



## Southwest Michigan Behavioral Health Board Meeting

Please join the meeting from your computer, tablet or smartphone:

<https://global.gotomeeting.com/join/515345453>

You can also dial in using your phone:

**1-571-317-3116** - Access Code: **515-345-453**

**March 12, 2021**

**9:30 am to 11:00 am**

(d) means document provided

**Draft: 3/4/21**

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d) pg.1**
3. **Financial Interest Disclosure Handling (M. Todd)**
  - Bradley P. Casemore - no disclosures
4. **Consent Agenda**
  - February 12, 2021 SWMBH Board Meeting Minutes (d) pg. 3
5. **Operations Committee**
  - Operations Committee Minutes January 20, 2021 (d) pg.8
6. **Ends Metrics Updates (\*Requires motion)**

*Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?*

  - a. \*Fiscal Year 2020 Customer Satisfaction Survey Results (J. Gardner) (d) pg.11
  - b. \*SWMBH 2020 Health Services Advisory Group (HSAG) External Quality Review Compliance Monitoring Report (J. Gardner) (d) pg.17
  - c. \*Fiscal Year 2020 Performance Bonus Incentive Program Results (J. Gardner) (d) pg.30
  - d. \*Fiscal Year 2020 Autism Spectrum Disorder (R. Freitag) (d) pg.33
  - e. Integrated Care (M. Kean) (d) pg.34
7. **Board Actions to be Considered**
  - Operating Agreement Review (B. Casemore and D. Hess) (d) pg.35
8. **Board Policy Review**

*Is the Board in Compliance? Does the Policy Need Revision?*

  - None Scheduled
9. **Executive Limitations Review**

*Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?*

  - None Scheduled

## **10. Board Education**

- a. **9:30am – 9:45am** Carl Doerschler, Rose Street Advisors, review of SWMBH Retirement Plan (d) pg.48
- b. Fiscal Year 2021 Year to Date Financial Statements (T. Dawson) (d) pg.54
- c. 2020 Quality Assurance – Performance Improvement Program Evaluation (J. Gardner) (email and portal only)
- d. Fiscal Year 2020 Performance Bonus Incentive Pool Earnings (T. Dawson)
- e. Fiscal Year 2020 HIPAA Privacy/Security Report (M. Todd and N. Spivak) (d) pg.62
- f. Fiscal Year End 2019 PIHP Compliance Examination Letter (T. Dawson) (d) pg. 72

## **11. Communication and Counsel to the Board**

- a. Planning Update (B. Casemore) (d) pg.74
- b. SWMBH Network Risk Management Strategy Letter (B. Casemore) (d) pg.84
- c. April 9, 2021 Board Draft Agenda (d) pg.85
- d. Board Member Attendance Roster (d) pg.87
- e. Nelson Thank You Card (d) pg.88
- f. April - Board Elections
- g. April Board Policy Direct Inspection - none

## **12. Public Comment**

## **13. 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  
Friday, April 9, 2021  
9:30 am - 11:00 am**

**Draft Board Meeting Minutes**  
**February 12, 2021**  
**9:30 am-11:00 am**  
**GoTo Webinar and Conference Call**  
**Draft: 2/12/21**

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**Members Present via phone:** Edward Meny, Tom Schmelzer, Susan Barnes, Mary Middleton, Patrick Garrett, Erik Krogh, Ruth Perino

**Guests Present via phone:** Bradley Casemore, Executive Officer, SWMBH; Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance and Privacy Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance Performance and Improvement, SWMBH; Sarah Ameter, Manager of Customer Services, SWMBH; Deb Hess, Van Buren CMH; Ric Compton, Riverwood; Richard Thiemkey, Barry County CMH; Jon Houtz, Pines BH Board Alternate; Pat Guenther, ISK Board Alternate; Randy Hyrns, Riverwood Board Alternate; Mary Ann Bush, Project Coordinator/Senior Operations Specialist, SWMBH; Michelle Jacobs, Senior Operations Specialist and Rights Advisor, SWMBH; Brad Sysol, Summit Pointe; Jeff Patton, ISK; Brad Sysol, Summit Pointe

**Welcome Guests**

Edward Meny called the meeting to order at 9:30 am; reviewed remote participation processes and attendees were announced.

**Public Comment**

None

**Agenda Review and Adoption**

Motion	Erik Krogh moved to accept the agenda as presented.
Second	Tom Schmelzer
Roll call vote	Ruth Perino                      yes
	Edward Meny                        yes
	Tom Schmelzer                    yes
	Patrick Garrett                    yes
	Mary Middleton                   yes
	Erik Krogh                         yes
	Susan Barnes                      yes

Motion Carried

**Financial Interest Disclosure Handling**

Mila Todd presented Financial Interest and Conflict of Interest disclosures regarding new Board Alternate member, Terry Proctor, representing Cass County (Woodland Behavioral Health Network.)

Motion                      Mary Middleton moved that a conflict exists and that:

- 1) The Board is not able to obtain a more advantageous arrangement with someone other than Terry Proctor;
- 2) The Financial Interest disclosed by Terry Proctor is not so substantial as to be likely to effect the integrity of the services that SWMBH may expect to receive; and
- 3) A Conflict of Interest Waiver should be granted.

Second	Susan Barnes	
Roll call vote	Ruth Perino	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Patrick Garrett	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Susan Barnes	yes

Motion Carried

#### **Consent Agenda**

Motion Tom Schmelzer moved to approve the January 8, 2021 Board meeting minutes as presented.

Second	Patrick Garrett	
Roll call vote	Ruth Perino	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Patrick Garrett	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Susan Barnes	yes

Motion Carried

#### **Operations Committee**

##### **Operations Committee Minutes December 16, 2020**

Edward Meny noted the minutes as documented. No additional comments. Minutes accepted.

#### **Ends Metrics**

None

#### **Board Actions to be Considered**

##### **Executive Officer Employment Agreement Extension**

Tom Schmelzer noted recent discussions regarding the Executive Officer's employment extension agreement including opportunities for Board and Board Alternate members to review the employment agreement and meet with SWMBH counsel.

Motion	Erik Krogh moved to extend Mr. Casemore's employment agreement two years through 09/30/23.
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Second	Tom Schmelzer	
Roll call vote	Ruth Perino	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Patrick Garrett	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Susan Barnes	yes

### **Fiscal Year 2021 Revised Budget**

Tracy Dawson reported as documented. Discussion followed.

Motion	Erik Krogh moved to approve the SWMBH Regional revised fiscal year budget Column H, as presented for the period October 1, 2020 through September 30, 2021.	
Second	Patrick Garrett	
Roll call vote	Ruth Perino	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Patrick Garrett	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Susan Barnes	yes

### **Strategic Planning**

#### **Debrief January 8, 2021 Meetings**

Brad Casemore reported as documented. Discussion followed.

### **CEO Reflections, Responses, Recommendations**

Document in packet for Board's review.

### **Next Steps**

Brad Casemore proposed a SWMBH Board Planning session in May. Discussion followed and Board members agreed to a May 14, 2021 Board Planning session to follow the regular SWMBH Board meeting. An agenda and invitation will be forthcoming.

### **Board Policy Review**

None

### **Executive Limitations Review**

#### **BEL-001 Budgeting**

Susan Barnes reported as documented noting her review of many documents and a meeting with Tracy Dawson, SWMBH Chief Financial Officer, who answered all her questions. Susan Barnes thanked the region for their hard work and deep dive into the finances in 2020 which have helped in 2021.

Motion	Susan Barnes moved that the Executive Officer is in compliance with policy BEL-001 Budgeting and the policy does not need revision.	
Second	Patrick Garrett	
Roll call vote	Ruth Perino	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Patrick Garrett	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Susan Barnes	yes

## **Board Education**

### **Fiscal Year 2021 Year to Date Financial Statements**

Tracy Dawson reported as documented. Discussion followed.

### **Fiscal Year 2020 Customer Services Report**

Sarah Ameter reported as documented.

### **Fiscal Year 2020 Program Integrity Compliance Report**

Mila Todd reported as documented. Mary Middleton thanked SWMBH for their transparency and work noting that many other organizations do not provide this kind of reporting.

### **Fiscal Year 2020 Medicaid Services Verification Report**

Mila Todd reported as documented.

## **Communication and Counsel to the Board**

### **Keynote Update from MDHHS**

Brad Casemore noted the document in the packet for the Board's review.

### **2021 Health Management Associates Emerging Policy Environment Impacts on Publicly Funded Healthcare**

Brad Casemore noted the document in the packet for the Board's review.

### **Unified Vision**

Brad Casemore noted the document in the packet for the Board's review.

### **March 12, 2021 Board Agenda**

Brad Casemore noted the document in the packet for the Board's review.

### **Board Member Attendance Roster**

Brad Casemore noted the document in the packet for the Board's review.

## **Public Comment**

None

## **Adjournment**

Motion Erik Krogh moved to adjourn at 10:38am

Second Mary Middleton  
Unanimous Voice Vote  
Motion Carried

DRAFT

# Southwest Michigan

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## BEHAVIORAL HEALTH

### **Operations Committee Meeting Minutes** **Meeting: January 20, 2021 9:45am-1:00pm**

**Members Present via phone** – Jeannie Goodrich, Jeff Patton, Richard Thiemkey, Bradley Casemore, Sue Germann, Kris Kirsch, Tim Smith, Ric Compton, Jane Konyndyk, Debbie Hess

**Guests present via phone** – Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance and Performance Improvement, SWMBH; Joel Smith, Substance Use Treatment and Prevention Director, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Michelle Jacobs, Senior Operations Specialist and Rights Advisor, SWMBH; Brad Sysol, Summit Pointe; Pat Davis, Integrated Services of Kalamazoo; Scott Dzurka, Public Sector Consultants

**Call to Order** – Brad Casemore began the meeting at 9:00 am.

**Planning with Scott Dzurka** – Scott Dzurka reviewed SWMBH Board Strategic Planning session with CMH CEOs. Feedback from each CMH CEO was given and discussion followed.

**Review and approve agenda** – Agenda approved.

**Fiscal Year 2021 Year to Date Financials** – Tracy Dawson reported that financials are not ready yet. SWMBH is waiting on one CMH to submit report. Overall financials are looking positive.

**Fiscal Year 2020 PBIP Earnings Details** – Tracy Dawson reported as documented noting SWMBH achieved 100% and will receive earnings soon.

**Fiscal Year 2020 Encounters and Close Out** – Tracy Dawson reported as documented.

**Fiscal Year 2021 Revised Budget** – Tracy Dawson reported that a revised budget is not complete yet. Revenue expectation was based on October and December payments from the State and noted a 12-million-dollar increase.

**Fiscal Year 2021 Rate Setting Files Analysis** – Natalie Spivak reported as documented. Pat Davis reviewed five observations and conclusions as documented in memo to MDHHS.

**Cost Allocation, Encounter Quality Improvement (EQI) and Rate Setting Development Workgroup** – Tracy Dawson reported that there is a meeting next week to discuss EQI, FSR and Cost allocation changes. Discussion followed.



**HEDIS FUA Roll Out** – Moira Kean reported as documented.

**Substance Use Disorder eConsent Implementation** – Natalie Spivak reported as documented.

**Habilitation Supports Waiver Releases need for payment** – Tracy Dawson reported as documented.

**MDHHS Reopening Case Management Guidance** – Brad Casemore noted the memo in the packet for the committee's review.

**Fiscal Year 2020-2021 PIHP MDHHS and PIHP/CMH Contract Development** – Mila Todd stated that a contract meeting is scheduled for this Friday. SWMBH is amending the CMH contracts in regard to the Fiscal Year 2021 Performance Bonus Incentive Program measures.

**Fiscal Year 2020 Medicaid Verification Results** – Mila Todd reported as documented. Also noted was needed attestations of data certifications and direct care wage forms.

**Behavioral Health Treatment Episode Data Set Status** – Natalie Spivak reported as documented.

**Assessment Tools Status** – Natalie Spivak reported as documented.

**Fiscal Year 2021 Clinical Development Plan** – Moira Kean reported as documented. Moira Kean also updated the group on the Levels of Care Transition Navigator position and will be reaching out to CMHSP Chief Information Officers for access to CMHSP CAFAS/PECFAS web systems, per 9/25/20 memo from Jeff Wieferich.

**MCG Installation** – Anne Wickham stated that kick off meetings with MCG are complete and SWMBH is implementing MCG in Streamline's test system. Static guidelines continued to be used and Anne Wickham advised the CMHSPs to use the static guidelines. Discussion followed.

**Building Better Lives Project Update** – Sarah Ameter reported as documented.

**Substance Use Disorder Block Grant** – Joel Smith shared that SWMBH is exploring solutions to address the 30% reduction of block grant funding from the State.

**Opioid Health Homes (OHH)** – Joel Smith stated that 227 clients are now enrolled, and Emily Flory is meeting monthly with Victory Clinic and Summit Pointe to discuss clients' needs/challenges.

**Intergovernmental Contract** – Brad Casemore stated that the Intergovernmental Contract has been signed by all 8 counties in the SWMBH region and is executed.

**Substance Abuse Block Grant Memo** – Brad Casemore noted the memo in the packet for the committee's review.

**February 12, 2021 SWMBH Board Agenda** – Brad Casemore noted the agenda in the packet for the committee's review.

**Subpoena** – Brad Casemore discussed the subpoena received and noted that SWMBH and legal counsel continue to review and prepare an action plan and decision by next week. Mila Todd noted documents requested in the subpoena. Discussion followed.

**Review and approve minutes from 12/16/20 Operations Committee Meeting** – Minutes were approved by the Committee.

**CMH Updates** – CMHSP CEOs's shared current updates and sought input from colleagues focused on response plans to the pandemic, challenges, and regulations. Also highlighted new grants and projects unrelated to the pandemic.

**Adjourned** – Meeting adjourned at 12:30pm

## 2020 CONSUMER SATISFACTION SURVEY RESULTS

<p>2020 Customer Satisfaction Surveys collected by SWMBH are at or above the SWMBH 2019 results for the following categories:</p> <p>Mental Health Statistic Improvement Project Survey (MHSIP) tool.</p> <p><b>(Improved Functioning)</b></p> <p>Youth Satisfaction Survey (YSS) tools.</p> <p><b>(Improved Outcomes)</b></p>	<p><b>Metric Achieved</b></p> <p>The Annual Satisfaction Survey Project was completed on 2/5/2021.</p> <ul style="list-style-type: none"> <li>The MHSIP (adult) 'Improved Functioning' category observed an improvement of <b>+1.72%</b> (86.82%) over the previous year's result (85.1%).</li> <li>The YSS (youth) 'Improved Outcomes' category observed an improvement of <b>+1.74%</b> (83.04%) over the previous year's result (81.30%).</li> </ul>	<p>Target Board Presentation/Approval Date: 3/12/21</p>
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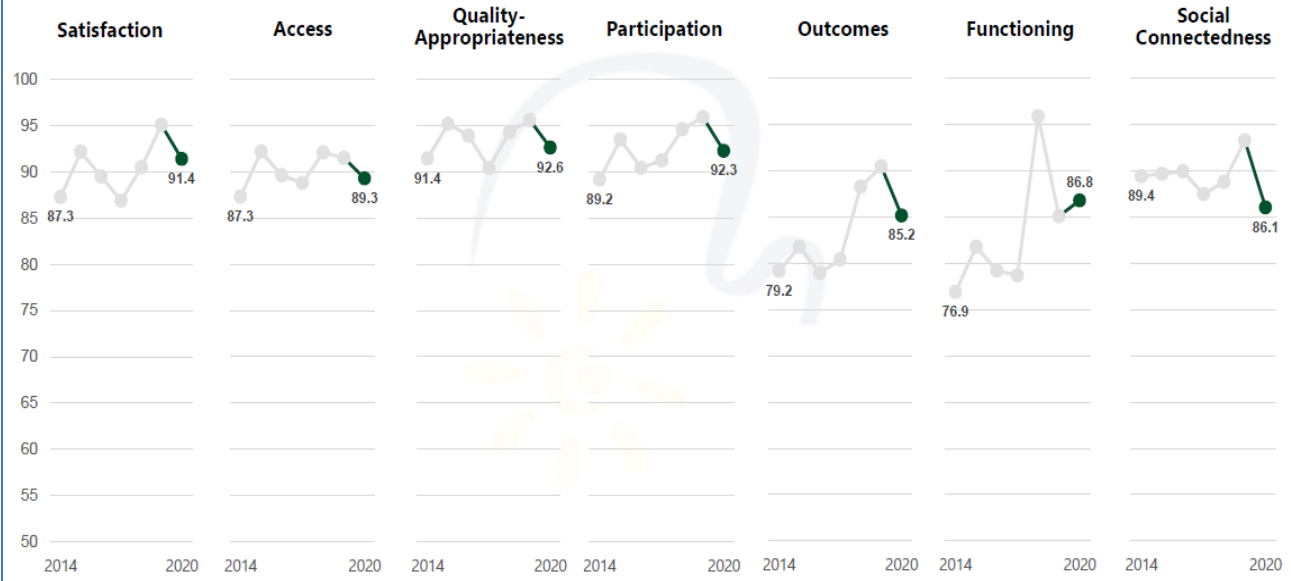
### Vendor Challenges and Background

- Annual Consumer Satisfaction Survey is a MDHHS Contractual requirement. The survey also needs to be completed annually for SWMBH's NCQA Accreditation and other audits.
- Changed Venders from Barnes Research and Associates to Kiaer Research Inc.
- Consumers who received 2 or more services from April 2020 through July 2020 were eligible for a survey.
- Surveys occurred December 4, 2020 through January 14, 2021.
- Mix of Telephonic and Electronic Survey Methods were utilized.

