



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

March 13, 2026

9:30 am to 11:30 am

(d) means document provided

Draft: 2/23/26

- 1. Welcome Guests/Public Comment**
- 2. Agenda Review and Adoption (d) pg.1**
- 3. Financial Interest Disclosure Handling**
 - None Scheduled
- 4. Consent Agenda**
 - a. February 13, 2026, SWMBH Board Meeting Minutes (d) pg.3
 - b. February 6, 2026, Board Finance Committee Meeting Minutes (d) pg.7
 - c. February 11 and 25, 2026, Operations Committee Meeting Minutes (d) pg.9
- 5. Fiscal Year 2026 Year to Date Financial Statements and Cash Flow Analysis**
 - a. G. Guidry (d) pg.18
 - b. Operations Committee
- 6. CMH Board Updates**

SWMBH Board Member opportunity to provide an update from their respective CMH Board to facilitate ownership linkage

 - Barry
 - Berrien
 - Branch
 - Calhoun
 - Cass
 - Kalamazoo
 - St. Joseph
 - Van Buren
- 7. Required Approvals**
 - None scheduled
- 8. Ends Metrics Updates (*Requires motion)**

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

 - * Revisions to the Ends and Interpretations (d) pg.29
- 9. Board Actions to be Considered**
 - Changing the Board meeting time

10. Board Policy Review

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

- 3.5 Board Chair Role (d) pg.35

11. Executive Limitations Review

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

- None scheduled

12. Board Education

- None scheduled

13. Communication and Counsel to the Board

- a. PIHP Litigation and PIHP Post Procurement Cancellation Updates (M. Todd) (d) pg.36
- b. April Board Policy Direct Inspection – 2.6 Investments (Board Finance Committee)

14. Public Comment

15. 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
April 10, 2026
9:30 am - 11:30 am**



Board Meeting Minutes

February 13, 2026

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

9:30 am-11:30 am

Draft: 2/13/26

Members Present: Sherii Sherban, Tom Schmelzer, Michael Seals, Tina Leary, Carol Naccarato, Joyce Locke, Edward Meny

Members Present via MS Teams: None

Members Absent: Allen Edelfson, Lorraine Lindsey

Guests Present: Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer; Alena Lacey, Chief Clinical Officer, SWMBH; Ella Philander, Executive Project Manager, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Alison Strasser, Interim Compliance Officer, SWMBH; Ric Compton, Riverwood; Jeff Patton, ISK; Marsha Bassett, Barry County; Sue Germann, Pines BH; Jeannie Goodrich, Summit Pointe; Cameron Bullock, Pivotal; Cathi Abbs, SWMBH Board Alternate

Guests Present via MS Teams:

Gail Patterson-Gladney, Jon Houtz, Richard Thiemkey

Welcome Guests

Sherii Sherban called the meeting to order at 9:27am and introductions were made.

Public Comment

None

Agenda Review and Adoption

Motion Michael Seals moved to approve the agenda as presented.

Second Tom Schmelzer

Motion Carried

Financial Interest Disclosure (FID) Handling

Alison Strasser reviewed the Financial Interest Disclosure information for Kayla Wisniewski, who is a member of the Woodlands CMH Board, noting the inherent conflict of interest.

Motion Edward Meny moved that a conflict exists and that:

- 1) The Board is not able to obtain a more advantageous arrangement with someone other than Kayla Wisniewski

- 2) The Financial Interest disclosed by Kayla Wisniewski is not so substantial as to be likely to affect the integrity of the services that SWMBH may expect to receive; and
- 3) A Conflict of Interest Waiver should be granted.

Second Michael Seals
Motion Carried

Consent Agenda

Motion Tom Schmelzer moved to approve December 12, 2025, and January 9, 2026, Board meeting minutes; December 5, 2025, and January 8, 2026, Board Finance Committee meeting minutes; January 14, 2026, and January 28, 2026, Operations Committee meeting minutes as presented.

Second Joyce Locke
Motion Carried

2026 Year to Date Financial Statements; Cash Flow Analysis; Mid-Year Revenue Rate Assumptions and Revised SWMBH Budget/Projections

Garyl Guidry gave an update on Fiscal Year 2025 financials as follows:

- Amendment #5 payment received on February 5, 2026 – additional \$2.3 million, less than expected
- PIHPs shared payment file data to determine if and why the Amendment was less than expected.
- Historically, SWMBH gets 8.5% of Statewide allocation
- Additional revenue is projected to reduce the Fiscal Year 2025 deficit to approximately \$14 million
- CMHs are preparing their final FSRs for Fiscal Year 2025 with a final deficit calculation by March 2026

Garyl Guidry gave an update on Fiscal Year 2026 financials as follows:

- Eligibles down – Medicaid enrollment went from approximately 101K last month to 100K this month, DABs went from 42K last month to 41K this month
- Quarter 1, Period 3 shows a revenue surplus of \$6.3 million which speaks to all the collaborative work done within our region
- Annualized projected surplus of \$25 million but still short .vs what the department said to expect. Should have received an additional \$13 million
- HMP down each month
- Variance Report shows a \$13 million revenue shortfall
- PIHPs met with DHHS, Keith White and Milliman. Keith White acknowledged the shortfall but too early for a mid-year rate adjustment.
- SWMBH continues to raise concerns with MDHHS
- Plans on how to cover the \$14 million deficit for Fiscal Year 2025 to cost settle with CMHs
- MDHHS will let SWMBH know after final FSRs and numbers are received before advising on utilizing Fiscal Year 2026 surplus to offset Fiscal Year 2025 deficit
- One goal is to build back the regions depleted internal service fund (ISF)
- Regional collaborative work continues to identify how MDHHS rates are being determined and set

- Discussion followed.

Operations Committee Update

Jeannie Goodrich distributed a handout covering key topics from recent Operations Committee meetings. Discussion followed.

CMH Board Updates

Barry-N/A

Berrien-SWMBH survey sent electronically in January and will be discussed at February Board meeting
 Branch-January Board meeting was cancelled due to inclement weather. SWMBH survey to be discussed at February Board meeting

Calhoun-SWMBH survey discussed at last Board meeting

Cass-SWMBH survey to be discussed at February Board meeting

Kalamazoo-SWMBH survey to be discussed at February Board meeting. Interviews are beginning for CEO replacement. ISK lost a Board member, Sharon Spears.

St. Joseph-CARF visit moved to April. Cameron Bullock recently received a Hometown Health Hero award. SWMBH survey completed.

Van Buren-Board completed SWMBH survey

Required Approvals

Fiscal Year 2026 Quality Assurance and Performance Improvement Program Plan

Alena Lacey reported as documented. Discussion followed.

Motion Edward Meny moved to approve the Fiscal Year 2026 Quality Assurance and Performance Improvement Program Plan as presented.

Second Michael Seals

Motion Carried

Ends Metrics Updates

Sub End #3 – Fiscal Year 2026 Network Adequacy Evaluation

Mila Todd reported as documented, noting history and development of SWMBH’s Network Adequacy Evaluation which occurs during the Fiscal Year under review, and how it is aligned to gather the necessary data to complete the MDHHS Network Adequacy retrospective reporting requirement. Discussion followed.

Sub End #1 – SWMBH 3rd Quarter Bulletin

Mila Todd reported as documented.

Board Actions to be Considered

Executive Officer Search Committee Recommendation

Sherii Sherban stated that the Executive Officer Search Committee met last Friday regarding the SWMBH CEO position.

Motion Edward Meny moved that the SWMBH Board move forward to develop a contract for the SWMBH CEO position with Mila Todd

Second Tom Schemelzer

Motion Carried
Discussion followed

Board Policy Review

None scheduled

Executive Limitations Review

None scheduled

Board Education

None scheduled

Communication and Counsel to the Board

PIHP Procurement

Mila Todd reported as follows:

- Official cancellation notice from Department of Technology, Management and Budget was received on January 29, 2026.
- State filed a motion to dismiss with prejudice on January 30, 2026.
- Plaintiffs filing a response on February 13, 2026.
- Judge Yates continues jurisdiction over the case.
- Rumor of MDHHS reissuing an RFP in the Spring of 2026 with an implementation date of October 1, 2027. Many variables are unknown.

Fiscal Year 2025 Quality Assurance and Performance Improvement Program Evaluation

Alena Lacey reported as documented. Discussion followed.

March Board Policy Direct Inspection

None scheduled

April Board Policy Direct Inspection

2.5 Investments (Board Finance Committee)

Public Comment

- SWMBH Audit underway with a draft by the 3rd or 4th week of March. Board Finance Committee to meet on March 27 to review draft before submission to MDHHS
- SWMBH Board in collaboration with Mila Todd to review Ends and Interpretations and bring suggested revisions to the March Board. Input from CMHs is welcomed and encouraged.
- Request to add to the March Board agenda a topic of possible time change to the SWMBH Board meetings

Adjournment

Motion Michael Seals moved to adjourn
Second Carol Naccarato
Motion Carried



Board Finance Committee Meeting Minutes

February 5, 2026

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

1:00-2:00 pm

Draft: 2/12/26

Members Present: Tom Schmelzer, Carol Naccarato, Michael Seals, Sherii Sherban

Guests: Jeff Patton

Members Absent: Allen Edlefsen

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

Review Agenda

Agenda approved.

