Southwest Michigan Behavioral Health Board Meeting
Advia Credit Union
6400 West Main St. Kalamazoo, MI 49009
June 13, 2025
9:30 am to 3:00 pm
(d) means document provided
Draft: 6/6/25

1. **Welcome Guests/Public Comment**

2. **Agenda Review and Adoption (d) pg.1**

3. **Financial Interest Disclosure Handling**

   - None Scheduled

4. **Consent Agenda (3 minutes)**

   a. May 9, 2025, SWMBH Board Meeting Minutes (d) pg.3
   b. May 14 and May 28, 2025, Operations Committee Meeting Minutes (d) pg.7
   c. May 2, 2025, Board Finance Committee Meeting Minutes (d) pg.17
   d. May 9, 2025, Board Regulatory Compliance Committee

5. **Fiscal Year 2025 Year to Date Financial Statements; Cash Flow Analysis; Mid-Year Revenue Rate Assumptions and Revised SWMBH Budget/Projections (25 minutes)**

   a. G. Guidry (d) pg.19
   b. Operations Committee

6. **Required Approvals (0 minutes)**

   - None scheduled

7. **Ends Metrics Updates *(*Requires motion)* (5 minutes)**
   Proposed Motion: Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Do the Ends need Revision?

   - Sub Ends 1, 3 and 5 (d) pg.33

8. **Board Actions to be Considered (20 minutes)**

   a. Appoint Alternate Representative to Michigan Consortium of Healthcare Excellence (MCHE) (d) pg.37
   b. SWMBH/CMH financial solutions and plan of action (d) pg.38
      - May 9, 2025, SWMBH Board Planning Session Debrief/Discussion
      - Community Mental Health Association of Michigan (CMHAM) analysis of PIHP Procurement and Action Alert
      - SWMBH Quarterly Bulletin

9. Board Policy Review (? minutes)

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

- Board Policies [S. Radwan's proposals minus policies already revised/approved] (d) pg.55
    a. BG-001 Committee Structure (d) pg.71
    b. BG-002 Management Delegation (d) pg.72
    c. BG-003 Unity of Control (d) pg.73
    d. BG-005 Chairperson's Role (d) pg.74
    e. BG-007 Code of Conduct (d) pg.76
    f. BG-008 Board Member Job Description (d) pg.78
    g. BG-011 Governing Style (d) pg.80
    h. BEL-001 Budgeting (d) pg.82
    i. BEL-003 Asset Protection (d) pg.83
    j. BEL-004 Treatment of Staff (d) pg.85
    k. BEL-005 Treatment of Plan Members (d) pg.86
    l. BEL-006 Investments (d) pg.87
    m. BEL-007 Compensation and Benefits (d) pg.88
    n. BEL-008 Communication and Counsel (d) pg.90
    o. BEL-009 Global Executive Constraints (d) pg.92
    p. BEL-010 RE 501 c3 Representation (d) pg.93
    q. EO-001 Executive Role & Job Description (d) pg.94
    r. EO-002 Monitoring Executive Officer Performance (d) pg.95
    s. EO-003 Emergency Executive Officer Succession (d) pg.97

10. Executive Limitations Review (0 minutes)

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

- None scheduled

11. Board Education (10 minutes)

- Information Systems Overview/Update (N. Spivak) (d) pg.98

12. Communication and Counsel to the Board (10 minutes)

a. Public Policy Plan Draft (B. Casemore) (d) pg.114
b. Fiscal Year 2026 Budget Assumptions (G. Guidry) (d) pg.116
c. Managed Care Information Systems (MCIS)/PCE Systems (A. Wickham)
d. September 12, 2025, SWMBH Board meeting at Advia Credit Union Small Community Room
e. July Board Policy Direct Inspection – BEL-009 Global Executive Constraints (C. Naccarato)

13. Public Comment

14. 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 11, 2025
9:30 am - 11:30 am

Southwest Michigan
BEHAVIORAL HEALTH

Board Meeting Minutes
May 9, 2025
Air Zoo Aerospace & Science Museum, 6151 Portage Rd, Portage, MI 49002
9:30 am-11:30 am
Draft: 5/12/25

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

Members Absent: None

Guests Present: Brad Casemore, CEO, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Sarah Ameter, Customer Services Manager, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Cathi Abbs, SWMBH Board Alternate; Gail Patterson-Gladney, SWMBH Board Alternate; Jon Houtz, SWMBH Board Alternate; Cameron Bullock, Pivotal; John Ruddell, Woodlands; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Jeff Patton, ISK; Ric Compton, Riverwood; Jeannie Goodrich, Summit Pointe

Welcome Guests
Sherii Sherban called the meeting to order at 9:32 am.

Public Comment
None

Agenda Review and Adoption

Motion	Allen Edlefson moved to approve the agenda as presented.
Second	Michael Seals
Motion Carried	

Financial Interest Disclosure (FID) Handling
None

Fiscal Year 2024 Audit
Garyl Guidry noted that the Fiscal Year 2024 Audit is still being reviewed and will be presented to the Board at the June meeting.

Consent Agenda

Motion	Carol Naccarato moved to approve the April 11, 2025 Board minutes, April 9, and April 23, 2025 Operations Committee Meeting minutes, and March 28, 2025 Board Finance Committee Meeting minutes with one change to the Operation Committee meeting minutes of $18 being revised to $18 million.

Second Lorraine Lindsey
Discussion followed.
Motion Carried

Fiscal Year 2025 Year to Date Financials and cash flow analysis
Garyl Guidry reported as documented, reviewed and noted:

- TANF (Temporary Assistance to Needy Families) eligibles
- DAB (Disabled Aging Blind) eligibles
- HMP (Healthy Michigan Plan) eligibles
- Period 6 financials have a $10.9 million deficit with a projected end of Fiscal Year 2025 of $21.2 million deficit. Revised Fiscal Year 2025 Budget projects a $26.9 million deficit.
- Certified Community Behavioral Health Clinics (CCBHC) revenues and expenses. CCBHCs are full risk to the CMHSPs.
- Mid-Year rate adjustment excepted from MDHHS in June
- Cash Flow Analysis and loss of interest on Internal Service Fund account
- SWMBH report on financial efforts

Board discussion followed with comments noted:

- Administrative Loss Ratio and Medical Loss Ratio too high
- Revised Budget work is not as impactful as hoped – what is left for us to figure out
- Autism increase of 44% while Severe Emotion Disturbance decrease of $66% requested follow up on why
- What is SWMBH doing to combine positions and lay-offs
- What happens when money runs out
- Which CMHs will run out of money
- What actions are coming out of the financial efforts

Brad Casemore discussed ongoing Wakely work in the SWMBH region as well as Statewide.

Operations Committee Update
Jeannie Goodrich distributed a handout and reported as documented noting that a PCE install takes 12-14 months. Board discussion followed.

Required Approvals
None scheduled

Ends Metrics Updates
None scheduled

Board Actions to be Considered
Budget Shortfall Advocacy
Brad Casemore reported as documented. Sherii Sherban requested a "clean up" of the document.
Motion Tom Schmelzer move to approve the Budget Shortfall Advocacy Resolution after revisions from Brad for Sherii's signature.

Second Lorraine Lindsey
Motion Carried

Board Regulatory Compliance Committee Charter Review

Sherii Sherban noted the revised Board Regulatory Compliance Committee Charter in the packet. Brad Casemore noted that the proposed revisions came from Susan Radwan.

Motion Tom Schmelzer moved to approve the revised Board Regulatory Compliance Committee Charter as presented.
Second Joyce Locke
Motion Carried

Board Policy Review

BG-011 Governing Style

Sherii Sherban reported as documented.

Motion Lorraine Lindsey moved to approve BG-011 Governing Style as presented. The Board is in compliance with BG-011 Governing Style and the policy does not need revision.
Second Michael Seals
Motion Carried

Executive Limitations Review

None scheduled

Board Education

None scheduled

Communication and Counsel to the Board

Advocacy with MDHHS

No updated given due to time constraints.

Regional Public Policy Committee

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

Fiscal Year 2025 Mid-Year Contract Vendor Summary

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

2024 SWMBH Annual (Impact) Report

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

June Board Policy Direct Inspection

None scheduled

Public Comment

None

Adjournment

Sherii Sherban adjourned the Board meeting at 10:45am

Date:	5/14/25
Time:	9:00 am – 11:00 am
Facilitator:	Sue
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ John Ruddell (Woodlands) ☒ Brad Casemore (SWMBH)
☒ 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 5/9/25

9:00 am – 11:00 am		
Agenda Topics:	**Discussion Points:**	**Minutes:**
1. Agenda Review & Adoption (d)		Move # 5 to Next Ops Comm Meeting
2. Prior Meeting Minutes Review (d)		• Electronically approved • 18 million change as identified at SWMBH Board meeting
3. Cash Flow Support		• Cameron stated that he had issues with advancing and having a return on the advancement, and issues with SWMBH's cash flow potential. It is suggested to decrease the capitation amounts to CMHs for cash flow purposes, and to use that additional cash to help the struggling CMHs.

		• Jeannie inquired about the available local funds balance. Garyl stated $6 million. Cameron noted that the cash flow analysis presented includes the $6 million and would severely limit SWMBH's cash flow availability. • Brad stated that we may need to potentially change operating agreements and bylaws. • Ric inquired if Lakeshore had explored any potential similar situations for guidance. He would need his board's approval to make a change to the funding. • Sue would want there to be an explanation as to what is actually happening so that it doesn't appear competitive and not punitive. • Rich suggests pulling CFOs together to see if they have any suggestions or ideas, and come up with plans. Needs to be done prior to next Ops Comm meeting so that it can go to CMH's boards. CEOs in agreement.
4. Financial Stability **a. Period 6 financials including 2025 revenue, expense and margin projections (if available) (d)**		• P07 not yet due to SWMBH • Eligibles have essentially flatlined • HAB Waiver – Working on going back and recapturing

b. ABA funding shortfall and DHHS communications (d) **c. State/Milliman Meeting Updates** **d. Rehmann financial oversight**		HAB waiver payments. Recent additional cash payment of just over $300K. • 157.376 Revenue • 168.729 exp • $10 million deficit current • Current projected deficit of $21.2 million. Not inclusive of the ABA payments. • CCBHC: Non-Medicaid costs reflect private insurance, no insurance, etc, that CCBHCs are responsible for. • 7.1 Million cash flow positive, of which 6 million is Local. • Garyl to send out the comparison due to due from at each CMH. Once the compliance exam is completed, the s passed, the settlement will go out. • CCBHC cost settlement from the state has been received, two weeks to process, and then sent out to CMHs. • No state meeting on the books. • Autism rates discussion provided by Mila, questions still regarding the $66 an hour, whether it is inclusive of DCW or not. No state comments on our questions. • The Regional Finance Committee was notified last week about utilizing the Rehmann tool for monthly

		financial reporting. This will allow for better alignment with CMH reporting. • Moving from Great Plains and transitioning to Business Central. Working with Rehmann to get a chart of accounts, etc.
6. UM Project Update (Anne)		• The RUM committee is meeting regularly. Will meet the deadline goal of this week. Will have a regional tool for appropriate CLS use by clinicians and UM teams. • Reducing CLS to 0 Units auto-authorized, and a reduction of 20% for other levels of care for auto approval. Go Live of 6/1/2025.
7. PCE Update (Anne)		• Anne spoke with Jeff Chang about changes needed for SUD business. • Roughly $420K a year for implementation and changes.
8. Sub Ends 1 and 5		• Brad asks CEOs to review and provide feedback by the next Ops Comm Meeting. • Added to Next Ops Comm
9. Operating Agreement Review (d)		• Cameron presented changes for the operating agreement, which were rewritten for the Carver Governance model and the New SWMBH Sub-Ends. • Have CEOs review and have any edits made by next Ops Comm.

		• Once the Operations Committee/Operations Agreement has been approved and the SMWBH board has approved, questions will need to be rewritten for the CEO Self Survey.
10. Tableau (d)		• Brad will be asking that CMHs review user access by CMHs to ensure that the right people have the proper access. That ask will be coming soon. • Tableau is currently asking for a 9% increase • Moira will be the new Point of Contact for Tableau after the cleaning up of users has commenced.
11. MDHHS to announce direct payment of PPS to state's CCHBCs; actions to be taken by CMHA and members		• Moved to next Ops comm meeting, hopefully have the actual announcement from the state.
12. Next Meeting Agenda **May Facilitator-Sue** **June Facilitator-Rich** **July Facilitator-Ric**		• **Financials** • **Financial Advance Plan Review from CFOs** • **Wakely Findings (Suzanne Grace)** • **Sub Ends 1 and 5 - Ella** • **Operations Committee Revision** • **MDHHS to announce direct payment of PPS to state's CCHBCs; actions to be taken by CMHA and members**

13. 11:00 am-12:00 pm CMH CEOs		

Date:	5/28/25
Time:	9:00 am – 11:00 am
Facilitator:	Sue
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ John Ruddell (Woodlands) ☐ Brad Casemore (SWMBH)
☒ 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 5/27/25

9:00 am – 11:00 am		
Agenda Topics:	**Discussion Points:**	**Minutes:**
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		• Minutes approved
3. Financial Stability **a. Recent period financials including 2025 revenue, expense and margin projections (if available) (d)** **c. Wakely Update if available** **d. ABA funding** **e. State/Milliman Meeting Updates** **f. FY 26 Contract Rate Expectations**		• FY 24 PBIP SUD Portion will be sent out this week. ○ 150- 200k will be sent back out to the CMHs based on Eligibles. • P07 not available yet, hopefully for the end of the week at the latest for the updated financials. • FY26 budget assumptions are being sent out this week. Concerns about the changes to Medicaid and implications for budget iterations.

		• No update on ABA funding increase or DCW in increased Autism rates.
		• No state meetings have happened since the last meeting.
		• FY 26 Rate expectations –
		  ○ HRA payment rates have been updated and will be used to help with payments for inpatients.
		  ○ Autism Fee Schedule
		  ▪ Possible reductions to service codes, but could cause additional issues.
		  ○ Coordinated efforts for rate freeze or rate reduction.
		• SWMBH to create a letter for the regional CMH's to be able to pass along for providers regarding rates.

4. Cash Flow Support CFO Feedback		• Meeting was held on 5/22 with the CFO's. • Recommendations from the meeting were to focus on SWMBH Local funds, before a change of the Medicaid shift in the funding process. • At this point, the process is on hold. • CMH's are ok for FY 25 and its FY 26 that is of concern.

5. UM Plan (Anne) including regional messaging		• RUM was tasked with CLS review to create a consistent UM process. Auto-Authorization was removed. All CLS services are set to 0. • Go live with 0 CLS auto approval is June 1st, 2025. All CMHs will be ready to proceed with this. • Two trainings, one for clinical and one for UM approvers ○ Worry about having 8 different trainings, should be consistent messaging across the board. • Reduce threshold for automatic approval by 25% for all non-CCBHC services • Regional approach to "stacking" of CLS services H2016/2015 • Approval for the tools to be done by 9/30/25.
6. PIHP Bid Out		• A discussion was had.
7. CCBHC Direct Payment		• A discussion was had. Go live 10/1/25.
8. PCE Update (Anne) if applicable		• No update due to PIHP bid out documents sent out on Friday, 5-23-25.
9. Sub Ends 1 and 5		• Hold
10. Operating Agreement Review (d)		• Hold
11. Next Meeting Agenda **June Facilitator-Rich** **July Facilitator-Ric**		• **Cash Flow Support – Garyl** • **Rate Letter – Mila**

		○ **Inpatient** ○ **Community Providers** • **CLS Services regional approach – Mila** • **Financials – Garyl** • **UM Follow Report- Anne** • **PIHP Bid out** • **CCBHC Direct Payment**
12. 11:00 am-12:00 pm CMH CEOs		

Board Finance Committee Meeting Minutes
May 2, 2025
SWMBH, 5250 Lovers Lane, Suite 200, Portage, Michigan 49002
1:00-2:00 pm
Draft: 5/5/25

Members Present: Tom Schmelzer, Michael Seals, Carol Naccarato, Tina Leary

Guests: Amy Rottman, Jeff Patton

Members Absent: None

SWMBH Staff Present: Brad Casemore, Executive Officer**,** Garyl Guidry, Chief Financial Officer, Mila Todd, Chief Compliance Officer and Director of Provider Network; Michelle Jacobs, Senior Operations Specialist and Rights Advisor

Review Agenda

Motion	Michael Seals moved to approve the agenda with one addition from Brad of communication to Representative Julie Rogers.
Second	Tom Schmelzer
Motion Carried	

Central Topics

Review prior meeting minutes

Motion	Michael Seals moved to approve the minutes as presented.
Second	Tom Schmelzer
Motion Carried	

Review SWMBH YTD financial statements

Garyl Guidry presented Period 6 financial statements. Revenues, expenses and deficits were reviewed with a projected deficit of 21 million for Fiscal Year 2025. Discussion followed. The Committee requested clarification on what expenses are included in the Administrative Cost.

SWMBH Check Registers

Garyl reviewed the checks registers as documented. Discussion followed.

SWMBH Cash Flow Analysis

Garyl reviewed current forecast of Cash Flow Analysis. Discussion followed.

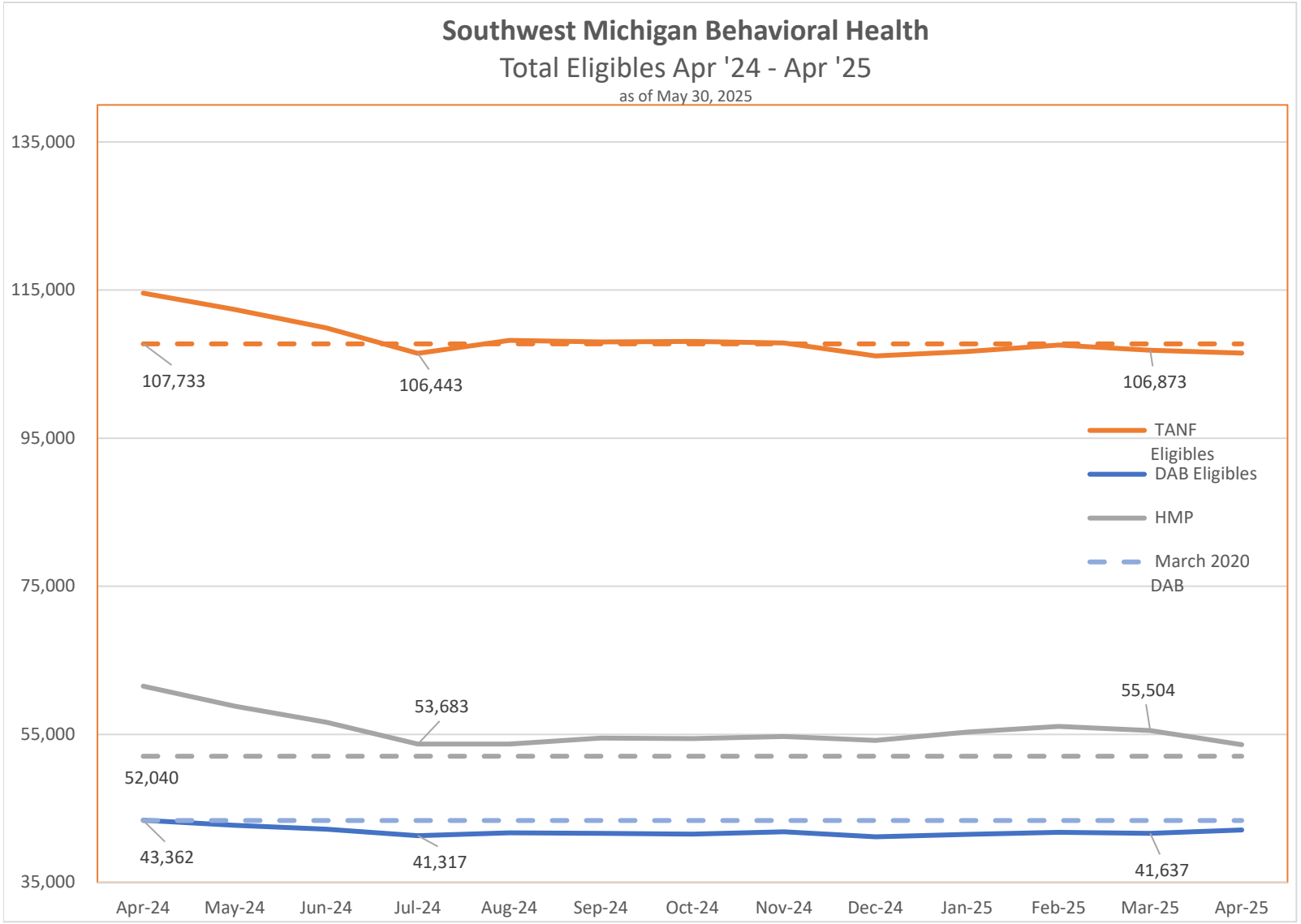
Communication to Representative Julie Rogers

Brad Casemore distributed a communication he sent to Representative Julie Rogers and summarized the information that was sent to her. Discussion followed.

BEL-001 Budgeting
Committee discussed Policy BEL-001 Budgeting and Carol's red line version. Discussion followed. The Committee agreed to review red line versions at the June 6 Board Finance Committee Meeting.

Board Finance Committee Charter
The charter was included in the packet for the Committee's reference.

