



Southwest Michigan Behavioral Health Board Meeting

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July 9, 2021

9:30 am to 11:00 am

(d) means document provided

Draft: 6/30/21

1. **Welcome Guests/Public Comment**
2. **Special Recognition of Mary Ann Bush Upon Her Retirement**
3. **Agenda Review and Adoption (d) pg.1**
4. **Financial Interest Disclosure Handling (B. Casemore)**
 - Marcia Starkey, Calhoun County
5. **Consent Agenda**
 - June 11, 2021 SWMBH Board Meeting Minutes (d) pg.3
6. **Operations Committee**
 - a. Operations Committee Minutes May 26, 2021 (d) pg.7
 - b. Operations Committee Quarterly Report (d) pg. 10
7. **Ends Metrics Updates (*Requires motion)**

Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?

 - * None
8. **Board Actions to be Considered**
 - Remote Board Meetings
9. **Board Policy Review**

Is the Board in Compliance? Does the Policy Need Revision?

 - None
10. **Executive Limitations Review**

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

 - a. BEL-007 Compensation and Benefits (R. Perino) (d) pg.11
 - b. BEL-002 Financial Conditions (S. Barnes) (d) pg.16
 - c. BEL-006 Investments (C. Naccarato) (d) pg.21

11. Board Education

- a. Fiscal Year 2021 Year to Date Financial Statements (T. Dawson) (d) pg.26
- b. Fiscal Year 2022 Budget Assumptions (T. Dawson) (to be displayed)

12. Communication and Counsel to the Board

- a. Provider Network Stability Report (B. Casemore)
- b. Hold the date - October 1 Health Policy Forum/Event (B. Casemore, M. Bush) (d) pg.34
- c. August 13, 2021 Draft Board Agenda (d) pg.36
- d. SWMBH Board Attendance to CMHSPs January – June 2021
- e. Board Member Attendance Roster (d) pg.38
- f. System Transformation Updates (B. Casemore) (d) pg.39
- g. Regional COVID-19 County of Emergency update (d) pg. 43
- h. MI Health Link other potential Plan Partners (B. Casemore)
- i. August Board Policy Direct Inspection – BEL-004 Treatment of Staff (E. Meny); BEL-005 Treatment of Plan Members (E. Krogh)

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
August 13, 2021
9:30 am - 11:00 am**

Southwest Michigan

BEHAVIORAL HEALTH

Draft Board Meeting Minutes
June 11, 2021
9:30 am-11:00 am
GoTo Webinar and Conference Call
Draft: 6/11/21

Members Present via phone:

Edward Meny, Robert Becker, Tom Schmelzer, Terry Proctor, Erik Krogh, Carol Naccarato, Susan Barnes

Guests Present via phone: Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance and Privacy Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance Performance and Improvement, SWMBH; Richard Thiemkey, Barry County CMH; Jeff Patton, ISK; Brad Sysol, Summit Pointe; Sue Germann, Pines BH; Kris Kirsch, St. Joseph CMH; Ric Compton, Riverwood; Michelle Jacobs, Senior Operations Specialist and Rights Advisor, SWMBH; Jackie Wurst, Bear River Health; JJ Grover; Jon Houtz, Pines BH Alternate; Tim Smith, Woodlands; Randy Hyrns, Riverwood Alternate

Welcome Guests

Edward Meny called the meeting to order at 9:30 am.

Public Comment

None

Agenda Review and Adoption

Motion	Erik Krogh moved to accept the agenda as presented.	
Second	Tom Schmelzer	
Roll call vote	Robert Becker	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Terry Proctor	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes

Motion Carried

Financial Interest Disclosure Handling

Mila Todd stated that there were no disclosures.

Consent Agenda

Motion	Robert Becker moved to approve the May 14, 2021 Board meeting minutes as presented.	
Second	Carol Naccarato	
Roll call vote	Robert Becker	yes

Edward Meny	yes
Tom Schmelzer	yes
Terry Proctor	yes
Erik Krogh	yes
Carol Naccarato	yes
Susan Barnes	yes

Motion Carried

Operations Committee

Operations Committee Minutes April 28, 2021

Edward Meny reviewed the minutes as documented. There were no questions, and the minutes were accepted.

Ends Metrics

Fiscal Year 2021 Behavioral Health Treatment Episode Data Set (BH TEDS)

Natalie Spivak reported as documented. This report was a status update and no motioned is required.

Board Actions to be Considered

None

Board Policy Review

BG-012 Open Meeting Act and Freedom of Information Act

Edward Meny reported as documented. Tom Schmelzer and Randy Hyrns asked about notices for public participation while the meetings remain remote. Randy Hyrns shared Berrien County is rescinding its COVID-19 state of emergency order effective July 1, 2021. Jon Houtz added that Branch County is rescinding its state of emergency order the end of June. Jeff Patton added that Kalamazoo County's COVID-19 state of emergency order is in effect until December 31, 2021. Mila Todd addressed the Board to advise them that SWMBH has calendar meetings, and participation instructions on the website for public participation. Discussion followed.

Motion Erik Krogh moved that the Board is in compliance and policy BG-012 Open Meetings Act does not need revision.

Second Robert Becker

Roll call vote	Robert Becker	yes
	Edward Meny	yes
	Tom Schmelzer	yes
	Terry Proctor	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes

Motion Carried

Executive Limitations Review

Reassignment of BEL-002 Financials Conditions

Edward Meny noted Mary Middleton's resignation from the SWMBH Board and asked that another Board member review policy BEL-002 Financial Conditions that was previously assigned to Mary Middleton for review. Susan Barnes stated that she is willing to review policy BEL-002 Financial Conditions.

Reassignment of BEL-004 Treatment of Staff

Edward Meny noted Mary Middleton's resignation from the SWMBH Board and asked that another Board member review policy BEL-004 Treatment of Staff that was previously assigned to Mary Middleton for review. Edward Meny stated that he is willing to review policy BEL-004 Treatment of Staff.

Board Education

Fiscal Year 2021 Year to Date Financial Statements

Tracy Dawson reported as documented, noting Direct Care Wage funds have been received. Discussion followed.

Management Information and Business Intelligence

Natalie Spivak reported as documented. Moira Kean reviewed new population dashboard data which includes tracking services, caseloads, diagnosis, claims, metrics and medications. Discussion followed.

Fiscal Year 2021 Mid-Year Program Integrity and Compliance Report

Mila Todd reported as documented.

MI Health Link Update

Moira Kean reported as documented. Discussion followed.

Communication and Counsel to the Board

Provider Network Stability Report

Mila Todd reported as documented.

Whiteford Behavioral Health Presentation

Mila Todd noted the document in the packet for the Board's review.

May 14, 2021 Board Planning Session notes

Mila Todd noted the document in the packet for the Board's review.

Hold the Date: Friday, October 1, 2021 8:00am to 1:00pm Sixth Annual Health Policy Forum (live event)

Mila Todd noted the document in the packet for the Board's review.

July 9, 2021 Draft Board Agenda

Mila Todd noted the document in the packet for the Board's review.

Board Member Attendance Roster

Mila Todd noted the document in the packet for the Board's review.

Compliance Survey

Mila Todd stated that she will be sending a compliance survey to each Board and Board Alternate member.

Public Comment

Edward Meny thanked Tom Schmelzer for chairing the last two SWMBH Board meetings in his absence and thanked SWMBH staff for all their work and assistance.

Adjournment

Motion Erik Krogh moved to adjourn at 10:55am

Second Carol Naccarato

Unanimous Voice Vote

Motion Carried

DRAFT

Southwest Michigan

BEHAVIORAL HEALTH

Operations Committee Meeting Minutes **Meeting: May 26, 2021 10:00am-1:00pm**

Members Present via phone – Brad Casemore, Jeannie Goodrich, Jeff Patton, Richard Thiemkey, Sue Germann, Kris Kirsch, Tim Smith, Ric Compton, Debbie Hess

Guests present via phone – Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance and Performance Improvement, SWMBH; Joel Smith, Substance Use Treatment and Prevention Director, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Michelle Jacobs, Senior Operations Specialist and Rights Advisor, SWMBH; Sarah Ameter, Manager of Customer Services, SWMBH; Sarah Green, Integrated Healthcare Manager, SWMBH; John Holland, Senior Systems Architect, SWMBH; Brad Sysol, Summit Pointe; Pat Davis, Integrated Services of Kalamazoo; Jane Konyndyk, Integrated Services of Kalamazoo; Laura Vredevelt, TBD Solutions

Call to Order – Brad Casemore began the meeting at 10:15 am.

Review and approve agenda – Agenda approved.

Review and approve minutes from 4/28/21 Operations Committee Meeting – Minutes were approved by the Committee.

CMH Updates – CMHSP CEOs shared current updates and sought input from colleagues focused on response plans to the pandemic, challenges, and regulations. Also highlighted new grants and projects unrelated to the pandemic as well as ongoing struggles with contract agency direct care worker staffing, return to work, MIOSHA and mask requirements.

Fiscal Year 2021 Year to Date Financials – Tracy Dawson reported as documented, noting Andy Aardema developed a report based on coding to separate direct care wage detail from other wage related information. Tracy Dawson will send out report when finalized.

Fiscal Year 2021 Encounters – Tracy Dawson reported as documented.

Standard Cost Allocation (SCA)/EQI/Rate Setting Workgroup Updates – Tracy Dawson noted that CMHSPs are implementing SCA differently and SWMBH is developing a template for SCA submission that will combine SCA and Finch methodology together. EQI due dates from the State have been delayed due to MI Health Link and other changes.