Central Topics

Review prior meeting minutes

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

SWMBH YTD financial statements

Garyl Guidry gave an update on Fiscal Year 2025 financials as follows:

- Amendment #5 of #2.3 million received on 2/5/26 which will reduce deficit to \$13-\$14 million
- FSRs due 2/13/26
- Internal conversations with MDHHS continues regarding utilization of FY26 surplus to offset FY25 deficit

Garyl Guidry presented Period 3 financial statements as documented and noted:

- First quarter financial statements are actual numbers from each CMH
- Eligibles are down which will affect revenue, this is happening at all 10 PIHPs
- PIHPs reached out to the State with concerns
- Keith White acknowledged decline in eligibles but stated that it was too early for a mid-year rate adjustment
- DHHS and Milliman are reaching reasons for decline in eligibles
- 6-month Medicaid redeterminations begin due to the passage of the Big Beautiful Bill
- Minimum wage increase could cause individuals to earn too much to qualify for Medicaid
- DHHS says that there are no system issues with Medicaid enrollments and individuals are in the correct plan
- Period 3 surplus is \$6.3 million with an annualized of \$25 million in surplus

- Cost settlements for each CMH with CCBHC broken out reviewed
- SWMBH commits to fully cost settle with each CMH for Fiscal Year 2025
- Woodlands has received \$1 million for Fiscal Year 2025 cost settlement out the \$4 million owed

Mila added the following:

- Conversations with MDHHS continue regarding utilization of Fiscal Year 2026 revenues to offset Fiscal Year 2025 deficit. MDHHS is waiting to make a decision until final FSRs and final numbers are received for Fiscal Year 2025
- SWMBH will finalize by 3/2/26

Discussion followed.

SWMBH Revenue Variance Report

Garyl Guidry reported as follows:

- Fiscal Year 2026 Medicaid revenue is currently \$13 million short due to declining eligibles even with a projected surplus
- HSW payments are continuing to be paid at the 2025 rate
- \$2.8 million reduction in HMP
- Any mid-year rate adjustment would be received in April 2026 (if there is one)
- Decrease in eligibles will have a direct impact on revenue
- All 10 PIHPs are experiencing this

Discussion followed.

SWMBH Check Registers

Garyl Guidry reported as documented. Discussion followed.

SWMBH Cash Flow Analysis

Garyl Guidry reported as documented, including November HRA funds received, Labor risk adjustment, and funding numbers do not include the \$2.3 million Amendment recently issued. Discussion followed.

March 31, 2026 Financials due to MDHHS

Committee agreed to meet March 27, 2026, at 1pm to review prior to submission.

Meeting adjourned at 2:00pm

Date:	2/11/26
Time:	9:00 am – 11:00 am
Facilitator:	Ric
Minute Taker:	MILA
Meeting Location:	MS Teams only Click here to join the meeting

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

Version 02/09/26

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		Approved.
2. Prior Meeting Minutes Review (d)		Already approved via email and included in SWMBH Board's February packet.
3. Financial Stability a. SWMBH Period 04 financials (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight	<ul style="list-style-type: none"> • FY25 deficit handling – holding pattern until after submission of Final FSR • No P04 Financials yet • MDHHS DCW/Minimum Wage Memo (d) 	<p>Garyl presented updated P03 financials with all 8 CMHs reporting actual numbers. Solid picture of Q1. Projecting \$25.3 million surplus for FY26. Revenues coming in approximately \$13 million lower than Milliman projection.</p> <p>FY25 Amendment 5 – SWMBH received \$2.3 million this week of additional revenue for FY25. Will reduce overall deficit by that amount. Payment is lower than what we anticipated. PIHP CFOs are</p>

		<p>reviewing collectively/sharing data to determine if the State paid the correct amount (was supposed to be \$34.7 million statewide).</p> <p>FY25 Final Submission first draft due from CMHs this Friday 2/13, HOWEVER, we do not yet have CMH-level data on the most recent FY25 additional payment. SWMBH has requested CMH-level data from MDHHS already. Once received, Garyl will contact each CMH CFO with the info. Recognize time crunch.</p> <p>Rehmann Template Update: SWMBH received template from Rehmann last week. SWMBH meets with Amy Rottman tomorrow to map out the differences between SWMBH financials and the Rehmann template. SWMBH goal is to learn/understand template to be able to complete in house and reduce delays.</p> <p>MDHHS sent out Memo to clarify DCW vis-à-vis Minimum Wage. RFC reviewed rates and are confident current rates are sufficient to meet the requirements. RFC put together a regional response template to use for specific inquiries. RPNM will review next week – can send MDHHS memo to provider network along with a regional memo.</p>
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<p>4. FY26 SWMBH Budget</p>	<ul style="list-style-type: none"> • Revenue Monitoring Report • Regional rate development review 	<p>Revenue Tracking Report inclusive of January payments – small increase in eligibles; \$112 million in revenue received through P04. MDHHS indicated if trend in eligibles continues then there will be a mid year rate adjustment.</p> <p>SWMBH (Garyl and Moira Kean) and ISK (Pat Davis) are reviewing the FY26 Regional Rate development methodology.</p>
<p>5. Assets & Liabilities Workgroup</p>	<ul style="list-style-type: none"> • On hold pending additional information from RFP process. • Recommended edits (Financial Management Plan, Financial Risk Management Plan, Cost Allocation Plan, Bylaws, etc.) 	<p>Plans to be reviewed at February OC after Regional Finance review and recommendations.</p> <p>Financial plans went to RFC on 2/2 with feedback due 2/20. RFC feedback will come to Ops Com mtg. after that. RFC does not plan to incorporate changes from Asset & Liabilities workgroup pending the outcome of the RFP process.</p>
<p>6. PIHP Competitive Procurement</p>	<ul style="list-style-type: none"> • Regional Entity Roles and Future • FY27 responsibilities – CFAP, MHF, Authorization time frames, etc. 	<p>MDHHS filed a Motion for Summary Disposition 1/30 requesting the case be dismissed with prejudice based on it being moot since the RFP was cancelled. Plaintiff’s response is due this Friday 2/13.</p> <p>CMHAM MHF Committee – Jeannie volunteered, Jen Higgins (BCCMHA) volunteered, VBCM staff volunteered, Kathy Wanger (RWC) volunteered – CMHAM will choose participants.</p>

		<p>Discussion around State having no idea of the system disruption this and the continued uncertainty has caused.</p> <p>Other PIHP lawsuit has been scheduled for a hearing on March 24th 11am.</p>
7. CCBHC Direct Payment Methodology		<p>PCE solution so SUD Block Grant encounters are submitted to SWMBH.</p> <p>General discussion on how payments are going.</p>
8. FY26 CMH Contracts - Transition Clause	<ul style="list-style-type: none"> • WBHN Board outcome 	<p>WBHN Board met, would like contract language that all parties would work in good faith to jointly develop a transition plan.</p> <p>Michael will set up a mtg for Mila and WBHN Board/legal counsel or appropriate individual.</p>
9. Regional Norms (Board End)	<ul style="list-style-type: none"> • Finalize 	<p>MT will finalize and send to OC via email.</p>
10. OC Self Eval		<p>OC finalized edits at last meeting. SWMBH is putting into Survey Monkey and will send out soon (MT to confirm date with Alena), review period is August 4, 2025 forward.</p>
11. PCE CCBHC Processor Update for Waiver Services		<p>Ric sent PCE email yesterday to the entire group.</p>
12. Next Meeting- February 25th February Facilitator- Ric March Facilitator- Jeannie April Facilitator- Jeff		<p>Confirmed next date and facilitators.</p>

13. 11-12 pm CMH CEOs		
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Date:	2/25/26
Time:	9:00 am – 11:00 am
Facilitator:	Ric
Minute Taker:	Cameron
Meeting Location:	MS Teams only Click here to join the meeting

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

Version 02/19/26

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Approved via Email
3. Financial Stability a. SWMBH Period 04 financials (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight	<ul style="list-style-type: none"> FY25 deficit handling – holding pattern until after submission of Final FSR No P04 Financials yet 	<ul style="list-style-type: none"> Final submissions of 5/8 CMHs have been submitted. These were due Monday: Cass, Barry, and Van Buren are outstanding. Necessary to know the final deficit number in 2025. \$12.297 million current deficit with 5 of the 8 CMH’s in. Consulted with Richard Carpenter regarding the submission of the final FSR and to submit a negative ISF balance.

