

# Southwest Michigan

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## BEHAVIORAL HEALTH

### Board Meeting Minutes

July 10, 2026

5250 Lovers Lane, Suite 200, Portage, MI 49009

2:00 pm-3:30 pm

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**Members Present:** Sherii Sherban, Tom Schmelzer, Michael Seals, Allen Edlefson, Tina Leary, Carol Naccarato, Bill Mattson

**Members Present via MS Teams:** None

**Members Absent:** Jeff Kniaz, Kayla Wiesnieski

**Guests Present:** Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Alena Lacey, Chief Clinical Officer, SWMBH; Ella Philander, Executive Project Manager, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Alison Strasser, Interim Compliance Officer, SWMBH; Jeannie Goodrich, Summit Pointe; Sue Germann, Pines BH; Michael Mallory, Woodlands; Rich Thiemkey, Barry County CMH; Beth Skaggs, Varnum LLC

**Guests Present via MS Teams:** Cameron Bullock, Pivotal; Gail Patterson-Gladney, Board Alternate; Jon Houtz, Board Alternate

### Welcome Guests

Sherii Sherban called the meeting to order at 2:09pm.

### Public Comment

None

### Agenda Review and Adoption

Motion Tom Schmelzer moved to approve the agenda with one revision of moving the Executive Officer Agreement to the end of the agenda.

Second Michael Seals

Motion Carried

### Financial Interest Disclosure (FID) Handling

Aliso Alison Strasser stated that SWMBH received documentation appointing Bill Mattson to the SWMBH Board and waiving the inherent conflict. Bill Mattson completed the SWMBH Financial Interest Disclosure Statement and disclosed only the inherent conflict of interest arising from his simultaneous service to both SWMBH and Barry County CMH Board.

Motion Tom Schmelzer moved that the Board is not able to obtain a more advantageous transaction or arrangement with someone other than Bill Mattson, that the conflict of interest disclosed is not

so substantial as to be likely to impact the integrity of the services the Board can expect to receive from Bill Mattson, and a conflict of interest waiver should be granted.

Second Allen Edlefson  
Motion Carried

### **Consent Agenda**

Motion Michael Seals moved to approve June 12, 2026, Board meeting minutes; June 5, 2026, Board Finance Committee meeting minutes; and June 24, 2026, Operations Committee meeting minutes as presented

Second Tom Schmelzer  
Motion Carried

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

Garyl Guidry presented Period 8 financial statements as documented and noted:

- Period 8 all eligibles are down
  - Certification letter states \$848,685,000 revenue vs. \$338,435,000 received
  - Revenue, expenses and balance reviewed
  - \$15.2 million surplus in Medicaid
  - \$3.5 million deficit in Health Michigan Plan
  - Net surplus of \$11 million
  - PA2 and PA2 fund balances reviewed
  - \$19 million surplus, should be \$29 million
  - MDHHS stated a mid-year rate adjustment will be issued (they did not reveal when or how much)
  - Conversations with MDHHS on deficit elimination plan ongoing. Encouraging conversations but no decision from MDHHS. MDHHS sorting out legal pieces of elimination plan and will continue to meet with SWMBH monthly
  - Period 9 Variance Report reviewed noting HMP, TANF and DABS down
  - Period 9 surplus is \$10.8 million less than certification letter
- Discussion followed

### **Fiscal Year 2027 Budget**

Garyl Guidry stated that the Fiscal Year 2027 is under development. The difficulty is developing a budget without known revenue or rates from MDHHS. Provider rate increases are being considered with a plan to have a draft budget completed by August 7, 2026. The State budget for 2027 was passed but HR1 clarifications are delaying the revenue and rate release.

### **Operations Committee Update**

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

## **CMH Board Updates**

Barry-County Commission named 2 new members, CCBHC gaining traction.

