



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

June 12, 2026

9:30 am to 11:30 am

(d) means document provided

Draft: 6/3/26

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d) pg.1**
3. **Financial Interest Disclosure Handling**
 - none
4. **Consent Agenda**
 - a. May 8, 2026, SWMBH Board Meeting Minutes (d) pg.3
 - b. May 1, 2026, Board Finance Committee Meeting Minutes (d) pg.7
 - c. May 13, and 27, 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.17
 - 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)**
 - None scheduled
9. **Board Actions to be Considered**
 - a. Board Cost of Governance (G. Guidry) (d) pg.37
 - b. July Board Meeting Time vis-à-vis Jeff Patton Retirement Party

10. Board Policy Review

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

- a. 1.0 Ends Global Statement (d) pg.39
- b. 3.6 Board Committee Principles (d) pg.40
- c. 3.7 Board Committees (d) pg.40
- d. 3.8 Cost of Governance (d) pg.40
- e. 4.1 Unity of Control (d) pg.41
- f. 4.3 Delegation to Executive Officer (d) pg.42

11. Executive Limitations Review

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

- 2.3 Financial Planning and Budgeting (d) pg.43

12. Board Education

- a. Problem Gambling Program-Overview and Screening Results (J. Smith) (d) pg.47
- b. Information Systems Overview (N. Spivak) (d) pg.57

13. Communication and Counsel to the Board

- a. PIHP Litigation and PIHP Post Procurement Cancellation Updates (M. Todd) (d) pg.68
- b. Michigan's Medicaid Program May 2026 (d) pg.72
- c. 2026 Board Attendance report (d) pg.99
- d. Board Policy Governance Education Options
- e. July Board Policy Direct Inspection – None

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
July 10, 2026
9:30 am - 11:30 am**



Board Meeting Minutes

May 8, 2026

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

9:30 am-11:30 am

Draft: 5/11/26

Members Present: Sherii Sherban, Tom Schmelzer, Michael Seals, Allen Edlefsen, 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



Board Finance Committee Meeting Minutes

May 1, 2026

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

1:00-2:00 pm

Draft: 5/4/26

Members Present: Tom Schmelzer, Carol Naccarato, Allen Edlefsen

Guests: Amy Rottman

Members Absent: None

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

Central Topics

Review prior meeting minutes

Motion Carol Naccarato moved to approve the minutes as presented.
Second Allen Edlefsen
Motion Carried

SWMBH YTD financial statements

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

- Eligibles- DABS are static; TANF and HMP are down and down from what Milliman projected
- This is the same throughout the State. PIHP CEOs requested that Keith White address the issues and a mid-year rate adjustment
- Reviewed year-to-date revenue
- March variance report shows revenue less than expected (less \$9.8 million)
- HAB Waiver accrual is no longer needed. State owes SWMBH for October and November of 2025. Asking Keith White on the \$992,000 owed.
- Period 6 traditional Medicaid has a \$12 million surplus. Traditional HMP has a \$1.1 million deficit. SUD Block Grant is always zero. SUD by funding source has a \$286,057 surplus
- Statement of net position: surplus of \$18.8 million with a \$13.7 million deficit in ISF leaving a \$5.3 million surplus

Discussion followed.

SWMBH Revenue Variance Report

Garyl Guidry reviewed Period 7 variance report noting a \$5.1 million deficit

SWMBH Check Registers

Garyl Guidry reported as documented. Discussion followed.

SWMBH Cash Flow Analysis

Garyl Guidry reported as documented highlighting receivables and cost settlements. Discussion followed.

Financial Plans

Financial Plans were reviewed. Discussion followed.

2026 Mid-Year Vendor Summary

Garyl Guidry reviewed the Mid-Year Vendor summary noting that it is down 6% from last year. Discussion followed.

Deficit Plan

Mila Todd and Garyl Guidry reviewed SWMBH Board Resolution addressing deficit plan that would be sent to the Department of Treasury after Board approval on May 8, 2026. Discussion followed.

July 3rd Board Finance Committee Meeting

Due to the holiday on July 3rd Tom Scmelzer moved the Board Finance Committee meeting to July 2nd at the same time.

Meeting adjourned at 2:35pm

Date:	5/13/26
Time:	9:00 am – 11:00 am
Facilitator:	Sue
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 05/06/26

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Approved online- included in board packet
3. Financial Stability a. SWMBH Period 06 financials (Not available) b. State/Milliman Meeting Updates c. Rehmann Financial Reporting Consultation	<ul style="list-style-type: none"> Regional Rate development – calculation evaluation (SWMBH/ISK) 	<ul style="list-style-type: none"> Rehman process officially transitioned for March Financials. 9.8 million dollar forecasted revenue has not been received. Due directly to the loss of eligibility. Currently have a \$12.1 million surplus for straight Medicaid Currently have a \$1.1 million deficit in HMP. Overall, \$11 million surplus at this point in time. \$181 million total revenue received and \$168 million in

		<p>expenditures across all lines of SWMBH business. \$12.4 million surplus annualized comes out to \$24 million.</p> <ul style="list-style-type: none"> • Total Net Position: \$5.354 million in the black. • Required to create a plan for the Michigan Treasury to handle the FY 25 deficit. The plan submitted was to use FY 26 surplus to cover FY 25 deficit. The plan is to use the interest from the current surplus to offset the \$13,776,689.00 by \$276,000 for a final deficit of \$13,500,689.00 in FY 27.
<p>4. FY26 Regional Budget</p>	<ul style="list-style-type: none"> • Revenue Monitoring Report 	<ul style="list-style-type: none"> • It was presented that the cost settlement process could be completed in June of 2027. <ul style="list-style-type: none"> ○ Ric expresses concern about how the presentation happened and why CEOs were not consulted prior to the SWMBH Finance Committee or the Regional Finance Meeting ○ Highlighting the need for ensuring CEO's are kept in the loop in the prior to rolling out to CFO's or SWMBH Finance so that we can be aware and prep to all of the necessary

		<p>parties for parity and understanding.</p> <ul style="list-style-type: none"> ○ Garyl to send out FY 25 Cash settlement plans to CEOs.
5. FY25 Deficit Handling	<ul style="list-style-type: none"> • FY25 Deficit Elimination Plan (Final) • 04/23 Mtg with MDHHS • FY25 Cost Settlement Options (discussion) 	<ul style="list-style-type: none"> • Met with Kristen Morningstar, reviewed FY 25 FSR. The department is doing due diligence on any other funding streams for review. <ul style="list-style-type: none"> ○ Mila asked if CEO's are willing to use the CMH fund balance to offset the deficit. CEOs denied the request. • Can't use PA2 funds to offset/subsidize the Medicaid underfunding, so will not be allowed. • PBIP funds – State acknowledged that it is Local funding, or seeing if there was any usage of any other remaining fund balances to cover the deficit.
6. FY25 PBIP Award	<ul style="list-style-type: none"> • Distribution discussion on hold pending FY25 deficit handling 	<ul style="list-style-type: none"> • No update.
7. Statewide Self-D Workgroup	<ul style="list-style-type: none"> • Self D Conference 	<ul style="list-style-type: none"> • Washtenaw, as part of the Waskul settlement, has created a very thorough Self-D assessment tool. Looking to access this. • Apparently told from Marie Eagle- ARC that any remaining information from the budget

		<p>left in a Self-D arrangement can be paid out in bonuses.</p> <ul style="list-style-type: none"> • SWMBH CEO's in agreement this will not be the practice in our Region.
8. FY25 Statewide SUE		<ul style="list-style-type: none"> • Mila to send out agenda and data for review. • Will be at ISK, lunch to be provided. • CEO's asked to review data ahead of time to be able to have great conversations and actionable items.
9. PIHP Competitive Procurement/System Improvement Opportunities		<ul style="list-style-type: none"> • Case dismissed. Appeal is pending. • Hearing with Judge Patel – order issued. Dismissed all claims under the FY 25 contract. All FY 24 contract claims remain in play. Specifically, the ISF cap language. SWMBH is not interested in joining the lawsuit at this time.
10. CCBHC Direct Payment Methodology		<ul style="list-style-type: none"> • The issue with all encounters is that they are not being counted. Denying qualifying services instead of paying \$0. Jeff to check with Amy.
11. PCE		<ul style="list-style-type: none"> • Working with Midstate staff on functional review. Should be done by next week or the week after. • June/July hope for board approval. • Jeff 10/1/27 would not have to start until January of 27

12. Environmental Disruptors	<ul style="list-style-type: none"> • CMS 0057 • CFAP Workgroup • Mental Health Framework 	<ul style="list-style-type: none"> • CFAP is on hold at this point in time.
13. OC Projects Revisit	<ul style="list-style-type: none"> • Examples: PCE, SUE, rate development analysis, etc. 	N/A
14. Parking Lot/On-hold Topics	<ul style="list-style-type: none"> • Assets & Liabilities Workgroup • SUE Day (upcoming) 	N/A
15. Next Meeting- May 27th May Facilitator – Sue June- Rich		
16. 11-12 pm CMH CEOs		

Date:	5/27/26
Time:	9:00 am – 10:00 am
Facilitator:	Sue
Minute Taker:	Cameron
Meeting Location:	ISK – Conference Room 128 610 S. Burdick Street Kalamazoo, MI 49007

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)
 Beth Ann Meints (ISK)

Version 05/22/26

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		Minutes approved via email.
5. FY25 Deficit Handling	<ul style="list-style-type: none"> FY25 CMH Cost Settlement Options (discussion) 	<ul style="list-style-type: none"> Compliance Audits are due June 30th. Jeannie to chat with Garyl. FY 25 Deficit Handling <ul style="list-style-type: none"> Use current year surpluses for last year's deficits is the current plan. CCBHCs who have been cost settled for FY 25 <ul style="list-style-type: none"> Barry, Berrien, and Pines have already paid their deficit for CCBHC.

- | | | |
|--|--|--|
| | | <ul style="list-style-type: none">○ 4 plans for consideration<ul style="list-style-type: none">▪ Scenario 1 – 6/8 CMH’s would be cost settled by the end of May. ISK and Riverwood would not be cost settled. ISK would be compensated for CCBHC and only holding PIHP expenses.▪ Scenario 2 – 7/8 of CMHs would be fully cost settled by July of 2026, and ISK would continue to hold the PIHP settlement▪ Scenario 3 – 8/8 fully settled for FY 25 by June 6/27.▪ Scenario 4 – All CCBHC settled in May of 26. Payback from CMH’s for 26.▪ CEO’s in agreement with scenario 3, where 8/8 are all |
|--|--|--|

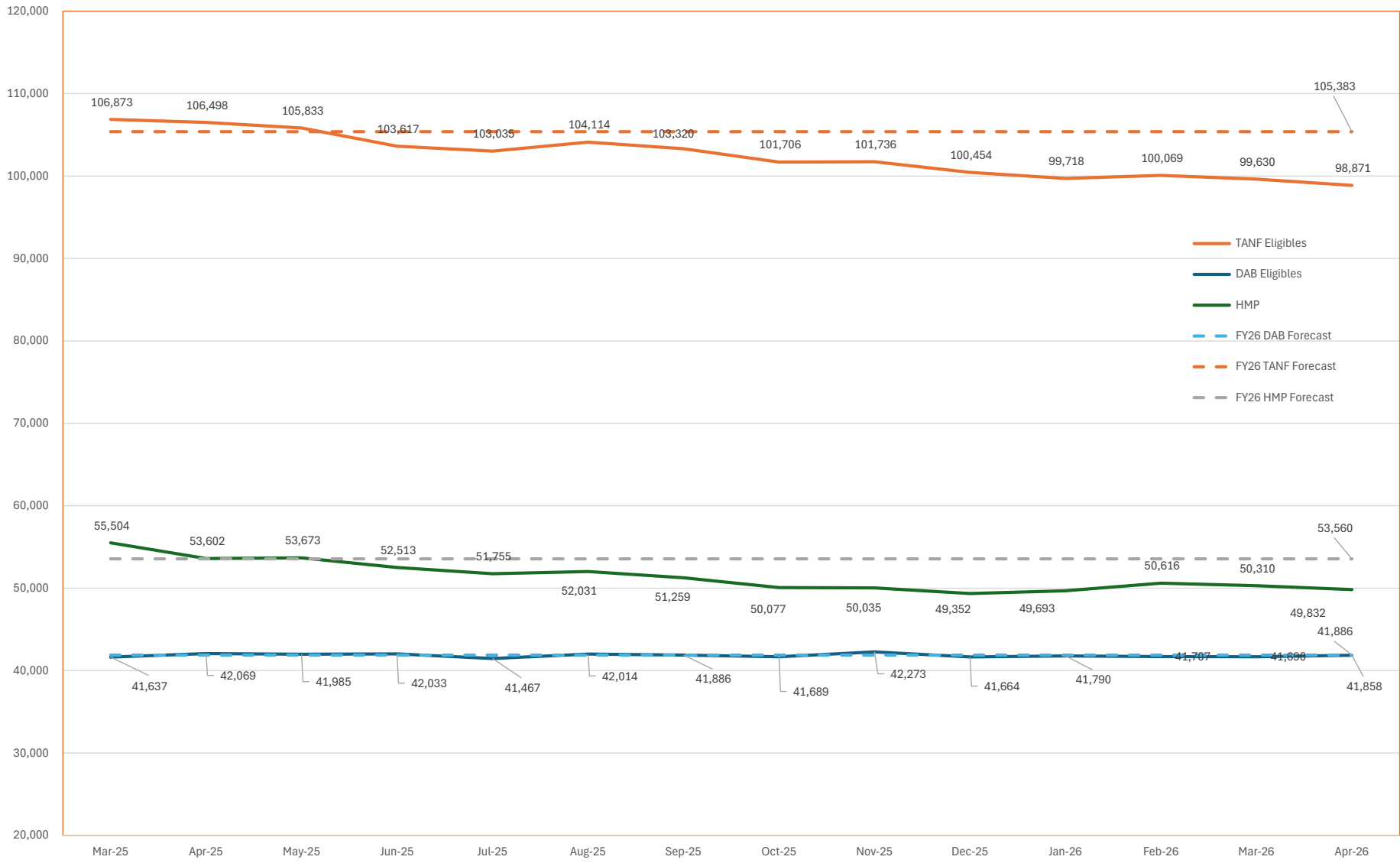
		costs settled by June '27. Update cost settlement letters will go out via Garyl
7. Self-D Issues	<ul style="list-style-type: none"> • Discussion re: Bonuses to Self-D staff 	<ul style="list-style-type: none"> • How to go through and cost the bonuses is problematic • Discussion was had.
9. PIHP Competitive Procurement/System Improvement Opportunities	<ul style="list-style-type: none"> • Debrief inter-regional meeting 	<ul style="list-style-type: none"> • Seemed beneficial and willing to add on additional regions as necessary, depending on what the RFP comes out with.
12. Environmental Disruptors	<ul style="list-style-type: none"> • CMS 0057 • CFAP Workgroup • Mental Health Framework Update 	
	Next Meeting	The June 10th meeting is being canceled due to the CMHA Conference.