Adjournment Carol Naccarato
Second Michael Seals
Meeting adjourned at 2:15 pm


Southwest Michigan Behavioral Health
Total Eligibles Apr '24 - Apr '25
as of May 30, 2025
135,000
115,000
95,000
75,000
55,000
35,000
107,733
106,443
106,873
53,683
55,504
52,040
43,362
41,317
41,637
TANF Eligibles
DAB Eligibles
HMP
March 2020 DAB
Apr-24
May-24
Jun-24
Jul-24
Aug-24
Sep-24
Oct-24
Nov-24
Dec-24
Jan-25
Feb-25
Mar-25
Apr-25

SWMBH Through Apr	FY25	FY24	% Change YOY	$ Change YOY
State Plan MH	56,844,832	57,422,881	-1.0%	(578,049)
1915i MH	52,755,276	49,784,882	6.0%	2,970,394
Autism	16,873,701	11,781,724	43.2%	5,091,977
Habilitation Supports Waiver (HSW)	*37,268,745*	*34,337,424*	*8.5%*	*2,931,321*
Child Waiver Program (CWP)	*530,758*	*650,274*	*-18.4%*	*(119,517)*
Serious Emotional Disturbances (SED)	*306,442*	*938,481*	*-67.3%*	*(632,039)*
Net Capitation Payment	164,579,754	154,915,666	6.2%	9,664,089
				-
State Plan SA	4,591,516	4,880,182	-5.9%	(288,666)
Net Capitation Payment	**4,591,516**	**4,880,182**	-5.9%	(288,666)
				-
Healthy Michigan Mental Health	14,470,470	14,124,616	2.4%	345,854
Healthy Michigan Autism	23,514	14,616	60.9%	8,898
Net Capitation Payment	**14,493,984**	**14,139,231**	2.5%	354,752
				-
Healthy Michigan Substance Abuse	7,939,845	8,375,216	-5.2%	(435,371)
Net Capitation Payment	**7,939,845**	**8,375,216**	-5.2%	
				-
GRAND TOTAL	191,605,099	182,310,296	5.1%	9,294,803

as of 5/30/2025

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

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

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

	E	F	I	J	K	L	M
1	***Southwest Michigan Behavioral Health***						
2	For the Fiscal YTD Period Ended 4/30/2025				FY25 PIHP		
3	*(For Internal Management Purposes Only)*						
4			**FY24 Budget**	**FY25 Budget**	**FY24 Actual as P07**	**FY25 Actual as P07**	**FY 25 Projection**
6	**REVENUE**						
7	**Contract Revenue**						
8	Medicaid Capitation		230,693,820	256,227,043	144,177,614	150,689,415	258,324,711
9	Healthy Michigan Plan Capitation		48,606,904	38,407,790	18,123,578	16,579,730	28,422,394
10	Medicaid Hospital Rate Adjustments		5,963,797	12,089,192	3,119,330	7,052,029	12,089,192
11	Opioid Health Home Capitation		1,863,222	1,610,090	953,844	896,621	1,537,064
12	Mental Health Block Grant Funding		635,001	653,000	409,379	298,057	510,955
13	SA Block Grant Funding		7,432,909	7,763,190	4,405,453	4,813,925	8,252,443
14	SA PA2 Funding		2,110,931	2,184,476	1,231,376	1,024,151	1,755,688
15							
16	Contract Revenue		297,306,585	318,934,780	172,420,575	181,353,927	310,892,446
17	CMHSP Incentive Payments		501,957	419,357	209,679	362,701	621,773
18	PIHP Incentive Payments		-	2,483,291	-	1,244,989	2,134,267
19	Interest Income - Working Capital		573,177	1,222,315	642,667	271,484	465,401
20	Interest Income - ISF Risk Reserve		102,887	-	187,322	541,771	928,750
21	Local Funds Contributions		1,289,352	852,520	519,946	497,303	852,520
22	Other Local Income						-
23							
24	**TOTAL REVENUE**		**299,773,958**	**323,912,264**	**173,980,188**	**184,272,175**	**315,895,157**
25							
26	**EXPENSE**						
27	**Healthcare Cost**						
28	Provider Claims Cost		24,396,146	23,023,897	12,550,590	13,259,832	22,731,140
29	CMHP Subcontracts, net of 1st & 3rd party		233,928,855	263,904,801	148,989,461	151,529,251	259,764,431
30	Insurance Provider Assessment Withhold (IPA		3,790,852	3,746,326	1,970,184	1,740,764	2,984,166
31	Medicaid Hospital Rate Adjustments		5,963,797	12,089,192	3,119,330	7,052,029	12,089,192
33			-	-	-	-	-
34	**Total Healthcare Cost**		**268,079,650**	**302,764,215**	**166,629,565**	**173,581,875**	**297,568,929**
35	**Medical Loss Ratio (HCC % of Revenue)**		**90.2%**	**94.9%**	**96.6%**	**95.7%**	**95.7%**
36							
37	**Administrative Cost**						
39	Administrative and Other Cost		11,698,386	12,805,756	5,620,942	6,242,548	10,701,511
44	Delegated Managed Care Admin		22,429,220	24,714,174	14,631,724	17,778,667	30,477,715
45	Apportioned Central Mgd Care Admin		(0)	(2,665,293)	(991,125)	(1,217,202)	(2,086,632)
46							
47	**Total Administrative Cost**		**34,127,607**	**34,854,637**	**19,261,541**	**22,804,013**	**39,092,594**
48	**Admin Cost Ratio (MCA % of Total Cost)**		**11.3%**	**10.3%**	**10.4%**	**12.1%**	**12.1%**
49							
50	Local Funds Cost		1,289,352	852,520	519,946	497,303	852,520
51	PBIP Transferred to CMHPs		-	-	-	1,040,669	1,784,005
52							
53	**TOTAL COST after apportionment**		**303,496,608**	**338,471,372**	**186,411,053**	**197,923,861**	**339,298,048**
54							
55	**NET SURPLUS before settlement**		**(3,722,650)**	**(14,559,107)**	**(12,430,864)**	**(13,651,687)**	**(23,402,891)**
56	**Net Surplus (Deficit) % of Revenue**		**-1.2%**	**-4.5%**	**-7.1%**	**-7.4%**	**-7.4%**
57							
58	Prior Year Savings Utilization		9,769,410	-	(301,894)	-	-
59	Change in PA2 Fund Balance		(123,852)	-			-
60	ISF Risk Reserve Abatement (Funding)		(102,887)	-	(187,322)	-	-
61	ISF Risk Reserve Utilization			1,929,280	13,794,336	635,574	635,574
62	CCBHC Supplemental Receivable (Payable)		6,592	3,813,725		-	-
63	Settlement Receivable / (Payable)		-	-	(572,128)	-	-
66	**NET SURPLUS (DEFICIT)**		**5,826,612**	**(8,816,103)**	**302,128**	**(13,016,113)**	**(22,767,318)**

	A	B	C	D	E	F	G
1	***Southwest Michigan Behavioral Health***						
2	For the Fiscal YTD Period Ended 4/30/2025				**FY25 CCBHC**		
3	*(For Internal Management Purposes Only)*						
4			**FY24 Budget**	**FY25 Budget**	**FY24 Actual as P07**	**FY25 Actual as P07**	**FY 25 Projection**
5							
6	**REVENUE**						
16	Contract Revenue		85,003,146	94,989,631	37,819,049	60,778,397	104,191,537
17	CMHSP Incentive Payments		-	3,422,650	-	-	-
18							
19	**TOTAL REVENUE**		**85,003,146**	**98,412,281**	**37,819,049**	**60,778,397**	**104,191,537**
20							
21	**EXPENSE**						
22	**Healthcare Cost**						
23	CCBHC Subcontracts		82,452,731	82,461,854	38,152,004	45,024,454	77,184,779
24							
25	**Total Healthcare Cost**		**82,452,731**	**82,461,854**	**38,152,004**	**45,024,454**	**77,184,779**
26	**Medical Loss Ratio (HCC % of Revenue)**		**97.0%**	**83.8%**	**100.9%**	**74.1%**	**74.1%**
27							
28							
29	**Administrative Cost**						
30	Apportioned Central Mgd Care Admin		2,550,415	2,665,293	991,125	1,217,202	2,086,632
31							
32	**Total Administrative Cost**		**2,550,415**	**2,665,293**	**991,125**	**1,217,202**	**2,086,632**
33	**Admin Cost Ratio (MCA % of Total Cost)**		**3.0%**	**3.1%**	**2.5%**	**2.6%**	**2.6%**
34							
35	**TOTAL COST**		**85,003,146**	**85,127,147**	**39,143,129**	**46,241,656**	**79,271,411**
36							
37	**NET SURPLUS before non MCA cost**		**0**	**13,285,134**	**(1,324,079)**	**14,536,741**	**24,920,127**
38	**Net Surplus (Deficit) % of Revenue**		**0.0%**	**13.5%**	**-3.5%**	**23.9%**	**23.9%**
39							
40	CCBHC Non Medicaid Cost		-	(10,261,247)	-	(7,839,042)	(13,438,358)
41	CCBHC Supplemental Reciveable (Payable)				751,951		
42	Settlement Receivable / (Payable)				572,128		
43							
44	**CCBHC Net Surplus/(Deficit)**		**0**	**3,023,886**	**-**	**6,697,699**	**11,481,769**
45							

February

Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	5,703,544	4,318,118	19,681,077	5,286,904	18,293,494	6,910,100	29,862,158	6,895,386	10,125,547	107,076,328
Expense	5,425,201	2,954,023	21,198,644	4,790,530	19,419,364	8,404,410	35,183,019	8,270,492	10,197,893	115,843,575
Difference	278,342	1,364,094	(1,517,567)	496,375	(1,125,870)	(1,494,310)	(5,320,861)	(1,375,106)	(72,346)	(8,767,248)
HMP										
Revenue	3,154,950	375,095	1,828,759	275,336	1,962,004	722,150	1,988,852	768,723	769,880	11,845,749
Expense	3,847,102	414,759	1,697,417	362,381	2,385,512	768,169	2,298,599	880,457	757,892	13,412,289
Difference	(692,152)	(39,664)	131,342	(87,045)	(423,508)	(46,019)	(309,748)	(111,734)	11,988	(1,566,540)
February Revenue and Expense										
Revenue	**1,779,968**	**944,819**	**4,049,769**	**1,128,798**	**3,817,922**	**1,513,143**	**6,447,272**	**1,714,048**	**2,140,500**	**23,536,240**
Expense	**2,201,559**	**377,596**	**4,337,038**	**1,164,540**	**3,646,311**	**1,752,491**	**9,129,273**	**1,285,156**	**1,960,233**	**25,854,196**
									Capitation Deficit	**(10,333,787.58)**

March

Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	12,862,175	5,197,698	23,769,551	6,430,719	22,090,123	8,300,595	35,958,939	8,146,818	12,168,686	134,925,302
Expense	12,498,948	3,528,356	25,088,975	6,001,471	23,820,541	9,859,359	42,325,688	9,628,356	11,949,403	144,701,096
Difference	363,227	1,669,342	(1,319,424)	429,247	(1,730,418)	(1,558,764)	(6,366,749)	(1,481,538)	219,283	(9,775,793)
HMP										
Revenue	3,791,924	457,696	2,153,909	324,934	2,364,467	865,423	2,341,147	876,040	920,239	14,095,780
Expense	5,068,572	484,954	1,919,633	545,924	2,775,738	1,151,886	2,687,251	894,918	882,433	16,411,310
Difference	(1,276,648)	(27,258)	234,276	(220,990)	(411,271)	(286,464)	(346,104)	(18,878)	37,806	(2,315,530)
March Revenue and Expense										
Revenue	**7,795,605**	**962,181**	**4,413,624**	**1,193,413**	**4,199,091**	**1,533,767**	**6,449,077**	**1,358,749**	**2,193,498**	**30,099,006**
Expense	**8,295,216**	**644,527**	**4,112,547**	**1,394,485**	**4,791,402**	**1,838,666**	**7,531,321**	**1,372,326**	**1,876,051**	**31,856,542**
									Capitation Deficit	**(12,091,323.49)**

April

Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	14,856,186	6,060,212	27,933,440	7,492,229	25,948,026	9,698,841	42,338,273	9,492,698	14,284,239	158,104,144
Expense	14,494,169	4,102,924	30,385,385	6,988,146	27,432,356	12,195,518	49,108,520	11,119,319	14,188,602	170,014,938
Difference	362,017	1,957,288	(2,451,945)	504,083	(1,484,330)	(2,496,677)	(6,770,246)	(1,626,621)	95,637	(11,910,794)
HMP										
Revenue	4,416,562	520,883	2,627,881	364,452	2,794,664	1,004,899	2,807,793	1,007,777	1,034,819	16,579,730
Expense	5,852,319	574,241	2,360,272	781,392	3,139,953	1,249,142	3,185,807	1,136,099	1,062,105	19,341,330
Difference	(1,435,757)	(53,359)	267,609	(416,940)	(345,289)	(244,244)	(378,014)	(128,322)	(27,286)	(2,761,601)
April Revenue and Expense										
Revenue	**10,414,254**	**1,887,882**	**9,051,486**	**2,294,440**	**8,487,192**	**3,071,490**	**13,295,057**	**2,836,366**	**4,423,631**	**55,761,798**
Expense	**11,074,185**	**1,308,382**	**9,849,596**	**2,616,627**	**8,767,432**	**4,272,082**	**14,812,709**	**3,104,469**	**4,294,922**	**60,100,405**
									Capitation Deficit	**(14,672,394.54)**

Projection for FY 2025

Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	25,467,747	10,388,934	47,885,898	12,843,820	44,482,331	16,626,585	72,579,897	16,273,197	24,487,266	271,035,676
Expense	24,847,147	7,033,583	52,089,231	11,979,678	47,026,896	20,906,603	84,186,034	19,061,690	24,323,317	291,454,180
Difference	620,600	3,355,351	(4,203,334)	864,142	(2,544,565)	(4,280,018)	(11,606,137)	(2,788,493)	163,949	(20,418,504)
HMP										
Revenue	7,571,250	892,942	4,504,939	624,775	4,790,853	1,722,684	4,813,360	1,727,617	1,773,975	28,422,394
Expense	10,032,548	984,414	4,046,181	1,339,529	5,382,776	2,141,387	5,461,384	1,947,598	1,820,751	33,156,566
Difference	(2,461,298)	(91,472)	458,759	(714,754)	(591,923)	(418,703)	(648,024)	(219,981)	(46,776)	(4,734,172)
Combined Medicaid/HMP	(1,840,698)	3,263,879	(3,744,575)	149,388	(3,136,488)	(4,698,721)	(12,254,161)	(3,008,473)	117,173	(25,152,676)
March Results	(1,826,840)	3,284,168	(2,170,296)	416,515	(4,283,378)	(3,690,456)	(13,425,706)	(3,000,832)	514,179	(24,182,647)
1Month Comparison	(13,858)	(20,289)	(1,574,279)	(267,127)	1,146,890	(1,008,265)	1,171,546	(7,641)	(397,006)	(970,029)
									Projected	**(25,152,676.35)**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 4/30/2025 **4/30/2025** ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Barry County CMHA	HCC%	100%	40.8%	0.0%	5.0%	0.0%	0.3%	1.4%	31%	11.7%	9.3%
PIHP Summary Information											
Capitation Payment			6,880,319	126,113	628,647	220,439	22,024	547,269	946,219.32	328,203	-
Less: CCBHC Base Payment			(946,219)	-	(328,203)	-	-	-	-	-	-
Subcontract revenue			5,934,099	126,113	300,444	220,439	22,024	547,269	946,219.32	328,203	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,464,948.49	675,055.94	-
CCBHC 1st/3rd Party Cost Offset									54,532.28	5,117	325,635
CCBHC General Fund Revenue									-	-	-
Incentive Payment Revenue		*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue		10,077,194	**5,934,099**	**126,113**	**300,444**	**220,439**	**22,024**	**547,269**	**2,465,700**	**1,008,376**	**325,635**
External provider cost			2,893,688	-	406,880	-	-	54,970	-	-	-
Internal program cost			602,943	4,114	25,637	-	22,024	66,929	2,698,889.81	1,004,904	799,627
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration		*PIHP Cost*	602,178	-	141,724	-	-	70,499	-	-	-
Subcontract cost		8,402,983	**4,098,809**	**4,114**	**574,241**	**-**	**22,024**	**192,398**	**2,698,890**	**1,004,904**	**799,627**
Net before settlement			**1,835,290**	**121,998**	**(273,797)**	**220,439**	**-**	**354,871**	**(233,190)**	**3,472**	**(473,992)**
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	(44,849)	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference		(1,840,910)	(1,835,290)	(121,998)	273,797	(220,439)	-	-	115,462	(52,443)	-
Net after settlement			**-**	**-**	**-**	**-**	**-**	**310,022**	**(117,727)**	**(48,971)**	**(473,992)**
Berrien Mental Health Authorit	HCC%	100.00%	71.5%	0.0%	5.3%	0.0%	0.3%	1.1%	12.9%	5.6%	3.4%
PIHP Summary Information											
Capitation Payment			30,289,029	497,395	2,813,938	1,002,869	113,922	1,303,893	2,852,984	1,188,926	-
Less: CCBHC Base Payment			(2,852,984)	-	(1,188,926)	-	-	-	-	-	-
Subcontract revenue			27,436,045	497,395	1,625,012	1,002,869	113,922	1,303,893	2,852,984	1,188,926	-
Supplemental CCBHC Payment			-	-	-	-	-	-	5,148,515	1,262,157	-
CCBHC 1st/3rd Party Cost Offset									-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue		41,127,826	**27,436,045**	**497,395**	**1,625,012**	**1,002,869**	**113,922**	**1,303,893**	**8,001,499**	**2,451,083**	**-**
External provider cost			26,424,313		1,963,430			364,920	-	-	-
Internal program cost			1,213,478		77,783	857	113,922	50,068	4,990,591	2,144,898	1,299,202
SSI Reimb, 1st/3rd Party Cost Offset			(3,955)	-	(1,118)	-	-	(44,848)			
Mgd care administration		*PIHP Cost*	2,751,549	-	319,320	-	-	33,491	-	-	-
Subcontract cost		39,995,068	**30,385,385**	**-**	**2,359,415**	**857**	**113,922**	**403,631**	**4,990,591**	**2,144,898**	**1,299,202**
Net before settlement			**(2,949,340)**	**497,395**	**(734,403)**	**1,002,012**	**-**	**900,262**	**3,010,908**	**306,185**	**(1,299,202)**
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	-	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference		1,468,676	2,949,340	(497,395)	734,403	(1,002,012)	-	(1,299,202)	(1,169,104)	453,444	1,299,202
Net after settlement			**-**	**-**	**-**	**-**	**-**	**(398,940)**	**1,841,804**	**759,629**	**-**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 4/30/2025 **4/30/2025** ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components: Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC: CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Pines Behavioral Health Servic	HCC%	99.98%	59.4%	0.0%	6.4%	0.0%	0.1%	2.7%	18.7%	6.8%	5.8%
PIHP Summary Information											
Capitation Payment			8,775,016	134,463	641,433	222,224	16,489	513,695	1,417,250	499,205	-
Less: CCBHC Base Payment			(1,417,250)	-	(499,205)	-	-	-	-	-	-
Subcontract revenue			7,357,765	134,463	142,228	222,224	16,489	513,695	1,417,250	499,205	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,414,639	633,065	-
CCBHC 1st/3rd Party Cost Offset									56,432	9,855	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue		11,903,616	**7,357,765**	**134,463**	**142,228**	**222,224**	**16,489**	**513,695**	**2,888,321**	**1,142,124**	**-**
External provider cost			6,412,919	-	668,267	-	-	198,052	-	-	-
Internal program cost			177,696	2,678	40,180	5,049	16,489	98,453	2,073,563	750,536	640,307
SSI Reimb, 1st/3rd Party Cost Offset			(2,462)	-	-	-	-	-			
Mgd care administration		*PIHP Cost*	397,315	-	67,896	-	-	37,593	-	-	-
Subcontract cost		10,610,126	**6,985,468**	**2,678**	**776,343**	**5,049**	**16,489**	**334,098**	**2,073,563**	**750,536**	**640,307**
Net before settlement			**372,298**	**131,785**	**(634,115)**	**217,175**	**-**	**179,597**	**814,759**	**391,588**	**(640,307)**
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	402,787	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference		(240,114)	(372,298)	(131,785)	634,115	(217,175)	-	(582,383)	(78,006)	(74,965)	582,383
Net after settlement			**-**	**-**	**-**	**-**	**-**	**0**	**736,753**	**316,623**	**(57,924)**
Summit Pointe (Calhoun Coun	HCC%	75.81%	64.5%	0.0%	7.2%	0.0%	0.0%	4.1%			
PIHP Summary Information											
Capitation Payment			28,556,094	-	3,473,529	-	-	1,084,708	2,608,068	678,865	-
Less: CCBHC Base Payment			(2,608,068)	-	(678,865)	-	-	-	-	-	-
Subcontract revenue			25,948,026	-	2,794,664	-	-	1,084,708	2,608,068	678,865	-
Supplemental CCBHC Payment			-	-	-	-	-	-	5,192,434	2,622,800	-
CCBHC 1st/3rd Party Cost Offset									-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue		39,844,856	**25,948,026**	**-**	**2,794,664**	**-**	**-**	**1,084,708**	**7,800,501**	**3,301,665**	**-**
External provider cost			22,516,590	-	2,572,796	-	-	1,428,539	-	-	-
Internal program cost			1,835,002	1,134	139,464	483	54	133,408	5,781,070	1,893,608	1,457,852
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration		*PIHP Cost*	3,079,630	-	427,209	-	-	235,857	-	-	-
Subcontract cost		38,247,040	**27,431,222**	**1,134**	**3,139,470**	**483**	**54**	**1,797,804**	**5,781,070**	**1,893,608**	**1,457,852**
Net before settlement			**(1,483,195)**	**(1,134)**	**(344,806)**	**(483)**	**(54)**	**(713,096)**	**2,019,431**	**1,408,057**	**(1,457,852)**
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	2,170,948	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference		(857,790)	1,483,195	1,134	344,806	483	54	(1,457,852)	(1,694,791)	(992,672)	1,457,852
Net after settlement			**-**	**-**	**-**	**-**	**-**	**(0)**	**324,641**	**415,385**	**0**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 4/30/2025 **4/30/2025** ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components: Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC: CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Woodlands Behavioral Health	HCC%	100.0%	85.2%	1.2%	5.9%	2.8%	0.5%	4.4%			
PIHP Summary Information											
Capitation Payment			9,551,068	147,774	744,662	260,237	30,478	505,805			
Less: CCBHC Base Payment											
Subcontract revenue			9,551,068	147,774	744,662	260,237	30,478	505,805			
Supplemental CCBHC Payment											
CCBHC 1st/3rd Party Cost Offset											
CCBHC General Fund Revenue											
Incentive Payment Revenue		*PIHP Revenue*									
Subcontract revenue		10,734,218	**9,551,068**	**147,774**	**744,662**	**260,237**	**30,478**	**505,805**			
External provider cost			8,586,560	-	171,424	-	-	206,309			
Internal program cost			2,525,360	153,915	602,765	366,024	63,222	362,628			
SSI Reimb, 1st/3rd Party Cost Offset											
Mgd care administration		*PIHP Cost*	929,683	-	108,930	-	-	41,805			
Subcontract cost		13,507,882	**12,041,604**	**153,915**	**883,119**	**366,024**	**63,222**	**610,742**			
Net before settlement			**(2,490,536)**	**(6,141)**	**(138,457)**	**(105,787)**	**(32,744)**	**(104,937)**			
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	104,937			
Subcontract settlement		2,773,664	2,490,536	6,141	138,457	105,787	32,744	-			
Net after settlement											
Integrated Services of Kalama:	HCC%	100.0%	65.45%	0.00%	4.25%	0.00%	0.00%	0.00%	19.73%	6.58%	4.00%
PIHP Summary Information											
Capitation Payment			50,220,565		5,146,289		65,309		7,882,291	2,338,496	-
Less: CCBHC Base Payment			(7,882,291)	-	(2,338,496)	-	-	-	-	-	-
Subcontract revenue			**42,338,273**	**-**	**2,807,793**	**-**	**65,309**	**-**	**7,882,291**	**2,338,496**	**-**
Supplemental CCBHC Payment			-	-	-	-	-	-	7,021,110	3,599,662	-
CCBHC 1st/3rd Party Cost Offset									285,161	41,825	246,996
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue		66,379,920	**42,338,273**	**-**	**2,807,793**	**-**	**65,309**	**-**	**15,188,562**	**5,979,983**	**246,996**
External provider cost			**41,986,222**		**2,788,453**				3,126,031	966,075	588,097
Internal program cost			1,139,280		9,031				9,872,476	3,369,812	2,049,204
SSI Reimb, 1st/3rd Party Cost Offset			(4,139)	-	(54)	-	-	-			
Mgd care administration		*PIHP Cost*	**5,987,157**	**-**	**388,377**	**-**	**-**	**-**	**-**	**-**	**-**
Subcontract cost		69,628,721	**49,108,520**	**-**	**3,185,807**	**-**	**-**	**-**	**12,998,507**	**4,335,887**	**2,637,302**
Net before settlement			**(6,770,246)**	**-**	**(378,014)**	**-**	**65,309**	**-**	**2,190,056**	**1,644,096**	**(2,390,306)**
Other Redistributions of State GF		*PIHP Stlmt*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**552,476**
Subcontract settlement (includes PPS-1 Payment Difference		8,616,719	**6,770,246**	**-**	**378,014**	**-**	**(65,309)**	**-**	**2,154,130**	**(620,363)**	**-**
Net after settlement									**4,344,186**	**1,023,733**	**(1,837,830)**

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 4/30/2025 **4/30/2025** ***ok***

(For Internal Management Purposes Only)

