Score FY24	99.8%	97.4%	96.2%	92.4%	92.4%	96.8%	95.0%	98.7%
Overall Score FY25	96.30%	93.88%	95.76%	95.60%	93.65%	95.20%	95.14%	97.64%

Access and Utilization Management



	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	75%	100%	87.50%	55.60%	100%	100%	94.40%
FY 21	88.9%	94.4%	100.0%	95.8%	88.9%	95.8%	88.9%	90.0%
FY 22	91.7%	77.8%	83.3%	88.9%	91.7%	83.3%	83.3%	79.2%
FY 23	96.43%	89.29%	95.83%	100%	95.45%	96.43%	90.90%	100%
FY24	100%	85.70%	96.43%	85.71%	85.71%	86.0%	79.0%	96.0%
FY25	92.86%	81.25%	89.29%	85.71%	83.33%	90%	76.92%	95.83%

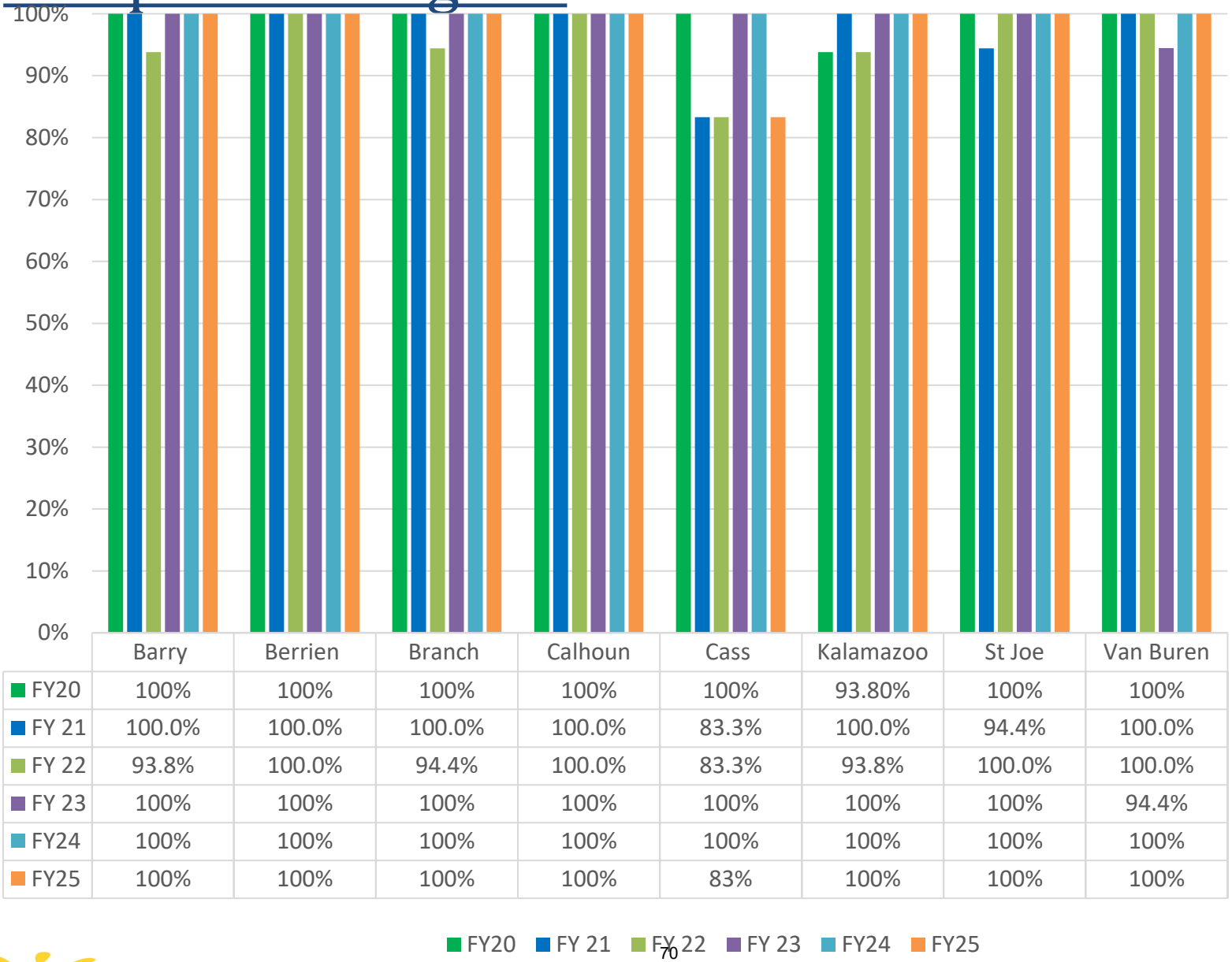
Claims Management – not reviewed in FY25



	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	87.50%	100%	100%	87.50%	90.00%	93.80%	100%	100%
FY 21	100.0%	100.0%	100.0%	100.0%	87.5%	100.0%	100.0%	93.8%
FY 22	100.0%	100.0%	81.3%	100.0%	43.8%	100.0%	100.0%	81.3%
FY 23	100%	100%	100%	100%	93.75%	87.50%	100%	87.50%
FY24	100%	100%	100%	62.5%	100%	100%	100%	100%