## MHSIP (ADULT SURVEY) Results by Year

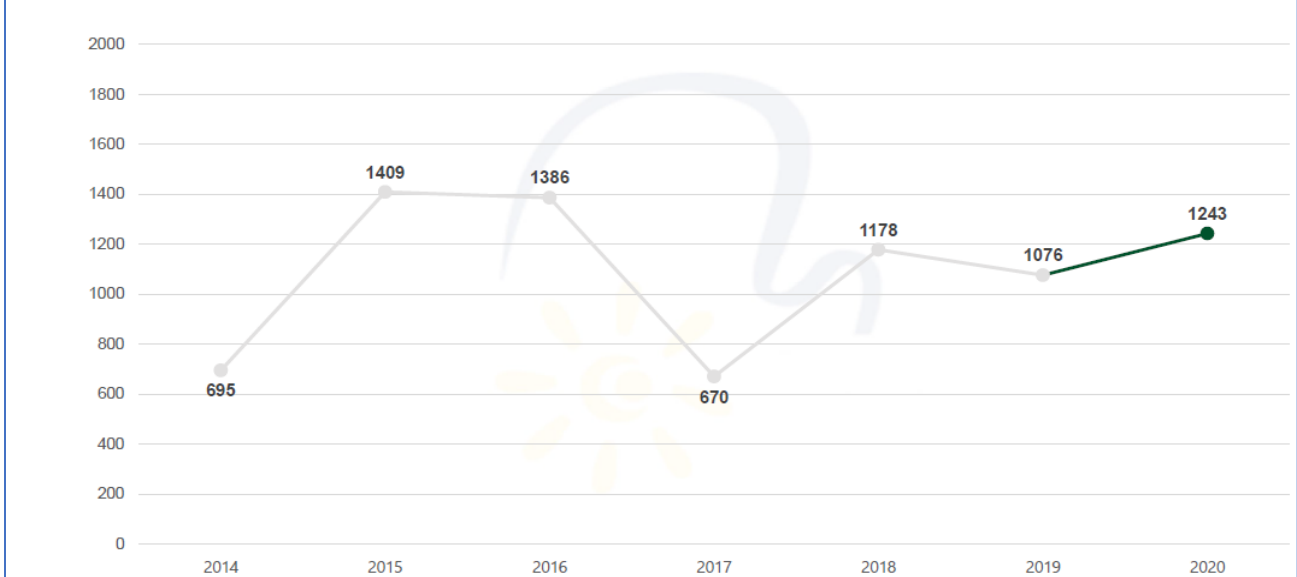
### Overall, scores were lower across all constructs in 2020

MHSIP scores by year across each construct show that 2020 broke the trend of consecutive yearly improvement for most of the categories



### Number of MHSIP completions increased slightly in 2020

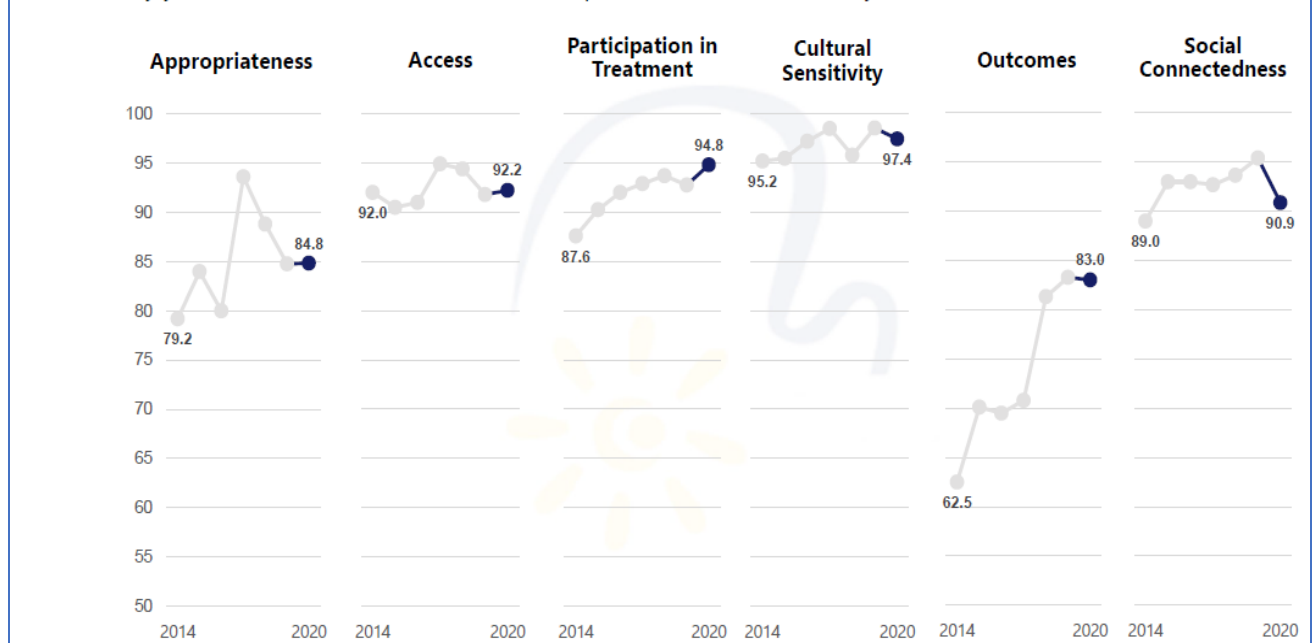
Number of completions stayed in line with previous years despite declining national survey response rates



## YSS (YOUTH SURVEY) Results by Year

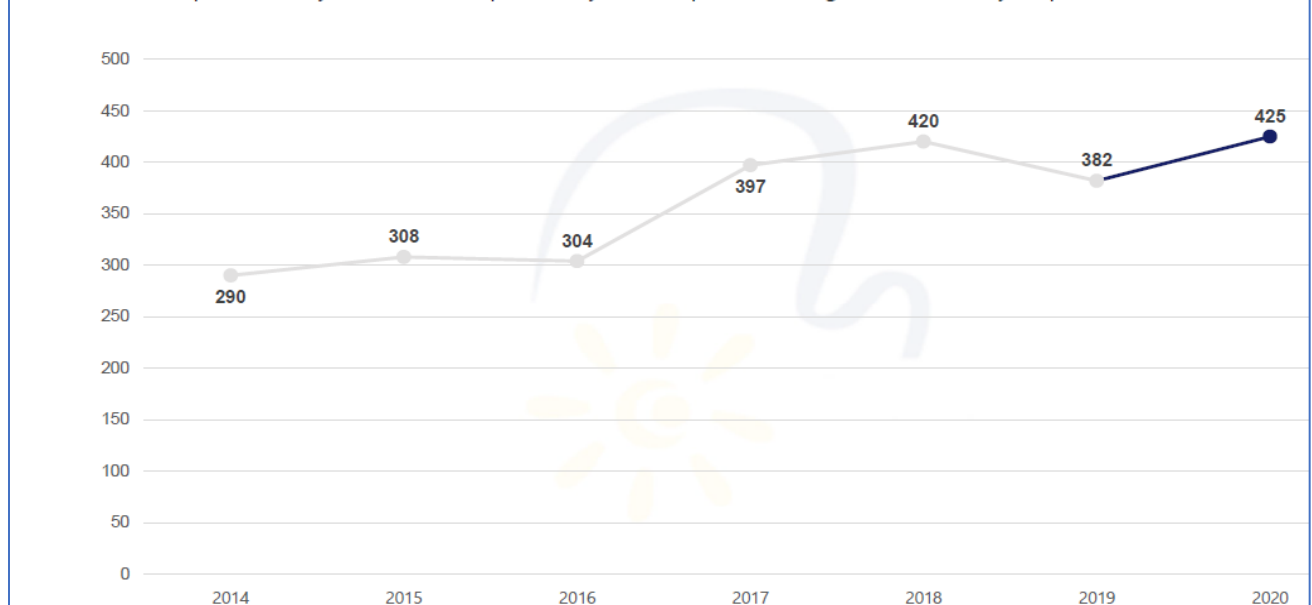
## Overall, the prior year's scores were mostly maintained

YSS scores by year across each construct show that improvement has been steady for most constructs since 2014



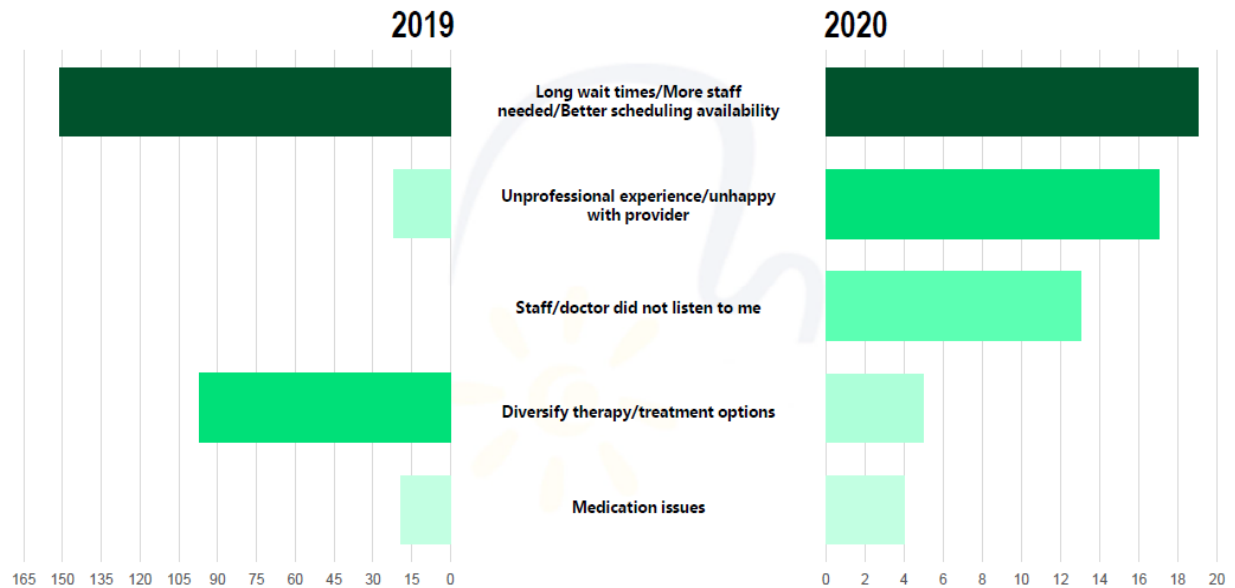
## Number of YSS completions increased slightly in 2020

Number of completions stayed in line with previous years despite declining national survey response rates



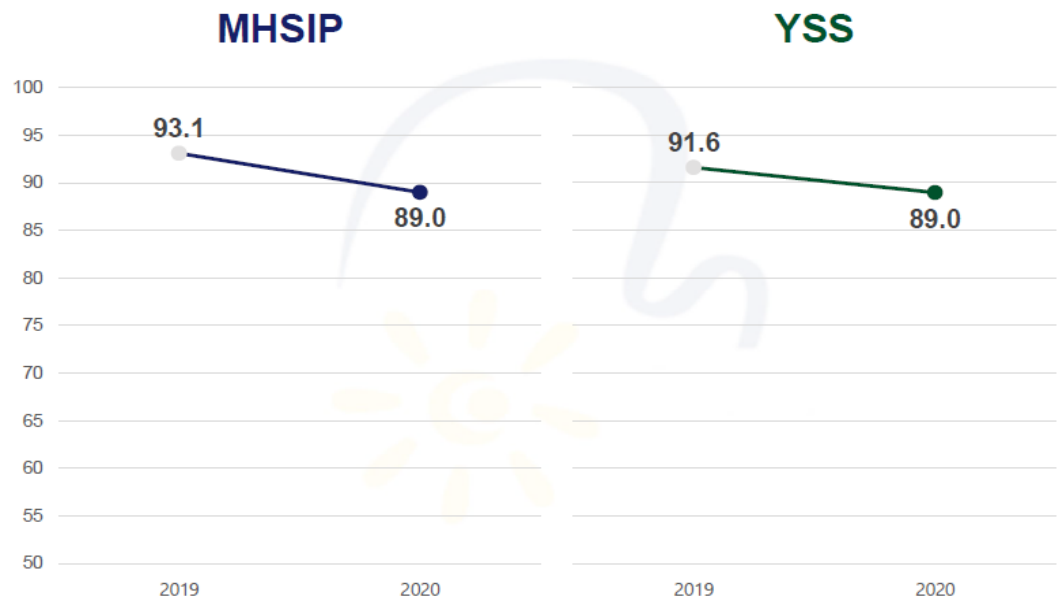
## Consumer feedback on services similar from 2019 to 2020

The biggest piece of feedback from consumers was once again to have more staff and better availability



## Total aggregate average scores decreased slightly in 2020

The MHSIP and YSS featured equal aggregate averages scores in 2020, but both were down from 2019



## Survey methods employed in 2020

- A **call-to-IVR** phone method was used to lower interview costs of phone participants
- Response rates via phone were lower than past years, so a supplemental **email survey** was sent out, repeat takers were excluded
  - MHSIP: 734 phone, 509 web
  - YSS: 217 phone, 208 web
- These two methods largely reached different populations
  - **Just ~13% of email respondents** said they had completed the phone survey
- These leaner methods resulted in a **~33% project cost reduction** compared to prior years
- Data from both sources were cleaned and combined into one dataset

## Recommendations for 2021 surveys

- Continue to use the **mixed-mode survey delivery** of email and phone
  - Perhaps **prioritize email** to further potential cost savings
- Let respondents **self-select** whether they should take the MHSIP, YSS, or both
  - Some MHSIP respondent comments suggested they had children receiving services
  - **Survey logic** can be used to increase accuracy and route respondents to the right questions
- Use a web survey platform that allows for **dynamic email display names**
  - Alchemer is one such platform – emails could come from “Integrated Services of Kalamazoo” rather than from “nathan@kiaerresearch.com” as they did this year
  - This would improve email response rates and further lower costs
- Consider **expanding demographic options** (nonbinary, trans, multiracial, etc.)
  - Respondents took the liberty of adding more precise identifiers in the comments
  - At least one respondent was deadnamed (old name used instead of trans name)

## Recommendations for 2021 surveys (cont.)

- Consider **incentivizing** every respondent (i.e., \$2 or \$5 for anyone that completes)
  - Depending on the mode of delivery, this could make the survey more cost effective and more representative of the true consumer population
  - Another option is to incentivize counties that have lower population and higher uncertainty (Cass, Branch)
- Consider using a **different survey tool**
  - The MHSIP and YSS are relatively long surveys and have high attrition as a result
  - These tools may not provide the most useful information to help inform critical decisions at SWMBH



## 2020 Health Service Advisory Group (HSAG) External Quality Audit Results

PERFORMANCE METRIC DESCRIPTION	STATUS
<p><b>2021 Health Service Advisory Group (HSAG) External Quality Compliance Review. All standards and corrective action plans evaluated will receive a score of 90% or designation that the standard has been "Met."</b></p> <p>Metric Measurement Period: (1/1/20 - 12/30/20)  Metric Board Report Date: March 12, 2021  <i>(dependent on the final completion date of the annual audit report)</i></p> <p><b>Measurement:</b> Results are verified, certified by the MDHHS/HSAG annual audit report.</p> <p><u>The number of standards/elements identified as "Met."</u>  Total number of standards/elements evaluated</p> <p><b>Possible Points:</b> 1 point awarded upon official Board approval.</p>	<p><b>METRIC ACHIEVED</b></p> <p><b>2020 Results:</b>  On December 21, 2020 SWMBH was notified by HSAG, that it received an overall score of <b>99%</b> on the 2020 audit review cycle. This score was the highest amongst all PIHP's for the 2<sup>nd</sup> Consecutive year.</p> <p><b>2019 Results:</b>  SWMBH received a <b>90%</b> compliance rate on the 2019 review, which was the highest amongst all Michigan PIHP's. Over 270 standards and elements were reviewed during this audit.</p>

Current Year (SFY 2019–2020) Scores							
Compliance Monitoring Standard		Total # of Applicable Elements	Number of Elements				Total Compliance Score
			Prior Years		Current Year		
			M	# CAPs	M	NM	
I	QAPIP Plan and Structure	8	8	0	NA	NA	100%
II	Quality Measurement and Improvement	8	7	1	1	0	100%
III	Practice Guidelines	4	4	0	NA	NA	100%
IV	Staff Qualifications and Training	3	3	0	NA	NA	100%
V	Utilization Management	16	13	3	2	1	94%
VI	Customer Service	39	34	5	5	0	100%
VII	Grievance Process	26	21	5	5	0	100%
VIII	Members’ Rights and Protections	13	13	0	NA	NA	100%
IX	Subcontracts and Delegation	11	10	1	1	0	100%
X	Provider Network	12	12	0	NA	NA	100%
XI	Credentialing	9	5	4	3	1	89%

Current Year (SFY 2019–2020) Scores							
Compliance Monitoring Standard		Total # of Applicable Elements	Number of Elements				Total Compliance Score
			Prior Years		Current Year		
			M	# CAPs	M	NM	
XII	Access and Availability	19	17	2	2	0	100%
XIII	Coordination of Care	11	11	0	NA	NA	100%
XIV	Appeals	54	47	7	7	0	100%
XV	Disclosure of Ownership, Control, and Criminal Convictions	14	14	0	NA	NA	100%
XVI	Confidentiality of Health Information	10	10	0	NA	NA	100%
XVII	Management Information Systems	12	12	0	NA	NA	100%
Total		269	241	28	26	2	99%

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

**Total # of Applicable Elements:** The total number of elements within each standard minus any elements that received a designation of *NA*. **Prior Years:** The total number of elements within each standard that achieved a score of *Met* or required a CAP in either the SFY 2017–2018 or SFY 2018–2019 reviews.

