

Southwest Michigan

BEHAVIORAL HEALTH

Board Meeting Minutes

May 8, 2026

Vineyard Assisted Living Community, 8170 Vineyard Pkwy, Kalamazoo, MI 49009

9:30 am-11:30 am

Members Present: Sherii Sherban, Tom Schmelzer, Michael Seals, Allen Edlefson, Jeff Kniaz, Tina Leary

Members Present via MS Teams: none

Members Absent: Carol Naccarato, Kayla Wisniewski

Guests Present: Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Joel Smith, Director of Substance Use Disorder Treatment and Prevention Services, SWMBH; Ella Philander, Executive Project Manager, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Alison Strasser, Interim Compliance Officer, SWMBH; Jeff Patton, ISK; Debbie Hess, Van Buren CMH; Sue Germann, Pines BH; Ric Compton, Riverwood; Michael Mallory, Woodlands; Gail Patterson-Gladney, Board Alternate; Stephanie Swanson-Chang, Board Alternate; Christine Schwab, Roslund Prestage & Company

Guests Present via MS Teams:

Richard Thiemkey, Barry County CMH

Welcome Guests

Sherii Sherban called the meeting to order at 9:31am.

Public Comment

None

Agenda Review and Adoption

Motion Jeff Kniaz moved to approve the agenda as presented.

Second Tom Schmelzer

Motion Carried

Fiscal Year 2025 External Auditor Report

Christina Schwab of Roslund Prestage and Company reported as documented. Discussion followed. Sherii Sherban thanked the Board Finance Committee for their review of the audit materials.

Financial Interest Disclosure (FID) Handling

Alison Strasser stated that SWMBH received documentation appointing Stephanie Swanson-Chang to the SWMBH Board and waiving the inherent conflict. Stephanie Swanson-Chang completed the SWMBH Financial Interest Disclosure Statement and disclosed only the inherent conflict of interest arising from her simultaneous service to both SWMBH and Summit Pointe.

Motion Michael Seals moved that the Board is not able to obtain a more advantageous transaction or arrangement with someone other than Stephanie Swanson-Chang, 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 Stephanie Swanson-Chang, and a conflict of interest waiver should be granted.

Second Jeff Kniaz

Motion Carried

Consent Agenda

Motion Michael Seals moved to approve the April 10, 2026, Board meeting minutes; the March 27, 2026, Board Finance Committee meeting minutes; and the April 6 and April 22, 2026, Operations Committee meeting minutes as presented

Second Jeff Kniaz

Motion Carried

Fiscal Year 2026 Year to Date Financial Statements and Cash Flow Analysis

Garyl Guidry presented Period 6 financial statements as documented and noted:

- New Rehmann template implemented
 - Period 6 eligibles changes to trendline which compares actual eligibles with Milliman forecasted eligibles. TANF and HMP down and DABS static
 - RE CFOs are communicating with MDHHS as this is a Statewide issue with SWMBH down \$9.4 million and a Statewide shortage of \$75 million
 - State acknowledged shortage without a firm agreement to issue a rate adjustment. SWMBH is optimistic that a mid-year rate adjustment will be issued
 - March financials report shows a surplus of \$12 million in Medicaid with a \$1.1 million deficit in HMP leaving a net surplus of \$11 million
 - SUD funding streams were reviewed
 - Period 6 net position \$12.4 million with an annualized surplus of \$25 million. The surplus would be approximate \$35M if the revenues were coming in as forecasted by MDHHS.
 - Period 7 Variance report reviewed noting HMP and TANF down with DABS static. \$9.4 million short of what is expected from the State. Historically the mid-year rate adjustment is received in May or June but can be paid at any time. The State has not committed to any date
- Discussion followed

Fiscal Year 2026 Mid-Year Contract Vendor Summary

Garyl Guidry reported as documented noting that costs are down 6.8% from last year. Discussion followed.

Operations Committee Update

Ric Compton distributed a handout covering key topics from recent Operations Committee meetings. Discussion followed.

CMH Board Updates

Barry-hasn't met yet this month

Berrien-CDC survey

Branch-Audit reviewed with a positive position, reviewed all reports, election of officers and public relations

Calhoun-audit reviewed and officer elections. new social media targeting anti-stigma “that’s the pointe”

Cass-NA

Kalamazoo-officer elections are next month. Audit reviewed. July 10, 2026, at KVCC is Jeff Patton’s retirement party. Positive report from a parent of a consumer of services. Seeing more and more non-Medicaid consumers

St. Joseph-NA

Van Buren-audit reviewed

Ends Metrics Updates

None

Board Actions to be Considered

Financial Management Plan, Financial Risk Management Plan and Cost Allocation Plan

Garyl Guidry reported as documented.

Motion Tom Schmelzer moved to approve the Financial Management Plan, Financial Risk Management Plan and Cost Allocation Plan as presented.

Second Michael Seals

Motion Carried

Board Regulatory Compliance Committee Charter

Alison Strasser reported as documented.

Motion Tom Schmelzer moved to approve the Board Regulatory Compliance Committee Charter as presented.

Second Michael Seals

Motion Carried

Fiscal Year 2025 Deficit Elimination Plan

Mila Todd reported as documented providing historical background information. Garyl Guidry read the SWMBH Board resolution to the group.

Motion Tom Schmelzer moved to adopt the resolution as presented.

Second Michael Seals

Roll Call Vote

Sherii Sherban yes

Tom Schmelzer yes

Michael Seals yes

Tina Leary yes

Allen Edlefson yes

Jeff Kniaz yes

Motion Carried

Board Policy Review

3.0 Global Governance Commitment

Sherii Sherban reported as documented.

Motion Michael Seals moved that the Board is in compliance with policy 3.0 Global Governance Commitment and the policy does not need revision.

Second Jeff Kniaz
Motion Carried

3.1 Governing Style and Commitment

Sherii Sherban reported as documented.

Motion Sherii Sherban moved that the Board is in compliance with policy 3.1 Governing Style and Commitment and the policy does not need revision.

Second Jeff Kniaz
Motion Carried

Executive Limitations Review

None

Board Education

Substance Use Disorder Funding & Oversight

Joel Smith reported as documented. Discussion followed.

Communication and Counsel to the Board

PIHP Litigation and PIHP Post Procurement Cancelation Updates

Mila Todd reported as documented and noted the following:

- Judge Yates dismissed the lawsuit without prejudice.
- Plaintiffs unanimous in filing a claim of appeal on geographic boundaries drawn by MDHHS which violated the Michigan Mental Health Code that states the local CMHs have that authority
- Appeal costs will be much less than the lawsuit costs
- Rumors that a new RFP will not be issued before the November elections.
Discussion followed.

Operations Committee Self-Evaluation

Mila Todd reported as documented. Discussion followed.

June Board Policy Direct Inspection

None

Public Comment

None

Adjournment

Sherii Sherban adjourned at 11:45am