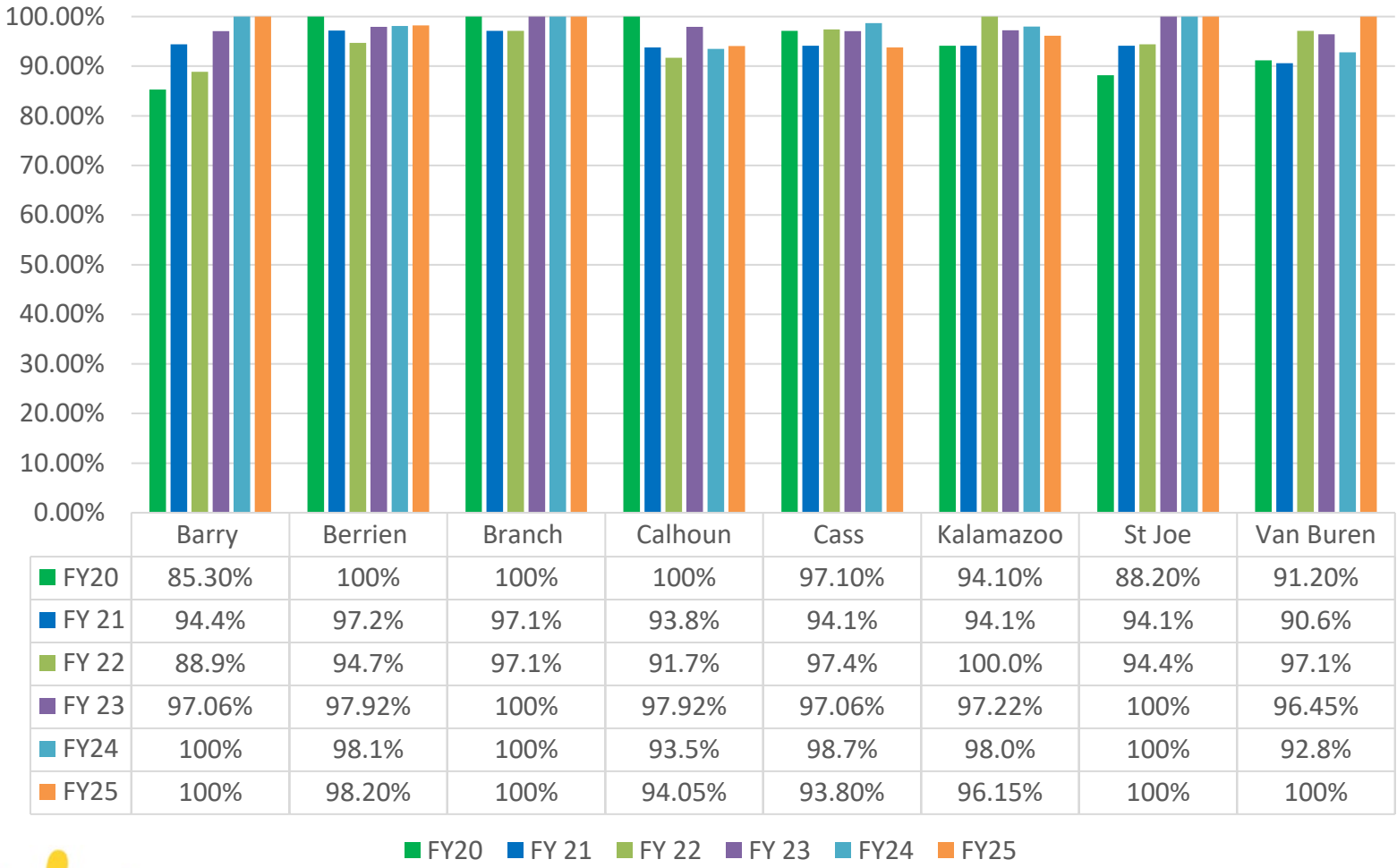
FY20 FY 21 FY 22 FY 23 FY24

Compliance Program



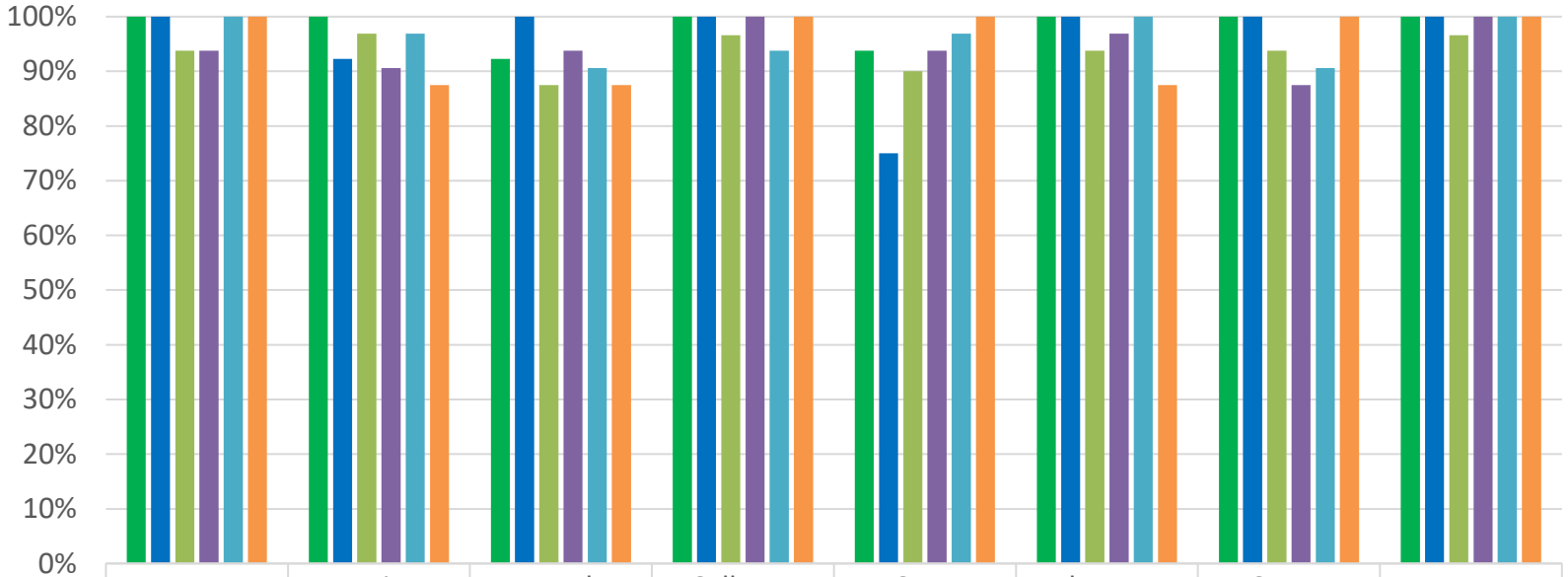
	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	100%	100%	100%	100%	93.80%	100%	100%
FY 21	100.0%	100.0%	100.0%	100.0%	83.3%	100.0%	94.4%	100.0%
FY 22	93.8%	100.0%	94.4%	100.0%	83.3%	93.8%	100.0%	100.0%
FY 23	100%	100%	100%	100%	100%	100%	100%	94.4%
FY24	100%	100%	100%	100%	100%	100%	100%	100%
FY25	100%	100%	100%	100%	83%	100%	100%	100%

