



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

August 14, 2026

9:30 am to 11:00 am

(d) means document provided

Draft: 8/6/26

- 1. Welcome Guests/Public Comment**
- 2. Agenda Review and Adoption (d) pg.1**
- 3. Financial Interest Disclosure Handling**
 - none
- 4. Consent Agenda**
 - a. July 10, 2026, SWMBH Board Meeting Minutes (d) pg.3
 - b. July 2, 2026, Board Finance Committee Meeting Minutes (d) pg.8
 - c. July 8 and July 22, 2026, Operations Committee Meeting Minutes (d) pg.10
- 5. Financials**
 - a. Fiscal Year 2026 Year to Date Financial Statements and Cash Flow Analysis (G. Guidry)
(d) pg.18
 - b. Operations Committee
- 6. CMH Board Updates**

SWMBH Board Member opportunity to provide an update from their respective CMH Board to facilitate ownership linkage

 - Barry
 - Berrien
 - Branch
 - Calhoun
 - Cass
 - Kalamazoo
 - St. Joseph
 - Van Buren
- 7. Required Approvals**
 - None scheduled
- 8. Ends Metrics Updates (*Requires motion)**
 - None scheduled
- 9. Board Actions to be Considered**
 - None scheduled

10. Board Policy Review

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

- None scheduled

11. Executive Limitations Review

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

- a. 2.0 Global Executive Constraint (C. Naccarato) (d) pg.35
- b. 2.2 Treatment of Staff (J. Kniaz) (d) pg.37

12. Board Education

- Fiscal Year 2025 Substance Use Disorder Data (J. Smith) (d) pg.40

13. Communication and Counsel to the Board

- a. PIHP Litigation and PIHP Post Procurement Cancellation Updates (M. Todd)
- b. MDHHS Fiscal Year 2024 Workpaper Review (d) pg.55
- c. 2026 Board Attendance reports (d) pg.56
- d. September Board Policy Direct Inspection – 2.1 Treatment of Plan Members (T. Leary);
2.7 Compensation and Benefits (M. Seals)

14. Public Comment

15. Adjournment

SWMBH adheres to all applicable laws, rules, and regulations in the operation of its public meetings, including the Michigan Open Meetings Act, MCL 15.261 – 15.275.

SWMBH does not limit or restrict the rights of the press or other news media.

Discussions and deliberations at an open meeting must be able to be heard by the general public participating in the meeting. Board members must avoid using email, texting, instant messaging, and other forms of electronic communication to make a decision or deliberate toward a decision and must avoid "round-the-horn" decision-making in a manner not accessible to the public at an open meeting.

**Next Board Meeting
September 11, 2026
9:30 am - 11:30 am**



Board Meeting Minutes

July 10, 2026

5250 Lovers Lane, Suite 200, Portage, MI 49009

2:00 pm-3:30 pm

Draft: 7/13/26

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



Board Finance Committee Meeting Minutes

July 2, 2026

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

1:00-2:30 pm

Draft: 7/10/26

Members Present: Tom Schmelzer, Carol Naccarato, Allen Edlefson, Michael Seals

Guests: Beth Ann Meints

Members Absent: None

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

Central Topics

Review prior meeting minutes

Motion Carol Naccarato moved to approve the minutes as presented.
Second Michael Seals
Motion Carried

SWMBH YTD financial statements

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

- Eligibles- All eligibles are down and down from what Milliman projected. This has happened for the entire Fiscal Year. \$10.25 million less than the certification letter.
- There will be a mid-year rate adjustment. Still unknown when or how much.
- Reviewed year-to-date revenue and expenses (\$12.36M surplus)
- Period 8 - \$15.2 million in Medicaid funds
- Period 8 - \$3.5 million shortfall in Health Michigan Plan due to decrease in eligibles
- Net position - \$6.1 million surplus
- Meeting on Monday with MDHHS. Deficit Elimination Plan was submitted with encouraging conversation but no decision. MDHHS is passing it on to their legal counsel for review. Monthly meetings are going forward.
- \$19 million surplus projected for the end of the Fiscal Year.

Discussion followed.

SWMBH Revenue Variance Report

Garyl Guidry reviewed Period 9 variance report noting all eligibles are trending down. Discussion followed.

SWMBH Check Registers

Garyl Guidry reported as documented. Discussion followed.

SWMBH Cash Flow Analysis

Garyl Guidry reported as documented highlighting receivables and enough to cost settlement 7 of the 8 CMHs. Discussion followed.

Fiscal Year 2027 Budget Calendar

Garyl Guidry reported as documented and noted that dates are tentative due to no revenue rates from MDHHS yet. Mila Todd gave an MCIS update that she is recommending a transition to PCE. Discussion followed.

RFP for Audit Services

Garyl Guidry reported as documented. Discussion followed.

Adjourn

Tom Schmelzer adjourned the meeting at 2:04pm.

Date:	7/08/26
Time:	9:00 am – 11:00 am
Facilitator:	Michael
Minute Taker:	Cameron
Meeting Location:	MS Teams only Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ Michael Mallory (Woodlands) ☒ Beth Ann Meints (ISK)
☐ Ric Compton (Riverwood) ☐ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☐ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)

Version 07/08/26

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		Sent and approved virtually
3. Financial Stability a. SWMBH Period 08 financials (if available) b. State/Milliman Meeting Updates c. Rehmann Financial Reporting Consultation	Regional Rate development – calculation evaluation (SWMBH/ISK)	\$10.25 million less revenue than we were projected to receive for FY 26. – Garyl/Mila send updates to the state for tracking purposes. - Current surplus of \$19,947,909. Current ISF deficit: \$13,776,675. Surplus \$6,197,268. - The state is unable to confirm a deficit reduction plan at this time. - Cashflow plan- FY 25 CCBHC settlement was sent. Medicaid settlement has not

		been caught up yet from the state – Last reconciliation is FY 23. The CCBHC settlement from the state has come due, which puts strain on cash flow. Still on track to do settlements as agreed to by CEO's.
4. FY27 Regional Budget		• Still waiting for Milliman rate setting to be able to do rate projections.
5. FY25 Deficit Handling	• 06/29/26 Mtg.	• MDHHS meeting – Solicited feedback on what changes are happening to the region in the next FY.
6. FY25 SUE Follow-up		• Feedback has been received. Compiling the data into a final document. SWMBH will be reaching out to regional SME's to get three workgroups moving along- late July, early August. • Autism may be the highest priority. Followed by the remainders as to effectuate resources appropriately and with changes in state focus, reduction in funding, etc.
7. PIHP Competitive Procurement/System Improvement Opportunities		• August documentation to say another RFP is coming out. • Boilerplate language has been removed for the RFP and Mental Health Framework. • Mila emailed the contract manager to find out the expectations for the FY 27 contract.

8. PCE discussion		• Formal Recommendation for the board to approve. • Jeff Chang – Mila had conversation on possible pause if the RFP comes out and region is not going to be around etc.
9. Environmental Disruptors	• CMS 0057 • CFAP Workgroup • Mental Health Framework • HR1 • Medicaid assignment to undocumented individuals (Sue G.)	• Crisis yes, diversion when possible, GF will have to be used for Psych stays. • Mila sent out Grants from MDHHS. • Autism request for data – looking for context.
10. OC Projects Revisit	• Examples: PCE, SUE, rate development analysis, etc.	
11. Parking Lot/On-hold Topics	• Assets & Liabilities Workgroup • FY25 PBIP Distribution	
12. Random Musings	•	• Conversations were had regarding standardizing policies and procedures so as to not micromanage CMH's and ensure continuity and value add to site reviews and consistency as a region. Mila commits to exploring the feasibility and possibility of implementation.
13. Self-D	• Self D	• MDHHS has offered to put on training for budgets on Self-D. Michael had a conversation with Laura D. the state. • Beth Ann asks Mila about a regional communication

		regarding Self-D budgeting and expectations.
15. Next Meeting- July July Facilitator – Michael August- Debbie September - Ric	07/22/26	
16. 11-12 pm CMH CEOs		

Date:	7/22/26
Time:	9:00 am – 11:00 am
Facilitator:	Michael
Minute Taker:	Cameron
Meeting Location:	MS Teams only Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ Michael Mallory (Woodlands)
☒ Ric Compton (Riverwood) ☒ Beth Ann Meints (ISK) ☒ Mila Todd (SWMBH)
☒ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry
(SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)

Version 07/20/26

Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		
3. Financial Stability a. SWMBH Period 08 financials (if available) b. State/Milliman Meeting Updates c. Rehmann Financial Reporting Consultation d. Cash Flow analysis	Regional Rate development – calculation evaluation (SWMBH/ISK)	- Not available at this time. Rehmann is back by the end of next week. - No update on mid-year rate adjustments at this point in time. - On track to pay all of FY 25 cash settlements by mid-August. This does not include ISK for Medicaid, CCBHC only for them. - With the payout, there is now an issues with cash flow issues for

		September, October, November. b. SWMBH did reach out to MDHHS for FY 24 Cash settlement; currently owed 10 mil net of the 4 million from FY 22 Cash settlement owed to MDHHS. c. SWMBH moving to a net 15/30 for SUD payments due from SWMBH – this will happen; there is the unknown impact on what that does for the cash flow, but will relay back to OPS. d. Another option is to be able to delay payments from HAB waiver to 45 days to keep cash flow solvent at SWMBH. i. Summit Point asks SWMBH to have a special meeting with Financial Officers sooner rather than later. SWMBH to schedule e. Last option would be a reverse settlement with CMH's that have a Medicaid surplus to
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		handle some of the cost settlements due for FY 26. f. Reasons: i. Miscalculation of 800 k from SWMBH due to MDHHS for CCBHC. It only included the CMH's portion, not including SWMBH. ii. State would not extend settlement for CCBHC as in years prior. iii. Declining eligibles resulting in decreased revenue.
4. FY27 Regional Budget	• Eleos cost quantification • FY 27 Provider Rate increase	1. No regional budgets at this point in time, as we have no revenues. 2. Concerns about rate increases for FY 27. Both the hold for FY 26, and then what that looks like moving forward. 3. Ask to CEO's to let Finance know that there is going to be an ask that Rehmann figure out the percentage of business that is Medicaid vs CCBHC and then needs to be charged to the CCBHC's.

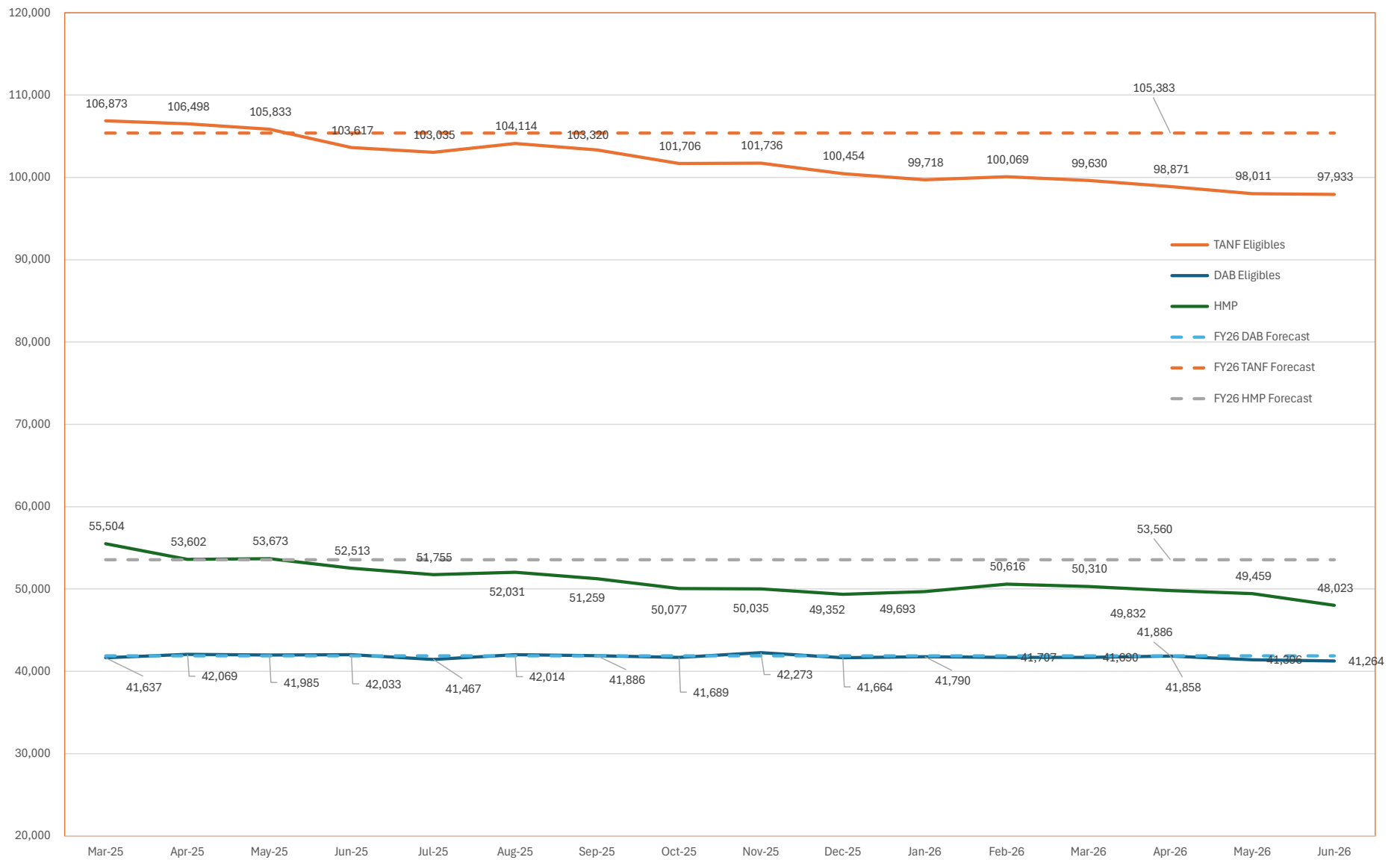
5. FY25 Deficit Handling	7/28 @ 1pm	Next meeting is 7/28/26 @ 1pm. Laura Kilfoil and Kristen Morningstar, Mila and Garyl attend these meetings.
8. FY25 SUE Follow-up	Status of Autism Workgroup Formation	Garyl sent out an email. Need SME's by EOD today.
9. PIHP Competitive Procurement/System Improvement Opportunities		No new updates.
12. Environmental Disruptors	- CMS 0057 - CFAP Workgroup - Mental Health Framework - HR1	- BH coverage being added. Standardized assessments LOCUS/MichiCANs - No other new updates.
13. OC Projects Revisit	Examples: PCE, SUE, rate development analysis, etc.	No new updates.
14. Parking Lot/On-hold Topics	- Assets & Liabilities Workgroup - FY25 PBIP Distribution - PCE Transition	No New updates
15. Next Meeting- July July Facilitator – Michael August- Debbie September – Ric	08/12/26	Rates for FY 27
16. 11-12 pm CMH CEOs		