**Number of Elements:** The number of elements that required a CAP in either the SFY 2017–2018 or SFY 2018–2019 reviews that received a score of *Met* or *Not Met* during the SFY 2019–2020 CAP review.

**Total Compliance Score:** Elements that received a score of *Met* during the SFY 2019–2020 CAP review plus the elements that received a score of *Met* in either the SFY 2017–2018 or SFY 2018–2019 reviews were given full value (1 point). The point values were then totaled, and the sum was divided by the number of applicable elements to derive a percentage score.

Through the combined compliance review activities, **Southwest Michigan Behavioral Health** achieved full compliance in 15 of the 17 standards, demonstrating most program areas had the necessary policies, procedures, and initiatives in place to carry out the required functions of the contract. The remaining two standards completed Corrective Action Plans (CAPs) that were approved by HSAG in February 2021.

*\*Please see the following HSAG Audit Summary Report for more details\**

Michigan Department of Health and Human Services  
Behavioral Health and Developmental Disabilities  
Administration

**2019–2020 External Quality Review  
Compliance Monitoring Report  
*for* Prepaid Inpatient Health Plans  
*Corrective Action Plan Implementation Review***

**Region 4—Southwest Michigan  
Behavioral Health**

*December 2020*



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## 1. Overview

### Background

According to federal requirements located within the Code of Federal Regulations (CFR), 42 CFR §438.358, the state, its agent that is not a Medicaid prepaid inpatient health plan (PIHP), or an external quality review organization (EQRO) must conduct a review to determine a Medicaid PIHP's compliance with the standards set forth in 42 CFR §438—Managed Care Subpart D and the quality assessment and performance improvement requirements described in 42 CFR §438.330. To comply with the federal requirements, the Michigan Department of Health and Human Services (MDHHS), Behavioral Health and Developmental Disabilities Administration (BHDDA) contracted with Health Services Advisory Group, Inc. (HSAG) as its EQRO to conduct compliance monitoring reviews of the PIHPs.

### Description of the External Quality Review Compliance Monitoring Review

The MDHHS review standards for this activity are separated into 17 performance areas. MDHHS elected to review the full set of standards over the previous two review periods, as displayed in Table 1-1.

**Table 1-1—Division of Standards Over Review Periods**

SFY 2018–2019	SFY 2019–2020
Standard VI—Customer Service	Standard I—QAPIP* Plan and Structure
Standard VII—Grievance Process	Standard II—Quality Measurement and Improvement
Standard IX—Subcontracts and Delegation	Standard III—Practice Guidelines
Standard X—Provider Network	Standard IV—Staff Qualifications and Training
Standard XII—Access and Availability	Standard V—Utilization Management
Standard XIV—Appeals	Standard VIII—Members' Rights and Protections
Standard XV—Disclosure of Ownership, Control, and Criminal Convictions	Standard XI—Credentialing
Standard XVII—Management Information Systems	Standard XIII—Coordination of Care
	Standard XVI—Confidentiality of Health Information

\*Quality Assessment and Performance Improvement Program (QAPIP)

Following the state fiscal year (SFY) 2017–2018 and SFY 2018–2019 compliance reviews, PIHPs were required to develop a corrective action plan (CAP) for each element that did not achieve full compliance. For the SFY 2019–2020 review period, MDHHS requested that HSAG conduct a comprehensive desk review of the completed SFY 2017–2018 and SFY 2018–2019 CAPs. HSAG's desk review consisted of the following primary activities:

- Reviewing each plan of action.
- Providing preliminary feedback to each plan of action, as needed.

- Monitoring the progress of each plan of action through two progress reports submitted by the PIHPs.
- Reviewing supporting documentation submitted by the PIHPs for each plan of action.
- Evaluating the degree to which each plan of action resulted in compliance with federal Medicaid managed care regulations and the associated MDHHS contract requirements.

The goal of this CAP activity was to ensure that each PIHP achieved full compliance, to the extent possible, with all the federal and State requirements reviewed as part of the previous two years' compliance review activities.

## Summary of Results

Table 1-2 presents an overview of the combined results of the three-year cycle of compliance reviews for **Southwest Michigan Behavioral Health**. The table shows the number of elements for each of the 17 standards that received a score of *Met* in the two prior years' (SFY 2017–2018 and SFY 2018–2019) compliance reviews. Table 1-2 also presents the number of elements that required a CAP during the two prior years' compliance reviews and the corresponding score of *Met* or *Not Met* determined during the current year's (SFY 2019–2020) CAP review. Since only those elements that required a CAP were evaluated during this year's CAP review, all elements that received scores of *Met* and/or standards with scores of 100 percent compliance in the SFY 2017–2018 and SFY 2018–2019 reviews remained unchanged and were included as scores of *Met* in this year's combined total compliance scores for each standard and the total combined compliance score across all standards.

**Table 1-2—Summary of Results for the Three-Year Cycle of Compliance Reviews**

Prior Years (SFY 2017–2018, SFY 2018–2019) and Current Year (SFY 2019–2020) Scores							
Compliance Monitoring Standard		Total # of Applicable Elements	Number of Elements				Total Compliance Score
			Prior Years		Current Year		
			M	# CAPs	M	NM	
I	QAPIP Plan and Structure	8	8	0	NA	NA	100%
II	Quality Measurement and Improvement	8	7	1	1	0	100%
III	Practice Guidelines	4	4	0	NA	NA	100%
IV	Staff Qualifications and Training	3	3	0	NA	NA	100%
V	Utilization Management	16	13	3	2	1	94%
VI	Customer Service	39	34	5	5	0	100%
VII	Grievance Process	26	21	5	5	0	100%
VIII	Members’ Rights and Protections	13	13	0	NA	NA	100%
IX	Subcontracts and Delegation	11	10	1	1	0	100%
X	Provider Network	12	12	0	NA	NA	100%
XI	Credentialing	9	5	4	3	1	89%

Prior Years (SFY 2017–2018, SFY 2018–2019) and Current Year (SFY 2019–2020) Scores							
Compliance Monitoring Standard		Total # of Applicable Elements	Number of Elements				Total Compliance Score
			Prior Years		Current Year		
			M	# CAPs	M	NM	
XII	Access and Availability	19	17	2	2	0	100%
XIII	Coordination of Care	11	11	0	NA	NA	100%
XIV	Appeals	54	47	7	7	0	100%
XV	Disclosure of Ownership, Control, and Criminal Convictions	14	14	0	NA	NA	100%
XVI	Confidentiality of Health Information	10	10	0	NA	NA	100%
XVII	Management Information Systems	12	12	0	NA	NA	100%
Total		269	241	28	26	2	99%

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

**Total # of Applicable Elements:** The total number of elements within each standard minus any elements that received a designation of *NA*.

**Prior Years:** The total number of elements within each standard that achieved a score of *Met* or required a CAP in either the SFY 2017–2018 or SFY 2018–2019 reviews.

**Number of Elements:** The number of elements that required a CAP in either the SFY 2017–2018 or SFY 2018–2019 reviews that received a score of *Met* or *Not Met* during the SFY 2019–2020 CAP review.

**Total Compliance Score:** Elements that received a score of *Met* during the SFY 2019–2020 CAP review plus the elements that received a score of *Met* in either the SFY 2017–2018 or SFY 2018–2019 reviews were given full value (1 point). The point values were then totaled, and the sum was divided by the number of applicable elements to derive a percentage score.

Through the combined compliance review activities, **Southwest Michigan Behavioral Health** achieved full compliance in 15 of the 17 standards, demonstrating most program areas had the necessary policies, procedures, and initiatives in place to carry out the required functions of the contract. The remaining two standards have continued opportunities for improvement.

Detailed findings, including recommendations for program enhancements, are documented in Appendices A and B.

## 2. Methodology

### Activity Objectives

According to 42 CFR §438.358, a state or its EQRO must conduct a review within a three-year period to determine the PIHPs' compliance with standards set forth in 42 CFR §438—Managed Care Subpart D and the quality assessment and performance improvement requirements described in 42 CFR §438.330. To complete this requirement, HSAG, through its EQRO contract with the State of Michigan, performed compliance monitoring reviews of the 10 PIHPs with which the State contracts.

The review standards are separated into 17 performance areas. MDHHS elected to review the full set of standards over the previous two review periods, as displayed in Table 2-1.

**Table 2-1—Division of Standards Over Review Periods**

SFY 2018–2019	SFY 2019–2020
Standard VI—Customer Service	Standard I—QAPI Plan and Structure
Standard VII—Grievance Process	Standard II—Quality Measurement and Improvement
Standard IX—Subcontracts and Delegation	Standard III—Practice Guidelines
Standard X—Provider Network	Standard IV—Staff Qualifications and Training
Standard XII—Access and Availability	Standard V—Utilization Management
Standard XIV—Appeals	Standard VIII—Members' Rights and Protections
Standard XV—Disclosure of Ownership, Control, and Criminal Convictions	Standard XI—Credentialing
Standard XVII—Management Information Systems	Standard XIII—Coordination of Care
	Standard XVI—Confidentiality of Health Information

After the SFY 2017–2018 and SFY 2018–2019 compliance reviews, PIHPs were required to develop a CAP for each element that did not achieve full compliance. For the SFY 2019–2020 review period, MDHHS requested that HSAG conduct a comprehensive desk review of the SFY 2017–2018 and SFY 2018–2019 CAPs. The goal of this CAP activity was to ensure that each PIHP achieved full compliance, to the extent possible, with all of the federal and State requirements reviewed as part of the previous two years' compliance review activities.

This report presents the combined results of the SFY 2017–2018 and SFY 2018–2019 compliance reviews, and the SFY 2019–2020 CAP review. MDHHS and the individual PIHPs use the information and findings from the compliance reviews to:

- Evaluate the quality and timeliness of and access to healthcare services furnished by the PIHPs.
- Identify, implement, and monitor system interventions to improve quality.
- Evaluate current performance processes.
- Plan and initiate activities to sustain and enhance current performance processes.



## Technical Methods of Data Collection and Analysis

Prior to beginning compliance reviews of the PIHPs, HSAG developed standardized tools for use during the reviews. The content of the tools was based on applicable federal regulations and the requirements set forth in the contract agreement between MDHHS and the PIHPs. For SFY 2019–2020, HSAG used the completed SFY 2017–2018 and SFY 2018–2019 CAP templates that were customized based on each PIHP’s performance in those reviews. This customized tool included only those standards for which the PIHP had scored less than 100 percent and only those elements for which the PIHP had scored *Not Met*. The CAP review templates were enhanced to document the PIHPs’ progress on implementing, and HSAG’s evaluation of, each plan of action. The review processes and scoring methodology used by HSAG in evaluating the PIHPs’ compliance were consistent with the Centers for Medicare & Medicaid Services (CMS) publication, *Protocol 3. Review of Compliance With Medicaid and Chip Managed Care Regulations: A Mandatory EQR-Related Activity*, October 2019.<sup>2-1</sup>

For each of the PIHPs, HSAG’s desk review consisted of the following activities:

- Preparing and forwarding to each PIHP a detailed timeline and description of the CAP review process.
- Reviewing each plan of action.
- Preparing and forwarding to each PIHP the CAP review templates and preliminary feedback to each plan of action, as applicable.
- Monitoring the progress of each plan of action through two progress reports submitted by the PIHPs.
- Providing technical assistance to the PIHPs, as requested.
- Reviewing supporting documentation submitted by the PIHPs for each plan of action.
- Outreaching to PIHPs on elements that do not appear to meet requirements and/or require additional clarification from the PIHPs after HSAG’s desk review of supporting documentation.
- Reviewing additional documentation and/or PIHP responses to HSAG’s requests for clarification.
- Evaluating the degree to which each plan of action resulted in compliance with federal Medicaid managed care regulations and the associated MDHHS contract requirements.

Reviewers used the CAP review templates to document findings regarding PIHP compliance with the standards. Based on the evaluation of findings, reviewers noted compliance with each element. The CAP review templates listed the score for each element evaluated.

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<sup>2-1</sup> Department of Health and Human Services, Centers for Medicare & Medicaid Services. *Protocol 3. Review of Compliance With Medicaid And Chip Managed Care Regulations: A Mandatory EQR-Related Activity*, October 2019. Available at: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/2019-eqr-protocols.pdf>. Accessed on: April 22, 2020.

HSAG evaluated and scored each element addressed in the CAP review as *Met* or *Not Met*. The overall score for each of the 17 standards was determined by totaling the number of *Met* (1 point) and *Not Met* (0 points) elements, then dividing the summed score by the total number of applicable elements for that standard. Since only those elements that required a CAP were evaluated during this year’s CAP review, all elements that received scores of *Met* and/or standards with scores of 100 percent compliance in the SFY 2017–2018 and SFY 2018–2019 reviews remained unchanged and were included as scores of *Met* in this year’s combined total compliance scores for each standard and the total combined compliance score across all standards. The scoring methodology used for the three-year cycle is displayed in Table 2-2.<sup>2-2</sup>

**Table 2-2—Scoring Methodology<sup>2-3</sup>**

Compliance Score	Point Value	Definition
<i>Met</i>	Value = 1 point	<p><i>Met</i> indicates “full compliance” defined as all of the following:</p> <ul style="list-style-type: none"> <li>• All documentation and data sources reviewed, including PIHP data and documentation, are present and provide supportive evidence of congruence.</li> <li>• Staff members are able to provide responses to reviewers that are consistent with one another, with the data and documentation reviewed, and with the regulatory provision.</li> </ul>
<i>Not Met</i>	Value = 0 points	<p><i>Not Met</i> indicates “noncompliance” defined as one or more of the following:</p> <ul style="list-style-type: none"> <li>• Documentation and data sources are not present and/or do not provide supportive evidence of congruence with the regulatory provision.</li> <li>• Staff members have little or no knowledge of processes or issues addressed by the regulatory provisions, and determined through follow-up discussions.</li> <li>• For those provisions with multiple components, key components of the provision could not be identified and/or do not provide sufficient evidence of congruence with the regulatory provision. Any findings of <i>Not Met</i> for these components would result in an overall finding of “noncompliance” for the provision, regardless of the findings noted for the remaining components.</li> </ul>

<sup>2-2</sup> Since this year’s compliance review activity included a review of elements that received a score of *Not Met* during the previous two years’ compliance review activities, all scoring definitions may not apply to the CAP review (for example, case file reviews and systems demonstrations were included in the SFY 2017–2018 and SFY 2018–2019 reviews, but were not included in the SFY 2019–2020 CAP review).

<sup>2-3</sup> Department of Health and Human Services, Centers for Medicare & Medicaid Services. *Protocol 3. Review of Compliance With Medicaid and CHIP Managed Care Regulations: A Mandatory EQR-Related Activity*, October 2019. Available at: <https://www.medicaid.gov/medicaid/quality-of-care/downloads/2019-eqr-protocols.pdf>. Accessed on: April 22, 2020.

## Description of Data Obtained and Related Time Period

To assess the PIHP's compliance with federal regulations and contract requirements, HSAG obtained information from a wide range of written documents produced by the PIHP, including, but not limited to, the following:

- Committee meeting agendas, minutes, and handouts
- Written policies and procedures
- Management/monitoring reports
- Member and provider materials
- Letter templates and redacted notices
- Narrative and/or data reports across a broad range of performance and content areas

Table 2-3 lists the major data sources used by HSAG in determining the PIHP's performance in complying with requirements and the time period to which the data applied.

**Table 2-3—Description of Data Sources**

Data Obtained	Time Period to Which the Data Applied
SFY 2018–2019 CAPs	CAP submissions as of January 31, 2019
SFY 2019–2020 CAPs	CAP submissions as of March 11, 2020
Progress Report #1	Status of each plan of action as of June 4, 2020
Progress Report #2	Status of each plan of action as of July 17, 2020
Desk review documentation	Documentation in effect as of August 28, 2020

### 3. Performance Improvement Process

**Southwest Michigan Behavioral Health** will be required to participate in a technical assistance call with HSAG and MDHHS to discuss any elements scored as *Not Met* after the CAP review activity. The purpose of the call will be to discuss **Southwest Michigan Behavioral Health**'s progress on correcting each deficiency, potential recommendations and suggestions for remediation, and next steps for **Southwest Michigan Behavioral Health**. **Southwest Michigan Behavioral Health** will be required to continue to develop performance improvement processes to address the elements that continue to demonstrate non-compliance with federal managed care requirements and/or State contract requirements. Appendix C contains the elements still requiring remediation.