April 2026

Monthly
Finance Report

Southwest Michigan Behavioral Health
 Total Eligibles APR '25 - APR '26
 as of April 30th, 2026



<u>SWMBH Through April</u>	<u>FY26</u>	<u>FY25</u>	<u>% Change YOY</u>	<u>\$ Change YOY</u>
State Plan MH	51,318,476	56,844,832	-9.7%	(5,526,356)
1915i MH	56,779,117	52,755,276	7.6%	4,023,840
Autism	26,559,964	16,873,701	57.4%	9,686,263
<i>Habilitation Supports Waiver (HSW)</i>	40,700,503	37,268,745	9.2%	3,431,757
<i>Child Waiver Program (CWP)</i>	521,639	530,758	-1.7%	(9,118)
<i>Serious Emotional Disturbances (SED)</i>	403,876	306,442	31.8%	97,434
Net Capitation Payment	<u>176,283,266</u>	<u>164,579,754</u>	7.1%	11,703,511
				-
State Plan SA	2,838,098	4,591,516	-38.2%	(1,753,418)
Net Capitation Payment	<u>2,838,098</u>	<u>4,591,516</u>	-38.2%	(1,753,418)
				-
Healthy Michigan Mental Health	12,542,281	14,470,470	-13.3%	(1,928,188)
Healthy Michigan Autism	1,318	23,514	-94.4%	(22,196)
Net Capitation Payment	<u>12,543,599</u>	<u>14,493,984</u>	-13.5%	(1,950,384)
				-
Healthy Michigan Substance Abuse	5,568,945	7,939,845	-29.9%	(2,370,900)
Net Capitation Payment	<u>5,568,945</u>	<u>7,939,845</u>	-29.9%	
				-
GRAND TOTAL	197,233,907	191,605,099	2.9%	5,628,808

as of 5/1/2026

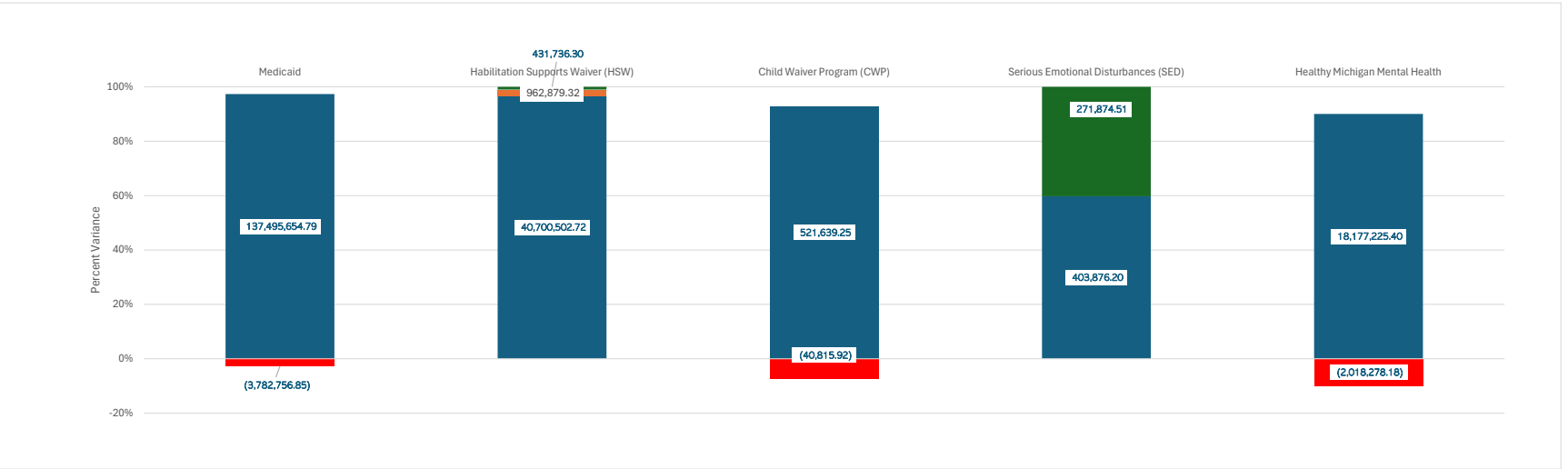
State Plan, 1915i, B3 and Autism have DAB and TANF payments included.

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 \$	%
Medicaid	242,191,562.82	235,706,836.78	-	235,706,836.78	(6,484,726.04)	-2.7%	141,278,411.65	137,495,654.79	-	137,495,654.79	(3,782,756.85)	-2.7%
Habilitation Supports Waiver (HSW)	70,682,821.26	69,772,290.38	962,879.32	70,735,169.69	52,348.43	0.1%	41,231,645.74	40,700,502.72	962,879.32	41,663,382.04	431,736.30	1.0%
Child Waiver Program (CWP)	964,208.87	894,238.71	-	894,238.71	(69,970.16)	-7.3%	562,455.17	521,639.25	-	521,639.25	(40,815.92)	-7.3%
Serious Emotional Disturbances (SED)	226,288.62	692,359.20	-	692,359.20	466,070.58	206.0%	132,001.70	403,876.20	-	403,876.20	271,874.51	206.0%
Healthy Michigan Mental Health	34,620,863.28	31,160,957.83	-	31,160,957.83	(3,459,905.45)	-10.0%	20,195,503.58	18,177,225.40	-	18,177,225.40	(2,018,278.18)	-10.0%
Overall Net Capitation Payment	348,685,744.85	338,226,682.90	962,879.32	339,189,562.22	(9,496,182.63)	-2.72%	203,400,017.83	197,298,898.36	962,879.32	198,261,777.68	(5,138,240.15)	-2.53%



Budgeted Funds
Over - Variance
Under - Variance
Accrued Funds

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through April 30, 2026

Traditional Medicaid	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
Revenue Capitation (PEPM)	\$ 185,506,778	\$ 2,838,097									\$ 188,344,875
CMHSP Distributions	(171,676,080)	-	7,549,001	32,679,992	9,353,091	30,455,568	10,452,836	53,715,752	10,997,008	16,472,832	-
1st/3rd Party receipts			-	-	-	-	-	(2,462)	-	1,311,224	1,308,762
Net revenue	13,830,698	2,838,097	7,549,001	32,679,992	9,353,091	30,455,568	10,452,836	53,713,290	10,997,008	17,784,056	189,653,637
Expense											
PIHP Admin	4,547,498	95,082									4,642,579
ClaimsTax	509,120	-									516,909
Hospital Rate Adjuster	5,168,811										5,168,811
Services - Managed Care		-	620,273	2,499,559	433,321	3,098,787	1,064,452	5,625,348	1,650,661	1,311,224	16,303,625
Services - Internal		-	351,837	1,284,600	189,664	983,622	2,289,659	1,590,008	415,728	1,534,883	8,640,001
Services - External		2,752,770	4,173,774	28,745,441	6,180,560	23,845,599	9,252,369	41,992,065	10,349,634	11,848,922	139,141,135
Total expense	10,225,429	2,847,852	5,145,884	32,529,600	6,803,545	27,928,009	12,606,481	49,207,421	12,416,022	14,695,030	174,413,060
Net Actual Surplus (Deficit)	\$ 3,605,270	\$ (9,755)	\$ 2,403,117	\$ 150,392	\$ 2,549,546	\$ 2,527,559	\$ (2,153,645)	\$ 4,505,869	\$ (1,419,014)	\$ 3,089,027	\$ 15,240,577

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through April 30, 2026

Healthy Michigan	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
Revenue Capitation (PEPM)	\$ 14,553,078	\$ 5,568,943									\$ 20,122,021
CMHSP Distributions	(14,684,877)	-	734,769	3,088,465	693,191	2,693,994	812,888	4,363,478	997,204	1,300,888	(0)
1st/3rd Party receipts			-	-	-	-	-	-	-	-	-
Net revenue	(131,799)	5,568,943	734,769	3,088,465	693,191	2,693,994	812,888	4,363,478	997,204	1,300,888	20,122,021
Expense											
PIHP Admin	509,688	190,079									699,768
Access Center	-	-									-
ClaimsTax	191,891	-									191,891
Hospital Rate Adjuster	4,665,229										4,665,229
Services - Managed Care		-	191,190	255,028	57,489	578,082	126,734	393,280	209,439	157,466	1,968,708
Services - Internal		-	45,050	185,795	24,259	38,322	905,900	5,427	12,789	12,299	1,229,840
Services - External		5,503,091	670,070	1,709,045	384,553	2,599,856	420,733	3,041,491	615,050	651,202	15,595,090
Total expense	5,366,808	5,693,170	906,310	2,149,868	466,300	3,216,260	1,453,367	3,440,198	837,277	820,967	24,350,526
Net Surplus (Deficit)	\$ (5,498,607)	\$ (124,227)	\$ (171,541)	\$ 938,597	\$ 226,891	\$ (522,266)	\$ (640,479)	\$ 923,280	\$ 159,927	\$ 479,921	\$ (4,228,505)

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through April 30, 2026

SUD Block Grant	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
Payment	\$ -	\$ 3,669,799	\$ 22,024	\$ 113,922	\$ 16,489	\$ -	\$ 35,557	\$ 65,309	\$ 46,065	\$ 37,179	\$ 4,006,344
1st/3rd Party receipts			-	-	-	-	-	-	-	-	-
Net revenue	-	3,669,799	22,024	113,922	16,489	-	35,557	65,309	46,065	37,179	4,006,344
Expense											
PIHP Admin	-										-
Services		3,179,743	22,024	414,277	43,896	-	76,127	-	76,353	193,925	4,006,344
Total expense	-	3,179,743	22,024	414,277	43,896	-	76,127	-	76,353	193,925	4,006,344
Net Surplus (Deficit)	\$ -	\$ 490,056	\$ -	\$ (300,355)	\$ (27,407)	\$ -	\$ (40,570)	\$ 65,309	\$ (30,288)	\$ (156,746)	\$ -

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through April 30, 2026

CCBHC - Medicaid	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
CCBHC Revenue	\$ -	\$ -	\$ 1,957,137	\$ 5,290,155	\$ 1,958,983	\$ 5,628,880		\$ 14,963,055	\$ 3,894,475	\$ 2,376,915	\$ 36,069,600
1st/3rd Party receipts			(49,849)	(110,396)	(38,104)	-		-	-	-	(198,350)
Net revenue	-	-	1,907,288	5,179,759	1,920,879	5,628,880		14,963,055	3,894,475	2,376,915	35,871,251
Expense											
Services			2,709,203	5,164,344	2,651,347	6,748,228		15,010,966	2,635,145	3,395,924	38,315,157
Total expense	-	-	2,709,203	5,164,344	2,651,347	6,748,228		15,010,966	2,635,145	3,395,924	38,315,157
Net Surplus (Deficit)	\$ -	\$ -	\$ (801,915)	\$ 15,415	\$ (730,468)	\$ (1,119,348)		\$ (47,911)	\$ 1,259,330	\$ (1,019,008)	\$ (2,443,906)

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through April 30, 2026

CCBHC - Healthy Michigan	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
CCBHC Revenue	\$ -	\$ -	\$ 845,546	\$ 2,224,830	\$ 552,558	\$ 2,095,639		\$ 4,875,985	\$ 2,542,248	\$ -	\$ 13,136,805
1st/3rd Party receipts			(6,777)	(14,909)	(8,445)	-		-	-	-	(30,131)
Net revenue	-	-	838,769	2,209,921	544,113	2,095,639		4,875,985	2,542,248	-	13,106,674
Expense											
Services			1,336,437	2,011,957	783,657	2,491,733		4,710,196	916,094	946,698	13,196,773
Total expense	-	-	1,336,437	2,011,957	783,657	2,491,733		4,710,196	916,094	946,698	13,196,773
Net Surplus (Deficit)	\$ -	\$ -	\$ (497,668)	\$ 197,964	\$ (239,544)	\$ (396,094)		\$ 165,788	\$ 1,626,154	\$ (946,698)	\$ (90,099)

Southwest Michigan Behavioral Health

Funding Source Report - SUD
 October 1, 2025 through April 30, 2026

Substance Use Disorder Prevention & Treatment	Medicaid	Healthy Michigan	Opioid Health Home	SUD Grants	Other Grants	PA2	Total SUD
Revenue	\$ 2,838,097	\$ 5,568,943	\$ 856,528	\$ 4,006,344	\$ 24,881	\$ 1,325,322	\$ 14,620,115
Expense							
Administration	95,082	190,079	-	-	-		308,674
Access Center	-	-	-	-	-		-
Claims Tax	-	-	-				-
	<u>95,082</u>	<u>190,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,674</u>
Treatment Services							
Outpatient	372,570	737,714	680,742	115,503	-	-	1,906,529
Intensive outpatient	1,494	7,127	-	3,908	-	-	12,529
Detox services	283,646	574,480	-	72,116	-	-	930,242
Residential	1,153,184	2,588,277	-	315,132	-	-	4,056,593
Methadone	748,692	1,206,391	-	106,290	-	-	2,061,373
Assessments and evaluation	193,184	389,102	-	47,903	-	-	630,189
Transportation	-	-	-	103	-	-	103
Room & Board	-	-	-	903,057	-	-	903,057
Total treatment services	<u>2,752,770</u>	<u>5,503,091</u>	<u>680,742</u>	<u>1,564,012</u>	<u>-</u>	<u>-</u>	<u>10,500,615</u>
Other grant services	-	-	-	2,442,332	62,783	1,107,742	3,612,857
Total expense	<u>2,847,852</u>	<u>5,693,170</u>	<u>680,742</u>	<u>4,006,344</u>	<u>62,783</u>	<u>1,107,742</u>	<u>14,422,146</u>
							126,972
Net Surplus (Deficit)	<u>\$ (9,755)</u>	<u>\$ (124,227)</u>	<u>\$ 175,786</u>	<u>\$ -</u>	<u>\$ (37,902)</u>	<u>\$ 217,580</u>	<u>\$ 197,969</u>