Credentialing & Re-Credentialing



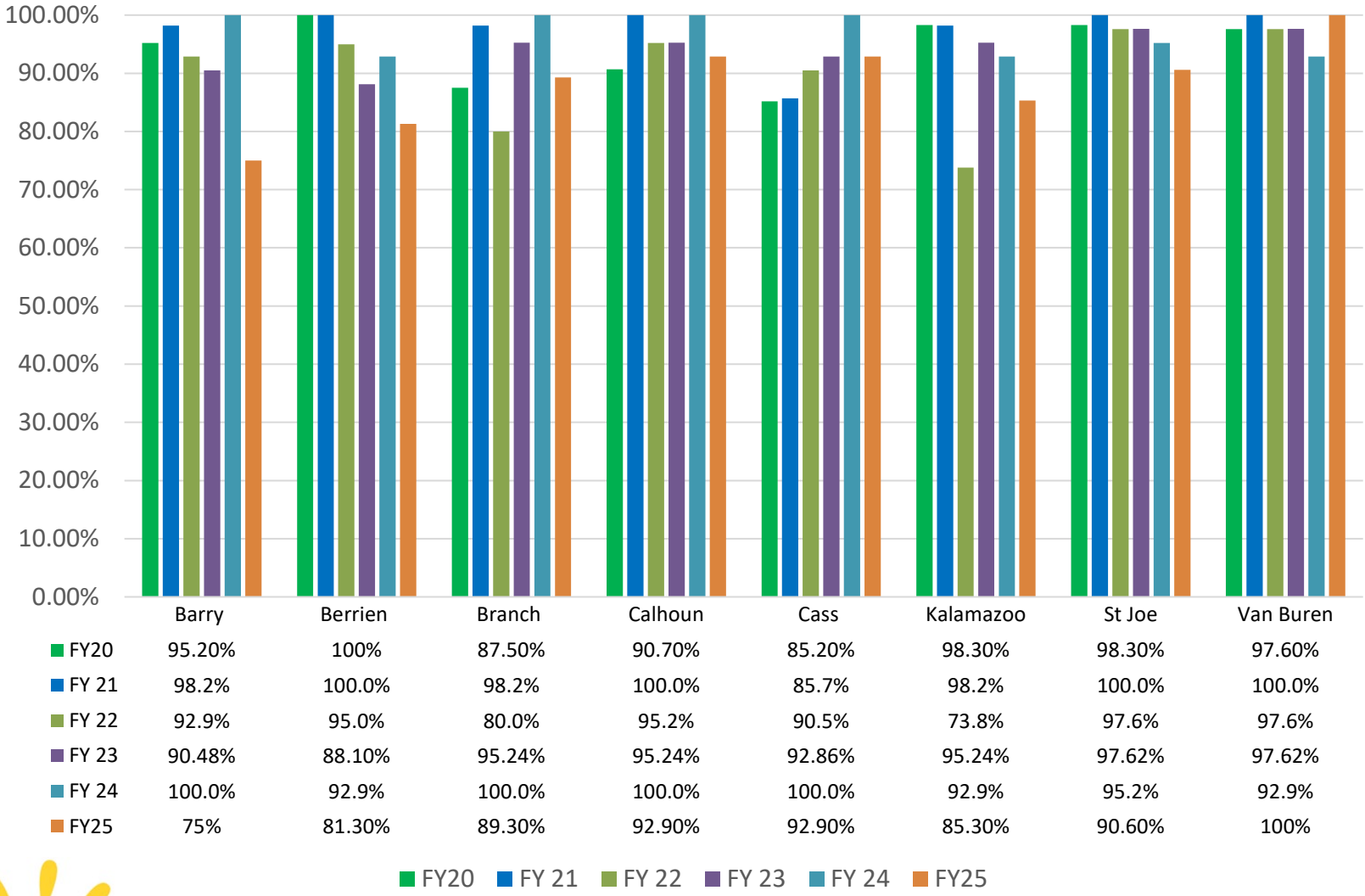
	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	85.30%	100%	100%	100%	97.10%	94.10%	88.20%	91.20%
FY 21	94.4%	97.2%	97.1%	93.8%	94.1%	94.1%	94.1%	90.6%
FY 22	88.9%	94.7%	97.1%	91.7%	97.4%	100.0%	94.4%	97.1%
FY 23	97.06%	97.92%	100%	97.92%	97.06%	97.22%	100%	96.45%
FY24	100%	98.1%	100%	93.5%	98.7%	98.0%	100%	92.8%
FY25	100%	98.20%	100%	94.05%	93.80%	96.15%	100%	100%