Berrien- decline in enrollment, Medicaid cuts, be healthy program and recent storms

Branch-Board met with a quorum and approved the compliance reports, reviewing SAMSHA grants for CCBHC

Calhoun- closed on the property to expand parking lot

Cass-N/A

Kalamazoo-Board met with a quorum with a new member. Still openings on the board. Beth Ann Meints taking over. Concerns with 2027 revenue and emerging RFP (ground hog day)

St. Joseph-business as usual. CCBHC is growing, new building project continues and parking issues ongoing

Van Buren-Board has not met this month

## **Ends Metrics Updates**

None

## **Required Approvals**

### **Operating Agreement**

Mila Todd reported as documented noting the Operations Committee reviewed and found no revisions necessary at this time. Should a RFP go through then the Operating Agreement could be revised then.

Motion Tom Schmelzer moved to approve the Operating Agreement as presented.

Second Bill Mattson

Motion Carried

## **Board Actions to be Considered**

### **MCIS System-Management Recommendation**

Mila Todd reported as documented reviewing process, observations, pricing, transition timeline, environmental influencers and management recommendation. Discussion followed.

Motion Allen Edlefsen moved that based on the totality of the evaluation, the SWMBH Board agrees to adopt the transition of SWMBH's MCIS to PCE Systems as presented in the packet and approves the Interim CEO to move ahead with the process.

Second Michael Seals

Motion Carried

## **Board Policy Review**

None scheduled

## **Executive Limitations Review**

None scheduled

## **Board Education**

None scheduled

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

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

Mila Todd reported as documented and noted the following:

- State DTMB posted intent to issue a RFP in August
- Plaintiffs filed an appeal, MDHHS responded on 7/14/26 and plaintiffs' response due 8/4/26

- The House Budget boilerplate was not included in the final 2027 Budget Discussion followed.

#### **Governor Whitmer Announcement**

Mila Todd reported as documented.

#### **Intergovernmental Agreement**

Mila Todd reported as documented.

#### **2026 Board Attendance and Board Roster**

Document included in the packet for the Board's review.

#### **MCHE Wakely SOW**

Mila Todd reported as documented. Discussion followed.

#### **Jeff Patton's Retirement Celebration**

Mila Todd noted a map for directions to Jeff Patton's retirement celebrations following the Board meeting.

#### **August Board Policy Direct Inspection**

2.2 Treatment of Staff (J. Kniaz). Board agreed to watch a video from Susan Radwan prior to her attending the October Board meeting for a 4-hour training immediately following the Board meeting.

#### **Public Comment**

None

#### **Closed Session**

Motion Michael Seals moved to go into closed session per the Open Meetings Act of Michigan PA 267 of 1976 Section 15.268 (1) (a) to consider the Executive Officer Agreement

Second Tom Schmelzer

Roll Call

Sherii Sherban yes

Tom Schmelzer yes

Michael Seals yes

Allen Edlefson yes

Tina Leary yes

Carol Naccarato yes

Bill Mattson yes

Motion Carried

#### **Open Session**

Motion Tom Schmelzer moved to go back into open session at 3:34pm

Second Bill Matteson

Roll Call

Sherii Sherban yes

|                 |     |
|-----------------|-----|
| Tom Schmelzer   | yes |
| Michael Seals   | yes |
| Allen Edlefson  | yes |
| Tina Leary      | yes |
| Carol Naccarato | yes |
| Bill Mattson    | yes |
| Motion Carried  |     |

### **Executive Officer Employment Agreement**

Motion Carol Naccarato moved to approve the draft employment contract with changes on section 2b1 regarding termination for cause to change the vote to the majority of the entire Board required and to reimburse the Executive Officer premiums that alternate polices discussed in 3b1b with the effective date of 7/10/26.

Second Tom Schmelzer

Roll Call

|                 |     |
|-----------------|-----|
| Sherii Sherban  | yes |
| Tom Schmelzer   | yes |
| Michael Seals   | yes |
| Allen Edlefson  | yes |
| Tina Leary      | yes |
| Carol Naccarato | yes |
| Bill Mattson    | yes |
| Motion Carried  |     |

### **Adjournment**

Motion Tina Leary moved to adjourned at 3:50pm

Second Michael Seals

Motion Carried