		<ul style="list-style-type: none"> • This will result in a loss of 120k in incentive payment total. This is necessary to be able to capture actual losses etc. • Plan to submit Final to the state on Monday, 3/2/26
4. FY26 SWMBH Budget	<ul style="list-style-type: none"> • Revenue Monitoring Report • Regional rate development review 	<ul style="list-style-type: none"> • P04 Financial should be done sometime next week.
5. Assets & Liabilities Workgroup	<ul style="list-style-type: none"> • On hold pending additional information from RFP process. • Recommended edits (Financial Management Plan, Financial Risk Management Plan, Cost Allocation Plan, Bylaws, etc.) RFC feedback due 2/20 	<ul style="list-style-type: none"> • Financial plans were sent to CFO's for feedback. Ask of CEO's to review and offer any feedback by Wednesday, March 4th, 2026.
6. PIHP Competitive Procurement	<ul style="list-style-type: none"> • Regional Entity Roles and Future – CMH expectations • FY27 responsibilities – CFAP, MHF, Authorization time frames, etc. 	<ul style="list-style-type: none"> • Notice of Hearing on State's motion to dismiss- 4/13/26 @ Lansing County Courthouse.
7. CCBHC Direct Payment Methodology		<ul style="list-style-type: none"> • ADOS assessment only codes can be sent to PIHP and should not be sent to PIHP, so long as there is an existing

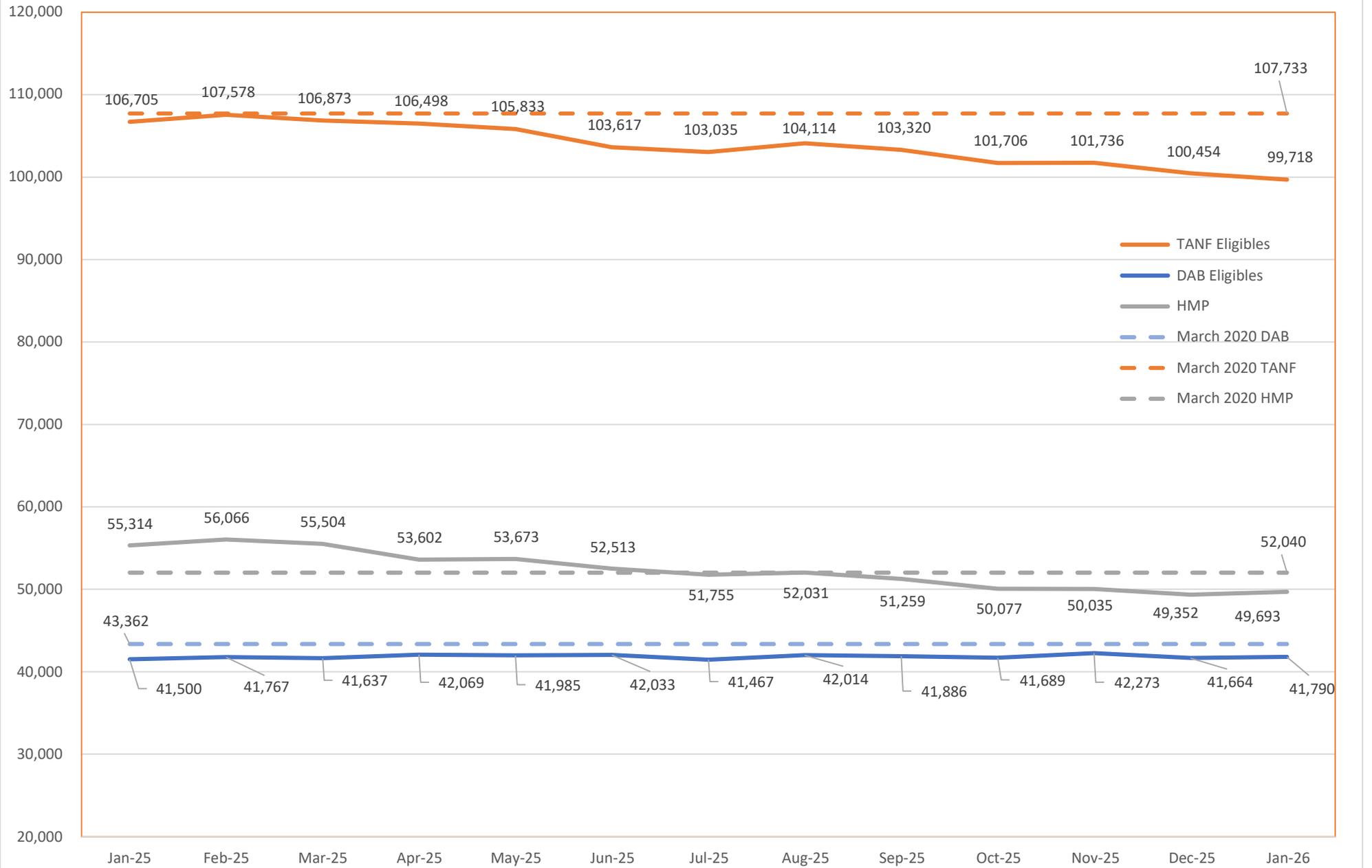
		<p>Autism Dx and no other dx codes should be attached.</p> <ul style="list-style-type: none"> • Van Buren is requesting help with secondary billing issues. Rehman and Summit Point were given as potential partners to reach out.
8. Regional Norms (Board End)	<ul style="list-style-type: none"> • Finalize 	<ul style="list-style-type: none"> • Approved. Will be disseminated to regional groups.
9. HSW Application & CFAP implications		<ul style="list-style-type: none"> •
10. Additional Items	<p>PCE CMHAM Special Assessment Self-D Workgroup KBHH Contract Status</p>	<ul style="list-style-type: none"> • Michael had reached out to be a part of a workgroup that explores a system that is able to connect patient data across many service organizations. • Mila to reach out to Sherry B. and Kevin to attend an Operations Committee Meeting to understand what it is they want to gain a better understanding of to inform next steps. • PALCO- FMS provider- Exiting the state of Michigan. Unable to scale the business to function in the state of Michigan. Regional PIHP CFOs met to create a template for developing rates to be used across all CMHs in SWMBH. <ul style="list-style-type: none"> ○ SWMBH to create a self-D workgroup and look at the provider administrative piece of it. Billing procedures,

		<p>audit requirements, etc.</p> <ul style="list-style-type: none"> • CMHAM Special Assessment – asking for another round of funding to rebuild the reserves. • KBHH Contract Status <ul style="list-style-type: none"> ○ Jeannie needs, other CMH’s do not send. Mila is to handle and address. • PCE <ul style="list-style-type: none"> ○ Mila to return to Ops Comm with Cost, may need to hold off with the pending litigations, how to ensure appropriate managed care costs. ○ Cost analysis of PCE vs Staffing and benefits/negatives.
11. Mila PTO week of 3/2		
12. Next Meeting- March 11th March Facilitator- Jeannie April Facilitator- Jeff May – Sue	<ul style="list-style-type: none"> • 3/11 Agenda items 	<ul style="list-style-type: none"> • Regional Rates – PIHP • PCE Prep work <ul style="list-style-type: none"> ○ Cost Analysis ○ Cost ○ Timeline • P04 Financial • FY 25 Final Numbers • Regional Imperatives
13. 11-12 pm CMH CEOs		

Southwest Michigan Behavioral Health

Total Eligibles JAN '25 - JAN '26

as of February 26th, 2026



<u>SWMBH Through January</u>	<u>FY26</u>	<u>FY25</u>	<u>% Change YOY</u>	<u>\$ Change YOY</u>
State Plan MH	29,429,075	32,434,703	-9.3%	(3,005,628)
1915i MH	32,548,481	30,066,255	8.3%	2,482,226
Autism	15,178,344	9,117,495	66.5%	6,060,849
<i>Habilitation Supports Waiver (HSW)</i>	22,943,396	21,293,654	7.7%	1,649,742
<i>Child Waiver Program (CWP)</i>	298,548	303,231	-1.5%	(4,683)
<i>Serious Emotional Disturbances (SED)</i>	235,248	182,315	29.0%	52,933
Net Capitation Payment	<u>100,632,782</u>	<u>93,397,653</u>	7.7%	7,235,129
				-
State Plan SA	1,624,400	2,624,433	-38.1%	(1,000,033)
Net Capitation Payment	<u>1,624,400</u>	<u>2,624,433</u>	-38.1%	(1,000,033)
				-
Healthy Michigan Mental Health	7,153,524	8,230,127	-13.1%	(1,076,603)
Healthy Michigan Autism	1,175	13,031	-91.0%	(11,857)
Net Capitation Payment	<u>7,154,699</u>	<u>8,243,159</u>	-13.2%	(1,088,460)
				-
Healthy Michigan Substance Abuse	3,160,652	4,522,980	-30.1%	(1,362,327)
Net Capitation Payment	<u>3,160,652</u>	<u>4,522,980</u>	-30.1%	(1,362,327)
				-
GRAND TOTAL	112,572,533	108,788,224	3.5%	3,784,309