Southwest Michigan Behavioral Health

Funding Source Report - SUD
October 1, 2025 through April 30, 2026

Substance Use Disorder Prevention & Treatment	Community Grant	Women's Specialty	State Disability Assistance	Prevention	Michigan SOR III	Healing & Recovery Infrastructure	Recovery Incentives Infrastructure	Gambling Prevention Specialist	Alcohol Use Disorder	Total SUD Grants
Revenue	\$ 1,913,328	\$ 53,310	\$ 78,516	\$ 922,593	\$ 674,679	\$ 108,684	\$ 86,615	\$ 102,928	\$ 65,691	\$ 4,006,344
Expense										
Administration	-	-	-	-	-	-	-	-	-	-
Access Center	-	-	-	-	-	-	-	-	-	-
Claims Tax	-	-	-	-	-	-	-	-	-	-
Treatment Services										
Outpatient	115,503	-	-	-	-	-	-	-	-	115,503
Intensive outpatient	3,908	-	-	-	-	-	-	-	-	3,908
Detox services	72,116	-	-	-	-	-	-	-	-	72,116
Residential	315,132	-	-	-	-	-	-	-	-	315,132
Methodone	106,290	-	-	-	-	-	-	-	-	106,290
Assessments and evaluation	47,903	-	-	-	-	-	-	-	-	47,903
Transportation	103	-	-	-	-	-	-	-	-	103
Room & Board	903,057	-	-	-	-	-	-	-	-	903,057
Total treatment services	1,564,012	-	-	-	-	-	-	-	-	1,564,012
Other grant services	349,316	53,310	78,516	922,593	674,679	108,684	86,615	102,928	65,691	2,442,332
Total expense	1,913,328	53,310	78,516	922,593	674,679	108,684	86,615	102,928	65,691	4,006,344
Net Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Southwest Michigan Behavioral Health

Funding Source Report - SUD PA2

October 1, 2025 through April 30, 2026

Substance Use Disorder Prevention & Treatment	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	Total
Revenue	\$ 61,502	\$ 252,095	\$ 73,192	\$ 239,490	\$ 49,836	\$ 436,281	\$ 59,143	\$ 153,783	\$ 1,325,322
Expense									
Services									
Outpatient	\$ 45,606	\$ 146,484	\$ 10,460	\$ 202,490	\$ 44,966	\$ 183,536	\$ 57,436	\$ 49,783	\$ 740,761
Residential	-	-	-	-	-	127,726	34,911	-	162,637
Supportive	-	-	-	-	-	50,225	-	-	50,225
Ancillary	-	-	-	-	-	50,000	-	-	50,000
Prevention	-	72,919	-	-	-	31,200	-	-	104,119
Total Services	<u>45,606</u>	<u>219,403</u>	<u>10,460</u>	<u>202,490</u>	<u>44,966</u>	<u>442,687</u>	<u>92,347</u>	<u>49,783</u>	<u>1,107,742</u>
Total expense	<u>45,606</u>	<u>219,403</u>	<u>10,460</u>	<u>202,490</u>	<u>44,966</u>	<u>442,687</u>	<u>92,347</u>	<u>49,783</u>	<u>1,107,742</u>
Net Surplus (Deficit)	<u>\$ 15,896</u>	<u>\$ 32,692</u>	<u>\$ 62,732</u>	<u>\$ 37,000</u>	<u>\$ 4,870</u>	<u>\$ (6,406)</u>	<u>\$ (33,204)</u>	<u>\$ 104,000</u>	<u>\$ 217,580</u>
PA2 Balance forward	<u>\$ 812,055</u>	<u>\$ 837,265</u>	<u>\$ 627,249</u>	<u>\$ 212,294</u>	<u>\$ 543,711</u>	<u>\$ 2,107,520</u>	<u>\$ 380,635</u>	<u>\$ 675,433</u>	<u>\$ 6,196,163</u>

Southwest Michigan Behavioral Health

Statement of Net Position

April 30, 2026

	Mental Health	Risk Reserve Medicaid	Total PIHP Activities
Assets			
Cash Position	\$ 1,893,300	\$ 797	\$ 1,894,097
Accounts Receivable	7,000	-	7,000
Due From Other Governmental Units	18,641,823	-	18,641,823
Due From Affiliates	26,644,630	-	26,644,630
Due from other funds	-	806,099	806,099
Prepaid Expenses	526,206	-	526,206
Capital assets being depreciated	596,904	-	596,904
Total assets	48,309,863	806,896	49,116,759
Liabilities			
Accounts payable	8,077,448	-	8,077,448
Accrued payroll and benefits	2,007	-	2,007
Due To Affiliates	27,500,267	-	27,500,267
Due to other funds	806,099	-	806,099
Compensated absences	345,470	-	345,470
Lease payable	627,025	-	627,025
Unearned revenue	5,978,582	-	5,978,582
Total liabilities	43,336,898	-	43,336,898
Total net position	\$ 19,231,599	\$ (13,776,677)	\$ 5,779,861

Southwest Michigan Behavioral Health

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds

October 1, 2025 through April 30, 2026

	Mental Health	Substance Use Disorder	Risk Reserve Medicaid	Total PIHP Activities
Operating revenue				
Medicaid	\$ 177,682,217	\$ 2,838,097	\$ -	\$ 180,520,314
Healthy Michigan	12,543,599	5,568,943	-	18,112,542
Medicaid Hospital Adjuster payment	9,834,040	-	-	9,834,040
Opioid Health Home	-	856,528	-	856,528
SUD Prevention and Treatment	-	4,006,344	-	4,006,344
Public Act 2 Local	-	1,325,322	-	1,325,322
Other Grant revenue	148,974	24,881	-	173,855
Performance based incentives/QBIP/OHH P4P	-	-	-	-
Interest revenue	162,554	-	12	162,566
Affiliate local drawdown	497,304	-	-	497,304
Other miscellaneous revenue	-	-	-	-
Total operating revenue	200,868,688	14,620,115	12	215,488,815
Operating expenses				
General Administration:				
Personnel	3,430,675	281,097	-	3,711,772
Facilities	154,450	9,492	-	163,942
Other	1,163,387	18,085	-	1,181,472
Claims and Use Taxes:				
Medicaid Services	516,909	-	-	516,909
Healthy Michigan	191,891	-	-	191,891
Hospital Rate Adjuster	9,834,040	-	-	9,834,040
Payments to Affiliates/Providers:				
Medicaid Services	143,550,396	2,719,947	-	146,270,343
Medicaid Services - OHH	-	680,743	-	680,743
Healthy Michigan Services	29,763,379	5,408,941	-	35,172,320
SUD Prevention and Treatment Grant:				
Community Grant	-	1,913,328	-	1,913,328
Other community grant services	-	-	-	-
Other Woman's Specialty services	-	53,310	-	53,310
Prevention services	-	922,593	-	922,593
State Disability Assistance	-	78,516	-	78,516
State Opioid Response (SOR)	-	674,679	-	674,679
Healing and Recovery Infrastructure (HRCEI)	-	108,684	-	108,684
Recovery Incentives Infrastructure	-	86,615	-	86,615
Alcohol Use Disorder Treatment (AUD)	-	65,691	-	65,691
Gambling Disorder Prevention Grant	-	102,928	-	102,928
Public Act 2 expenses	-	1,107,742	-	-
Other grants	141,693	62,783	-	204,476
Performance based incentives/QBIP/OHH P4P	-	-	-	-
OHH P4P Bonus Award	-	-	-	-
Local Match Drawdown	497,303	-	-	497,303
Total operating expenses	189,244,123	14,295,174	-	202,431,555
CY Unspent funds	11,624,565	324,941	12	13,057,260

Southwest Michigan Behavioral Health

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health

October 1, 2025 through April 30, 2026

	Budget	YTD Budget	YTD Actual	Positive (Negative) Variance	Percent Over (Under) Budget
Operating revenue					
Medicaid:					
Capitation	\$ 306,106,224	\$ 178,561,964	\$ 177,682,217	\$ (879,747)	(0.49%)
Carryover	-	-	-	-	0.00%
Healthy Michigan:					
Capitation	22,201,491	12,950,870	12,543,599	(407,271)	(3.14%)
HRA Revenue	12,089,192	7,052,029	9,834,040	2,782,011	39.45%
Other Grant revenue	580,000	338,333	148,974	(189,359)	(55.97%)
Performance based incentives/QBIP/OHH P4P	2,134,267	1,244,989	-	(1,244,989)	(100.00%)
Affiliate local drawdown	852,520	497,303	497,304	1	0.00%
Interest and Other revenues	47,805	27,886	162,554	134,668	482.92%
Other miscellaneous revenue	-	-	-	-	0.00%
Total operating revenue	344,011,499	200,673,374	200,868,688	195,314	0.10%
Operating expenses					
General Administration:					
Personnel	5,141,722	2,999,338	3,430,675	(431,337)	(14.38%)
Facilities	210,791	122,961	154,450	(31,489)	(25.61%)
Other	1,935,161	1,128,844	1,163,387	(34,543)	(3.06%)
Insurance Provider Taxes	2,910,115	1,697,567	708,800	(708,800)	(41.75%)
Hospital Rate Adjuster	12,089,192	7,052,029	9,834,040	(2,782,011)	(39.45%)
Local Match Drawdown	852,520	497,303	497,303	0	0.00%
Payments to Affiliates	299,214,044	150,881,978	173,313,775	(22,431,797)	
Performance based incentives/QBIP/OHH P4P	-	-	-	-	0.00%
Mental Health Grants	580,000	338,333	141,693	196,640	58.12%
Total operating expenses	322,933,545	164,718,353	189,244,123	(24,525,770)	(14.89%)
CY Unspent funds	21,077,954	35,955,021	11,624,565	(24,330,456)	
Unspent funds - beginning	7,607,034	7,607,034	7,607,034	-	
Unspent funds - ending	\$ 28,684,988	\$ 43,562,055	\$ 19,231,599	\$ (24,330,456)	

Southwest Michigan Behavioral Health

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Use Disorder
October 1, 2025 through April 30, 2026

	YTD Budget	YTD Budget	YTD Actual	Positive (Negative) Variance	Percent Over (Under) Budget
Operating revenue					
Medicaid	\$ 8,442,260	\$ 4,924,652	\$ 2,838,097	\$ (2,086,555)	(42.37%)
Healthy Michigan	12,419,373	7,244,634	5,568,943	(1,675,691)	(23.13%)
Opioid Health Home	1,871,969	1,091,982	856,528	(235,454)	(21.56%)
SUD Treatment	7,795,203	4,547,202	1,913,328	(2,633,874)	(57.92%)
SUD Women's Specialty	-	-	53,310	53,310	0.00%
SUD state disability assistance	-	-	78,516	78,516	0.00%
SUD prevention	-	-	922,593	922,593	0.00%
State Opioid Response	-	-	674,679	674,679	0.00%
SUD Alcohol Use Disorder	-	-	65,691	65,691	0.00%
Healing & Recovery Engagement & Infrastructure	-	-	108,684	108,684	0.00%
Recovery Incentives Infrastructure	-	-	86,615	86,615	0.00%
Gambling Disorder Prevention Grant	-	-	102,928	102,928	0.00%
Performance based incentives/QBIP/OHH P4P	-	-	-	-	0.00%
Public Act 2 Local	2,184,476	1,274,278	1,325,322	51,044	4.01%
Other grant revenue	-	52,780	24,881	(27,899)	(52.86%)
Total operating revenue	32,713,281	19,135,527	14,620,115	(4,515,412)	
Operating expenses					
General Administration:					
Personnel	-	-	281,097	(281,097)	0.00%
Facilities	-	-	9,492	(9,492)	0.00%
Other	-	-	18,085	(18,085)	0.00%
Medicaid Services	22,684,580	13,232,672	2,719,947	10,512,725	79.45%
Healthy Michigan Services	-	-	5,408,941	(5,408,941)	0.00%
Opioid Health Home Services	1,871,969	1,091,982	680,743	411,239	37.66%
OHH P4P Bonus Award	-	-	-	-	0.00%
SUD Prevention, Treatment, and Gambling Grant:					
Community Grant	7,795,203	4,547,202	1,913,328	2,633,874	57.92%
State Disability Assistance	-	-	78,516	(78,516)	0.00%
Womens Specialty Services	-	-	53,310	(53,310)	0.00%
Prevention services	-	-	922,593	(922,593)	0.00%
State Opioid Response III	-	-	674,679	(674,679)	0.00%
Healing and Recovery Infrastructure	-	-	108,684	(108,684)	0.00%
Recovery Incentives Infrastructure	-	-	86,615	(86,615)	0.00%
SUD Alcohol Use Disorder	-	-	65,691	(65,691)	0.00%
Gambling Disorder Prevention Grant	-	-	102,928	(102,928)	0.00%
Public Act 2 expenses:					
PA2 services-Barry	-	-	45,606	(45,606)	0.00%
PA2 services-Berrien	-	-	219,403	(219,403)	0.00%
PA2 services-Branch	-	-	10,460	(10,460)	0.00%
PA2 services-Calhoun	-	-	202,490	(202,490)	0.00%
PA2 services-Cass	-	-	44,966	(44,966)	0.00%
PA2 services-Kalamazoo	-	-	442,687	(442,687)	0.00%
PA2 services-St Joseph	-	-	92,347	(92,347)	0.00%
PA2 services-Van Buren	-	-	49,783	(49,783)	0.00%
Performance based incentives used	-	-	-	-	0.00%
Other grant expense	-	-	62,783	(62,783)	0.00%
Total operating expenses	32,351,752	18,871,855	14,295,174	4,576,681	
CY Unspent funds	361,529	263,672	324,941	61,269	
Unspent funds - beginning	-	-	-	-	
Unspent funds - ending	\$ 361,529	\$ 263,672	\$ 324,941	\$ 61,269	