INCOME STATEMENT		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components: Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC: CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
CMH of St Joseph County	HCC%	100.0%	62.7%	0.0%	6.2%	0.0%	0.0%	2.9%	18.1%	4.7%	5.4%
PIHP Summary Information											
Capitation Payment			10,628,457	182,708	977,818	345,804	46,065	608,160	1,318,466	315,845	-
Less: CCBHC Base Payment			(1,318,466)	-	(315,845)	-	-	-	-	-	-
Subcontract revenue			9,309,990	182,708	661,973	345,804	**46,065**	**608,160**	1,318,466	315,845	-
Supplemental CCBHC Payment									2,024,972	980,832	-
CCBHC 1st/3rd Party Cost Offset											
CCBHC General Fund Revenue											
Incentive Payment Revenue		*PIHP Revenue*									
Subcontract revenue		15,186,656	**9,309,990**	**182,708**	**661,973**	**345,804**	**46,065**	**608,160**	**3,343,439**	**1,296,677**	**-**
External provider cost			9,723,398	-	973,926	-	-	417,999	-	-	-
Internal program cost			386,005	3,977	27,396	557	2,327	54,118	2,913,616	756,372	866,576
SSI Reimb, 1st/3rd Party Cost Offset									(58,422)	(7,962)	-
Mgd care administration		*PIHP Cost*	1,005,940	-	134,218	-	-	103,385			
Subcontract cost		15,861,349	**11,115,342**	**3,977**	**1,135,541**	**557**	**2,327**	**575,501**	**2,855,194**	**748,410**	**866,576**
Net before settlement			**(1,805,352)**	**178,731**	**(473,568)**	**345,246**	**43,738**	**32,659**	**488,245**	**548,267**	**(866,576)**
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	833,917			
Subcontract settlement (includes PPS-1 Payment Difference		3,026,934	1,805,352	(178,731)	473,568	(345,246)	(43,738)	(866,576)	1,305,148	10,581	866,576
Net after settlement									**1,793,393**	**558,848**	**0**
Van Buren Mental Health Auth	HCC%	75.2%	67.6%	0.0%	4.7%	0.0%	0.4%	2.5%	16.2%	4.9%	3.7%
PIHP Summary Information											
Capitation Payment			15,494,629	246,186	1,138,224	401,153	21,245	698,461	1,456,577	504,559	-
Less: CCBHC Base Payment			(1,456,577)	-	(504,559)	-	-	-	-	-	-
Subcontract revenue			14,038,053	246,186	633,666	401,153	21,245	698,461	1,456,577	504,559	-
Supplemental CCBHC Payment			-	-	-	-	-	-	736,039	285,748	-
CCBHC 1st/3rd Party Cost Offset									-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		*PIHP Revenue*	-	-	-	-	-	-	-	-	-
Subcontract revenue		15,340,302	**14,038,053**	**246,186**	**633,666**	**401,153**	**21,245**	**698,461**	**2,192,615**	**790,307**	**-**
External provider cost			11,587,851	-	881,356	-	-	456,539			
Internal program cost			1,400,119	-	16,631	1,002	86,220	29,619	3,119,777	935,548	710,808
SSI Reimb, 1st/3rd Party Cost Offset			(73,792)	-	-	-	(6,118)	-			
Mgd care administration		*PIHP Cost*	1,274,423	-	163,116	-	-	88,826	-	-	-
Subcontract cost		15,330,808	**14,188,602**	**-**	**1,061,102**	**1,002**	**80,101**	**574,984**	**3,119,777**	**935,548**	**710,808**
Net before settlement			**(150,549)**	**246,186**	**(427,437)**	**400,150**	**(58,856)**	**123,477**	**(927,162)**	**(145,241)**	**(710,808)**
Other Redistributions of State GF		*PIHP Stlmt*	-	-	-	-	-	587,331	-	-	-
Subcontract settlement		1,106,893	150,549	(246,186)	427,437	(400,150)	58,856	(710,808)	852,567	263,821	-
Net after settlement			**-**	**-**	**-**	**-**	**-**	**-**	**(74,595)**	**118,580**	**(710,808)**

SWMBH Board Update for Period May 2025
CEO and Staff Finance Focused Activities

Actions/Activities taken by CEO:

- Hosted Michigan Senator Peters' regional office director Peter Dickow at SWMBH.
- Provided Representative Julie Rogers with persuasive facts and figures on SWMBH and statewide PIHP Medicaid and Healthy Michigan Plan capitation revenue shortfalls.
- Intelligence briefing from MSU Institute for Health Policy staffer
- Reorganized senior leader management portfolios to accommodate departure of a manager
- Supported CMHAM prepare for their testimony on inpatient psych hospital rates.
- Prepared Resolution for Medicaid funding for SWMBH Board and SUDOPB
- Board executive committee convened regarding fiscal issues; follow with solicitation for feedback from CMHs
- Attended the following meetings and committees related to finances
    - MDHHS briefing on looming federal reductions to Medicaid and HMP
    - MDHHS CCBHC FY 2026 payment and role transition meeting
    - Multiple Michigan Senate and House Committees and Sub Committees
    - Special CMHAM meeting of CMH and PIHP CEOs on PIHP procurement
    - Board Finance Committee meetings, one with external Auditor
    - Financial comparison meeting with ISK

SWMBH May Actions

- Drafted CMH cash advance operational policy
- Convened additional Regional Finance Committee Meeting to gather CMHSP cashflow solvency strategies

Revenue Focused Utilization Management (UM) Project

- Regional Utilizations Management Committee developed a Community Living Supports (CLS) tool to assist in determining appropriate levels of CLS for SMI Adults.
- The committee has a work plan with due dates for developing and testing like tools for the I/DD and Children's populations by end of Summer.
- As of June 1st all CLS authorization requests at the CMHSPs are to be reviewed for medical necessity and not auto approved by the systems according to the Level of Care Guidelines.
- Additional trainings for both local clinical staff and local Utilization Management staff will be taking place as well to ensure consistent application across the region.
- Suggestion was made to lower all auto approval levels within the local EMR's by 20% to require more manual reviews.
- Operations Committee will make a decision on that recommendation at their June 11th meeting.

Michigan Department of Health and Human Services Behavioral Health Capitation Rate Development - Amendment 3 SFY 2025 Projected Revenue Waterfall - Region 4 ($ in Millions)						
			Marginal Revenue Change by Amendment			
Incurred Month	Assumed Monthly Capitation Payments	Original SFY 2025 Rates	Amendment 1	Amendment 2	Amendment 3	Current Rates
Total						
10/1/2024	205,200	$ 27.3	$ 0.0	$ 0.0	$ 1.0	$ 28.3
11/1/2024	205,200	27.3	0.2	0.0	1.0	28.5
12/1/2024	205,200	27.3	0.2	0.0	1.0	28.5
1/1/2025	205,200	27.3	0.2	(0.0)	1.0	28.5
2/1/2025	205,200	27.3	0.2	(0.0)	1.0	28.5
3/1/2025	205,200	27.3	0.2	(0.0)	1.0	28.5
4/1/2025	205,200	27.3	0.2	(0.0)	1.0	28.5
5/1/2025	205,200	27.3	0.2	(0.0)	1.0	28.5
6/1/2025	205,200	27.3	0.2	(0.0)	1.7	29.2
7/1/2025	205,200	27.3	0.2	(0.0)	1.7	29.2
8/1/2025	205,200	27.3	0.2	(0.0)	1.7	29.2
9/1/2025	205,200	27.3	0.2	(0.0)	1.7	29.2
Total	**2,462,400**	**$ 327.7**	**$ 1.8**	**($ 0.1)**	**$ 15.0**	**$ 344.4**
DAB						
10/1/2024	41,600	$ 14.8	$ 0.0	$ 0.0	$ 0.5	$ 15.3
11/1/2024	41,600	14.8	0.1	0.0	0.5	15.4
12/1/2024	41,600	14.8	0.1	0.0	0.5	15.4
1/1/2025	41,600	14.8	0.1	(0.0)	0.5	15.3
2/1/2025	41,600	14.8	0.1	(0.0)	0.5	15.3
3/1/2025	41,600	14.8	0.1	(0.0)	0.5	15.3
4/1/2025	41,600	14.8	0.1	(0.0)	0.5	15.3
5/1/2025	41,600	14.8	0.1	(0.0)	0.5	15.3
6/1/2025	41,600	14.8	0.1	(0.0)	0.9	15.7
7/1/2025	41,600	14.8	0.1	(0.0)	0.9	15.7
8/1/2025	41,600	14.8	0.1	(0.0)	0.9	15.7
9/1/2025	41,600	14.8	0.1	(0.0)	0.9	15.7
Total	**499,200**	**$ 177.0**	**$ 0.9**	**($ 0.1)**	**$ 7.8**	**$ 185.6**
TANF						
10/1/2024	108,200	$ 3.9	$ 0.0	$ 0.0	$ 0.2	$ 4.1
11/1/2024	108,200	3.9	0.1	0.0	0.2	4.2
12/1/2024	108,200	3.9	0.1	0.0	0.2	4.2
1/1/2025	108,200	3.9	0.1	0.0	0.2	4.2
2/1/2025	108,200	3.9	0.1	0.0	0.2	4.2
3/1/2025	108,200	3.9	0.1	0.0	0.2	4.2
4/1/2025	108,200	3.9	0.1	0.0	0.2	4.2
5/1/2025	108,200	3.9	0.1	0.0	0.2	4.2
6/1/2025	108,200	3.9	0.1	0.0	0.3	4.3
7/1/2025	108,200	3.9	0.1	0.0	0.3	4.3
8/1/2025	108,200	3.9	0.1	0.0	0.3	4.3
9/1/2025	108,200	3.9	0.1	0.0	0.3	4.3
Total	**1,298,400**	**$ 47.0**	**$ 0.9**	**$ 0.0**	**$ 2.8**	**$ 50.7**
HMP						
10/1/2024	55,400	$ 3.3	$ 0.0	$ 0.0	$ 0.1	$ 3.4
11/1/2024	55,400	3.3	0.0	0.0	0.1	3.4
12/1/2024	55,400	3.3	0.0	0.0	0.1	3.4
1/1/2025	55,400	3.3	0.0	0.0	0.1	3.4
2/1/2025	55,400	3.3	0.0	0.0	0.1	3.4
3/1/2025	55,400	3.3	0.0	0.0	0.1	3.4
4/1/2025	55,400	3.3	0.0	0.0	0.1	3.4
5/1/2025	55,400	3.3	0.0	0.0	0.1	3.4
6/1/2025	55,400	3.3	0.0	0.0	0.2	3.5
7/1/2025	55,400	3.3	0.0	0.0	0.2	3.5
8/1/2025	55,400	3.3	0.0	0.0	0.2	3.5
9/1/2025	55,400	3.3	0.0	0.0	0.2	3.5
Total	**664,800**	**$ 39.0**	**$ 0.0**	**$ 0.0**	**$ 1.9**	**$ 40.9**
1915(c) Waiver						
10/1/2024	800	$ 5.4	$ 0.0	$ 0.0	$ 0.2	$ 5.6
11/1/2024	800	5.4	0.0	0.0	0.2	5.6
12/1/2024	800	5.4	0.0	0.0	0.2	5.6
1/1/2025	800	5.4	0.0	0.0	0.2	5.6
2/1/2025	800	5.4	0.0	0.0	0.2	5.6
3/1/2025	800	5.4	0.0	0.0	0.2	5.6
4/1/2025	800	5.4	0.0	0.0	0.2	5.6
5/1/2025	800	5.4	0.0	0.0	0.2	5.6
6/1/2025	800	5.4	0.0	0.0	0.3	5.7
7/1/2025	800	5.4	0.0	0.0	0.3	5.7
8/1/2025	800	5.4	0.0	0.0	0.3	5.7
9/1/2025	800	5.4	0.0	0.0	0.3	5.7
Total	**9,600**	**$ 64.7**	**$ 0.0**	**$ 0.0**	**$ 2.5**	**$ 67.2**

Note:
1. Original projected revenue and marginal changes in revenue for each amendment are based on enrollment assumptions and the cap-to-eligibility ratio, consistent with the SFY 2025 rate setting.
2. This analysis is intended for informational purposes only. Actual received revenue may differ from the figures in this document due to differences in assumed vs emerging enrollment.
3. Original projected revenue and changes in revenue exclude the quality withhold, PBIP, and HRA.
4. Figures may not foot due to rounding.

Current Revenue Assumption	SWMBH Revised Budget 04.26.25	SWMBH Revised Revenue 06.05.25	SWMBH Central	Barry	Berrien	Branch	Calhoun	Cass	Kalamazoo	St. Joseph	Van Buren
Medicaid	$ 214,903,922	$ 228,025,523	$ -	$ 11,882,642	$ 43,093,564	$ 13,423,013	$ 44,742,865	$ 13,102,358	$ 61,515,111	$ 17,743,416	$ 22,522,555
Less: CCBHC Redirect	$ (29,104,568)	$ (29,694,884)	$ -	$ (1,443,237)	$ (5,199,193)	$ (1,525,325)	$ (3,358,540)		$ (12,955,060)	$ (3,021,073)	$ (2,192,454)
HSW "C" Waiver Capitation	$ 63,493,867	$ 65,710,347	$ -	$ 1,921,074	$ 13,582,885	$ 3,854,381	$ 6,412,885	$ 5,410,137	$ 25,473,110	$ 3,825,280	$ 5,230,596
CWP	$ 906,991	$ 938,653	$ 33,980	$ 34,744	$ 249,692	$ -	$ 301,584	$ 36,787	$ 253,522	$ -	$ 28,344
SED	$ 453,286	$ 469,110	$ 17,490	$ 9,943	$ 36,295	$ 32,175	$ 108,563	$ 2,339	$ 221,115	$ 5,498	$ 35,691
Medicaid SA	$ 7,872,862	$ 8,282,793	$ -	$ 431,625	$ 1,565,330	$ 487,577	$ 1,625,239	$ 475,930	$ 2,234,473	$ 644,511	$ 818,109
HMP	$ 24,102,536	$ 26,132,485	$ -	$ 1,257,022	$ 5,484,388	$ 1,270,761	$ 4,982,631	$ 1,481,797	$ 7,446,977	$ 1,917,490	$ 2,291,419
Less: CCBHC Redirect	$ (9,220,921)	$ (9,405,392)	$ -	$ (500,598)	$ (2,166,663)	$ (537,272)	$ (874,209)		$ (3,843,470)	$ (723,713)	$ (759,467)
HMP SA	$ 13,509,665	$ 14,747,515	$ -	$ 665,476	$ 3,302,224	$ 660,591	$ 2,892,041	$ 845,724	$ 4,241,128	$ 981,441	$ 1,158,890
HHO	$ 1,680,399	$ 1,537,064	$ 1,300,088				$ 236,976				
DHIP	$ 465,952	$ 483,601	$ -	$ 7,060	$ 57,185	$ 11,296	$ 67,069	$ 9,178	$ 234,388	$ 20,474	$ 76,953
HRA	$ 12,089,192	$ 12,089,192	$ 12,089,192								
CCBHC Base MCD	$ 32,128,843	$ 29,694,884	$ -	$ 1,443,237	$ 5,199,193	$ 1,525,325	$ 3,358,540		$ 12,955,060	$ 3,021,073	$ 2,192,454
CCBHC Base HMP	$ 10,074,517	$ 9,405,392	$ -	$ 500,598	$ 2,166,663	$ 537,272	$ 874,209		$ 3,843,470	$ 723,713	$ 759,467
Supplemental CCBHC MCD	$ 40,634,539	$ 45,698,136	$ 951,077	$ 2,981,613	$ 6,513,483	$ 3,292,358	$ 7,108,392		$ 16,775,270	$ 5,048,085	$ 3,027,858
Supplemental CCBHC HMP	$ 17,165,693	$ 16,759,224	$ 509,333	$ 1,138,145	$ 2,812,527	$ 1,292,144	$ 3,084,065		$ 5,344,450	$ 1,530,951	$ 1,047,610
Mental Health Block Grant Funding	$ 582,654	$ 582,654	$ 582,654								
SA Block Grant Funding	$ 7,391,149	$ 7,391,149	$ 7,391,149								
SA PA2 Funding	$ 2,184,476	$ 2,184,476	$ 2,184,476								
CMHSP Incentive Payments	$ 3,422,650	$ 3,422,650									
PIHP Incentive Payments	$ 2,134,267	$ 2,134,267	$ 213,427	$ 103,312	$ 362,192	$ 113,272	$ 375,112	$ 111,528	$ 508,606	$ 154,931	$ 191,887
Interest Income - Working Capital	$ 361,598	$ 361,598	$ 361,598								
Interest Income - ISF Risk Reserve	$ 943,397	$ 943,397	$ 943,397								
Local Funds Contributions	$ 852,520	$ 852,520	$ 852,520								
Deductions:											
Insurance Provider Assessment Withhold			$ 2,927,687	$ (149,402)	$ (569,732)	$ (164,281)	$ (570,100)	$ (167,634)	$ (801,779)	$ (224,312)	$ (280,447)
SWMBH Central Managed Care Pmnt			$ 12,848,986	$ (604,217)	$ (2,497,873)	$ (743,213)	$ (2,261,941)	$ (801,337)	$ (3,796,393)	$ (939,667)	$ (1,204,344)
DRM Adjustment			$ 9,727,191	$ (464,177)	$ (2,051,883)	$ (486,557)	$ (1,907,953)	$ (558,233)	$ (2,733,027)	$ (688,035)	$ (837,326)
Overall Net Capitation Payment	**$ 419,029,487**	**$ 438,746,355**	**$ 52,934,246**	**$ 19,214,860**	**$ 71,940,276**	**$ 23,043,516**	**$ 67,197,429**	**$ 19,948,574**	**$ 116,916,950**	**$ 30,020,062**	**$ 34,107,792**
Capitation Excluding CCBHC				$ 13,047,956	$ 54,886,218	$ 16,283,144	$ 52,397,110	$ 19,837,046	$ 77,490,093	$ 19,541,309	$ 26,888,516
Capitation for CCBHC				$ 6,063,593	$ 16,691,867	$ 6,647,100	$ 14,425,207	$ -	$ 38,918,250	$ 10,323,821	$ 7,027,388

Fiscal Year 2025 Mid-Year Revenue Rate Assumptions as of 06.05.25

Note the following:

- The estimated Medicaid/HMP mid-year revenue increase is **$14.9M for our region**.
    - Also, attached is the forecast provided by MDHHS and Milliman (appendix 1).
    - Significant improvement in our overall area factors (5.4%).
    - Milliman/MDHHS is moving away from the area factors, effective June 1, and utilizing regional factors based on acuity going forward.
- CCBHC anticipated revenues have increased.
    - The basis for the CCBHC revenue assumption is the period 7 daily visit reported by the CCBHC's (annualized).
    - The increased in the anticipated CCBHC revenue for FY25 is approximately $5M.
    - **All CCBHC please confirm the daily visits and revenue assumptions are accurate** – per previous conversations many CCBHC's in cohort 2 are anticipating a decreased PPS rate and may have a material impact on the current revenue assumptions.
    - CCBHC QBP is an estimate and not applied to each CCBHC, however the CCBHC QBP is included in the grand total ($3.4M).
- MDHHS is considering additional changes to the FY25 revenues, via an amendment 4, due to statutory minimum wage increase and ESTA. MDHHS will release the documents making the supplemental budget request to the legislature.
- Please keep in mind that SWMBH will monitor the payments as they arrive from MDHHS and will update and adjust the revenue assumptions accordingly, based on the actual payment details.

	A	D	E	F	I	J	K	N	O
1	***Southwest Michigan Behavioral Health***								
2	For the Fiscal YTD Period Ended 9/30/2025			**FY25 Revised Budget - DRAFT-**					
3	*(For Internal Management Purposes Only)*								
4									
5	***INCOME STATEMENT***	***PIHP***	***CCBHC***	**FY25 Budget Current Status**	***PIHP***	***CCBHC***	**FY25 Budget Current Status - Revised**	***Comparison***	
6									
7	**REVENUE**								
8	**Contract Revenue**								
9	Medicaid Capitation	256,227,043	31,586,475	287,813,518	272,780,465	29,694,884	302,475,349	14,661,831	4.85%
10	Healthy Michigan Plan Capitation	38,407,790	8,595,932	47,003,722	30,965,275	9,405,392	40,370,667	(6,633,055)	-16.43%
11	Opioid Health Home Capitation	1,610,090	-	1,610,090	1,537,064	-	1,537,064	(73,026)	-4.75%
12	Medicaid Hospital Rate Adjustments	12,089,192	-	12,089,192	12,089,192	-	12,089,192	-	0.00%
13	CCBHC Supplemental	-	54,807,224	54,807,224	1,460,410	62,457,360	63,917,770	9,110,546	14.25%
14	Mental Health Block Grant Funding	653,000	-	653,000	582,654		582,654	(70,346)	-12.07%
15	SA Block Grant Funding	7,763,190	-	7,763,190	7,391,149		7,391,149	(372,041)	-5.03%
16	SA PA2 Funding	2,184,476	-	2,184,476	2,184,476		2,184,476	-	0.00%
17									
18	Contract Revenue	318,934,780	94,989,631	413,924,411	328,990,684	101,557,636	430,548,320	16,623,909	3.86%
19	CMHSP Incentive Payments	419,357	3,422,650	3,842,007	483,601	3,422,650	3,906,251	64,244	1.64%
20	PIHP Incentive Payments	2,483,291	-	2,483,291	2,134,267		2,134,267	(349,024)	-16.35%
21	Interest Income - Working Capital	1,222,315	-	1,222,315	361,598		361,598	(860,717)	-238.03%
22	Interest Income - ISF Risk Reserve	-	-	-	943,397		943,397	943,397	100.00%
23	Local Funds Contributions	852,520	-	852,520	852,520		852,520	-	0.00%
24									
25	**TOTAL REVENUE**	**323,912,264**	**98,412,281**	**422,324,545**	**333,766,068**	**104,980,286**	**438,746,354**	16,421,809	3.74%
26									
27	**EXPENSE**								
28	**Healthcare Cost**								
29	Provider Claims Cost	22,142,286	-	22,142,286	23,131,126		23,131,126	988,839	4.27%
30	CMHP Subcontracts, net of 1st & 3rd party	255,970,308	82,461,854	338,432,162	260,639,634	79,689,181	340,328,814	1,896,653	0.56%
31	Insurance Provider Assessment Withhold (IPA)	3,746,326	-	3,746,326	2,934,199		2,934,199	(812,127)	-27.68%
32	Medicaid Hospital Rate Adjustments	12,089,192	-	12,089,192	12,089,192		12,089,192	-	0.00%
33								-	0.00%
34	**Total Healthcare Cost**	**293,948,112**	**82,461,854**	**376,409,966**	**298,794,150**	**79,689,181**	**378,483,331**	2,073,365	0.55%
35	**Medical Loss Ratio (HCC % of Revenue)**	**92.0%**	**83.8%**	**90.1%**	**90.7%**	**75.9%**	**87.1%**		
36									
37	**Administrative Cost**								
38	Purchased Professional Services	1,412,585	-	1,412,585	380,374		380,374	(1,032,211)	-271.37%
39	Administrative and Other Cost	11,385,908	-	11,385,908	10,616,077		10,616,077	(769,831)	-7.25%
40	Depreciation	7,263	-	7,263	7,263		7,263	-	0.00%
41	Delegated Managed Care Admin	24,714,174	-	24,714,174	30,125,592		30,125,592	5,411,418	17.96%
42	Apportioned Central Mgd Care Admin	(2,665,293)	2,665,293	(0)	(1,460,410)	1,460,410	-	-	0.00%
43									
44	**Total Administrative Cost**	**34,854,637**	**2,665,293**	**37,519,930**	**39,668,896**	**1,460,410**	**41,129,306**	**3,609,376**	**8.78%**
45	**Admin Cost Ratio (MCA % of Total Cost)**	**10.6%**	**3.1%**	**9.1%**	**12.2%**	**1.8%**	**10.2%**		
46									
47	Local Funds Expense	852,520	-	852,520	852,520	-	852,520	-	0.00%
48	PBIP Transferred to CMHPs				1,784,005		1,784,005	1,784,005	100.00%
49									
50	**TOTAL COST after apportionment**	**329,655,269**	**85,127,147**	**414,782,415**	**341,099,570**	**81,149,591**	**422,249,161**	7,466,746	1.77%
51									
52	**NET SURPLUS before settlement**	**(5,743,004)**	**13,285,134**	**7,542,129**	**(7,333,502)**	**23,830,695**	**16,497,193**	**8,955,063**	**54.28%**
53	**Net Surplus (Deficit) % of Revenue**	**-1.8%**	**13.5%**	**1.8%**	**-2.2%**	**22.7%**	**3.8%**		
54	Prior Year Savings	-	-	-	-	-	-		
55	Change in PA2 Fund Balance	-	-	-	-	-	-		
56	ISF Risk Reserve Abatement (Funding)	-	-	-		-	-		
57	ISF Risk Reserve Deficit (Funding)	1,929,280	-	1,929,280	564,327	-	564,327	(1,364,953)	-241.87%
58	CCBHC Supplemental Receivable (Payable)	3,813,725	-	3,813,725	-	-	-	(3,813,725)	-100.00%
59	CCBHC Non Medicaid Cost (Payable)	-	(10,261,247)	(10,261,247)	-	(11,593,224)	(11,593,224)	(1,331,977)	11.49%
60	Settlement Receivable / (Payable)	-	-	-	-	(3,965,054)	-	-	0.00%
61	**NET SURPLUS (DEFICIT)**	**(0)**	**3,023,887**	**3,023,886**	**(6,769,175)**	**8,272,417**	**5,468,296**	**2,444,409**	**44.70%**

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.