as of 2/26/2026

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

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

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

	E	F	I	J	K	L	M
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 1/31/2026			FY26 PIHP			
3	(For Internal Management Purposes Only)						
4							
6	REVENUE						
7	Contract Revenue						
8	Medicaid Capitation	256,227,043	314,064,882	85,625,694	103,752,278	311,256,834	
9	Healthy Michigan Plan Capitation	38,407,790	34,620,863	9,527,167	10,315,351	30,946,053	
10	Medicaid Hospital Rate Adjustments	12,089,192	12,089,192	4,029,731	4,187,265	12,561,795	
11	Opioid Health Home Capitation	1,610,090	1,871,969	535,057	514,646	1,543,937	
12	Mental Health Block Grant Funding	653,000	580,000	172,045	179,304	537,913	
13	SA Block Grant Funding	7,763,190	7,795,203	3,257,532	2,125,859	6,377,577	
14	SA PA2 Funding	2,184,476	2,184,476	1,092,238	533,759	1,601,276	
15							
16	Contract Revenue	318,934,780	373,206,585	104,239,463	121,608,462	364,825,386	
17	CMHSP Incentive Payments	419,357	483,601	232,976	79,424	238,271	
18	PIHP Incentive Payments	2,483,291	2,134,267	827,764	-	-	
19	Interest Income - Working Capital	1,222,315	47,805	277,410	92,929	278,788	
20	Interest Income - ISF Risk Reserve	-	36,212	207,981	8	23	
21	Local Funds Contributions	852,520	852,520	284,173	284,173	852,520	
23							
24	TOTAL REVENUE	323,912,264	376,760,990	106,069,767	122,064,996	366,194,987	
25							
26	EXPENSE						
27	Healthcare Cost						
28	Provider Claims Cost	23,023,897	22,684,580	7,755,370	7,120,719	21,362,157	
29	CMHP Subcontracts, net of 1st & 3rd party	263,904,801	270,362,517	87,836,034	87,526,248	262,578,745	
30	Insurance Provider Assessment Withhold (IPA)	3,746,326	2,910,115	976,090	936,560	2,809,679	
31	Medicaid Hospital Rate Adjustments	12,089,192	12,089,192	4,029,731	4,187,265	12,561,795	
33		-	-	-	-	-	
34	Total Healthcare Cost	302,764,215	308,046,404	100,597,224	99,770,792	299,312,375	
35	Medical Loss Ratio (HCC % of Revenue)	94.9%	82.5%	96.5%	82.0%	82.0%	
36							
37	Administrative Cost						
39	Administrative and Other Cost	12,805,756	13,112,965	3,264,486	3,290,512	9,871,537	
44	Delegated Managed Care Admin	24,714,174	33,273,408	8,583,785	10,032,942	30,098,827	
45	Apportioned Central Mgd Care Admin	(2,665,293)	-	(608,732)	-	-	
46							
47	Total Administrative Cost	34,854,637	46,386,373	11,239,538	13,323,455	39,970,364	
48	Admin Cost Ratio (MCA % of Total Cost)	10.3%	13.1%	10.0%	11.8%	11.8%	
49							
50	Local Funds Cost	852,520	852,520	284,173	284,173	852,520	
51	PBIP Transferred to CMHPs	-	1,920,841	-	-	-	
52							
53	TOTAL COST after apportionment	338,471,372	355,285,297	112,120,935	113,378,420	340,135,259	
54							
55	NET SURPLUS before settlement	(14,559,107)	21,475,693	(6,051,168)	8,686,576	26,059,728	
56	Net Surplus (Deficit) % of Revenue	-4.5%	5.7%	-5.7%	7.1%	7.1%	
57							
58	Prior Year Savings Utilization	-	-	-	-	-	
59	Change in PA2 Fund Balance	-	-	-	-	-	
60	ISF Risk Reserve Abatement (Funding)	-	-	-	-	-	
61	ISF Risk Reserve Utilization	1,929,280	36,212	1,461,462	-	-	
62	MDHHS Shared Risk Utilization	-	-	-	-	-	
63	CCBHC Supplemental Receivable (Payable)	3,813,725	-	-	-	-	
64	Settlement Receivable / (Payable)	-	-	-	-	-	
67	NET SURPLUS (DEFICIT)	(8,816,103)	21,511,905	(4,589,706)	8,686,576	26,059,728	
68	<i>HMP & Autism is settled with Medicaid</i>						
69							
173							
174							

January										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	8,181,405	4,345,866	18,681,506	5,331,819	17,388,447	5,897,473	30,555,050	6,224,130	9,403,791	106,009,488
Expense	7,081,336	3,167,948	18,318,160	3,593,198	16,421,322	7,181,400	28,370,956	5,093,752	7,875,927	97,103,999
Difference	1,100,069	1,177,918	363,346	1,738,621	967,125	(1,283,927)	2,184,095	1,130,378	1,527,864	8,905,488
HMP										
Revenue	3,956,948	417,406	1,774,233	398,068	1,527,126	466,184	2,473,548	574,898	736,419	12,324,830
Expense	5,551,288	420,723	1,206,625	246,881	1,418,010	749,133	2,353,958	449,760	348,662	12,745,041
Difference	(1,594,340)	(3,317)	567,608	151,186	109,116	(282,949)	119,590	125,138	387,757	(420,211)
November Revenue and Expense										
Revenue	12,138,353	4,763,272	20,455,739	5,729,887	18,915,572	6,363,658	33,028,599	6,799,028	10,140,210	118,334,318
Expense	12,632,624	3,588,671	19,524,785	3,840,079	17,839,332	7,930,533	30,724,914	5,543,512	8,224,589	109,849,040

Capitation Deficit 8,485,277.32

Annualized										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	24,544,215	13,037,598	56,044,518	15,995,457	52,165,340	17,692,420	91,665,151	18,672,390	28,211,373	318,028,463
Expense	21,244,008	9,503,844	54,954,480	10,779,594	49,263,966	21,544,201	85,112,867	15,281,257	23,627,781	291,311,998
Difference	3,300,207	3,533,754	1,090,038	5,215,863	2,901,374	(3,851,781)	6,552,285	3,391,133	4,583,592	26,716,465
HMP										
Revenue	11,870,844	1,252,218	5,322,699	1,194,203	4,581,377	1,398,553	7,420,645	1,724,693	2,209,257	36,974,490
Expense	16,653,864	1,262,169	3,619,875	740,644	4,254,029	2,247,399	7,061,875	1,349,280	1,045,987	38,235,123
Difference	(4,783,020)	(9,951)	1,702,824	453,559	327,348	(848,846)	358,770	375,413	1,163,270	(1,260,633)
Combined Medicaid/HMP	(1,482,813)	3,523,803	2,792,862	5,669,422	3,228,722	(4,700,626)	6,911,055	3,766,546	5,746,862	25,455,832
December Results	1,720,482	2,738,536	1,072,844	6,533,453	3,661,826	(4,213,113)	5,347,056	4,556,452	3,530,073	24,947,609
1Month Comparison	(3,203,296)	785,267	1,720,018	(864,031)	(433,103)	(487,514)	1,563,999	(789,906)	2,216,789	508,223

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 1/31/2026
(For Internal Management Purposes Only)

INCOME STATEMENT

Barry County CMHA
PIHP Summary Information

		1/31/2026	Summary of Local CMHSP Components						CCBHC		
		SWMBH TOTAL Excluding GF	Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non- Medicaid
HCC%	100%		86.0%	0.1%	10.6%	0.0%	0.4%	2.9%	INFORMATIONAL ONLY		
Capitation Payment			4,302,339	43,527	331,512	85,894	12,585	311,776	1,347,588.00	487,104	87,494
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>									
Subcontract revenue	1,834,692	4,775,857	4,302,339	43,527	331,512	85,894	12,585	311,776	1,347,588	487,104	87,494
External provider cost			2,675,653	-	305,188	-	-	50,163			
Internal program cost			78,197	1,826	33,405	-	12,585	43,491	1,877,130.00	770,382	291,230
SSI Reimb, 1st/3rd Party Cost Offset									(864,435.00)	(325,492)	87,494
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	412,272	-	82,130	-	-	6,323	-	-	-
Subcontract cost	1,457,586	3,601,256	3,166,122	1,826	420,723	-	12,585	99,978	1,012,696	444,890	378,723
Net before settlement	377,106		1,136,217	41,701	(89,212)	85,894	-	211,798	334,892	42,214	(291,229)
Other Redistributions of State GF		<i>PIHP Stmt</i>	-	-	-	-	-	(49,006)	-	-	-
Subcontract settlement			(1,136,217)	(41,701)	89,212	(85,894)	-	-	-	-	-
Net after settlement	377,106	-	-	-	-	-	-	162,792	334,892	42,214	(291,229)

