

# Southwest Michigan

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## BEHAVIORAL HEALTH

### Board Meeting Minutes

April 10, 2026

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

9:30 am-11:30 am

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**Members Present:** Sherii Sherban, Tom Schmelzer, Michael Seals, Carol Naccarato, Allen Edlefsen, Gail Patterson-Gladney

**Members Present via MS Teams:** Kayla Wisniewski, Jeffrey Kniaz

**Members Absent:** Tina Leary

**Guests Present:** Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; 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; Jeff Patton, ISK; Beth Ann Meints, ISK; Jeannie Goodrich, Summit Pointe; Debbie Hess, Van Buren CMH; Sue Germann, Pines BH; Ric Compton, Riverwood; Cathi Abbs, Board Alternate; Michael Mallory, Woodlands; Marsha Bassett, Barry County

**Guests Present via MS Teams:**

Jon Houtz, Board Alternate; Richard Thiemkey, Barry County CMH

**Welcome Guests**

Sherii Sherban called the meeting to order at 9:30am.

**Public Comment**

None

**Agenda Review and Adoption**

Motion Carol Naccarato moved to approve the agenda with revisions of moving the Executive Officer Update to the end of the meeting and adding FID/COI for Jeffrey Kniaz.

Second Michael Seals

Motion Carried

**Financial Interest Disclosure (FID) Handling**

Mila Todd stated that SWMBH received a Barry County CMH Board Resolution appointing Jeffrey Kniaz to the SWMBH Board and waiving the inherent conflict. Jeffrey Kniaz completed the SWMBH Financial Interest Disclosure Statement and disclosed only the inherent conflict of interest arising from his simultaneous service to both SWMBH and Barry CMH.

Motion Tom Schmelzer moved that the Board is not able to obtain a more advantageous transaction or arrangement with someone other than Mr. Kniaz, that the conflict of interest disclosed is not so substantial as to

be likely to impact the integrity of the services the Board can expect to receive from Mr. Kniaz, and a conflict of interest waiver should be granted.

Second Carol Naccarato

Motion Carried

### **Consent Agenda**

Motion Carol Naccarato moved to approve February 13, 2026; February 6, 2026, Board Finance Committee meeting minutes; February 11 and February 25, 2026, Operations Committee meeting minutes as presented.

Second Michael Seals

Motion Carried

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

- Fiscal Year 2025 has been closed out and submitted to the State and Treasurer. Fiscal Year 2025 financials ended with a deficit of \$13.7 million
- A deficiency notice from the Treasurer was received and SWMBH is developing remediation
- Audit was submitted to the State
- Board Finance Committee reviewed a draft audit on 3/27/26
- Discussion followed.

Garyl Guidry presented Period 5 financial statements as documented and noted:

- Period 5 eligibles changes to trendline which compares actual eligibles with Milliman forecasted eligibles. TANF and HMP down and DABS static.
- Surplus is \$9.7 million with an annualized projection of \$23 million in surplus which is \$10 million short of what Milliman said would be paid
- SWMBH provided data to the State to support shortfall
- HSW rates are being paid at the 2026 rates. The State owes \$992,000 to SWMBH for October and November
- Hoping for a mid-year rate adjustment
- CMH financial statements summarized
- Woodlands receiving a monthly advance against their settlement for cash solvency and is researching ways to reduce expenses
- Eligible change by CMH report covered  
Discussion followed.

### **Operations Committee Update**

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

### **CMH Board Updates**

Barry-Board chair resigned. New Board chair Bill Matson. Board member Jeff Kniaz appointed to the SWMBH Board. Audit reported reviewed.

Berrien-preparing for CARF accreditation. Concerns with Fiscal Year 2025 deficit.

Branch-Last Board meeting did not have a quorum due to spring break. Committee reports were reviewed. SWMBH quarterly newsletters are helpful and Board would like a visit from Mila Todd. State representatives attended recent meeting to share the impacts of coming changes in Behavioral Health and Medicaid funding cuts. How is Branch going to bail SWMBH out.

Calhoun-Cost reductions in operations in two buildings and reviewing staff efficiencies. Received a grant for "Take a Breath."

Cass-Kayla Wisniewski is now the primary SWMBH Board member and Jesse Binns was appointed as the SWMBH Board Alternate.

Kalamazoo-nothing to report.

St. Joseph-business as usual. Last Board meeting had visitors from the State and CMHAM. Recent Board evaluation of CEO using a Skip Level process.

Van Buren-things are well at Van Buren CMH.

### **Ends Metrics Updates**

#### **Interpretations of End Metrics Revisions**

Mila reported as documented.

Motion Tom Schmelzer moved to accept the proposed changes to the Interpretations of the Ends Metrics as reasonable.

Second Michael Seals

Motion Carried

#### **CMH Board Ownership Linkage Survey Results**

Mila reported as documented. Feedback received will be implemented in the next survey. The results are for the Board's reflection and possible action.