June 2026

Monthly Finance Report

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



<u>SWMBH Through June</u>	<u>FY26</u>	<u>FY25</u>	<u>% Change YOY</u>	<u>\$ Change YOY</u>
State Plan MH	65,699,254	73,617,531	-10.8%	(7,918,278)
1915i MH	72,691,228	68,441,280	6.2%	4,249,948
Autism	34,064,782	22,027,813	54.6%	12,036,969
<i>Habilitation Supports Waiver (HSW)</i>	52,229,667	47,593,454	9.7%	4,636,214
<i>Child Waiver Program (CWP)</i>	665,992	691,922	-3.7%	(25,930)
<i>Serious Emotional Disturbances (SED)</i>	520,154	382,765	35.9%	137,389
Net Capitation Payment	<u>225,870,768</u>	<u>212,754,765</u>	6.2%	13,116,003
				-
State Plan SA	3,629,204	5,913,489	-38.6%	(2,284,285)
Net Capitation Payment	<u>3,629,204</u>	<u>5,913,489</u>	-38.6%	(2,284,285)
				-
Healthy Michigan Mental Health	16,024,880	18,649,005	-14.1%	(2,624,125)
Healthy Michigan Autism	1,390	30,480	-95.4%	(29,090)
Net Capitation Payment	<u>16,026,270</u>	<u>18,679,485</u>	-14.2%	(2,653,215)
				-
Healthy Michigan Substance Abuse	7,121,837	10,161,534	-29.9%	(3,039,696)
Net Capitation Payment	<u>7,121,837</u>	<u>10,161,534</u>	-29.9%	
				-
GRAND TOTAL	252,648,080	247,509,273	2.1%	5,138,807

as of 7/1/2026

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

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

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



Revenue Tracking of Expected Funds	FY26 Revenue						FY26 Revenue YTD					
	FY26 Budget	Actual Payment	Accrual	Actual Annualized	Variance		Budget YTD	Actual	Accrual	YTD	Variance	
					Variance \$	%					Variance \$	%
Medicaid	242,191,562.82	234,779,290.45	-	234,779,290.45	(7,412,272.37)	-3.1%	181,643,672.12	176,084,467.84		176,084,467.84	(5,559,204.27)	-3.1%
Habilitation Supports Waiver (HSW)	70,682,821.26	69,639,556.39	932,879.32	70,572,435.70	(110,385.56)	-0.2%	53,012,115.95	52,229,667.29	932,879.32	53,162,546.61	150,430.66	0.3%
Child Waiver Program (CWP)	964,208.87	887,989.67	-	887,989.67	(76,219.20)	-7.9%	723,156.65	665,992.25		665,992.25	(57,164.40)	-7.9%
Serious Emotional Disturbances (SED)	226,288.62	693,539.04	-	693,539.04	467,250.42	206.5%	169,716.47	520,154.28		520,154.28	350,437.82	206.5%
Healthy Michigan Mental Health	34,620,863.28	30,864,143.89	-	30,864,143.89	(3,756,719.39)	-10.9%	25,965,647.46	23,148,107.92		23,148,107.92	(2,817,539.54)	-10.9%
Overall Net Capitation Payment	348,685,744.85	336,864,519.44	932,879.32	337,797,398.76	(10,888,346.09)	-3.12%	261,514,308.64	252,648,389.58	932,879.32	253,581,268.90	(7,933,039.74)	-3.03%



Budgeted Funds
Over - Variance
Under - Variance
Accrued Funds

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through June 30, 2026

Traditional Medicaid	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
Revenue Capitation (PEPM)	\$ 239,226,892	\$ 3,629,204									\$ 242,856,096
CMHSP Distributions	(219,864,352)	-	9,745,510	41,777,950	11,946,577	38,927,561	13,427,131	68,678,671	14,183,067	21,177,885	-
1st/3rd Party receipts			-	-	-	-	-	(1,178)	-	1,737,268	1,736,089
Net revenue	<u>19,362,540</u>	<u>3,629,204</u>	<u>9,745,510</u>	<u>41,777,950</u>	<u>11,946,577</u>	<u>38,927,561</u>	<u>13,427,131</u>	<u>68,677,492</u>	<u>14,183,067</u>	<u>22,915,153</u>	<u>244,592,185</u>
Expense											
PIHP Admin	5,852,838	120,834									5,973,672
ClaimsTax	179,858	-									182,586
Hospital Rate Adjuster	7,302,369										7,302,369
Services - Managed Care		-	733,661	3,207,731	555,561	4,139,054	1,321,126	7,328,257	2,213,177	1,737,268	21,235,836
Services - Internal		-	349,211	1,436,467	235,374	1,258,222	2,865,101	1,969,282	558,956	1,813,860	10,486,474
Services - External		3,858,143	5,130,118	36,337,025	8,322,337	30,396,131	11,874,358	54,330,989	12,208,586	17,312,628	179,770,315
Total expense	<u>13,335,065</u>	<u>3,978,977</u>	<u>6,212,990</u>	<u>40,981,224</u>	<u>9,113,272</u>	<u>35,793,407</u>	<u>16,060,585</u>	<u>63,628,528</u>	<u>14,980,719</u>	<u>20,863,755</u>	<u>224,951,251</u>
Net Actual Surplus (Deficit)	<u>\$ 6,027,475</u>	<u>\$ (349,773)</u>	<u>\$ 3,532,520</u>	<u>\$ 796,726</u>	<u>\$ 2,833,305</u>	<u>\$ 3,134,154</u>	<u>\$ (2,633,454)</u>	<u>\$ 5,048,964</u>	<u>\$ (797,652)</u>	<u>\$ 2,051,397</u>	<u>\$ 19,640,934</u>

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through June 30, 2026

Healthy Michigan	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
Revenue Capitation (PEPM)	\$ 18,035,750	\$ 7,121,837									\$ 25,157,587
CMHSP Distributions	(18,765,354)	-	945,393	3,930,081	886,509	3,425,126	1,033,669	5,614,527	1,264,907	1,665,141	-
1st/3rd Party receipts			-	-	-	-	-	-	-	-	-
Net revenue	<u>(729,604)</u>	<u>7,121,837</u>	<u>945,393</u>	<u>3,930,081</u>	<u>886,509</u>	<u>3,425,126</u>	<u>1,033,669</u>	<u>5,614,527</u>	<u>1,264,907</u>	<u>1,665,141</u>	<u>25,157,587</u>
Expense											
PIHP Admin	679,484	236,169									915,653
Access Center	-	-									-
ClaimsTax	74,915	-									74,915
Hospital Rate Adjuster	6,661,631										6,661,631
Services - Managed Care		-	175,209	360,028	74,501	772,145	156,041	525,367	254,098	222,378	2,539,768
Services - Internal		-	38,086	142,564	23,281	64,417	1,056,497	5,903	11,819	7,514	1,350,082
Services - External		7,540,714	785,260	2,150,617	577,118	3,546,033	654,638	4,030,299	727,125	858,594	20,870,397
Total expense	<u>7,416,030</u>	<u>7,776,883</u>	<u>998,555</u>	<u>2,653,210</u>	<u>674,900</u>	<u>4,382,594</u>	<u>1,867,176</u>	<u>4,561,569</u>	<u>993,042</u>	<u>1,088,485</u>	<u>32,412,446</u>
Net Surplus (Deficit)	<u>\$ (8,145,634)</u>	<u>\$ (655,046)</u>	<u>\$ (53,162)</u>	<u>\$ 1,276,871</u>	<u>\$ 211,609</u>	<u>\$ (957,468)</u>	<u>\$ (833,507)</u>	<u>\$ 1,052,957</u>	<u>\$ 271,865</u>	<u>\$ 576,656</u>	<u>\$ (7,254,859)</u>

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through June 30, 2026

SUD Block Grant	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
Payment	\$ -	\$ 4,861,486	\$ 28,316	\$ 146,472	\$ 21,200	\$ -	\$ 42,227	\$ 83,968	\$ 59,226	\$ 42,490	\$ 5,285,386
1st/3rd Party receipts			-	-	-	-	-	-	-	-	-
Net revenue	-	4,861,486	28,316	146,472	21,200	-	42,227	83,968	59,226	42,490	5,285,386
Expense											
PIHP Admin	-										-
Services		4,447,816	25,359	306,253	56,084	-	90,724	-	95,949	263,201	5,285,386
Total expense	-	4,447,816	25,359	306,253	56,084	-	90,724	-	95,949	263,201	5,285,386
Net Surplus (Deficit)	\$ -	\$ 413,670	\$ 2,958	\$ (159,781)	\$ (34,884)	\$ -	\$ (48,497)	\$ 83,968	\$ (36,723)	\$ (220,711)	\$ -

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through June 30, 2026

CCBHC - Medicaid	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
CCBHC Revenue	\$ -	\$ -	\$ 2,653,087	\$ 7,243,406	\$ 2,581,934	\$ 7,499,831		\$ 19,101,068	\$ 2,243	\$ 3,724,445	\$ 42,806,013
1st/3rd Party receipts			(69,404)	(120,004)	(50,424)	-		(311,005)	-	-	(550,837)
Net revenue	-	-	2,583,682	7,123,402	2,531,510	7,499,831		18,790,063	2,243	3,724,445	42,255,176
Expense											
Services			4,148,425	6,777,601	3,409,605	8,767,324		18,903,895	3,687,048	4,248,988	49,942,885
Total expense	-	-	4,148,425	6,777,601	3,409,605	8,767,324		18,903,895	3,687,048	4,248,988	49,942,885
Net Surplus (Deficit)	\$ -	\$ -	\$ (1,564,742)	\$ 345,801	\$ (878,095)	\$ (1,267,492)		\$ (113,832)	\$ (3,684,806)	\$ (524,543)	\$ (7,687,709)

Southwest Michigan Behavioral Health

Funding Source Report - PIHP

October 1, 2025 through June 30, 2026

CCBHC - Healthy Michigan	Southwest Michigan MH	Southwest Michigan SUD	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	PIHP Total
Revenue											
CCBHC Revenue	\$ -	\$ -	\$ 1,104,545	\$ 3,266,834	\$ 785,781	\$ 2,739,989		\$ 6,201,220	\$ 5,890,674	\$ -	\$ 19,989,043
1st/3rd Party receipts			(9,352)	(19,271)	(10,005)	-		(52,480)	-	-	(91,107)
Net revenue	-	-	1,095,194	3,247,563	775,776	2,739,989		6,148,741	5,890,674	-	19,897,936
Expense											
Services			1,489,365	3,116,308	1,002,365	3,118,380		6,207,601	1,107,350	1,226,935	17,268,305
Total expense	-	-	1,489,365	3,116,308	1,002,365	3,118,380		6,207,601	1,107,350	1,226,935	17,268,305
Net Surplus (Deficit)	\$ -	\$ -	\$ (394,172)	\$ 131,255	\$ (226,590)	\$ (378,391)		\$ (58,860)	\$ 4,783,323	\$ (1,226,935)	\$ 2,629,631