Berrien Mental Health Authori

PIHP Summary Information

		1/31/2026	Summary of Local CMHSP Components						CCBHC		
		SWMBH TOTAL Excluding GF	Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non- Medicaid
HCC%	100.00%		92.4%	0.0%	5.6%	0.0%	0.8%	1.2%	INFORMATIONAL ONLY		
Capitation Payment			18,509,134	172,372	1,403,153	371,080	65,154	736,128	3,088,217	1,268,123	-
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>									
Subcontract revenue	4,356,340	20,520,893	18,509,134	172,372	1,403,153	371,080	65,154	736,128	3,088,217	1,268,123	-
External provider cost			16,106,291	-	904,852	-	-	179,752			
Internal program cost			772,844	450	111,540	1,893	154,691	31,305	3,079,390	1,191,609	530,052
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	(44,864)	(58,642)	(9,745)	-
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	1,438,575	-	188,340	-	-	242,019	-	-	-
Subcontract cost	4,202,612	19,679,476	18,317,710	450	1,204,732	1,893	154,691	408,212	3,020,748	1,181,864	530,052
Net before settlement	153,728		191,424	171,922	198,421	369,187	(89,537)	327,916	67,469	86,259	(530,052)
Other Redistributions of State GF		<i>PIHP Stmt</i>	-	-	-	-	-	327,916	-	-	-
Subcontract settlement			(191,424)	(171,922)	(198,421)	(369,187)	89,537	-	-	-	-
Net after settlement	153,728	-	-	-	-	-	-	(0)	67,469	86,259	(202,136)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 1/31/2026
(For Internal Management Purposes Only)

1/31/2026

ok

INCOME STATEMENT

		SWMBH TOTAL		Summary of Local CMHSP Components						CCBHC		
		Excluding GF		Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Pines Behavioral Health Servi		HCC%	100.00%	90.0%	0.0%	5.7%	0.0%	0.2%	4.2%	INFORMATIONAL ONLY		
PIHP Summary Information												
Capitation Payment				5,282,454	49,364	316,044	82,024	9,422	293,540	956,160	309,985	-
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>										
Subcontract revenue	<u>1,266,145</u>	<u>5,729,887</u>		5,282,454	49,364	316,044	82,024	9,422	293,540	956,160	309,985	-
External provider cost				3,276,837	-	203,793	-	-	80,251	-	-	-
Internal program cost				74,886	94	8,542	44	6,476	74,722	1,325,762	453,254	297,348
SSI Reimb, 1st/3rd Party Cost Offset				-	-	-	-	-	-	(18,513)	(6,150)	-
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>		241,381	-	34,502	-	-	21,297	-	-	-
Subcontract cost	<u>1,754,352</u>	<u>3,846,555</u>		3,593,104	94	246,837	44	6,476	176,270	1,307,249	447,104	297,348
Net before settlement	(488,207)			1,689,350	49,271	69,206	81,980	2,946	117,270	(351,089)	(137,118)	(297,348)
Other Redistributions of State GF		<i>PIHP Slmt</i>		-	-	-	-	-	(117,270)	-	-	-
Subcontract settlement	-	<u>(1,892,754)</u>		<u>(1,689,350)</u>	<u>(49,271)</u>	<u>(69,206)</u>	<u>(81,980)</u>	<u>(2,946)</u>	-	-	-	-
Net after settlement	(488,207)	-		-	-	-	-	-	(0)	(351,089)	(137,118)	(297,348)
Summit Pointe (Calhoun Cour		HCC%	100.00%	90.7%	0.0%	6.8%	0.0%	0.0%	2.5%	INFORMATIONAL ONLY		
PIHP Summary Information												
Capitation Payment				17,388,447	-	1,527,126	-	-	619,832	2,932,578	1,099,583	-
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>										
Subcontract revenue	<u>4,032,161</u>	<u>18,915,572</u>		17,388,447	-	1,527,126	-	-	619,832	2,932,578	1,099,583	-
External provider cost				14,112,665	-	1,096,304	-	-	323,763	-	-	-
Internal program cost				601,866	-	13,029	-	-	81,664	3,426,489	1,097,744	865,947
SSI Reimb, 1st/3rd Party Cost Offset				-	-	-	-	-	-	-	-	-
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>		1,706,791	-	308,676	-	-	33,338	-	-	-
Subcontract cost	<u>4,524,233</u>	<u>17,839,332</u>		16,421,322	-	1,418,010	-	-	438,765	3,426,489	1,097,744	865,947
Net before settlement	(492,072)			967,125	-	109,116	-	-	181,067	(493,911)	1,839	(865,947)
Other Redistributions of State GF		<i>PIHP Slmt</i>		-	-	-	-	-	(181,067)	-	-	-
Subcontract settlement	-	<u>(1,076,241)</u>		<u>(967,125)</u>	<u>-</u>	<u>(109,116)</u>	<u>-</u>	<u>-</u>	-	-	-	-
Net after settlement	(492,072)	-		-	-	-	-	-	0	(493,911)	1,839	(865,947)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 1/31/2026
(For Internal Management Purposes Only)

INCOME STATEMENT

		1/31/2026	Summary of Local CMHSP Components						CCBHC		
		SWMBH TOTAL Excluding GF	Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non- Medicaid
Woodlands Behavioral Health		HCC%	100.0%	84.5%	1.2%	5.7%	3.3%	0.5%	4.8%		
PIHP Summary Information											
Capitation Payment			5,867,164	30,309	370,175	96,009	40,637	289,032			
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>									
	-	6,363,658	5,867,164	30,309	370,175	96,009	40,637	289,032			
External provider cost			5,382,050	-	169,739	-	-	57,361			
Internal program cost			1,108,019	95,032	265,580	250,657	35,759	311,832			
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	596,300	-	63,157	-	-	33,041			
	-	7,966,292	7,086,368	95,032	498,476	250,657	35,759	402,234			
Subcontract cost			(1,219,204)	(64,723)	(128,301)	(154,648)	4,878	(113,202)			
Other Redistributions of State GF		<i>PIHP Sllmt</i>	-	-	-	-	-	113,202			
Subcontract settlement		1,561,997	1,219,204	64,723	128,301	154,648	(4,878)	-			
Net after settlement		-	-	-	-	-	-	-			
Integrated Services of Kalama		HCC%	100.0%	92.3%	0.0%	7.7%	0.0%	0.0%	INFORMATIONAL ONLY		
PIHP Summary Information											
Capitation Payment			30,555,050	-	2,473,548	-	37,319	-	8,386,105	2,720,627	-
Incentive Payment Revenue	<i>CCBHC Revenue</i>	<i>PIHP Revenue</i>									
	11,106,732	33,065,918	30,555,050	-	2,473,548	-	37,319	-	8,386,105	2,720,627	-
External provider cost			24,187,934	-	2,088,258	-	-	-			
Internal program cost			1,011,294	-	2,540	-	-	-	8,424,037	2,512,180	1,728,343
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	(473,543)
Mgd care administration	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	3,171,728	-	263,161	-	-	-	-	-	-
	10,936,217	30,724,914	28,370,956	-	2,353,958	-	-	-	8,424,037	2,512,180	1,254,800
Subcontract cost			(170,515)	-	119,590	-	37,319	-	(37,932)	208,447	(1,254,800)
Other Redistributions of State GF		<i>PIHP Sllmt</i>	-	-	-	-	-	-	-	-	284,389
Subcontract settlement		(2,341,004)	(2,184,095)	-	(119,590)	-	(37,319)	-	-	-	-
Net after settlement		-	-	-	-	-	-	(0)	(37,932)	208,447	(970,411)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 1/31/2026
(For Internal Management Purposes Only)

INCOME STATEMENT

CMH of St Joseph County
PIHP Summary Information

	HCC%	100.0%	88.2%	0.0%	7.2%	0.0%	0.7%	3.9%
Capitation Payment			6,162,586	61,544	456,827	118,071	26,323	347,520
Incentive Payment Revenue								
<i>CCBHC Revenue</i>		<i>PIHP Revenue</i>						
Subcontract revenue		3,749,545	6,162,586	61,544	456,827	118,071	26,323	347,520
External provider cost			4,209,559	-	353,382	-	-	160,384
Internal program cost			246,989	112	9,392	-	36,138	34,270
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-
Mgd care administration			<i>CCBHC Cost</i>	<i>PIHP Cost</i>	637,092	86,987	-	90,633
Subcontract cost		2,114,171	5,093,641	112	449,760	-	36,138	285,287
Net before settlement		1,635,374	1,068,945	61,433	7,067	118,071	(9,815)	62,233
Other Redistributions of State GF			-	-	-	-	-	703,602
Subcontract settlement			<i>PIHP Stmt</i>					(765,835)
Net after settlement		1,635,374	-	-	-	-	-	(0)

Van Buren Mental Health Auth
PIHP Summary Information

	HCC%	100.0%	91.6%	0.0%	3.3%	0.0%	1.2%	3.8%
Capitation Payment			9,314,850	88,941	584,153	152,266	21,245	399,120
Incentive Payment Revenue								
<i>CCBHC Revenue</i>		<i>PIHP Revenue</i>						
Subcontract revenue		1,154,102	9,314,850	88,941	584,153	152,266	21,245	399,120
External provider cost			6,344,658	-	232,021	-	-	202,803
Internal program cost			815,779	1,171	25,758	3,351	97,126	93,492
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	(48,881)
Mgd care administration			<i>CCBHC Cost</i>	<i>PIHP Cost</i>	714,320	87,532	-	192,513
Subcontract cost		2,298,921	7,874,756	1,171	345,311	3,351	97,126	439,928
Net before settlement		(1,144,819)	1,440,094	87,770	238,842	148,915	(75,881)	(40,808)
Other Redistributions of State GF			-	-	-	-	-	(320,544)
Subcontract settlement			<i>PIHP Stmt</i>					-
Net after settlement		(1,144,819)	-	-	-	-	-	(652,522)