#### **Michigan Consortium for Healthcare Excellence (MCHE) Update– SE 2**

Mila reported that MCHE has not met since last Board meeting, but membership is still valuable.

#### **Clinical Protocols: LTSS Protocol and utilization Management Protocol – CLS Tools & updated Level of Care Guidelines – SE 5**

Alena Lacey reported as documented noting the clinical protocols were developed in collaboration with regional committees.

#### **Regional Professional Norms – SE 1**

Mila Todd reported as documented noting that the norms were sent to Regional Committees for implementation.

#### **Fiscal Year 2025 Customer Satisfactions Survey Results – SE 3; SE 4**

Alena Lacey reported as documented noting that the CMH-specific results were shared with CMHs so that they can review locally. Discussion followed.

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

#### **Election of Officers**

##### **Chair**

Michael Seals nominated Sherii Sherban as SWMBH Chair and Tom Schmelzer as SWMBH Vice Chair. Carol Naccarato nominated Michael Seals as SWMBH Board Secretary.

Motion Michael Seals moved to approve Sherii Sherban as SWMBH Board Chair, Tom Schmelzer as SWMBH Vice Chair, and Michael Seals as SWMBH Secretary.  
Second Tom Schmelzer  
Motion Carried

### **Board Regulatory Compliance Committee appointments**

Sherii Sherban appointed Tina Leary and Jeffrey Kniaz to the Board Regulatory Compliance Committee.

### **May Board Planning Session**

Mila Todd reviewed the draft May Board Planning Session agenda and asked for the Board's input. Alan Bolter for a presentation.

### **Board Policy Review**

#### **3.4 Annual Board Planning Cycle**

Sherii Sherban reported as documented.

Motion Tom Schmelzer moved that the Board is in compliance with policy 3.4 Annual Board Planning Cycle and the policy does not need revision.  
Second Michael Seals  
Motion Carried

### **Executive Limitations Review**

#### **2.6 Investments**

Tom noted that this policy was reviewed at the 3/27/26 Board Finance Committee meeting.

Motion Tom Schmelzer moved that the Interim Executive Officer is in compliance and the policy does not need revisions.  
Second Michael Seals  
Motion Carried

### **Board Education**

None scheduled

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

#### **PIHP Litigation and PIHP Post Procurement Cancelation Updates**

Mila Todd reported as documented and noted the following:

- Hearing on Monday, 4/13/26 on state's motion to dismiss on mootness. Judge Yates retiring at the end of May.
- Hearing with the PIHPs who refused to sign in 2025– Judge Patel did not issue a ruling from the bench and will be issuing a ruling in writing.
- Motion for Reconsideration asking the Court to reconsider its ruling that MDHHSt can unilaterally dictate the geography of the PIHP regions was denied. Counsel is considering appeal options. CMHs can lean on the distinction between a regional entity and a PIHP and still have a regional entity.
- No additional rumors on a new RFP. Discussion continues on the Mental Health Framework and Conflict Free Access and Planning which function together possibly influencing an RFP.
- SWMBH CEO and three CMH CEOs are working the CMHAM, along with representatives from Advocacy Groups and provider organizations, to develop a concept paper and action items to improve the public

behavioral health system and position it to defend against future privatization threats. SWMBH CEO and one CMH CEO sit on a small sub-workgroup with provider organizations.  
Discussion followed.

**Fiscal Year 2025 Performance Bonus Incentive Program (PBIP) Results**

Alena Lacey reported as documented. Discussion followed.

**Home and Community Based Services 90-day Site Review Results**

Site Review Results included in the packet for the Board’s review.

**Quarterly Retention Plan Update**

Mila Todd noted that the quarterly retention payments ended after FY26 Quarter 1, and the retention plan now includes a severance plan. Now that the RFP has been cancelled, there is no triggering event that would then implement the current retention strategy. Only one staff resignation which was unrelated to the RFP.

**May Board Policy Direct Inspection**

None

**Public Comment**

None

**Closed Session**

Motion Michael Seals moved to go into closed session

Second Carol Naccarato

Roll Call Vote

Sherii Sherban yes

Tom Schmelzer yes

Michael Seals yes

Carol Naccarato yes

Allen Edlefson yes

Gail Patterson-Gladney yes

Motion Carried

**Open Session**

Motion Carol Naccarato moved to go back into open session

Second Gail Patterson-Gladney

Motion Carried

**Required Approvals**

**Executive Officer Update**

Motion Michael Seals moved to request that the Board president move forward with the proposed contract for the SWMBH CEO

Second Gail Patterson-Gladney

Motion Carried

**Adjournment**

Motion Michael Seals moved to adjourn

Second Tom Schmelzer

Motion Carried

Meeting was adjourned at 12:09pm