Customer Services



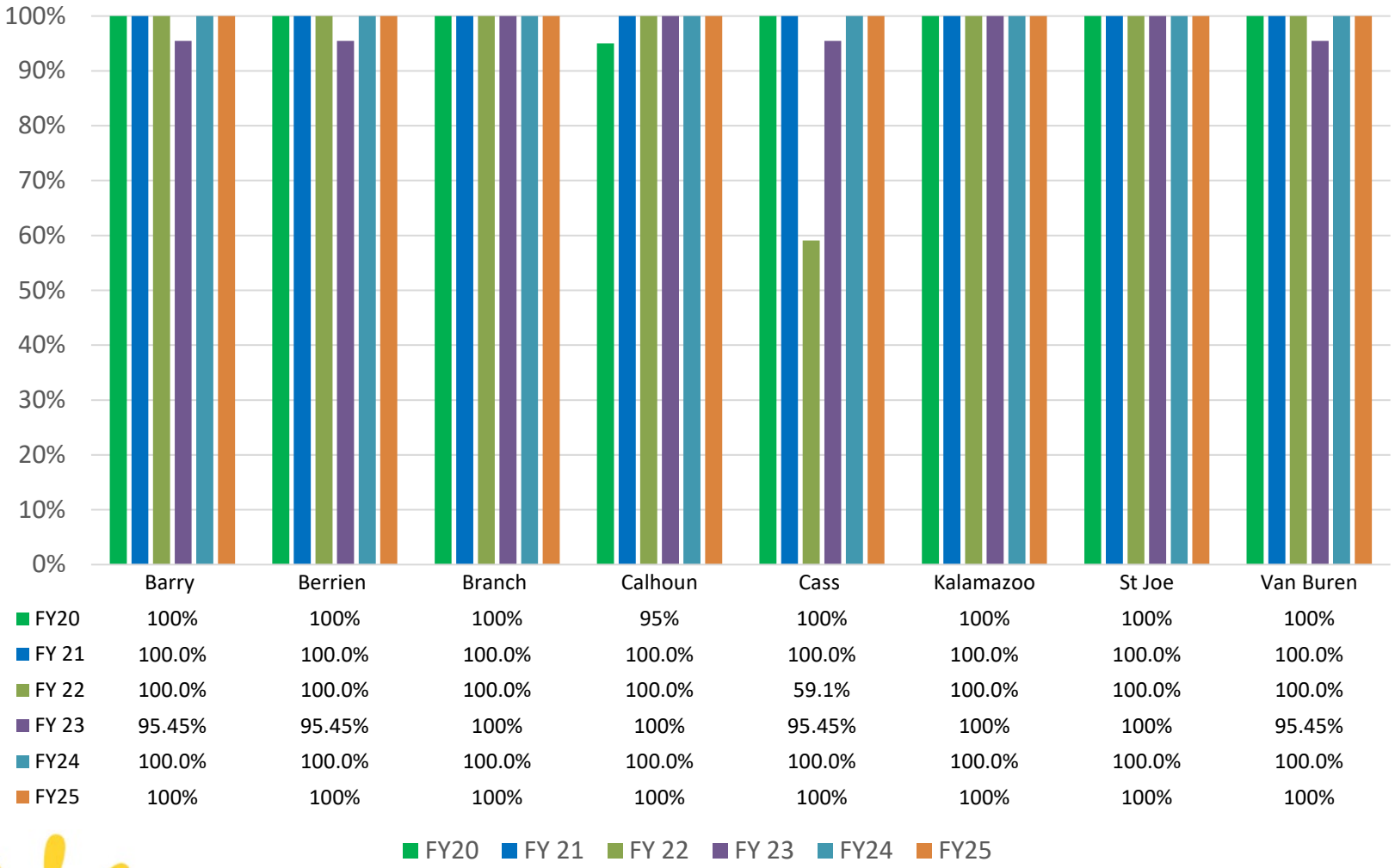
	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	100%	92.30%	100%	93.80%	100%	100%	100%
FY 21	100.0%	92.3%	100.0%	100.0%	75.0%	100.0%	100.0%	100.0%
FY 22	93.8%	96.9%	87.5%	96.6%	90.0%	93.8%	93.8%	96.6%
FY 23	93.75%	90.63%	93.75%	100%	93.75%	96.88%	87.50%	100%
FY24	100%	96.9%	90.6%	93.8%	96.9%	100%	90.60%	100%
FY25	100%	87.50%	87.50%	100%	100%	87.50%	100%	100%

Grievances and Appeals



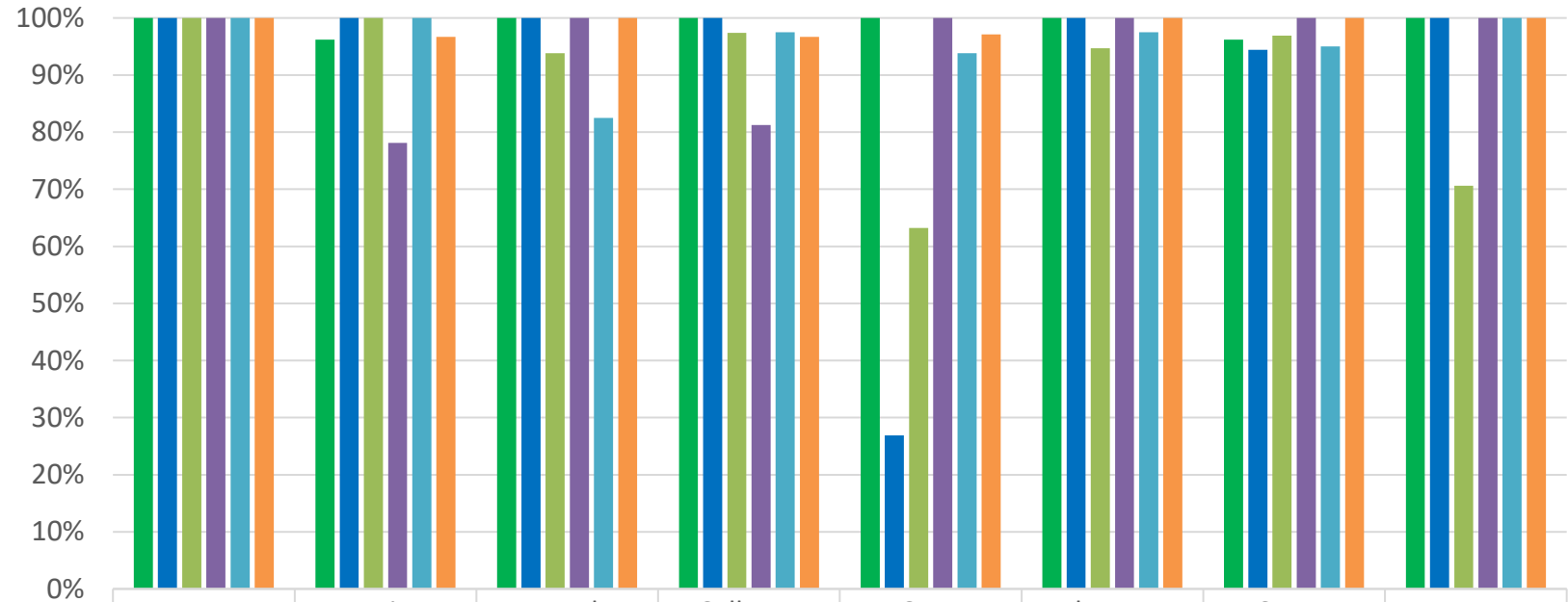
	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	95.20%	100%	87.50%	90.70%	85.20%	98.30%	98.30%	97.60%
FY 21	98.2%	100.0%	98.2%	100.0%	85.7%	98.2%	100.0%	100.0%
FY 22	92.9%	95.0%	80.0%	95.2%	90.5%	73.8%	97.6%	97.6%
FY 23	90.48%	88.10%	95.24%	95.24%	92.86%	95.24%	97.62%	97.62%
FY 24	100.0%	92.9%	100.0%	100.0%	100.0%	92.9%	95.2%	92.9%
FY25	75%	81.30%	89.30%	92.90%	92.90%	85.30%	90.60%	100%

