



Board Meeting Minutes

August 14, 2026

5250 Lovers Lane, Suite 200, Portage, MI 49009

2:00 pm-3:30 pm

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

Members Present via MS Teams: Kayla Wisniewski

Members Absent: None

Guests Present: Mila Todd, Interim CEO, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Alena Lacey, Chief Clinical Officer, SWMBH; Ella Philander, Executive Project Manager, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Jon Houtz, Board Alternate; Cathi Abbs, Board Alternate; Bill Mattson, Board Alternate; Cameron Bullock, Pivotal; Debbie Hess, Van Buren CMH; Ric Compton, Riverwood;

Guests Present via MS Teams: Gail Patterson-Gladney, Board Alternate; Michael Mallory, Woodlands; Rich Thiemkey, Barry County CMH

Welcome Guests

Sherii Sherban called the meeting to order at 9:30am.

Public Comment

None

Agenda Review and Adoption

Motion Tom Schmelzer moved to approve the agenda as presented.

Second Allen Edlefson

Motion Carried

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

Motion Jeff Kniaz moved to approve July 10, 2026, Board meeting minutes; July 2, 2026, Board Finance Committee meeting minutes; and July 8 and July 22, 2026, Operations Committee meeting minutes as presented

Second Allen Edlefson

Motion Carried

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

Mila Todd presented Period 9 financial statements and Period 10 Variance Report as documented and noted:

- Period 10 variance report noting that all eligibles are down significantly, losing thousands in TANF and HMP with some lost in DABS. SWMBH is reaching out to State for answers regarding decline. CMHs have been working with local DHS case workers with no answers known for decline. This trend has occurred throughout the entire Fiscal Year. Annualized out would be a projected \$11.5 million shortfall
- MDHHS continues to assert that there will be a mid-year rate adjustment, with no additional details provided. Comments by MDHHS Actuarial Division at a recent meeting that mid-year rate adjustments have occurred the past three years and MDHHS wants to move away from these being necessary.
- Reviewed year-to-date revenue and expenses
- Period 9 - \$19.6 million surplus in Medicaid funds
- Period 9 - \$7.2 million shortfall in Health Michigan Plan
- SUD PA2 fund balance - \$6.2 million surplus
- Income Statement - \$13.1 million surplus through P9
- 8/31 meeting with MDHHS regarding the Deficit Elimination Plan. The other PIHP lawsuit was scheduled for mediation yesterday, no updates on outcome.
- Meeting with MDHHS next Thursday regarding Fiscal Year 2027 rates. SWMBH is working to develop an eligibility trends model and has engaged Rehmann to complete a Fiscal Year 2027 revenue projection.
- Operations Committee agreed to 2025 cost settlements for 7 of the 8 CMHs with ISK holding their receivable until June 2027, then settling FY25 and FY26 net.
- SWMBH cash flow issues have been temporarily rectified by a 30-day delay in claims payments along with a 45-day delay in the HSW payments to 6 of the 8 CMHs, and 1 CMH receiving a payment reduction against FY26 settlement due to SWMBH.
- Ongoing meetings with Woodlands to explore funding diversification and additional grants Discussion followed

Operations Committee Update

Cameron Bullock distributed a handout covering key topics from recent Operations Committee meetings. Discussion followed.

CMH Board Updates

Barry- Board received a youth services presentation on CMH services and approval of purchasing 2 new vehicles

Berrien- Riverwood is working with other Berrien County Agencies on the Rural Health Transformation Grant from CMS which has been awarded. The grant will provide funding for Community Health Workers to strengthen and align services across “the Community of Care Hub for Southwest Michigan”. This CMS grant has been awarded to the Healthy Berrien Consortium which is currently searching for a director to lead the program. Riverwood has also applied for a Rural Health Transformation Grant through MDHHS for Mental Health provider Retention and Recruitment. If Riverwood is awarded this grant, Riverwood would provide retention benefits to therapists and other MH professionals.

Branch- Psychiatric hospital unit closed (18-24 months) may not reopen, issues with placement in Branch County which results in more cost and inconvenience, working with Insite (new owner of hospital). 1 Board member passed away, the director of Coldwater police and fire, on Recipient Rights committee, will be difficult to replace. Submitted grants for CCBHC through SAMSHA – this one is intended to enhance our program including through patient portals, staff burnout, positions for housing and transportation specialists but highly competitive grant. Public Relations Committee continues outreach into the community
Calhoun- 5-year grant, mobile crisis unit, strategic plan development beginning
Cass- Woodlands is pursuing grants and diversified funding
Kalamazoo-ISK Board is concerned with funds and funding. A request was made to have Mila attend a Board meeting. ISK housing department has a wait list and there are ongoing encampment issues. Two new Board members are joining
St. Joseph-business as usual. New building project finalization excepted December 7th and parking lot almost complete. Mobile Crisis unit vehicle to meet people where they are at
Van Buren-summer pilot program

Ends Metrics Updates

None

Required Approvals

None

Board Actions to be Considered

None

Board Policy Review

None scheduled

Executive Limitations Review

2.0 Global Executive Constraint

Carol Naccarato reported as documented.

Motion Carol Naccarato moved that the Executive Officer is in compliance with policy 2.0 Global Executive Constraints and the policy does not need revision.

Second Michael Seals

Motion Carried

2.2 Treatment of Staff

Jeff Kniaz reported as documented.

Motion Jeff Kniaz moved that the Executive Officer is in compliance with policy 2.2 Treatment of Staff and the policy does not need revision.

Second Michael Seals

Motion Carried

Board Education

Fiscal Year 2025 Substance Use Disorder Data

Joel Smith reported as documented. Discussion followed.

Communication and Counsel to the Board

PIHP Litigation and PIHP Post Procurement Cancellation Updates

Mila Todd reported as documented and noted the following:

- Court denied MDHHS's Motion to Dismiss Plaintiffs appeal. This denial is not a win or a loss on the merits of the case but is positive for us as it allows the case to proceed.
- RFP for Auditing Services - Roslund Prestage was the only response. Rosland Prestage provided a response regarding their firm's external quality assurance and peer review processes
- SWMBH and PCE meetings continue with an October 2027 implementation date projected. Implementation begins no sooner than October 2026 and no later than January 2027. Discussion followed.

MDHHS Fiscal Year 2024 Workpaper Review

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

2026 Board Attendance and Board Roster

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

September Board Policy Direct Inspection

2.1 Treatment of Plan Members (T. Leary) and 2.7 Compensation and Benefits (M. Seals)

Public Comment

None

Adjournment

Motion Tom Schmelzer moved to adjourn at 11:00am

Second Jeff Kniaz

Motion Carried