Southwest Michigan Behavioral Health

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

Substance Use Disorder Prevention & Treatment	Medicaid	Healthy Michigan	Opioid Health Home	SUD Grants	Other Grants	PA2	Total SUD
Revenue	<u>\$ 3,629,204</u>	<u>\$ 7,121,837</u>	<u>\$ 1,132,008</u>	<u>\$ 5,285,386</u>	<u>\$ 83,357</u>	<u>\$ 1,431,516</u>	<u>\$ 18,683,308</u>
Expense							
Administration	120,834	236,169	33,052	-	-		390,055
Access Center	-	-	-	-	-		-
Claims Tax	-	-	-				-
	<u>120,834</u>	<u>236,169</u>	<u>33,052</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390,055</u>
Treatment Services							
Outpatient	845,292	1,419,480	-	143,706	-	-	2,408,478
Intensive outpatient	2,874	8,966	-	3,908	-	-	15,748
Detox services	375,747	712,893	-	86,083	-	-	1,174,723
Residential	1,435,931	3,358,106	-	415,114	-	-	5,209,151
Methadone	959,010	1,537,234	-	129,342	-	-	2,625,586
Assessments and evaluation	239,244	503,985	-	63,313	-	-	806,542
Transportation	45	50	-	505	-	-	600
Room & Board			-	1,174,877	-	-	1,174,877
Total treatment services	<u>3,858,143</u>	<u>7,540,714</u>	<u>-</u>	<u>2,016,848</u>	<u>-</u>	<u>-</u>	<u>13,415,705</u>
Other grant services	-	-	1,055,320	3,268,538	83,357	1,431,516	5,838,731
Total expense	<u>3,978,977</u>	<u>7,776,883</u>	<u>1,088,372</u>	<u>5,285,386</u>	<u>83,357</u>	<u>1,431,516</u>	<u>19,644,491</u>
Net Surplus (Deficit)	<u>\$ (349,773)</u>	<u>\$ (655,046)</u>	<u>\$ 43,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (961,183)</u>

Southwest Michigan Behavioral Health

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

Substance Use Disorder Prevention & Treatment	Community Grant	Women's Specialty	State Disability Assistance	Prevention	Michigan SOR III	Healing & Recovery Infrastructure	Recovery Incentives Infrastructure	Gambling Prevention Specialist	Alcohol Use Disorder	Total SUD Grants
Revenue	\$ 2,261,482	\$ 110,601	\$ 109,944	\$ 1,340,279	\$ 884,683	\$ 308,284	\$ 86,615	\$ 117,807	\$ 65,691	\$ 5,285,386
Expense										
Administration	-	-		-	-	-	-	-	-	-
Access Center	-									-
Claims Tax										
	-	-		-	-	-	-	-	-	-
Treatment Services										
Outpatient	143,706	-	-	-	-	-	-	-	-	143,706
Intensive outpatient	3,908	-	-	-	-	-	-	-	-	3,908
Detox services	86,083	-	-	-	-	-	-	-	-	86,083
Residential	415,114	-	-	-	-	-	-	-	-	415,114
Methadone	129,342	-	-	-	-	-	-	-	-	129,342
Assessments and evaluation	63,313	-	-	-	-	-	-	-	-	63,313
Transportation	505	-	-	-	-	-	-	-	-	505
Room & Board	1,174,877	-	-	-	-	-	-	-	-	1,174,877
Total treatment services	2,016,848	-	-	-	-	-	-	-	-	2,016,848
Other grant services	244,634	110,601	109,944	1,340,279	884,683	308,284	86,615	117,807	65,691	3,268,538
Total expense	2,261,482	110,601	109,944	1,340,279	884,683	308,284	86,615	117,807	65,691	5,285,386
Net Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Southwest Michigan Behavioral Health

Funding Source Report - SUD PA2

October 1, 2025 through June 30, 2026

Substance Use Disorder Prevention & Treatment	Barry County	Berrien County	Branch County	Calhoun County	Cass County	Kalamazoo County	St. Joseph County	Van Buren County	Total
Revenue	\$ 72,827	\$ 276,444	\$ 11,566	\$ 263,185	\$ 73,579	\$ 569,881	\$ 106,483	\$ 57,551	\$ 1,431,516
Expense									
Services									
Outpatient	\$ 72,827	\$ 182,692	\$ 11,566	\$ 263,185	\$ 73,579	\$ 256,051	\$ 66,873	\$ 57,551	\$ 984,324
Residential	-	-	-	-	-	146,167	39,610	-	185,777
Supportive	-	-	-	-	-	60,396	-	-	60,396
Ancillary	-	-	-	-	-	66,667	-	-	66,667
Prevention	-	93,752	-	-	-	40,600	-	-	134,352
Total Services	72,827	276,444	11,566	263,185	73,579	569,881	106,483	57,551	1,431,516
Total expense	72,827	276,444	11,566	263,185	73,579	569,881	106,483	57,551	1,431,516
Net Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA2 Balance forward	\$ 800,135	\$ 847,580	\$ 638,093	\$ 214,739	\$ 528,642	\$ 2,105,893	\$ 388,140	\$ 696,746	\$ 6,219,968

Southwest Michigan Behavioral Health

Statement of Activities and Proprietary Funds Statement of

Revenues, Expenses, and Unspent Funds

October 1, 2025 through June 30, 2026

	Mental Health	Substance Use Disorder	Risk Reserve Medicaid	Total PIHP Activities
Operating revenue				
Medicaid	\$ 227,272,371	\$ 3,629,204	\$ -	\$ 230,901,575
Healthy Michigan	16,026,271	7,121,837	-	23,148,108
Medicaid Hospital Adjuster payment	13,964,000	-	-	13,964,000
Opioid Health Home	-	1,132,008	-	1,132,008
Behavioral Health Home	39,562	-	-	39,562
SUD Prevention and Treatment	-	5,285,386	-	5,285,386
Public Act 2 Local	-	1,431,516	-	1,431,516
Other Grant revenue	194,373	83,357	-	277,730
Performance based incentives/QBIP/OHH P4P	-	-	-	-
Interest revenue	221,625	-	16	221,641
Affiliate local drawdown	639,390	-	-	639,390
Other miscellaneous revenue	-	-	-	-
Total operating revenue	258,357,592	18,683,308	16	277,040,916
Operating expenses				
General Administration:				
Personnel	4,333,172	354,931	-	4,688,103
Facilities	198,311	12,305	-	210,616
Other	1,610,784	22,819	-	1,633,603
Claims and Use Taxes:				
Medicaid Services	182,586	-	-	182,586
Healthy Michigan	74,915	-	-	74,915
Hospital Rate Adjuster	13,964,000	-	-	13,964,000
Payments to Affiliates/Providers:				
Medicaid Services	184,720,507	3,858,143	-	188,578,650
Medicaid Services - OHH	-	1,055,320	-	1,055,320
Healthy Michigan Services	38,397,417	7,540,714	-	45,938,131
SUD Prevention and Treatment Grant:				
Community Grant	-	2,261,482	-	2,261,482
Other community grant services	-	-	-	-
Other Woman's Specialty services	-	110,601	-	110,601
Prevention services	-	1,340,279	-	1,340,279
State Disability Assistance	-	109,944	-	109,944
State Opioid Response (SOR)	-	884,683	-	884,683
Healing and Recovery Infrastructure (HRCEI)	-	308,284	-	308,284
Recovery Incentives Infrastructure	-	86,615	-	86,615
Alcohol Use Disorder Treatment (AUD)	-	65,691	-	65,691
Gambling Disorder Prevention Grant	-	117,807	-	117,807
Public Act 2 expenses	-	1,431,516	-	1,431,516
Other grants	167,686	83,357	-	251,043
Behavioral health home services	-	-	-	-
Performance based incentives/QBIP/OHH P4P	-	-	-	-
OHH P4P Bonus Award	-	-	-	-
Local Match Drawdown	639,390	-	-	639,390
Total operating expenses	244,288,768	19,644,491	-	263,933,259
CY Unspent funds	14,068,824	(961,183)	16	13,107,657

Southwest Michigan Behavioral Health

Statement of Net Position

June 30, 2026

	Mental Health	Risk Reserve Medicaid	Total PIHP Activities
Assets			
Cash Position	\$ 8,170,434	\$ 801	\$ 8,171,235
Accounts Receivable	8,200	-	8,200
Due From Other Governmental Units	18,370,190	-	18,370,190
Due From Affiliates	36,882,841	-	36,882,841
Due from other funds	-	806,099	806,099
Prepaid Expenses	357,334	-	357,334
Capital assets being depreciated	596,904	-	596,904
Total assets	64,385,903	806,900	65,192,803
Liabilities			
Accounts payable	8,768,272	-	8,768,272
Accrued payroll and benefits	2,007	-	2,007
Due To Affiliates	41,485,161	-	41,485,161
Due to other funds	806,099	-	806,099
Compensated absences	345,470	-	345,470
Lease payable	627,025	-	627,025
Unearned revenue	6,219,968	-	6,219,968
Total liabilities	58,254,002	-	58,254,002
Total net position	\$ 21,675,858	\$ (13,776,673)	\$ 6,938,801

Southwest Michigan Behavioral Health

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Mental Health

October 1, 2025 through June 30, 2026

	Annual Budget	YTD Budget	YTD Actual	Positive (Negative) Variance	Percent Over (Under) Budget
Operating revenue					
Medicaid:					
Capitation	\$ 306,106,224	\$ 229,579,668	\$ 227,272,371	\$ (2,307,297)	(1.01%)
Carryover		-	-	-	0.00%
Healthy Michigan:					
Capitation	22,201,491	16,651,118	16,026,271	(624,847)	(3.75%)
HRA Revenue	12,089,192	9,066,894	13,964,000	4,897,106	54.01%
Behavioral Health Home	-	-	39,562	39,562	0.00%
Other Grant revenue	580,000	435,000	194,373	(240,627)	(55.32%)
Performance based incentives	2,134,267	1,600,700	-	(1,600,700)	(100.00%)
Affiliate local drawdown	852,520	639,390	639,390	-	0.00%
Interest and Other revenues	47,805	35,854	221,625	185,771	518.14%
Other miscellaneous revenue	-	-	-	-	0.00%
Total operating revenue	344,011,499	258,008,624	258,357,592	348,968	0.14%
Operating expenses					
General Administration:					
Personnel	5,141,722	3,856,291	4,333,172	(476,881)	(12.37%)
Facilities	210,791	158,093	198,311	(40,218)	(25.44%)
Other	1,935,161	1,451,371	1,610,784	(159,413)	(10.98%)
Insurance Provider Taxes	2,910,115	2,182,586	257,501	(257,501)	(11.80%)
Hospital Rate Adjuster	12,089,192	9,066,894	13,964,000	(4,897,106)	(54.01%)
Local Match Drawdown	852,520	639,390	639,390	-	0.00%
Payments to Affiliates	299,214,044	224,410,533	223,117,924	1,292,609	0.58%
Performance based incentives	-	-	-	-	0.00%
Mental Health Grants	580,000	435,000	167,686	267,314	61.45%
Total operating expenses	322,933,545	242,200,158	244,288,768	(2,088,610)	(0.86%)
CY Unspent funds	21,077,954	15,808,466	14,068,824	1,739,642	
Unspent funds - beginning	7,607,034	7,607,034	7,607,034	-	
Unspent funds - ending	\$ 28,684,988	\$ 23,415,500	\$ 21,675,858	\$ 1,739,642	