Provider Network



	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	100%	100%	95%	100%	100%	100%	100%
FY 21	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY 22	100.0%	100.0%	100.0%	100.0%	59.1%	100.0%	100.0%	100.0%
FY 23	95.45%	95.45%	100%	100%	95.45%	100%	100%	95.45%
FY24	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY25	100%	100%	100%	100%	100%	100%	100%	100%

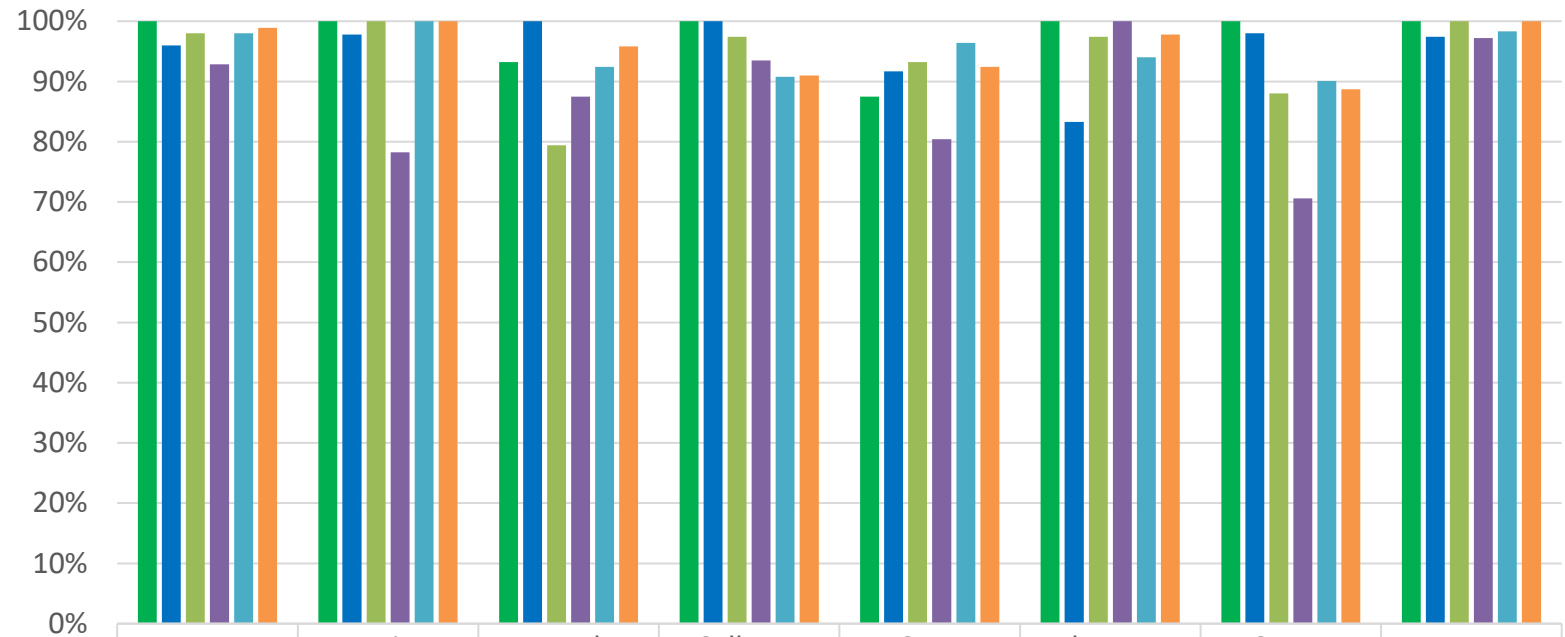
Quality Improvement



	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	96.20%	100%	100%	100%	100%	96.20%	100%
FY 21	100.0%	100.0%	100.0%	100.0%	26.9%	100.0%	94.4%	100.0%
FY 22	100.0%	100.0%	93.8%	97.4%	63.2%	94.7%	96.9%	70.6%
FY 23	100%	78.13%	100%	81.25%	100%	100%	100%	100%
FY 24	100.0%	100.0%	82.5%	97.5%	93.8%	97.5%	95.0%	100.0%
FY25	100%	96.7%	100%	96.7%	97.1%	100%	100%	100%

