



## Board Meeting Minutes

April 11, 2025

Air Zoo Aerospace & Science Museum, 6151 Portage Rd, Portage, MI 49002

9:30 am-11:30 am

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

**Members Absent:** None

**Guests Present:** Brad Casemore, CEO, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Joel Smith, Director of Substance Use Disorder Prevention and Treatment, SWMBH; Alena Lacey, Director of Quality Management and Clinical Outcomes, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Cathi Abbs, SWMBH Board Alternate; Gail Patterson-Gladney, SWMBH Board Alternate; Cameron Bullock, Pivotal; John Ruddell, Woodlands; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Jeff Patton, ISK; Ric Compton, Riverwood; Susan Radwan, Leading Edge Mentoring; Robert Sheenan and Alan Bolter, CMHAM

### Welcome Guests

Sherii Sherban called the meeting to order at 9:34 am.

### Public Comment

None

### Agenda Review and Adoption

Motion	Tom Schmelzer moved to approve the agenda with amendments as follows: Defer External Audit Report until May Board Meeting Move 13b. Federal Grants to 9e for Board Action Add 4/10/25 SWMBH-MDHHS-Milliman Meeting update
Second	Allen Edlefson
Motion Carried	

### Financial Interest Disclosure (FID) Handling

None

### Consent Agenda

Motion	Joyce Locke moved to approve the March 14, 2025 Board minutes, March 12, and March 26, 2025 Operations Committee Meeting minutes, and March 7, 2025 Board Finance Committee Meeting as presented.
Second	Lorraine Lindsey Discussion followed.

Motion Carried

### **Fiscal Year 2024 External Audit**

This item is deferred until the May Board meeting.

### **Fiscal Year 2025 Year to Date Financials and cash flow analysis**

Garyl Guidry and Brad Casemore reported as documented, reviewed and noted:

- TANF (Temporary Assistance to Needy Families) eligibles
- DAB (Disabled Aging Blind) eligibles
- HMP (Healthy Michigan Plan) eligibles
- Period 5 financials have a \$8 million deficit with a projected end of Fiscal Year 2025 of \$24 million deficit
- Certified Community Behavioral Health Clinics (CCBHC) revenues and expenses
- New financial reports for the Board's review
- Summarized what the Regional Finance Committee and the Regional Operations Committee are doing to reduce expenditures and increase revenues
- Mid-Year rate adjustment excepted from MDHHS
- Wakely Report
- Richard Carpenter's ongoing work
- Fiscal Year 2024 SUE analysis, FSR, EQI, UM project, LOCUS outliers
- SWMBH report on financial efforts

Board discussion followed with comments noted:

- Administrative Loss Ratio and Medical Loss Ratio being too high, need to out the brakes on spending
- Need to be proactive earlier in the year
- Need to see trends coming
- Richard's Carpenter's work
- Month to Month comparisons

Motion Carol Naccarato moved to request a month-to-month comparison report from 2024 to 2025

Second Lorraine Lindsey

Motion Carried

### **Operations Committee Update**

Jeff Patton distributed a handout and reported as documented noting the Regional Operations Committee's recommendations to the Board. Board discussion followed.

### **Required Approvals**

None scheduled

### **Ends Metrics Updates**

None scheduled

## **Board Actions to be Considered**

### **Election of Officers**

Sherii Sherban noted that current officers are willing to serve again in their capacity and asked if anyone else would like to serve. Discussion followed.

Motion           Lorraine Lindsey moved to approve Sherii Sherban as Board Chair, Tom Schmelzer as Board Vice Chair and Carol Naccarato as Board Secretary.

Second           Michael Seals

Motion Carried

### **Sub Ends 2 and 4**

Sherii Sherban noted document in packet. Brad Casemore commented on the Regional Operations Committee review of the document. Susan Radwan commented on the document.

Motion           Lorraine Lindsey moved that the Board accepts the interpretations as reasonable. Data is not available yet but will be updated by next reporting period in July.

Second           Carol Naccarato

Motion Carried

### **Sub Ends 1 and 5**

Brad Casemore noted a first introduction of draft Sub Ends 1 and 5 as requested by the Board. The Regional Operations Committee will review and work will continue to refine Ends. Final draft for Board's consideration at the June meeting.

### **May 9<sup>th</sup> Board Planning Session**

Brad Casemore reported as documented.

### **Federal Grants**

Brad Casemore reported as documented and commented that cease and desist from the Federal/State regarding the American Rescue Plan Act (ARPA) Grants is unprecedented. Joel Smith reported as documented.