Introduction

This is interpretations and probable proof data tracks for Board Sub-End 1, 3, and 5 for the July 11, 2025, Board meeting.

Board Motions for Acceptance of Sub-Ends:

The Board accepts the Interpretation as reasonable.
The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for these Sub-Ends.

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

Interpretation: SWMBH staff and CMH staff work together professionally and effectively to ensure persons served in our region are provided with quality services while minimizing avoidable costs. Required and requested information related to business practices will be made available per mutually agreed time frames. All nine agencies' staff will respond timely and accurately to requests. Regional norms will be mutually agreed upon by all nine agencies CEOs.

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

Achievement of relationship with EOs and staff will be demonstrated through the adoption of regional norms by the Operations Committee.

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

Metrics:

- Adopted norms will be circulated to all regional Committees within 15 calendar days.
- Regional committees will document discussion of the norms at the next regularly scheduled meeting.
- Nine CEOs and agency management teams will reinforce and expect adherence to norms upon and after adoption of regional norms.
- Within 120 calendar days after circulation the results of a baseline survey of regional Committees will be held and shared widely.
- Within two months of baseline survey review by committees, an improvement plan will be developed and implemented with specific objective numeric targets established.
- Within six months of circulation of baseline results, a repeat survey of regional Committees will be held and shared widely including baseline and follow up results.
- Ongoing annual regional surveys will indicate an increase of staff at all regional agencies complying with regional norms; amount of increase to be determined following baseline data.

Regarding CMH Boards

- State of the Region webinars for CMH Boards, SUD Oversight Board, and SWMBH Board will be held a minimum of three times per year beginning July 2025.
- Written regional status and plan reports will be provided to CMH Boards quarterly.
- An annual report will be provided to CMH Boards and other regional stakeholders beginning winter 2025.

Board Motions for Acceptance of Sub-Ends:

The Board accepts the Interpretation as reasonable.
The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for these Sub-Ends.

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

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

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

Achievement of appropriate resources will be demonstrated when the region's Medicaid martin is improved over FY2025 projections.

Metrics:

- Statewide Michigan Mission-Based Performance Indicator System (MMBPIS) comparisons by (DATE NEEDED) will provide baseline data.
- Contractual obligations will be demonstrated when fiscal year 2025 Health Services Advisory Group (HSAG) External Quality Review (EQR) scores are improved over fiscal year 2024.
    - Performance Measure Validation (PMV) scores are (NEEDED)
    - Network Adequacy Validation (NAV) 2026 is (NEEDED) higher than 2025
    - Performance Improvement Projects (PIP) receive a 4 or 5.

Achievement of meeting communities' individualized needs will be demonstrated when annual network adequacy results are XX, provider site review findings are XX, and customer service survey results are XX.

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

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

Board Motions for Acceptance of Sub-Ends:

The Board accepts the Interpretation as reasonable.
The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for these Sub-Ends.

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

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

Regarding clinical, CMHs and other provider partners align with clinical best practice when providing services to persons served. The priorities and pace will be agreed upon by the relevant regional committees within 90 days of SWMBH Board acceptance of the interpretation.

Achievement will be demonstrated by acceptance through the regional committees of the following documents by the dates provided below.

- The publication and adoption of clinical best practices and protocols as follows
  - For persons with severe and persistent mental illness
  - For persons with serious emotional disturbance
  - For persons with autism spectrum disorders
  - For persons with substance use disorders
  - For substance use disorder prevention

Regarding benefits management CMHs align with best practices in delegated benefits management functions.

- The review and revision if applicable of benefits management protocols as follows:
  - Utilization Management by
  - Data Flows, Uses and Reporting by
  - Financial Reporting by

Board Motions for Acceptance of Sub-Ends:

The Board accepts the Interpretation as reasonable.
The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for these Sub-Ends.

RESOLUTION OF THE SOUTHWEST MICHIGAN BEHAVIORAL HEALTH BOARD

Appointing Mila Todd as an Alternate Board Member to the Michigan Consortium for Healthcare Excellence (MCHE)

Approved June 13, 2025

WHEREAS, Southwest Michigan Behavioral Health (SWMBH) is a current member of the Michigan Consortium of Healthcare Excellence as described in the SWMBH Board Policy BEL-010 Regional Entity 501 (c)(3) Representation; and the Executive Officer of SWMBH is hereby authorized to serve as SWMBH's representative and a Director of the MCHE Board, the latter being subject to the approval of the Board Members of MCHE in accordance with its Bylaws; and the EO is hereby authorized and directed to execute and deliver any and all instruments, certificates, agreements, and other documents necessary for SWMBH to hold a membership interest in MCHE; and the SWMBH Board will evaluate on at least an annual basis in October of each year whether SWMBH will continue to hold a membership interest in MCHE or withdraw from such membership.

WHEREAS, the SWMBH Board approves to appoint Mila Todd as an Alternate MCHE Board Member with all the same standards set forth to the Executive Officer as written in SWMBH Board Policy BEL-010 Regional Entity 501 (c)(3) Representation.

NOW, THEREFORE, BE IT RESOLVED, that the Southwest Michigan Behavioral Health Board approves the appointment of Mila Todd as an Alternate Member to the MCHE Board.

Adopted this 13th day of June, 2025

Sherii Sherban, Chairperson
SWMBH Board

Southwest Michigan
BEHAVIORAL HEALTH

Board Planning Session Meeting Minutes
May 9, 2025
Air Zoo Aerospace & Science Museum, 6151 Portage Rd, Portage, MI 49002
9:30 am-11:30 am
Draft: 5/12/25

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

Members Absent: None

Guests Present: Brad Casemore, CEO, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Sarah Ameter, Customer Services Manager, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Cathi Abbs, SWMBH Board Alternate; Gail Patterson-Gladney, SWMBH Board Alternate; Jon Houtz, SWMBH Board Alternate; Cameron Bullock, Pivotal; John Ruddell, Woodlands; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Jeff Patton, ISK; Ric Compton, Riverwood; Jeannie Goodrich, Summit Pointe; Randall Hazelbaker, Branch County Commissioner and SWMBH Substance Use Disorder Oversight Policy Board Member Chair; Richard Godfrey, SWMBH Substance Use Disorder Oversight Policy Board Member Vice-Chair; Marsha Bassett, SWMBH Substance Use Disorder Oversight Policy Board Member; Maya McGee, SWMBH Consumer Advisory Committee Chair; Scott Dzurka

Welcome Guests
Sherii Sherban called the planning session to order.

State Representative Julie Rogers, State Legislative Branch Developments
Representative Rogers summarized biography as noted in the packet and covered the following items:

- Healthcare wins – codification of Affordable Care Act – key elements – keep kids up to age 26 – preexisting conditions – requiring payment for preventative care – 4619 prohibit – last bill was medical loss ratio policy – a minimum of 80% of health insurance premiums must be used on actual care
- 2.6M or 25% of Michigan's population receives Medicaid (1 in 4 people Statewide)
- Maternal health equity package – pay for blook pressure monitors for mothers
    - Required to pay for mental health screenings up to 24 months post-partum – previously had only been paying this to occur at ObGyn postpartum – now allowed at pediatric well visit check
    - Also requires they pay the provider for doing the screenings
    - Named a Maternal Health Fellow – new national maternal health hotline 833-TLC-MOMMA
- Lead poisoning prevention – leads to a lot of behavioral health issues (especially at birth – 6 years) – required screening for 1- & 2-year-olds previously only covered through Medicaid – now across – Kalamazoo rivaled Flint for the number of children – houses pre 1978 a lot of lead paint
    - Filter safe mandate for schools

- Telemedicine Coverage – extended indefinitely
- Expanded CCBHC – this year proposes 960M additional for CCBHC Governor's
- 62M for opioid
- 62M Healthy Babies Healthy Start
- RX Kids – cash assistance for moms pregnant $1600 at 4 months - $500 month for the first year of life – Flint (pilot), Saginaw, Kalamazoo, Detroit expansion
- Concerned and need to shore up:
    - Inpatient psychiatric hospitals (public) – capacity used to be 3,000 and currently has 150 beds
        - Prioritizing court adjudicated
        - We need more beds
        - Undercurrent move to shift things to move to private which is more costly
        - Menu of options – 5 layers for physical –
    - PIHP Deficits – rate increases and more state dollars
        - Latest tactic trying to amend any bill that comes across – failing across party lines but is raising awareness
        - Any packages that come into the sub-appropriations committee gets an amendment to add Medicaid funds
    - Workforce Issues – interstate compacts – Psych one passed – OT, PT, PA all recently passed unanimously
        - Brain drain in Michigan – interstate compacts help with this
- Budget – 880B on at the federal level – originally talked about block grants
    - 40% of general fund is federal pass through; 72% of DHHS is federal pass through
    - Reach out to federal delegation
    - Close of books from FY2024 has not been completed yet – it has become partisan
    - Legislature has historically imposed a July deadline – in statue required to pass by October 1 – We are looking at a government shutdown as the republicans have already stated we may miss the deadline
        - Defunded DHHS by 92% in Michigan (proposed budget)
        - May 16th 9-10:30 – Legislative Website
- Conflicting information has been given to members of the legislatures – people don't understand how PIHPs, rates and other Behavioral Health issues work. Average law maker doesn't get how the rates are set and they are also hearing from DHHS.
- Reprocurement Question: a lot of colleagues have significant concerns with the proposal – the legislative are concerned and having discussions
- Governor released a report yesterday asking MDHHS to survey how all providers will be impacted by Medicaid cuts at the federal level
- Michigan does not have enough rainy day funds if the proposed Federal Government cuts are implemented. Tough decisions are coming if this happens.
- Advocacy is needed

Representative Rogers thanked everyone and reminded all to take care of themselves during this time of additional stressors noting stress can bring on chronic illness. Pain and health issues.

Scott Dzurka and Board Member statements

Scott Dzurka asked the Board to think about the future if SWMBH obtains the reprocurement bid. In 2026 what will we need to prioritize then in this new future, new environment – we don't know what the system will look like.

Sherii – making the assumption that we are indeed putting in a bid – is leadership at SWMBH actively saying yes, we are going to do that.

Brad Casemore answered:

- New Bylaws would be needed-potentially new CMH involvement
- Bidder qualifications – some have said MDHHS plans to release bid information in May
- May be new regions
- Possibility we can't participate – then is there an option for the board to seek and do for us to serve as administrative or clinical support for our regions or others
    - Support CMHs
        - Dual Eligible Special Needs Programs

Strategically planning for uncertainty ~ we need to recognize all the maybes. Right now plan for the next 6 months.

Michael – Suspect the regions may change – believes the state is looking to reduce the number of PIHPs again – most of the counties around us are in the same boat so wouldn't change what's going to change / happen day to day.

Re-evaluation of new codes – we don't know what the make-up of the board could be

Allen: Considering our present image that is held by key positions, not good, and not justified - Scott's response "Our brand"

Lorraine: Be flexible, prioritize same as we did during COVID – find things we can do differently – look at this as opportunities to do new ways to do things.

Tom: In the midst of major change – it's how do we handle change. I came here because I want to help people and meet the needs of people. How do we continue to help our clients? What do they need? How can we prioritize those with limited funds? What are our clients biggest needs? If we had to cut our budget by 50% what would we do? What are our goals and needs for persons served.

Carol: People want to move forward regardless of situation because the clientele we serve need us to do that. How do we remain flexible enough to do that.

Joyce: Communication with the CMHs is very important because they have the contact with the clients.

Brad Casemore: Our bylaws may need to be changed – intensity of your relationships (board members and alternates) with your boards are more critical than ever before as the representative of your board. It's possible there will be no changes.

Mike: We have to plan accordingly with what we have regardless as it may not come to fruition. How do we keep the counties that are falling behind financially, how do we keep them stable? Make sure we can carry our 8 counties into the future.

Sherii: important to not be stagnant, move forward with governance, move forward to become more financially stable.

Allen: Do not underestimate the power of our community partners.

Other thoughts captured on group post it note:

- Understand "new" region "new" area
- Serve new areas-roles?
- Be ready for "what ifs"
- Planning for 6 months – 18 months
- Image consideration
- Re-evaluation of "codes" under new board
- Find different ways-opportunities/flexibility
- How to handle change
- Prioritize helping clients
- Move forward regardless for the people that we serve
- Communication with CMHs
- Plan even if it (reprocurement) doesn't happen
- Don't be stagnant-move forward
- Don't underestimate community partners

PIHP Procurement Threats and Opportunities

FIRST GROUP ACTIVITY

Advocacy – what to prioritize

- Clear thoughts on engaging our clients and their voices are heard – most compelling
- Be intentional with advocacy – we need to be frequent – engage all counties – Republican counties too
- Intentional with Executive, Legislative and Congressional branches including visits to Lansing and attend committee hearings
- Everyone is doing advocacy including community partners – hospitals, courts, counties, Board members and all staff
- Intensive advocacy training
- All CMHs have some sort of advocacy
- County Commissions saved the public system in 1999 – MAC Commissioners

Commitments – what are actions and activities we need to commit to doing

- This is a team effort – administrative burden (commitment of state)

Clarity or understanding – things we need to explore more

- Scenario descriptions – know the options – weigh pros and cons
- Needs of residents prioritized
- Looking at funding – mandates must be funded
- Maximize efficiency of managed care functions
- Value and value added design
- Team effort
- Decrease administrative burden – commitment needs to be at the State
- Scenario descriptions. Options. Pros and Cons
- Federal and State funding cuts
- PIHP reprocurement
- Dual Special Needs Plans
- Margin and benefits for persons served
- Needs of residents prioritized
- How community can be trained to help when funds run out
- Action Plan not just action words

Environmental Scan
Ella Philander reported as documented in the packet noting

Public Policy Plan
Ella Philander reported as documented in the packet noting

Financial Remedies
Geoprahic Factors, Behavioral Health Treatment Episode Data Set, and Utilization Management (UM). Anne Wickham discussed new Utilization Management project and sub-work group of the Operations Committee to review services and consistency. This group will begin with UM Community Living Supports (CLS) and develop recommendations along with possible redirection of units in Level of Care guidelines. End result will be to develop a UM tool for all.

SECOND GROUP ACTIVITY

1. **Roles without securing the bid**

- SWMBH board and management will need to guide the dissolution
    - Emphasis on redirecting consumers
    - Ensure services for consumers
- It will increase the costs for CMHs
- CMHs become providers

2. **Once contract assigned**
    a. Re-evaluate
    b. Communicate across the board in the same language

3. **Strategic Plan and Clarity**
    - **a.** Prioritize plan
    - **b.** Clear and management target dates
    - **c.** All work as one (SWMBH, CMHs, Providers)
    - **d.** Relook at board configuration to include consumers on the board

4. **Funding Opportunities**
    - **a.** Revenue – grants, private funders, copays, third party reimbursement
    - b. Utilize regional purchases – healthcare, IT, shared administration, legal, benefits, timecards
    - c. ASO services provided by SWMBH

5. **Threats**
    - a. MDHHS and Milliman rate setting process
    - b. Far reaching threats of funding threats
    - c. PIHP and CMHSPs have little to no actual control over our funding

SWMBH Strategic Plan Discussion
Ella Philander reported as documented in the packet noting. Discussion about plan and value based purchasing.

Summary and Next Steps
Content from Planning Session will be summarized with documents to be developed and presented at the June Board meeting.

Quarterly Bulletin

June 9, 2025
Volume 1, Issue 1

Staying in Touch

The Southwest Michigan Behavioral Health (SWMBH) Board adopted a revised set of Board Ends in October 2024, which direct SWMBH towards the benefits to be produced, for whom and at what cost, reflecting the organization's vision and reason for being. Developing revised Ends included multiple contacts with each of our eight CMH Boards, ensuring their values are expressed through our Ends. A request heard from many of these founding Boards was for direct communication from SWMBH leadership. This Bulletin is the first in a series that will be provided to our CMH Boards on a quarterly basis, at minimum, to keep you apprised of information germane to your governance role and related to the status of the region.

Reprocurement of Prepaid Inpatient Health Plans (PIHP) & CCBHC Changes

May 23, 2025: MDHHS released results of behavioral health care survey and details related to PIHP procurement requirements. SWMBH does not meet the requirements. Newly contracted PIHPs are scheduled to step into the role October 1, 2027.

May 22, 2025: MDHHS notified CCBHCs and PIHPs that effective October 1, 2025, PIHPs will have no active role in the oversight or administration of the CCBHC demonstration. The base capitation portion of CCBHCs payments will no longer be funded through the PIHP system.

SWMBH Political and Media Advocacy

In March, testimony was given by Brad Casemore to the Michigan House Appropriations Committee. A plea was made for adequate funding in 2025 and 2026, along with a request to hold DHHS accountable to allocate funds the legislature has appropriated.

Representative Julie Rogers joined us at the May 9th SWMBH Board planning session with insightful comments and a question and answer session with all present. On April 30th, she introduced a budget amendment for $100 million of General Fund intended for PIHPs Medicaid shortfalls. SWMBH was key in providing the information used in preparing and arguing for that amendment regarding needed funds for PIHP system-wide fiscal year 2025 rate adjustment.

WMUK Radio interviewed Brad Casemore and John Ruddell on April 15, 2025. Information from the interview and follow up email communication was included in the article that was aired and published April 24, 2025.

Michigan Senator Gary Peters' regional office director Peter Dickow met with SWMBH leadership at the SWMBH office in May. An insightful discussion was held regarding the current landscape and funding of mental health and substance use services at both the national and local levels.

SWMBH Board

The SWMBH Board's planning session on May 9th had three major objectives:

- Develop remediation plans for regional deficits;
- Discuss public policy advocacy needs;
- Prioritize strategic imperatives.

These efforts are ongoing and a full day meeting with the SWMBH Board is scheduled for June 13th to continue the work that was begun on May 9th.

What to Expect

Population Health Reports by County.

Regional Score Cards providing comparative statewide and CMH specific data.

Updates on the Finance Focused Utilization Management Project.

Advocacy Efforts and Projects at SWMBH are Showing Results

May 30, 2025: Rate amendment 3 for Fiscal Year 2025 was released with composite base capitation rates increasing. The primary drivers of the increase are High-Intensity Services including inpatient psychiatric and community living supports (CLS) along with Applied Behavior Analysis (ABA) Utilization.

Effective June 1, 2025: MDHHS has revised their methodology for Geographical Factors, also known as Area Factors, and are moving towards regional rates for FY2026. For SWMBH we are looking at an increase of 5.4% in our geographical factor.

Our region is expecting approximately $15 Million in additional revenue.

We credit the efforts of our CMH Partners and CMHAM for all their hard work and dedication in advocating for our system. See the Projects section regarding our regional work focusing on our Geographical Factor.

Projects in our Region

Geographical (Area) Factors: Region 4's factor has historically been the the lowest in the state. In April 2024, SWMBH began internal cross functional meetings to better understand the logic, methodology, and definitions on how Milliman calculates SWMBH's area specific factors.

Updates on the progress were provided to the Operations Committee June 2024, and there was a meeting with both the actuarial firm Milliman and MDHHS that same month.

We identified what our system can do to impact the Factor, primarily through the Behavioral Health Treatment Episode Data Set (BH-TEDS) which is a system which collects and reports data on individual's behavioral health services.

Habilitation Support Waivers (HSW): The issue to solve was payments not received for eligible clients.

- In 2024, a report was created capturing all eligible HSW payments. Data was submitted to MDHHS with follow-up with the Regional Finance Committee.
- February 2025: An updated spreadsheet of missing HSW payments was submitted to MDHHS and the HSW missing payment process was developed to monitor and recoup missing HSW payments.
- Communication was sent to the Regional IDD committee and local HSW leads.

The new process continues to capture "missed payments," including for February receipts for which we received delayed payment.

March 2025: $370,998.56 was received from MDHHS for back payments.

Bradley P. Casemore, Chief Executive Officer
Brad.Casemore@SWMBH.org

Community Mental Health Association of Michigan

Analysis of MDHHS PIHP procurement plan

May 2025

Background

Recently, MDHHS issued a press release and posted on its Specialty Behavioral Services webpage information regarding the proposed PIHP procurement process. The webpage includes:

A recorded webinar providing an overview of the procurement process.

And information about the PIHP procurement please see resources below:

1. Anticipated PIHP contract requirements.
2. PIHP public survey summary (Based on public survey solicitation in February 2025).
3. PIHP regions map.
4. PIHP regions detail table.
5. PIHP network adequacy standards.

CMHA analysis of MDHHS proposed PIHP procurement to private health plans

The details provided in the materials on the MDHHS Specialty Behavioral Services webpage (webinar and links) serve to **underscore the negative impact of the Department's proposed PIHP procurement process on Michigan's public mental health system and those who rely on that system for their mental health services.** Below is an analysis of the content of these materials. Throughout this analysis, the term "Michigan's public mental health system" will be used to mean the state's CMHSPs, PIHPs, and the providers in the networks of the CMHSPs and PIHPs.

A. COMPONENTS OF MDHHS PLAN OF GREATEST CONCERN

The components of the MDHHS PIIHP procurement plan that pose the greatest concern plan include:

1. Prioritizing bids from private non-profit health plans/health insurance companies. Some of Michigan's largest private health plans/health insurance companies are private non-profit organizations: Blue Cross/Blue Shield, Priority Health, McLaren Health Plan, and HAP.

2. The current public PIHPs would be prohibited from bidding on this opportunity. Because the current PIHPs were formed and governed by appointees from the state's CMHSPs (who are providers, as required by law, of mental health services)– a structure selected by MDHHS as the structure through which Michigan would fulfill its statutory requirement to fund the state's CMHSPs (see endnote) – these PIHPs are prohibited from applying.