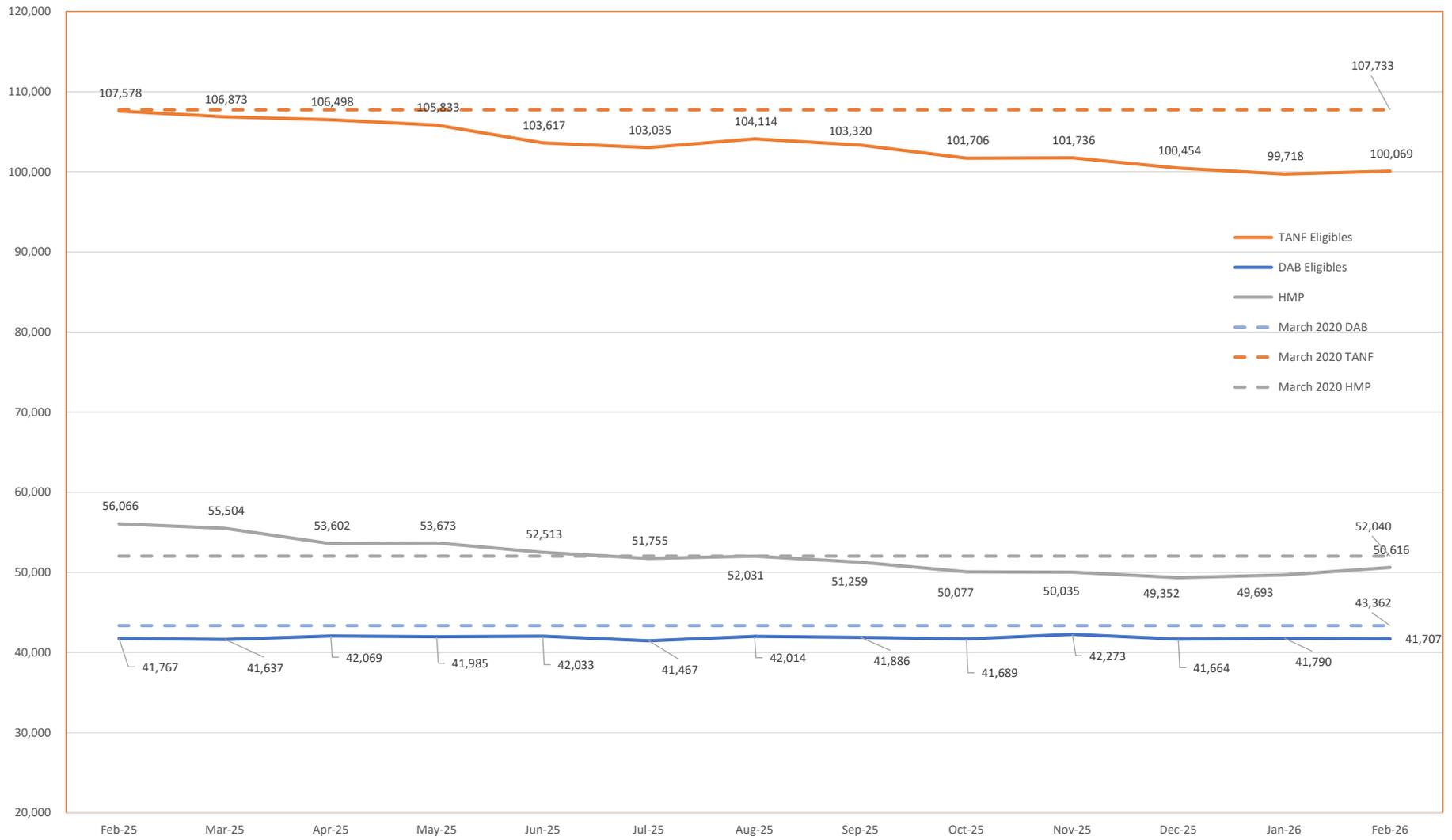
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Summary of Local CMHSP Components

	SWMBH TOTAL		Summary of Local CMHSP Components					
	Excluding GF		Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF
CMH of St Joseph County		HCC% 100.0%	88.2%	0.0%	7.2%	0.0%	0.7%	3.9%
Van Buren Mental Health Auth		HCC% 100.0%	91.6%	0.0%	3.3%	0.0%	1.2%	3.8%

CCBHC		
CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
INFORMATIONAL ONLY		
2,895,026	854,519	-
2,895,026	854,519	-
1,646,470	505,739	730,857
(33,305)	(4,732)	-
1,613,164	501,007	730,857
1,281,861	353,513	(730,857)
-	-	-
1,281,861	353,513	(730,857)

Southwest Michigan Behavioral Health
 Total Eligibles FEB '25 - FEB '26
 as of February 26th, 2026



<u>SWMBH Through February</u>	<u>FY26</u>	<u>FY25</u>	<u>% Change YOY</u>	<u>\$ Change YOY</u>
State Plan MH	36,737,401	40,572,593	-9.5%	(3,835,191)
1915i MH	40,635,124	37,624,029	8.0%	3,011,095
Autism	18,978,502	11,554,420	64.3%	7,424,082
<i>Habilitation Supports Waiver (HSW)</i>	<i>28,751,254</i>	<i>26,535,825</i>	<i>8.3%</i>	<i>2,215,429</i>
<i>Child Waiver Program (CWP)</i>	<i>374,006</i>	<i>379,073</i>	<i>-1.3%</i>	<i>(5,068)</i>
<i>Serious Emotional Disturbances (SED)</i>	<i>290,959</i>	<i>217,476</i>	<i>33.8%</i>	<i>73,483</i>
Net Capitation Payment	<u>125,766,937</u>	<u>116,883,415</u>	7.6%	8,883,521
				-
State Plan SA	2,030,828	3,282,012	-38.1%	(1,251,185)
Net Capitation Payment	<u>2,030,828</u>	<u>3,282,012</u>	-38.1%	(1,251,185)
				-
Healthy Michigan Mental Health	8,964,859	10,346,401	-13.4%	(1,381,542)
Healthy Michigan Autism	1,244	16,600	-92.5%	(15,357)
Net Capitation Payment	<u>8,966,103</u>	<u>10,363,001</u>	-13.5%	(1,396,899)
				-
Healthy Michigan Substance Abuse	3,969,390	5,671,145	-30.0%	(1,701,755)
Net Capitation Payment	<u>3,969,390</u>	<u>5,671,145</u>	-30.0%	
				-
GRAND TOTAL	140,733,257	136,199,574	3.3%	4,533,683

as of 3/6/2026

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

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

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



Revenue Tracking of Expected Funds	FY26 Revenue						FY26 Revenue YTD					
	FY26 Budget	Actual Payment	Accrual	Actual Annualized	Variance \$	Variance %	Budget YTD	Actual	Accrual	YTD	Variance \$	Variance %
Medicaid	242,191,562.82	232,904,255.83	-	232,904,255.83	(9,287,306.99)	-3.8%	100,913,151.18	97,043,439.93	-	97,043,439.93	(3,869,711.24)	-3.8%
Habilitation Supports Waiver (HSW)	70,682,821.26	69,003,010.99	5,645,743.90	74,648,754.89	3,965,933.63	5.6%	29,451,175.53	28,751,254.58	2,352,393.29	31,103,647.87	1,652,472.34	5.6%
Child Waiver Program (CWP)	964,208.87	897,613.20	-	897,613.20	(66,595.67)	-6.9%	401,753.70	374,005.50	-	374,005.50	(27,748.20)	-6.9%
Serious Emotional Disturbances (SED)	226,288.62	698,301.41	-	698,301.41	472,012.79	208.6%	94,286.93	290,958.92	-	290,958.92	196,672.00	208.6%
Healthy Michigan Mental Health	34,620,863.28	25,316,669.45	-	25,316,669.45	(9,304,193.83)	-26.9%	14,425,359.70	10,548,612.27	-	10,548,612.27	(3,876,747.43)	-26.9%
Overall Net Capitation Payment	348,685,744.85	328,819,850.88	5,645,743.90	334,465,594.78	(14,220,150.07)	-4.08%	145,285,727.02	137,008,271.20	2,352,393.29	139,360,664.49	(5,925,062.53)	-4.08%



Budgeted Funds
Over - Variance
Under - Variance
Accrued Funds

**SWBMH Board Sub-Ends Interpretations Accepted
1,3 & 5 on July 11 and 2 & 4 on April 11, 2025**

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

SUB END 1: Member CMH boards, EOs, and staff value the partnership with SWMBH, and experience the relationship as collaborative, transparent, responsive, and reciprocal.

Interpretation Accepted July 11, 2025: SWMBH staff and CMH staff work together professionally and effectively to ensure persons served in our region are provided with quality services while minimizing avoidable costs.

Required and requested information will be exchanged per contractual schedules or if unscheduled by mutually agreed time frames. All nine agencies' staff will respond timely and accurately to requests.