**SWMBH call has been scheduled for December 18<sup>th</sup> from 10am to 12pm.**

HSAG will also notify MDHHS of any areas of significant concern that affect the quality and timeliness of, and access to, healthcare and services for enhanced monitoring by the State. MDHHS retains the responsibility of monitoring **Southwest Michigan Behavioral Health**'s performance improvement processes and for requiring additional remediation action steps. HSAG will review federal managed care requirements and associated State contract requirements during future compliance review



**Appendix C. SFY 2019–2020 Corrective Action Plan Remediation  
Michigan Department of Health and Human Services (MDHHS)  
Prepaid Inpatient Health Plans (PIHPs)  
for Region 4—Southwest Michigan Behavioral Health**

## Fiscal Year 2020 Performance Bonus Incentive Program Results

<p><b>Achieve 95% of Performance Based Incentive Program monetary award based on MDHHS specifications.</b></p> <p>Metric Measurement Period: (10/1/19 - 11/15/20) Metric Report Date: March 12, 2021 (or per MDHHS notice of award)</p> <p>A. <b>Identification of Veteran's eligible for services:</b> Timely submission of the Veteran Services Navigator (VSN) Data Collection form through DCH File transfer. Improve and maintain data quality on BH-TEDS military and veteran fields. Measurement period: 10/1/19 – 3/31/20</p> <p>B. <b>Increased Data sharing:</b> Send ADT messages for purposes of care coordination through health information exchange. Submit report addressing IT systems barriers and remediation efforts by: 7/31/20</p> <p>C. <b>Initiation and Engagement:</b> The percentage of adolescents and adults with a new episode of alcohol or other drug (AOD) abuse or dependence who received the following: Initiation of AOD Treatment: The percentage of enrollees who initiate treatment within 14 calendar days of the diagnosis.</p> <p>D. SWMBH will submit a qualitative narrative Summary report to MDHHS, related to efforts, activities and achievements with the following metrics: (By: November 15, 2020)</p> <ol style="list-style-type: none"> <li>1. Comprehensive Care</li> <li>2. Patient – Centered Medical Homes</li> <li>3. Coordination of Care</li> <li>4. Accessibility to Services</li> <li>5. Quality and Safety</li> </ol>	<p><b>Metric Achieved</b> The 4-page Veterans Narrative Report was submitted through the DCH Portal on 6/1/20. (100% compliance)</p> <p><b>Metric Achieved</b> Report submitted on 7/31/20 (100% compliance)</p> <p><b>Metric Achieved</b> MDHHS to provided final value via CC360 data source (100% compliance)</p> <p><b>Metric Achieved</b> Report to be submitted to MDHHS on 11/15/2020 And Results provided by MDHHS on 1/20/2021</p> <p>100% Performance Bonus Incentive Earned! <b>(\$2,894,028.48)</b></p>
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This communication serves as the final notice to your PIHP regarding the FY2020 performance bonus, contract section 8.4.2. Scoring is based on PIHP/MHP Joint Metrics and PIHP-only deliverables. Your PIHP has earned full points in all areas. Total performance bonus earnings are shown/highlighted in yellow below.

FY20 Total .75 Performance Bonus Incentive				
	Total \$ Available (.75 withhold)	Total Withhold Unearned	Additional Performance Bonus Earned	Grand Total Earned
SWMBH	\$ 2,066,079.90	\$0.00	\$827,948.58	\$ 2,894,028.48

*(amount includes \$827,948.58 additional bonus earnings not captured by other PIHP's)*

### Breakdown of Performance Incentive Bonus Earnings:

This communication serves as the consultation draft review response to your PIHP regarding the FY2020 performance bonus, contract section 8.4.2. Scoring is based on PIHP/MHP Joint Metrics and PIHP-only deliverables. **Your PIHP has earned full points in all areas.**

<b>FY20 Total .75 Performance Bonus Incentive</b>		
	<b>Total \$ Available (.75 withhold)</b>	<b>Total Withhold Unearned</b>
SWMBH	\$ 2,066,079.90	\$0.00

### PIHP/MHP Joint Metrics

Joint metrics with the MHPs included 1) FUH measure performance, and 2) implementation of joint care management processes. The final Follow-up after Hospitalization for Mental Illness within 30 Days (FUH) measure rates for the 1/1/2019-12/31/2019 measurement period were posted in CC360 in July 2020. Points earned out of 65 total points available are displayed in the table below.

<b>Follow-up after Hospitalization for Mental Illness within 30 days CY2019 (65 points)</b>								
		Scored 6-20 Combos Meeting Standard	Scored 21-65 Combos	Scored 21-65 Combos Meeting Standard	Total Scored Combos	Points per Combo	Total Combos Meeting Standard	Score (maximum = 65)
SWMBH	Scored 6-20 Combos	2	2	6	6	8.13	8	65

Quarterly, beneficiaries for whom CC360 joint care plans have been developed are randomly selected for review by MDHHS staff. This review is used to score the implementation of joint care management processes portion of the performance bonus. Points earned out of 35 total points available are displayed in the table below.

<b>Joint Care Management Processes (35 points)</b>	
	Joint care mgmt processes Yes = 35, No = 0
SWMBH	35

### PIHP-only deliverables

PIHP-only deliverables included 1) a narrative report on patient-centered medical home-like participation, 2) quarterly Veteran Service Navigator data submissions, and 3) a BHTEDS data quality narrative report. Points earned along with dollar amounts are displayed in the table below.

<b>PIHP-only Incentive Score (100 points)</b>							
	Patient Centered Medical Home Participation Yes = 50, No = 0	VSN Quarterly Data Submission Yes=25, No=0	BHTEDS Narrative Yes = 25, No = 0	Score	Score Converted to Percentage	Total PIHP-only \$ Available	Total PIHP-only \$ Earned
SWMBH	50	25	25	100.00	100%	\$1,033,039.95	\$1,033,039.95





6.d Fiscal Year 2020 Autism Spectrum Disorder

**Ends Metrics Update (\*Requires motion)**

*Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?*

<p><b>1. Each quarter, at least 53% of parents and/or caregivers of youth and young adults receiving Applied Behavior Analysis (ABA) for Autism will receive Family Behavior Guidance. This service supports families in implementing procedures to teach new skills and reduce challenging behaviors.</b></p> <p>Metric Measurement Period: (10/1/20 - 9/30/21) Metric Board Report Date: December 10, 2021</p> <p><b>Measurement:</b>  <u># of youth/young adults whose parents and/or caregivers received behavior treatment guidance at least once per quarter</u>  # of youth/young adults receiving ABA services</p> <p><b>Possible Points:</b> 1 point awarded upon official Board approval.  +1 bonus point for an average exceeding 61% through all 4 quarter FY21. This is 8% of the established benchmark target.</p>	<p>Metric Benchmark Provided by MDHHS specifications</p> <p><b>Metric Achieved</b></p> <p>Q1: 65.2% Q2: 62.7% Q3: 68.2% Q4: 58.8%</p> <p>895/1405 = <b>63.72%</b> average</p>
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## 2021 Board Ends Metric Update: Metric #4 PIHP and Medicaid Health Plan (MHP) Collaboration

METRIC DESCRIPTION
<p><b>4. Achieve 95% of possible points on collaboration between entities for the ongoing coordination and integration of services for shared Medicaid Health Plan (MHP) consumers.</b></p> <p>Metric Measurement Period: (10/1/20 - 9/30/21) Metric Board Report Date: November 12, 2021 Interim report to the Board in March 2021</p> <p>A. Each MHP and PIHP will continue to document joint care plans in CC360 for members with appropriate severity/risk, who have been identified as receiving services from both entities. B. Risk stratification criteria are determined in writing by the contractor in consultation with the State. MDHHS will select beneficiaries quarterly at random and review their care plans in CC360 for accuracy and compliance.</p> <p><b>Measurement:</b> Confirmation via MDHHS written report that each identified measure has been completed successfully.</p> <p><b>Possible Points:</b> 1 point awarded upon official Board approval.</p>

### Metric Update:

SWMBH's assigned registered nurse (RN) hosts monthly integrated care team meetings with each of the seven (7) Medicaid Health Plans in the region. The integrated care teams focus on individuals with both physical health and behavioral health needs, who have high emergency department and/or inpatient use, although other individuals can be referred as needed. Individuals are identified through a risk stratification report in CareConnect360, a tool used by the PIHPs and Medicaid Health Plans for integrated care and population health monitoring and documentation.

Outreach is conducted with individuals and/or their treatment providers. Once individuals are connected to appropriate community-based services or resources such as housing, and emergency department and inpatient use stabilizes, they are closed from the integrated care team planning process.

***We are on track to achieve this metric for FY21.*** Quarterly, MDHHS reviews joint care plans in CareConnect360 for evidence of collaboration and goal completeness. To date, we've received full credit for these reviews.

SOUTHWEST MICHIGAN BEHAVIORAL HEALTH OPERATING AGREEMENT

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## **PURPOSE**

Pursuant to Michigan Law, an Operating Agreement is “an agreement among an organization’s participant members to govern the organization’s business, and the participant member’s financial and managerial rights and duties.” (MCL 450.4102(2)(r)).

Southwest Michigan Behavioral Health (SWMBH) Operating Agreement is established between SWMBH and its participant Community Mental Health Services Programs (CMHSPs). The Operating Agreement is approved by the regional SWMBH Board, which has as its membership representatives from each of the participant CMHSP Boards.

The primary purposes of this Operating Agreement are to:

- Declare that the Regional Entity is a separate legal entity from the participant CMHSP organizations;
- Augment specific sections of the SWMBH Bylaws, as referenced therein;
- Further define the governance and management structure of SWMBH that the participant CMHSPs have chosen for the organization;
- Clarify the business and operational relationships between SWMBH and its participant CMHSPs; and
- Clarify the provisions and understandings by which SWMBH will operate.

## **PREAMBLE**

Southwest Michigan Behavioral Health (hereinafter referred to as “SWMBH”) is a Regional Entity created pursuant to MCL 330.1204b of the Michigan Mental Health Code, 1974 PA 258. A Regional Entity is an independent public governmental entity, and is separate from the counties, authorities, or organizations that establish it. SWMBH operates under the authority of its own Board of Directors (the “SWMBH Board”), which consists of membership from each of the participant CMHSP boards, as delineated in the SWMBH Regional Entity Bylaws.

SWMBH was created with the filing of its Bylaws with Michigan’s Office of the Great Seal. These Bylaws were approved by the following participant Community Mental Health Services Programs, which are organized and operated as community mental health authorities under Michigan’s Mental Health Code (MCL 330.1001 et seq.)

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

As the Bylaws reference the Operating Agreement and require an annual review of this Operating Agreement with revisions subject to approval by the SWMBH Board, the Operating Agreement will be

filed by SWMBH with each County Clerk and the Office of the Great Seal when revisions occur.

SWMBH designated service area encompasses the following Michigan counties: Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren. These counties are hereinafter known as the “Service Area” of SWMBH.

SWMBH was formed for the purpose of:

- (i) carrying out the provisions of the Mental Health Code in its Department designated service area as they relate to: serving as a prepaid inpatient health plan, as defined in 42 CFR 438.2 (“PIHP”);
- (ii) managing the business lines for which SWMBH is the contractor to Michigan Department of Health and Human Services (MDHHS);
- (iii) ensuring a comprehensive array of services and supports as provided in the contracts with MDHHS;
- (iv) performing all the duties and responsibilities contained in the Department/Regional Entity Contract;
- (v) Substance Abuse Coordinating Agency (CA) required functions for its service area, pursuant to MCL 333.6230 et seq. (PA 501 of 2012; Amendments to Public Health Code), and MCL 330.1100a et seq. (PA 500 of 2012, Mental Health Code);
- (vi) contractual participation in the Department’s MI Health Link (MiHL) demonstration project for its service area, serving persons with behavioral health needs who have both Medicare and Medicaid coverage; and finally
- (vii) exercising the powers and authority set forth by the Bylaws and governed by the SWMBH Board.

### **OPERATIONAL STRUCTURE**

The aforementioned eight Community Mental Health Services Programs (the “Participants”) have joined together to create a jointly governed regional entity operating as a Prepaid Inpatient Health Plan (“PIHP”) for the purpose of supporting and furthering the work of the Participants in their roles as Community Mental Health Service Programs (“CMHSPs”) as applicable in the counties they serve.

Inherent in this action is the belief that the Participants are best suited to provide services well matched to the needs of the communities and citizens served. SWMBH is established for the purpose of meeting its regulatory and statutory requirements, and other services as mutually agreed, while not encumbering, but enhancing, the efforts of the Participant CMHSPs. In serving and representing the counties of Barry, Berrien, Branch, Cass, Calhoun, Kalamazoo, Saint Joseph, Van Buren, SWMBH shall be dedicated to ensuring that equality in voice and governance exists, and that the benefit to the person participating in services is uniform, person centered, and locally available.

SWMBH is founded on a shared governance structure, using standing committees to create avenues for input. Certain checks and balances are created to ensure that governance remains balanced and equal. SWMBH exists to support all Participants, and all Participants must work collaboratively to ensure that

SWMBH is successful in its core mission.

The SWMBH Board has final authority over governing SWMBH, as set forth in the Bylaws approved by the Participants and subject to those powers reserved to the Participants in the Bylaws. This Operating Agreement reinforces the responsibility for governance of the Regional Entity to the SWMBH Board, and management of the Regional Entity to its Executive Officer (EO).

The SWMBH Board will be best served by an EO who is an accomplished administrator and facilitator, capable of bringing many and varied voices together to achieve consensus. The EO must promote compliance, fiscal responsibility, quality programs, meaningful outcomes, and efficiencies that will funnel more resources to direct services. The SWMBH Board shall also be advised by an Operations Committee that brings management expertise, local perspectives, local needs, and greater vision to the operation of the PIHP.

## **ORGANIZATION**

**Formation and Qualification.** SWMBH has been formed by the Participants pursuant to the authority granted under the Michigan Mental Health Code, MCL § 330.1204b and by filing Bylaws with the County Clerks of each of the eight counties and the Michigan Secretary of State, Office of the Great Seal.

**Name.** The business of SWMBH may be conducted under that name or, in compliance with applicable laws, any other name that the SWMBH Board deems appropriate or advisable. SWMBH shall file any certificates, articles, fictitious business name statements and the like, and any amendments and supplements thereto, as SWMBH considers appropriate or advisable.

**Office.** The principal office of SWMBH shall be at such place or places of business within the eight counties as the SWMBH Executive Officer may determine.

## **SCOPE AND AUTHORITY**

The intention of this Operating Agreement is to provide a paradigm for decision-making, and a structure for effective communication among members of the SWMBH Board, the Participants, SWMBH administration and, potentially, provider representatives, persons in service, SWMBH staff, and stakeholders, that is inclusive, collegial, equal and responsive.

The Operations Committee participates meaningfully in the establishment of and alignment to regional, SWMBH, and common CMHSPs goals.

- **Meetings.** The Operations Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Operations Committee may also meet by video and phone options and may act by unanimous written consent via e-mail in lieu of a meeting. Records of Operations Committee Meetings shall be kept.
- **Annual Self-Evaluation.** At least annually, the Operations Committee shall evaluate its own performance, and provide recommendations and conclusions to the Board.

- Standing Committees and Subcommittees. The Operations Committee may form and delegate authority to one or more Standing Committees made up of CEOs, or it may form self-populated subcommittees or workgroups as it deems appropriate from time to time under the circumstances. Such efforts will avoid duplication or role confusion.

### **SWMBH BOARD COMMITTEES AND OVERSIGHT BOARDS**

Pursuant to the SWMBH Bylaws, the SWMBH Board shall create the following Committees or Oversight Boards:

- Operations Committee;

#### **Operations Committee**

“An Operations Committee will be formed consisting of the CEOs of the CMHSPs or their designees. The Operations Committee will have the responsibilities and authorities assigned by the Board and outlined in the Operating Agreement.” (SWMBH Bylaws 5.1.1)

The SWMBH Operations Committee is comprised of the Participant CEOs/Executive Directors, or their designees, and the SWMBH EO. The SWMBH EO participates in an ex-officio capacity without vote. The Operations Committee, in collaboration with the EO and SWMBH Board, participates in the development of the vision, mission and long-term plans of SWMBH. The Operations Committee, in a manner consistent with SWMBH Board directives, contributes to the hiring and evaluation process of the EO. The EO, in concert with the Operations Committee, develops and recommends priorities for the SWMBH Board’s consideration and makes recommendations to the SWMBH Board with respect to policy and fiscal matters. The EO collaborates with the Operations Committee in the development of the contracts between the Participants and SWMBH. Each CMHSP CEO is charged with assuring that its CMHSP complies with applicable federal and state standards and regulations. The Operations Committee is advisory to both the EO and SWMBH Board. Any items requiring approval from the Operations Committee requires a super majority (75% of present members) vote.

The Operations Committee shall function with a large degree of independence in the discharge of its responsibilities. The Operations Committee shall assess the information provided by the SWMBH management, in accordance with its business judgment; and will work in collaborative partnership with the SWMBH Executive Officer (EO) in carrying-out its responsibilities, and in the provision of advice and recommendations to the Board.

#### **Operations Committee Responsibilities and Authorities**

The Operations Committee and the individual CMHSP CEOs/Executive Directors will work actively and constructively to:

- A. Assure Participant CMHSP and community awareness of and alignment to SWMBH approved contracts, Participant subcontracts and related Plans, Policy and Procedures.
- B. Assure its CMHSP personnel are constructively involved in SWMBH Committees and related activities.
- C. Contribute to SWMBH and Participant CMHSP environmental awareness and SWMBH regional planning activities, including but not limited to strategic planning, Mission

development, operational and capital budgeting, growth, infrastructure, products and markets.

- D. Seek to resolve boundary issues, differences and disputes.
- E. On an ongoing basis consider possible administrative efficiencies where appropriate (Bylaws 11.2).