3. Eliminating longstanding roles of CMHSPs in managing care: The CMHSPs have been managing their local provider networks (as required by state law; see endnote) including: provider network development, paying claims, authorizing care, carrying out utilization management, credentialing staff, and related functions for over 60 years. The MDHHS PIHP procurement would prohibit them from carrying out these functions, instead moving them to the private health plans who may be awarded the managed care contracts.

4. Implies that CMHSPs would be one of a number of providers with whom the newly selected managed care organizations could contract for services.

B. PLAN FAILS TO ACHIEVE STATED AIMS OF EFFORT: The design of the procurement requirements actually work against the stated aims of this effort. Those aims include and the disconnect between the procurement and those aims are highlighted below:

Aim: Provide high-quality, timely services:

1. Michigan's public mental health system currently provides more evidence-based and promising practices than any other system in the state and has consistently met MDHHS-established timeliness standards. Timeliness and access issues have occurred, as they have for all behavioral health care providers, since the pandemic, created by the deep and prolonged behavioral health workforce shortage. This workforce shortage and financing insufficiency are two most significant causes of access timeliness issues. This procurement process addresses neither of these.

2. The lack of timely access to the Medicaid behavioral healthcare services that have been managed by the state's private health plans for the past 28 years - office based psychotherapy and psychiatry – has been a glaring gap of that privately managed system since 1997 – a gap unaddressed by MDHHS over these 28 years.

3. The dramatically higher managed care overhead of the private Medicaid health plans, an overhead rate of 15%, far above that of the state's PIHPs with an overhead rate of 2%, will result in a dramatic loss of dollars available for Medicaid behavioral health services to Michiganders – hindering and not improving access nor timeliness.

Aim: Improve choice and consistency across regions:

1. Currently, Michigan's Medicaid beneficiaries have access to a large number of high-quality behavioral health providers in communities across the state. The right to request a qualified provider is a fundamental principle of the system. Given the inability of the private health plans to provide choice of providers for the Medicaid behavioral health services currently managed by the private health plans – due to low rates paid those providers - the choice of high-quality providers will not be increased through the movement to a privately managed system.

2. If the choice among more than one plan per region is an aim of this procurement (unclear at this reading) consistency will be hampered by this procurement, with two sets of standards, rates, and requirements per region rather than the current single set of standards, rates, and requirements.

Aim: Ensure accountability and transparency:

1. The current public PIHP structure is directly accountable to the elected county commissioners elected in each county served by the PIHP. The MDHHS proposal would remove the involvement of these county officials in managing the Medicaid dollars intended to serve their communities' residents.

2. Corrective action plans and performance incentive payments have proven key tools in promoting the accountability of the public PIHP system. Additionally, throughout the year, the requirements placed on the public PIHPs are revised and refined, ensuring accountability of the system to these higher standards.

3. The accountability of the private health plans to contractual standards is enforced only upon the department's decision as to continuing the contract with a given private health plan upon completion of the contract period. Given that the private health plans have contracts ranging from 3 to 5 years, the accountability issues under a privatized managed care structure can remain unresolved for years.

4. The transparency of the public mental health system is assured via their compliance, as public bodies, with the Michigan Open Meetings Act and the Freedom of Information Act. No such transparency requirements exist for private health plans.

Simplify the system with reduced bureaucracy:

1. This procurement increases rather than reducing the complexity and bureaucracy of the system by moving from the current subcapitated payment system used to fund the state's CMHSPs, through the PIHPs, to a fee-for-service system requiring distant authorizations. This complexity and bureaucracy of privately managed care firms are concerns frequently voiced by providers and persons served/clients.

Ensure the strength of the state's CMH system:

1. Unless the state's CMHs, in compliance with state law, are the sole party charged with meeting the mental health needs of Michiganders – a guarantee that MDHHS, private health plans, nor this procurement plan have made - this procurement process violates the statutory obligations of the state will erode the financing for and ability of the local CMHs and Michigan counties to meet their longstanding statutory obligations to provide mental health care to Michiganders. This plan, without the guarantee of the support for the longstanding role and financing of the CMH system:

- violates the statutory obligation of the State to promote, maintain, and fund the CMHSP system (See endnote for statutory and regulatory description of role and responsibilities of Michigan's CMHSPs) [i]
- violates the state's obligation to fund CMHSP system as the party responsible for meeting the State's mental health services obligation
- removes public local control over the use of these dollars with these funds going to the private health plans without oversight by the local CMHSP thereby eliminating public oversight and accountability for those dollars

C. PLAN IGNORES WARNINGS FROM SIMILAR APPROACHES IN OTHER STATES: As noted above,, turning the management of Medicaid mental health benefit over to private health plans does not achieve the stated aims of this procurement process.

In fact, the procurement process and its standards move the state's mental health system backwards to a system with the weaknesses found in the privately managed Medicaid behavioral health systems in other states.

A set of studies, conducted over the past several years, underscores the negative impact that the management of a state's Medicaid behavioral health system by private health plan has on persons served and the provider network serving them. Those studies include:

- Impact of the Movement to Private Managed Care System for Publicly Sponsored Mental Health Care: Perspectives from Other States (2022)
- Medicaid funding consolidation: Key themes identified in an examination of the experience of other states (2016)
- Beyond Appearances: Behavioral Health Financing Models and the Point of Care (2016)

D. PLAN IS NOT TRANSPARENT IN SHARING VIEWS OF RESPONDENTS TO SURVEY AND FAILS TO GET A FULL PICTURE OF THE VIEWS OF STAKEHOLDERS: In spite of the MDHHS interpretation of public comment (an interpretation without revealing actual responses), there is significant opposition, among Michiganders, to the private management of Michigan's public mental health system.

Earlier proposals to privatize this system were met by vocal and widespread opposition from Michiganders from across the state. This anti-privatization sentiment remains strong among the large and vocal stakeholders of Michigan's public mental health system. See the summary of the results of the statewide poll, conducted by the respected Michigan-based polling group, EPIC-MRA.

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[i] The Michigan Mental Health Code is clear in describing the uniquely singular nature and required state funding of Michigan's CMHSPs. The relevant code citations are provided below.

Unique role: The State of Michigan must promote and maintain the state's CMHSP system, with Michigan's CMHSPs designated as the only bodies to which the responsibility for the direct delivery of public mental health services has been shifted from the state.

Excerpts from the Code:

> *Section 116 (b) (The State of Michigan must) Administer the provisions of chapter 2 so as to* ***promote and maintain an adequate and appropriate system of community mental health services programs throughout the state****.*
> *In the administration of chapter 2, it shall be the* ***objective of the department to shift primary responsibility for the direct delivery of public mental health services from the state to a community mental health services program*** *whenever the community mental health services program has demonstrated a willingness and capacity to provide an adequate and appropriate system of mental health services for the citizens of that service area.*

State obligation to fund CMHSP system: The State of Michigan must fund the CMHSP system to carry out its responsibilities and its core functions.

Excerpts from the Code:

> *Section 116 (b) (The State of Michigan must) (Administer the provisions of chapter 2 so as to* ***promote and maintain an adequate and appropriate system of community mental health services programs throughout the state****.*

Section 202 (1) ***The state shall financially support, in accordance with chapter 3, community mental health services programs*** *that have been established and that are administered according to the provisions of this chapter.*

Obligation to provide a broad range of services to the entire community: The Michigan Mental Health Code, Administrative Rules, and PIHP contractual obligations are clear in describing the responsibility of the state's CMHSPs/PIHPs in **meeting the needs of their entire community and Medicaid beneficiary pool (an obligation that goes beyond those of the CCBHCs to serve only those who present themselves to the CCBHC.**

Excerpts from the Michigan Administrative Rules

Rule 330.2005. ***A community mental health board shall ensure that the following minimum types and scopes of mental health services are provided to all age groups directly by the board, by contract, or by formal agreement with public or private agencies or individuals contingent on legislative appropriation of matching funds for provision of these services****:*
(a) Emergency intervention services.
(b) Prevention services.
(c) Outpatient services.
(d) Aftercare services.
(e) Day program and activity services.
(f) Public information services.
(g) Inpatient services.
(h) Community/caregiver services

(CMHA note: The detailed descriptions of each of these services are outlined in the remainder of this section of the Michigan Administrative Rules)

Responsibility of the CMHSPs to determine the providers in its provider network and ensure that these providers comply with Medicaid regulations.

Excerpts from the Michigan Administrative Rules

Rule 330.2005. A community mental health board shall ensure that the following minimum types and scopes of mental health services are provided to all age groups **directly by the board, by contract, or by formal agreement with public or private agencies or individuals**

Protecting People Over Profit

Public Management of Michigan's Behavioral Health System

Community Mental Health Association of Michigan

On February 28, 2025 the Michigan Department of Health and Human Services (MDHHS) announced that they are seeking public input through an online survey as the department moves to a competitive procurement process for the state's Pre-Paid Inpatient Health Plan (PIHP) contracts. **Our concern is that such bid-out plans, in the past, have opened the door to the privatization of Michigan's public mental health system.**

Unmandated Competitive Procurement: A Risky Proposal That Adds Chaos to Care

Potential funding cuts on the horizon

Disrupts care and creates confusion for those relying on critical services

Procurement process is NOT being driven by Federal rules or requirements

Rather Than a Chaotic Competitive Procurement Process, Take Real Steps to Collectively Solving Core Issues

HOW BEST TO IMPROVE ACCESS TO CARE & SERVICES FOR PEOPLE IN NEED

Sufficient Funding + **Ensure & Enhance Local Voice** + **Reduce Administrative Overhead** + **Increase Workforce & Network Capacity**

- **Sufficient Funding**
  Funding for the core mental health and I/DD services has remained FLAT over the past 5 fiscal years (including $0 general fund increase) while medical inflation has increased by over 10%* and Medicaid expenses have increased by nearly 25%. **Inadequate funding leads to shortages in available services, long wait times, and a lack of quality mental health providers.**
- **Ensure & Enhance Local Voice**
  Only a publicly managed system protects local input. **Privatization removes people's power, shifting care decisions to out-of-state boards with no direct ties to Michigan communities.**
- **Reduce Administrative Overhead**
  Collectively PIHPs have a MLR (Medical Loss Ratio) of 96.3%. The ONLY way to reduce layers and ensure more money goes directly into services is by reducing administrative overhead, which has dramatically increased over the past 5 years. **More bureaucracy means longer wait times, more hoops to jump through, and fewer resources for essential care.**
- **Increase Workforce & Network Capacity**
  3/4 of Michigan's public mental health organizations are experiencing workforce gaps despite salary increases or retention bonuses. Top reasons people leave the public mental health field: (1) too much paperwork / administrative hoops to jump through, and (2) better pay and work life balance. **A shortage of mental health workers means longer wait times, fewer available services—leaving Michigan's most vulnerable without the support they need.**

*According to the U.S. Bureau of Labor Statistics

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Funding Opportunities

- Maximize Revenue: Private funders, copays, third party reimbursement
- Explore grant opportunities outside of MDHHS
- Additional regional purchases
  - Healthcare, IT, shared administration, legal, benefits, timecards
  - Regional healthcare or self-funded- Union considerations
- SWMBH offers ASO (Administrative Services Only) services

How We Move Forward

- Maintain reciprocal and respectful communication throughout. Prioritizing stakeholder involvement and the customer level.
- Prioritize the plan through measurable and clear actions, documenting and reviewing information, and routinely scheduled reports.
- Ensure all CMHs are on board.
- Task committees, if really strategic, more than one person involved and acting
- Training all CMHs the same, i.e. uniformity of benefits and processes.
- SWMBH maintaining leadership in solutions through mutual understanding and decision making.

In Response to Procurement

- Re-examine Board configuration to include consumers on the board.

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PIHP Procurement Process

Roles Without Securing the Bid

- Communication at all system levels is crucial.
- SWMBH board and management will need to guide the dissolution .
- CMH boards determine CMH role and function in new format.
  - CMHs become providers to new entity.
  - Potentially increases costs to CMHs to Integrate and to function with new PIHPs (old and new).
- Board could be assigned into a new entity.
- SWMBH ASO (Administrative Services Only) agency.

Roles After Procurement

- Re-evaluate roles based on new contract (including enhanced coordination obligations with MHPs and D-SNPs)
- Board structural changes
  - Bylaw changes
  - Cultural changes
  - Organizational changes
- Ensure quality through the change, inclusive of quality clinical care to people served of paramount importance
- Develop changed documents and procedures
- Establish communication pathways at all levels of the system to ensure a shared language is used across the region

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Financial Threats

1. Systemic underfunding by MDHHS, the MDHHS and Milliman rate setting process.
2. Unfunded mandates (ABA increase) and increasing administrative burden.
3. Uneducated legislators.
4. PIHPs/CMHs have little to no control over funding, with unknown federal cuts and changes to eligibility qualifications.
5. Insufficient funding leading to inability to provide, and causes members to become more ill.
6. Full allocation of appropriated funds for CMHs and PIHPs.
7. Our region's geographic rate is the lowest in the state.

Advocacy

Make Legislators and Public Aware

1. Clear messaging and engagement - our clients and their voices should be heard as they are the most compelling.
2. Be intentional with advocacy at all levels - Executive, Legislative and Congressional.
3. Visits to Lansing including attending committee hearings.
4. Frequent engagement with *all* counties representatives.
5. All CMHs advocate from Board members to staff. They advocate with community partners (hospitals, courts, counties).
6. Intensive advocacy training – is this needed?
7. County Commissions saved the public system in 1999 – MAC Commissioners

SWMBH Board Policy Manual

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SWMBH Policy Manual *Uninterrupted*

Ends (Proposed to align with PG Philosophy)

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 benefitting from lessons learned.

Section 2: Executive Limitations

(reordered with recommended changes)

2.0 POLICY: Global Executive Constraint (formerly BEL009)
The Executive Officer (EO) shall not cause or allow any practice, activity, decision, or organizational circumstance which is either ~~illegal~~ *unlawful*, imprudent, in violation of commonly accepted business and professional ethics or in violation of contractual obligations.

2.1 POLICY: Treatment of Plan Members (formerly BEL005)
With respect to interactions with Plan members, the SWMBH EO shall not allow conditions, procedures, or processes which are unsafe, disrespectful, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy.

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

2.1.1. Use forms or procedures that elicit information for which there is no clear necessity.

2.1.2. Use methods of collecting, reviewing, or storing plan member information that fail to protect against improper access to the information elicited.

2.1.3. Fail to provide procedural safeguards for the secure transmission of Plan members' protected health information.

2.1.4. Fail to establish with Plan members a clear contract of what may be expected from SWMBH including but not limited to their rights and protections.

2.1.5. Fail to inform Plan members of this policy or to provide a grievance process to those plan members who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

2.2 POLICY: Treatment of Staff (formerly BEL004)

With respect to the treatment of paid and volunteer staff, the EO shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

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

2.2.1. Operate without written personnel rules that:

a. Clarify rules for staff

b. Provide effective handling of grievances, and

c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

2.2 2. Retaliate against any staff member for expression of dissent.

2.2.3. Fail to acquaint staff with the EO interpretation of their protections under this policy.

2.2.4. Allow staff to be unprepared to deal with emergency situations.

2.3 POLICY: Financial Planning and Budgeting (formerly BEL001)

Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate from Board Accomplishments/Results/Ends priorities, risk fiscal jeopardy, or fail to be derived from multi-year 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 enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

2.3.2. Plans the expenditures in any fiscal year of more funds than are conservatively projected to be available for that period.

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.

2.4 POLICY: Financial Conditions and Activities (formerly BEL002)

With respect to the actual, ongoing condition of the organization's financial health, the Executive Officer may not cause or allow the development of fiscal jeopardy or the material negative deviation of actual expenditures from board priorities established in policies and inclusive of annual budget.

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

2.4.1. Expend more funds than have been received in the fiscal year to date (including carry forward funds from prior year).

2.4.2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues in accordance with Board approved schedule.
2.4.3. Use any designated reserves other than for established purposes.
2.4.4. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within ninety days.
2.4.5. Fail to settle payroll and debts in a timely manner.
2.4.6. Allow tax payments or other government-ordered payments of filings to be overdue or inaccurately filed.
2.4.7. Make a single purchase or commitment of greater than $100,000 in a fiscal year, except for participant CMH contracts and Region 4 Clinical Service Providers. Splitting orders to avoid this limit is not acceptable.
2.4.8. Purchase or sell real estate in any amount.
2.4.9. Fail to aggressively pursue receivables after a reasonable grace period.
2.4.10 Assure that total direct fiscal year annual costs payable to MCHE shall not exceed $5,000.
2.4.10.1 Exception: Group purchases which in the EO's judgment are required and have more favorable terms than an independent purchase by SWMBH. In the event of an urgent payment required, EO shall contact SWMBH Board Chair for guidance.

2.5 POLICY: Asset Protection (formerly BEL003)
The Executive Officer shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

Further, including but not limited to, the Executive Officer may not:
2.5.1. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
2.5.2. Leave intellectual property, information and files unprotected from loss or significant damage.
2.5.3 Allow physical assets to be uninsured against theft and property losses at an appropriate level and against liability losses to board members, staff and the organization itself in an amount greater than the average for comparable organizations.
2.5.4. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisers.
2.5.5. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.
2.5. 6. Change the organization's name or substantially alter its identity in the community.
2.5.7. Allow unbonded personnel access to material amounts of funds.
2.5.8. Unnecessarily expose the organization, its Board, or Staff to claims of liability.
2.5.9. Make any purchases:
i. Wherein normally prudent protection has not been given against conflict of interest
ii. Inconsistent with federal and state regulations related to procurement using SWMBH funds
iii. Of more than $100,000 without having obtained comparative prices and quality
iv. Of more than $100,000 without a stringent method of assuring the balance of long-term quality and cost.
2.5.10. Receive, process, or disburse under controls that are insufficient to meet the Board-appointed auditor's standards.

2.5.11. Invest or hold operating capital and risk reserve funds in instruments *at the expense of safety and liquidity.*

2.6 POLICY: Investments

The Executive Officer will not cause or allow investment strategies or decisions that pursue a high rate of return at the expense of safety and liquidity.

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

2.6.1 Make investment decisions without consultation and guidance of an independent qualified investment advisor.

2.6.2 Ignore these priority values in investment decisions

- Preservation of principal.
- Income generation.
- Long term growth of principal.
- Protected from bank failures.

2.6.3 invest or hold capital in insecure instruments except where necessary to facilitate ease in operational transactions

2.6.4 invest without establishing a comparative benchmark to demonstrate investment performance.

2.7 POLICY: Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants, contract workers, Interns and volunteers, the Executive Officer (EO) shall not cause or allow jeopardy to financial integrity or to public image.

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

2.7.1. Change the EO's own compensation and benefits.

2.7.2. Promise permanent or guaranteed employment.

2.7.2.1 Exception: Time-limited Executive Employment and Professional Services Agreements with termination clauses are permissible.

2.7.3. Establish current compensation and benefits which:

2.7.3.1 Deviate materially from the geographic and professional market for the skills employed.

2.7.3.2 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.

2.7.3.3 Fail to solicit or fail to consider staff preferences.

2.7.4. Establish or change retirement benefits so the retirement provisions:

2.7.4.1. Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs.

2.7.4.2. Provide less than some basic level of benefits to all full-time employees. Differential benefits which recognize and encourage longevity are not prohibited.

2.7.4.3 Make revisions to Retirement Plan documents.

2.7.4.4 Implement employer discretionary contributions to staff.

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2.8 POLICY: Emergency Executive Officer Succession (formerly EO-003)
In order to protect the Board from sudden loss of the Executive Officer services, the Executive Officer will have no less than two executives identified to the Board sufficiently familiar with Board and Executive Officer issues and processes to enable them to take over with reasonable proficiency as an interim Executive Officer if called upon by the Board.

2.9 POLICY: Communication and Support to the Board (formerly BEL-008)
The Executive Officer shall not cause or allow the Board to be uninformed or unsupported in its work.

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

2.9.1. Neglect to submit monitoring data required by the Board *on the schedule established by the Board* in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including Executive Officer interpretations as well as relevant data.
2.9.2. Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
2.9.3. Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
2.9.4. Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes, including:
    a. the status of uniform benefits across the region (from 2.1.3)
    b. timely and accurate investment reports
    c. information related to MCHE, including
        i. semi-annual written MCHE status reports to the SWMBH Board in April and October
        ii. verbal reports to the SWMBH Board if there are MCHE related items of importance which in the Executive Officer's judgment materially affect favorably or unfavorably SWMBH's core roles, strategy, or finances;
        iii. MCHE Articles of Incorporation revisions and bylaws to the Board prior to voting on them and after adoption by MCHE.
2.9.5. Allow the Board to be unaware that, in the Executive Officer's opinion, the Board is not in compliance with its own policies, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Officer.
2.9.6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
2.9.7. Allow the Board to be without a workable mechanism for official Board, Officer, or Committee communications.
2.9.8. Deal with the Board in a way that favors or privileges certain Board Members over others, except when fulfilling individual requests for information or responding to Officers or Committees duly charged by the Board.
2.9.9. Fail to submit to the Board a consent agenda containing items delegated to the Executive Officer yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.

Section 3: Governance Process Policies

3.0 Global Governance Commitment
The purpose of the Board who serve as the stewards of funding available for mental health services in the Southwest Region of Michigan, on behalf of the State of Michigan and the founding Plan Members, is to see to it that SWMBH achieves appropriate impacts through its Plan Members at an appropriate value and to assure that the organization avoids unacceptable situations and risks.

3.1 Governing Style and Commitment (formerly BG-011)

The Board will govern lawfully and in compliance with the agency's bylaws, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive roles, (e) collective rather than individual decisions, (f) future rather than past or present focus, and (g) proactivity rather than reactivity.

Accordingly, the SWMBH Board shall:

3.1.1 Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual member to substitute for the judgment of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.

3.1.2 Direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts, not on administrative or programmatic means of attaining those effects.

3.1.3 Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will observe those currently in force.

3.1.4 Conduct continual Board development, including orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

3.1.4.1 New Board Members shall be required to complete an initial orientation for purposes of enhancing their knowledge of the roles and responsibilities of SWMBH as an agency, and their understanding to assist in governance decision-making. Specifically, they shall be provided the following information:

- Governance Documents (Hierarchical)
  - SWMBH Board Bylaws
  - SWMBH Operating Agreement

- Michigan Consortium of Healthcare Excellence Bylaws (MCHE)
- Ends, Proofs and Strategy
  - Previous and Current Years' SWMBH Board Ends and Proofs
- Context
  - SWMBH General PowerPoint
  - Current SWMBH Board Meeting Calendar and Roster
- New Board Members will be offered a live/remote briefing for each functional area leader.

3.1.5 Allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling group obligations.

3.1.6 The Board will monitor and discuss the Board's process and performance periodically. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

3.2 POLICY: Board Member Job Description (formerly BG-008)

Specific job outputs of the Board, as informed agents of ownership, are those that ensure appropriate organizational performance.

Accordingly, to distinguish the Board's own unique job from the jobs of its staff, the Board will concentrate its efforts on the following job "products" or outputs:

3.2.1 The link between Southwest Michigan Behavioral Health and CMH Boards of the Plan Members.

3.2.2 Written governing policies which, at the broadest levels, address:
a. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which needs at what worth to the organization).
b. Executive Limitations: Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
c. Governance Process: Specification of how the Board conceives carries out and monitors its own task.
d. Board-EO Delegation: How Board expectations are assigned and properly monitored; the EO role, authority and accountability.

3.2.3 The assurance of organizational and EO performance.

3.3 POLICY: Board Code of Conduct (formerly BG-007)

The Board commits itself to ethical, lawful, and businesslike conduct including proper use of authority and appropriate decorum when acting as Board Members.