Southwest Michigan Behavioral Health

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Substance Use Disorder

October 1, 2025 through June 30, 2026

	Annual Budget	YTD Budget	YTD Actual	Positive (Negative) Variance	Percent Over (Under) Budget
Operating revenue					
Medicaid	\$ 8,442,260	\$ 6,331,695	\$ 3,629,204	\$ (2,702,491)	(42.68%)
Healthy Michigan	12,419,373	9,314,530	7,121,837	(2,192,693)	(23.54%)
Opioid Health Home	1,871,969	1,403,977	1,132,008	(271,969)	(19.37%)
SUD Treatment	7,795,203	5,846,402	2,261,482	(3,584,920)	(61.32%)
SUD Women's Specialty	-	-	110,601	110,601	0.00%
SUD state disability assistance	-	-	109,944	109,944	0.00%
SUD prevention	-	-	1,340,279	1,340,279	0.00%
State Opioid Response	-	-	884,683	884,683	0.00%
SUD Alcohol Use Disorder	-	-	65,691	65,691	0.00%
Healing & Recovery Engagement & Infrastructure	-	-	308,284	308,284	0.00%
Recovery Incentives Infrastructure	-	-	86,615	86,615	0.00%
Gambling Disorder Prevention Grant	-	-	117,807	117,807	0.00%
Performance based incentives/QBIP/OHH P4P	-	-	-	-	0.00%
Public Act 2 Local	2,184,476	1,638,357	1,431,516	(206,841)	(12.62%)
Other grant revenue	-	67,860	83,357	15,497	22.84%
Total operating revenue	32,713,281	24,602,821	18,683,308	(5,919,513)	
Operating expenses					
General Administration:					
Personnel	-	-	354,931	(354,931)	0.00%
Facilities	-	-	12,305	(12,305)	0.00%
Other	-	-	22,819	(22,819)	0.00%
Medicaid Services	22,684,580	17,013,435	3,858,143	13,155,292	77.32%
Healthy Michigan Services	-	-	7,540,714	(7,540,714)	0.00%
Opioid Health Home Services	1,871,969	1,403,977	1,055,320	348,657	24.83%
OHH P4P Bonus Award	-	-	-	-	0.00%
SUD Prevention, Treatment, and Gambling Grant:					
Community Grant	7,795,203	5,846,402	2,261,482	3,584,920	61.32%
State Disability Assistance	-	-	109,944	(109,944)	0.00%
Womens Specialty Services	-	-	110,601	(110,601)	0.00%
Prevention services	-	-	1,340,279	(1,340,279)	0.00%
State Opioid Response III	-	-	884,683	(884,683)	0.00%
Healing and Recovery Infrastructure	-	-	308,284	(308,284)	0.00%
Recovery Incentives Infrastructure	-	-	86,615	(86,615)	0.00%
SUD Alcohol Use Disorder	-	-	65,691	(65,691)	0.00%
Gambling Disorder Prevention Grant	-	-	117,807	(117,807)	0.00%
Public Act 2 expenses:					
PA2 services-Barry	-	-	72,827	(72,827)	0.00%
PA2 services-Berrien	-	-	276,444	(276,444)	0.00%
PA2 services-Branch	-	-	11,566	(11,566)	0.00%
PA2 services-Calhoun	-	-	263,185	(263,185)	0.00%
PA2 services-Cass	-	-	73,579	(73,579)	0.00%
PA2 services-Kalamazoo	-	-	569,881	(569,881)	0.00%
PA2 services-St Joseph	-	-	106,483	(106,483)	0.00%
PA2 services-Van Buren	-	-	57,551	(57,551)	0.00%
Performance based incentives used	-	-	-	-	0.00%
Other grant expense	-	-	83,357	(83,357)	0.00%
Total operating expenses	32,351,752	24,263,814	19,644,491	4,619,323	
Unspent funds - beginning	-	-	-	-	
Unspent funds - ending	\$ 361,529	\$ 339,007	\$ (961,183)	\$ (10,538,836)	

Southwest Michigan Behavioral Health

Proprietary Funds Statement of Revenues, Expenses, and Unspent Funds

Budget to Actual - Medicaid Risk Reserve

October 1, 2025 through June 30, 2026

	Annual Budget	YTD Budget	YTD Actual	Positive (Negative) Variance	Percent Over (Under) Budget
Operating revenue					
Medicaid:					
Interest revenue	\$ 36,212	27,159	\$ 16	\$ (27,143)	(99.94%)
Operating expenses					
Payments to Affiliates:					0.00%
Medicaid Services	-	-	-	-	0.00%
Healthy Michigan Services	-	-	-	-	0.00%
Total operating expenses	-	-	-	-	
Unspent funds	36,212	27,159	16	(27,143)	
Unspent funds - beginning	(13,776,689)	(13,776,689)	(13,776,689)	-	
Unspent funds - ending	<u>\$ (13,740,477)</u>	<u>\$ (13,749,530)</u>	<u>\$ (13,776,673)</u>	<u>\$ (27,143)</u>	

2.0 POLICY: Global Executive Constraint (formerly BEL009)

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

2.0 POLICY: Global Executive Constraint (formerly BEL009)

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

***EO Response:** The EO has complied with the Global Executive Constraint policy as evidenced by the lack of the following: 1) notices of violation of any law; 2) notice of any professional ethics investigations or violations; and 3) notice from MDHHS of any breach of contract.*

The EO and senior management have access to sufficient resources to support agency decisions and activities in compliance with this Policy, including general legal counsel; legal counsel specifically for labor, employment, and retirements accounts; the Board-selected independent auditing firm; an accounting consultant; and a contracted Medical Director through W-Med.

2.2 POLICY: Treatment of Staff (formerly BEL004)

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

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

2.2.1. Operate without written personnel rules that:

- a. Clarify rules for staff
- b. Provide effective handling of grievances, and
- c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

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

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

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

2.2 POLICY: Treatment of Staff (formerly BEL004)

Review Period 8/1/2025 through 7/31/2026

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

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

2.2.1. Operate without written personnel rules that:

- a. Clarify rules for staff
- b. Provide effective handling of grievances, and
- c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

EO Response: A SWMBH Employee Manual exists which accomplishes the following:

- a. clarifies rules for staff;
- b. provides for handling of grievances – termed “conflict resolution”; and
- c. protects against the wrongful conditions listed above, as well as provides a welcoming mechanism for reporting and resolving allegations of these conditions.

The Manual was revised and reviewed by SWMBH Labor Counsel in March 2025 and redistributed to all staff in same month, an amendment adding benefits under the Earned Sick Time Act was added later in 2026. All staff are provided with the SWMBH Employee Manual at new hire orientation and as new editions are created, and sign individual attestations of having received the Manual.

The Executive Officer has been vigilant towards and responsive to staff needs and concerns, particularly in the areas of fairness, dignity and safety as expressed in this Board directive. Formal orientation and onboarding occurs for new staff. Enforcement of expectations related to level of effort, work product output and professional demeanor have been consistent. Staff are treated with dignity & respect and are not subjected to unsafe work environment or conditions. Compliance with this Executive Limitation is evidenced by the absence of any known Worker’s Compensation claims, OSHA complaints, FMLA violation claims and the like. In the past year staff SWMBH had zero (0) employee complaints filed with Human Resources regarding staff treatment.

An Employee Assistance Program (HelpNet) is provided for SWMBH staff at no expense to them and is regularly advertised to staff. Utilization reports are received from the vendor on a quarterly basis and indicate the use of the program by staff members.

In May 2026 the latest Cultural Accelerator Survey was conducted by an outside contractor, Rose St. Advisors, to measure staff satisfaction and engagement. This survey has been conducted on a regular basis for several years to improve employee engagement and satisfaction. The improvement over time has been significant and the latest survey indicates overall positive scores. The previous three surveys have held steady despite the threat to the PIHP from the MDHHS-issued RFP. There was a significant reduction in scores related to staff compensation, and SWMBH is undergoing a market analysis of compensation at this time.

Staff meetings occur a minimum of ten times per year, and include items on agency and regional financial status, Metrics and Goal status, public policy developments, department reports, and major initiative updates. SWMBH maintains an Employee Engagement Committee comprised of staff from each department who plan staff interaction activities which provides for informal interactions between the Executive Officer and staff.

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

EO Response: No retaliation against any staff member has occurred for any reason including but not limited to an expression of dissent as evidenced by an absence of staff complaints to management, Human Resources or outside agencies in this regard. No staff member has been discriminated against in any shape or fashion for expressing an ethical dissent as evidenced by the absence of verbal or written complaints by staff either internal or to external agencies. Monthly staff meetings include a call for agenda items and views, and there is a confidential question and issue submission process whereby staff can confidentially submit questions/issues to Human Resources.

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

EO Response: This Policy has been reviewed at staff meetings and is prominently posted in the staff lounge. This policy is physically posted at SWMBH, circulated and made available on the shared network drive, Intranet portal and to new staff. Related policies are on the shared network drive, and all staff have access to them. Staff are encouraged to raise personnel and operating policy questions and engage in dialogue amongst themselves, at staff meetings, with Human Resources and the Chief Administrative Officer. Human diversity is consistently considered in all dealings with staff, as evidenced by flexible yet consistent treatment; effective team relations; appropriate production and output; and consideration of staff needs and desires without sacrificing effectiveness or efficiency. This is evidenced by the absence of verbal or written complaints by staff related to diversity issues.

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

EO Response: Safety is an assigned role of the Chief Administrative Officer, and all staff are trained in safety plans during new employee orientation as well as periodic updates and refreshers at staff meetings. Emergency evacuation maps are centrally located in multiple places throughout the office to aid staff in the event of tornadoes, fire or bomb threats. Fire extinguishers and emergency lighting are available per commercial building code regulations. The Portage Fire Department inspects the premises each year to ensure there are no violations and to offer recommendations to the Chief Administrative Officer. SWMBH has a Business Continuity Plan under the direction of the Chief Administrative Officer who is responsible for continued staff training and improvements. The Business Continuity Plan has been reviewed and approved by the Executive Officer.

Attachments:

SWMBH Employee Manual
May 2026 Cultural Accelerator Survey Results

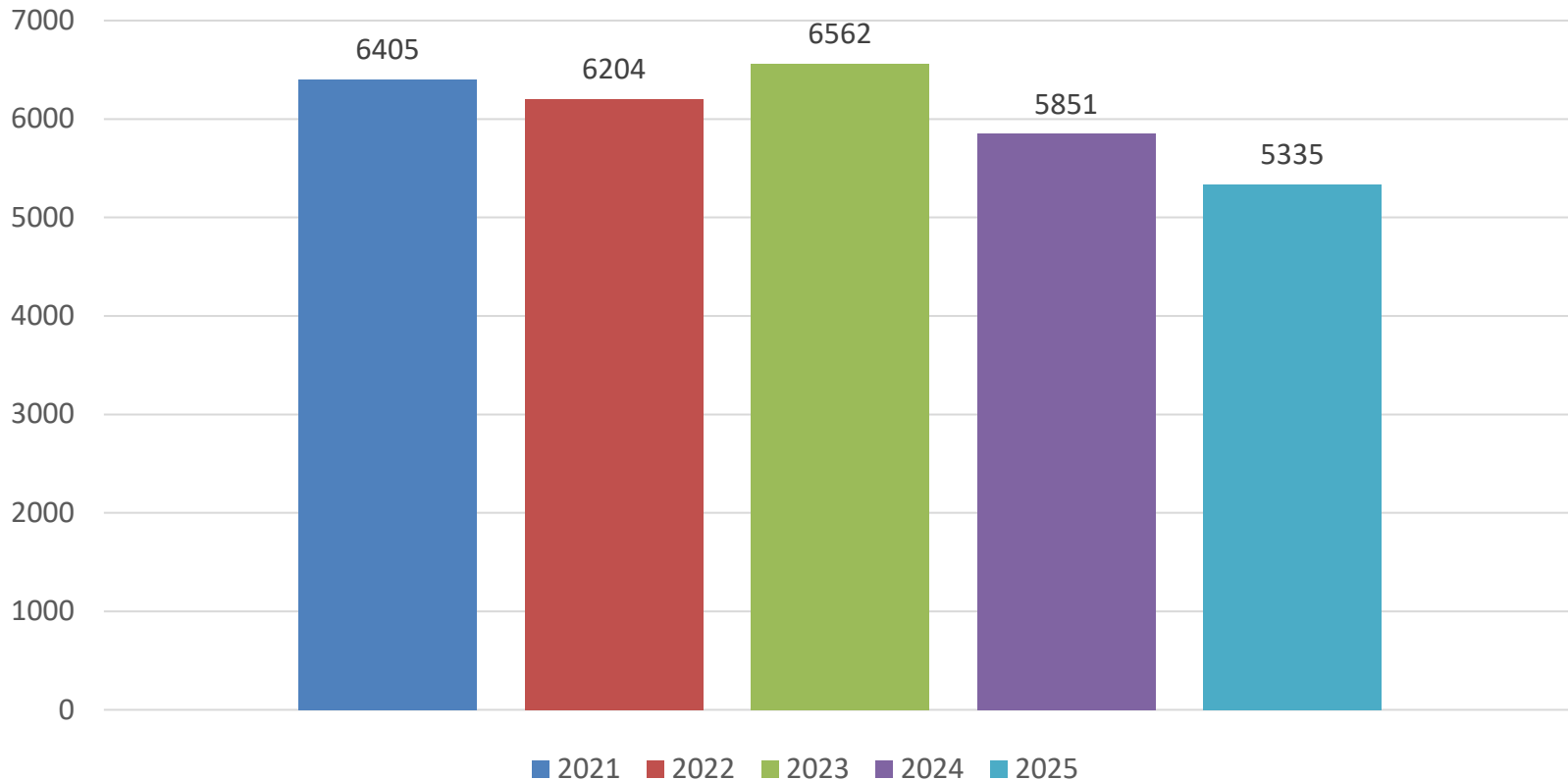
Behavioral Health Treatment Episode Data Set (BH TEDS) Admission Data: Fiscal Year 2025