Direct Care Wage (DCW) – Group discussion of increases in direct care wages are not having an impact on staffing shortage. Beds have been lost and providers so not have enough staff to provide certain

services. Providers are not able to attract staff as fast-food establishments are offering higher starting wages that providers are able to offer. A couple of providers reported a 17% and 20% staff vacancy rate. Brad Casemore proposed Regional Finance Committee to quantify the financial impact of various scenarios of current DCW expiring October 1, 2021 and varying adjustments we might be able to apply in FY '21 and FY '22. Focus on <these> services and Regional Provider Network Management Committee to quantify the depth and breadth of provider numbers/"beds-slots" closed or in imminent danger of closing due to their inability to staff their facilities due to inability to attract DCWs. Focus on <these> services. Tracy Dawson and Mila Todd to report findings at June and July Operations Committee meetings. Group agreed.

Public Policy Activity – Brad Casemore announced the next SWMBH Public Policy Event is Friday, October 1, 2021. A draft agenda will be circulated to group and further discussion at the June Operations Committee meeting.

MI Social Welfare Act Statutory changes initiating Specialty Integrated Plans – Brad Casemore noted the plan included in the packet for the groups review.

Fiscal Year 2021 Performance Bonus Incentive Program – Moira Kean and Jonathan Gardner reported as documented. Jonathan Gardner noted that the quantitative narratives have not changed, but the points awarded was reduced 40 points and the maximum number of pages reduced to 10.

H0043 to H2015 – Notes from a May 14th meeting were displayed and then emailed to the group for their use/review. Discussion followed.

MHL 2022 and beyond – Brad Casemore stated that a request for information was released and SWMBH will select a contract by the end of June.

Unenrolled Complex Care Management Proposal – Brad Casemore reported as documented.

Regional Committees – live or remote or both? – Brad Casemore reviewed SWMBH proposed office opening, process, and procedures. The group agreed to discuss further at June Operations Committee meeting.

Operations Committee Self-Evaluation – Brad Casemore noted that the group discussed evaluation and will continue at June's meeting starting at slide 12.

Mental Health Block Grant Update/Status – Moira Kean noted that outreach programs are being developed to address gaps in increased mental health needs. Moira Kean announced ERACCE (Eliminating Racism & Creating/Celebrating Equity) trainings in July to address racial health disparities.

Fiscal Year 2021 PIHP-DHHS Contract Status – Mila Todd stated that Friday's meeting was cancelled due to the holiday weekend, but negotiations and work is ongoing.

Provider Network Stability Report Status – Mila Todd stated that an email reminder was sent requesting report submissions by close of business on May 27th for submission to the State.

Behavioral Health (BH) Treatment Episode Data Set (TEDS) – Brad Casemore noted the information is on the portal for the group's review.

Assessment Tools Status – Brad Casemore noted the information is on the portal for the group’s review.

820 and 834 Exchange Status – John Holland reported as documented. Natalie Spivak stated that Summit Pointe was the only CMHSP to request the information. Jeannie Goodrich thanked SWMBH for their work.

BHDDA SWMBH Audit – Jonathan Gardner presented audit review, schedule, requirements and deliverables. Discussion followed.

CCBHC-SWMBH-TBDS SOW and Work Plan – Moira Kean and Laura Vredevelde reported as documented. Meeting scheduling and coordination ongoing.

Building Better Lives Project Update – Sarah Ameter and Laura Vredevelde reported as documented noting accomplishments up to date.

Opioid Health Homes (OHH) – Joel Smith reported 300 enrollees and a scope of work with Health Management Association has been reached to partner with SWMBH in review process, procedures, and standards in providing OHH services focused first on the OHH clinical model supporting OHH provider partners. Joel Smith also noted that a few clients have successfully met their goals and were discharged from the OHH program.

American Society of Addiction Medicine (ASAM) Continuum of Care Installation – Joel Smith noted that the ASAM tool is the statewide standard assessment tool and must be implemented by 10/1/21. Internal meetings continue and the Community Mental Health Association of Michigan is coordinating upcoming trainings.

COVID-19 Supplemental – Joel Smith stated that SWMBH was awarded 1.3 million block grant dollars through the COVID-19 relief package and the State was awarded \$45 million from the American Rescue Plan. SWMBH is working with the State on guidance for the spending areas.

MPCIP – Brad Casemore noted the document in the packet for the committee’s review.

June 11, 2021 SWMBH Board Agenda – Brad Casemore noted the draft agenda in the packet for the committee’s review.

June 30, 2021 Operations Committee Meeting Agenda – Brad Casemore noted the draft agenda in the packet for the committee’s review.

Adjourned – Meeting adjourned at 12:35pm



**Operations Committee Board Report
Quarterly Report for April, May, June 2021
Board Date 7/9/21**

Action items:

- Conducted and reviewed Operations Committee self-evaluation

Discussion items:

- Multiple topics for information, review and updates are discussed at each meeting as we move to making recommendations for actions. Some recommendations are to SWMBH management and some go to SWMBH Board. Much information and recommendations are taken by Operations members take back to their own CMH's. Some of the topics from this quarter included:
 - Reviewed year to date financial reports, actions being taken to decrease expenditures, and reviewed state level actions which impact financials
 - Reviewed Fiscal Year 2022 Budget Assumptions
 - Reviewed Fiscal Year 2020-2021 Contract Status/Updates
 - Reviewed Fiscal Year 2021 Performance Bonus Incentive Program developments
 - Reviewed Fiscal Year 2020 Performance Bonus Incentive Program Earnings Details
 - Reviewed State changes regarding Medicaid Utilization Net Cost (MUNC)/Encounter Quality Improvement (EQI)
 - Reviewed Fiscal Year 2020 Encounter Volumes
 - Reviewed Assessment Tools and Behavioral Health (BH) Treatment Episode Data Set (TEDS) status
 - Reviewed American Society of Addiction Medicine (ASAM) assessment tool implementation status and Opioid Health Homes (OHH) status
 - Reviewed Habilitation Supports Waiver Releases
 - Reviewed Grant Updates/Status (Block Grant, Opioid Health Homes)
 - Reviewed and discussed various State and Milliman rate setting documents and Cost Allocation Workgroup updates including Standard Cost Allocation
 - Reviewed Health Services Advisory Group (HSAG) Performance Measure Validation (PMV) and External Quality Review
 - Reviewed Provider Stability Plan and MDHHS Funding (CMH General Fund and PIHP Risk Corridor)
 - Reviewed MI Health Link meetings and status
 - Reviewed Direct Care Wage-premium pay legislation and implementation
 - Reviewed status of Substance Use Disorder Oversight Policy Board Intergovernmental Contract Amendment.
 - Reviewed MCHE/MCG Contract renewal status
 - Reviewed Building Better Lives Project
 - Reviewed and discussed of Unenrolled Complex Care Management Proposal
 - Discussion of Center for Medicare and Medicaid Services (CMS) Certified Community Behavioral Health Clinics (CCBHC) Demonstration
 - Discussion of Health Information Exchange (HIE)
 - Reviewed and discussed beginning Health Disparities Data
 - Reviewed MDHHS code changes
 - Discussion of Unenrolled Complex Care Management Proposal
 - Discussion of Carve-In proposals
 - Discussion of remote and face to face meetings
 - Discussion of awarded COIVD supplemental funds
 - Discussion of Provider Network Capacity and Stability issues



Executive Limitations Monitoring to Assure Executive Performance

Policy Number: BEL007
Policy Name: Compensation and Benefits
Board and Report Date: July 9, 2021
Assigned Reviewer: Ruth Perrino

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

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.

Standards: Accordingly, The EO will not:

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

EO Response: The EO has not and cannot change his own compensation and benefits as these are determined by a written Employment Agreement.

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

EO Response: No promises of permanent or guaranteed employment have been made. The SWMBH Employee Manual carries language specifically referring to employment as "at-will.", as follows, "this handbook is intended to describe what is expected of employees and what employees can expect from SWMBH. It does not create an express or implied contract between SWMBH and any employee. While we hope our employment relationship will be long term, either you or SWMBH can end the relationship at any time, with or without notice, with or without reason consistent with "at will" employment status." In addition, professional services contracts include language that allows for cancellation with 15 days written notice for "any reason or no reason" where appropriate.

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.**

EO Response:

- a. Significant geographic professional marketplace study was undertaken by SWMBH using external experts in Summer 2019. Salary grade ranges were adjusted to be in line with the market survey and those persons deemed to be low within their grade based on experience and longevity received salary adjustments in October of 2019 accordingly. The Covid19 pandemic has made hiring very competitive in the behavioral health field especially for those with advanced clinical degrees. SWMBH has just undertaken a new salary market analysis to ensure the ability to remain competitive within the industry and expects to finish that analysis in June of 2021.
- b. No employment or contract obligations have been established which create obligations over a longer term than revenues can be safely projected, none for longer than one year, and all are subject to revision based on reductions in SWMBH revenue.
- c. Staff preferences on compensation and benefits were/are considered during monthly staff meetings and through interactions with Human Resources. In addition, SWMBH has implemented an ongoing cultural insights survey project which asks among other things staff satisfaction with compensation and benefits. A significant increase in satisfaction with Total Compensation was noted from August 2019 to December 2020. Senior Leaders are continuing to address staff concerns and suggestions through the use of this survey.