Accordingly:

3.3.1 SWMBH Board Members represent the interests of Southwest Michigan Behavioral Health. This accountability supersedes any potential conflicts of loyalty to other interests including advocacy or interest groups, membership on other Boards, relationships with others or personal interests of any Board Member. As a result, Board members will follow the SWMBH Conflict of Interest Policy (contained in Appendix ____.)

3.3.1.1 Conflict of Interest is defined as any actual or proposed direct or indirect financial relationship or ownership interest between the Board Member and any entity with which SWMBH has or proposes to have a contract, affiliation, arrangement or other transaction.

3.3.1.2 When a Member either must recuse themselves or chooses to recuse themselves from voting on a Board decision their prior potential vote count will be removed from the vote tally denominator; however, when a Member abstains from voting on a Board decision their potential vote count will not be removed from the vote tally denominator.

3.3.2 Members will respect the confidentiality appropriate to issues of a sensitive nature including, but not limited to, those related to client privacy laws, substance abuse services, or SWMBH business or strategy.

3.3.3 Members will be properly prepared for Board deliberation as well as educate themselves on the SWMBH Compliance Plan and Code of Conduct.

3.3.4 Member will support the legitimacy and authority of the final determination of the Board on any matter, without regard to the Member's personal position on the issue.

3.3.5 Persons who have been excluded from participation in Federal Health Care Programs may not serve as Board Members.

3.3.5.1 If a Board Member believes they will become an excluded individual, that member is responsible for notifying the SWMBH Compliance Department. The Board Member is responsible for providing information necessary to monitor possible exclusions.

3.3.5.1.1 SWMBH shall periodically review Board Member names against the excluded list per regulatory and contractual obligations.

3.3.6 SWMBH Board members will establish, and encourage throughout its region, cultures that promote prevention, detection, and resolution of instances of misconduct in order to conform to applicable laws and regulations.

3.3.6.1 Members have a duty to report to the SWMBH Chief Compliance Officer any alleged or suspected violation of the Board Code of Conduct or related laws and regulations by themselves or another Board Member.

3.3.6.2 SWMBH Board Members shall cooperate fully in any internal or external Medicaid or other SWMBH funding stream compliance investigation.

3.3.6.3 Failure to comply with the Compliance Plan and Board Code of Conduct may result in the recommendation to a Participant CMH Board for the member's removal from the SWMBH Board.

3.3.6.4 Members will participate in Board compliance trainings and educational programs as required.

3.3.6.5 Members will use due care not to delegate substantial discretionary authority to individuals whom they know, or should have known through due diligence, who have a propensity to engage in illegal activities.

3.3.7 Board Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

3.3.7.1 Members' interaction with the Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.

3.3.7.2 Members' commenting on the agency and Executive Officer performance must be done collectively and in regard to explicit Board policies.

3.3.8 Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board Member to speak for the Board unless provided in policy, *or specifically authorized by the board through an officially passed motion of the Board*.

3.4 POLICY Annual Board Planning Cycle (formerly BG-006)

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda cycle which (a) drives exploration of Ends concerns, (b) continually improves board performance through board education and enriched input and deliberation, and (c) re-examines the relevance of the underlying values that support existing policy.

3.4.1 The board calendar shall generally follow this sequence:

Jan-March	Ownership Linkage Activity
April-May:	Environmental Scan and Strategic Imperatives Review with Board.
May--	Board Retreat
June –	Develop Board's Cost of Governance, *per Policy 3.8*
July –	24 month Ends Interpretation and Metrics are presented for review for reasonableness and further input on Mission, Capital, Market, Growth, Products, Alliances
September-	Budget Board review and approval *if in alignment with the budget policy 2.3*.
November –	Annual Evaluation of the EO after review of Ends and Executive Limitations monitoring reports received in the last year.
December –	Approval of the annual plan of Board work.

3.4.2 Performance assessment will follow the policy monitoring calendar established in Appendix A for both operational performance on Ends and Executive Limitations and Board performance against Governance Process and Board Management Delegation policies.

3.4.3 The cycle will start with the board's development of its own strategic exploration agenda for the next year.

3.4.3.1. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged by August 31 to be held during the balance of the next fiscal year.

3.4.3.2. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be engaged by October 31 to be held during the balance of the fiscal year.

3.4.4 The Board will formally review all Board policies annually for consideration of relevance and consistence with Policy Governance.

Commented [SR1]: This policy was approved Mar 14, 2025

3.5 POLICY: Board Chair Role (formerly BG-005)

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

Accordingly:

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

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

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

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

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

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

3.6 POLICY: Board Committee Principles (formerly BG-010)

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 (formerly BG-001)

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.

Audit Committee *appointed on Mar 14, 2025 needs membership, authority, deliverables delineated.*

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 March 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.

Section 4: Board-Management Delegation

4.0 POLICY: Global Board-Management Delegation (formerly BG-002)
The Board's official connection to the operational organization, its achievements and conduct will be through its chief executive officer, titled Executive Officer, however, the Fiscal Officer and Chief Compliance Officer shall have direct access to the Board on matters of internal audited compliance with Board policy.

4.1 POLICY: Unity of Control (formerly BG-003)
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.

4.2 POLICY: Accountability of the Executive Officer (formerly EO-001)
The EO is accountable to the board acting as a body. The Board will instruct the EO through written policies or directives consistent with Board policies, delegating to the EO the interpretation and implementation of those policies and Ends.
Accordingly:

4.2.1 The Board will not give instructions to persons who report directly or indirectly to the EO.

4.2.2 The Board will not evaluate, either formally or informally, any staff other than the EO.

4.2.3 The board will view EO performance as identical to organizational performance, so that organizational accomplishment of board stated Ends and avoidance of board proscribed means will be viewed as successful EO performance.

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.

4.4 POLICY: Monitoring EO Performance (formerly EO-002)
Monitoring Executive Officer performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of EO performance, formal or informal, may be derived from these monitoring data.
Accordingly,

4.4.1 The purpose of monitoring is to determine the degree to which Board policies are being fulfilled. Information that does not do this will not be considered to be monitoring.

4.4.2 A given policy may be monitored in one or more of three methods with a balance of using all of the three types of monitoring:

- Internal report: Disclosure of compliance information to the Board from the Executive Officer.
- External report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board. Such reports must assess Executive Officer performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.
- Direct Board inspection: Discovery of compliance information by a Board Member, a Committee, or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a "prudent person" test of policy compliance.

4.4.3 Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method.

4.4.4 Each November the Board will have a formal evaluation of the EO. This evaluation will consider monitoring data as defined here and as it has appeared over the calendar year.

4.4.4.1 The Executive Committee, (Chair, Vice Chair, and Secretary), will take data and information from the bulleted documents below upon which the annual performance of the EO will be evaluated. The overall evaluation consists of compliance with Executive Limitations Policies, Ends Interpretation and Ends Monitoring reports and supporting documentation, (as per the Board developed schedule), and follow through on Board requests, (what we ask for in subsequent meetings and what we want to see on the agendas).

For the performance review, the following should be documents given the Executive Committee at least one month prior (October)

- Minutes of all meetings
- Ends Monitoring reports for the past year along with the Ends Interpretation for each Ends Monitoring report
- Any supporting Ends documentation
- Ends Monitoring Calendar
- Other policies monitoring calendar

Appendix A: Southwest Michigan Behavioral Health Board Policy Review Calendar Year 2024

Policy Number	Policy Name	Board Review	Reviewer	
Board Governance (Policy Review)				
1.0 et al	Board Ends and Accomplishments	January	Board	
3.4	Annual Board Planning	April	Board	
3.3	Code of Conduct	February	Board	
3.7	Committee Structure	March	Board	
3.6	Board Committee Principles	April	Board	
3.1	Governing Style & Commitment	May	Board	
	Open Meetings Act and Freedom of Information Act	June	Board	
3.2	Board Member Job Description	September	Board	
3.8	Cost of Governance	?	Board	
3.5	Board Chair Role	December	Board	
Direct Inspection (Reports)				
2.3	Budgeting	March	Naccarato	GG
2.7	Compensation and Benefits	August	Barnes	AW
2.4	Financial Conditions	October	Csokasy	GG
2.6	Investments	August	Sherban	GG
2.2	Treatment of Staff	August	Perino	AW
2.1	Treatment of Plan Members	September	Csokasy	AW/SA
2	Global Executive Constraints	July	Meny	BC
2.9	Communication and Counsel	September	Schmelzer	BC
	RE 501 (c) (3) Representation	November	Sherban	BC
2.5	Asset Protection	December	Krogh	
2.8	EO Emergency Succession	October	?	GG

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Board-Staff Relationship (Policy Review)			
4.4	Monitoring Executive Performance	November	Board
4.2.	Executive Role & Job Description	September	Board
4.1	Unity of Control	August	Board
4.3	Delegation to the EO	July	Board
V 8.14.23			
Board Approved			

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Governance	Policy Number: BG-001	Pages: 1
Subject: Committee Structure	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☐ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
03.14.2014	10/11/24	3.13.15, 3/11/16, 3/10/17, 3/9/18,1/11/19, 1/10/20, 1/8/21, 1/14/22, 4/14/23

I. **PURPOSE:**
To define a SWMBH Board Committee.

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

III. **STANDARDS:**
1. The Board will charge the committee formed.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board- Policy Global Board	Policy Number: BG-002	Pages: 1
Subject: Management Delegation	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☐ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
11.18.2013	07.12.24	8.08.14, 08.14.15. 8.12.16, 8.11.17, 8.10.18, 08.09.19,08.14.20, 9.10.21, 07.14.23

I. **PURPOSE:**
To establish official connections with SWMBH Executive Officer and other SWMBH staff.

II. **POLICY:**
The Board's sole official connection to the operational organization, its achievements and conduct will be through its chief executive officer, titled Executive Officer. *The Fiscal Officer and Chief Compliance Officer shall have direct access to the Board.

III. **STANDARDS:**
*Verbatim from Bylaws: 7.1 Executive Officer. The Regional Entity shall have at a minimum an Executive Officer, and a Fiscal Officer. The Regional Entity Board shall hire the Executive Officer; and the Executive Officer shall hire and supervise the Fiscal Officer. Both positions shall have direct access to the Regional Entity Board

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board- Policy Board-Management	Policy Number: BG-003	Pages: 1
Subject: Delegation Unity of Control	Required By: Policy Governance	Accountability: SWMBH Board
Application: ☒ SWMBH Governance Board ☐ SWMBH EO		Required Reviewer: SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
11.18.2013	8.9.24	11.14.14, 11.13.15, 11.11.16, 11.10.17,11.9.18, 11.8.19, 11.13.20, 11.12.21,11.11.22,8.11.23

I. **PURPOSE:**

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

II. **POLICY:**

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.

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.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy- Board Governance/ Management	Policy Number: BG-005	Pages: 2
Subject: Board Chair Role	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☐ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 12.20.2013	**Last Review Date**: 1.10.25	**Past Review Dates**: 11.14.14, 12.11.15, 12.9.16, 12.8.17,12.14.18, 12.13.19,12-11-20, 12.10.21, 12.9.22,12.8.23

I. **PURPOSE:**

To establish the role of the Chair of the SWMBH Board.

II. **POLICY:**

It shall be the policy of the SWMBH Board to abide by its bylaws in the management of its business affairs. The Chair shall preside at all SWMBH Board meetings.

The Chair shall have the power to perform duties as may be assigned by the Regional Entity Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Regional Entity Board directs otherwise.

III. **STANDARDS:**

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

a. The result of the Chair's job is that the Board acts consistently with its own rules and those legitimately imposed upon it from outside the organization.
   1. Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
   2. Information that is neither for monitoring Board or enterprise performance nor for Board decisions will be avoided or minimized.
   3. Deliberation will be fair, open, and thorough, but also timely and orderly.

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

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

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

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

* Verbatim from the Bylaws:

4.9 Special Meetings. Special meetings of the Regional Entity Board may be held at the call of the Chair of the Regional Entity Board or, in the Chair's absence, the Secretary, or by a simple majority of the Regional Entity Board members.

6.1 Officers. The Officers of the Regional Entity Board shall be the Chairperson, the Vice Chairperson, and the Secretary. Only Officers of the Regional Entity Board can speak to the press as representatives of the Regional Entity.

6.2 Appointment. Officers will be elected by a majority vote of the Regional Entity Board members, and must be a representative of the Participant's Board.

6.3 Term of Office. The term of office of Officers elected in 2013 shall be through March 30, 2014. Thereafter the term of office of Officers shall be annual April to March with annual April Officer elections. Election of Officers of the Regional Entity Board shall occur annually, or in case of vacancy.

6.5 Removal. The Regional Entity Board will be able to remove any Regional Entity Board Officer by a super majority (75% of attendees) vote of Regional Entity Board members present at a meeting where a quorum is present and shall constitute an authorized action of the Regional Entity Board.

6.6 Chair. The Chair shall preside at all Regional Entity Board meetings. The Chair shall have the power to perform duties as may be assigned by the Regional Entity Board. The Chair shall perform all duties incident to the office.

6.7 Vice Chair. The Vice Chair shall have the power to perform duties that may be assigned by the Chair or the Regional Entity Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Regional Entity Board directs otherwise. The Vice Chair shall perform all duties incident to the office.

6.8 Secretary. The Secretary shall: (a) ensure that minutes of Regional Entity Board meetings are recorded; (b) be responsible for providing notice to each Regional Entity Board Member as required by law or these Bylaws; (c) be the custodian of the Regional Entity records; (d) keep a register of the names and addresses of each Officer and Regional Entity Board Member; (e) complete all required administrative filings required by the Regional Entity's legal structure; and (f) perform all duties incident to the office and other duties assigned by the Regional Entity Board.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Management/Governance	Policy Number: BG-007	Pages: 2
Subject: Code of Conduct	Required By: Policy Governance	Accountability: SWMBH Board
Application: ☒ SWMBH Governance Board ☐ SWMBH Executive Officer (EO)		Required Reviewer: SWMBH Board
Effective Date: 01.10.2014	Last Review Date: 2/14/25	Past Review Dates: 1.09.15, 1/8/16, 1/13/17, 2/9/18,1/11/19, 1/10/20, 1/8/21, 1/14/22,2/10/23,2/9/24

I. **PURPOSE:**

The Board commits itself to ethical, lawful, and businesslike conduct including proper use of authority and appropriate decorum when acting as Board Members.

II. **POLICY:**

It shall be the policy of SWMBH Board that SWMBH Board Members represent the interests of Southwest Michigan Behavioral Health. This accountability supersedes any potential conflicts of loyalty to other interests including advocacy or interest groups, membership on other Boards, relationships with others or personal interests of any Board Member.

III. **STANDARDS:**

1. Members will follow the SWMBH Conflict of Interest Policy

2. Board Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
    a. Members' interaction with the Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
    b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board Member to speak for the Board unless provided in policy.
    c. Members' commenting on the agency and Executive Officer performance must be done collectively and as regards to explicit Board policies.

3. Members will respect the confidentiality appropriate to issues of a sensitive nature including, but not limited, to those related to business or strategy.

4. Confidentiality: Board Members shall comply with the Michigan Mental Health Code, Section, 330.1748, & 42 CFR Part 2 relative to substance abuse services, and any other applicable privacy laws (Materials can be found by contacting the SWMBH Compliance Department)

5. Members will be properly prepared for Board deliberation.

6. Member will support the legitimacy and authority of the final determination of the Board on any matter, without regard to the Member's personal position on the issue.

7. Delegation of Authority: SWMBH Board will use due care not to delegate substantial discretionary authority to individuals whom they know, or should have known through due diligence, have a propensity to engage in illegal activities.

8. Excluded Individuals: Persons who have been excluded from participation in Federal Health Care Programs may not serve as Board Members. The Board Member becomes responsible for notifying the SWMBH Compliance Department if they believe they will become an excluded individual. The Board Member is responsible for providing information necessary to monitor possible exclusions. SWMBH shall periodically review Board Member names against the excluded list per regulatory and contractual obligations.

9. Members will read and seek to understand the SWMBH Compliance Plan and Code of Conduct.

    A. Members have a duty to report to the SWMBH Chief Compliance Officer any alleged or suspected violation of the Board Code of Conduct or related laws and regulations by themselves or another Board Member.
    B. Members may seek advice from the Board Chairman or the SWMBH Chief Compliance Officer concerning appropriate actions that may need to be taken in order to comply with the Code of Conduct or Compliance Plan.
    C. Reporting Suspected Fraud: SWMBH Board must report any suspected "fraud, abuse or waste" (consistent with the definitions as set forth in the Compliance Program Plan) of any SWMBH funding streams.
    D. Failure to comply with the Compliance Plan and Board Code of Conduct may result in the recommendation to a Participant CMH Board for the member's removal from the SWMBH Board.
    E. Members will participate in Board compliance trainings and educational programs as required.
    F. SWMBH Board will establish at SWMBH, and encourage throughout its region, cultures that promote prevention, detection, and resolution of instances of misconduct in order to conform to applicable laws and regulations.
    G. SWMBH Board Members shall cooperate fully in any internal or external Medicaid or other SWMBH funding stream compliance investigation.

"Conflict of Interest" (Definition): means any actual or proposed direct or indirect financial relationship or ownership interest between the Board Member and any entity with which SWMBH has or proposes to have a contract, affiliation, arrangement or other transaction.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Governance	Policy Number: BG-008	Pages: 1
Subject: Board Member Job Description	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 03.14.2014	**Last Review Date**: 9/13/24	**Past Review Dates**: 2.13.15, 2/12/16, 1/13/17,2/9/18,9/13/19,9/11/20, 09/10/21, 10/14/22,9/08/23

I. **PURPOSE:**
To define the role and responsibility of the SWMBH Board.

II. **POLICY:**
Specific job outputs of the Board, as informed agents of ownership, are those that ensure appropriate organizational performance.

III. **STANDARDS:**
To distinguish the Board's own unique job from the jobs of its staff, the Board will concentrate its efforts on the following job "products" or outputs:

1. The link between Southwest Michigan Behavioral Health and Participant counties.

2. Written governing policies which, at the broadest levels, address:
   a. Accomplishments/Results/Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which needs at what cost).
   b. Executive Limitations: Constraints on executive authority, which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
   c. Governance Process: Specification of how the Board conceives carries out and monitors its own task.
   d. Board-EO Delegation: How Board expectations are assigned and properly monitored; the EO role, authority and accountability.

3. The assurance of organizational and EO performance.

IV. **ORIENTATION:**
New Board Members shall be required to complete an initial orientation for purposes of enhancing their knowledge of the roles and responsibilities of SWMBH as an agency, and their understanding to assist in governance decision-making.

Specifically, they shall be provided the following information:

- **Governance Documents (Hierarchical)**
  o SWMBH Board Bylaws
  o SWMBH Operating Agreement
  o Michigan Consortium of Healthcare Excellence Bylaws (MCHE)

- **Ends, Proofs and Strategy**
  o Previous and Current Years' SWMBH Board Ends and Proofs

- **Context**
  o SWMBH General PowerPoint
  o Current SWMBH Board Meeting Calendar and Roster

In addition, new Board Members will be offered a live/remote briefing for each functional area leader.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Governance	Policy Number: BG-011	Pages: 2
Subject: Governing Style and Commitment	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
04.11.2014	5.10.24	04.11.15, 05.08.15, 5.13.16, 12.9.16, 5.12.17, 5.11.18, 5.10.19, 5.8.20,5.14.2, 06.10.22, 6.9.23

I. **PURPOSE:**

The SWMBH Board will engage in continual refinement of its values and vision, guaranteeing the accountability of SWMBH through monitoring of performance.

II. **POLICY:**

The Board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive roles, (e) collective rather than individual decisions, (f) future rather than past or present focus, and (g) proactivity rather than reactivity.

III. **STANDARDS:**

Accordingly, the SWMBH Board shall:

1. Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual member to substitute for the judgment of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.

2. Direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts, not on administrative or programmatic means of attaining those effects.

3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will observe those currently in force.

4. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

5. Allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling group obligations.

6. The Board will monitor and discuss the Board's process and performance periodically. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

7. Follow the SWMBH Conflict of Interest Policy.

8. When a Member either must recuse themselves or chooses to recuse themselves from voting on a Board decision their prior potential vote count will be removed from the vote tally denominator.

   When a Member abstains from voting on a Board decision their potential vote count will not be removed from the vote tally denominator.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: BEL-001	Pages: 1
Subject: Budgeting	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 02.14.2014	**Last Review Date**: 4/12/24	**Past Review Dates**: 8.8.14, 11/13/15, 1/13/17, 1/12/18,1/11/19,1/10/20, 2/12/21, 3/11/22, 4/14/23

I. **PURPOSE:**

II. **POLICY:**
Budgeting any fiscal year or the remaining part of any fiscal year shall not deviate from Board Accomplishments/Results/Ends priorities, risk fiscal jeopardy, or fail to be derived from multi-year plan.

III. **STANDARDS:**
Accordingly the Executive Officer may not allow budgeting which;

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

2. Plans the expenditures in any fiscal year of more funds than are conservatively projected to be available for that period.

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

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

5. Cannot be shared with the Board on a monthly basis.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy- Executive Limitation	Policy Number: BEL-003	Pages: 2
Subject: Asset Protection	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH Executive Officer (EO)		**Required Reviewer:** SWMBH Board
Effective Date: 02.14.2014	**Last Review Date**: 1.10.25	**Past Review Dates**: 11.14.14, 12.11.15, 12.9.16, 12.8.17,12.14.18, 12.13.19, 12.11.20, 3/11/22, 12/9/22,12.8.23

I. **PURPOSE:**
To establish a policy for asset protection, and financial risk management.

II. **POLICY:**
The Executive Officer shall not cause or allow corporate assets to be unprotected, inadequately maintained, or unnecessarily risked.

III. **STANDARDS:**
Additionally, the Executive Officer shall not;

1. Subject facilities and equipment to improper wear and tear or insufficient maintenance.

2. Fail to protect intellectual property, information and files from loss or significant damage.

3. Fail to insure adequately against theft and casualty and against liability losses to Board Members, Staff, and the Organization itself.

4. Compromise the independence of the Board's audit or other external monitoring or advice, such as by engaging parties already chosen by the Board as consultants or advisers.

5. Endanger the Organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

6. Change the organization's name or substantially alter its identity in the community.

7. Allow un-bonded personnel access to material amounts of funds.

8. Unnecessarily expose the Organization, its Board, or Staff to claims of liability.

9. Make any purchases:
    i. Wherein normally prudent protection has not been given against conflict of interest

ii. Inconsistent with federal and state regulations related to procurement using SWMBH funds.
iii. Of more than $100,000 without having obtained comparative prices and quality
iv. Of more than $100,000 without a stringent method of assuring the balance of long-term quality and cost.
v. Of split orders to avoid these criteria.

10. Receive, process, or disburse under controls that are insufficient to meet the Board-appointed auditor's standards.

11. Invest or hold operating capital and risk reserve funds in instruments that are not compliant with the requirements of Michigan Public Act 20.

Southwest Michigan
BEHAVIORAL HEALTH

Section:	Policy Number:	Pages:
Board Policy	BEL-004	1
Subject:	**Required By**:	**Accountability:**
Treatment of Staff	Policy Governance	SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
03.14.2014	8/9/24	12/12/14, 3/11/16, 4/14/17, 4/13/18, 5/10/19, 5/8/20, 9/10/21,9/9/22,8/11/23

I. **PURPOSE:**

To clearly define the Treatment of SWMBH staff by SWMBH.