Motion           Michael Seals moved to approve the use of up to \$125,000 of SWMBH local funds to continue services as noted in the ARPA document.

Second           Tom Schmelzer

Motion Carried

### **Board Policy Review**

#### **BG-010 Board Committee Principles**

Sherii Sherban reported as documented and asked for Susan Radwan's input on red-line revisions. Susan Radwan shared her thoughts.

Motion           Joyce Locke moved to approve the revisions to BG-010 Board Committee Principles as presented.

Second           Michael Seals

Motion Carried

## **Executive Limitations Review**

### **BEL-001 Budgeting**

Tom Schmelzer noted that no purpose is stated on the policy and Carol Naccarato agreed to draft a revised policy for the Board's consideration.

Motion Lorraine Lindsey moved to table Board Policy BEL-001 Budgeting until May meeting.

Second Joyce Locke

Motion Carried

### **BEL-002 Financial Conditions**

No action taken

### **BEL-003 Asset Protection**

No action taken

### **BEL-004 Treatment of Staff**

No action taken

### **BEL-005 Treatment of Plan Members**

No action taken

### **BEL-006 Investments**

Sherii Sherban reported as documented.

Motion Michael Seals move to approve Board Policy BEL-006 Investments as presented.

Second Carol Naccarato

Motion Carried

### **BEL-007 Compensation and Benefits**

No action taken

### **BEL-008 Communication and Counsel**

No action taken

### **BEL-009 Global Executive Constraints**

No action taken

### **BEL-010 RE 501c3 Representation**

No action taken

## **Board Education**

### **Community Mental Health Association of Michigan**

Alan Bolter discussed Budget Shortfalls and Funding challenges with topics covered as follows:

- Loss of Medicaid Covered Lives
- Increased Demand of Services
- Flat Funding not keeping up with Inflation
- MDHHS underspending appropriated Medicaid Funds.
- Medicaid Redetermination Irregularities
- Skyrocketing Inpatient Psychiatric Hospital Costs
- Unsustainable Specialized Residential Costs
- Demand & Cost for Autism Services
- MDHHS Administrative Staff Costs
- Unnecessary Administrative Burdens

Alan concluded presentation with CMHAM asks to MDHHS and legislators.

Robert Sheenan noted recent efforts on:

- Stopping reprocurement
- Testimony to MDHHS Appropriations Sub Committee
- Budget Advocacy
- Infographics document for distribution
- Ongoing contact and communications with legislators and MDHHS

Board discussion followed.

### **SWMBH Policy Governance**

Susan Radwan recommends the SWMBH Board revise policies to become compliant with Governance Structure per the SWMBH Bylaws and replace the current Board policies with the “uninterrupted” policies. Uninterrupted policy manual would replace current policy manual.

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

### **Wakely Letter to MDHHS**

Sherii Sherban noted the document in the packet for the Board’s review.

### **Fiscal Year 2024 Performance Bonus Incentive Program Results**

Sherii Sherban noted the document in the packet for the Board’s review.

### **Fiscal Year 2024 Customer Satisfaction Survey Results**

Sherii Sherban noted the document in the packet for the Board’s review.

### **Michigan Consortium for Healthcare Excellence**

Sherii Sherban noted the document in the packet for the Board’s review.

### **MCIS/PCE update**

Mila Todd summarized current SWMBH progress.

**Public Policy-Legislative Education Initiative Steering Committee Meeting**

Brad Casemore stated that this is not a Board Committee but would like a Board member on the committee. Sherii Sherban expressed interest. This topic will be added to the June Board agenda.

**May Board Policy Direct Inspection**

None scheduled

**SWMBH/MDHHS/Milliman Meeting**

Mila Todd summarized recent meeting with MDHHS and Milliman and noted:

- At MDHHS's request, SWMBH provided MDHHS with the Rehmann analysis
- MDHHS indicated these meetings are helpful and the information is helping to inform rate adjustments
- MDHHS indicated there will be a mid-year rate adjustment but could not provide any other details
- SWMBH noted again that this Region has the lowest BH Entity Specific factor in the state, which negatively impacts our rates. There are still a lot of unknowns about how the BH Entity Specific Factor is calculated, but we know BH TEDS data elements factor into it, with different elements holding different weights. This information has been provided and is being working on regionally.

Discussion followed.

**Public Comment**

None

**Adjournment**

Motion                Lorraine Lindsey moved to adjourn at 11:50am

Second                Michael Seals

Motion Carried