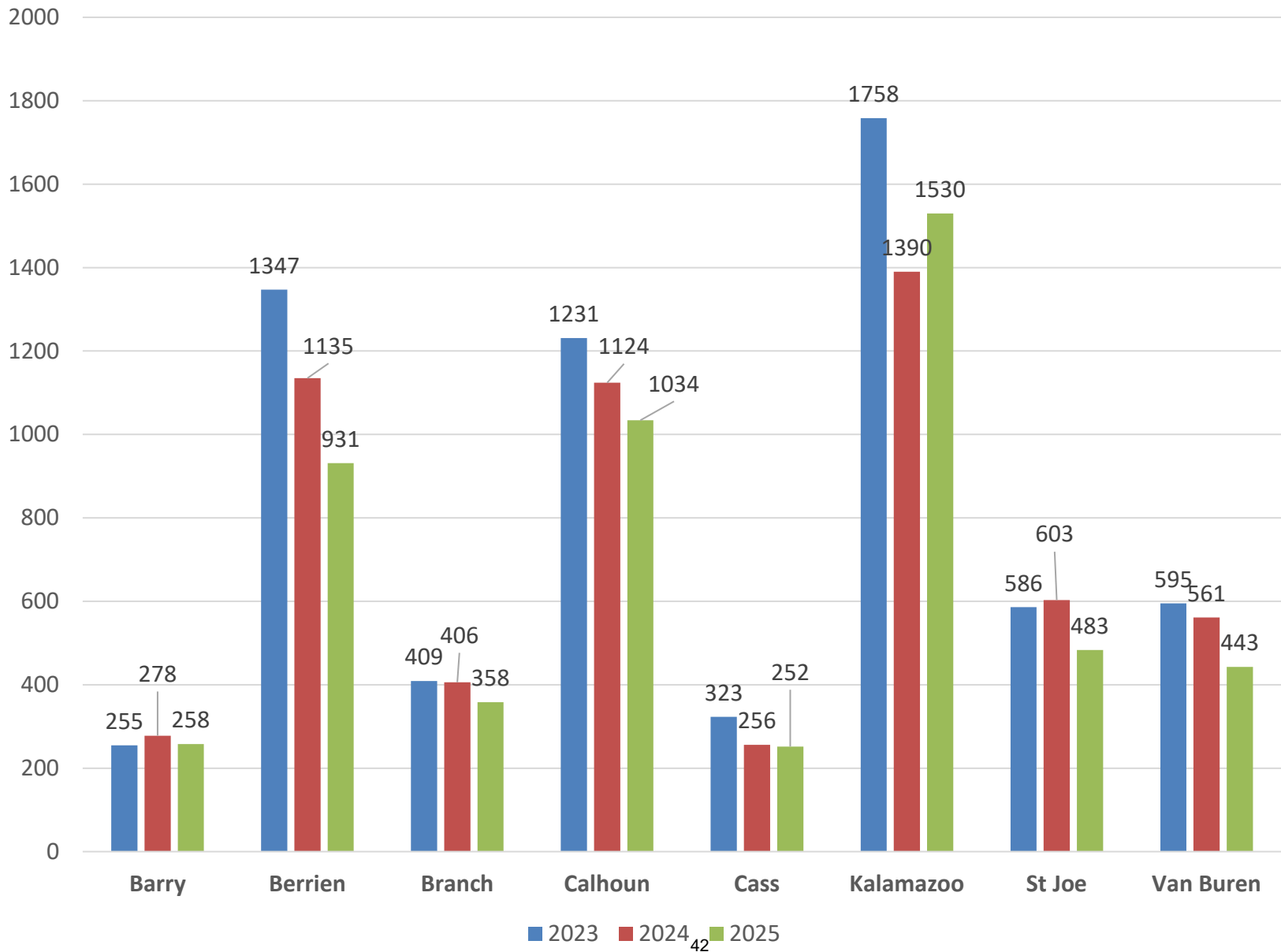
Overview:

As required by the MDHHS contract, a Behavioral Health Treatment Episode Data Set (BH-TEDS) is completed for every admission to SUD treatment. In fiscal year (FY) 2025, the SWMBH region had **5,335** treatment admissions to service. This count includes all customers for all levels of care. For example, if a customer went to detoxification services first and then to outpatient services, they would be counted twice (two separate services). County specific information is based on the customer's county of residence.