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.**

EO Response:

- a. No unfunded liabilities exist; all employer contributions to health insurance and retirement benefits are made directly to carriers and

retirement accounts at the time of their obligation. There are no unpredictable costs as Retirement Plans are explicit about eligibility, vesting, employer obligations and a prospective Board-approved budget.

- b. There is a package of full-time employee benefits which rises above a “basic level” description. Differential benefits such as increased PTO by length of service exist; these are common and were approved by the Board ad hoc Committee at inception of SMWBH.
- c. All employee compensation and benefits were established against this Policy and its parameters. All amendments to the Retirement plans were reviewed and developed by SWMBH Labor Counsel, Varnum LLP, and subsequently approved by the SWMBH Board, as necessary.

Attachments:

2019 Employee Manual

HRM Cultural Insights Pulse Survey December 2020

FY2020 New Employee Benefit Summary

-END

Review of BEL007 Compensation and Benefits

Thank you to Anne Wickham who sent me materials, answered questions, and made this first review both easy and interesting. I went through the EO response. I looked at the independent study done by Rose Street which evaluated and graphed staff responses to work satisfaction, climate, sense of value to organization, pay levels, etc. I looked at the handbook which thoroughly sets down employee roles and expectations. These are lengthy but well phrased and explained. Anne assured me new employees get extensive orientation. I questioned the small rise in employee satisfaction and, of course, COVID adaptations factored into this but the independent reviews were all trending upward and started at good levels. These were done last year. I was particularly impressed that when a study was done to evaluate salary compensation, any not meeting the standard were immediately adjusted upward. I think all of this speaks well of a good work environment with employees understanding the importance of the role they each play. The main take away from the questionnaire by Rose Street is that many employees hope that some combination of in place and remote working will be considered long term. With careful review of the policy itself and corresponding materials, I find that the Board is in compliance and Policy BEL007, Compensation and Benefits, does not need revision. Ruth Perino, July 9, 2021

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: <input type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 05.09.2014	Last Review Date: 6/12/20	Past Review Dates: 11/13/15, 1/13/17, 2/9/18, 4/12/19

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.

**Executive Limitations
Monitoring to Assure Executive Performance
Board Meeting: July 9, 2021**

Policy Number: BEL-002

Policy Name: Financial Conditions

Assigned Reviewer: Susan Barnes

Purpose: The Executive Officer shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a budget plan.

Policy: 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 deviation of actual expenditures from Board priorities established in policies.

This report addresses fiscal year 2020, October 1, 2019 to September 30, 2020. As expected, any material exceptions noted after September 30, 2020 to close of current year would be provided to the Board regardless of the reporting period.

Standards: Accordingly, the EO may not;

1. Expend more funds than have been received in the fiscal year to date, (including carry forward funds from prior year), unless the Board's debt guideline is met.

EO Response: *SWMBH has not expended more funds than have been received for the reviewed fiscal year.*

In fiscal year 2020, October 1, 2019 to September 30, 2020, SWMBH received gross revenues, (all types), of \$297,201,704 million. Expenses during the period, (all types), were \$283,361,299 million and a favorable difference of \$13,840,405 million.

Please see 2020 Financial Audit as presented to the Board in May for a detailed breakdown by contract/business line/funding streams. Recall that Medicaid and Medicaid-Healthy Michigan are entitlements with cost settled risk contracts with MDHHS. Substance Abuse Prevention and Treatment Block Grant and PA2 are not entitlements and are funded with a do-not-exceed grant contract from MDHHS.

2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues in accordance with Board approved schedule.

EO Response: *SWMBH has incurred no debt obligations.*

3. Use any designated reserves other than for established purposes.

EO Response: *No designated reserve funds, (Internal Service Fund), have been used for any purpose other than that mentioned above. SWMBH has no other contractual or Board-designated reserves.*

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.

EO Response: *No interfund shifting has occurred outside these parameters.*

5. Fail to settle payroll and debts in a timely manner.

EO Response: *Payroll has been paid in a timely manner as evidenced by payroll run reports and absence of staff complaints related thereto. Accounts Payable payment policy is 30 days. All invoices received and deemed accurate for payment were paid within this timeframe, on average 1200 invoices a year.*

6. Allow tax payments or other government-ordered payments of filings to be overdue or inaccurately filed.

EO Response: *Tax payments and other government-ordered payments tax returns have been timely and accurately filed. Tax filings are available upon request.*

7. Fail to adhere to applicable Generally Acceptable Accounting standards.

EO Response: *Per CFO all monthly financial statements were prepared and presented in accordance with generally accepted accounting principles. This was verified by external auditors via their clean opinion.*

8. 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.

EO Response: *No single purchase or commitment of greater than \$100,000 has occurred between October 1, 2019 and September 30, 2020. The EO interprets "purchase or commitment" as acquisition of a product or service which excludes a termination clause.*

9. Purchase or sell real estate in any amount absent Board authorization.

EO Response: *No real estate has been purchased. No real estate is owned.*

10. Fail to aggressively pursue receivables after a reasonable grace period.

EO Response: *Receivables largely include payments from MDHHS which are routine transmissions to us on a regular MDHHS-defined schedule. Immaterial receivables stem from contracts with other agencies who are invoiced promptly and pay promptly.*

Materials available for Review: Fiscal Year 2020 External Audit and Financial Statements (provided at the June 11, 2021 Board meeting).

Ms. Barnes was invited to contact the CEO and/or CFO, to request additional materials, or set a phone or live meeting to discuss.

Enclosures:

- 2020 Audited Financial Statements
- April 30, 2021 Financials

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitation	Policy Number: BEL-002	Pages: 2
Subject: Financial Conditions	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH Executive Officer (EO)		Required Reviewer: SWMBH Board
Effective Date: 02.14.14	Last Review Date: 06.12.20	Past Review Dates: 10.12.14, 02.13.15, 5.13.16, 5.12.17, 6.8.18; 6.14.19

I. **PURPOSE:**

The Executive Officer shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a budget plan.

II. **POLICY:**

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 deviation of actual expenditures from board priorities established in policies.

III. **STANDARDS:**

Accordingly, the Executive Officer may not:

1. Expend more funds than have been received in the fiscal year to date (including carry forward funds from prior year) unless the Board's debt guideline is met.
2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues in accordance with Board approved schedule.
3. Use any designated reserves other than for established purposes.
4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain and otherwise unencumbered revenues within ninety days.
5. Fail to settle payroll and debts in a timely manner.
6. Allow tax payments or other government-ordered payments of filings to be overdue or inaccurately filed.
7. Fail to adhere to applicable generally acceptable accounting standards.

8. 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.
9. Purchase or sell real estate in any amount absent Board authorization.
10. Fail to aggressively pursue receivables after a reasonable grace period.



Executive Limitations
Monitoring to Assure Executive Performance
July 9, 2021

For the period of 01/01/20 to 12/31/20

Policy Number: BEL-006

Policy Name: Investments

Assigned Reviewer: Cathy Naccarato

Purpose: To establish a policy guiding investments.

Policy: It is the policy of SWMBH to invest public funds in a manner which will provide the highest available investment return with reasonable and prudent security while meeting the daily cash flow objectives of the entity and conforming to all State statutes governing investment of public funds.

Standards: Accordingly, the EO may not:

1. Fail to comply with the requirements of Public Act 20 of 1943, as amended. The following types of securities are authorized by Public Act 20 of 1943, as amended:
 - Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
 - Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution as defined in Public Act 20 of 1943 as amended, no more than 60% of the total investment portfolio will be invested in a single security type or with a single financial institution except for funds held in a CDARS account.
 - Commercial paper rated at the time of purchase at the highest classification established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
 - Repurchase agreements consisting of instruments in subdivision V., (A).
 - Banker's acceptances of United States banks.
 - Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
 - Obligations described in subdivision 6.1 through 6.6 if purchased through an interlocal agreement under the Urban Cooperation Act of 1967. 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

- Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
- Investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

EO Response: Based upon review by the CFO we are in compliance with these requirements. Our external audit firm Roslund-Prestage does basic testing around PA 20; their field work began January 18th, 2021 for FY2020 and the results were presented at the May 14th, 2021 Board meeting. There were no external audit findings or recommendations from external auditor for the prior period regarding investments. Please see accompanying detailed Investment Portfolio Summary and our Nationwide SWMBH Retirement and Social Security Alternative accounts. A Retirement Account Investment Fiduciary Review meeting occurred December 15, 2020, with the EO, CFO, CAO and Rose Street Advisors Representatives. Changes recommended were to remove 2 funds that was performing low, this fund had less than a \$14,000 investment, the other funds performed with strong returns during the period in review.

2. Neglect to diversify investment portfolio. Except for U.S. Treasury securities and authorized investment pools as defined in Public Act 20 of 1943 as amended, no more than 60% of the total investment portfolio was invested in a single security type or with a single financial institution except for funds held in a Certificate of Deposit Account Registry Service (CDARS) account.

EO Response: Based upon review by the CFO we have complied with these requirements. Please see accompanying detailed Investment Account Summary for details and proofs. Please note auditors mentioned that SWMBH maintains safe cash holdings which other PIHP's do not make a priority. By protecting funds from institutional insolvency at the FDIC regulatory insurance level we protect the revenue for Plan Member needs.

3. Fail to meet the standard of prudence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

EO Response: All Investments are congruous with the standard of prudence, as evidenced by the actions taken retaining the bulk of our investment in the CDARS program which maintains FDIC insurance as long as they are in the product.