Regional norms will be mutually agreed upon by all nine agencies CEOs.

Member CMH Boards will receive written reports with information germane to their governance role related to status and plans of the region.

Achievement of collaborative, transparent, responsive, and reciprocal relationship with CMH staff will be demonstrated through the adoption of behaviorally specific regional norms by the Operations Committee with subsequent surveys and reports.

- Collaboration: The action of working with someone to produce or create something.
- Transparency: The quality of being easy to perceive or detect.
- Responsive: Reacting quickly and positively.
- Reciprocal: Given, felt, or done in return. Bearing on or binding each of two parties equally.

Achievement of relationship with CMH Boards will be demonstrated by production and circulation of quarterly communication from SWMBH leadership; SWMBH CEO will attend CMH Board meetings upon request.

Metrics:

- Agency CEOs co-develop regional work relationship norms which SWMBH will circulate to regional committees within 30 days of publication.

**SWBMH Board Sub-Ends Interpretations Accepted
1,3 & 5 on July 11 and 2 & 4 on April 11, 2025**

- Nine CEOs and agency management teams will reinforce and expect adherence to norms upon and after adoption of regional norms.
- Regional committees will document discussion of the norms within 60 days of publication.
- SWMBH completes baseline survey of regional committees based on norms 4-6 months after publication; compiled results will be presented at regional committee meetings within 8 months of publication.
- Subsequent annual regional committee surveys will indicate satisfactory scores as determined by Operations Committee using baseline data.

Regarding CMH Boards

- Written regional status and plan reports will be provided to CMH Boards quarterly.
- An annual report will be provided to CMH Boards and other regional stakeholders beginning winter 2025.

SUB END 2: Member CMHs are aware of environmental disruptors and trends and benefit from SWMBH's regional and statewide regulatory and public relations advocacy impacting the Mental Health Community.

Interpretation Accepted April 11, 2025: This Sub End means SWMBH seeks, aggregates, compiles, and analyzes business disruption trends and federal & state policy and funding changes for the public behavioral health system. Member CMHs will receive comprehensive communications and products for the benefit of CMHs and providers that aid their understanding of and remediation of external threats. Bulletins will be provided to CMH boards and all standing committees. SWMBH will strengthen regional advocacy efforts resulting in favorable impacts. SWMBH will generate and if resources permit prepare and publish community and media relations material highlighting the services and successes of CMHs.

Achievement will be demonstrated with the a. release of a regional Public Policy Plan by 6/9/25, b. publication of the first related Bulletin by 6/9/25 and c. release of a regional portfolio of CMH public relations materials by 7/14/25.

Metrics:

- Quarterly Bulletin to CMH Partner Boards contains information regarding environmental disruptors and trends.
- Regional committees have environmental scan information on the agenda and actively discuss it at least two times a year.
 - Proofs will include data pulled via an audit of committee minutes.

**SWBMH Board Sub-Ends Interpretations Accepted
1,3 & 5 on July 11 and 2 & 4 on April 11, 2025**

- Achievement of benefit will be demonstrated with one demonstrable favorable policy or funding outcome for the region by 9/30/25 and another by 9/30/26.
 - Proofs will include evidence of state regulatory policies and regional revenue gains that are in alignment with our requests.
-

Additional activities and external audit results which may be used as proofs of achievement:

Regional Committee meeting agendas incorporate standing items related to this, such as SWMBH monitors changes to the Code of Federal Regulations and ACA 1557.

- SWMBH staff participation in Workgroups tasked with assisting with policy development at the statewide level. Examples: Program Integrity – Compliance Officers, Chief Information Officer Forum, Customer Services, Utilization Management. Said participation will result in engagement with CMHs, maximized influence and ultimately favorable state policy and funding changes.
 - CEO is a member of CMHAM legislative and policy committee.
-

SUB-END 3: Member CMHs have the resources needed to address their communities' individualized needs, successfully access appropriate resources, and successfully meet contractual obligations (including managed care functions).

Interpretation Accepted July 11, 2025: SWMBH aggregates, analyzes data, and publishes reports for CMHs supporting and demonstrating all are meeting contractual obligations and have a positive impact within their communities.

Achievement will be demonstrated with the release of regional scorecards providing comparative statewide and CMH-specific data.

Achievement of appropriate resources will be demonstrated when the region's Medicaid margin is improved to break even or better for fiscal year 2026.

Sample Potential Metrics:

- Production of a SWMBH Management Information – Business Intelligence Plan by September 2025.
- 2026 Health Services Advisory Group External Quality Review if available:
 - SWMBH's Compliance Review corrective action plans from 2024 and 2025 are found to be *Met* at the 90% level or higher.

**SWBMH Board Sub-Ends Interpretations Accepted
1,3 & 5 on July 11 and 2 & 4 on April 11, 2025**

- SWMBH’s External Quality Review results of the Performance Measure Validation activities show that 90% of the Performance Indicators are found to be *Reportable* and 90% of the Data Integration and Validation results are found to be *Met*.
- Acceptable 2026 Consolidated CMH managed care review results will be determined pending information regarding PIHP procurement.

Activities and external audit results below may in part be used to influence and prove achievement of the Sub End.

- Access Standards through site reviews, HSAG results (if available), Michigan Mission Based Performance Improvement System Results (MMBPIS), and utilization comparisons with SUE report
- Annual Network Adequacy Results
- CMH and Provider Site Review Findings
- Data from submissions from the CMHs: Compliance Activity Report; Denial Files; Grievance & Appeals; Credentialing Activities
- HSAG External Quality Compliance Review (EQR) Results and Improvement Strategies
- HSAG Performance Measure Validation (PMV) Audit Results and Improvement Strategies
- Critical Incident Reporting timeliness and efficiency data
- SUD Health Home Metrics
- Behavioral Health Treatment Episode Data Set (BH TEDS) completion benchmarks
- Customer Services Survey Results

Sub End 4: Member CMHs and other providers assure and monitor ready access to appropriate programs and services for their consumers and contribute accurate data so SWMBH can create aggregated, comprehensive, and comparative regional results which supports access to maximum funding available.

Interpretation Accepted April 11, 2025: This Sub End means SWMBH serves as a regional business intelligence hub regularly providing actionable management information for CMHs and providers.

- a) supporting the achievement of improvements in access, quality and functional improvements for persons served, and
- b) improving efficiencies and reducing costs for clinical and administrative functions.

Achievement will be demonstrated with a. the release of a regional Management Information – Business Intelligence Plan September 2025, b. release of the first related Bulletin by 7/14/25, c. publication of a population health report for each county by 8/11/25 and d. updates in the Quarterly Bulletin.

**SWBMH Board Sub-Ends Interpretations Accepted
1,3 & 5 on July 11 and 2 & 4 on April 11, 2025**

Activities and external audit results below may in part be used to influence and prove achievement of the Sub End.

- Access Standards through site reviews and HSAG results, MMBPIS reports, utilization comparisons with SUE report
 - Consumer Advisory Committee (CAC) – summary of activity
 - Annual Network Adequacy Results
 - Provider Site Review Findings
 - Data from submissions from the CMHs: Compliance Activity Report; Denial Files; Grievance & Appeals; Credentialing Activities
 - HSAG External Quality Compliance Review (EQR) Results and Improvement Strategies
 - HSAG Performance Measure Validation (PMV) Audit Results and Improvement Strategies
 - Critical Incident Reporting timeliness and efficiency data
 - SUD Health Home Metrics
 - Behavioral Health Treatment Episode Data Set (BH TEDS) completion benchmarks
 - Customer Services Survey Results
 - Michigan Mission Based Performance Improvement System Results
-

SUB END 5: SWMBH regional partners align with best practice, learning from each other, collaborating, sharing resources, and benefiting from lessons learned.

Interpretation Accepted July 11, 2025: There is a structured, focused and collaborative environment where regional resources are provided whereby clinical and administrative best practices are developed, installed, maintained, measured, and reported.

Regarding **clinical programs**, CMHs and other provider partners align with clinical best practice when providing services to persons served. The priorities and pace will be agreed upon by the Clinical Practices Committee by March 31, 2026.

Achievement will be demonstrated by completion of regional Clinical Practices Protocols approved through the Clinical Practices committee of at least one of the categories by March 31, 2026.

- For persons with intellectual and/or developmental disabilities
- For children and youth with serious emotional disturbance
- For adults with severe and persistent mental illness
- For persons with autism spectrum disorders

**SWBMH Board Sub-Ends Interpretations Accepted
1,3 & 5 on July 11 and 2 & 4 on April 11, 2025**

- For persons with substance use disorders
- For substance use disorder prevention

Regarding **administrative benefits management SWMBH will co-develop with the regional Utilization Management Committee revised and improved utilization management protocols and level of care guidelines by March 31, 2026 (already underway).**

Metrics:

- Acceptable 2026 CMH delegated administrative utilization management site review scores will be determined pending information regarding PIHP procurement.
- Acceptable 2026 CMH clinical file site review scores will be determined pending information regarding PIHP procurement.