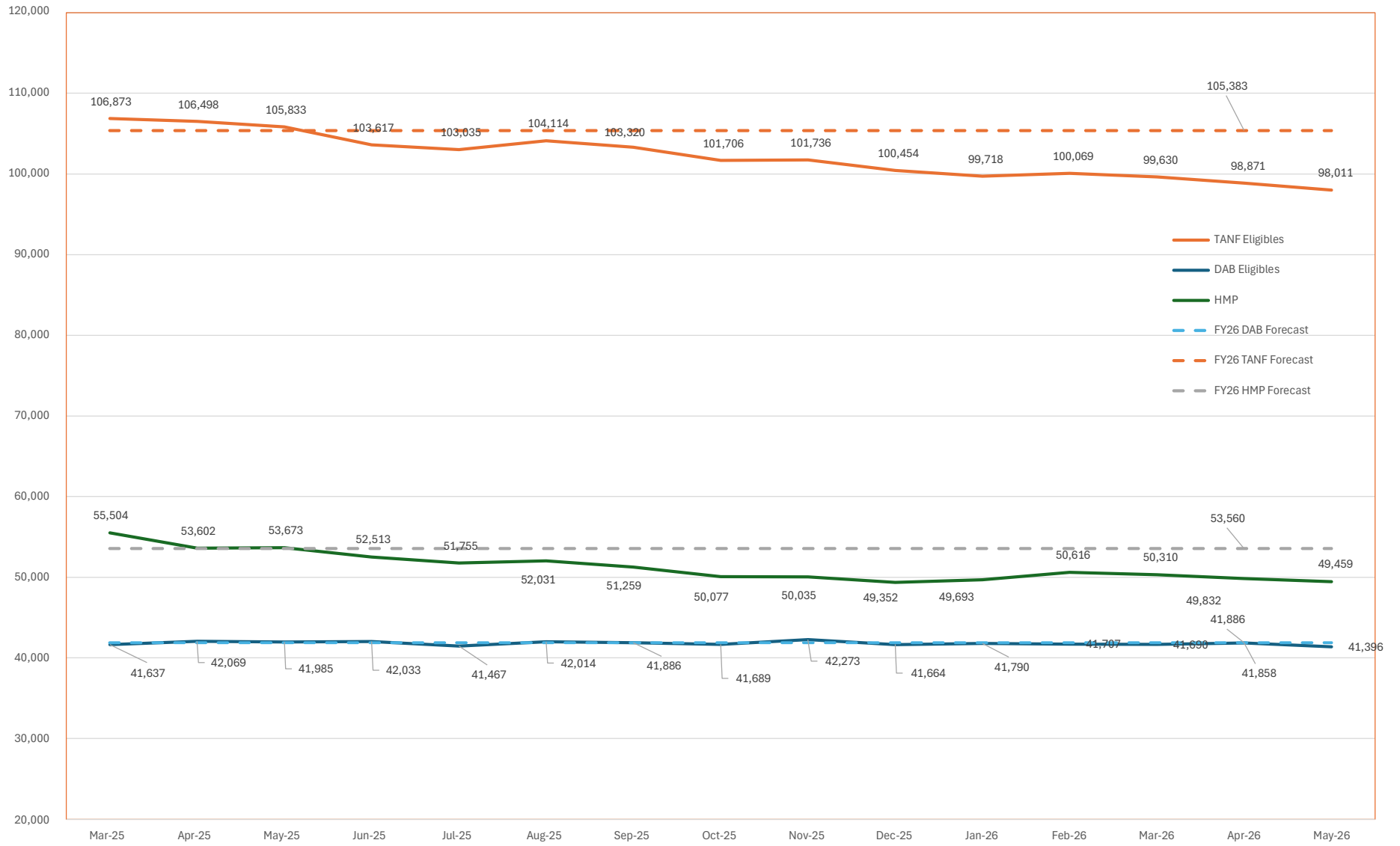
Southwest Michigan Behavioral Health

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Medicaid Risk Reserve
 October 1, 2025 through April 30, 2026

	YTD Budget	YTD Budget	YTD Actual	Positive (Negative) Variance	Percent Over (Under) Budget
Operating revenue					
Medicaid:					
Interest revenue	\$ 36,212	21,124	\$ 12	\$ (21,112)	(99.94%)
Operating expenses					
Payments to Affiliates:					0.00%
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	
Unspent funds	36,212	21,124	12	(21,112)	
Unspent funds - beginning	(13,776,689)	(13,776,689)	(13,776,689)	-	
Unspent funds - ending	<u>\$ (13,740,477)</u>	<u>\$ (13,755,565)</u>	<u>\$ (13,776,677)</u>	<u>\$ (21,112)</u>	

Southwest Michigan Behavioral Health
 Total Eligibles MAY '25 - MAY '26
 as of May 31st, 2026



<u>SWMBH Through May</u>	<u>FY26</u>	<u>FY25</u>	<u>% Change YOY</u>	<u>\$ Change YOY</u>
State Plan MH	58,516,082	65,091,719	-10.1%	(6,575,637)
1915i MH	64,744,993	60,434,993	7.1%	4,309,999
Autism	30,319,606	19,315,310	57.0%	11,004,296
<i>Habilitation Supports Waiver (HSW)</i>	46,420,248	42,448,307	9.4%	3,971,940
<i>Child Waiver Program (CWP)</i>	593,816	606,600	-2.1%	(12,784)
<i>Serious Emotional Disturbances (SED)</i>	467,217	340,954	37.0%	126,263
Net Capitation Payment	<u>201,061,651</u>	<u>188,237,883</u>	6.8%	12,823,768
				-
State Plan SA	3,233,849	5,253,985	-38.4%	(2,020,136)
Net Capitation Payment	<u>3,233,849</u>	<u>5,253,985</u>	-38.4%	(2,020,136)
				-
Healthy Michigan Mental Health	14,309,996	16,497,796	-13.3%	(2,187,801)
Healthy Michigan Autism	1,355	26,923	-95.0%	(25,568)
Net Capitation Payment	<u>14,311,350</u>	<u>16,524,719</u>	-13.4%	(2,213,369)
				-
Healthy Michigan Substance Abuse	6,359,593	9,051,366	-29.7%	(2,691,773)
Net Capitation Payment	<u>6,359,593</u>	<u>9,051,366</u>	-29.7%	
				-
GRAND TOTAL	224,966,443	219,067,953	2.7%	5,898,490

as of 6/4/2026

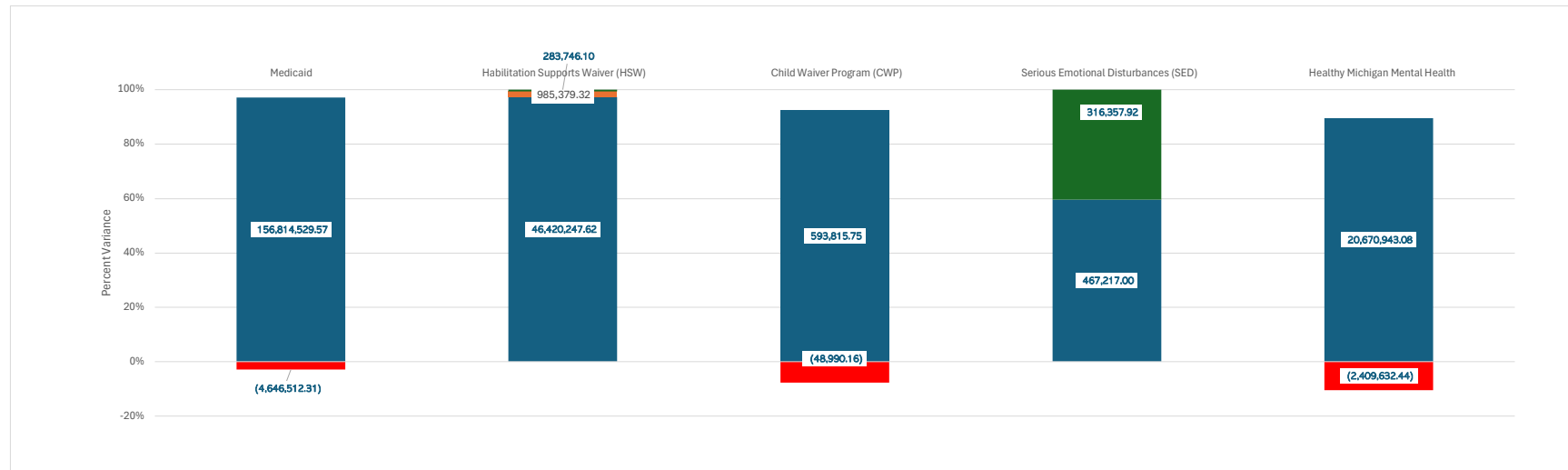
State Plan, 1915i, B3 and Autism have DAB and TANF payments included.

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 \$	%
Medicaid	242,191,562.82	235,221,794.36	-	235,221,794.36	(6,969,768.46)	-2.9%	161,461,041.88	156,814,529.57	-	156,814,529.57	(4,646,512.31)	-2.9%
Habilitation Supports Waiver (HSW)	70,682,821.26	69,630,371.43	985,379.32	70,615,750.75	(67,070.51)	-0.1%	47,121,880.84	46,420,247.62	985,379.32	47,405,626.94	283,746.10	0.6%
Child Waiver Program (CWP)	964,208.87	890,723.63	-	890,723.63	(73,485.25)	-7.6%	642,805.91	593,815.75	-	593,815.75	(48,990.16)	-7.6%
Serious Emotional Disturbances (SED)	226,288.62	700,825.50	-	700,825.50	474,536.88	209.7%	150,859.08	467,217.00	-	467,217.00	316,357.92	209.7%
Healthy Michigan Mental Health	34,620,863.28	31,006,414.62	-	31,006,414.62	(3,614,448.66)	-10.4%	23,080,575.52	20,670,943.08	-	20,670,943.08	(2,409,632.44)	-10.4%
Overall Net Capitation Payment	348,685,744.85	337,450,129.53	985,379.32	338,435,508.85	(10,250,236.00)	-2.94%	232,457,163.23	224,966,753.02	985,379.32	225,952,132.34	(6,505,030.90)	-2.80%



Budgeted Funds
Over - Variance
Under - Variance
Accrued Funds



	HISTORIC COST OF GOVERNANCE				TOTAL 2014 - 2025	ESTIMATE FY 2026
	2022	2023	2024	2025		
MEETING COST	\$ 9,049.84	\$ 5,867.19	\$ 4,956.92	\$ 1,911.26	\$ 75,487.14	\$ 2,000.00
AUDIT COST	\$ 108,225.00	\$ 121,118.75	\$ 115,025.00	\$ 131,237.50	\$ 1,211,798.75	\$ 155,000.00
ATTORNEY FEES	\$ 7,159.50	\$ 1,925.50	\$ 711.00	\$ 35,215.75	\$ 45,011.75	
EDUCATION	\$ 802.49	\$ 23,950.16	\$ 10,460.73	\$ 5,872.76	\$ 59,923.35	
Training & Conferences	\$ 802.49	\$ 11,256.88	\$ -	\$ 2,261.55	\$ 29,623.31	\$ -
Board Consultant	\$ -	\$ 12,693.28	\$ 10,460.73	\$ 3,611.21	\$ 30,300.04	\$ -
TOTAL	\$ 125,236.83	\$ 152,861.60	\$ 131,153.65	\$ 174,237.27	\$ 1,392,220.99	\$ 157,000.00

	AVERAGE HISTORIC COST OF GOVERNANCE				Recommendation FY 2027
	Total	Development 2014-2017	Covid 2020 - 2021	2023-2025	
MEETING COST	\$ 6,290.60	\$ 9,408.50	\$ 494.99	\$ 4,245.12	\$ 4,000.00
AUDIT COST	\$ 100,983.23	\$ 72,495.13	\$ 110,225.00	\$ 122,460.42	\$ 155,000.00
ATTORNEY FEES				\$ 12,617.42	\$ 5,000.00
EDUCATION	\$ 4,993.61	\$ 3,917.75	\$ -	\$ 13,427.88	\$ 16,000.00
Training & Conferences	\$ 2,468.61	\$ 4,547.51	\$ 4,531.22	\$ 4,506.14	
Board Consultant	\$ 2,525.00	\$ 4,661.54	\$ 5,509.10	\$ 8,921.74	\$ -
TOTAL	\$ 112,267.44	\$ 85,821.37	\$ 110,719.99	\$ 152,750.84	\$ 180,000.00

* EDUCATION is the sum of Training & Conferences and Board Consultant

ATTORNEY FEES in 2023 include \$23,283.50 in relation to "review of records and law relevant to board conflict"

1.0 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.

- 1.1 Member CMH boards, EOs, and staff value the partnership with SWMBH, and experience the relationship as collaborative, transparent, responsive, and reciprocal.
- 1.2 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.
- 1.3 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*).
- 1.4 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.
- 1.5 The SWMBH regional partners align with best practice, learning from each other, collaborating, sharing resources, and benefiting from lessons learned.

3.6 POLICY: Board Committee Principles

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and to not interfere with delegation from the Board to the EO. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the EO.

Accordingly, the Committees shall:

- 3.6.1 Assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
- 3.6.2 Refrain from speaking or acting on behalf of the Board except when formally given such authority for specific and time-limited purposes.
- 3.6.3 Refrain from exercising authority over staff.
- 3.6.4 Be used sparingly and ordinarily in an ad hoc capacity.