FY20 FY 21 FY 22 FY 23 FY 24 FY25

Staff Training



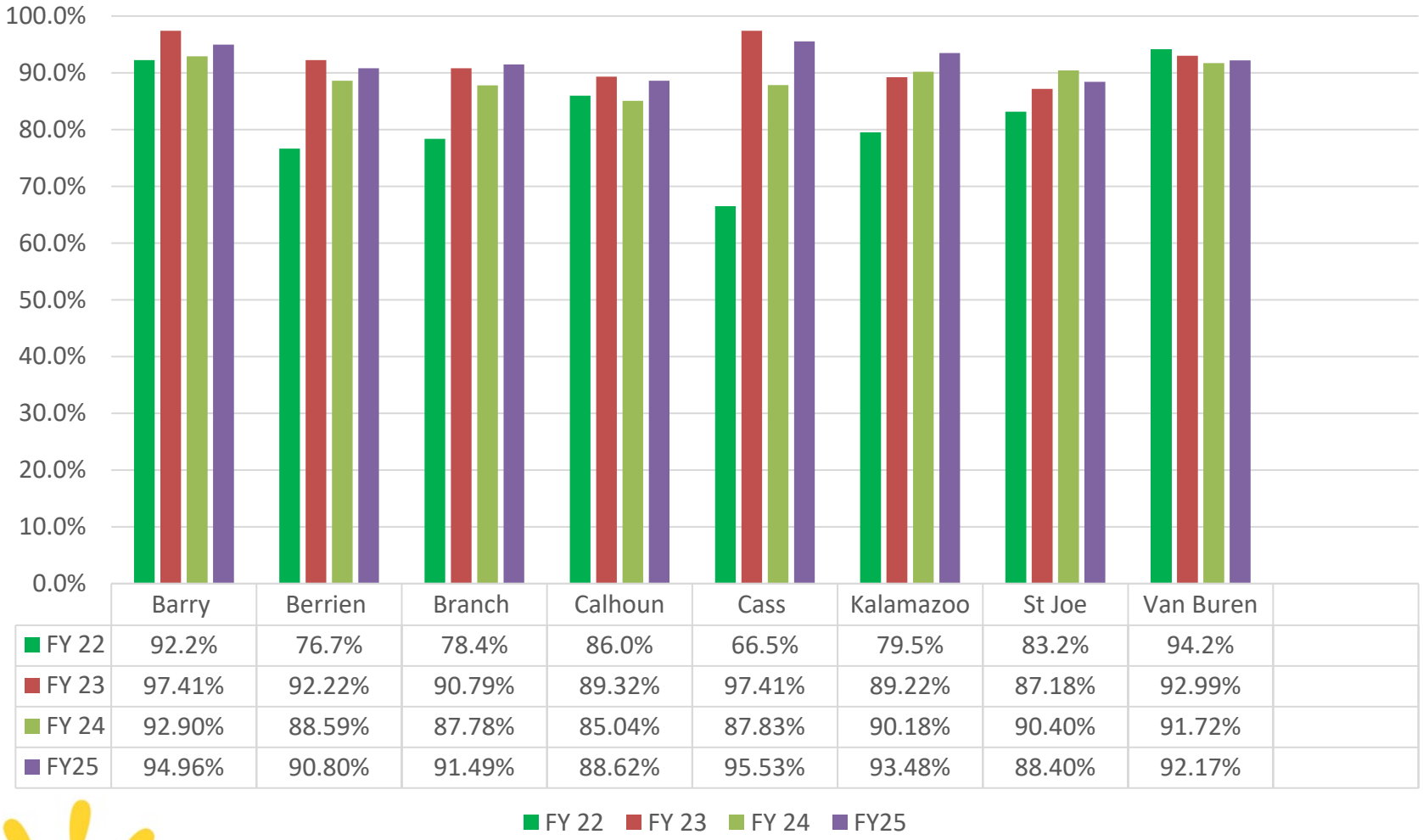
	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	100%	93.20%	100%	87.50%	100%	100%	100%
FY 21	96.0%	97.8%	100.0%	100.0%	91.7%	83.3%	98.0%	97.4%
FY 22	98.0%	100.0%	79.4%	97.4%	93.2%	97.4%	88.0%	100.0%
FY 23	92.86%	78.26%	87.50%	93.48%	80.43%	100%	70.59%	97.22%
FY24	98.0%	100.0%	92.4%	90.8%	96.4%	94.0%	90.1%	98.3%
FY25	98.9%	100%	95.8%	91.0%	92.4%	97.8%	88.7%	100%