3.5 POLICY: Board Chair Role

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

Accordingly:

3.5.1. The result of the Chair's job is that the Board acts consistently with its own rules and those legitimately imposed upon it from outside the organization.

1. Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
2. Information that is neither for monitoring Board or enterprise performance nor for Board decisions will be avoided or minimized.
3. Deliberation will be fair, open, and thorough, but also timely and orderly.
4. Every effort will be made to assure a psychologically safe environment for all engaging during any board meeting.

3.5.2 The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (i) employment or termination of the EO and (ii) areas where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provision in these policies.

3.5.3 The Chair is empowered to preside over all SWMBH Board meetings with all the commonly accepted power of that position, such as agenda review, ruling, and recognizing.

3.5.4 The Chair has no authority to make decisions about policies created by the Board within *Ends* and *Executive Limitations* policy areas. Therefore, the Chair has no authority to supervise or direct the EO.

3.5.5 The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.

As you are aware, MDHHS formally cancelled the RFP on January 30th. On January 31st, MDHHS through counsel filed a Motion for Summary Disposition requesting our lawsuit be dismissed on the grounds of it being “moot”. Moot is a legal status where there is no longer an issue upon which the court can grant any type of relief. In this particular case, MDHHS argues that since the lawsuit relates to this specific RFP, and this specific RFP has been cancelled, there is no longer an issue upon which the court can grant any relief. We (the plaintiffs collectively – SWMBH included) filed a response objecting to the Motion for Summary Disposition. This matter is scheduled for a hearing on Monday April 13th in Lansing, in front of Judge Yates. I plan to attend live.

From: Monique Francis <MFrancis@cmham.org>
Sent: Wednesday, February 11, 2026 7:53 AM
To: Monique Francis <MFrancis@cmham.org>
Cc: Robert Sheehan <RSheehan@cmham.org>; Alan Bolter <ABolter@cmham.org>
Subject: CMHA actions - post Yates opinion and RFP withdrawal

To: CEOs of CMHs, PIHPs, and Provider Alliance members

CC: CMHA Officers; Members of the CMHA Board of Directors and Steering Committee;
CMH & PIHP Board Chairpersons

From: Robert Sheehan, CEO, CMH Association of Michigan

Re: CMHA actions - post Yates opinion and RFP withdrawal

If you were at the recent CMHA Winter 2026 Conference, the CMHA Board of Directors meeting, or the CMHA Directors Forum, you heard Alan and I talk about CMHA's game plan in this post-Yates decision: post RFP withdrawal period. This game plan, with three parallel paths, is summarized below.

A. A pro-active approach at strengthening and advancing improvements to Michigan's public mental health system in statute, policy, and practice

1. CMHA, and its allies – NAMI, Arc, and MAC – are working to refine the **draft set of recommended core components of a redesigned system**. This draft document has been shared with CMHA members several times over the past year. As this document is finalized, it will form the basis of advocacy work of CMHA and these core allies and all of our members.

2. To ensure that this set of recommended core components represents the views of CMHA's diverse membership, CMHA will be calling together a **Guidance Group** made up of representatives of the three types of CMHA members:

- CMHSPs
- PIHPs
- Leadership of the CMHA Provider Alliance (representing private providers in the CMHSP and PIHP networks)

This Guidance Group will identify:

- Refinements to be proposed in the Core Components document and related efforts
- Components in the Core Components document which could be pursued without or in advance of statutory changes and those which will require statutory changes

3. In pursuit of the recommendations contained in this document, CMHA, its members, and allies will initiate advocacy around statutory and/or policy changes. s document.

B. Legal action which would be required if MDHHS issues a second PIHP RFP

C. Work, in partnership with allies, to halt the implementation of the Mental Health Framework

D. Renewal/continuation of contracts between MDHHS and PIHPs who signed contract negotiated with MDHHS yet not signed by MDHHS

Robert Sheehan
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517.237.3142 direct
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2/27/2026

Good afternoon,

As you're aware, MDHHS rescinded the Request for Proposal to evaluate next steps and available options in alignment with our commitment to ensuring Michigan's behavioral health system is structured in a way that best serves beneficiaries and aligns with federal and state requirements. At the center of this work is a focus on improving access to care, strengthening consumer choice, and ensuring Medicaid resources are used efficiently toward direct services rather than duplicative administrative functions.

Michigan's behavioral health delivery framework has remained largely unchanged since the late 1990s, despite significant changes in health care delivery, financing, integration expectations, and federal oversight. This requires the department to assess whether the current structure is positioned to meet today's demands and future needs.

MDHHS looks forward to continued engagement with community partners as it evaluates paths forward that strengthen Michigan's behavioral health system and better serve individuals and families. As such, MDHHS will be hosting a listening session with PIHP Directors to inform next steps.

You will soon be receiving a calendar invite for that session. We hope you can join us, and we look forward to receiving your productive feedback.

Kristen

Kristen Morningstar

Specialty Behavioral Health Services Director

Michigan Department of Health and Human Services

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[Michigan Health Watch](#)

Michigan paid consultants \$2.9M for failed mental health redesign



by [Eli Newman](#) March 2, 2026

Records show Michigan paid nearly \$3 million to consultant McKinsey & Co. in a failed effort to overhaul the state’s mental health care system. (Photo via Shutterstock)

- **Michigan paid McKinsey & Co. about \$2.9 million to design a restructuring of its Medicaid-backed behavioral health system**
- **A judge ruled the resulting bid conflicted with Michigan law, and the state pulled it**
- **The state maintains about \$39 million in active contracts with McKinsey, which the state had previously sued for its role in the opioid crisis**

Michigan public health officials paid nearly \$2.9 million to an outside consulting firm for the failed redesign of the state’s behavioral health management system.

In late January, the [state withdrew a request for proposal](#) to contract out the administration of about \$4.9 billion in Medicaid-backed mental health services after [a judge deemed the bid to be in conflict with Michigan law](#).

The Michigan Department of Health and Human Services hired the global management consulting firm McKinsey & Co. to support its efforts to draft the [now-cancelled](#) request for proposal.

McKinsey was awarded last year a \$2.45 million contract with the state to support its efforts “to design and implement a new procurement process for behavioral health contracts,” according to a Bridge review of [health department financial reports](#).

The money was paid through the Okemos-based Michigan Public Health Institute, a state-created nonprofit that works with various government agencies, universities and local health organizations in its goal to address the state’s health disparities. MDHHS contracts with the nonprofit to support “public health projects and related activities.”

The Michigan Public Health Institute was selected by the state health department to work on the bid project, according to the nonprofit’s leadership.

“McKinsey was selected prior to us being asked, which is typical,” Michigan Public Health Institute chief strategy officer Paul Elam told Bridge. “We just facilitate procurement projects for the state.”

The state’s request for proposal went live in August and outlined a plan to reduce and effectively shut out the current slate of regional entities managing behavioral health in Michigan. Ten Prepaid Inpatient Health Plans, or PIHPs, collectively manage the funding of some 300,000 Medicaid members to support intellectual and developmental disabilities, substance use disorders and serious mental illnesses.

McKinsey received [another \\$447,000 in October 2025](#) as some PIHPs sued the state following the release of the new framework. The consulting firm’s funding for the project is expected to continue through this September.

Neither MDHHS, state agencies that oversee government contracts, nor McKinsey responded to Bridge Michigan’s requests for comment in time for publication.

Community mental health leaders worry the state will submit a new bid before the end of the year and disrupt the current system. Some providers who contract with the regional entities to provide mental health services believe the structure needs major reform and support the state’s intervention.

Following the money

McKinsey, which operates in over 130 cities, [has faced conflict of interest criticism](#) for working with both governments and private companies, and for its role in the American opioid crisis.

After advising pharmaceutical companies, McKinsey paid over [\\$600 million to settle federal investigations](#) into its efforts to “turbocharge” sales of OxyContin. Michigan has received more than \$19.5 million in [opioid settlement funds](#) from the firm.

Michigan has received more than \$19.5 million in opioid settlement funds from McKinsey & Co. and has \$39 million in active contracts with the consulting firm. (Konektus Photo / Shutterstock)

The state maintains about \$39 million in active contracts with the firm to support “[human centered design](#),” [grant consulting](#), [digital tools](#) and [operational consulting services](#).

The \$2.9 million McKinsey received for the PIHP bid design is not reflected in state contracts as it was allocated through the Michigan Public Health Institute. McKinsey has received millions of dollars through the nonprofit for various efforts in recent years,

including the analysis of food benefits and “strategic support” across multiple Medicaid mental health services.

The nonprofit has received more than \$200 million from the state in the current fiscal year as its [revenue has doubled since 2019](#), according to IRS records.

The Michigan Public Health Institute’s role as a financial intermediary for the McKinsey contracts comes as state Republicans seek to investigate the nonprofit.

Michigan House Speaker Matt Hall has called the Michigan Public Health Institute a “government scam to work around transparency laws” whose funding he scrutinized during the [COVID-19 emergency](#).

“We’re coming back and we’re investigating this,” Hall said in a Feb. 4 press conference. “And we’re going to get to the bottom of what’s going on there.”