4. Endanger safekeeping of securities.

EO Response: No negotiable securities are kept at SWMBH. Change authority for all Investment Accounts is limited to the EO for Comerica and Nationwide, and both EO and CFO for First National Bank.

5. Avoid providing timely and accurate investment reports.

EO Response: SWMBH management receives regular monthly Investment Portfolio reports from Comerica Bank, First National Bank and Nationwide. These are received and analyzed by the CFO with EO. Reports are made to the Board annually, per Board Policy, and are available to the Board at any time upon request.

Accompanying Materials:

- Fiscal Year 2020 year-end statements:
 - 401(a) Year End Statement (Employer Match)
 - 457(b) Year End Statement (Employee Contribution)
 - Social Security Alternative Year End Statement
- Cash Investment Portfolio (CDs) Year End Balances at 09/30/2020
(Detailed CD start, and maturing date documents are available)

Report and materials were delivered electronically to Board direct inspection assignee Carol Naccarato. Ms. Naccarato was invited to seek additional information or documents, and to initiate contact via phone or in person with EO or CFO.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: BEL-006	Pages: 2
Subject: Investments	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 02.14.2014	Last Review Date: 6.12.20	Past Review Dates: 2.13.15, 2.12.16, 2.10.17, 2.9.18, 6.14.19

I. **PURPOSE:**

To establish a policy guiding investments.

II. **POLICY:**

It is the policy of SWMBH to invest public funds in a manner which will provide the highest available investment return with reasonable and prudent security while meeting the daily cash flow objectives of the entity and conforming to all State statutes governing investment of public funds.

III. **STANDARDS:**

Accordingly the Executive Officer may not:

1. Fail to comply with the requirements of Public Act 20 of 1943, as amended. The following types of securities are authorized by Public Act 20 of 1943, as amended:
 - Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
 - Certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution as defined in Public Act 20 of 1943 as amended, no more than 60% of the total investment portfolio will be invested in a single security type or with a single financial institution with the exception of funds held in a CDARS account.
 - Commercial paper rated at the time of purchase at the highest classification established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
 - Repurchase agreements consisting of instruments in subdivision V., (A).
 - Banker's acceptances of United States banks.
 - Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.
 - Obligations described in subdivision 6.1 through 6.6 if purchased through an interlocal agreement under the Urban Cooperation Act of 1967. 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
 - Investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, MCL 129.111 to 129.118.
 - Investment pools organized under the Local Government Investment Pool Act, 1985 PA

121, MCL 129.141 to 129.150.

2. Neglect to diversify investment portfolio. With the exception of U.S. Treasury securities and authorized investment pools as defined in Public Act 20 of 1943 as amended, no more than 60% of the total investment portfolio will be invested in a single security type or with a single financial institution with the exception of funds held in a Certificate of Deposit Account Registry Service (CDARS) account.
3. Fail to meet the standard of prudence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
4. Endanger safekeeping of securities.
5. Avoid providing timely and accurate investment reports.

	E	F	G	H	J	K	L	M	N	O	P	Q	R	S
1	Southwest Michigan Behavioral Health				Mos in Period									
2	For the Fiscal YTD Period Ended 5/31/2021				P08FYTD21				8					
3	(For Internal Management Purposes Only)													
4	INCOME STATEMENT				TOTAL	Medicaid Contract	Healthy Michigan Contract	Autism Contract	MI Health Link	MH Block Grant Contracts	SA Block Grant Contract	SA PA2 Funds Contract	SWMBH Central	Indirect Pooled Cost
5														
6														
7	REVENUE													
16	Contract Revenue	211,333,891	157,912,163	30,089,945	15,191,336	2,463,383	-	3,764,040	1,289,762	623,261	-	-	-	
17	DHHS Incentive Payments	468,071	468,071	-	-	-	-	-	-	-	-	-	-	
18	Grants and Earned Contracts	162,571	-	-	-	-	162,571	-	-	-	-	-	-	
19	Interest Income - Working Capital	6,845	-	-	-	-	-	-	-	-	6,845	-	-	
20	Interest Income - ISF Risk Reserve	724	-	-	-	-	-	-	-	-	724	-	-	
21	Local Funds Contributions	1,150,795	-	-	-	-	-	-	-	-	1,150,795	-	-	
22	Other Local Income	-	-	-	-	-	-	-	-	-	-	-	-	
23														
24	TOTAL REVENUE	213,122,896	158,380,234	30,089,945	15,191,336	2,463,383	162,571	3,764,040	1,289,762	1,781,624	-	-	-	
25														
26	EXPENSE													
27	Healthcare Cost													
28	Provider Claims Cost	14,415,092	2,575,889	5,000,998	-	2,565,364	46,993	3,249,458	873,958	102,433	-	-	-	
29	CMHP Subcontracts, net of 1st & 3rd party	156,420,363	128,043,390	15,334,932	11,766,048	987,497	-	288,495	-	-	-	-	-	
30	Insurance Provider Assessment Withhold (IPA)	2,215,397	2,215,397	-	-	-	-	-	-	-	-	-	-	
31	Medicaid Hospital Rate Adjustments	1,170,400	1,170,400	-	-	-	-	-	-	-	-	-	-	
32	MHL Cost in Excess of Medicare FFS Cost	-	1,279,366	-	-	(1,279,366)	-	-	-	-	-	-	-	
33														
34	Total Healthcare Cost	174,221,252	135,284,442	20,335,930	11,766,048	2,273,495	46,993	3,537,953	873,958	102,433	-	-	-	
35	Medical Loss Ratio (HCC % of Revenue)	82.3%	85.4%	67.6%	77.5%	92.3%		94.0%	67.8%					
37	Administrative Cost													
38	Purchased Professional Services	262,130	-	-	-	-	-	-	-	262,130	-	-	-	
39	Administrative and Other Cost	5,414,488	-	-	-	-	115,579	107,104	-	5,190,002	1,803	-	-	
40	Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	
41	Depreciation	15,941	-	-	-	-	-	-	-	15,941	-	-	-	
42	Functional Cost Reclassification	-	-	-	-	-	-	-	-	-	-	-	-	
43	Allocated Indirect Pooled Cost	0	-	-	-	-	-	-	-	1,803	(1,803)	-	-	
44	Delegated Managed Care Admin	11,774,358	9,657,149	1,157,579	885,716	73,914	-	-	-	-	-	-	-	
45	Apportioned Central Mgd Care Admin	(0)	4,263,743	663,816	384,074	115,974	5,307	118,984	-	(5,551,898)	-	-	-	
46														
47	Total Administrative Cost	17,466,917	13,920,892	1,821,395	1,269,790	189,888	120,885	226,088	-	(82,021)	0	-	-	
48	Admin Cost Ratio (MCA % of Total Cost)	9.1%	9.3%	8.2%	9.7%	7.7%		6.0%	0.0%	2.9%				
49														
50	Local Funds Contribution	1,150,795	-	-	-	-	-	-	-	1,150,795	-	-	-	
51	PBIP Transferred to CMHPs	-	-	-	-	-	-	-	-	-	-	-	-	
52														
53	TOTAL COST after apportionment	192,838,963	149,205,334	22,157,326	13,035,838	2,463,383	167,878	3,764,040	873,958	1,171,206	0	-	-	
54														
55	NET SURPLUS before settlement	20,283,933	9,174,900	7,932,619	2,155,498	-	(5,307)	-	415,804	610,418	(0)	-	-	
56	Net Surplus (Deficit) % of Revenue	9.5%	5.8%	26.4%	14.2%	0.0%	-3.3%	0.0%	32.2%	34.3%				
58	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-	-	
59	Change in PA2 Fund Balance	(415,804)	-	-	-	-	-	-	(415,804)	-	-	-	-	
60	ISF Risk Reserve Abatement (Funding)	(724)	-	-	-	-	-	-	-	(724)	-	-	-	
61	ISF Risk Reserve Deficit (Funding)	-	-	-	-	-	-	-	-	-	-	-	-	
62	Settlement Receivable / (Payable)	-	7,831,371	(5,675,873)	(2,155,498)	-	-	-	-	-	-	-	-	
63	NET SURPLUS (DEFICIT)	19,867,405	17,006,271	2,256,746	-	-	(5,307)	-	-	609,694	(0)	-	-	
64	HMP & Autism is settled with Medicaid													
65														
66	SUMMARY OF NET SURPLUS (DEFICIT)													
67	Prior Year Unspent Savings	-	-	-	-	-	-	-	-	-	-	-	-	
68	Current Year Savings	17,268,815	15,012,070	2,256,746	-	-	-	-	-	-	-	-	-	
69	Current Year Public Act 2 Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-	
70	Local and Other Funds Surplus/(Deficit)	2,598,589	1,994,202	-	-	-	(5,307)	-	-	609,694	(0)	-	-	
72	NET SURPLUS (DEFICIT)	19,867,405	17,006,271	2,256,746	-	-	(5,307)	-	-	609,694	(0)	-	-	
73														