3.7 POLICY: Board Committees

A committee is a Board Committee only if *its* existence and charge come from the Board, *and it helps the board do its own work* regardless whether Board Members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its work is complete.

3.8 POLICY: Cost of Governance

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Accordingly:

3.8.1 Board skills, methods, and supports will be sufficient to assure governing with excellence.

- 3.8.1.1 Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
- 3.8.1.2 Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
- 3.8.1.3 Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.

3.8.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability. The Board will develop its budget by June each year to assure its inclusion in the overall budget and will include allowances for:

- A training, including attendance at conferences and workshops.
- B audit and other third-party monitoring of organizational performance.
- C surveys, focus groups, opinion analyses, and meeting costs.

4.1 POLICY: Unity of Control

Only officially passed motions of the Board are binding on the EO.

Accordingly:

- 4.1.1 Decisions or instructions of individual Board members, Officers, or Committees are not binding on the Executive Officer (EO) except in instances when the Board has specifically authorized such exercise of authority.
- 4.1.2 In the case of Board members or Committees requesting information or assistance without Board authorization, the EO can refuse such requests that require, in the EO's opinion, a material amount of staff time or funds, or are disruptive.

4.3 POLICY: Delegation to the Executive Officer

The board will instruct the EO through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the EO to use any reasonable interpretation of these policies.

Accordingly:

- 4.3.1 The board will develop policies instructing the EO to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
- 4.3.2 The board will develop policies which limit the latitude the EO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
- 4.3.3 As long as the EO uses any reasonable interpretation of the board's Ends and Executive Limitations policies, the EO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
- 4.3.4 The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and EO domains. By doing so, the board changes the latitude of choice given to the EO. But as long as any particular delegation is in place, the board will respect and support the EO's choices.

2.3 POLICY: Financial Planning and Budgeting

Budgeting any fiscal year or the remaining part of any fiscal year will not deviate from the organization's mission, board ends and means, risk fiscal jeopardy with the exception of federal, state and regional requirements, or fail to be derived from an annual plan.

Further, including but not limited to, the Executive Officer may not allow budgeting which

- 2.3.1. Contains too little information or omits information to allow credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- 2.3.2. Expends more funds than have been received in the fiscal year-to-date or uses any long-term reserves without board notification.
- 2.3.3. Provides less than is sufficient for board prerogatives, such as costs of fiscal audit, Board development, Board and Committee meetings, and Board legal fees.
- 2.3.4. Endangers the fiscal soundness of future years or ignore the building of organizational capability sufficient to achieve future ends.
- 2.3.5. Cannot be shared with the Board on a monthly basis

2.3 POLICY: Financial Planning and Budgeting

Policy Review Period: 8/1/2025 – 06/01/2026

Budgeting any fiscal year or the remaining part of any fiscal year will not deviate from the organization's mission, board ends and means, risk fiscal jeopardy with the exception of federal, state and regional requirements, or fail to be derived from an annual plan.

Further, including but not limited to, the Executive Officer may not allow budgeting which:

2.3.1. Contains too little information or omits information to allow credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

EO Response: *Financial planning and budget development during the review period included sufficient information to support credible projections of revenues and expenses, separation of capital and operational items, cash flow monitoring, and disclosure of planning assumptions.*

SWMBH utilizes a collaborative budget development process involving Participant CMHSP leadership and finance staff, resulting in multiple iterations of budget projections and financial analysis prior to presentation to the Board.

Budget assumptions and parameters are reviewed and incorporated into the annual budget development process to support reasonable revenue and expenditure projections. During the May 2026 Board Planning Session, the Board reviewed Fiscal Year 2027 budget assumptions and planning considerations in advance of formal budget development, providing early visibility into key fiscal factors affecting the organization.

In Fiscal Year 2026, SWMBH transitioned to the Rehmann financial reporting template, creating greater consistency and alignment between financial information presented to the SWMBH Board and the financial reports routinely reviewed by Board members at their respective CMHSPs. Monthly financial reports continue to provide detailed information regarding revenues, expenditures, cash flow, and significant planning assumptions, allowing for ongoing monitoring of organizational financial performance.

2.3.2. Expends more funds than have been received in the fiscal year-to-date or uses any long-term reserves without board notification.

EO Response: *During the Policy Review Period, SWMBH maintained regular financial monitoring processes designed to ensure expenditures, revenues, and cash flow were reviewed throughout the fiscal year. Monthly financial reports were*

provided to the Board and included information regarding budget-to-actual performance, revenue trends, expenditures, and overall organizational financial position.

At the conclusion of Fiscal Year 2025, SWMBH did not maintain adequate fund reserves and ended the fiscal year with an operating deficit. Significant fiscal risks, budget variances, and the utilization of Internal Service Fund were regularly communicated to the Board through monthly financial reporting Board Finance Committee meetings, budget discussions, and other financial presentations.

Management also provided ongoing analysis and recommendations regarding the organization's financial condition and potential mitigation strategies. While the Fiscal Year 2025 financial results were not favorable, the Board received regular and timely information regarding the organization's financial performance, risks, and reserve utilization, enabling informed oversight and decision-making throughout the review period.

In Fiscal Year 2026 year-to-date, SWMBH has not expended more funds than have been received.

2.3.3. Provides less than is sufficient for board prerogatives, such as costs of fiscal audit, Board development, Board and Committee meetings, and Board legal fees.

EO Response: *The budgeting process includes capturing the Board's Cost of Governance through a collaborative approach that includes management support and recommendations designed to assist the SWMBH Board in developing its Cost of Governance. For Fiscal Year 2026, the budgeted amounts are sufficient to cover the fiscal audit, Board development, Board and Committee meetings, Board legal fees, and other related expenses. For Fiscal Year 2027, the Board began developing its Cost of Governance during the May 2026 Board Planning Session and will finalize it in order for that Cost to be incorporated into the final Fiscal Year 2027 Budget.*

2.3.4. Endangers the fiscal soundness of future years or ignore the building of organizational capability sufficient to achieve future ends.

EO Response: *Throughout the Policy Review Period, management continued efforts related to revenue maximization, expense mitigation, and advocacy activities intended to strengthen SWMBH's current and long-term financial position. SWMBH also continued investing in organizational and regional capabilities necessary to support effective operations, strategic priorities, and future service delivery objectives.*

2.3.5 Cannot be shared with the Board on a monthly basis

EO Response: *Financials, including a comparison of budget to actual revenue and expenses, have been shared with the Board on a monthly basis during the Policy Review Period, and continue to be shared on a monthly basis. Due dates for*

financial submissions from Participant CMHSPs are structured to allow for preparation and presentation of monthly financials to both the SWMBH Board Finance Committee as well as the SWMBH Board. Additionally, the Revenue Variance Report was developed at the beginning of Fiscal Year 2026 and is presented to the Board on a monthly basis. The purpose of the Revenue Variance Report is to provide the Board with revenue information faster than waiting for the full financials, in order to allow for increased awareness, visibility, and response when action is needed.

Problem Gambling Program: Overview and Screening Results

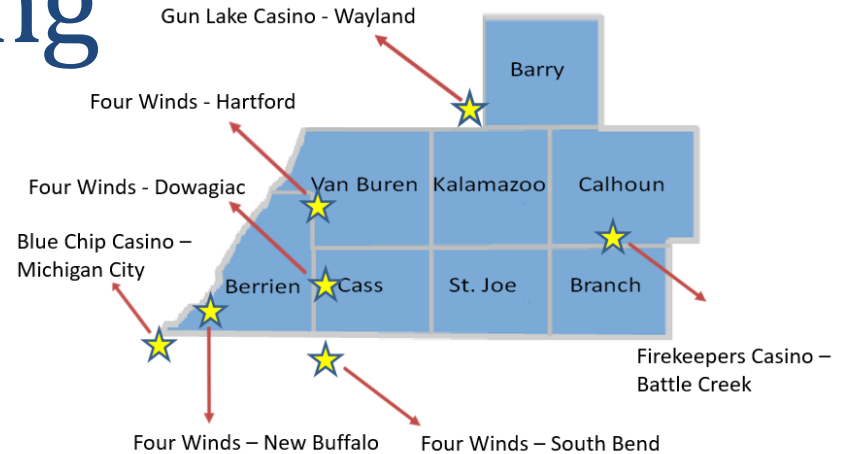


SWMBH Policy Board, June 12, 2026

Problem Gambling

- **Overview of Problem Gambling Grant through MDHHS:**

- Applied for grant in 2018; program started in FY2019
- Goals of the grant:
 - Implement Prevention campaigns
 - Educate communities on risk of Problem Gambling
 - Screening for problem gambling at request for service contact

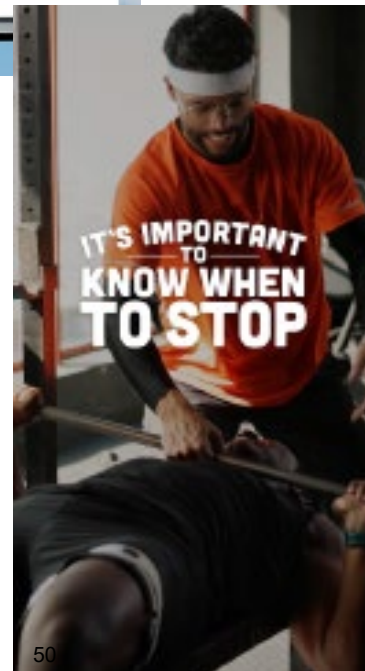


Campaigns:

- Spring Campaign: March 2026
 - Billboards (regional area)
 - Over 4 million views
 - Social media ads
 - Facebook, Snapchat, Instagram
 - Streaming
 - Spotify, Apple Music, iHeart
- Target Audience
 - Young males/college students, 18-24yr



Campaigns:



Education:

- Goal is to increase awareness and educate on harms of gambling
- Presentations
 - Focuses on populations affected, characteristics of gambling disorder/problem gambling, harm reduction strategies
 - Task Forces, Coalitions, Area Agencies on Aging, Rotary, Recovery-Oriented Systems of Care, School-based groups



Problem Gambling Resources

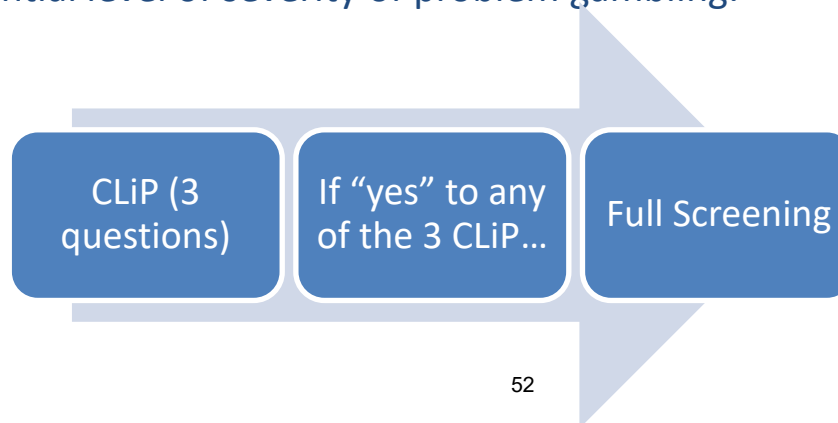
Michigan-Based Resources

- Michigan Problem Gambling Helpline has trained and experienced counselors available 24/7 to support you or your loved one in finding the help they need.
 - Dial 1-800-270-7117 to talk to a counselor.
 - They can provide resources, conduct a screening assessment, and refer you or your loved one to treatment or support groups in your area.
- Gamblers Anonymous
 - GA is group of men and women that struggle with compulsive gambling and meet regularly to share their experiences, support each other and help others into treatment and recovery.
 - Battle Creek, MI (In-person)
 - Thursdays, 6:30pm EST
 - Alano Club, 1125 W. Territorial Road, Battle Creek, MI 49015
 - W. Bloomfield, MI (Virtual)
 - Wednesdays, 7:00pm EST
 - Zoom Link

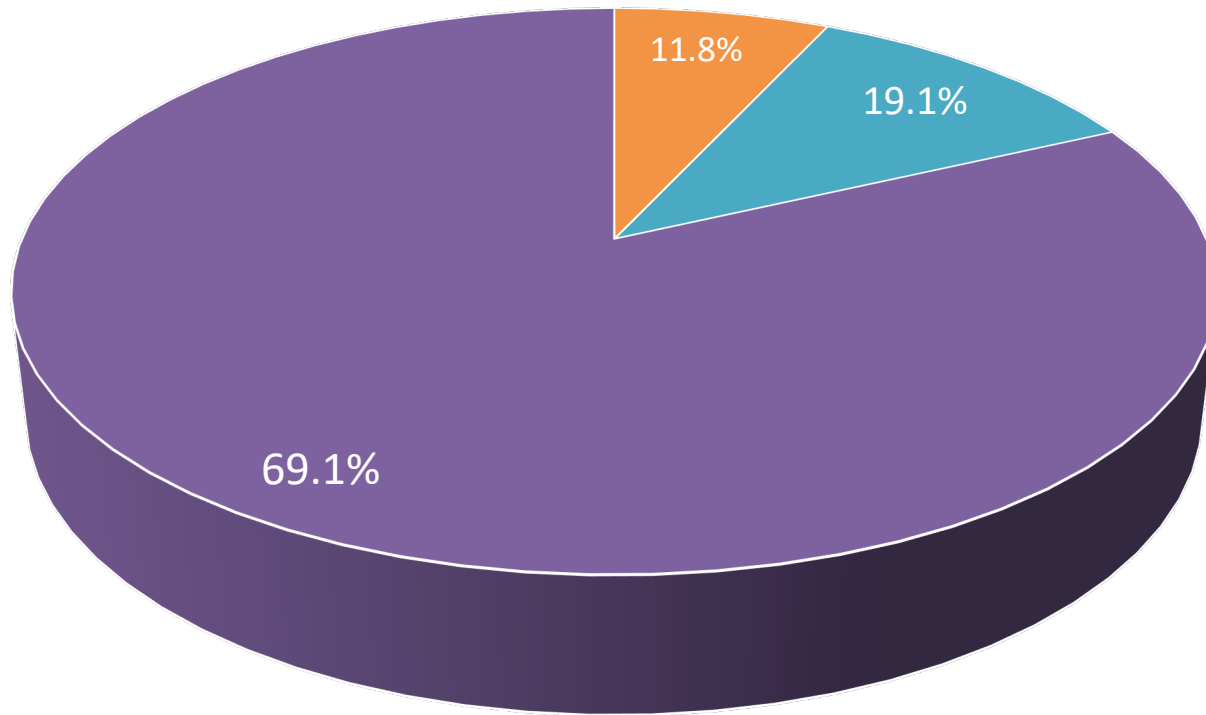


Problem Gambling Screening:

- **Screening at SWMBH Call Center and other SWMBH SUD Access Points:**
 - National Opinion Research Center (NORC) Diagnostic Screen for Gambling Problems (NODS):
 - NODS CLiP (Loss of Control, lying, and preoccupation) three question brief screen:
 1. Have there ever been periods lasting 2 weeks or longer when you spent a lot of time thinking about your gambling experiences or planning out future gambling ventures or bets?
 2. Have you ever tried to stop, cut down, or control your gambling?
 3. Have you ever lied to family members, friends, or others about how much you gamble or how much money you lost on gambling?
 - If yes to any of the three questions, move on to the full NODS Screening: 17 questions to determine potential level of severity of problem gambling.