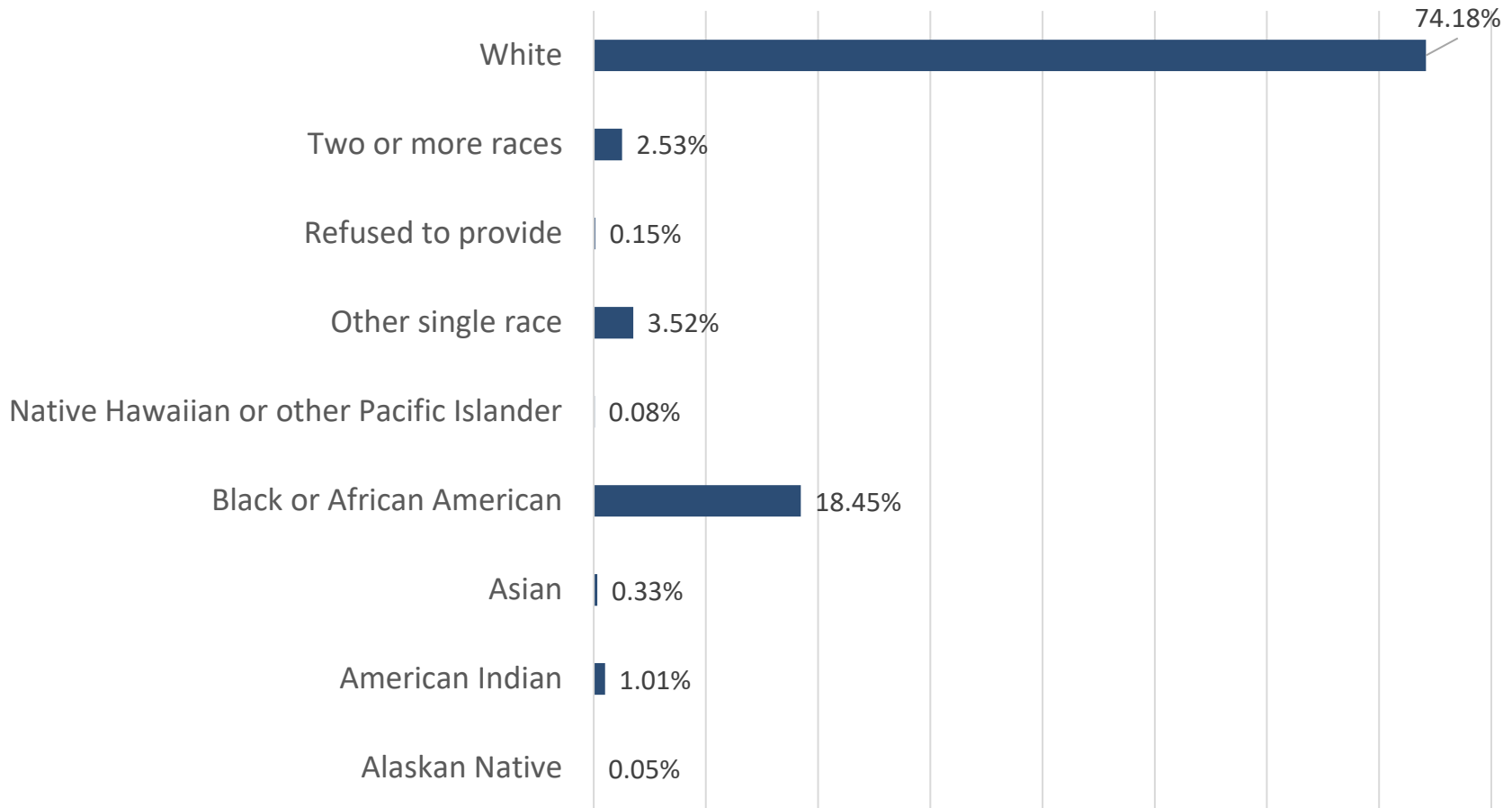
Total Treatment Admissions - SWMBH



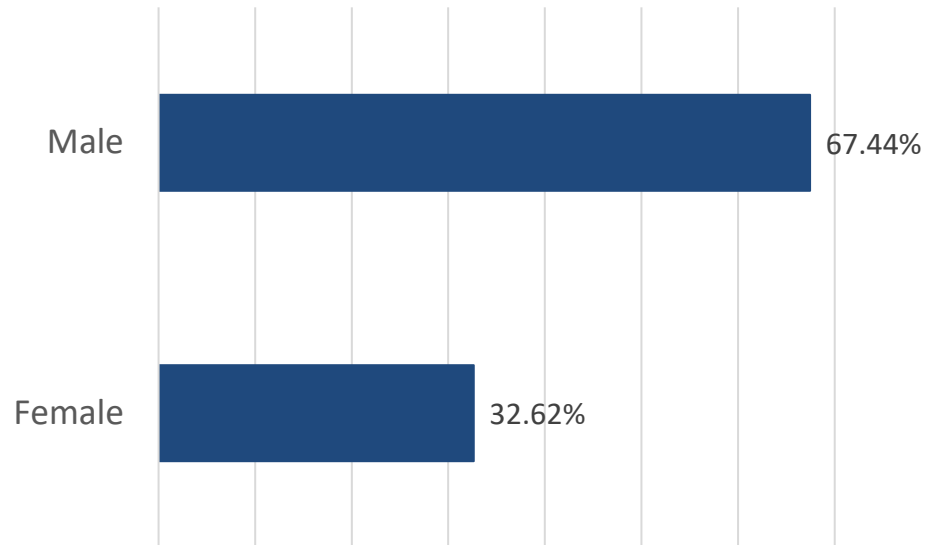
Treatment Admissions by County



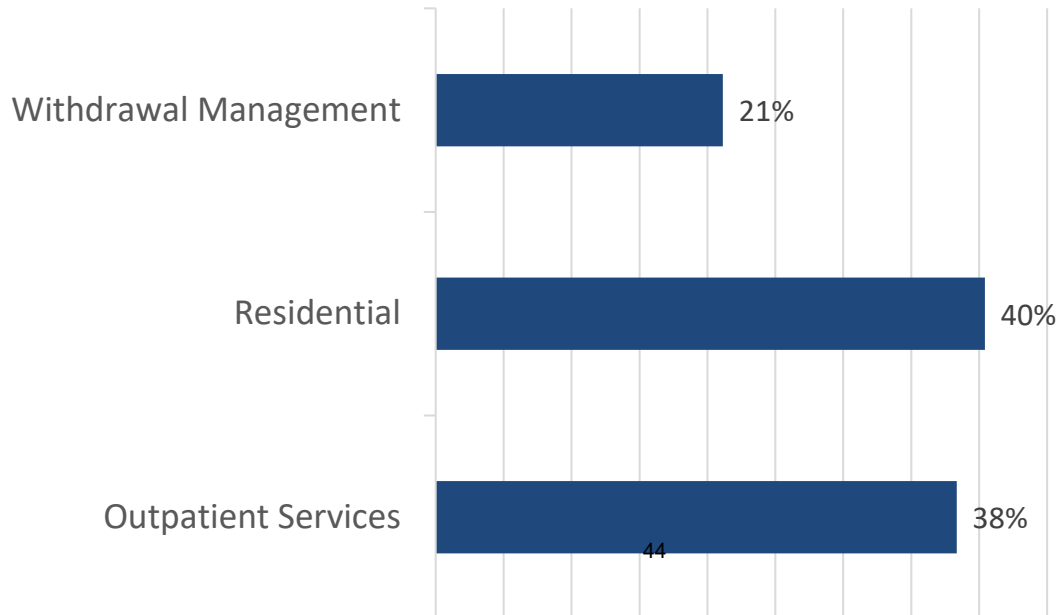
SWMBH Region: Race



SWMBH Region: Gender

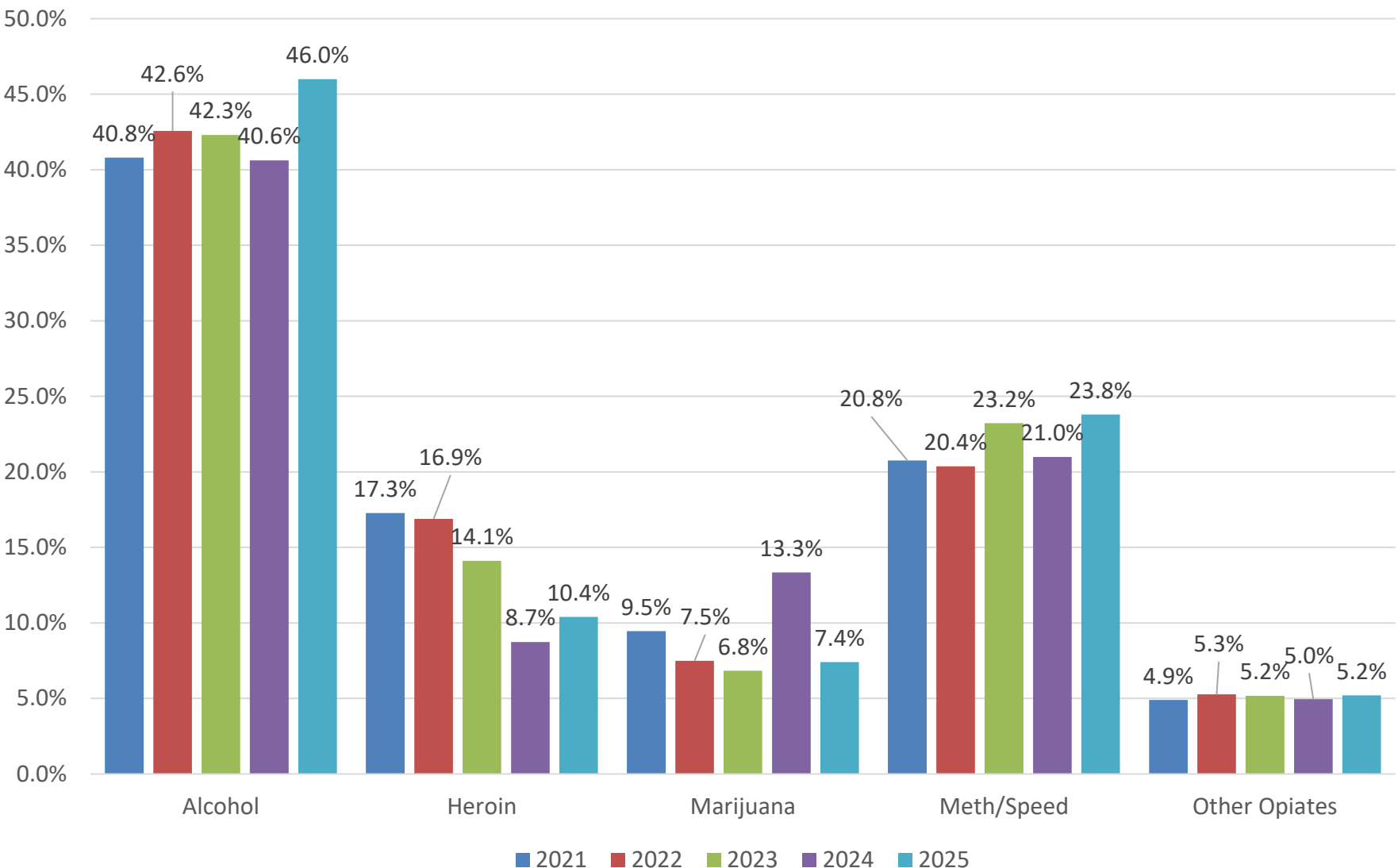


SWMBH Region: Treatment Service Setting

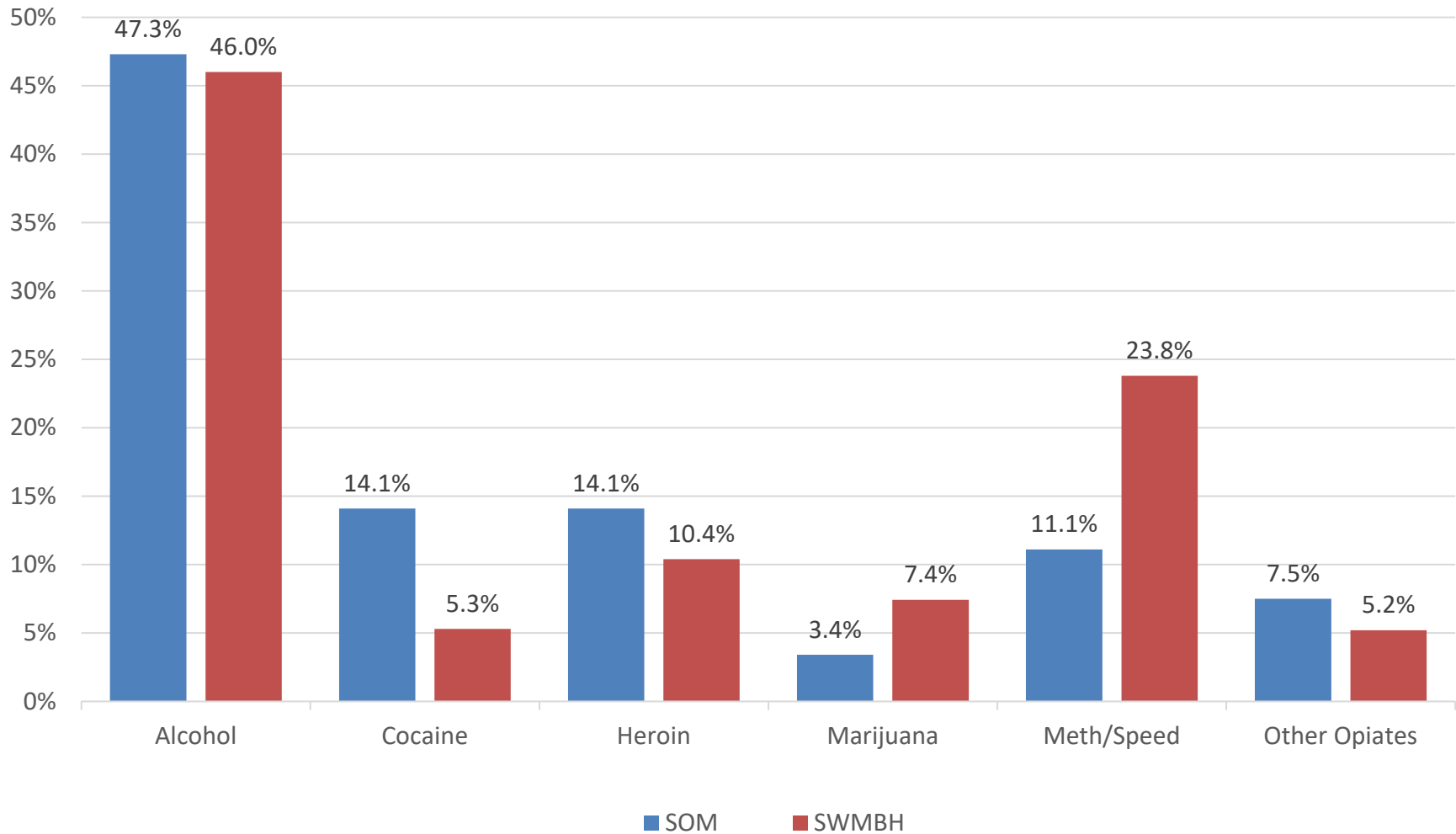


SWMBH Region

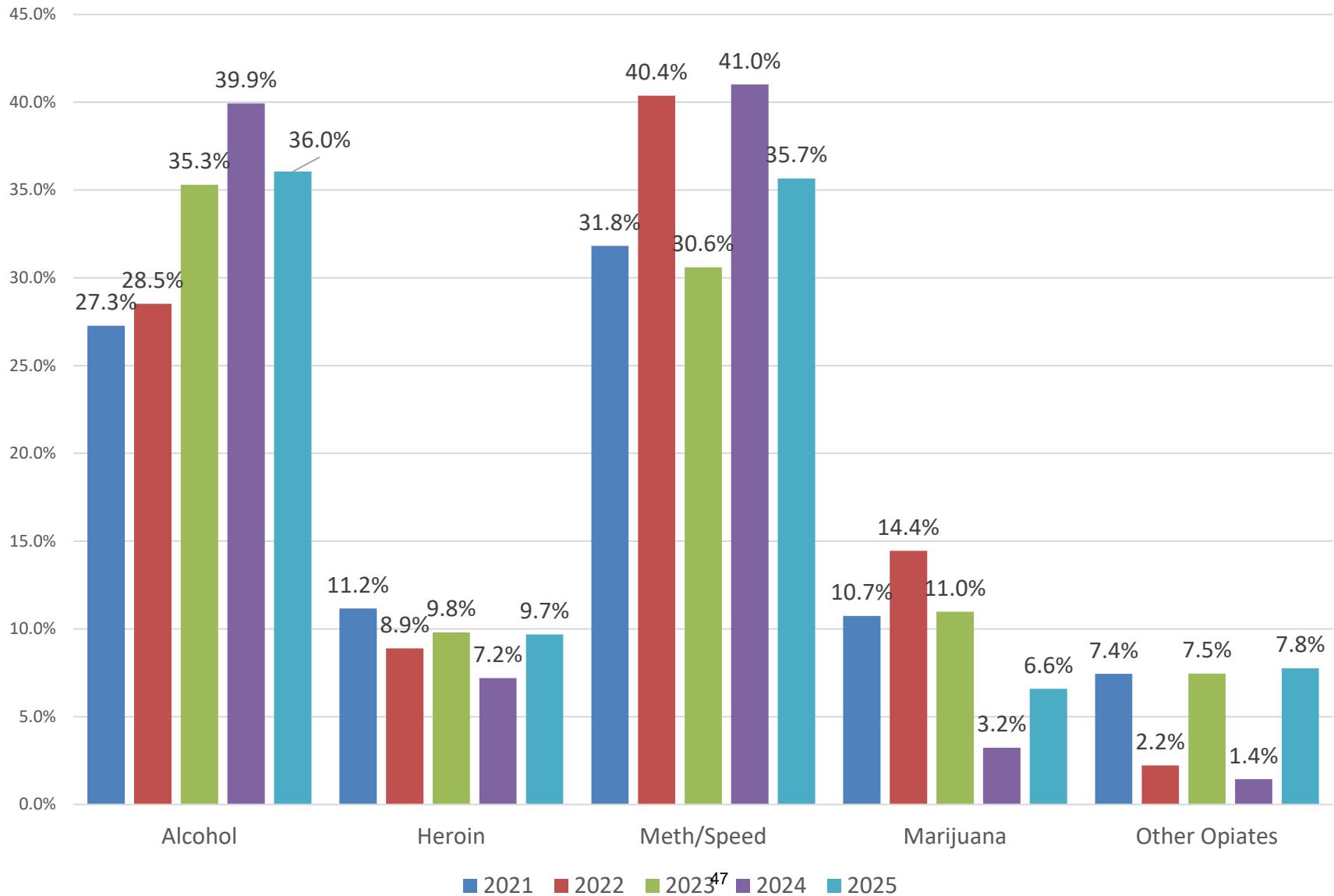
Primary Substance of Abuse at Admission



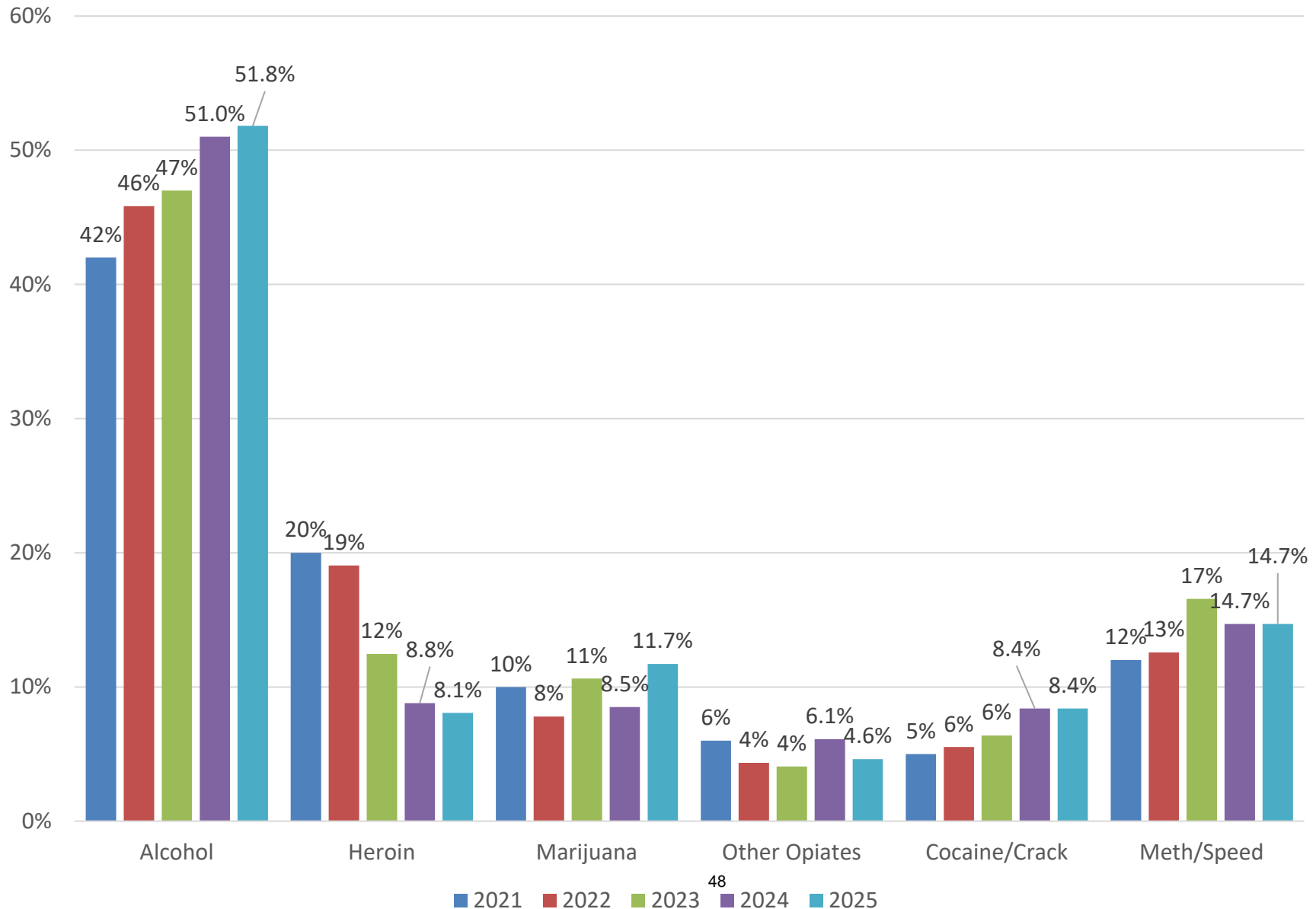
State of Michigan/SWMBH Region Primary Substance of Abuse at Admission