	F	G	H	I	J	K	L	M	N	O	P	Q	R		
1	Southwest Michigan Behavioral Health				Mos in Period										
2	For the Fiscal YTD Period Ended 5/31/2021				8										
3	(For Internal Management Purposes Only)				ok										
4	INCOME STATEMENT				Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5															
6	Medicaid Specialty Services				HCC%	79.4%	77.3%	77.9%	78.9%	79.2%	75.0%	81.6%	80.4%	79.9%	
7	Subcontract Revenue	157,912,163	9,569,120	148,343,044	6,442,416	29,336,078	8,227,866	26,790,725	8,004,697	45,564,861	9,793,189	14,183,212			
8	Incentive Payment Revenue	468,071	70,422	397,648	14,826	34,417	68,834	111,193	-	132,373	30,181	5,824			
9	Contract Revenue	158,380,234	9,639,542	148,740,692	6,457,242	29,370,495	8,296,699	26,901,918	8,004,697	45,697,234	9,823,371	14,189,037			
10															
11	External Provider Cost	98,930,701	2,575,889	96,354,813	3,481,023	19,149,371	4,385,845	19,245,935	4,474,291	31,918,593	6,065,592	7,634,163			
12	Internal Program Cost	33,330,892	-	33,330,892	2,016,813	6,638,576	1,819,585	6,301,518	1,914,779	5,842,655	3,549,279	5,247,687			
13	SSI Reimb, 1st/3rd Party Cost Offset	(654,817)	-	(654,817)	(7,608)	(126,267)	(35,245)	(195,412)	-	(219,781)	(24,883)	(45,620)			
14	Insurance Provider Assessment Withhold (IPA)	3,385,797	3,385,797	-	-	-	-	-	-	-	-	-			
15	MHL Cost in Excess of Medicare FFS Cost	217,955	217,955	-	-	-	-	-	-	-	-	-			
16	Total Healthcare Cost	135,210,528	6,179,641	129,030,887	5,490,227	25,661,680	6,170,186	25,352,041	6,389,069	37,541,467	9,589,988	12,836,229			
17	Medical Loss Ratio (HCC % of Revenue)	85.4%	64.1%	86.7%	85.0%	87.4%	74.4%	94.2%	79.8%	82.2%	97.6%	90.5%			
18															
19	Managed Care Administration	13,994,806	4,263,743	9,731,063	583,617	1,894,297	542,358	1,716,681	610,589	3,074,563	500,456	808,501			
20	Admin Cost Ratio (MCA % of Total Cost)	9.4%	2.9%	6.5%	9.6%	6.9%	8.1%	6.3%	8.7%	7.6%	5.0%	5.9%			
21															
22	Contract Cost	149,205,334	10,443,384	138,761,950	6,073,845	27,555,977	6,712,543	27,068,721	6,999,659	40,616,030	10,090,444	13,644,731			
23	Net before Settlement	9,174,900	(803,842)	9,978,742	383,397	1,814,518	1,584,156	(166,803)	1,005,038	5,081,204	(267,073)	544,306			
24															
25	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-			
26	Internal Service Fund Risk Reserve	-	-	-	-	-	-	-	-	-	-	-			
27	Contract Settlement / Redistribution	7,831,371	17,810,113	(9,978,742)	(383,397)	(1,814,518)	(1,584,156)	166,803	(1,005,038)	(5,081,204)	267,073	(544,306)			
28	Net after Settlement	17,006,271	17,006,271	-	-	-	-	-	-	-	-	-			
29															
30	Eligibles and PMPM														
31	Average Eligibles	163,780	163,780	163,780	8,741	31,427	9,436	31,107	9,856	42,824	13,492	16,897			
32	Revenue PMPM	\$ 120.88	\$ 7.36	\$ 113.52	\$ 92.34	\$ 116.82	\$ 109.91	\$ 108.10	\$ 101.52	\$ 133.39	\$ 91.01	\$ 104.97			
33	Expense PMPM	\$ 113.88	\$ 7.97	\$ 105.91	\$ 86.86	\$ 109.60	\$ 88.92	\$ 108.77	\$ 88.77	\$ 118.56	\$ 93.49	\$ 100.94			
34	Margin PMPM	\$ 7.00	\$ (0.61)	\$ 7.62	\$ 5.48	\$ 7.22	\$ 20.99	\$ (0.67)	\$ 12.75	\$ 14.83	\$ (2.47)	\$ 4.03			
35															
36	Medicaid Specialty Services														
37	Budget v Actual														
38															
39	Eligible Lives (Average Eligibles)														
40	Actual	163,780	163,780	163,780	8,741	31,427	9,436	31,107	9,856	42,824	13,492	16,897			
41	Budget	150,993	150,993	150,993	7,748	29,128	8,480	28,644	8,958	39,711	12,462	15,862			
42	Variance - Favorable / (Unfavorable)	12,787	12,787	12,787	993	2,299	956	2,463	898	3,113	1,030	1,035			
43	% Variance - Fav / (Unfav)	8.5%	8.5%	8.5%	12.8%	7.9%	11.3%	8.6%	10.0%	7.8%	8.3%	6.5%			
44															
45	Contract Revenue before settlement														
46	Actual	158,380,234	9,639,542	148,740,692	6,457,242	29,370,495	8,296,699	26,901,918	8,004,697	45,697,234	9,823,371	14,189,037			
47	Budget	146,844,675	9,079,766	137,764,908	5,976,192	27,153,081	7,621,276	25,113,423	7,522,825	42,097,411	9,120,264	13,160,436			
48	Variance - Favorable / (Unfavorable)	11,535,559	559,776	10,975,784	481,050	2,217,414	675,423	1,788,495	481,872	3,599,823	703,106	1,028,600			
49	% Variance - Fav / (Unfav)	7.9%	6.2%	8.0%	8.0%	8.2%	8.9%	7.1%	6.4%	8.6%	7.7%	7.8%			
50															
51	Healthcare Cost														
52	Actual	135,210,528	6,179,641	129,030,887	5,490,227	25,661,680	6,170,186	25,352,041	6,389,069	37,541,467	9,589,988	12,836,229			
53	Budget	133,736,704	7,405,000	126,331,704	5,291,375	24,201,113	6,840,504	22,921,849	6,310,182	39,493,736	9,579,449	11,693,495			
54	Variance - Favorable / (Unfavorable)	(1,473,824)	1,225,359	(2,699,183)	(198,853)	(1,460,566)	670,319	(2,430,192)	(78,887)	1,952,269	(10,539)	(1,142,734)			
55	% Variance - Fav / (Unfav)	-1.1%	16.5%	-2.1%	-3.8%	-6.0%	9.8%	-10.6%	-1.3%	4.9%	-0.1%	-9.8%			
56															
57	Managed Care Administration														
58	Actual	13,994,806	4,263,743	9,731,063	583,617	1,894,297	542,358	1,716,681	610,589	3,074,563	500,456	808,501			
59	Budget	14,305,646	4,966,166	9,339,480	394,617	1,782,830	577,986	1,568,221	574,091	3,147,215	599,864	694,654			
60	Variance - Favorable / (Unfavorable)	310,840	702,422	(391,582)	(189,000)	(111,467)	35,628	(148,459)	(36,498)	72,652	99,409	(113,847)			
61	% Variance - Fav / (Unfav)	2.2%	14.1%	-4.2%	-47.9%	-6.3%	6.2%	-9.5%	-6.4%	2.3%	16.6%	-16.4%			

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Southwest Michigan Behavioral Health												
2	For the Fiscal YTD Period Ended 5/31/2021												
3	(For Internal Management Purposes Only)												
4	INCOME STATEMENT												
5													
62													
63	Total Contract Cost												
64	Actual	149,205,334	10,443,384	138,761,950	6,073,845	27,555,977	6,712,543	27,068,721	6,999,659	40,616,030	10,090,444	13,644,731	
65	Budget	148,042,350	12,371,165	135,671,184	5,685,992	25,983,944	7,418,490	24,490,070	6,884,274	42,640,951	10,179,314	12,388,149	
66	Variance - Favorable / (Unfavorable)	(1,162,984)	1,927,782	(3,090,766)	(387,853)	(1,572,034)	705,947	(2,578,651)	(115,385)	2,024,921	88,870	(1,256,581)	
67	% Variance - Fav / (Unfav)	-0.8%	15.6%	-2.3%	-6.8%	-6.1%	9.5%	-10.5%	-1.7%	4.7%	0.9%	-10.1%	
68													
69	Net before Settlement												
70	Actual	9,174,900	(803,842)	9,978,742	383,397	1,814,518	1,584,156	(166,803)	1,005,038	5,081,204	(267,073)	544,306	
71	Budget	(1,197,675)	(3,291,399)	2,093,724	290,200	1,169,137	202,786	623,353	638,552	(543,541)	(1,059,049)	772,287	
72	Variance - Favorable / (Unfavorable)	10,372,575	2,487,557	7,885,018	93,197	645,381	1,381,370	(790,156)	366,486	5,624,744	791,976	(227,981)	
73													
74													