NODS Screening Results FY25:



3,813 CLiPs Administered
136 NODS Administered (3.6%)

Problem Gambling Screening: SUD Providers – March 2026

Screenings Completed by Provider:

Barry CMHA 15

Harbortown 77

Recovery Services Unlimited 140

Van Buren CMH 24

Victory Clinic – Kzoo 167

Victory Clinic – Battle Creek 72

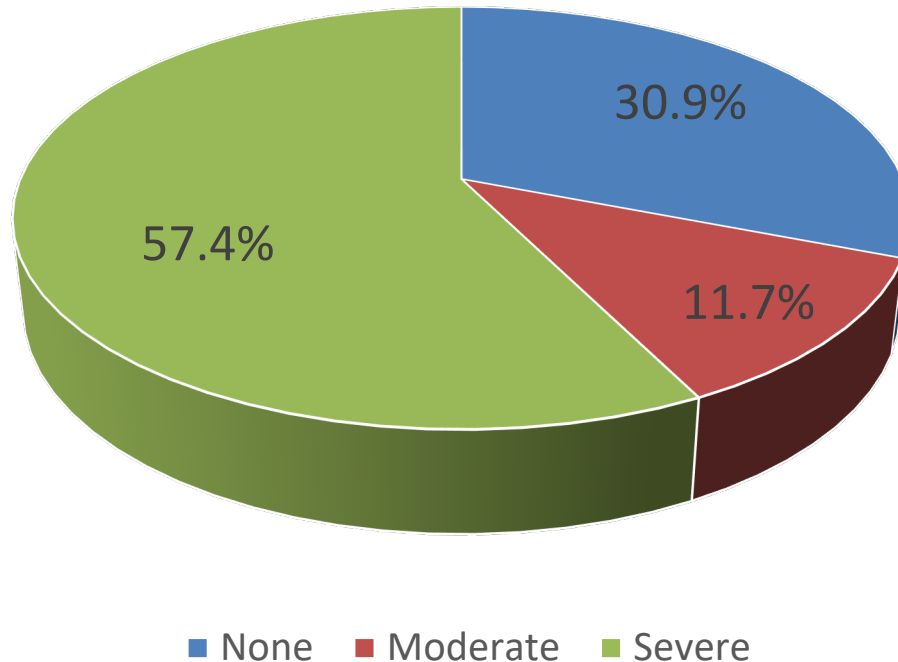
Woodlands Behavioral Health 53

Problem Gambling Screening – March 2026

548 CLiPs
Administered

94 NODS
Administered
(17.2%)

Problem Gambling Screening – March 2026



- 17.2% of customers screened required a full NODS (compared to ~2-3%)
- 69.1% of NODS scores indicate either a moderate or severe level of gambling problems



2026 Information Technology Services Update

Presented by Natalie Spivak, Chief Information Officer

IT Roles & Responsibilities

- Geek Squad
- Genius Bar
- Think Tank



Geek Squad

- Information Security
 - Daily review of firewall logs, e-mail quarantine, phishing attempts, vulnerability scans(monthly)
- Help Desk and User Support
- Hardware Management
- Software Administration – Windows updates, User provisioning, Application support, Licensing
- Network & Infrastructure Management – Troubleshooting Internet services, switches, access points
- Vendor management
- Website Management – Website workgroup monthly meeting
- Knowledge Management & Collaboration – MS Teams, SWMBH Commons administration



Genius Bar

- Data Exchange with Partner Organizations
- Encounter & BHTEDS Processing
- Data Warehouse Management
- Programming & Application Development
 - Prior Authorization, Member Access and Provider Network APIs
- Audits – HSAG EDV, PMV, EQR, Security
- State Reporting
- Production Process Monitoring
- System Automation
- Transaction & Data Submission Monitoring & Troubleshooting



Think Tank

- Tableau & Power BI Dashboard Development & Maintenance
- Ad Hoc Report Development
- Data Visualization
- Data Analysis
- Metrics

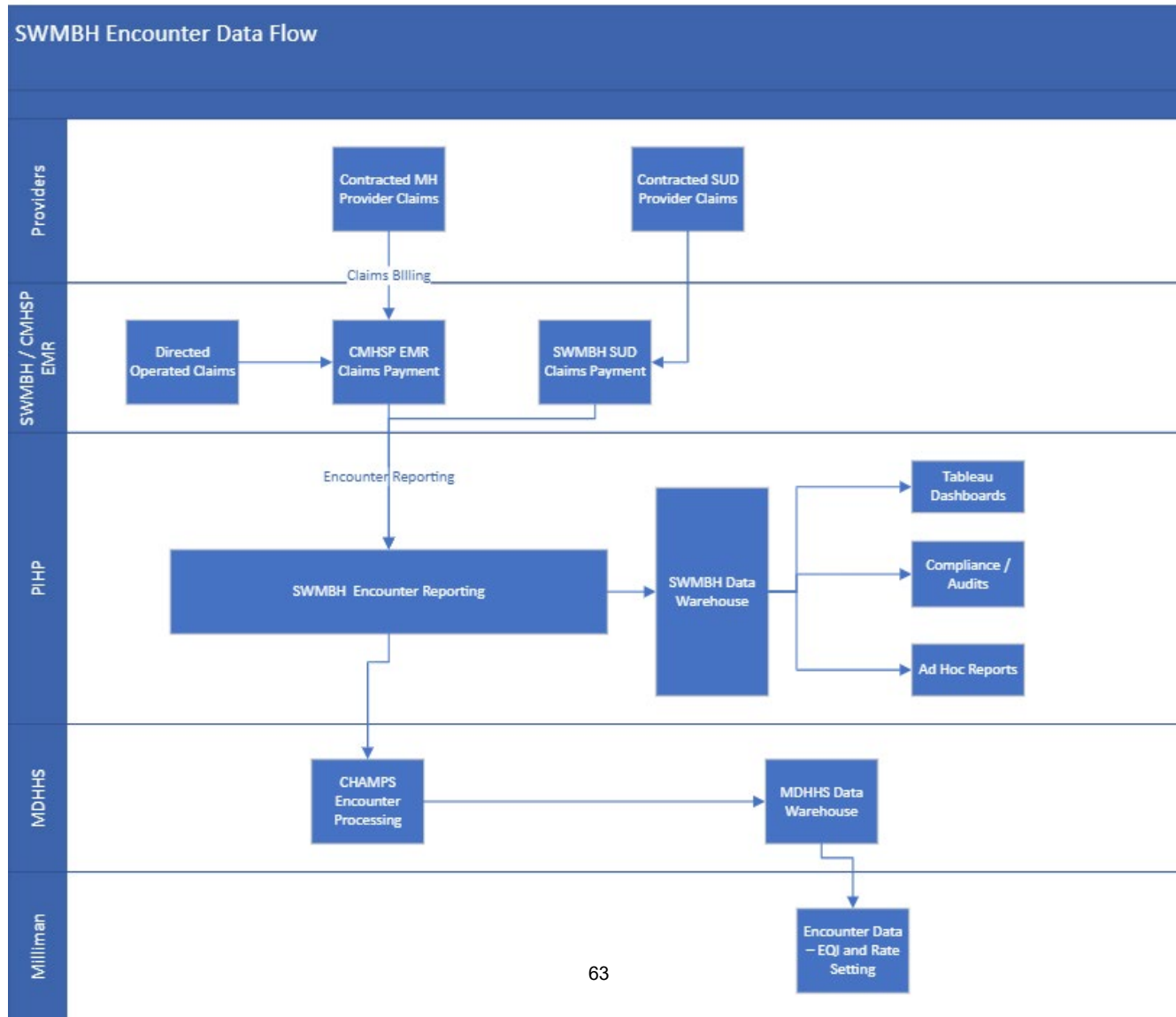


Projects

- Recently completed and currently tweaking system for tracking SUD Outcome Measures used by the SUD Prevention team
- Nearly finished with development of CMS required Application Programming Interface (API) for including Prior Authorizations in our Member Access API
- In process of testing of Artificial Intelligence tools for support of application development and program updates
- Procurement of Managed Detection and Response Software
 - Awarded FEMA Grant of \$59,650 to supplement cost of this project
- Participating in statewide reformat of BHTEDS to MH CLD and SUD TEDS
- Planning Upgrade of SQL Server database operating system



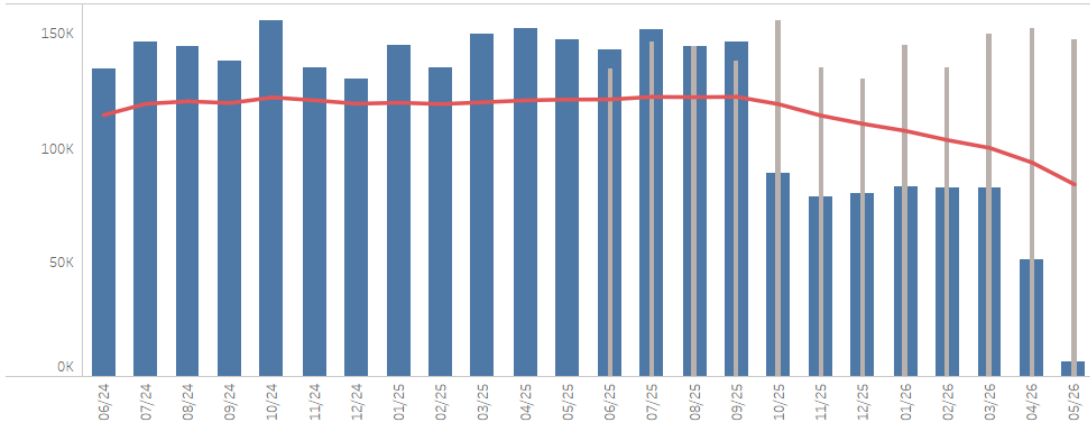
Encounter Data Flow



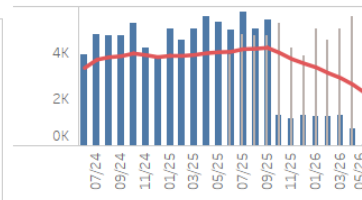
MH Encounters

Encounters Graph - All

Encounters Report Updated on 5/27/2026



Barry



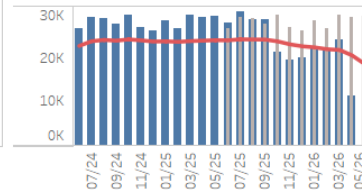
Filter Date
6/1/2024 to 5/31/2026

Capitated Plan Name
All

Line Of Business
MH

EQI Service Category
All

Berrien

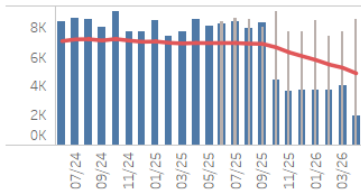


Cpt Code
All

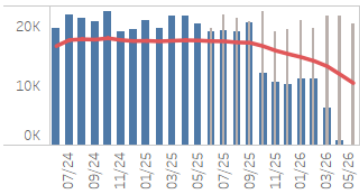
County Name
All

Is Cbhc
All

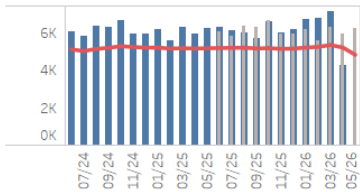
Branch



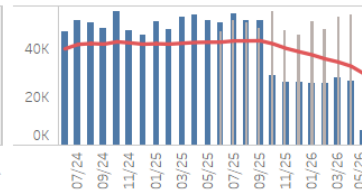
Calhoun



Cass



Kalamazoo

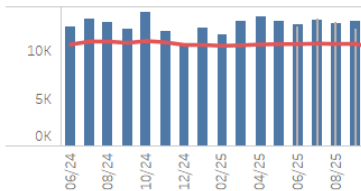


Report Type
Monthly

Measure
Encounters

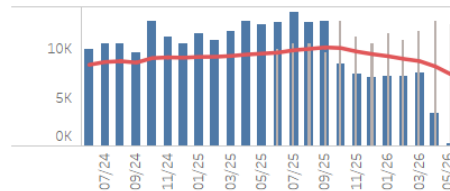
P Or I
All

St. Joseph



SWMBH SUD

Van Buren



Service Source
All

85% avg type
12 Month



BHTEDS – Mental Health

The BHTEDS Completeness for the first quarter of FY26 as of 03/03/2026 is summarized below:

FY26 MH Encounters w/BH-TEDS records				
Encounters: 10/01/2025 - 12/31/2025			BH-TEDS: 07/01/2024 - 03/02/2026	
Region Name	Submitter ID	Distinct Count of Individuals With		Current Completion Rate
		Non-H0002 & Non-Crisis, Non-OBRA Assessment & Non-Transportation	Non-H0002, Non-Crisis, Non-Health Home, Non-OBRA Assessment & Non-Transportation Encounters But NO BH-TEDS Record Since 07/01/2024	
CMH Partnership of SE MI	00XT	5,247	60	98.86%
Detroit/Wayne	00XH	32,928	2,266	93.12%
Lakeshore Regional Entity	00ZI	8,332	105	98.74%
Macomb	00GX	5,136	87	98.31%
Mid-State Health Network	0107	22,276	774	96.53%
NorthCare Network	0101	4,616	7	99.85%
Northern MI Regional Entity	0108	7,182	78	98.91%
Oakland	0058	7,833	491	93.73%
Region 10	0109	10,105	17	99.83%
Southwest MI Behavioral Health	0102	5,682	105	98.15%
Statewide		109,337	3,990	96.35%
Key				
95.00+ = Compliant		*Encounters = All MH encounters excluding : A0080, A0090, A0100, A0110, A0120, A0130, A0140, A0170, A0425, A0427, H0002, H2011, H2034, Q3014, S0209, S0215, S0280, S0281, S9484, T1023, T1040, T2001-T2005, 90839, 90840, 99304-99310		
90.00-94.99				
85.00-89.99				
<85.00				



Network Penetration Test Results- June 2025

Final Security Rating History



Statistical Distribution



When compared to the overall security of similar organizations, you are rated Slightly Above Average.