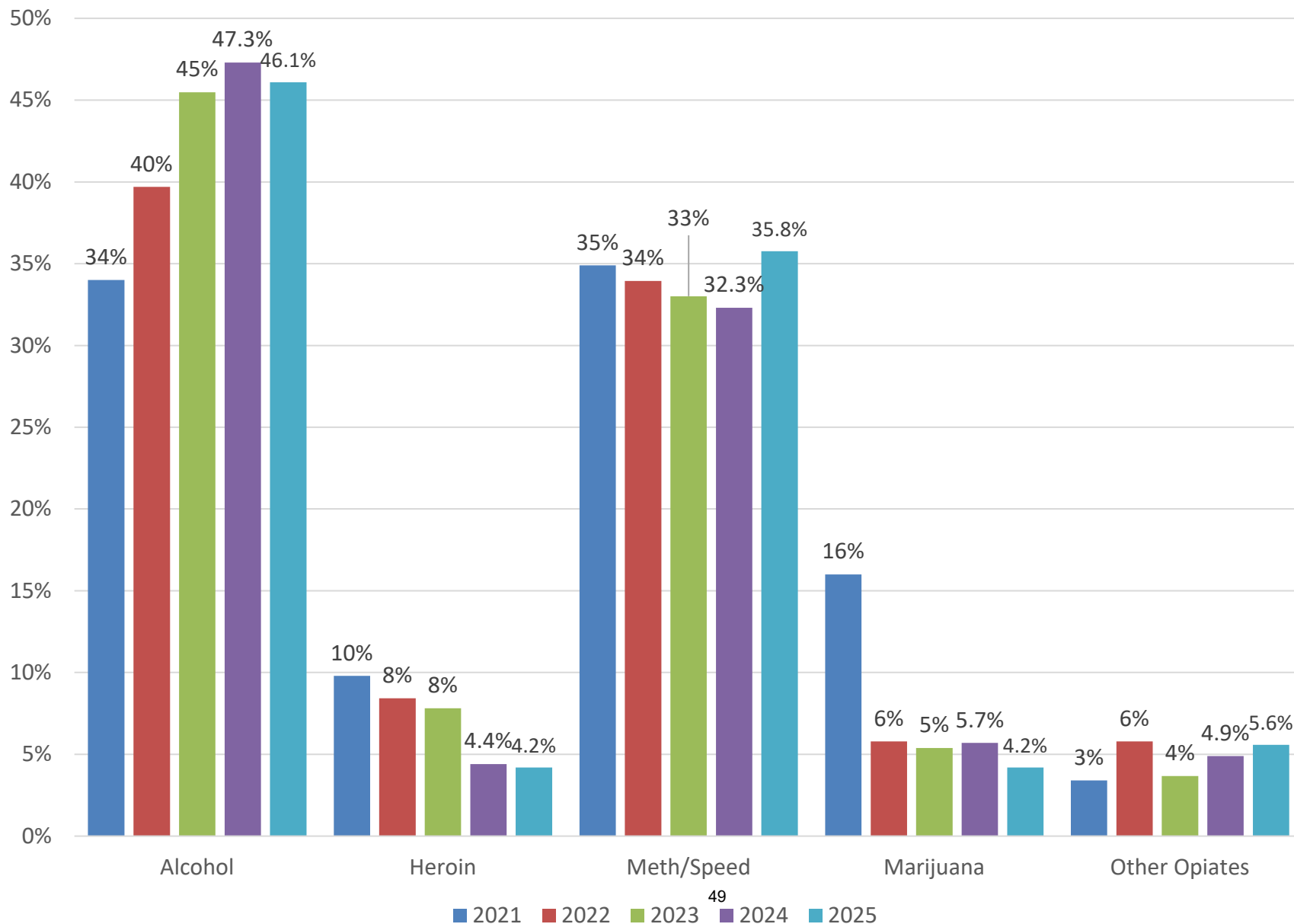
Barry County Primary Substance of Abuse at Admission



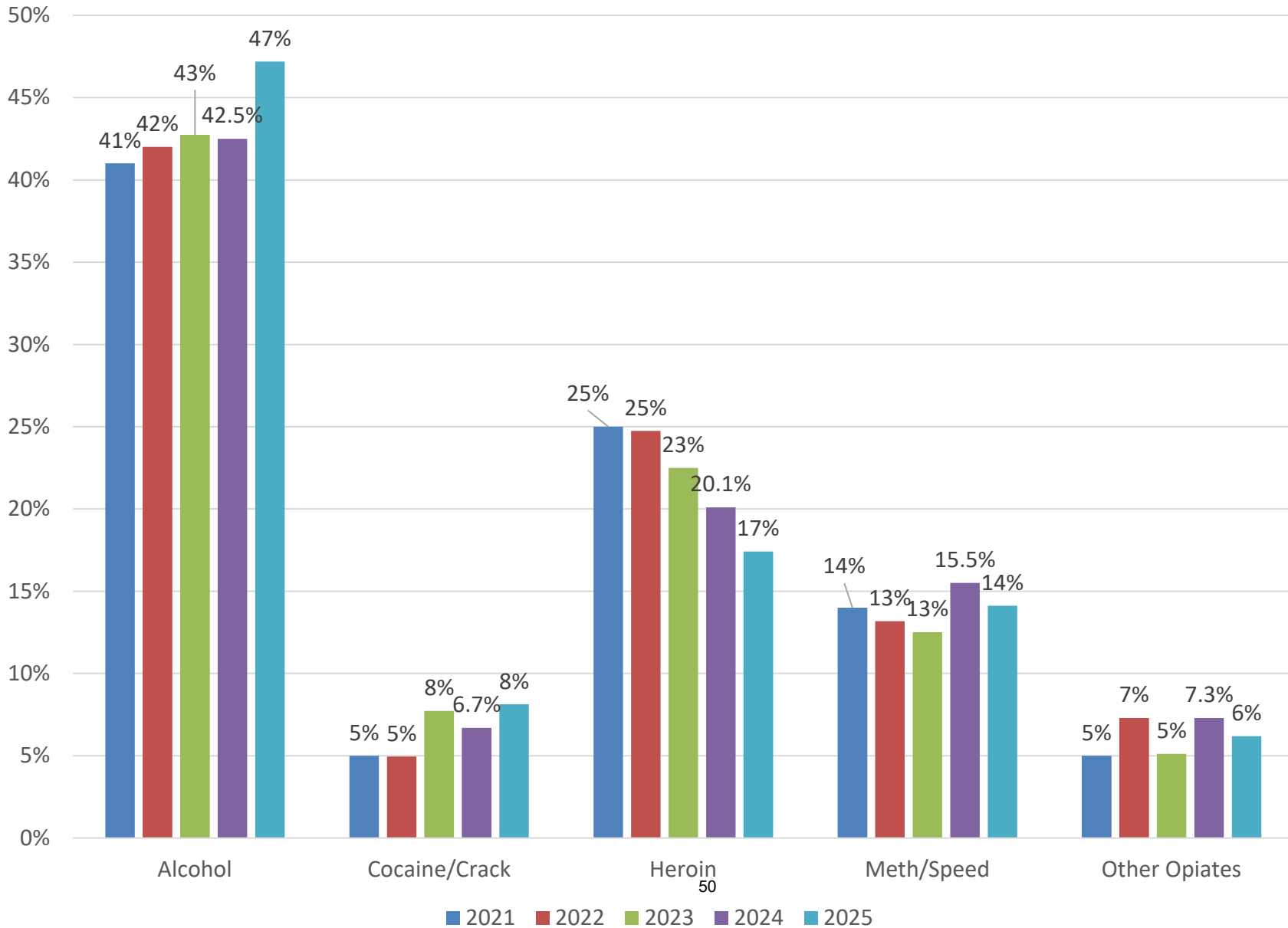
Berrien County Primary Substance of Abuse at Admission