	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Southwest Michigan Behavioral Health			Mos in Period										
2	For the Fiscal YTD Period Ended 5/31/2021			8										
3	(For Internal Management Purposes Only)			ok										
4	INCOME STATEMENT			Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5														
75	Healthy Michigan Plan			HCC%	9.4%	13.7%	9.0%	10.8%	10.1%	9.6%	8.0%	11.7%	8.9%	
76	Contract Revenue	30,089,945	6,266,842	23,823,103	1,207,226	4,781,562	1,130,798	4,374,129	1,238,194	6,927,377	1,858,447	2,305,370		
77														
78	External Provider Cost	13,493,830	5,000,998	8,492,832	484,817	1,676,995	476,782	1,272,803	245,918	2,998,314	566,870	770,333		
79	Internal Program Cost	6,842,100	-	6,842,100	491,056	1,286,081	370,492	1,970,342	569,101	671,837	829,194	653,997		
80	Insurance Provider Assessment Withhold (IPA)	-	-	-	-	-	-	-	-	-	-	-		
81	Total Healthcare Cost	20,335,930	5,000,998	15,334,932	975,873	2,963,075	847,274	3,243,145	815,020	3,670,151	1,396,064	1,424,330		
82	Medical Loss Ratio (HCC % of Revenue)	67.6%	79.8%	64.4%	80.8%	62.0%	74.9%	74.1%	65.8%	53.0%	75.1%	61.8%		
83														
84	Managed Care Administration	1,821,395	663,816	1,157,579	103,736	218,729	74,475	219,605	77,890	300,577	72,854	89,713		
85	Admin Cost Ratio (MCA % of Total Cost)	8.2%	3.0%	5.2%	9.6%	6.9%	8.1%	6.3%	8.7%	7.6%	5.0%	5.9%		
86														
87	Contract Cost	22,157,326	5,664,815	16,492,511	1,079,610	3,181,804	921,749	3,462,750	892,909	3,970,728	1,468,918	1,514,043		
88	Net before Settlement	7,932,619	602,027	7,330,592	127,617	1,599,758	209,049	911,379	345,285	2,956,649	389,529	791,327		
89														
90	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-		
91	Internal Service Fund Risk Reserve	-	-	-	-	-	-	-	-	-	-	-		
92	Contract Settlement / Redistribution	(5,675,873)	1,654,719	(7,330,592)	(127,617)	(1,599,758)	(209,049)	(911,379)	(345,285)	(2,956,649)	(389,529)	(791,327)		
93	Net after Settlement	2,256,746	2,256,746	-	-	-	-	-	-	-	-	-		
94														
95	Eligibles and PMPM													
96	Average Eligibles	66,992	66,992	66,992	3,390	13,438	3,177	12,110	4,025	19,123	5,209	6,521		
97	Revenue PMPM	\$ 56.14	\$ 11.69	\$ 44.45	\$ 44.52	\$ 44.48	\$ 44.49	\$ 45.15	\$ 38.45	\$ 45.28	\$ 44.60	\$ 44.19		
98	Expense PMPM	41.34	10.57	30.77	39.81	29.60	36.27	35.74	27.73	25.95	35.25	29.02		
99	Margin PMPM	\$ 14.80	\$ 1.12	\$ 13.68	\$ 4.71	\$ 14.88	\$ 8.23	\$ 9.41	\$ 10.72	\$ 19.33	\$ 9.35	\$ 15.17		
100														
101	Healthy Michigan Plan													
102	Budget v Actual													
103														
104	Eligible Lives (Average Eligibles)													
105	Actual	66,992	66,992	66,992	3,390	13,438	3,177	12,110	4,025	19,123	5,209	6,521		
106	Budget	52,365	52,365	52,365	2,543	10,834	2,465	9,345	3,201	14,696	4,100	5,182		
107	Variance - Favorable / (Unfavorable)	14,627	14,627	14,627	847	2,604	712	2,765	824	4,427	1,109	1,339		
108	% Variance - Fav / (Unfav)	27.9%	27.9%	27.9%	33.3%	24.0%	28.9%	29.6%	25.7%	30.1%	27.1%	25.9%		
109														
110	Contract Revenue before settlement													
111	Actual	30,089,945	6,266,842	23,823,103	1,207,226	4,781,562	1,130,798	4,374,129	1,238,194	6,927,377	1,858,447	2,305,370		
112	Budget	27,795,943	5,228,058	22,567,884	1,119,980	4,535,240	1,084,799	4,114,024	1,362,292	6,439,539	1,752,250	2,159,760		
113	Variance - Favorable / (Unfavorable)	2,294,002	1,038,783	1,255,219	87,246	246,322	45,999	260,105	(124,098)	487,838	106,197	145,610		
114	% Variance - Fav / (Unfav)	8.3%	19.9%	5.6%	7.8%	5.4%	4.2%	6.3%	-9.1%	7.6%	6.1%	6.7%		
115														
116	Healthcare Cost													
117	Actual	20,335,930	5,000,998	15,334,932	975,873	2,963,075	847,274	3,243,145	815,020	3,670,151	1,396,064	1,424,330		
118	Budget	18,286,635	4,125,892	14,160,743	762,260	2,371,959	702,775	3,658,007	575,659	3,720,015	928,774	1,441,295		
119	Variance - Favorable / (Unfavorable)	(2,049,295)	(875,106)	(1,174,189)	(213,614)	(591,117)	(144,499)	414,862	(239,361)	49,864	(467,290)	16,965		
120	% Variance - Fav / (Unfav)	-11.2%	-21.2%	-8.3%	-28.0%	-24.9%	-20.6%	11.3%	-41.6%	1.3%	-50.3%	1.2%		
121														
122	Managed Care Administration													
123	Actual	1,821,395	663,816	1,157,579	103,736	218,729	74,475	219,605	77,890	300,577	72,854	89,713		
124	Budget	1,745,128	711,301	1,033,827	56,847	174,736	59,381	250,266	52,373	296,444	58,160	85,620		
125	Variance - Favorable / (Unfavorable)	(76,268)	47,485	(123,752)	(46,889)	(43,993)	(15,094)	30,661	(25,517)	(4,133)	(14,694)	(4,092)		
126	% Variance - Fav / (Unfav)	-4.4%	6.7%	-12.0%	-82.5%	-25.2%	-25.4%	12.3%	-48.7%	-1.4%	-25.3%	-4.8%		
127														
128	Total Contract Cost													
129	Actual	22,157,326	5,664,815	16,492,511	1,079,610	3,181,804	921,749	3,462,750	892,909	3,970,728	1,468,918	1,514,043		
130	Budget	20,031,763	4,837,193	15,194,570	819,107	2,546,694	762,155	3,908,273	628,032	4,016,459	986,934	1,526,915		

	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Southwest Michigan Behavioral Health			Mos in Period										
2	For the Fiscal YTD Period Ended 5/31/2021			8										
3	(For Internal Management Purposes Only)			ok										
4	INCOME STATEMENT			Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5														
140	Autism Specialty Services			HCC%	7.2%	5.2%	10.0%	3.9%	6.6%	7.1%	7.3%	5.6%	6.8%	
141	Contract Revenue	15,191,336	95,825	15,095,511	788,411	2,845,959	870,723	2,779,186	682,288	4,378,742	1,226,390	1,523,811		
142														
143	External Provider Cost	10,395,083	-	10,395,083	-	3,280,561	305,918	1,132,029	598,916	3,343,704	657,303	1,076,653		
144	Internal Program Cost	1,370,966	-	1,370,966	366,572	1,345	2,063	971,290	2,076	-	13,168	14,451		
145	Insurance Provider Assessment Withhold (IPA)	-	-	-	-	-	-	-	-	-	-	-		
146	Total Healthcare Cost	11,766,048	-	11,766,048	366,572	3,281,906	307,981	2,103,319	600,992	3,343,704	670,471	1,091,104		
147	Medical Loss Ratio (HCC % of Revenue)	77.5%	0.0%	77.9%	46.5%	115.3%	35.4%	75.7%	88.1%	76.4%	54.7%	71.6%		
148														
149	Managed Care Administration	1,269,790	384,074	885,716	38,967	242,264	27,071	142,424	57,436	273,842	34,989	68,724		
150	Admin Cost Ratio (MCA % of Total Cost)	9.7%	2.9%	6.8%	9.6%	6.9%	8.1%	6.3%	8.7%	7.6%	5.0%	5.9%		
151														
152	Contract Cost	13,035,838	384,074	12,651,765	405,539	3,524,170	335,052	2,245,743	658,428	3,617,546	705,459	1,159,828		
153	Net before Settlement	2,155,498	(288,248)	2,443,746	382,872	(678,211)	535,670	533,444	23,860	761,197	520,931	363,983		
154	Contract Settlement / Redistribution	(2,155,498)	288,248	(2,443,746)	(382,872)	678,211	(535,670)	(533,444)	(23,860)	(761,197)	(520,931)	(363,983)		
155	Net after Settlement	(0)	(0)	-	-	-	-	-	-	-	-	-	-	
156														
157														
158	SUD Block Grant Treatment			HCC%	0.2%	0.2%	0.2%	0.3%	0.0%	1.2%	0.0%	0.2%	0.3%	
159	Contract Revenue	3,764,040	3,381,773	382,268	25,170	130,197	16,489	-	40,637	74,638	52,646	42,490		
160														
161	External Provider Cost	3,249,458	3,249,458	-	-	-	-	-	-	-	-	-	-	
162	Internal Program Cost	288,495	-	288,495	14,622	72,629	23,431	-	103,314	957	25,844	47,698		
163	Insurance Provider Assessment Withhold (IPA)	-	-	-	-	-	-	-	-	-	-	-		
164	Total Healthcare Cost	3,537,953	3,249,458	288,495	14,622	72,629	23,431	-	103,314	957	25,844	47,698		
165	Medical Loss Ratio (HCC % of Revenue)	94.0%	96.1%	75.5%	58.1%	55.8%	142.1%	0.0%	254.2%	1.3%	49.1%	112.3%		
166														
167	Managed Care Administration	118,984	118,984	-	-	-	-	-	-	-	-	-	-	
168	Admin Cost Ratio (MCA % of Total Cost)	3.3%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
169														
170	Contract Cost	3,656,937	3,368,442	288,495	14,622	72,629	23,431	-	103,314	957	25,844	47,698		
171	Net before Settlement	107,104	13,331	93,773	10,548	57,569	(6,942)	-	(62,677)	73,681	26,802	(5,208)		
172	Contract Settlement	-	93,773	(93,773)	(10,548)	(57,569)	6,942	-	62,677	(73,681)	(26,802)	5,208		
173	Net after Settlement	107,104	107,104	-	-	-	-	-	-	-	-	-	-	
174														
175														