FY20 FY 21 FY 22 FY 23 FY24 FY25

SUD Administrative –EBP Fidelity

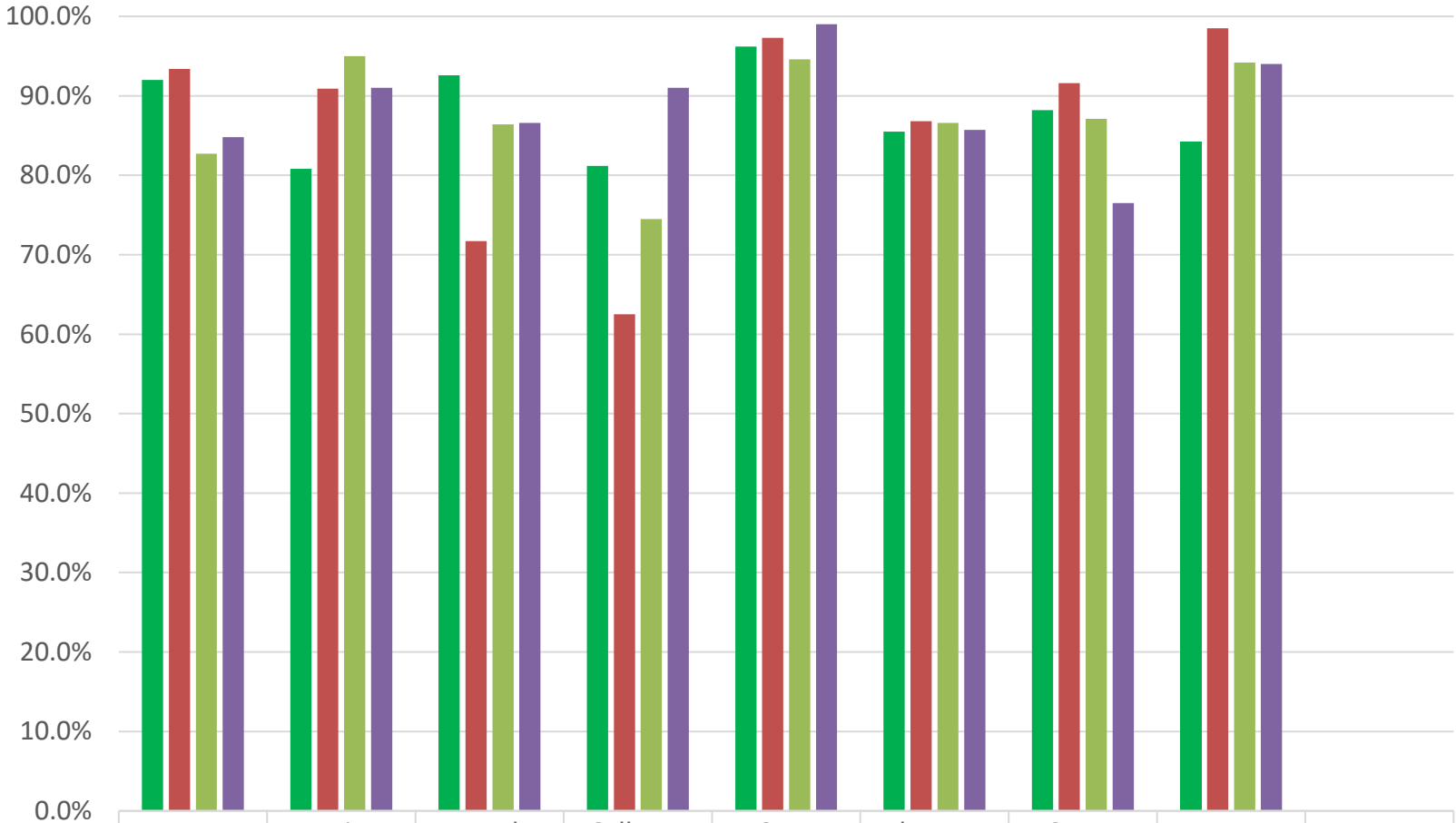
	Barry	Berrien	100%	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY20	100%	90%	100%	100%	100%	100%	100%	100%
FY 21	100.0%	88.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY 22	100.0%	70.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY 23	100%	100%	100%	100%	100%	100%	100%	100%
FY 24	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
FY25	100%	100%	100%	100%	100%	100%	100%	100%

Clinical Quality File Review



	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY 22	92.2%	76.7%	78.4%	86.0%	66.5%	79.5%	83.2%	94.2%
FY 23	97.41%	92.22%	90.79%	89.32%	97.41%	89.22%	87.18%	92.99%
FY 24	92.90%	88.59%	87.78%	85.04%	87.83%	90.18%	90.40%	91.72%
FY25	94.96%	90.80%	91.49%	88.62%	95.53%	93.48%	88.40%	92.17%

SUD Clinical File Review



	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St Joe	Van Buren
FY 22	92.0%	80.8%	92.6%	81.2%	96.2%	85.5%	88.2%	84.2%
FY 23	93.40%	90.90%	71.70%	62.50%	97.30%	86.80%	91.60%	98.50%
FY 24	82.7%	95.0%	86.4%	74.5%	94.6%	86.6%	87.1%	94.2%
FY25	84.8%	91.0%	86.6%	91.0%	99.0%	85.7%	76.5%	94.0%

Southwest Michigan
BEHAVIORAL HEALTH

2025 HSAG Compliance Review Results

November 6, 2025

Summary of Findings

Table 1-2—Summary of Standard Compliance Scores

Standard	Total Elements	Total Applicable Elements	Number of Elements			Total Compliance Score
			M	*NM*	*NA*	
Standard II—Emergency and Poststabilization Services	13	13	13	0	0	**100%**
Standard VII—Provider Selection	25	25	22	3	0	**88%**
Standard VIII—Confidentiality	22	22	22	0	0	**100%**
Standard IX—Grievance and Appeal Systems	39	39	35	4	0	**90%**
Standard X—Subcontractual Relationships and Delegation	6	6	6	0	0	**100%**
Standard XI—Practice Guidelines	7	7	7	0	0	**100%**
Standard XII—Health Information Systems	9	9	9	0	0	**100%**
Standard XIII—Quality Assessment and Performance Improvement Program	24	24	24	0	0	**100%**
Total	**145**	**145**	**138**	**7**	**0**	**95%**

M = Met; *NM = Not Met*; *NA = Not Applicable*

Total Elements: The total number of elements within each standard.

Total Applicable Elements: The total number of elements within each standard minus any elements that were *NA*. This represents the denominator.

Total Compliance Score: The overall percentages were obtained by adding the number of elements that received a score of *Met* (1 point), then dividing this total by the total number of applicable elements.

HSAG HEALTH SERVICES ADVISORY GROUP

Corrective Action Process

- For any elements scored *Not Met*, SWMBH is required to submit a corrective action plan (CAP) to bring the element into compliance with the applicable standard(s).
- The CAP must be submitted to MDHHS and HSAG within 30 days of receipt of the final report. For each element that requires correction, SWMBH must identify the planned interventions to achieve compliance with the requirement(s), the individual(s) responsible, and the timeline.
- 4 CAPS were submitted for Standard IX - Grievance and Appeal Systems
- 3 CAPs were submitted for Standard VII—Provider Selection

Standard IX - Grievance and Appeal Systems -Standards Not Met

4. The PIHP acknowledges receipt of each grievance, within five business days.

5. The PIHP ensures that the individuals who make decisions on grievances are individuals:

a. Who are not involved in any previous level of review or decision-making, nor a subordinate of any such individual.

b. Who, if deciding any of the following, are individuals who have the appropriate clinical expertise, as determined by the State, in treating the member's condition or disease:

i. A grievance regarding denial of expedited resolution of an appeal.

ii. A grievance that involves clinical issues.

c. Who take into account all comments, documents, records, and other information submitted by the member or their representative.