As listed throughout the Operating Agreement the Operations Committee does the following:

- A. Advises both the EO and SWMBH Board.
- B. Participates in the development of the vision, mission, and long-term plans of SWMBH and ensures alignment with common CMHSP goals.
- C. Reviews the annual operating and capital budget, Financial Management Plan, Cost Allocation Plan and Financial Risk Management Plan prior to presentation and approval by the SWMBH Board.
- D. Reviews the Quality Assurance and Program Improvement Program (QAPIP) prior to presentation and approval by the SWMBH Board.
- E. Reviews the Utilization Management Program (UM Plan) prior to implementation and/or presentation to the SWMBH Board.
- F. Advises the EO in advance of, and throughout, engaging in any meaningful discussion with other entities that may impact the operations or decision of participants' CMHSP or SWMBH.
- G. Attempts to resolve disputes between the Participants or one or more Participants and SWMBH at step 2 in the formal Dispute Resolution process.
- H. Assists the SWMBH Board in hiring and retention decisions regarding the SWMBH EO in a manner consistent with Board policy, and as requested.
- I. Responds to the EO's consultation before the EO renders a formal policy interpretation that may materially or negatively affect the Participants - where feasible.
- J. Reviews all grant applications submitted on behalf of SWMBH prior to being submitted.
- K. Responds to the EO's consultation before the EO determines what functions remain with SWMBH and which can be delegated to the Participants consistent with the Balanced Budget Act. Medicaid Managed Care Regulations.
- L. Advises the EO regarding any additional SWMBH contractual arrangements that involve the Participants.
- M. Provides a recommendation to the SWMBH Governing Board regarding any additional SWMBH contractual arrangements that involve the Participants and/or other vendors and requires approval by the SWMBH Governing Board.
- N. Where appropriate, reviews and comments on agendas, materials, and minutes of the Substance Use Disorder Oversight Policy Board (SUDOPB).

#### OPERATIONAL COMMITTEES AND POLICY BOARD COMMITTEES

#### SWMBH POLICY BOARDS AND COMMITTEES

**Substance Use Disorder Oversight Policy Board** is established to assist SWMBH develop and sustain a comprehensive array of prevention programs, treatment and other services and a provider network capable of meeting the needs of persons with substance use disorders. SWMBH has executed an Intergovernmental Contract with 8 county commissions. This contract and related statutes and regulations shall guide the responsibilities of the SUD Oversight Policy Board. The Substance Use Disorder Oversight



Policy Board will be constituted as required under MCL 330.1100a et seq. (PA 500 of 2012; Mental Health Code) and shall advise the SWMBH on issues concerning services to persons with substance use disorders. The functions and responsibilities assigned to the Board under law will include:

- A. Approval of that portion of SWMBH budget that includes local funds (PA2) for treatment or prevention of substance use disorders;
- B. Advice and recommendations regarding SWMBH budget for substance use disorder treatment or prevention using other nonlocal funding sources;
- C. Advice and recommendations regarding contracts with substance use disorder treatment or prevention providers;
- D. Other functions and responsibilities requested by SWMBH and accepted by amending Intergovernmental Contract.

**Customer Advisory Committee (CAC)** is established to advise SWMBH. The CAC is comprised of active or former customers, and may also include family members. Membership will include at least two but not more than three representatives from each county, nominated by Participants and other sources, recommended by the SWMBH EO, and appointed by the SWMBH Board, unless otherwise required by contract or regulation. Representatives will reflect the SWMBH population served and include those living with developmental disabilities, mental illness, serious emotional disturbance, and substance use disorders.

**SWMBH Corporate Compliance Committee** is established to develop the Compliance Plan for SWMBH Board approval and assist in implementing Program Integrity/Compliance Program of SWMBH. Committee members will include the SWMBH key functional areas such as Compliance, Utilization Management, Quality Management, Information Technologies, Finance, etc. as appointed by the EO. The Corporate Compliance Officer has a dual reporting relationship with the EO and the SWMBH Board. The Operations Committee will appoint a member to the SWMBH Compliance Committee.

### **SWMBH Standing Committees**

Standing Operating Committees of SWMBH are:

- Finance Committee
- Quality Management Committee
- Utilization Management Committee
- Clinical Practices Committee
- Provider Network Management Committee
- Regional Information Technology Committee
- Customer Services Committee
- Regional Compliance Coordinating Committee

The CMHSP CEOs will ensure representatives from participant CMHSPs on all SWMBH Standing Committees. Each Participant CMHSP shall identify their representative to each committee. The EO with CMHSP support and involvement will actively pursue customer representation on standing committees. Committee work plans and goals shall be reviewed by the Operations Committee annually and in the event of changes to ensure alignment with SWMBH and common CMHSP goals. At its discretion, the Operations Committee may request an in-depth committee report or update.

**Finance Committee** is established to advise the EO and is comprised of the SWMBH Fiscal Officer and participant CMHSP Fiscal Officer or Finance Director, as appointed by the Participant CEOs/Executive Directors. The Finance Committee will be charged with advising the EO and SWMBH CFO in the development of the annual operating and capital budget; Financial Management Plan, Cost Allocation Plan, and Financial Risk Management Plan, for review by the SWMBH Operating Committee prior to presentation and approval by the SWMBH Board.

**Quality Management Committee** is established to advise the EO and is comprised of both SWMBH QAPI leader and Participant CMHSP QM staff. The Quality Management Committee will be charged with advising the EO and SWMBH QAPI Director in the development of the Quality Assurance and Program Improvement Program (QAPIP), for review by the SWMBH Operating Committee prior to presentation and approval by the SWMBH Board.

**Utilization Management Committee** is established to advise the EO and is comprised of both SWMBH Clinical leader and Participant CMHSP UM staff. The UM Committee will be charged with advising the EO and the SWMBH staff in the development of the Utilization Management Program (UM Plan) for review by the SWMBH Operations Committee prior to implementation, and/or presentation to the SWMBH Board.

**Clinical Practices Committee** is established to advise the EO and is comprised of both SWMBH Clinical leader and Participant CMHSP clinical staff. The CP Committee will be charged with advising the EO and the SWMBH staff in the development of the Clinical Practices Program for review by the SWMBH Operations Committee prior to implementation, and/or presentation to the SWMBH Board.

**Provider Network Management Committee** is established to advise the EO and is comprised of both SWMBH Provider Network Manager Leader and Participant CMHSP PNM staff, as appointed by the Participant CEOs/Executive Directors.

**Regional Information Technology Committee** is established to advise the EO and is comprised of both SWMBH CIO and Participant CMHSP IS/IT staff, as appointed by the Participant CEOs/Executive Directors.

**Customer Services Committee** is established to advise the EO and is comprised of both SWMBH staff and Participant CMHSP CS leader, as appointed by the Participant CEOs/Executive Directors.

**Regional Compliance Coordinating Committee** consists of both SWMBH Chief Compliance Officer and CMHSP Compliance Officers as appointed by the Participant CEOs/Executive Directors. It is established to insure sharing of Compliance knowledge and best practice among the participants.

Each Committee shall have a Charter, subject to review by the Operations Committee. Periodic Operations Committee reviews of Committee Charters at the direction of the Operations Committee and SWMBH EO.

#### **Responsibilities of SWMBH and Participants Regarding the Participants and Committees**

SWMBH EO and the Participant CMHSP CEOs/Executive Directors shall mutually assure communication and collaboration including but not limited to:

- A. Provide all parties, in a timely manner, copies of correspondence of a substantive nature to allow full consideration and deliberation prior to being called on to take action on such items.

This includes but is not limited to: 1) policy, 2) contracts, 3) funding, 4) State and federal mandates, 5) items requiring a parties action and 6) legislative initiatives;

- B. Provide all parties with copies of minutes from meetings attended by staff as representatives of SWMBH, and provide timely reports to the Operations Committee, as requested;
- C. It is the intent of the parties to operate an efficient and well managed organization, keeping cost reasonable, thus allowing a maximum flow of funding for services. To this end all parties will share in representing the SWMBH at State level meetings and on committees at the regional, State, federal, and any association levels. Only those authorized to do so by the EO may speak on behalf of SWMBH, and those representing SWMBH are to provide a written summary or minutes of the proceedings. Determination of SWMBH representation, if other than SWMBH staff appointed by the EO, at standing statewide PIHP committees or meetings will be discussed by the Operations Committee;
- D. Provide timely and accurate financial reports, with detail at the level necessary to allow the Participant CEOs/Executive Directors to have a full understanding of fiscal operations and status of SWMBH matters;
- E. Provide data to all parties Boards in a complete and timely manner, and provide additional reasonable detail as requested by the Participants;
- F. Contribute to SWMBH and Participant CMHSPs environmental awareness and SWMBH regional planning activities, including but not limited to strategic planning, Mission development, operational and capital budgeting, growth, infrastructure, products and markets;
- G. Advise the Operations Committee in advance of engaging in any meaningful discussion with other entities that may impact the operations or decision of CMHSPs; and
- H. Establish and sustain a regular schedule for standing committee meetings and arrange for appropriate space and clerical support.

### **DISPUTE RESOLUTION PROCESS**

“The manner for adjudicating a dispute or disagreement among Participants shall be set forth in an Operating Agreement, approved by the Regional Entity Board and incorporated herein by reference.”  
(SWMBH Bylaws 3.6)

Occasionally disputes may arise that cannot be resolved through amiable discussion. Any unresolved disputes between the Participants or one or more Participant and SWMBH will be resolved as follows:

- 1. The Participant CMHSP CEOs/Executive Directors will attempt to resolve the dispute through discussion with each other, or the SWMBH EO if the dispute is with SWMBH.
- 2. If the dispute remains unresolved, the Participant CMHSP CEOs/Executive Directors, or the SWMBH EO if the dispute is with SWMBH, will bring the matter to the Operations Committee no later than its next scheduled meeting, which will discuss the matter and render a decision within fifteen (15) calendar days of the meeting, or within agreed upon timeframe by involved parties.
- 3. If the dispute continues to be unresolved to the satisfaction of the Participant/s or SWMBH, all parties to the dispute will provide written descriptions of the issue in dispute and propose a solution to the SWMBH Board within fifteen (15) calendar days or within agreed upon timeframe by involved parties. The SWMBH Board will have thirty (30) calendar days or a mutually agreed upon timeframe to provide a written decision.
- 4. If the Participant/s or SWMBH remain dissatisfied, the Participant/s or SWMBH may seek

mediation, arbitration or legal recourse as provided by PIHP-CMHSP contract and law.

5. Participant sub-contracts will include a Dispute Resolution section congruous with this approach.

## **OPERATION OF SWMBH**

### **A. Budget**

The Finance Committee is charged with advising the EO and SWMBH CFO in the development of the regional annual operating and capital budget; Financial Management Plan, Cost Allocation Plan, and Financial Risk Management Plan, for review by the SWMBH Operating Committee prior to presentation and approval by the SWMBH Board as applicable.

From these plans, annual operating and capital budgets will be developed. The Participants play an integral part in the budget development via its representatives on the SWMBH Finance Committee.

Annual operating and capital budgets will be developed in accordance with the principles outlined in SWMBH Financial Management and Financial Risk Management Plan and Cost Allocation Plans which are incorporated herein by reference and considered a part of this Operating Agreement. The annual operating and capital budgets will be reviewed by the Operations Committee prior to presentation to the SWMBH Board.

The annual operating budget shall plan for adequate funds for projected supports and services to beneficiaries. Budgeting shall consider Participant CMHSPs needs for capital and operating costs, payments of principal and interest on obligations; prudent risk management; reinvestment of Medicaid savings to ensure benefit stabilization; Participant CMHSPs meeting local match obligations for Medicaid; equitable distribution of any surplus funds available after the completion of the Regional Entity's purpose, and operations efficiency and effectiveness across the region.

The SWMBH CFO and Finance Committee may recommend to the EO potential areas where functional consolidation and administrative efficiencies may be achieved. These in turn will be considered by the EO and the Operations Committee. After thorough review, a proposal may be presented to the SWMBH Board for approval if necessary.

### **Purchase of Services (POS)**

Participant CMHSPs singly or in groups may purchase services from SWMBH. Such arrangements shall be documented in writing with mutual agreement as to specification and pricing.

Where there is a POS agreement between SWMBH and one or more Participants, only those Participants who are a party to the agreement will be subject to the terms and conditions of the agreement. Cost associated with any agreements shall be managed between SWMBH and applicable Participants, subject to request for review by the Operations Committee.

Nothing shall prohibit a Participant from withdrawing from an agreement established with SWMBH to provide a service on behalf of the Participant. However, the Participant, once a party to an agreement, will be bound by that agreement and may withdraw only according to the terms of the agreement.

The SWMBH CFO and Finance Committee will establish a financial management system sufficient to

monitor revenues and expenditures by funding source (Medicaid, HMP, General Fund, etc.) and the Participants. SWMBH shall maintain accounts and source records in which any and all revenues received and expenses incurred are ascertainable and verifiable and include date of receipt /payment and sources of funds. The SWMBH CFO has the responsibilities set forth in MCL § 330.1204b and will be responsible for receiving, depositing, investing, and disbursing SWMBH's funds in the manner authorized by SWMBH Bylaws, Board policy, and operational policy.

## **B. Planning**

The SWMBH Board, in collaboration with the Operations Committee and the EO, will develop and publish a mission statement and vision statement consistent with the principles of SWMBH.

Per Board directive the EO will facilitate a planning session, involving the SWMBH Board and the Operations Committee to create, update, or modify the Long-Term Plan of SWMBH. The process will allow for broad input and is intended to meet all contractual and accreditation requirements. The SWMBH Board will approve the Long-term Plan prior to its publication.

## **C. Compliance**

All parties recognize that SWMBH is a regional entity, and holds distinct and different legal status and responsibilities than the Participants. SWMBH is the Department designated PIHP and CA Office for the Southwest Michigan service area.

Throughout the implementation of this Operating Agreement, all parties enter into this arrangement in a spirit of good faith and cooperation. All parties recognize that SWMBH may need to, at the discretion and with the advanced approval of the SWMBH EO and his/her designee, conduct random audits and/or reviews of the Participants. Such activity would occur with timely notice to the Participant CEOs/Executive Directors and Participant Compliance Officer to communicate rationale for the review and findings. The Participants acknowledge that SWMBH is responsible for ensuring that covered services and administrative services furnished by and through the Participants are furnished and compensated in accordance with applicable laws and regulations. Accordingly, on behalf of itself and its providers, the Participants acknowledge that SWMBH has the right, responsibility and authority:

1. To detect and deter compliance violations by the Participants and their providers by any lawful means, including monitoring and announced audits; and
2. In conjunction with the Participant CMHSPs Compliance Officer to independently investigate alleged or suspected compliance violations by the Participants, a network provider, or an employee, owner, or governing body members of either.

The Participants acknowledge their obligation to submit all requested financial and quality data and reports within the timelines as found in subcontracts, MDHHS directives or as agreed upon. Should a Participant CMHSPs not submit requested financial and quality data and reports in a complete, valid and timely manner, SWMBH will be empowered to take corrective action, including agreed upon sanctions, in accordance with the terms of the SWMBH/CMHSP Contract.

## **D. Human Resources**

SWMBH will directly employ the EO, CFO, and CIO. The Operations Committee may recommend to the

SWMBH EO the use of other hired staff, or the use of a contract to secure other established positions as required.

The SWMBH EO shall appoint, or contract with, an individual or an organization to perform Human Resources functions.

The employee handbook of SWMBH shall be made available upon request to the Operations Committee.

The SWMBH Board has sole responsibility for all hiring and retention decisions regarding the SWMBH EO. The Operations Committee shall assist the SWMBH Board in this process as requested. This may include screening candidates to ensure the SWMBH Board receives only qualified applicants to consider and participation in the interview and evaluation process

#### **E. Policy Development**

The SWMBH EO, making full use of the Operations committee and standing committees, shall develop policies, exclusive of SWMBH internal operational policies.

The SWMBH EO shall consult with the Operations Committee before rendering a formal policy interpretation that may materially or negatively affect the Participants where feasible.

#### **F. Contracts**

SWMBH shall contract with the Participants as its CMHSP providers.

SWMBH, consistent with regulatory requirements and funds availability may consider with review from Operations Committee providing Participants with pilot or startup funding. Nothing other than federal or state statutory or regulatory prohibition should inhibit or prohibit a Participant CMHSPs from participating in opportunities to provide integrated and accountable care to serve the Medicaid population in its CMHSP catchment area provided that they are consistent with SWMBH policies, financial plan, financial risk management plan and cost allocation plan.

Consistent with the SWMBH mission, vision, and principles, all grant applications submitted on behalf of SWMBH must be reviewed by the Operations Committee prior to being submitted. This may necessitate review outside the regularly scheduled Operations Committee meetings due to funding application grant timelines.

The SWMBH EO shall, in consultation with Operations Committee, determine what functions remain with SWMBH and which can be delegated to the Participants consistent with the Medicaid Managed Care Rules.

The Operating Committee shall be consulted regarding significant contract arrangements that involve SWMBH and Participant CMHSPs. Nothing herein prohibits the participant CMHSPs from entering into opportunities at the local level to provide services.

“2.4.1 The Regional Entity shall have no powers, rights or authority with respect to:

- the Participants’ obligations under the Mental Health Code including those related to size, composition, and authority of the Participants’ Board;
- the Participants’ autonomous administrative, financial, or clinical operations; or

- the Participants' relationship with other providers unless the Regional Entity's involvement is so limited that it does not prevent the Participant from collaborating with other providers."  
(SWMBH Bylaws 2.4)

### **AMENDMENTS**

This Operating Agreement shall be reviewed and an Operations Committee Self-Evaluation shall be performed by the Operations Committee on an annual basis, with a report to the Board on both. Any recommended changes to the Operating Agreement will be forwarded to the SWMBH Board for consideration. All revisions or amendments to the Operating Agreement shall be in writing and formally approved by the SWMBH Board.