	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Southwest Michigan Behavioral Health			Mos in Period										
2	For the Fiscal YTD Period Ended 5/31/2021			8										
3	(For Internal Management Purposes Only)			ok										
4	INCOME STATEMENT			Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5														
176	SWMBH CMHP Subcontracts													
177	Subcontract Revenue	206,957,485	19,313,559	187,643,925	8,463,223	37,093,797	10,245,875	33,944,040	9,965,816	56,945,619	12,930,672	18,054,884		
178	Incentive Payment Revenue	468,071	70,422	397,648	14,826	34,417	68,834	111,193	-	132,373	30,181	5,824		
179	Contract Revenue	207,425,555	19,383,982	188,041,573	8,478,049	37,128,214	10,314,709	34,055,234	9,965,816	57,077,992	12,960,853	18,060,708		
180														
181	External Provider Cost	126,069,072	10,826,345	115,242,727	3,965,840	24,106,927	5,168,544	21,650,767	5,319,125	38,260,612	7,289,765	9,481,148		
182	Internal Program Cost	41,832,453	-	41,832,453	2,889,063	7,998,630	2,215,571	9,243,150	2,589,270	6,515,448	4,417,485	5,963,834		
183	SSI Reimb, 1st/3rd Party Cost Offset	(654,817)	-	(654,817)	(7,608)	(126,267)	(35,245)	(195,412)	-	(219,781)	(24,883)	(45,620)		
184	Insurance Provider Assessment Withhold (IPA)	3,385,797	3,385,797	-	-	-	-	-	-	-	-	-		
185	MHL Cost in Excess of Medicare FFS Cost	217,955	217,955	-	-	-	-	-	-	-	-	-		
186	Total Healthcare Cost	170,850,459	14,430,097	156,420,363	6,847,295	31,979,290	7,348,871	30,698,505	7,908,395	44,556,279	11,682,367	15,399,362		
187	Medical Loss Ratio (HCC % of Revenue)	82.4%	74.4%	83.2%	80.8%	86.1%	71.2%	90.1%	79.4%	78.1%	90.1%	85.3%		
188														
189	Managed Care Administration	17,204,975	5,430,617	11,774,358	726,321	2,355,290	643,904	2,078,710	745,915	3,648,982	608,299	966,938		
190	Admin Cost Ratio (MCA % of Total Cost)	9.1%	2.9%	6.3%	9.6%	6.9%	8.1%	6.3%	8.6%	7.6%	4.9%	5.9%		
191														
192	Contract Cost	188,055,434	19,860,714	168,194,721	7,573,615	34,334,580	7,992,775	32,777,214	8,654,310	48,205,261	12,290,665	16,366,300		
193	Net before Settlement	19,370,121	(476,732)	19,846,853	904,434	2,793,633	2,321,934	1,278,019	1,311,506	8,872,731	670,188	1,694,408		
194														
195	Prior Year Savings	-	-	-	-	-	-	-	-	-	-	-		
196	Internal Service Fund Risk Reserve	-	-	-	-	-	-	-	-	-	-	-		
197	Contract Settlement	-	19,846,853	(19,846,853)	(904,434)	(2,793,633)	(2,321,934)	(1,278,019)	(1,311,506)	(8,872,731)	(670,188)	(1,694,408)		
198	Net after Settlement	19,370,121	19,370,121	-	-	-	-	0	-	-	(0)	(0)		
199														
200														

	F	G	H	I	J	K	L	M	N	O	P	Q	R	
1	Southwest Michigan Behavioral Health			Mos in Period										
2	For the Fiscal YTD Period Ended 5/31/2021			8										
3	(For Internal Management Purposes Only)			ok										
4	INCOME STATEMENT			Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5														
201	State General Fund Services			HCC%	3.7%	3.6%	2.9%	6.0%	4.1%	7.1%	3.1%	2.0%	4.1%	
202	Contract Revenue				8,065,895	528,833	1,402,244	501,027	1,313,326	638,578	2,501,723	495,935	684,229	
203														
204	External Provider Cost				1,980,660	73,838	212,659	38,144	266,523	523,259	631,144	143,464	91,629	
205	Internal Program Cost				4,065,948	185,220	758,608	431,740	1,032,961	82,888	901,968	100,853	571,711	
206	SSI Reimb, 1st/3rd Party Cost Offset				(92,476)	-	-	-	-	-	(92,476)	-	-	
207	Total Healthcare Cost				5,954,132	259,057	971,267	469,884	1,299,484	606,147	1,440,635	244,317	663,340	
208	Medical Loss Ratio (HCC % of Revenue)				73.8%	49.0%	69.3%	93.8%	98.9%	94.9%	57.6%	49.3%	96.9%	
209														
210	Managed Care Administration				512,151	30,588	80,318	46,345	98,648	64,307	131,402	14,249	46,294	
211	Admin Cost Ratio (MCA % of Total Cost)				7.9%	10.6%	7.6%	9.0%	7.1%	9.6%	8.4%	5.5%	6.5%	
212														
213	Contract Cost				6,466,282	289,645	1,051,585	516,229	1,398,132	670,454	1,572,037	258,566	709,634	
214	Net before Settlement				1,599,613	239,188	350,659	(15,202)	(84,806)	(31,876)	929,686	237,369	(25,405)	
215														
216	Other Redistributions of State GF				(4,415)	-	-	(4,415)	-	-	-	-	-	
217	Contract Settlement				(1,717,865)	(233,953)	(336,605)	-	-	-	(920,554)	(226,753)	-	
218	Net after Settlement				(122,667)	5,235	14,054	(19,617)	(84,806)	(31,876)	9,132	10,616	(25,405)	
219														



Sixth Annual Regional Healthcare Policy Forum

Invitees: Community Mental Health Service Providers and Persons Served
Elected and Appointed State, County, and Local Officials

Date: Friday, October 1, 2021

Time: 830 am – 1:15 pm

Location: TBD

Panelists: **Mary Whiteford, Representative**
Michigan House - District 80
Chair, Health & Human Services Committee
Vice Chair, Full Appropriations Committee
Member, Health Policy Committee

Elizabeth Hertel, Director
Michigan Department of Health and Human Services

Alan Bolter, Associate Director
Community Mental Health Association of Michigan

Kevin Fischer, Executive Director
National Alliance on Mental Illness

David Schneider, Managing Principal
Health Management Associates

Purpose/Objectives

Looking to the Future . . .

- Explore Michigan Legislative and Executive Branch Perspectives on Public Behavioral Health System Transformation – Pros and Cons
- Explore Michigan Advocacy Group and Provider Perspectives on Public Behavioral Health System Transformation
- Explore Emerging Federal Statutory and Budgetary Developments and Investments in Behavioral Health

**Facilitator: Scott Dzurka, Vice President
Public Sector Consultants**

8:30-9:00 am	Registration and Continental Breakfast
9:00-9:15 am	Welcome – Bradley Casemore, CEO
	Introductions – Scott Dzurka
9:15-10:00 am	Federal Policy Update – America Recovery
	Fred Upton, Representative, US House – District 6 (pending)
	Memberships
	Subcommittee on Health
	Energy and Commerce Committee
	Subcommittee on Energy
	Brian Thiel, Capitoline Consulting
	Washington D.C.
10:00am-12:15pm	Panelists - Presentation and Discussion
12:15-1:15 pm	Light Refreshments and Conversation
Registration/Questions:	HealthCareForum@SWMBH.org – RE: Policy Forum



Southwest Michigan Behavioral Health Board Meeting

Please join the meeting from your computer, tablet or smartphone:

<https://global.gotomeeting.com/join/515345453>

You can also dial in using your phone:

[1-571-317-3116](tel:1-571-317-3116) - Access Code: 515-345-453

August 13, 2021

9:30 am to 11:00 am

(d) means document provided

Draft: 5/14/21

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d)**
3. **Financial Interest Disclosure Handling (M. Todd)**
 - List name(s) and Agency or None Scheduled
4. **Consent Agenda**
 - July 9, 2021 SWMBH Board Meeting Minutes (d)
5. **Operations Committee**
 - Operations Committee Minutes June 30, 2021 (d)
6. **Ends Metrics Updates (*Requires motion)**

Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?

 - a. * Performance Bonus Incentive Program (PBIP) Data Sharing (J. Gardner) (d)
 - b. * Veteran's Performance Bonus Incentive Program (PBIP) (J. Gardner) (d)
7. **Board Actions to be Considered**
 - MCHE payment for MCG Utilization Management Tool (B. Casemore) (d)
8. **Board Policy Review**

Is the Board in Compliance? Does the Policy Need Revision?