16. The PIHP acknowledges receipt of each appeal.

a. Standard appeals are acknowledged within 5 business days of receipt.

b. Expedited appeals are acknowledged within 72 hours of receipt.

19. The PIHP provides the member a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments.

a. The PIHP informs the member of the limited time available for this sufficiently in advance of the resolution time frame for appeals as specified in 42 CFR §438.408(b) and (c) in the case of expedited resolution.

Standard VII—Provider Selection -Standards Not Met

12. For credentialing and recredentialing, the PIHP conducts a search that reveals information substantially similar to information found on an Internet Criminal History Access Tool (ICHAT) check and a national and State sex offender registry check for each new direct-hire or contractually employed practitioner.

13. For credentialing and recredentialing, the written application is completed, signed, and dated by the individual practitioner and attests to the following elements:

a. Lack of present illegal drug use.
b. History of loss of license, registration, certification, and/or felony convictions.
c. Any history of loss or limitation of privileges or disciplinary action.
d. Attestation by the applicant of the correctness and completeness of the application.
e. Attestation by the applicant that they are able to perform the essential functions of the position with or without accommodation.

19. For credentialing and recredentialing, current insurance coverage meeting contractual expectations is on file with the PIHP.

Summary of State Fiscal Year 2025 – HSAG Validation of Performance Measures for Region 4

Purpose - The purpose of performance measure validation (PMV) is to assess the accuracy of performance indicators reported by PIHPs and to determine the extent to which performance indicators reported by the PIHPs follow state specifications and reporting requirements.

Methods of Data Collection and Analysis

1. Information Systems Capabilities Assessment Tool (ISCAT questionnaire)
2. Source code (programming language) for performance indicators
3. Performance indicator reports
4. Supporting documentation

Rating of Acceptable Received from HSAG for:

1. Data Integration – the steps used to combine data sources such as claims, encounters, eligibility and administrative data
2. Data Control – Sound quality assurance practices and backup procedures
3. Performance Indicator Documentation - ISCAT, job logs, computer programming code, output files, workflow diagrams, narrative descriptions of performance indicator calculations, and other related documentation

(Options for the above are Acceptable or Not Acceptable)

Validation Results

1. HSAG had no concerns with how **SWMBH**'s receipt and processing of eligibility data. **SWMBH** demonstrated that eligibility effective dates, termination dates, historical eligibility spans, and members were identified appropriately.
2. HSAG had no concerns with how **SWMBH** received and processed claims/encounter data for submission to MDHHS.
3. Based on demonstrations of the BH-TEDS data entry and submission processes during the review, no concerns were identified with the CMHSPs' adherence to the state-specified submission requirements.
4. HSAG found that **SWMBH** had sufficient oversight of its eight affiliated CMHSPs.

Strengths, Opportunities for Improvement, and Recommendations

Strength #1: SWMBH continues to demonstrate adequate oversight across its CMHSPs through methods such as committee meetings, process improvement trainings, and Tableau dashboard checks and monitoring. [**Quality**]

Strength #2: SWMBH has adequate processes in place to audit and validate performance measure data to ensure accuracy prior to submitting to MDHHS. In addition, **SWMBH** provides necessary training to provider staff based on findings during the auditing process. [**Quality**]

Only one Weakness was identified in 2025. In 2024 five weaknesses were noted. This shows significant improvement in reporting of quality indicators due to efforts of the Quality team.

Weakness #1: SWMBH's reported rate for indicator #4a for the adult population fell below the 95 percent performance standard. [**Quality** and **Timeliness**]

Why the weakness exists: SWMBH's reported rate for indicator #4a for the adult population fell below the 95 percent performance standard, suggesting that persons discharging from a psychiatric inpatient unit may not have received timely follow-up care after an inpatient psychiatric discharge.

Recommendation: HSAG recommends that **SWMBH** continue with its improvement efforts related to indicator #4a so that it meets or exceeds the 95 percent performance standard and further ensures timely follow-up care occurs following a psychiatric inpatient discharge. Timely follow-up is critical to ensure continuity of care following a psychiatric inpatient discharge.

Respectfully submitted by Natalie Spivak, Chief Information Officer October 15, 2025.

10/23/25 – MDHHS Procurement/RFP Update

There was a Status Conference held between legal counsel, the State's attorneys, and the Judge yesterday afternoon. Please find an update below from legal counsel:

1. The Court is focused on the impact of the RFP on the CMHSPs and their statutory obligations.
    a. The Court also stated that if MDHHS does not postpone the RFP deadline to allow the current "PIHPs" (he means regional entities) to restructure, then those entities are "out of the game."
2. MDHHS stated that they are proceeding with evaluating the bids and will make an award decision in mid-December.
3. **December 8 hearing** – the Court wants to address the legality of the RFP before MDHHS awards any bids. Therefore, the Court set aside all day on December 8 for a hearing.
    a. This hearing will likely look similar to the October hearing in terms of some testimony and oral argument. We do not have exact location or time yet.
    b. The Court stated that it would issue a decision sometime after the hearing.
    c. The Court may allow Chris Cooke / NMRE's suit to also be involved on 12/8, assuming their filing issues are corrected.
    d. Presence: I think the strong show of support at the last hearing was helpful. I'd encourage you to invite people to attend again.
4. Interim work:
    a. The Court asked the parties for additional briefing on the legality of the RFP.
    b. Between now and the hearing, the Court is allowing the parties to engage in discovery (fact finding). We get to ask MDHHS for documents and take depositions. MDHHS can do the same of us.
    c. Please feel free to share your thoughts on how the RFP violates specific provisions of the Mental Health Code. We would also appreciate names of any witnesses that you think would be helpful to depose. Potential witnesses include:
        i. Kristen Morningstar
        ii. Marissa Gove (the solicitation manager for the bid)
        iii. Raymie Postma
        iv. CMS contracting officer for Michigan's Medicaid contract