# Southwest Michigan Behavioral Health

Presented by:

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ADVISORS



**HRM**  
INNOVATIONS



# Overview

## Service Providers

- Vendor: Nationwide
- Administrator: Beene Garter
- Financial Advisors: Carl Doerschler and Jill Ingersoll at Rose Street Advisors

## Sponsored Retirement Plans

- 457(b) – Employee Elective Deferrals (395-60000)
- 401(a) – Employer Match (395 -80054)
- 401(a) – Social Security Alternative (SSA) (39580055)

## Services Provided to SWMBH

- Annual Fiduciary Review Meetings
- Co-Fiduciary (3(21)) Advisory Services
- Consult with Investment Committee
- Prepare and maintain Investment Policy Statement (IPS)
- Recommend specific investments for each plan
- Prepare Investment Performance Reports
- Provide participant advice including enrollments and education
- Provide plan benchmarking analysis
- Help with plan design consultation
- One-on-one education with each employee to talk about contribution rates and investments
- Personal one -on-one enrollments for new employees

# Statistics / Demographics

## 457(b) Plan

- Plan Balance as of 12/31/2020: \$1,864,612.55
- YTD (12/31/2020) Average Rate of Return per Participant: 14.70%
- 2019 Average Rate of Return per Participant: 20.76%
- 2018 Average Rate of Return per Participant: (8.42%)
- 2017 Average Rate of Return per Participant: 17.44%
- Currently, there are 84 eligible employees with 60 contributing, equaling an 71% participation rate.

## 401(a) Plan – Employer Match

- Plan Balance as of 12/31/2020: \$1,804,413.43
- YTD (12/31/2020) Average Rate of Return per Participant: 14.36%
- 2019 Average Rate of Return per Participant: 21.04%
- 2018 Average Rate of Return per Participant: (8.79%)
- 2017 Average Rate of Return per Participant: 17.03%

## 401(a) Plan - Social Security Alternative

- Plan Balance as of 12/31/2020: \$2,271,376.89
- YTD (12/31/2020) Average Rate of Return per Participant: 14.02%
- 2019 Average Rate of Return per Participant: 20.14%
- 2018 Average Rate of Return per Participant: (10.09%)
- 2017 Average Rate of Return per Participant: 15.03%
- Currently, there are 57 eligible employees with 41 contributing, equaling a 72% participation rate.

# Recommendation / Changes

- SWMBH 457 Plan
  - Map all current balances and future contributions from the Vanguard Selected Value (VASVX) to the Vanguard Mid Cap Value Index (VMVAX).
  - Map all current balances and future contributions from the Loomis Sayles Bond (LSBDX) to the PIMCO Income Fund (PIMIX).
  - Investment change is set to take place on March 1<sup>st</sup>, 2021.
- SWMBH Retirement Savings Plan 401(a) Employer Match
  - Map all current balances and future contributions from the Vanguard Selected Value (VASVX) to the Vanguard Mid Cap Value Index (VMVAX).
  - Map all current balances and future contributions from the Loomis Sayles Bond (LSBDX) to the PIMCO Income Fund (PIMIX).
  - Investment change is set to take place on March 1<sup>st</sup>, 2021.
- SWMBH Social Security Alternative 401(a) Plan
  - No recommendations

# Fee Benchmarking / Fee Reduction

## Southwest Michigan Behavioral Health Fee Benchmarking

	Nationwide (since inception to	Nationwide (current)
<b><u>Vendor Costs</u></b>		
Asset Based Fee	0.64%	0.47%
Weighted Average Expense Ratio	0.28%	0.25%
Total Vendor/Fund Annual Cost	0.92%	0.72%
<b><u>Financial Advisor Annual Fee</u></b>	0.50%	0.40%
	1.42%	1.12%
<b><u>TPA Cost Comparison</u></b>		
<b><u>Beene Garter</u></b>		
Conversion Fee	N/A	N/A
Document Fee	N/A - Attorney Drafted	N/A - Attorney Drafted
Annual Administrative	\$1,500	\$1,500
	\$10 / participant	\$10 / participant

- The weighted average expense ratio used for all vendors assumes the current mutual funds used at Nationwide and their expenses.
- For 2019, the estimated cost savings for all three retirement plans was approximately \$10,800. This is based on \$4,000,284.95 in total plan assets with a 0.27% cost savings.
- For, 2020, the estimated cost savings for all three retirement plans was approximately \$17,227.16. this is based on \$5,940,402.87 in total plan assets with a 0.29% cost savings.

# Questions & Answers

	E	F	G	H	J	K	L	M	N	O	P	Q	R	S
1	<b>Southwest Michigan Behavioral Health</b>													
2	<i>Mos in Period</i>													
3	For the Fiscal YTD Period Ended 1/31/2021 P04FYTD21 4													
4	<i>(For Internal Management Purposes Only)</i>													
5														
6														
7	<b>INCOME STATEMENT</b>													
8		TOTAL	Medicaid Contract	Healthy Michigan Contract	Autism Contract	MI Health Link	MH Block Grant Contracts	SA Block Grant Contract	SA PA2 Funds Contract	SWMBH Central	Indirect Pooled Cost			
9														
10														
11	<b>REVENUE</b>													
12	Contract Revenue	103,074,258	77,216,426	14,277,952	7,624,512	1,152,343	-	1,859,541	673,767	269,715	-			
13	DHHS Incentive Payments	222,386	222,386	-	-	-	-	-	-	-	-			
14	Grants and Earned Contracts	53,267	-	-	-	-	53,267	-	-	-	-			
15	Interest Income - Working Capital	2,958	-	-	-	-	-	-	-	2,958	-			
16	Interest Income - ISF Risk Reserve	374	-	-	-	-	-	-	-	374	-			
17	Local Funds Contributions	575,397	-	-	-	-	-	-	-	575,397	-			
18	Other Local Income	-	-	-	-	-	-	-	-	-	-			
19														
20	<b>TOTAL REVENUE</b>	<b>103,928,641</b>	<b>77,438,813</b>	<b>14,277,952</b>	<b>7,624,512</b>	<b>1,152,343</b>	<b>53,267</b>	<b>1,859,541</b>	<b>673,767</b>	<b>848,445</b>	<b>-</b>			
21														
22														
23	<b>EXPENSE</b>													
24	<b>Healthcare Cost</b>													
25	Provider Claims Cost	6,825,479	1,165,671	2,522,547	-	1,095,075	7,828	1,547,586	384,424	102,348	-			
26	CMHP Subcontracts, net of 1st & 3rd party	76,031,938	63,061,085	6,924,113	5,410,658	498,317	-	137,765	-	-	-			
27	Insurance Provider Assessment Withhold (IPA)	1,089,650	1,089,650	-	-	-	-	-	-	-	-			
28	Medicaid Hospital Rate Adjustments	-	-	-	-	-	-	-	-	-	-			
29	MHL Cost in Excess of Medicare FFS Cost	-	531,566	-	-	(531,566)	-	-	-	-	-			
30														
31	<b>Total Healthcare Cost</b>	<b>83,947,067</b>	<b>65,847,972</b>	<b>9,446,660</b>	<b>5,410,658</b>	<b>1,061,826</b>	<b>7,828</b>	<b>1,685,351</b>	<b>384,424</b>	<b>102,348</b>	<b>-</b>			
32	Medical Loss Ratio (HCC % of Revenue)	81.3%	85.0%	66.2%	71.0%	92.1%	-	90.6%	57.1%	-	-			
33														
34	<b>Administrative Cost</b>													
35	Purchased Professional Services	124,519	-	-	-	-	-	-	-	124,519	-			
36	Administrative and Other Cost	2,539,103	-	-	-	-	45,439	27,951	-	2,464,026	1,687			
37	Interest Expense	-	-	-	-	-	-	-	-	-	-			
38	Depreciation	7,970	-	-	-	-	-	-	-	7,970	-			
39	Functional Cost Reclassification	-	-	-	-	-	-	-	-	-	-			
40	Allocated Indirect Pooled Cost	(0)	-	-	-	-	-	-	-	1,687	(1,687)			
41	Delegated Managed Care Admin	5,939,068	4,934,856	544,036	421,483	38,693	-	-	-	-	-			
42	Apportioned Central Mgd Care Admin	-	2,088,944	307,248	175,979	51,824	1,732	55,724	-	(2,681,452)	-			
43														
44	<b>Total Administrative Cost</b>	<b>8,610,661</b>	<b>7,023,800</b>	<b>851,285</b>	<b>597,462</b>	<b>90,517</b>	<b>47,171</b>	<b>83,675</b>	<b>-</b>	<b>(83,250)</b>	<b>(0)</b>			
45	Admin Cost Ratio (MCA % of Total Cost)	9.3%	9.6%	8.3%	9.9%	7.9%	-	4.7%	0.0%	2.9%	-			
46														
47	Local Funds Contribution	575,397	-	-	-	-	-	-	-	575,397	-			
48	PBIP Transferred to CMHPs	-	-	-	-	-	-	-	-	-	-			
49														
50	<b>TOTAL COST after apportionment</b>	<b>93,133,126</b>	<b>72,871,773</b>	<b>10,297,944</b>	<b>6,008,120</b>	<b>1,152,343</b>	<b>55,000</b>	<b>1,769,027</b>	<b>384,424</b>	<b>594,495</b>	<b>(0)</b>			
51														
52														
53	<b>NET SURPLUS before settlement</b>													
54	Net Surplus (Deficit) % of Revenue	10.4%	5.9%	27.9%	21.2%	0.0%	-3.3%	4.9%	42.9%	29.9%	-			
55	Prior Year Savings	-	-	-	-	-	-	-	-	-	-			
56	Change in PA2 Fund Balance	(289,343)	-	-	-	-	-	-	(289,343)	-	-			
57	ISF Risk Reserve Abatement (Funding)	(374)	-	-	-	-	-	-	-	(374)	-			
58	ISF Risk Reserve Deficit (Funding)	-	-	-	-	-	-	-	-	-	-			
59	Settlement Receivable / (Payable)	(90,515)	3,454,707	(1,838,315)	(1,616,392)	-	-	(90,515)	-	-	-			
60														
61	<b>NET SURPLUS (DEFICIT)</b>	<b>10,415,283</b>	<b>8,021,747</b>	<b>2,141,693</b>	<b>-</b>	<b>-</b>	<b>(1,732)</b>	<b>-</b>	<b>-</b>	<b>253,575</b>	<b>0</b>			
62	<i>HMP &amp; Autism is settled with Medicaid</i>													
63														
64	<b>SUMMARY OF NET SURPLUS (DEFICIT)</b>													
65	Prior Year Unspent Savings	-	-	-	-	-	-	-	-	-	-			
66	Current Year Savings	10,163,440	8,021,747	2,141,693	-	-	-	-	-	-	-			
67	Current Year Public Act 2 Fund Balance	-	-	-	-	-	-	-	-	-	-			
68	Local and Other Funds Surplus/(Deficit)	251,843	-	-	-	-	(1,732)	-	-	253,575	0			
69														
70	<b>NET SURPLUS (DEFICIT)</b>	<b>10,415,283</b>	<b>8,021,747</b>	<b>2,141,693</b>	<b>-</b>	<b>-</b>	<b>(1,732)</b>	<b>-</b>	<b>-</b>	<b>253,575</b>	<b>0</b>			
71														
72														
73														

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Southwest Michigan Behavioral Health				Mos in Period								
2	For the Fiscal YTD Period Ended 1/31/2021				4								
3	(For Internal Management Purposes Only)				ok								
4	INCOME STATEMENT		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5	P04 projected by SWMBH												
6	Medicaid Specialty Services			HCC%	80.1%	76.9%	78.1%	79.6%	80.0%	80.5%	81.9%	80.2%	81.2%
7	Subcontract Revenue	77,216,426	4,621,672	72,594,755	3,144,329	14,442,598	4,020,081	13,111,165	3,784,059	22,324,958	4,813,292	6,954,273	
8	Incentive Payment Revenue	222,386	38,621	183,766	9,531	12,708	37,594	57,185	1,621	56,656	6,354	2,118	
9	Contract Revenue	77,438,813	4,660,292	72,778,520	3,153,860	14,455,306	4,057,675	13,168,350	3,785,679	22,381,613	4,819,646	6,956,391	
10													
11	External Provider Cost	48,365,171	1,165,671	47,199,500	1,439,560	9,343,234	2,040,007	9,970,307	2,050,048	15,744,674	2,721,323	3,890,347	
12	Internal Program Cost	16,622,900	-	16,622,900	990,091	3,393,577	943,729	2,923,042	1,119,382	2,969,217	1,643,449	2,640,414	
13	SSI Reimb, 1st/3rd Party Cost Offset	(262,999)	(262,999)	(262,999)	(4,657)	(71,400)	(14,885)	(28,150)	(14,339)	(94,856)	(15,500)	(19,213)	
14	Insurance Provider Assessment Withhold (IPA)	1,089,650	1,089,650	-	-	-	-	-	-	-	-	-	
15	MHL Cost in Excess of Medicare FFS Cost	(5,443)	(5,443)	-	-	-	-	-	-	-	-	-	
16	Total Healthcare Cost	65,809,280	2,249,878	63,559,402	2,424,994	12,665,411	2,968,851	12,865,199	3,155,091	18,619,036	4,349,271	6,511,549	
17	Medical Loss Ratio (HCC % of Revenue)	85.0%	48.3%	87.3%	76.9%	87.6%	73.2%	97.7%	83.3%	83.2%	90.2%	93.6%	
18													
19	Managed Care Administration	7,062,493	2,088,944	4,973,549	286,189	969,133	257,589	914,517	287,046	1,604,543	256,466	398,066	
20	Admin Cost Ratio (MCA % of Total Cost)	9.7%	2.9%	6.8%	10.6%	7.1%	8.0%	6.6%	8.3%	7.9%	5.6%	5.8%	
21													
22	Contract Cost	72,871,773	4,338,822	68,532,950	2,711,183	13,634,544	3,226,440	13,779,716	3,442,137	20,223,578	4,605,737	6,909,615	
23	Net before Settlement	4,567,040	321,470	4,245,570	442,676	820,762	831,235	(611,366)	343,542	2,158,035	213,909	46,776	
24													
25	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-	
26	Internal Service Fund Risk Reserve	-	-	-	-	-	-	-	-	-	-	-	
27	Contract Settlement / Redistribution	3,454,707	7,700,277	(4,245,570)	(442,676)	(820,762)	(831,235)	611,366	(343,542)	(2,158,035)	(213,909)	(46,776)	
28	Net after Settlement	8,021,747	8,021,747	-	-	-	-	-	-	-	-	-	
29													
30	Eligibles and PMPM												
31	Average Eligibles	162,144	162,144	162,144	8,621	31,205	9,280	30,723	9,625	42,455	13,398	16,837	
32	Revenue PMPM	\$ 119.40	\$ 7.19	\$ 112.21	\$ 91.46	\$ 115.81	\$ 109.31	\$ 107.15	\$ 98.33	\$ 131.80	\$ 89.93	\$ 103.29	
33	Expense PMPM	\$ 112.36	\$ 6.69	\$ 105.67	\$ 78.62	\$ 109.23	\$ 86.92	\$ 112.13	\$ 89.41	\$ 119.09	\$ 85.94	\$ 102.60	
34	Margin PMPM	\$ 7.04	\$ 0.50	\$ 6.55	\$ 12.84	\$ 6.58	\$ 22.39	\$ (4.97)	\$ 8.92	\$ 12.71	\$ 3.99	\$ 0.69	
35													
36	Medicaid Specialty Services												
37	Budget v Actual												
38													
39	Eligible Lives (Average Eligibles)												
40	Actual	162,144	162,144	162,144	8,621	31,205	9,280	30,723	9,625	42,455	13,398	16,837	
41	Budget	150,993	150,993	150,993	7,748	29,128	8,480	28,644	8,958	39,711	12,462	15,862	
42	Variance - Favorable / (Unfavorable)	11,151	11,151	11,151	873	2,077	800	2,079	667	2,744	936	975	
43	% Variance - Fav / (Unfav)	7.4%	7.4%	7.4%	11.3%	7.1%	9.4%	7.3%	7.4%	6.9%	7.5%	6.1%	
44													
45	Contract Revenue before settlement												
46	Actual	77,438,813	4,660,292	72,778,520	3,153,860	14,455,306	4,057,675	13,168,350	3,785,679	22,381,613	4,819,646	6,956,391	
47	Budget	73,422,337	4,539,883	68,882,454	2,988,096	13,576,540	3,810,638	12,556,712	3,761,413	21,048,705	4,560,132	6,580,218	
48	Variance - Favorable / (Unfavorable)	4,016,475	120,409	3,896,066	165,764	878,766	247,037	611,639	24,267	1,332,908	259,514	376,173	
49	% Variance - Fav / (Unfav)	5.5%	2.7%	5.7%	5.5%	6.5%	6.5%	4.9%	0.6%	6.3%	5.7%	5.7%	
50													
51	Healthcare Cost												
52	Actual	65,809,280	2,249,878	63,559,402	2,424,994	12,665,411	2,968,851	12,865,199	3,155,091	18,619,036	4,349,271	6,511,549	
53	Budget	66,868,352	3,702,500	63,165,852	2,645,687	12,100,557	3,420,252	11,460,925	3,155,091	19,746,868	4,789,725	5,846,748	
54	Variance - Favorable / (Unfavorable)	1,059,072	1,452,622	(393,549)	220,693	(564,854)	451,401	(1,404,274)	-	1,127,832	440,454	(664,801)	
55	% Variance - Fav / (Unfav)	1.6%	39.2%	-0.6%	8.3%	-4.7%	13.2%	-12.3%	0.0%	5.7%	9.2%	-11.4%	
56													
57	Managed Care Administration												
58	Actual	7,062,493	2,088,944	4,973,549	286,189	969,133	257,589	914,517	287,046	1,604,543	256,466	398,066	
59	Budget	7,152,823	2,483,083	4,669,740	197,309	891,415	288,993	784,111	287,046	1,573,608	299,932	347,327	
60	Variance - Favorable / (Unfavorable)	90,330	394,139	(303,809)	(88,880)	(77,718)	31,404	(130,406)	-	(30,935)	43,466	(50,739)	
61	% Variance - Fav / (Unfav)	1.3%	15.9%	-6.5%	-45.0%	-8.7%	10.9%	-16.6%	0.0%	-2.0%	14.5%	-14.6%	