II. **POLICY:**

With respect to the treatment of paid and volunteer staff, the EO shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

III. **STANDARDS:**

Accordingly the EO may not:

1. Operate without written personnel rules that:
   a. Clarify rules for staff
   b. Provide effective handling of grievances and
   c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

2. Retaliate against any staff member for expression of dissent.

3. Fail to acquaint staff with the EO interpretation of their protections under this policy.

4. Allow staff to be unprepared to deal with emergency situations.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy	Policy Number: BEL-005	Pages: 1
Subject: Treatment of Plan Members	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 12.20.2013	**Last Review Date**: 09/13/24	**Past Review Dates**: 12/12/14, 1/8/16, 3/10/17, 3/18/18,8/9/19,08/14/20, 9/10/21, 10/14/22,9/8/23

I. **PURPOSE:**

To clearly define the Treatment of Plan Members by SWMBH

II. **POLICY:**

With respect to interactions with Plan members, the SWMBH EO shall not allow conditions, procedures, or processes which are unsafe, disrespectful, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy.

III. **STANDARDS:**

Accordingly the EO may not:

1. Use forms or procedures that elicit information for which there is no clear necessity.

2. Use methods of collecting, reviewing, or storing plan member information that fail to protect against improper access to the information elicited.

3. Fail to inform the Board of the status of uniform benefits across the region or fail to assist Participant CMHs towards compliance.

4. Fail to provide procedural safeguards for the secure transmission of Plan members' protected health information.

5. Fail to establish with Plan members a clear contract of what may be expected from SWMBH including but not limited to their rights and protections.

6. Fail to inform Plan members of this policy or to provide a grievance process to those plan members who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: BEL-006	Pages: 1
Subject: Investments	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 04.12.2024	**Last Review Date**: 4/12/24	**Past Review Dates**:

I. **PURPOSE:**

To establish a policy guiding investments.

II. **POLICY:**

The EO shall not cause or allow investment strategies or decisions that pursue a high rate of interest at the expense of safety and liquidity.

III. **STANDARDS:**

The Executive Officer shall not

1. Make investment decisions without consultation and guidance with an independent qualified investment advisor.

2. Ignore these priority values in investment decisions:

   - Preservation of principal
   - Generation of income
   - Long term growth of principal
   - Protection from bank failures

3. Invest or hold capital in insecure instruments except where necessary to facilitate ease in operational transactions.

4. Invest without establishing a comparative benchmark to demonstrate investment performance.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy Executive Limitations	Policy Number: BEL-007	Pages: 1
Subject: Compensation and Benefits	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 05.09.2014 08.15.2022	**Last Review Date**: 8/9/24	**Past Review Dates**: 11/13/15, 1/13/17, 2/9/18, 4/12/19,6/12/20, 7/09/21, 8/12/22, 8/11/23

I. **PURPOSE:**

To clearly define the parameters for compensation and benefits for SWMBH staff.

II. **POLICY:**

With respect to employment, compensation and benefits to employees, consultants, contract workers, Interns and volunteers, the Executive Officer (EO) shall not cause or allow jeopardy to financial integrity or to public image. SWMBH shall be at or near the 75th percentile on compensation and benefits and at or near the 85th percentile on agency culture and employee satisfaction.

III. **STANDARDS:**

Accordingly, The EO will not:

1. Change the EO's own compensation and benefits.

2. Promise permanent or guaranteed employment. Time-limited Executive Employment and Professional Services Agreements with termination clauses are permissible.

3. Establish current compensation and benefits which:
   a. Deviate materially from the geographic and professional market for the skills employed.
   b. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
   c. Fail to solicit or fail to consider staff preferences.

4. Establish or change retirement benefits so the retirement provisions:
   a. Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs.
   b. Provide less than some basic level of benefits to all full-time employees. Differential benefits which recognize and encourage longevity are not prohibited.
   c. That are instituted without prior monitoring of these provisions.
   d. Make revisions to Retirement Plan documents without prior Board approval.

e. Implement employer discretionary contributions to staff without prior Board approval.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: BEL-008	Pages: 2
Subject: Communication and Counsel to the Board	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH Executive Officer (EO)		**Required Reviewer:** SWMBH Board
Effective Date: 01.10.2014	**Last Review Date**: 09.13.24	**Past Review Dates**: 10.12.14, 10.09.15, 10.14.16, 10.13.17, 10.12.18, 10.11.19,10.9.20, 09.10.21, 10.14.22,9.08.23

I. PURPOSE:

To make appropriate decisions the board must be provided with accurate, timely and relevant information.

II. POLICY:

The Executive Officer shall not cause or allow the Board to be uninformed or unsupported in its work.

III. STANDARDS:

The EO will not;

1. Neglect to submit monitoring data required by the Board in Board Policy and Direction in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including Executive Officer interpretations as well as relevant data.

2. Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.

3. Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.

4. Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.

5. Allow the Board to be unaware that, in the Executive Officer's opinion, the Board is not in compliance with its own policies, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Officer.

6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.

7. Allow the Board to be without a workable mechanism for official Board, Officer, or Committee communications.

8. Deal with the Board in a way that favors or privileges certain Board Members over others, except when fulfilling individual requests for information or responding to Officers or Committees duly charged by the Board.

9. Fail to submit to the Board a consent agenda containing items delegated to the Executive Officer yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.

Southwest Michigan
BEHAVIORAL HEALTH

Section:	Policy Number:	Pages:
Board- Policy Executive Limitations	BEL-009	1
Subject: Global Executive Constraint	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
11.18.2013	07.12.24	9.12.14, 9.11.15, 9.9.16, 8.11.17,9.14.18,9.13.19,09.11.20,09.10.21, 09.09.22, 07.14.23

I. **POLICY:**

The Executive Officer (EO) shall not cause or allow any practice, activity, decision, or organizational circumstance which is either illegal, imprudent or in violation of commonly accepted business and professional ethics or in violation of contractual obligations.

III. **STANDARDS:**

1. The EO is accountable to the Board acting as a body. The Board will instruct the EO through written policies or directives consistent with Board policies, delegating to the EO the interpretation and implementation of those policies and Ends.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: BEL-010	Pages: 1
Subject: Regional Entity 501 (c)(3) Representation	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 02.13.2015	**Last Review Date**: 10/11/24	**Past Review Dates**: 2.13.15, 3.11.16, 10.14.16, 10.13.17, 10.12.18, 11.8.19, 12.11.20, 11/12/21, 11/11/22,11/10/23

I. **PURPOSE:**

To define the SWMBH Executive Officer role and responsibilities in conjunction with SWMBH MCHE membership.

II. **POLICY:**

1. The SWMBH Board has approved SWMBH becoming a member of MCHE; and
2. the EO of SWMBH is hereby authorized to serve as SWMBH's representative and a Director of the MCHE Board, the latter being subject to the approval of the Board Members of MCHE in accordance with its Bylaws; and
3. the EO is hereby authorized and directed to execute and deliver any and all instruments, certificates, agreements, and other documents necessary for SWMBH to hold a membership interest in MCHE; and
4. the SWMBH Board will evaluate on at least an annual basis in October of each year whether SWMBH will continue to hold a membership interest in MCHE or withdraw from such membership.

III. **STANDARDS:**

Accordingly, the Executive Officer as SWMBH representative to MCHE shall:

1. Provide semi-annual written MCHE status reports to the SWMBH Board in April and October; and
2. Provide verbal reports to the SWMBH Board if there are MCHE related items of importance which in the Executive Officer's judgment materially affect favorably or unfavorably SWMBH's core roles, strategy, or finances; and
3. Present MCHE Articles of Incorporation revisions to the Board prior to voting on them; and
4. Present MCHE Bylaws revisions to the Board prior to voting on them and also after the adoption of them by MCHE Board; and
5. Assure that total direct fiscal year annual costs payable to MCHE shall not exceed $5,000, absent prior official approval of the Board except for group purchases which in the EO's judgement are required and have more favorable terms through MCHE than an independent purchase by SWMBH. In the event of an urgent payment required, EO shall contact SWMBH Board Chair for guidance.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: EO-001	Pages: 1
Subject: Executive Role and Job Description	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
03.14.2014	9.13.24	10.12.14, 10.9.15, 10.14.16, 10.13.17, 9.14.18,10.11.19,9.11.20, 9.10.21, 11.11.22,9.8.23

I. **PURPOSE:**

To define the executive role and job description.

II. **POLICY:**

The EO is accountable to the board acting as a body. The Board will instruct the EO through written policies or directives consistent with Board policies, delegating to the EO the interpretation and implementation of those policies and Ends.

III. **STANDARDS:**

Accordingly:

1. The Board will not give instructions to persons who report directly or indirectly to the EO.

2. The Board will not evaluate, either formally or informally, any staff other than the EO.

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: EO-002	Pages: 2
Subject: Monitoring of Executive Officer Performance	Required By: Policy Governance	Accountability: SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		Required Reviewer: SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
03.14.14	1.10.25	07.11.2014, 03.13.15, 05.13.16 11.11.16, 11.10.17, 11.9.18, 10.11.19, 11.13.20, 11.12.21, 11.11.22,11.10.23

I. **PURPOSE:**

To ensure Executive Officer performance is monitored and evaluated.

II. **POLICY:**

Monitoring Executive Officer, EO, performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of EO performance, formal or informal, may be derived from these monitoring data.

III. **STANDARDS:**

Accordingly,

1. The purpose of monitoring is to determine the degree to which Board policies are being fulfilled. Information that does not do this will not be considered to be monitoring.

2. A given policy may be monitored in one or more of three ways; with a balance of using all of the three types of monitoring:
   a. Internal report: Disclosure of compliance information to the Board from the Executive Officer.
   b. External report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board. Such reports must assess Executive Officer performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.
   c. Direct Board inspection: Discovery of compliance information by a Board Member, a Committee or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a "prudent person" test of policy compliance.

3. Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method.
   a. Internal

b. External
c. Direct Inspection

4. Each November the Board will have a formal evaluation of the EO. This evaluation will consider monitoring data as defined here and as it has appeared over the calendar year.

5. The Executive Committee, (Chair, Vice Chair, and Secretary), will take data and information from the bulleted documents below upon which the annual performance of the EO will be evaluated. The overall evaluation consists of compliance with Executive Limitations Policies, Ends Interpretation and Ends Monitoring reports and supporting documentation, (as per the Board developed schedule), and follow through on Board requests, (what we ask for in subsequent meetings and what we want to see on the agendas). For the performance review the following should be documents given the Executive Committee at least one month prior, (October), to the Board EO evaluation, (November).
   - Minutes of all meetings
   - Ends Monitoring reports for the past year along with the Ends Interpretation for each Ends Monitoring report
   - Any supporting Ends documentation
   - Ends Monitoring Calendar
   - Other policies monitoring calendar

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy	**Policy Number:** EO-003	**Pages:** 1
Subject: Emergency EO Succession	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date: 06.13.2014	**Last Review Date**: 10.11.24	**Past Review Dates**: 11.14.14, 9.11.15, 9.9.16, 11.11.16, 11.10.17,10.12.18, 11.8.19, 11.13.20, 10.8.21, 8.12.22,10.13.23

I. **PURPOSE:**

In order to protect the Board from sudden loss of Executive Officer services.

II. **POLICY:**

In order to protect the Board from sudden loss of the Executive Officer services, the Executive Officer will have no less than two executives identified to the Board sufficiently familiar with Board and Executive Officer issues and processes to enable them to take over with reasonable proficiency as an interim Executive Officer if called upon by the Board.

Southwest Michigan
BEHAVIORAL HEALTH

2025 Information Technology Services Update

Presented by Natalie Spivak, Chief Information Officer

June 13,2025

IT Roles & Responsibilities

- Geek Squad
- Genius Bar
- Think Tank

Geek Squad

- Information Security
  - Daily review of firewall logs, e-mail quarantine, phishing attempts
  - Procurement of Managed Detection and Response Software
- Help Desk and User Support
  - Implementation of FreshService software

- Hardware Management –25 new laptops replacing failed and out of warranty devices
- Software Administration – Windows updates, User provisioning, Application support
- Network & Infrastructure Management – Troubleshooting Internet services, switches, access points
- Vendor management – Review of contracts, new 3 yr. MSP agreement signed
- Website Management – Website workgroup monthly meeting
- Knowledge Management & Collaboration – MS Teams, SWMBH Commons administration

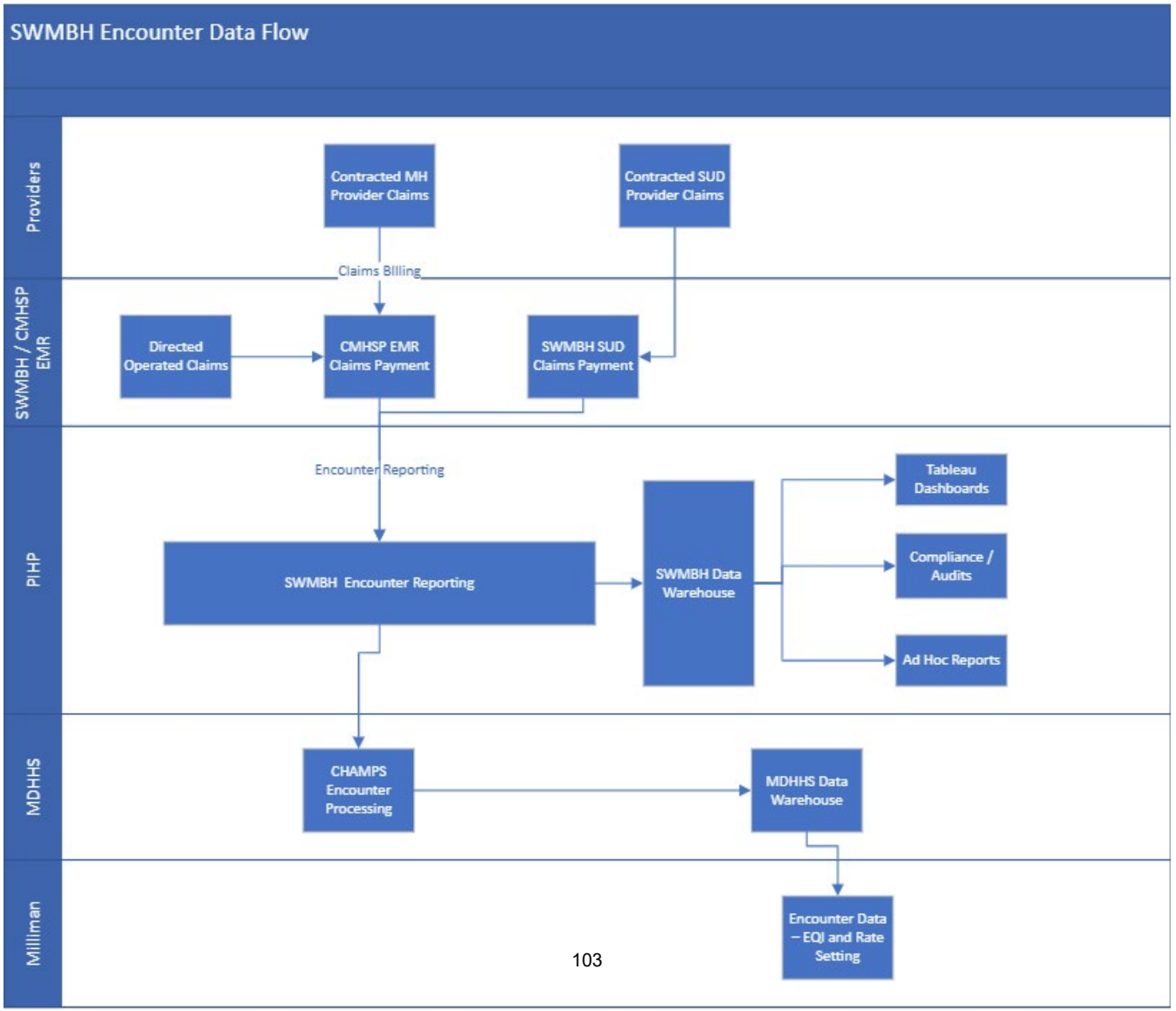
Genius Bar

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

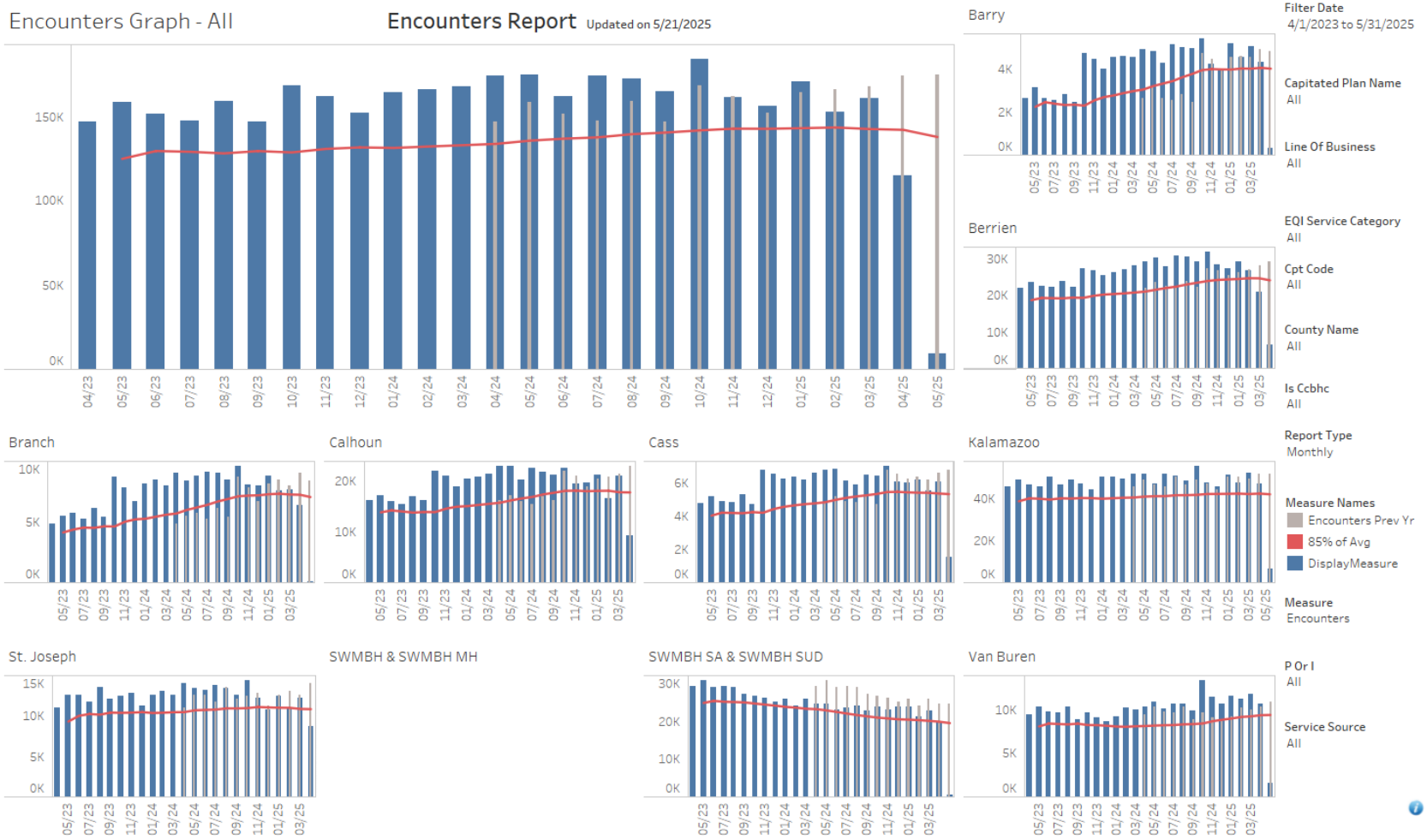
Think Tank

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

Encounter Data Flow



MH Encounters

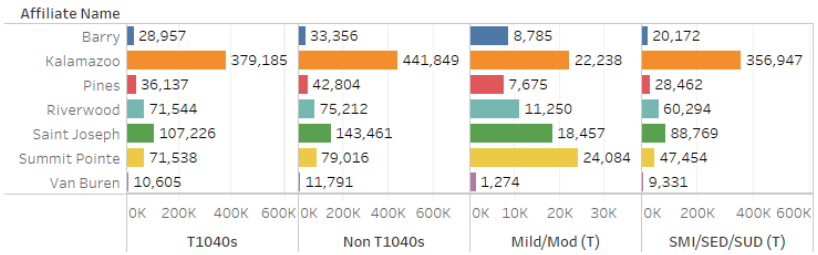


CCBHC Since Inception

Service From Date
10/1/2021 to 3/4/2025

Fiscal Year Code
- [x] FY2022
- [x] FY2023
- [x] FY2024
- [x] FY2025

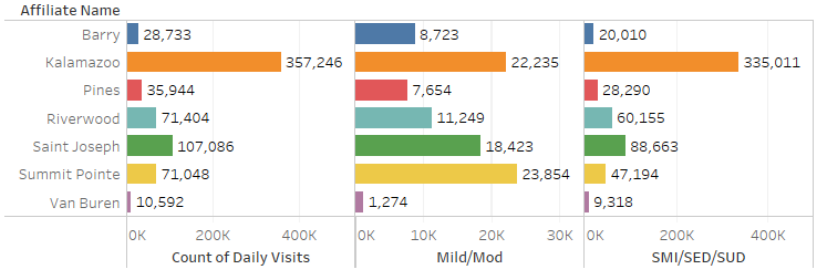
T1040 Count Graphs



T1040s Count Table

Affiliate Name	T1040s	Non T1040s	Mild/Mod (T)	SMI/SED/SUD (T)
Barry	28,957	33,356	8,785	20,172
Kalamazoo	379,185	441,849	22,238	356,947
Pines	36,137	42,804	7,675	28,462
Riverwood	71,544	75,212	11,250	60,294
Saint Joseph	107,226	143,461	18,457	88,769
Summit Pointe	71,538	79,016	24,084	47,454
Van Buren	10,605	11,791	1,274	9,331
Totals	705,192	827,489	93,763	611,429

Daily Visit Count Graphs



Daily Visits Count Table

Affiliate Name	Count of Daily Visits	Mild/Mod	SMI/SED/SUD
Barry	28,733	8,723	20,010
Kalamazoo	357,246	22,235	335,011
Pines	35,944	7,654	28,290
Riverwood	71,404	11,249	60,155
Saint Joseph	107,086	18,423	88,663
Summit Pointe	71,048	23,854	47,194
Van Buren	10,592	1,274	9,318
Totals	682,053	93,412	588,641

Data last updated: [5/20/2025 11:26:38 AM]

T1040 – Count of CCBHC accepted encounters with a T1040 procedure code
Non T1040 – Count of CCBHC accepted encounters with a procedure code other than T1040
Count of Daily Visits – Count of unique client/days with a CCBHC accepted encounter
Mild/Mod Count – count of CCBHC accepted encounters with a Mild/Moderate modifier & a T1040 procedure code

BHTEDS – Mental Health

FY25 MH Encounters w/BH-TEDS records

Encounters: 10/01/2024 - 02/28/2025 **BH-TEDS: 07/01/2023 - 04/21/2025**

Region Name	Submitter ID	Distinct Count of Individuals With Non-H0002 & Non-Crisis, Non-OBRA Assessment & Non-Transportation	Distinct Count of Individuals With Non-H0002, Non-Crisis, Non-Health Home, Non-OBRA Assessment & Non-Transportation Encounters But NO BH-TEDS Record Since 07/01/2023	Current Completion Rate
CMH Partnership of SE MI	00XT	9,409	139	98.52%
Detroit/Wayne	00XH	48,937	2,877	94.12%
Lakeshore Regional Entity	00ZI	16,789	459	97.27%
Macomb	00GX	11,634	85	99.27%
Mid-State Health Network	0107	34,961	1,119	96.80%
NorthCare Network	0101	5,176	18	99.65%
Northern MI Regional Entity	0108	8,652	87	98.99%
Oakland	0058	20,625	302	98.54%
Region 10	0109	18,380	128	99.30%
Southwest MI Behavioral Health	0102	22,482	95	99.58%
Statewide		197,045	5,309	97.31%