 - BG-002 Management Delegation (d)
9. **Executive Limitations Review**

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

 - BEL-005 Treatment of Plan Members (E. Krogh) (d)

10. Board Education

- a. Fiscal Year 2021 Year to Date Financial Statements (T. Dawson) (d)
- b. Updated Strategic Plans (B. Casemore) (d)
- c. MI Health Link Assessment (B. Casemore) (d)
- d. Draft Fiscal Year 2022 Budget (T. Dawson) (d)
- e. Fiscal Year 2021 CMHSP Site Review Results (M. Todd) (d)
- f. Substance Use Disorder Oversight Policy Board (SUDOPB) Update (J. Smith, R. Hazelbaker) (d)

11. Communication and Counsel to the Board

- a. Provider Network Stability Report (M. Todd) (d)
- b. September 10, 2021 Board Agenda (d)
- c. Board Member Attendance Roster (d)
- d. September Board Policy Direct Inspection – BEL-009 Global Executive Constraints (E. Meny)

12. Public Comment

13. 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
September 10, 2021
9:30 am - 11:00 am**

2021 SWMBH Board Member & Board Alternate Attendance												
Name:	January	February	March	April	May	June	July	August	September	October	November	December
Board Members:												
Ruth Perino (Barry)												
Edward Meny (Berrien)												
Tom Schmelzer (Branch)												
Vacant (Calhoun)												
Vacant (Cass)												
Erik Krogh (Kalamazoo)												
Carole Naccarto (St. Joe)												
Susan Barnes (Van Buren)												
Alternates:												
Robert Becker (Barry)												
Randy Hyrns (Berrien)												
Jon Houtz (Branch)												
Kathy-Sue Vette (Calhoun)												
Terry Proctor (Cass)												
Patricia Guenther (Kalamazoo)												
Cathi Abbs (St. Joe)												
Angie Dickerson (Van Buren)												

as of 6/11/21

Patrick Garrett (Calhoun)												
Mary Middleton (Cass)												

Green = present

Red = absent

Black = not a member

Gray = meeting cancelled

MI Behavioral Health Reform FAQs

1. *The MI Behavioral Health Reform bills are predicated on Connecticut's delivery system for public behavioral health services.*
 - The behavioral health reform bills are predicated upon the values and vision entrenched in the history of Michigan's public behavioral health system with the ultimate goal of seeking to improve access to and quality of services--putting persons and their families/loved ones first. The ideas delineated in the bill are reflective of the following non-exhaustive list:
 - Listening to individuals and families served by Michigan's current system;
 - Lawsuits against MDHHS and its current system for the inability to provide essential services to persons in need;
 - The desire to increase the percentage of funding going directly to services received by Michiganders;
 - Research indicating Michigan significantly lacks access to mental health and substance use disorder services (a 2019 Altarum study showing half of Michigan Medicaid beneficiaries with mental illness go without treatment and nearly 70 percent of Michigan Medicaid beneficiaries with SUD go without treatment);
 - Lack of uniformity among the provision of services across the State;
 - The structural inability for Prepaid Inpatient Health Plans (PIHPs) to be managed care entities due to governance requirements;
 - Redundant layers of administration and duties between PIHPs and Community Mental Health Services Programs (CMHSPs) (in fact, some CMHSPs are solely network managers and not providers of services);
 - Feedback received through the House CARES Task Force;
 - Findings from the MDHHS Michigan Psychiatric Admissions Discussion Report;
 - Findings from the MDHHS 298 Stakeholder Workgroup Report;
 - Researching other state approaches (including Alaska, Connecticut, Maryland, Georgia, New Mexico, Vermont, and Washington);
 - Researching Michigan's Constitution, Mental Health Code, Social Welfare Act, and Public Health Code.
2. *Removing "Department-designated community mental health entity" diminishes or eliminates the role of the Community Mental Health Services Programs (CMHSPs).*

- The "Department-designated community mental health entity" definition is redundant to the other definitions in the Mental Health Code that reflect CMHSPs (i.e., "Community mental health authority", "Community mental health organization", "Community mental health services program", "County community mental health agency"). Therefore, removing the "Department-designated community mental health entity" would have no impact on CMHSPs and their analogues on their roles, duties, function, etc. The bill does not change the definitions that comprise CMHSPs, including “community mental health authority”, “community mental health organization”, “community mental health services program”, and “county community mental health agency”.
 - The intent on removing “department-designated community mental health entity” was to clean up the reference to ensure the department and its ASO (if applicable) were authorized to administer the substance use disorder funding.
3. *The addition of the “public behavioral health provider” diminishes the role of the CMHSPs.*
- The “Public behavioral health provider” was added to allow for the department and its ASO (if applicable) to directly contract with non-licensed SUD providers (i.e., SUD providers that are not “approved service providers,” but are nonetheless authorized to provide certain treatment and recovery services), Crisis Stabilization Units, and/or Psychiatric Residential Treatment Facilities.
 - In this light, the department and its ASO (if applicable) would emulate the current role of the PIHP and utilize its current authority under the Michigan Mental Health Code at MCL 330.1116.
 - Philosophically, CMHSPs are and will continue to be the foundational elements of Michigan’s public behavioral health system. The changes in the bill strengthen their role as providers, relieves them as network managers/administrators, and allows the department to create economies of scale in administration, which translates into more money going directly for services.
4. *The Administrative Services Organization (ASO) seems like it would be a direct provider of services.*
- No, MDHHS would utilize the ASO as an extension of itself to self-administer the public behavioral health system. The ASO would not be a direct provider of services.
5. *The Administrative Services Organization (ASO) must be a public or quasi-public body.*
- It is the intent to charge MDHHS as the public body responsible for administering the system while providing them the authority to utilize an ASO as their extension to ensure they have the proper resources and expertise needed to execute the provisions of the Mental Health Code.
 - MDHHS, by virtue of its place in the Executive Branch, is a public body and fully subject to public accountability with checks and balances provided by the Legislative and Judicial branches of government.
 - Added to the above, the Behavioral Health Oversight Council is appointed by the Executive and Legislative branches with assurance of regional equity and participation of persons served by the system. The purpose of the council is to advise MDHHS to ensure

it and its ASO (if applicable) are carrying out its duties in functions in providing public behavioral health services. This council is supplemental to the public oversight already inherent in the bill given MDHHS' definition of a public body within the Executive branch.

6. *What does a self-insured system mean?*

- Self-insured means that the State (i.e., MDHHS) holds the risk and is responsible for providing public behavioral health services to Michiganders.

7. *What is the point of moving to a self-insured system?*

- Today, MDHHS “shares” financial risk with its contracted Prepaid Inpatient Health Plans (PIHPs). However, this is a misnomer -- after a certain threshold is met requiring PIHPs to cover costs of services, the State (e.g., MDHHS) is responsible for covering all costs. Therefore, the State is the risk-holder, regardless of how much initial sharing may take place. In other words, at the end of the day, if a PIHP can't cover costs to provide essential services, the State must step in and covers those costs. This process requires MDHHS to request additional legislative appropriations, tension between MDHHS and PIHPs, legislative questioning, and extra administrative action needed to properly move the needed money from the State to the PIHP.
- Behavioral health and I/DD are not suited to traditional modalities of health insurance and managed care -- they are conditions that require continuous engagement over years, decades, or lifetimes. From an insurer standpoint, it is difficult to predict utilization and costs; in other words, they are “bad risks”. Many delivery systems and States create a patchwork of coverage containing carve-outs for select services or supports due to the unpredictability. At best, this creates a nightmare for providers to navigate; at worst, it results in providers choosing not to provide services, harming our most vulnerable Michiganders and our population health. For Michigan's PIHPs, there are invariably, year after year, PIHPs that operate at financial deficits requiring the State to step in.
- The current arrangement is inefficient at best. Given the state's constitutional duty to serve all Michiganders with behavioral health needs and the fact that the State is the ultimate risk-bearer, the PIHPs reflect a redundant layer of administration that could be much more efficiently provided by the State and its single ASO (if applicable). Not to mention, much of the PIHP administration is carried out by the CMHSPs that govern it, which is dually inefficient.
- In the proposed system in the bill, the State assumes the role of a managed care entity -- allowing for efficiencies in administration, more uniformity of services and processes, and greater public accountability as one entity, MDHHS, would be responsible for the system.

8. *Moving to a managed fee-for-service model is a step back in time that compromises innovations and value-based purchasing.*

- Managed fee-for-service is not the same thing as “fee-for-service”. In other words, the State would be able to retain and utilize myriad financing arrangements to pay its

providers, including but not limited to full capitation, partial capitation (risk sharing), shared savings, pay-for-performance, and traditional fee-for-service.

- The State would negotiate directly or via its ASO (if applicable) the payment arrangement best suited to ensure optimal access to and quality of behavioral health services.
- The State would be able to fully continue service delivery level innovations and integration models such as Medicaid Health Homes, Certified Community Behavioral Health Clinics, value-based payments, pay-for-performance, and other incentive-based arrangements.

9. *These bills are set in stone and key players will not have a voice at the table.*

- From day one, I have made it clear that these bills must reflect the needs of all Michiganders, but chiefly those that receive services through Michigan's public behavioral health system. To that end, I am committed to listening to concerns, seeking expert input, and amending the bills until they reflect our collective values and gain optimal alignment from all essential stakeholders.

Sincerely,

A handwritten signature in cursive script, reading "Mary Whiteford".

Mary Whiteford
State Representative
District 80

County	State of Emergency effective until date	Yes- declared	No or Unknown
Barry	6/30/2021	X	
Berrien	7/1/2021	X	
Branch	6/30/2021	X	
Calhoun	until further notice	X	
Cass	12/31/2021	X	
Kalamazoo	12/31/2021	X	
St. Joesph	7/31/2021	X	
Van Buren	12/31/2021	X	

expired

as of 6/23/21