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	<b>Southwest Michigan Behavioral Health</b>												
2	Mos in Period												
3	For the Fiscal YTD Period Ended 1/31/2021												
4	(For Internal Management Purposes Only)												
5	<b>INCOME STATEMENT</b>												
62		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA	
63	<b>Total Contract Cost</b>												
64	Actual	72,871,773	4,338,822	68,532,950	2,711,183	13,634,544	3,226,440	13,779,716	3,442,137	20,223,578	4,605,737	6,909,615	
65	Budget	74,021,175	6,185,583	67,835,592	2,842,996	12,991,972	3,709,245	12,245,035	3,442,137	21,320,476	5,089,657	6,194,075	
66	Variance - Favorable / (Unfavorable)	1,149,402	1,846,760	(697,358)	131,813	(642,572)	482,805	(1,534,681)	-	1,096,897	483,919	(715,540)	
67	% Variance - Fav / (Unfav)	1.6%	29.9%	-1.0%	4.6%	-4.9%	13.0%	-12.5%	0.0%	5.1%	9.5%	-11.6%	
68													
69	<b>Net before Settlement</b>												
70	Actual	4,567,040	321,470	4,245,570	442,676	820,762	831,235	(611,366)	343,542	2,158,035	213,909	46,776	
71	Budget	(598,838)	(1,645,699)	1,046,862	145,100	584,568	101,393	311,676	319,276	(271,770)	(529,525)	386,143	
72	Variance - Favorable / (Unfavorable)	5,165,878	1,967,170	3,198,708	297,576	236,194	729,842	(923,042)	24,267	2,429,805	743,433	(339,368)	
73													
74													



	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Southwest Michigan Behavioral Health				Mos in Period									
2	For the Fiscal YTD Period Ended 1/31/2021				4									
3	(For Internal Management Purposes Only)				ok									
4	INCOME STATEMENT													
5	P04 projected by SWMBH													
75	Healthy Michigan Plan													
76	Contract Revenue	14,277,952	2,744,449	11,533,503	579,940	2,320,353	549,629	2,112,951	631,768	3,329,002	898,534	1,111,327		
77														
78	External Provider Cost	6,136,130	2,522,547	3,613,583	183,132	791,514	164,582	532,183	56,362	1,338,883	226,070	320,858		
79	Internal Program Cost	3,310,530	-	3,310,530	250,377	624,816	198,769	923,569	231,468	385,950	370,955	324,626		
80	Insurance Provider Assessment Withhold (IPA)	-	-	-	-	-	-	-	-	-	-	-		
81	Total Healthcare Cost	9,446,660	2,522,547	6,924,113	433,509	1,416,330	363,351	1,455,752	287,830	1,724,833	597,024	645,484		
82	Medical Loss Ratio (HCC % of Revenue)	66.2%	91.9%	60.0%	74.8%	61.0%	66.1%	68.9%	45.6%	51.8%	66.4%	58.1%		
83														
84	Managed Care Administration	851,285	307,248	544,036	51,161	108,375	31,526	103,481	26,186	148,642	35,205	39,460		
85	Admin Cost Ratio (MCA % of Total Cost)	8.3%	3.0%	5.3%	10.6%	7.1%	8.0%	6.6%	8.3%	7.9%	5.6%	5.8%		
86														
87	Contract Cost	10,297,944	2,829,795	7,468,149	484,670	1,524,705	394,877	1,559,233	314,016	1,873,475	632,230	684,944		
88	Net before Settlement	3,980,008	(85,346)	4,065,354	95,270	795,648	154,752	553,717	317,752	1,455,527	266,304	426,383		
89														
90	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-		
91	Internal Service Fund Risk Reserve	-	-	-	-	-	-	-	-	-	-	-		
92	Contract Settlement / Redistribution	(1,838,315)	2,227,039	(4,065,354)	(95,270)	(795,648)	(154,752)	(553,717)	(317,752)	(1,455,527)	(266,304)	(426,383)		
93	Net after Settlement	2,141,693	2,141,693	-	-	-	-	-	-	-	-	-		
94														
95	Eligibles and PMPM													
96	Average Eligibles	64,868	64,868	64,868	3,266	13,068	3,094	11,722	3,916	18,448	5,057	6,298		
97	Revenue PMPM	\$ 55.03	\$ 10.58	\$ 44.45	\$ 44.40	\$ 44.39	\$ 44.41	\$ 45.07	\$ 40.34	\$ 45.11	\$ 44.42	\$ 44.11		
98	Expense PMPM	39.69	10.91	28.78	37.11	29.17	31.91	33.26	20.05	25.39	31.26	27.19		
99	Margin PMPM	\$ 15.34	\$ (0.33)	\$ 15.67	\$ 7.29	\$ 15.22	\$ 12.51	\$ 11.81	\$ 20.29	\$ 19.72	\$ 13.17	\$ 16.92		
100														
101	Healthy Michigan Plan													
102	Budget v Actual													
103														
104	Eligible Lives (Average Eligibles)													
105	Actual	64,868	64,868	64,868	3,266	13,068	3,094	11,722	3,916	18,448	5,057	6,298		
106	Budget	52,365	52,365	52,365	2,543	10,834	2,465	9,345	3,201	14,696	4,100	5,182		
107	Variance - Favorable / (Unfavorable)	12,503	12,503	12,503	723	2,234	629	2,377	715	3,752	957	1,117		
108	% Variance - Fav / (Unfav)	23.9%	23.9%	23.9%	28.4%	20.6%	25.5%	25.4%	22.3%	25.5%	23.4%	21.6%		
109														
110	Contract Revenue before settlement													
111	Actual	14,277,952	2,744,449	11,533,503	579,940	2,320,353	549,629	2,112,951	631,768	3,329,002	898,534	1,111,327		
112	Budget	13,897,971	2,614,029	11,283,942	559,990	2,267,620	542,400	2,057,012	681,146	3,219,769	876,125	1,079,880		
113	Variance - Favorable / (Unfavorable)	379,981	130,420	249,561	19,950	52,733	7,229	55,939	(49,378)	109,232	22,409	31,447		
114	% Variance - Fav / (Unfav)	2.7%	5.0%	2.2%	3.6%	2.3%	1.3%	2.7%	-7.2%	3.4%	2.6%	2.9%		
115														
116	Healthcare Cost													
117	Actual	9,446,660	2,522,547	6,924,113	433,509	1,416,330	363,351	1,455,752	287,830	1,724,833	597,024	645,484		
118	Budget	9,143,318	2,062,946	7,080,371	381,130	1,185,979	351,387	1,829,003	287,830	1,860,008	464,387	720,647		
119	Variance - Favorable / (Unfavorable)	(303,342)	(459,601)	156,259	(52,379)	(230,351)	(11,964)	373,252	-	135,175	(132,637)	75,163		
120	% Variance - Fav / (Unfav)	-3.3%	-22.3%	2.2%	-13.7%	-19.4%	-3.4%	20.4%	0.0%	7.3%	-28.6%	10.4%		
121														
122	Managed Care Administration													
123	Actual	851,285	307,248	544,036	51,161	108,375	31,526	103,481	26,186	148,642	35,205	39,460		
124	Budget	872,564	355,650	516,914	28,424	87,368	29,690	125,133	26,186	148,222	29,080	42,810		
125	Variance - Favorable / (Unfavorable)	21,279	48,402	(27,123)	(22,737)	(21,007)	(1,835)	21,652	-	(420)	(6,125)	3,350		
126	% Variance - Fav / (Unfav)	2.4%	13.6%	-5.2%	-80.0%	-24.0%	-6.2%	17.3%	0.0%	-0.3%	-21.1%	7.8%		
127														
128	Total Contract Cost													
129	Actual	10,297,944	2,829,795	7,468,149	484,670	1,524,705	394,877	1,559,233	314,016	1,873,475	632,230	684,944		
130	Budget	10,015,881	2,418,597	7,597,285	409,553	1,273,347	381,078	1,954,136	314,016	2,008,230	493,467	763,458		
131	Variance - Favorable / (Unfavorable)	(282,063)	(411,198)	129,136	(75,117)	(251,358)	(13,799)	394,903	-	134,755	(138,763)	78,513		

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	<b>Southwest Michigan Behavioral Health</b>		<i>Mos in Period</i>										
2	For the Fiscal YTD Period Ended 1/31/2021		4										
3	(For Internal Management Purposes Only)		ok										
4	<b><u>INCOME STATEMENT</u></b>		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5										P04 projected by SWMBH			
132	% Variance - Fav / (Unfav)		-2.8%	-17.0%	1.7%	-18.3%	-19.7%	-3.6%	20.2%	0.0%	6.7%	-28.1%	10.3%
133													
134	<b><u>Net before Settlement</u></b>												
135	Actual		3,980,008	(85,346)	4,065,354	95,270	795,648	154,752	553,717	317,752	1,455,527	266,304	426,383
136	Budget		3,882,090	195,433	3,686,657	150,436	994,273	161,322	102,876	367,130	1,211,540	382,658	316,422
137	Variance - Favorable / (Unfavorable)		97,918	(280,778)	378,696	(55,167)	(198,625)	(6,570)	450,842	(49,378)	243,988	(116,354)	109,961
138													
139													

	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Southwest Michigan Behavioral Health			Mos in Period										
2	For the Fiscal YTD Period Ended 1/31/2021			4										
3	(For Internal Management Purposes Only)			ok										
4	INCOME STATEMENT			Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5											P04 projected by SWMBH			
140	Autism Specialty Services				HCC%	6.8%	5.9%	9.6%	4.3%	5.7%	4.9%	6.6%	6.3%	6.7%
141	Contract Revenue			7,624,512	109,112	7,515,400	396,611	1,431,522	435,378	1,393,553	286,935	2,192,986	616,336	762,079
142														
143	External Provider Cost			4,758,539	-	4,758,539	-	1,560,536	161,192	463,462	191,480	1,510,853	337,950	533,066
144	Internal Program Cost			652,120	-	652,120	185,807	1,861	-	455,054	862	-	6,025	2,509
145	Insurance Provider Assessment Withhold (IPA)			-	-	-	-	-	-	-	-	-	-	-
146	Total Healthcare Cost			5,410,658	-	5,410,658	185,807	1,562,397	161,192	918,516	192,342	1,510,853	343,975	535,575
147	Medical Loss Ratio (HCC % of Revenue)			71.0%	0.0%	72.0%	46.8%	109.1%	37.0%	65.9%	67.0%	68.9%	55.8%	70.3%
148														
149	Managed Care Administration			597,462	175,979	421,483	21,928	119,552	13,986	65,292	17,499	130,202	20,283	32,741
150	Admin Cost Ratio (MCA % of Total Cost)			9.9%	2.9%	7.0%	10.6%	7.1%	8.0%	6.6%	8.3%	7.9%	5.6%	5.8%
151														
152	Contract Cost			6,008,120	175,979	5,832,141	207,736	1,681,949	175,178	983,809	209,841	1,641,055	364,258	568,316
153	Net before Settlement			1,616,392	(66,867)	1,683,259	188,875	(250,427)	260,200	409,744	77,095	551,931	252,078	193,763
154	Contract Settlement / Redistribution			(1,616,392)	66,867	(1,683,259)	(188,875)	250,427	(260,200)	(409,744)	(77,095)	(551,931)	(252,078)	(193,763)
155	Net after Settlement			-	0	(0)	-	-	-	-	-	-	-	-
156														
157														
158	SUD Block Grant Treatment				HCC%	0.2%	0.2%	0.4%	0.5%	0.0%	0.9%	0.0%	0.3%	-0.1%
159	Contract Revenue			1,859,541	1,633,026	226,516	12,585	65,099	9,422	-	49,211	37,319	26,323	26,557
160														
161	External Provider Cost			1,547,586	1,547,586	-	-	-	-	-	-	-	-	-
162	Internal Program Cost			137,765	-	137,765	6,369	72,201	19,349	-	33,398	859	15,747	(10,158)
163	Insurance Provider Assessment Withhold (IPA)			-	-	-	-	-	-	-	-	-	-	-
164	Total Healthcare Cost			1,685,351	1,547,586	137,765	6,369	72,201	19,349	-	33,398	859	15,747	(10,158)
165	Medical Loss Ratio (HCC % of Revenue)			90.6%	94.8%	60.8%	50.6%	110.9%	205.4%	0.0%	67.9%	2.3%	59.8%	-38.3%
166														
167	Managed Care Administration			55,724	55,724	-	-	-	-	-	-	-	-	-
168	Admin Cost Ratio (MCA % of Total Cost)			3.2%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
169														
170	Contract Cost			1,741,076	1,603,310	137,765	6,369	72,201	19,349	-	33,398	859	15,747	(10,158)
171	Net before Settlement			118,466	29,715	88,750	6,216	(7,103)	(9,927)	-	15,813	36,461	10,576	36,714
172	Contract Settlement			(90,515)	(1,764)	(88,750)	(6,216)	7,103	9,927	-	(15,813)	(36,461)	(10,576)	(36,714)
173	Net after Settlement			27,951	27,951	-	-	-	-	-	-	-	-	-
174														
175														

	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	<b>Southwest Michigan Behavioral Health</b>			<i>Mos in Period</i>										
2	For the Fiscal YTD Period Ended 1/31/2021			4										
3	(For Internal Management Purposes Only)			ok										
4	<b>INCOME STATEMENT</b>			Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5											P04 projected by SWMBH			
176	<b>SWMBH CMHP Subcontracts</b>													
177	Subcontract Revenue	100,978,432	9,108,259	91,870,173	4,133,464	18,259,571	5,014,511	16,617,668	4,751,973	27,884,265	6,354,485	8,854,235		
178	Incentive Payment Revenue	222,386	38,621	183,766	9,531	12,708	37,594	57,185	1,621	56,656	6,354	2,118		
179	<b>Contract Revenue</b>	<b>101,200,819</b>	<b>9,146,880</b>	<b>92,053,939</b>	<b>4,142,995</b>	<b>18,272,279</b>	<b>5,052,105</b>	<b>16,674,853</b>	<b>4,753,594</b>	<b>27,940,921</b>	<b>6,360,839</b>	<b>8,856,353</b>		
180														
181	External Provider Cost	60,807,426	5,235,804	55,571,622	1,622,692	11,695,284	2,365,782	10,965,952	2,297,889	18,594,411	3,285,342	4,744,271		
182	Internal Program Cost	20,723,315	-	20,723,315	1,432,645	4,092,456	1,161,847	4,301,665	1,385,110	3,356,025	2,036,175	2,957,392		
183	SSI Reimb, 1st/3rd Party Cost Offset	(262,999)	-	(262,999)	(4,657)	(71,400)	(14,885)	(28,150)	(14,339)	(94,856)	(15,500)	(19,213)		
184	Insurance Provider Assessment Withhold (IPA)	1,089,650	1,089,650	-	-	-	-	-	-	-	-	-		
185	MHL Cost in Excess of Medicare FFS Cost	(5,443)	(5,443)	-	-	-	-	-	-	-	-	-		
186	<b>Total Healthcare Cost</b>	<b>82,351,949</b>	<b>6,320,011</b>	<b>76,031,938</b>	<b>3,050,680</b>	<b>15,716,340</b>	<b>3,512,744</b>	<b>15,239,467</b>	<b>3,668,661</b>	<b>21,855,580</b>	<b>5,306,017</b>	<b>7,682,450</b>		
187	Medical Loss Ratio (HCC % of Revenue)	81.4%	69.1%	82.6%	73.6%	86.0%	69.5%	91.4%	77.2%	78.2%	83.4%	86.7%		
188														
189	<b>Managed Care Administration</b>	<b>8,566,964</b>	<b>2,627,896</b>	<b>5,939,068</b>	<b>359,278</b>	<b>1,197,059</b>	<b>303,101</b>	<b>1,083,291</b>	<b>330,731</b>	<b>1,883,386</b>	<b>311,955</b>	<b>470,267</b>		
190	Admin Cost Ratio (MCA % of Total Cost)	9.4%	2.9%	6.5%	10.5%	7.1%	7.9%	6.6%	8.3%	7.9%	5.6%	5.8%		
191														
192	<b>Contract Cost</b>	<b>90,918,913</b>	<b>8,947,907</b>	<b>81,971,006</b>	<b>3,409,958</b>	<b>16,913,399</b>	<b>3,815,845</b>	<b>16,322,758</b>	<b>3,999,391</b>	<b>23,738,966</b>	<b>5,617,972</b>	<b>8,152,717</b>		
193	<b>Net before Settlement</b>	<b>10,281,906</b>	<b>198,973</b>	<b>10,082,933</b>	<b>733,037</b>	<b>1,358,880</b>	<b>1,236,260</b>	<b>352,096</b>	<b>754,202</b>	<b>4,201,954</b>	<b>742,867</b>	<b>703,636</b>		
194														
195	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-		
196	Internal Service Fund Risk Reserve	-	-	-	-	-	-	-	-	-	-	-		
197	Contract Settlement	(90,515)	9,992,418	(10,082,933)	(733,037)	(1,358,880)	(1,236,260)	(352,096)	(754,202)	(4,201,954)	(742,867)	(703,636)		
198	<b>Net after Settlement</b>	<b>10,191,391</b>	<b>10,191,391</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
199														
200														

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	<b>Southwest Michigan Behavioral Health</b>												
2	For the Fiscal YTD Period Ended 1/31/2021												
3	(For Internal Management Purposes Only)												
4	<b>INCOME STATEMENT</b>												
5													
201	<b>State General Fund Services</b>												
202	<b>Contract Revenue</b>												
203													
204	External Provider Cost												
205	Internal Program Cost												
206	SSI Reimb, 1st/3rd Party Cost Offset												
207	<b>Total Healthcare Cost</b>												
208	Medical Loss Ratio (HCC % of Revenue)												
209													
210	<b>Managed Care Administration</b>												
211	Admin Cost Ratio (MCA % of Total Cost)												
212													
213	<b>Contract Cost</b>												
214	<b>Net before Settlement</b>												
215													
216	Other Redistributions of State GF												
217	Contract Settlement												
218	<b>Net after Settlement</b>												
219													



## Fiscal Year 2020 Privacy & Security Update

Mila C. Todd, Chief Compliance & Privacy Officer  
Natalie Spivak, Chief Information & Security Officer

March 12, 2021

# Privacy Officer Overview

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**Promote and ensure compliance with HIPAA, 42 CFR Part 2, and MI Mental Health Code including:**

- **Monitoring legal updates;**
- **Policies & Procedures;**
- **Staff trainings;**
- **Business processes surrounding PHI sharing (MIHIN, Standard Consent Form, ICT meeting communications, Record Requests, etc.);**
- **Business Associate Agreements and/or Qualified Service Organization Agreements;**
- **Responding to subpoenas for records and/or for staff to testify;**
- **Breach Risk Team Chair**

**Ensure compliance with other applicable laws that effect privacy (HIV, other communicable disease information, etc.)**



# Security Officer Overview

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- **Develop, enforce and maintain SWMBH's Information Security policies, procedures and standards. Conduct annual review of required HIPAA regulations and reports.**
- **Maintain appropriate security measures and mechanisms to guard against unauthorized access to electronically stored and /or transmitted PHI and protect against reasonably anticipated threats and hazards.**
- **Oversee and/or assist in performing on-going security monitoring, and recommend new information security technologies and counter-measures against threats to information or privacy.**
- **Ensure compliance through adequate training programs and periodic security audits (*see associated IT/QAPI Audit/Review Schedule*).**





# Network Penetration Testing

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**Penetration testing\*** is the practice of testing a computer system, to find security vulnerabilities that an attacker could exploit.