Key

95.00+ = Compliant

90.00-94.99

85.00-89.99

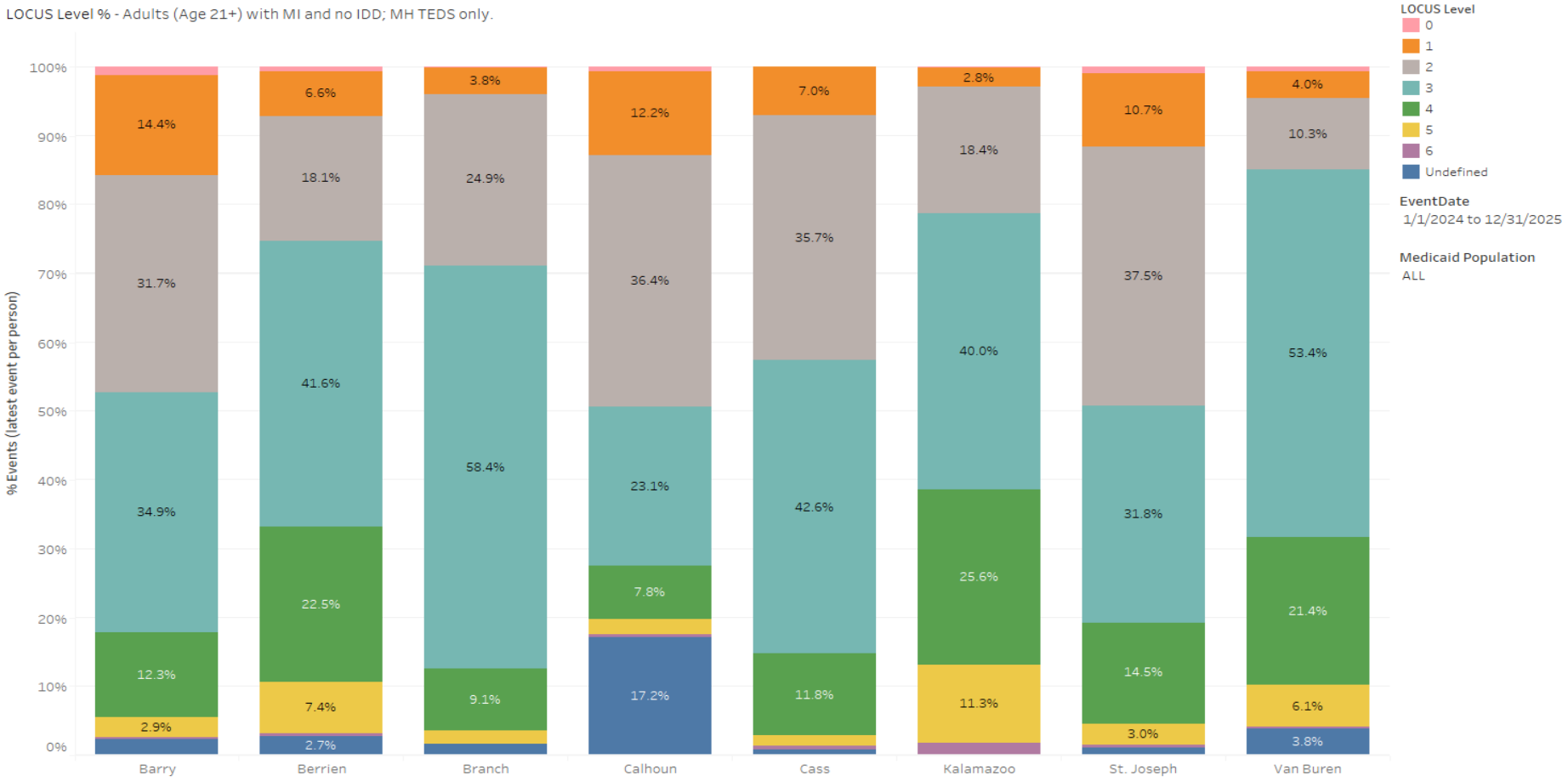
<85.00

*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

BHTEDS Fields used by Milliman in Rate Setting

1. LOCUS Score
2. Legal Status
3. Education Level
4. Special Education
5. School Attendance Status
6. Employment Status
7. Detailed Not in Competitive Labor Force
8. Minimum Wage
9. Substance Use Problem (Primary, Secondary, and Tertiary)
10. Frequency of Use (Primary, Secondary, and Tertiary)
11. Attendance at SU or Co-dependent Self-help Groups in last 30 days
12. Medication-Assisted Opioid Therapy
13. Co-occurring Disorder/Integrated SU and MH Treatment

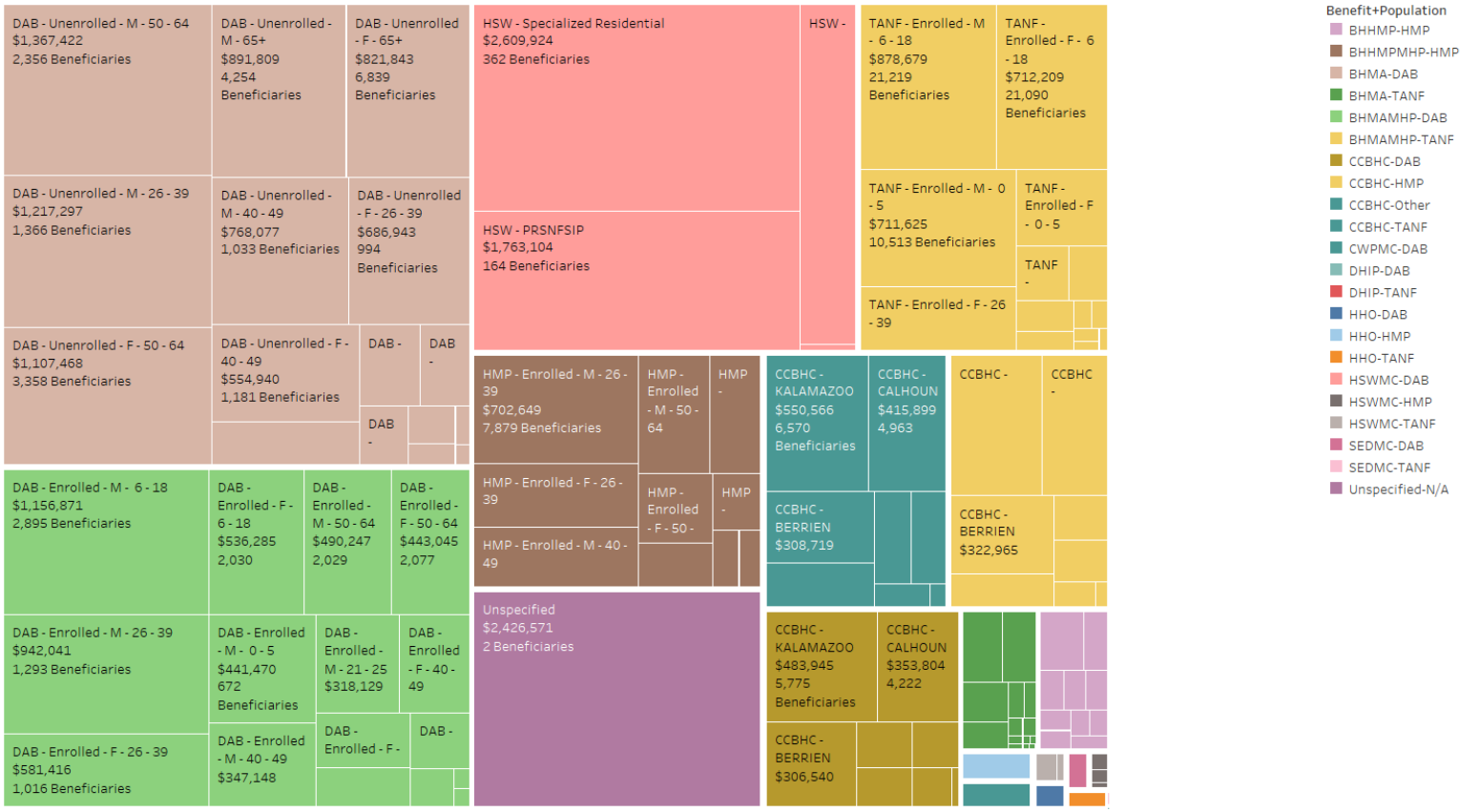
Geographical Risk Factors -Locus



Overall increase in all levels and significant decrease in undefined since last year.

Payment Rate Cell Analysis

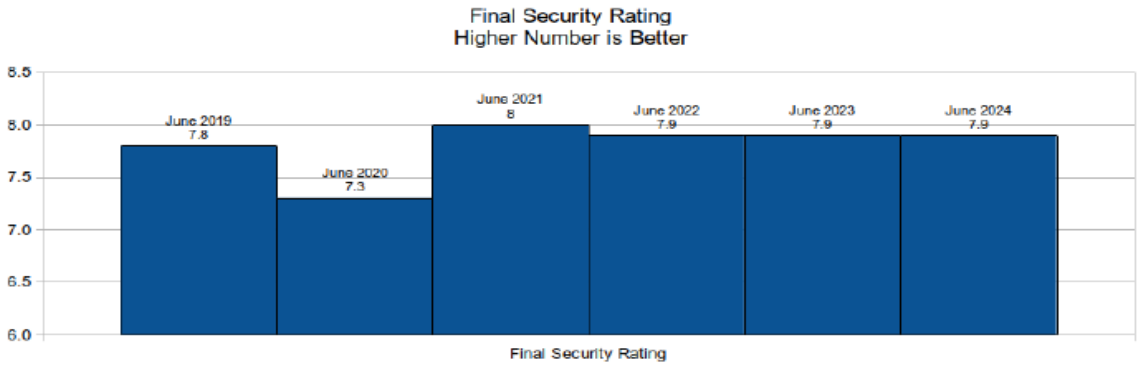
820 Payment Heatmap for April 2025



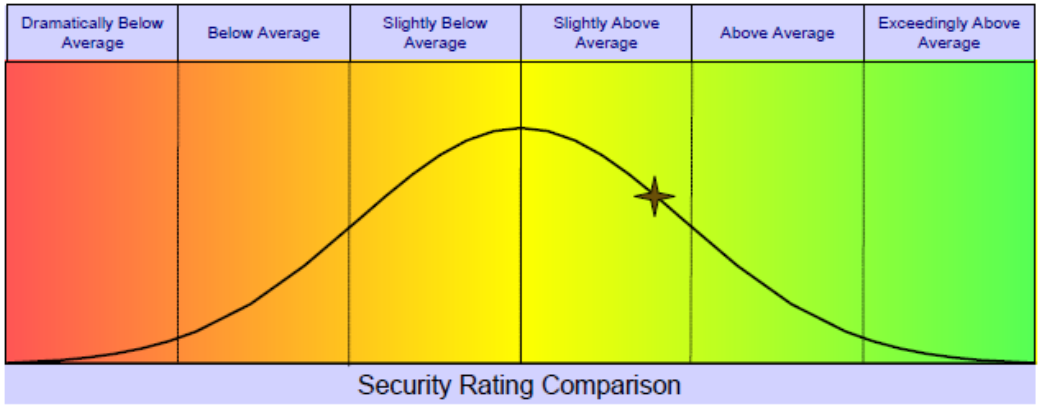
DAB – Disabled, Aged, Blind
TANF – Temporary Assistance for Needy Families
HMP – Healthy Michigan Plan
HSW – Habilitation Supports Waiver
DHIP – Foster Care & CPS Incentive Payment
HHO – Opioid Health Home

Network Penetration Test Results- June 2024

Final Security Rating History



Statistical Distribution



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

Functions of a Managed Care Information System

- Member enrollment and Eligibility
- Claims Processing
- Provider Network Management
- Utilization Management
- Care Management
- Reporting and Analytics
- Customer Service and Support
- Financial Management
- Compliance and Regulatory Reporting
- Integration with other Healthcare systems and external databases to facilitation seamless data exchange and interoperability

MCIS vs. EHR Differences

Managed Care Information System

- Used by administrative staff of managed care organizations, including case managers, claims processors, and healthcare administrators.
- Includes tools for managing health plans, processing insurance claims, managing provider contracts, and analyzing healthcare costs.
- Deals with aggregated data related to populations, insurance plans, cost management, and provider performance.
- Interoperability focuses on data exchange between payers, providers, and other stakeholders involved in managed care operations.
- Measures outcomes related to cost efficiency, resource utilization, and financial performance of health plans.

Electronic Health Record System

- Primarily used by healthcare providers and clinical staff
- Supports direct patient care by providing tools for diagnosis and treatment.
- Deals with detailed, granular patient data on an individual level.
- Interoperability is for sharing patient data across different healthcare settings (hospitals, clinics, pharmacies).
- Measures outcomes related to patient health, clinical effectiveness, and quality of care.

Questions?

SWMBH's Public Policy Plan

This Public Policy Plan serves to support SWMBH's Regional Public Policy Committee and is due to be presented to SWMBH Board June 13, 2025.

The purpose of SWMBH's Regional Public Policy Committee is:

> To establish a regional shared structure and process to guide and improve SWMBH's and CMHSPs' interaction, relations with and value to state and federal elected and appointed officials and their senior staff.
>
> To develop and express shared views on federal and state health-related Policy for the purpose of educating federal and state elected and appointed officials and their staff on the importance, value, and views of SWMBH CMHSPs.

1. Committee Membership: Executive Sponsors and Steering Committee Co-Chairs: Bradley Casemore, CEO SWMBH & Ric Compton, CEO Riverwood Center
   Expand current Steering Committee membership to include:
   a. SWMBH Board Member(s): Sherii Sherban
   b. SUDOPB Board Member(s): Richard Godfrey
   c. Regional provider representative(s): Current request to Chief Compliance Officer and Chief Clinical Officer for recommendations
   d. Consumer and/or Family Member Representatives from Population Served: Jennifer Leigh & Veronica Brown
   e. SWMBH staff: Ella Philander, Executive Project Manager; Michelle Jacobs, Sr. Operations Specialist Rights Advisor; Jen Strebs, Clinical Quality Specialist; and Jake Smith, Business Analysis

   Alan Bolter, CMHAM is a recurring ad hoc guest.

2. Guidelines for Documents and Infographics: Communications and products will include both talking points and infographics for use in advocacy efforts. While CMHA has provided quality documents for these purposes, SWMBH will provide customized documents highlighting the unique regional challenges faced in our region. Documents will comply with the following:
   a. Communicate clear asks of legislative individuals, MDHHS, and advocacy groups
   b. Provide information about the regional mental health and SUD services and system in digestible format for the general public, media, and legislative groups
   c. Address the current and ongoing budgetary concerns and the pending competitive procurement
   d. Share information about the impact our system and providers have on persons served and highlight the success of our provider network.

3. Communication Plan
    a. County level
    b. State level: Face-to-Face visits with regional legislators, when appointments are scheduled recommendation to have a provider who can provide stories of persons served, SWMBH representative, CMH representative. Recommendation to contact individuals on the appropriations committees as well as members of the majority.
    c. Federal level
    d. Regional Level
        i. State of the Region webinars will be held a minimum of three times per year for CMH Boards, SUD Oversight Board, and SWMBH Board
        ii. Written regional status reports will be provided to CMH Boards quarterly
        iii. Bulletins will be provided and presented to all regional committees at minimum twice a year
        iv. An annual report will be developed for CMH Boards and other regional stakeholders

4. Document Management and Development
    a. Develop a space on SWMBH Commons to house communications and products
        i. CMHAM documents
        ii. SWMBH developed documents
    b. Develop Talking Points for Distribution on an ongoing as needed basis
    c. Develop bulletins on an as needed basis to be shared regionally and with external stakeholders

5. Media advocacy: At present SWMBH CEO has represented SWMBHs interests individually and with CMH CEOs at various times.

6. Allying with other organizations

7. Legal Strategy

Southwest Michigan
BEHAVIORAL HEALTH

For SWMBH Board
Fiscal Year 2026 Budget
Assumptions and Targets
-DRAFT-

 June 13, 2025

Budget Assumptions

- Federal Threats to Medicaid Funding
- State Threats to PIHP Funding
- Direct Payment to CCBHC's
- PIHP's Role with CCBHC's
- Mandatory Reductions of Managed Care Expenditures
- Regional Revenue Rates
- 0% Provider Rate Increases
- Inpatient Provider Rate Reductions
- Quality Withhold Earnings – Must Maximize

Contingent Revenues

- CMHSP's Incentive Payments
  - MDHHS Incentive Payments (DHIP) – $465,952
  - CCBHC Quality Bonus Payment (QBP) – $3,422,650

- PIHP Incentive Payments
  - Performance Bonus Incentive Pool (PBIP) – $2,134,267
  - Opioid Health Home (OHH)
    - Surplus Retained – $ 250,000
    - Payment for Performance (P4P) – $5,000

Financials

FY 2024 Actual Results

- FY 24 Internal Service Fund Balance (ISF): $93,803
- FY 24 Medicaid Savings Funding: $0
- FY 24 SWMBH Risk: $23,649,426
- FY 24 MDHHS Risk: $10,647,512

FY2025 Year end Projections

- Projected FY25 Deficit: $25.9M
- Projected FY25 Savings: $0
- Projected FY25 ISF Balance: $0M

SWMBH Multi Year Financial Performance

Medicaid and HMP Margin

	FY22		FY23		FY24		FY25***		Total	
	Margin $	Margin %	Margin $	Margin %	Margin $	Margin %	Margin $	Margin %	Margin $	Margin %
Barry	$ 969,640	7.3%	$ 473,482	3.4%	$ 1,258,381	11.3%	$ 3,263,879	11.3%	$ 5,965,382	8.9%
Berrien	$ 5,009,494	8.9%	$ (1,990,016)	-3.5%	$ (4,950,594)	-10.2%	$ (3,744,575)	-10.2%	$ (5,675,691)	-2.9%
Branch	$ 1,900,252	12.0%	$ 296,307	1.9%	$ (1,308,367)	-10.2%	$ 149,388	-10.2%	$ 1,037,580	2.4%
Calhoun	$ 1,368,891	2.6%	$ (6,575,064)	-12.1%	$ (5,379,742)	-11.4%	$ (3,136,488)	-11.4%	$ (13,722,404)	-7.5%
Cass	$ 1,452,080	8.7%	$ (3,229,283)	-18.6%	$ (4,616,767)	-27.1%	$ (4,698,721)	-27.1%	$ (11,092,692)	-16.2%
Kalamazoo	$ 4,035,562	5.9%	$ (288,502)	-0.4%	$ (9,828,387)	-13.6%	$ (12,254,161)	-13.6%	$ (18,335,488)	-6.0%
St. Joseph	$ 284,278	1.7%	$ (4,691,977)	-32.5%	$ (4,142,273)	-24.5%	$ (3,008,473)	-24.5%	$ (11,558,446)	-19.2%
Van Buren	$ 277,370	1.0%	$ (3,224,111)	-11.4%	$ (4,506,221)	-16.3%	$ 117,173	-16.3%	$ (7,335,789)	-8.9%
CMH Total	$ 15,297,567	5.7%	$ (19,229,164)	-7.0%	$ (33,473,971)	-13.2%	$ (23,311,978)	-11.1%	$ (60,717,547)	-6.0%

***FY25 Projected from data through P7 FY25

Notes: Margins are Medicaid and Healthy Michigan Plan combined.

version 6/2/2025

Managed Care Expense

Entity	FY 25 Budgeted Amount	Percent of Total Managed Care Admin.
Barry CMHA	$ 891,123.36	2%
Berrien CMHA	$ 4,853,007.00	13%
Pines Behavioral	$ 910,877.56	3%
Summit Pointe	$ 5,120,028.64	14%
Woodlands Behavioral	$ 1,485,493.00	4%
Integrated Services of Kalamazoo	$ 7,349,837.58	20%
Pivotal CMHA	$ 1,791,409.54	5%
Van Buren MHA	$ 2,373,995.44	7%
SWMBH Central	$ 11,577,749.17	32%
Total Managed Care Administration	$ 36,353,521.30	100%

Medicaid Cost per Member
FY24 vs FY25 (7/25 YTD)

	FY24YTD	FY25YTD	Chg $	Chg%
• *Barry	$83.6	$75.5	($8.1)	(10.7%)
• Berrien	$137.0	$154.5	$17.5	11.3%
• *Branch	$114.2	$114.2	($0)	(0%)
• Calhoun	$125.1	$134.3	$9.2	6.9%
• Cass	$174.0	$203.2	$29.2	14.4%
• Kalamazoo	$151.9	$175.0	$23.1	13.2%
• St. Joseph	$123.1	$136.9	$13.8	10.1%
• *Van Buren	$151.6	$138.0	($13.6)	(9.9%)
• SWMBH Ctl	$10.8	$13.9	$3.1	22.3%
• Regional	$147.7	$163.3	$15.6	9.6%

Healthy Michigan Cost per Member
FY24 vs FY25 (7/25 YTD)

	FY24YTD	FY25YTD	Chg $	Chg%
• *Barry	$32.0	$31.0	($1.0)	(3.2%)
• Berrien	$25.0	$29.3	$4.3	14.7%
• Branch	$33.0	$42.0	$9.0	21.4%
• Calhoun	$41.7	$42.9	$1.2	2.8%
• Cass	$51.8	$57.1	$5.3	9.3%
• Kalamazoo	$23.5	$29.2	$5.7	19.5%
• St. Joseph	$35.4	$40.1	$4.7	11.7%
• *Van Buren	$44.0	$31.6	($12.4)	(39.2%)
• *SWMBH Ctl	$23.1	$15.3	($7.8)	(51.0%)
• *Regional	$55.6	$50.4	($5.2)	(10.3%)

Drivers of Medicaid Expenditures

- Population Demographics
- Severity of Illness
- Intensity of Service
- Internal CMH vs. External Provider Service Expense
- Low Supply/High Demand for all Staff and Provider Types
- Type, Amount, Scope, and Duration of Care
- Effectiveness & Efficiency of Central Managed Care and Delegated Managed Care Functions
- Uniformity of Benefit (Medicaid Requirement)
- Population Demands for Services
- Aging I/DD population and aging natural supports

Expense Drivers

- Individual Customers' Budgets
  - Person Centered Plan
  - Medical Necessity Supported by Functional Assessment
  - Effective Service Delivery Model
  - Fidelity to Evidence Based Practices with Proper Client Matching
- Increased Utilization
- Utilization Management Standards – Consistent Application
- Productivity Benchmarks
- Penetration Targets

FY 2026 Budget Targets

- Aggregate Medical Loss Ratio continue to push to be to at the target of 90% or less
- Aggregate Administrative Cost Ratio 9.0% or less for Specialty Services
- Central Operations < 4.% of Gross Revenues
- Replenish Internal Service Fund to $25M at 7.5% of Medicaid revenue

FY 2026 Budget Targets

- Material expense reductions in administrative and program costs across the region (SWMBH and CMHSPs).
- Mandatory reduction in managed care functions and expense reduction opportunities across the region.
- Regional initiatives in capacity and competencies for high-cost service avoidance, delay, diminished utilization, and discharge.
- Development of regional local funds use plan for Board consideration to ensure solvency of CMHSP's.
- Develop value added resources, create efficiencies and position SWMBH to be the premier support agency for services providers.

QUESTIONS?