Questions?



Community Mental Health Association of Michigan
Recommended core components of a strengthened and improved public
mental health system in Michigan ¹

As adopted by the CMHA Board of Directors May 2026

Origin and purpose of document: This document was developed by the CMHA Guidance Group, a large group representing CMHA’s diverse membership of CMHSPs, PIHPs, and private provider organizations. The document is designed to provide a preliminary structure around which the advocacy for more robust and system redesign effort would be designed and pursued, collectively by a broad and diverse coalition of stakeholders.

Opening caveat – centrality of CMHSPs to public system: These components are founded upon the role of the state’s Community Mental Health Services Programs (CMHSPs), as defined in the Michigan Mental Health Code as underscored by Judge Yates in the Region 10 et al vs State of Michigan. In this role, the state’s CMHSPs are the core community-based providers and managers of the network of other providers, of services to persons with mental illness, emotional disturbance, intellectual and developmental disabilities, or substance use disorders.

A. Defining public nature and roles of PIHPs (Michigan’s Medicaid behavioral health plans) and CMHSPs

1. All of Michigan’s Medicaid behavioral health plans [also known, in federal terms as Prepaid Inpatient Health Plans (PIHPs)] should be public/governmental bodies formed via collaboration of the counties, in the region which they are designed to serve, and the state of Michigan. They can be formed via: multi-county authority, Urban Cooperation Act, or Regional Entity section of the Michigan Mental Health Code.
2. The statutorily-defined authorities, responsibilities, functions, and roles of the CMHSPs will not be encroached upon, including by the PIHPs (absent mutual agreement), or by the State of Michigan via contract requirements and policies issued by the State of Michigan.
3. The PIHPs shall not circumvent the authority of the counties in the region which they are designed to serve.

¹ When the terms public mental health or public behavioral health system are used in this document, they reflect the state’s CMHSPs, PIHPs, and providers in the CMHSP and PIHP networks – a system which includes services to persons with mental illness, emotional disturbance, intellectual and developmental disabilities, and/or substance use disorder services.

4. The number and size of regions served by the PIHPs should be structured, by the counties and CMHSPs which form them, to ensure: local guidance and responsiveness to local needs, effective management capacity, , and low administrative costs (with greatest level of funding, as possible, dedicated to service delivery), while avoiding dominance in relationships with state policymakers by any one PIHP.

5. There should be no more than one PIHP per defined region to ensure efficiency and effective management capacity.

6. PIHPs should have a well-defined and focused administrative role that ensures the statutory roles and responsibilities of the state's CMHSPs. The PIHP roles would include: ensuring high levels of performance and compliance with federal and state requirements by the CMHSPs in the region and providers in its network; and distributing Medicaid funds to CMHSPs within the PIHP's region.

B. Balancing uniformity of service array while ensuring community and person- specific variance

1. The system should ensure uniformity, to the greatest extent possible, that the array of Medicaid services and the processes for authorizing those services are as uniform across the state as possible. Variances from this uniformity, when they occur, must be tied to differences in community needs and resources or differences in the needs and choices of persons served and their families.

C. Aligning governance with distinct sets of stakeholders

1. The board of directors of the PIHPs should reflect the voices of several distinct sets of key stakeholders:

- Those individuals served by the region's public mental health system
- Representatives of the communities served by region's public mental health system

2. Echoing the Michigan Mental Health Code's requirements related to board make up, at least 1/3 of the members of the board of directors of a PIHPs must be persons with lived experience in the receipt of behavioral health service and who live in the region served by the PIHP. These persons can be persons served by the CMHSP system, or an equivalent system, or a family member of a person served.

At least 1/2 of this 1/3 (1/6 of the board) must be persons with direct lived experience (often known as "primary consumers" in the receipt of behavioral health service through the CMHSP system or an equivalent system.

3. The public bodies which appoint these board members should be the public entities which hold unique roles and responsibilities in the design and operation of Michigan's community-based mental health system. Those appointing bodies and the unique roles and responsibilities which they hold include:

County governments hold unique roles and responsibilities, in statute and in practice, in the structure, governance, and financing of Michigan's public mental health system

CMHSPs hold unique roles and responsibilities, including financial risk, in statute and practice, in the structure, governance, and financing of Michigan's public mental health system.

D: Financing model, risk sharing, and ability to build essential risk reserves

1. The financing of the Michigan behavioral health plan must be in the form of a risk-sharing capitation structure, with the risk sharing structure clearly delineated among the State of Michigan, the PIHP, the CMHSPs, and counties in the region.
2. These capitation payments must be actuarially sound, in accordance with GAAP and GASB, and provide sufficient revenue to the PIHPs and the CMHSPs in their regions to meet the mental health services and supports needs of the residents of their counties.
3. A secondary confirmation of the actuarial soundness of the initial actuarial rate setting should be established by a secondary review by an actuarial firm identified jointly by the public PIHPs and MDHHS. Both sets of actuaries should be required to provide these two parties and other stakeholders with the background documents upon which their actuarial determinations were made. When the two actuarial rate sets do not match, there must be a process including public discussion as to the differences and the resolution of this disagreement. The actuarial rates and projected revenues resulting from this process should be used to drive the annual state appropriations process.
4. An alternative financing design, not a fee-for-service method, will be used by the PIHPs to finance the CMHSPs in their regions.
5. The level of risk reserves allowed to be held by PIHPs and CMHSPs must represent an actuarially sound risk reserve (via a method of ensuring actuarial soundness akin to that outlined above) - thus allowing both of these local public bodies to retain their fiscal stability in this shared risk arrangement.

6. As with any health care, education, governmental, non-profit, or for-profit organization, CMHSPs shall be allowed to hold cost savings, earned incentives, and funds earned through other methods to ensure fiscal stability in light of changing financing and demand factors. As with all fund balances held by CMHSPs and the PIHPs, these reserves must be spent on services to persons with mental health needs, to ensure fiscal stability, and to carry out other statutorily mandated functions of the state's CMHSPs and PIHPs.

7. The fiscal distress of a PIHP or any CMHSP should be addressed jointly by the PIHP, the CMHSP, the county government served by the CMHSP, and the State of Michigan.

8. All of the state's PIHPs and the CMHSPs in their region should be required to provide, on a regular basis, to the counties which formed them, the public, providers in the PIHP's and CMHSP's network, and other stakeholders with a clear lay-person friendly picture of its:

- Financial condition, current and projected
- Service authorization standards and processes
- Service demand patterns

E. Partnership relationship between PIHPs, CMHSPs, and providers in the networks of the health plans and CMHSPs

1. Commitment to increased consistency through uniformity in contract templates, provider costing/rate setting, alternative payment models, billing systems, and data sharing.

2. Commitment to increased transparency through sharing of uniform level of care determinations, funding and fiscal conditions, network adequacy and choice, and changes in direct-run versus contractual services.

3. Commitment to reducing administrative burdens through training reciprocity, streamlining of audit requirements, and consistency in recipient rights processes.

4. Commitment to the value and importance of having an equally strong system for provision of substance use disorder services.

Michigan Medicaid Program Updates

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Katie Commey, Director, Policy Integration & Evaluation Division

May 11, 2026



Key Medicaid H.R. 1 Updates

Key MDHHS Updates

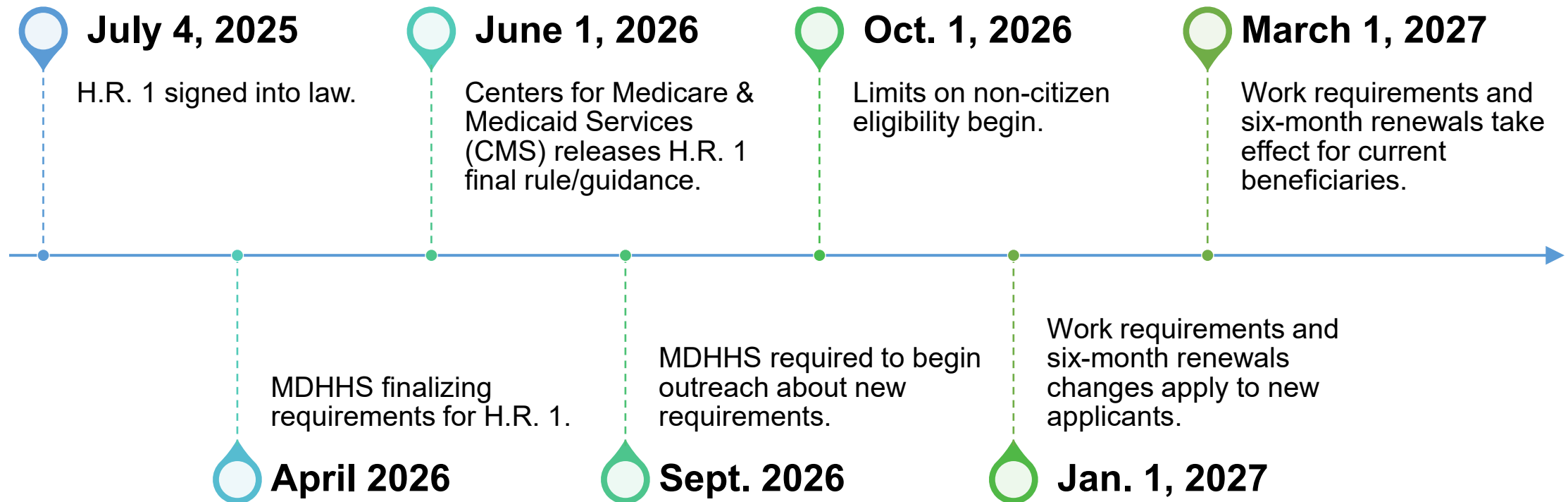
- MDHHS is committed to helping as many Michiganders stay enrolled in Medicaid as possible; while ensuring we meet federal community engagement rules.
- MDHHS is electing to only require beneficiaries to meet work requirements for one month.
- Michigan is required to implement H.R. 1 by January 1, 2027, but CMS will not issue final guidance until June 2026.
 - In the meantime, CMS has only released limited, non-binding guidance, and all verbal direction remains pre-decisional and iterative.
 - To stay on schedule, the state must lock in system design and operational processes now, well before federal requirements are finalized.
 - Despite the late release of federal guidance, CMS has indicated they will not offer a good-faith-effort exemption or allow states to delay implementation.

Key MDHHS Updates (cont.)

- Communications Language Adoption:
 - Work Requirements
 - In alignment with SNAP
 - Instead of Community Engagement
 - H.R. 1 of 2025
 - Using H.R. 1 in instead of One Big Beautiful Bill, Working Families Tax Cut Legislation, Public Law 119-21 for consistency.

Key Medicaid Provisions in H.R. 1

Important H.R. 1 Dates



Major Eligibility Changes

New Work Requirements

- Applies to many Healthy Michigan Plan (HMP) enrollees 19-64.
- Must work, train or volunteer at least 80 hours for one month.
- Non-compliance will lead to loss of coverage.

Effective Date:
January 1, 2027

Six-Month Redeterminations

- Eligibility checks for HMP now every six months, instead of annually.
- Increased risk of coverage interruptions due to paperwork gaps.

Effective Date:
January 1, 2027

Retroactive Eligibility Limited

- No more 90-day retroactive coverage.
- HMP: One month prior to application.
- Other Medicaid enrollees: Two months prior to application.

Effective Date:
January 1, 2027

Limits on Non-Citizen Eligibility

- Fewer pathways to coverage for lawfully present non-citizens.
- Affected individuals will lose full coverage → Moving to Emergency Services Only (ESO) coverage.

Effective Date:
October 1, 2026

Deep Dive: Medicaid Work Requirements

Qualifying Activities

80 hours per month of:

- Work.
- Community service.
- Participation in a work program.
- Half time + enrollment in an education.
- Any combination of the above totaling 80 hours per month.
- Monthly income that is not less than the federal minimum wage x 80 hours (\$580/month).
- Seasonal worker with an average monthly income over the preceding six months that is not less than the federal minimum wage x 80 hours.

Exemptions

Parent, guardian, or caretaker of:

- Dependent children under age 13.
- Disabled individuals.
- Pregnant or postpartum individuals.
- Foster youth or former foster youth under age 26.
- Medically frail.
- Participating in a substance use disorder (SUD) program.
- Meeting SNAP/TANF work requirements.
- American Indians and Alaska Natives.
- Disabled veterans.
- Incarcerated or released from incarceration within the past 90 days.