Solid Firewall protection

Vulnerability Index = 0.000 – Very Low Risk

Physical Security – Low Risk

Antivirus was detected and up-to-date on each system

100% of reviewed workstations & servers are running supported Operating System versions

Changes made as a Result of June 2020 Penetration test:

- Isolated guest Wifi network from production network environment
- Implemented Content Filtering on all Networks via Firewall

Final Security Rating 8.5/10 = Secure & Protected after resolving issues

Rated slightly above average compared to similar organizations

Regular Audits done to keep security practices up-to-date



\*Testing performed by OST – Grand Rapids

# Phishing Education

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Phishing – is the fraudulent practice of sending e-mails purporting to be from reputable people/companies in order to induce individuals respond and reveal personal information such as passwords, and credit card numbers.

Significant Improvement to simulated phishing attacks 57%:

Phish Alert Button Used– Simulated 59, Non-Simulated 116 Campaigns

- Simulation 5/29/2020 – Phishprone 23%
  - 61 Delivered, 20 Opened, 13 Clicked, 1 Replied
- Simulation 8/10/2020 – Phishprone 9.8%
  - 61 Delivered, 15 Opened, 6 Clicked, 0 Replied

Education – 100% participation

- Your Role: Internet Security & You
- Social Engineering Red Flags
- Common Threats



# Data Loss Prevention

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Software process that detects potential data breaches by catching unencrypted sensitive information going out through e-mail.

Reporting identifies:

- Date
- Rule Violated
- Action
- File Name
- User e-mail address
- Sensitive information found & number of instances

Available Actions:

- Notify Administrator
- Notify User
- Generate Incident Report
- Block Message

New Program started in 2020. Has detected SSN. Tracking will be available in 2021.



# Privacy Program

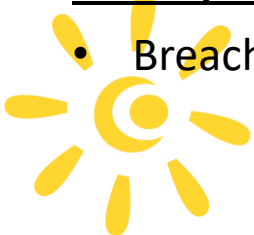
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## **Prospective**

- Business Associate and/or Qualified Service Organization Agreement execution and tracking
- Data Use Agreement execution and tracking
- Committee Confidentiality Statements
- MDHHS Standard Consent Form
- Training – at hire, annually electronically, annually in-person
  - What is PHI?
  - What are the governing regulations?
  - What is minimum necessary?
  - Where to direct questions/concerns?
- Role-based Training

## **Retrospective**

- Breach Risk Team



# Breach Risk Team

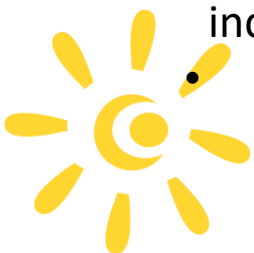
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## **Responsibilities**

- Investigate unauthorized uses/disclosures of PHI as reported/discovered;
- Meet monthly to review and complete a Risk Assessment to assess probability of compromise; and
- Determine if notification is necessary and if so, what kind(s).

## **Risk Assessment Standard**

- 45 CFR 164.402(2) – “Except as provided in paragraph (1) of this definition, an acquisition, access, use, or disclosure of protected health information in a manner not permitted under subpart E is presumed to be a breach unless the covered entity or business associate, as applicable, demonstrates that there is a low probability that the protected health information has been compromised based on a risk assessment...”
- SWMBH Breach Risk Assessment Tool utilized to assess all reported incidences
  - Tool contains all the assessment factors articulated in 45 CFR 164.402



# Breach Risk Team: Standards

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## **Notification Requirements**

- Following a breach of unsecured PHI, covered entities must provide notification of the breach to the affected individuals, the Secretary, and, in certain circumstances, to the media.
  - Time constraints depend on the number of individuals affected by the breach;
  - Notification to the Secretary (OCR) is required for all breaches, however, it can be done annually if a breach affects less than 500 individuals.
- Business associates must notify the covered entity if a breach occurs at or by the business associate.
  - SWMBH Business Associate Agreements include provisions requiring Business Associates to promptly report breaches of PHI



# Breach Risk Team: FY 2020 Summary

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## **31 Incidents reported for Breach Risk Team review**

The Breach Team reviewed each incident and evaluated whether an exception applies under the law, and the probability of compromise to the Protected Health Information used or disclosed. Of the thirty-one (31) incidents reviewed, NONE were determined to be reportable.





STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

ELIZABETH HERTEL  
DIRECTOR

February 22, 2021

Bradley Casemore, Executive Officer  
Southwest Michigan Behavioral Health  
5250 Lovers Lane Ste. 200  
Portage, Michigan 49002

Subject: Fiscal Year End 2019 PIHP Compliance Examination

Dear Mr. Casemore:

The Michigan Department of Health and Human Services (MDHHS) has completed its review of the Southwest Michigan Behavioral Health Compliance Examination Report for the fiscal year ended September 30, 2019. The report did not include any findings or examination adjustments.

However, our review identified the following reporting observations related to the Examined Medicaid Contract Settlement Worksheet:

- 1) The Medicaid amount reported on Line 1.a (\$174,609,163) does not agree with MDHHS records. MDHHS records indicate a Medicaid amount of \$172,467,408, a \$2,141,755 variance.
- 2) The HMP amount reported on Line 1.a (\$33,222,453) does not agree with MDHHS records. MDHHS records indicate a HMP amount of \$32,795,257, a \$427,196 variance.
- 3) The HSW amount reported on Line 1.a (\$41,289,025) does not agree with MDHHS records. MDHHS records indicate a HSW amount of \$41,288,744, a \$281 variance.
- 4) The Total Current Fiscal Year Performance Bonus Incentive Pool (PBIP) Withheld amount reported on Line 1.i (\$1,765,033) does not agree with MDHHS records. MDHHS records indicate a PBIP amount of \$1,799,742, a \$34,709 variance.

The reporting observations will be forwarded to MDHHS Accounting for settlement purposes.

This letter serves as your notification that your contractual obligation for a PIHP Compliance Examination has been fulfilled. MDHHS retains the right to conduct additional reviews of the Southwest Michigan Behavioral Health for this fiscal year.



Bradley Casemore, Executive Officer  
Southwest Michigan Behavioral Health  
February 22, 2021  
Page 2

Additionally, MDHHS may review work papers of the CPA firm that performed your PIHP Compliance Examination.

If you have any questions, please contact me at 313-456-1798 or [hiattm@michigan.gov](mailto:hiattm@michigan.gov), or Tim Kubu at 517-241-9163 or [kubut@michigan.gov](mailto:kubut@michigan.gov).

Sincerely,

*Matt Hiatt*

Matt Hiatt, Senior Auditor  
Audit and Review Section  
Bureau of Audit

cc: David Waldo-Levesque, MDHHS Program Development, Consultation and Contracts  
Lyndia Deromedi, MDHHS Program Development, Consultation and Contracts  
Kendra Binkley, MDHHS Program Development, Consultation and Contracts  
Jeff Wieferich, MDHHS Bureau of Community Based Services  
Tim Kubu, MDHHS Bureau of Audit  
Kidada Smith, MDHHS Contracts Payable  
Enika Whitmon, MDHHS Contracts Payable



For SWMBH Board  
Planning Summary

At March 12, 2021

# Environmental Context

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- Awaiting Key Environmental Information including but not limited to
  - Federal
    - FY '21 COVID relief package funds from December
    - FY '21 March COVID relief package outcome
    - Biden Administration related Policy priorities and pronouncements
    - FY '22 Budget

# Environmental Context, continued

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- Awaiting Key Environmental Information including but not limited to
  - State
    - FY '21 Supplemental
    - FY '22 Budget including Boilerplate
    - Governor's and Hertel's Policy priorities and pronouncements
    - Legislative action towards public behavioral health system
    - Pandemic status throughout 2021

# Nevertheless we know that....

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- There is no plan to consider opportunities or initiatives outside our Region
- Thus, there is no need to consider SWMBH Regional Entity Bylaws changes
- And the list of required regional efforts to meet MDHHS contractual obligations and Board Strategic Imperatives (see related document) includes but is not limited to....

# 2021-2022 PIHP and CMHSP Efforts

- Opioid Health Homes (OHH) installation and expansion
- Certified Community Behavioral Health Clinics (CCBHC)
- Reinvigorate MI Health Link (MHL) (federal-state dual eligibles Medicare/Medicaid Demonstration)
- Address SWMBH National Committee for Quality Assurance (NCQA) Managed Behavioral Healthcare Organization (MBHO) Accreditation Reaccreditation Survey findings
- Reinvigorate Population Health Plan and efforts
- Reinvigorate Integrated Care Plan and efforts
- Reinvigorate Healthcare Information Exchange efforts
- Reinvigorate Healthcare Data Analytics efforts

# 2021-2022 PIHP and CMHSP Efforts

- Assure maximization of rebasing/rate-setting and future capitation funds
- Assure 100% + Performance Bonus Incentive Pool (PBIP) earnings
- Address performance under revised/new Michigan Mission-Based Performance Indicator (MMBPIS) System Metrics
- Assure tele-health expansion, service use and coding
- Install American Society of Addiction medicine (ASAM) Continuum of Care Tool
- Install eConsent Pilot
- Address CMHSPs conversions to PCE from Streamline
- Enhance self-determination and related topics through *Building Better Lives* Project

# 2021-2022 PIHP and CMHSP Efforts

- Execute Public Policy education and advocacy plan
  - Enhance functional assessment and outcomes based measurement, reporting and remediation
  - Review and improve Managed Care Information System
  - Track and influence PIHP Unenrolled Complex Care Management Proposal with CMHSPs
- 
- Next Board Planning Session Scheduled for May 14, 2021
  - What topic(s) from above does Board seek information on in the interim?



# Differentiate

- to form or mark differently from other such things;
- to change;
- to alter;
- to perceive the difference in or between;
- to make different by modification.

# Distinguish

- to mark off as different (often followed by *from* or *by*);
- to recognize as distinct or different; recognize the salient or individual features or characteristics of;
- to perceive clearly by sight or other sense; discern; recognize;
- to set apart as different; be a distinctive characteristic of; characterize;
- to make prominent, conspicuous, or eminent;
- to divide into classes; classify;
- to single out for or honor with special attention;
- to recognize or note differences; discriminate.

# Demonstrate

- to make evident or establish by arguments or reasoning; prove;
- to describe, explain, or illustrate by examples, specimens, experiments, or the like;
- to manifest or exhibit; show;
- to display openly or publicly;
- to exhibit the operation or use of (a device, process, product, or the like), usually to a purchaser or prospect.



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

ELIZABETH HERTEL  
DIRECTOR

February 24, 2021

Mr. Brad Casemore, Executive Officer  
Southwest Michigan Behavioral Health  
5250 Lovers Lane, Suite 200  
Portage, Michigan 49002

Dear Mr. Casemore:

We have completed a review of Southwest Michigan Behavioral Health's (SWMBH) fiscal year (FY) 2021 Risk Management Strategy. The components of SWMBH's Risk Management Strategy are in compliance with Prepaid Inpatient Health Plan (PIHP) Contract Sections 4.I Internal Service Fund, 7.I Risk Corridor and the Policy and Practice guideline *Internal Service Fund Technical Requirement* at: [www.michigan.gov/documents/mdhhs/Internal-Service-Fund-Technical-Requirement\\_704454\\_7.pdf](http://www.michigan.gov/documents/mdhhs/Internal-Service-Fund-Technical-Requirement_704454_7.pdf) and the Michigan Department of Health and Human Services policy regarding Risk Management Strategies as established in the Technical Advisory issued October 10, 2008.

If there are any anticipated changes to SWMBH's FY 2021 Risk Management Strategy during the fiscal year, please submit a revised plan to: [MDHHS-BHDDA-Contracts-MGMT@michigan.gov](mailto:MDHHS-BHDDA-Contracts-MGMT@michigan.gov).

Sincerely,

A handwritten signature in black ink, reading "Jeffery L. Wieferich".

Jeffery L. Wieferich, M.A., LLP, Director  
Bureau of Community Based Services  
Behavioral Health and Developmental Disabilities Administration

cc: Allen Jansen, MDHHS  
Kendra Binkley, MDHHS  
David Waldo-Levesque, MDHHS  
Lyndia Deromedi, MDHHS  
Tracy Dawson, SWMBH



## Southwest Michigan Behavioral Health Board Meeting

Please join the meeting from your computer, tablet or smartphone:

<https://global.gotomeeting.com/join/515345453>

You can also dial in using your phone:

[1-571-317-3116](tel:1-571-317-3116) - Access Code: 515-345-453

April 9, 2021

9:30 am to 11:00 am

(d) means document provided

Draft: 2/25/21

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d)**
3. **Financial Interest Disclosure Handling (M. Todd)**
  - List name(s) and Agency or None Scheduled
4. **Consent Agenda**
  - March 12, 2021 SWMBH Board Meeting Minutes (d)
5. **Operations Committee**
  - a. Operations Committee Minutes February 24, 2021 (d)
  - b. Operations Committee Quarterly Report (D. Hess) (d)
  - c. Operations Committee Self-Evaluation (D. Hess, J. Gardner) (d)
6. **Ends Metrics Updates (\*Requires motion)**

*Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?*

  - a. Fiscal Year 2020 Michigan Mission Based Performance Indicator System (J. Gardner)
  - b. NCQA Accreditation (J. Gardner) (d) (on Board Ends Metrics for June 2021)
7. **Board Actions to be Considered**
  - a. Election of Officers (E. Meny) (d)
  - b. External Auditor Report Fiscal Year 2020 (T. Dawson) (d)
8. **Board Policy Review**

*Is the Board in Compliance? Does the Policy Need Revision?*

  - a. BG-006 Annual Board Planning (d)
  - b. BG-010 Board Committee Principles (d)
9. **Executive Limitations Review**

*Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?*

  - None Scheduled

**10. Board Education**

- a. Fiscal Year 2021 Year to Date Financial Statements (T. Dawson) (d)
- b. Michigan Consortium for Healthcare Excellence Written Report (B. Casemore) (d)

**11. Communication and Counsel to the Board**

- a. Public Policy Committee Update (B. Casemore) (d)
- b. May 14, 2021 Board Agenda (d)
- c. May 14, 2021 Board Planning Session Agenda (d)
- d. Board Member Attendance Roster (d)
- e. May Board Policy Direct Inspection – BEL-004 Treatment of Staff (P. Garrett)

**12. Public Comment**

**13. 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  
May 14, 2021  
9:30 am - 11:00 am**

2021 SWMBH Board Member & Board Alternate Attendance												
Name:	January	February	March	April	May	June	July	August	September	October	November	December
<b>Board Members:</b>												
Ruth Perino (Barry)												
Edward Meny (Berrien)												
Tom Schmelzer (Branch)												
Patrick Garrett (Calhoun)												
Mary Middleton (Cass)												
Erik Krogh (Kalamazoo)												
Carole Naccarto (St. Joe)												
Susan Barnes (Van Buren)												
<b>Alternates:</b>												
Robert Becker (Barry)												
Randy Hyrns (Berrien)												
Jon Houtz (Branch)												
Kathy-Sue Vette (Calhoun)												
Terry Proctor (Cass)												
Patricia Guenther (Kalamazoo)												
Cathi Abbs (St. Joe)												
Angie Dickerson (Van Buren)												

as of 2/12/21


Green = present

Red = absent

Black = not a member

Gray = meeting cancelled

Dear Bradley Casemore,

Bob enjoyed being on the Summit Board. He has always supported Mental Health issues. On behalf of his family & friends, I would like to thank you & the board for giving him this honor of having a Board Room named for him. Bob has always readily shared his knowledge with others.

Sincerely,  
Judy Nelson