Hardship Exceptions

Individuals who were in:

- Inpatient hospital.
- Nursing facility.
- Intermediate care facility.
- Inpatient psychiatric hospital.
- Individuals who reside in a county with:
 - A federally-declared emergency or disaster.
 - High unemployment - above 8% or 1.5× national rate.
- Individuals who traveled outside their community for extended medical care for self or dependent.

Medical Frailty Definition

- This definition is based on early information and is subject to change.
- An individual who is medically frail or otherwise has special medical needs:
 - who is blind or disabled;
 - with a substance use disorder;
 - with a disabling mental disorder;
 - with a physical, intellectual, or developmental disability that significantly impairs their ability to perform one or more activities of daily living; or
 - with a serious or complex medical condition.
- CMS has indicated that it does not intend to provide states with flexibility to add other types of individuals to the definition of medical frailty, beyond those listed in the statute.
- States will have to distinguish between permanent (to be reverified at least every 12 months) vs. temporary (to be reverified at least at every renewal) medical frailty exclusions.
- CMS will expect states to implement an auditable approach to verify medical frailty.

Work Requirement Verification

MDHHS will check if a beneficiary met the work requirements when they:

Apply for Medicaid.

Renew their Medicaid coverage.



This check will be part of their regular eligibility review.

Six-Month Renewals: What Changes

Six-Month Renewals

- Beginning in 2027, HMP enrollees must renew coverage every six months instead of annually.
- Six-month renewals apply to nearly all HMP enrollees; the only exemption is for American Indians and Alaska Natives.
 - Those receiving exemptions/exclusions from work requirements will still be required to complete their renewal every 6 months.

Six-Month Renewal Timing

- First six-month renewal cohort: **March 2027**

Timeline Example of Work Requirements at Application



- This timeline is based on information we know now and is subject to change based on guidance issued by CMS.
- For a beneficiary who would have a apply for coverage in April 2027, this is what a it would like if they qualify for Healthy Michigan Plan:

Potential Medicaid Work Requirement at Application	
Application Month	Work Requirements Compliance Required
April 2027	March 2027

- Individuals applying for Medicaid (Healthy Michigan Plan) **must** meet the work requirements for at least one month immediately preceding the month during which the individual applies.

Timeline Example of Work Requirements & Six Month Renewals



- This timeline is based on information we know now and is subject to change based on guidance issued by CMS
- For a beneficiary who would have a renewal in April 2027, this is what a new timeline for them could potentially look like:

Potential Medicaid Work Requirement & 6 Months Eligibility Timeline		
Renewal Month	Work Requirements Compliance Required	Renewal Packet Mailed to Beneficiary
April 2027	Demonstrate one month of compliance, in between renewal months	March 2027
October 2027	Demonstrate one month of compliance, in between renewal months	September 2027

- Per CMS, the state may not dictate the specific months during which a beneficiary must demonstrate work requirements.

Retroactive Coverage Limits

Starting January 2027

- Individuals who apply for Medicaid or forget to turn in a piece of paperwork and have a gap in coverage will see a change in how far coverage can go back (called retroactive coverage).

- **HMP:** Will cover one month back instead of three months.
- **Other Medicaid Programs:** Will cover two months back instead of three months.

Non-Citizen Eligibility

- Beginning **October 2026**, some people who are legally residing in the U.S., but are not citizens, will not qualify for full Medicaid coverage.

Remain Eligible

- Lawful permanent residents (generally subject to a five-year waiting period).
- Cuban/Haitian Entrants.
- Compact of Free Association (COFA) migrants.

No Longer Eligible

- Refugees.
- Humanitarian parolees.
- Asylum grantees.
- Certain abused spouses and children.
- Victims of human trafficking.

Anticipated Impacts

Impacts of H.R. 1 on MDHHS Staff



Central Office

- Significant IT upgrades to Bridges eligibility system to meet Minimum Viable Product specifications.
- Outreach and education to beneficiaries, providers and community partners on H.R. 1.
- Increased mailing outreach required because of eligibility changes due to work requirements and 6-month renewals.
- Increased opportunity for oversight and program coordination.

Local Office

- Double workload: processing renewals twice a year.
- Substantial new outreach to beneficiaries by staff.
- Increased administrative burden of reviewing new forms, self attestations and other compliance documents.
- Administration of fair hearings for beneficiaries.

Impact of Eligibility Provisions

What's at stake for Michigan:

- Significant new administrative costs to support implementation needs, including system upgrades, staffing and compliance efforts.
- Potential loss of coverage for more than **200,000** individuals.

Significance of these changes:

Administrative Burden = Coverage Loss

Many enrollees meet requirements, but may lose coverage due to complex paperwork and red tape.

Higher Churn Rates → Delayed Care

Frequent churn caused by paperwork issues disrupts care continuity, hinders access and leaves individuals vulnerable during medical emergencies.

Rising Uninsured Rates

Parallel Affordable Care Act changes limiting Marketplace access could leave many individuals without access to coverage, driving up the uninsured rate across the state.

Increased Uncompensated Care and Medical Debt

Hospitals and local safety nets will be forced to absorb the costs of caring for those who have lost coverage, while patients face unaffordable bills and medical debt.

Communications & Outreach

Communications Plan

MDHHS will implement a communications plan with several key goals for informing beneficiaries and partners about the upcoming changes, with emphasis on HMP Work Requirements. Goals include:

Support Beneficiaries

- Help beneficiaries understand upcoming changes, including Work Requirements and renewal expectations.

Equip Community Partners

- Provide partners with clear messaging, materials, and resources to support outreach and navigation.

Prepare Local Office Staff

- Build awareness and readiness to support consistent implementation and respond to beneficiary questions.

Message Development Strategy

Messaging Focus

- Build public awareness.
- Prepare beneficiaries and partners.
- Support awareness to action.

Accessible and Community-Informed Messaging

- Use plain and culturally responsive language.
- Support trusted community messengers.
- Provide translation in English, Spanish, and Arabic.

Trusted Messengers

- **Community Partners:** leverage network of partners to amplify messaging, distribute resources and messaging at the local level. Provide training and support to providers, navigators, and community-based partners.
- **Managed Care Organizations:** Help educate Medicaid members on requirements, provide MDHHS with feedback to inform material and process refinement.
- **Local Office Staff:** MDHHS will provide training, support, and beneficiary facing materials to local office eligibility staff, aid in eligibility determinations

Outreach Activities

- **Direct Beneficiary Outreach:**
 - Mail **formal notices** to provide awareness to changes and drive action.
 - Provide **alerts** and formal notices within MIBridges self-service portal.
 - **Text, email & robocall** messages sent directly to beneficiaries.
 - A **paid media** campaign that includes traditional and social media channels.
- **Partner & Provider Engagement:**
 - Customizable **toolkits** for providers and partners available on the MDHHS website.
 - Additional **FAQs** for external partner and internal staff use.
 - Recorded and live **virtual presentations** to connect with providers, partners and beneficiaries about upcoming changes.
- **Stakeholder Engagement:**
 - **Presentations** to advisory groups such as the Beneficiary Advisory Council and Medicaid Advisory Committee.

Beneficiary Notice Journey

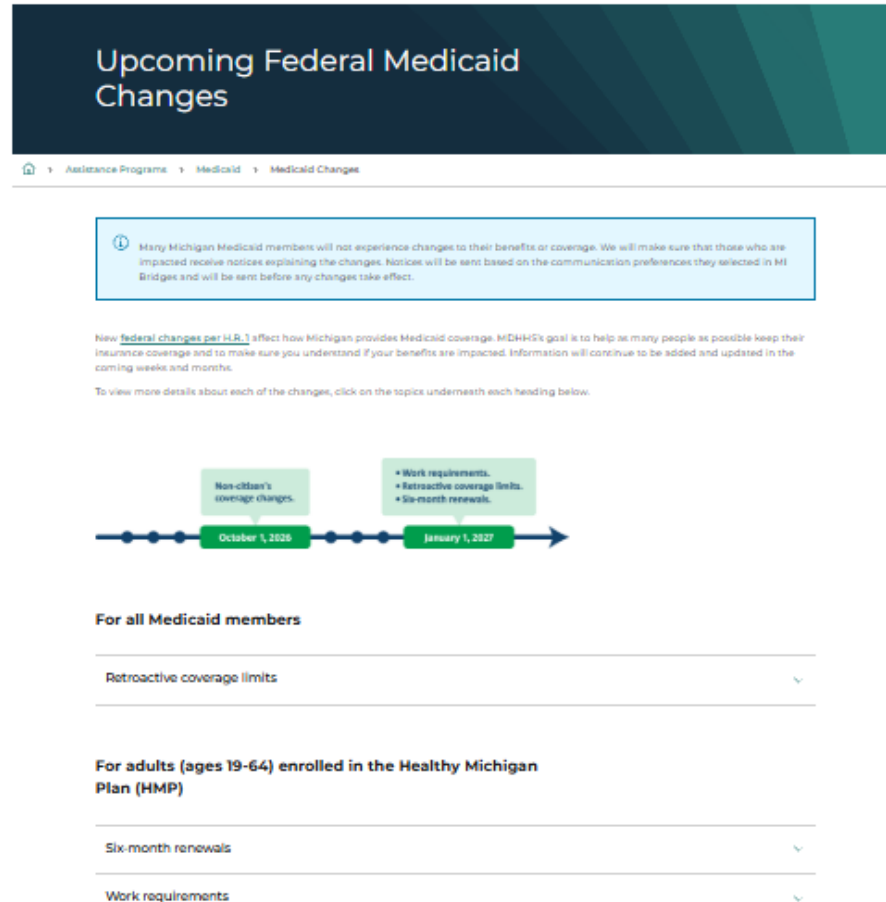
Communication	Purpose	Timing
Awareness Letter	A letter to inform individuals with HMP coverage that they could be impacted by the upcoming changes. This letter will also remind beneficiaries to keep their information up to date in MIBridges or by contacting their local office	Summer 2026
Formal Notice	A formal notice that provides all information required by HR1. A copy of this notice will also be populated on the MDHHS website.	Fall/Winter 2026
Verification Request	A notice for individuals that MDHHS does not have enough information to support identifying or verifying an exemption or if they are already meeting work requirements. This notice will provide 30 calendar days to verify and avoid being disenrolled or having their application denied.	As needed at application or redetermination

Direct Outreach Considerations

MDHHS has text, email, and robocall capabilities that were largely successful among the Medicaid population in previous awareness and activation campaigns related to COVID-19 Public Health Emergency return to normal operations.

Objective	Potential Timing	Potential Channels	Communication Goal
Awareness	Prior to implementation	Text/email	Introduce changes
Preparation	Prior to renewal/application	Text/email	Help beneficiaries prepare
Action	Verification or renewal	Text/email/robocall	Prompt required action
Continued Support	Before deadlines	Text/robocall	Reduce incomplete actions

Community Partner Resources



The screenshot shows a webpage titled "Upcoming Federal Medicaid Changes". At the top, there is a navigation breadcrumb: "Assistance Programs > Medicaid > Medicaid Changes". Below the title, a light blue box contains a clock icon and text: "Many Michigan Medicaid members will not experience changes to their benefits or coverage. We will make sure that those who are impacted receive notices explaining the changes. Notices will be sent based on the communication preferences they selected in MI Bridges and will be sent before any changes take effect." Below this, a paragraph states: "New federal changes per H.R. 1 affect how Michigan provides Medicaid coverage. MDHHS's goal is to help as many people as possible keep their insurance coverage and to make sure you understand if your benefits are impacted. Information will continue to be added and updated in the coming weeks and months." A sub-heading reads: "To view more details about each of the changes, click on the topics underneath each heading below." A timeline diagram shows two points: "October 1, 2026" with a box for "Non-citizen's coverage changes" and "January 1, 2027" with a box for "Work requirements, Retroactive coverage limits, Six-month renewals". Below the timeline, there are two sections with dropdown menus: "For all Medicaid members" with "Retroactive coverage limits" and "For adults (ages 19-64) enrolled in the Healthy Michigan Plan (HMP)" with "Six-month renewals" and "Work requirements".

- Medicaid HR1 Information Hub webpage: [Upcoming Federal Medicaid Changes](#)

- Facts about Changes to Medicaid and Supplemental Nutrition Assistance Program: [English](#) | [Spanish](#) | [Arabic](#)

Questions?

2026 SWMBH Board Member & Board Alternate Attendance												
Name:	January	February	March	April	May	June	July	August	September	October	November	December
Board Members:												
Lorraine Lindsey (Barry)	Blue	Red	Blue	Black	Black	Black	Black	Black	Black	Black	Black	Black
Jeff Kniaz (Barry)	Black	Black	Black	Blue	Green							
Allen Edlesfson (Berrien)	Blue	Red	Red	Green	Green							
Tom Schmelzer (Branch)	Green	Green	Green	Green	Green							
Sherii Sherban (Calhoun)	Red	Green	Green	Green	Green							
Joyce Locke (Cass)	Red	Green	Red	Black	Black	Black	Black	Black	Black	Black	Black	Black
Kayla Wisniewsi (Cass)	Green	Red	Red	Blue	Red							
Michael Seals (Kalamazoo)	Green	Green	Green	Green	Green							
Carole Naccarato (St. Joe)	Green	Green	Green	Green	Red							
Tina Leary (Van Buren)	Green	Green	Green	Red	Green							
Alternates:												
Bob Becker (Barry)	Red	Red	Red	Black	Black	Black	Black	Black	Black	Black	Black	Black
Edward Meny (Berrien)	Red	Green	Green	Red	Red							
Jon Houtz (Branch)	Green	Blue	Blue	Red	Red							
Stephanie Swanson-Chang (Calhoun)	Black	Black	Black	Red	Red							
Jesse Binns (Cass)	Black	Black	Black	Red	Red							
Karen Longanecker (Kalamazoo)	Red	Red	Red	Red	Red							
Cathi Abbs (St. Joe)	Red	Green	Red	Green	Red							
Gail Patterson-Gladney (Van Buren)	Red	Blue	Blue	Green	Green							

as of 5/8/26

- Green = present
- Red = absent
- Black = not a member
- Gray = meeting cancelled
- Blue= present virtually