Branch County Primary Substance of Abuse at Admission

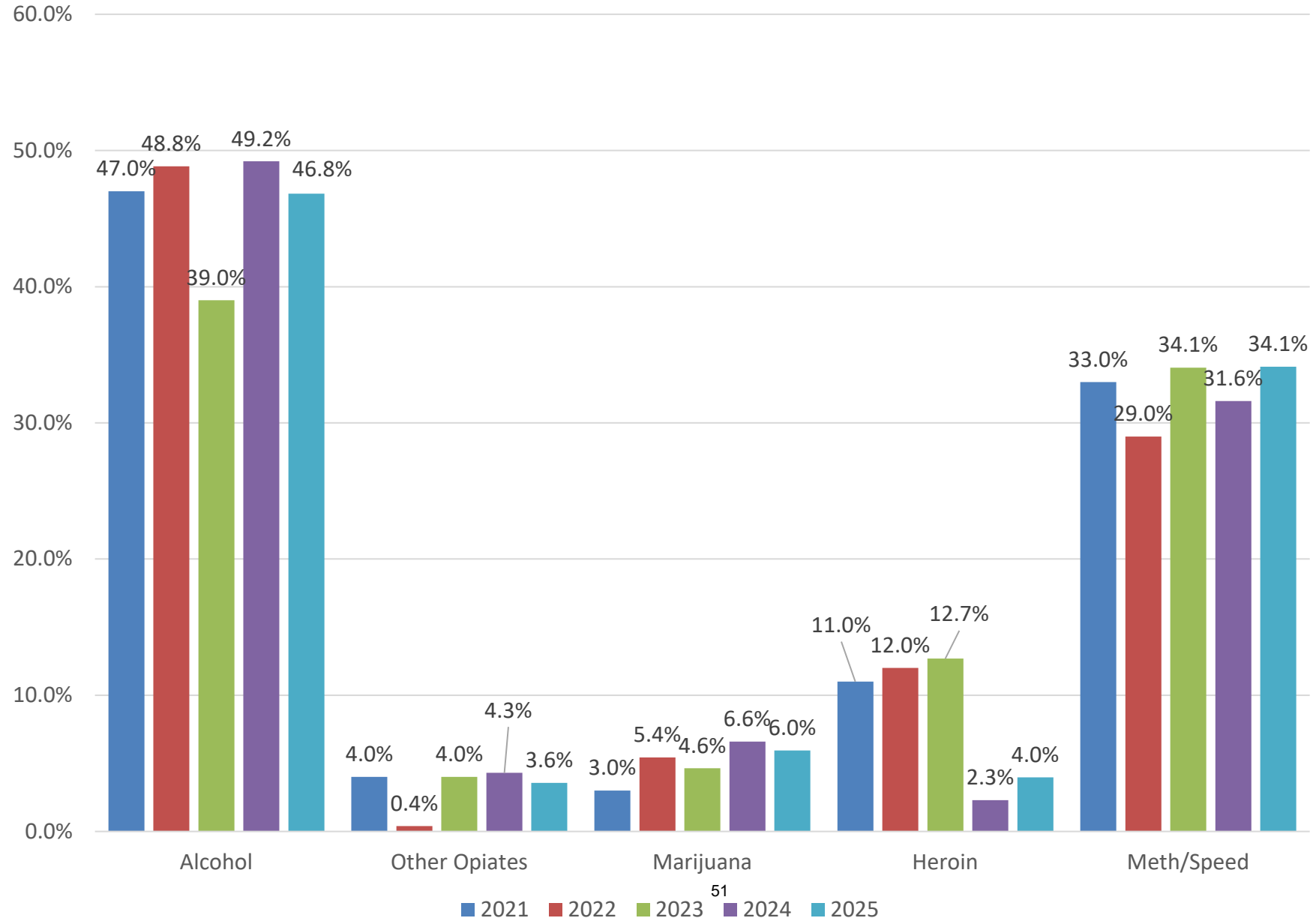


Calhoun County Primary Substance of Abuse at Admission

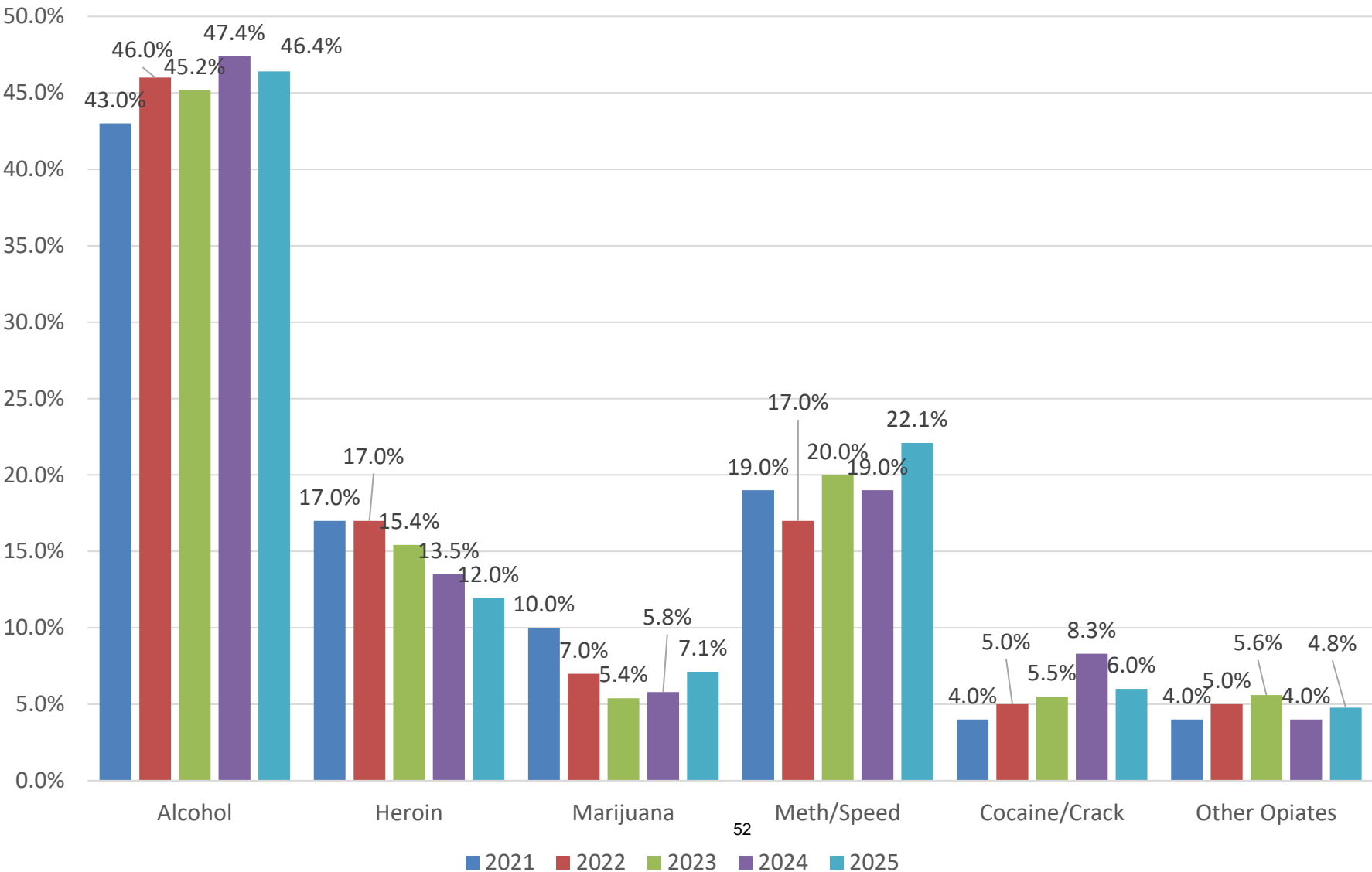


Cass County

Primary Substance of Abuse at Admission

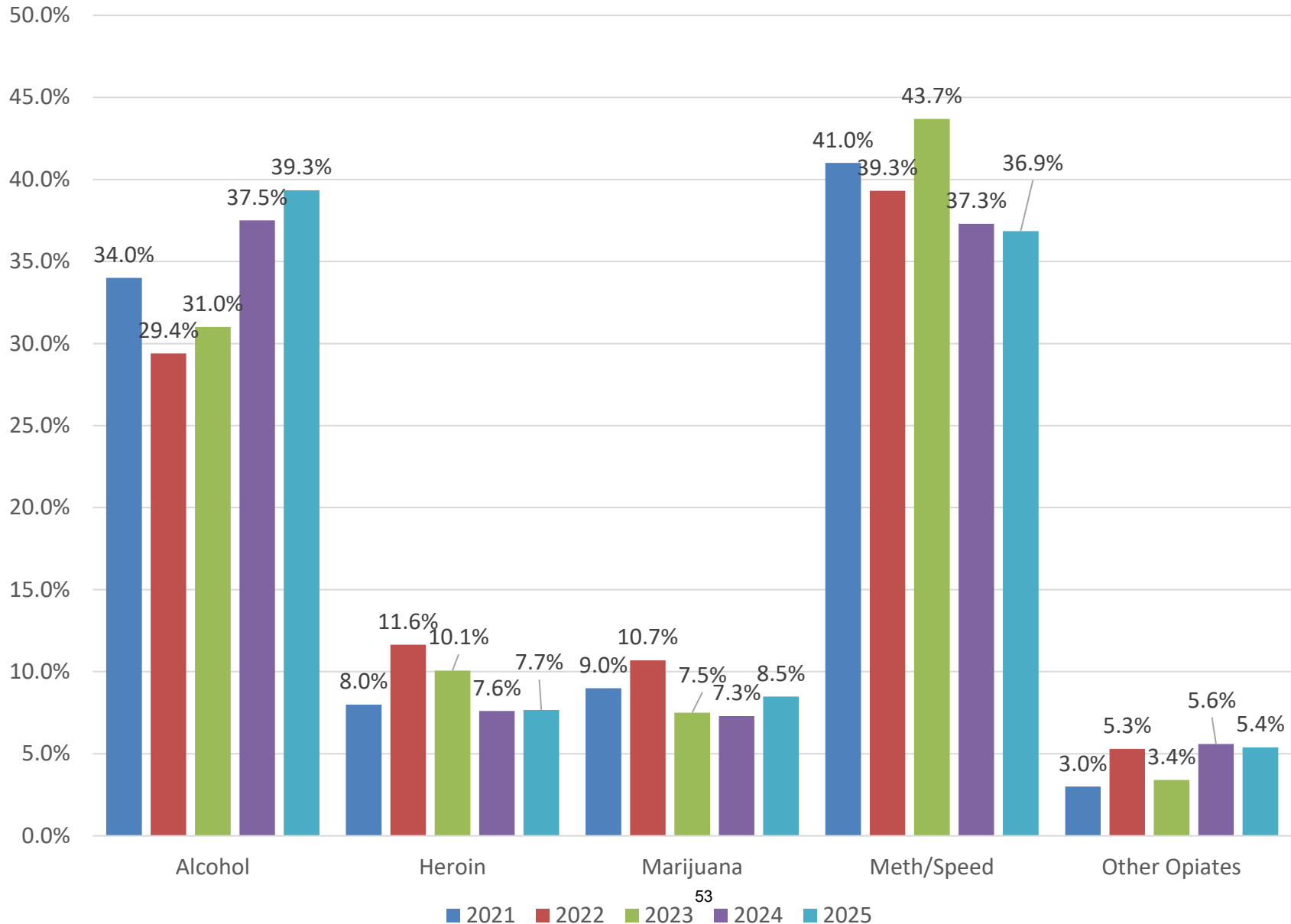


Kalamazoo County Primary Substance of Abuse at Admission



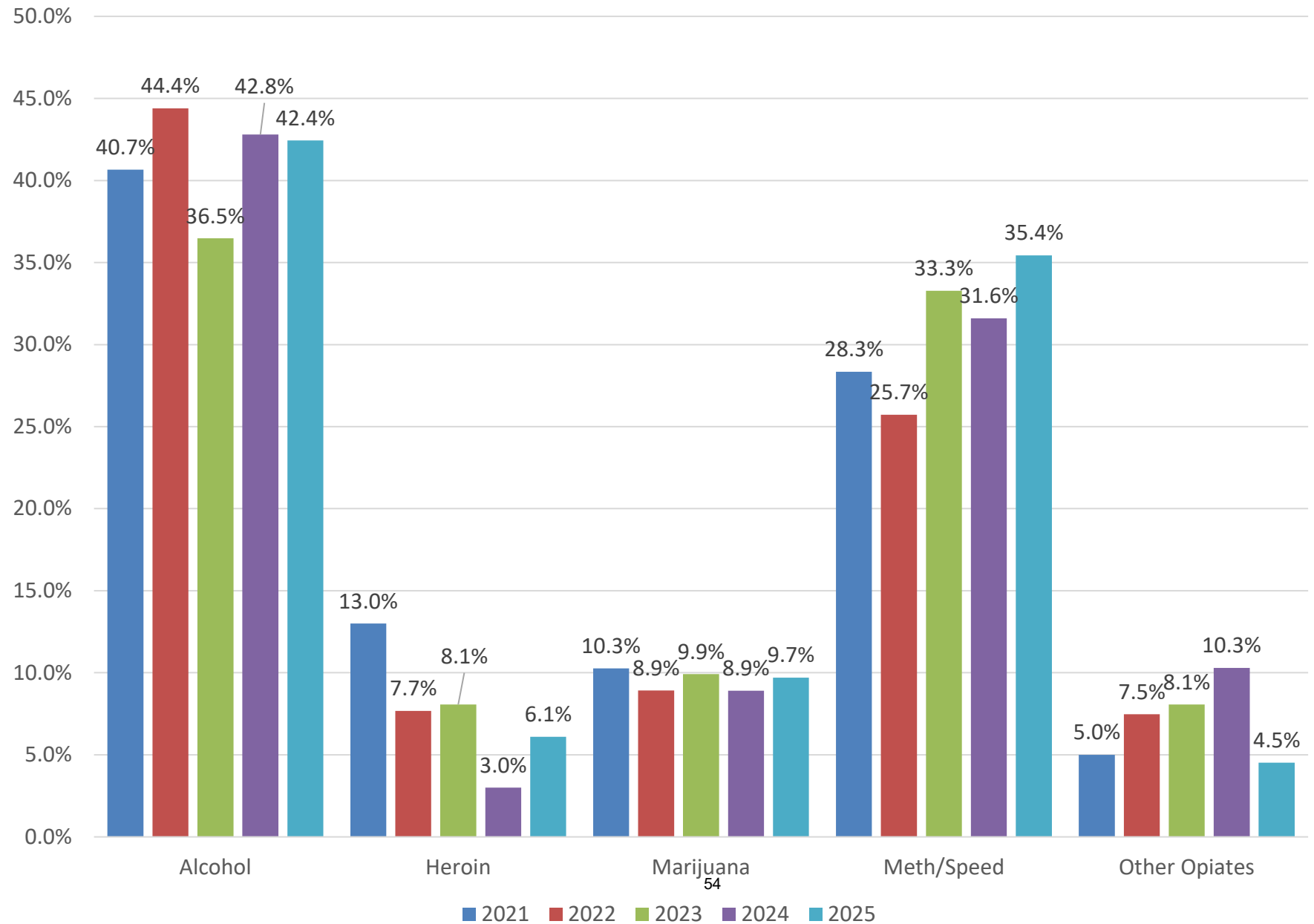
St Joe County

Primary Substance of Abuse at Admission



Van Buren County

Primary Substance of Abuse at Admission





GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

AMY EPKEY
ACTING DIRECTOR

July 22, 2026

Derek Miller, Audit Partner
Roslund Prestage and Company (RPC)
525 West Warwick Drive, Suite A
Alma, MI 48801

Subject: Fiscal Year 2024 Workpaper Review

Dear Derek Miller:

The Michigan Department of Health and Human Services (MDHHS) completed a review of RPC's Compliance Examination Report workpapers for Southwest Michigan Behavioral Health for the fiscal year ended September 30, 2024. The purpose of our review was to confirm your firm's compliance with the AICPA Attestation Standards and MDHHS and federal requirements related to Community Mental Health Compliance Examinations.

Our review determined that RPC substantially met all the applicable AICPA Attestation Standards and the MDHHS and federal requirements related to Community Mental Health Compliance Examinations.

If you have any questions, please contact me at 517-284-1122 or simonr4@michigan.gov or Tim Kubu at 517-241-9163 or kubut@michigan.gov.

Sincerely,

Robert A. Simon, CPA
Senior Auditor
Community Mental Health Compliance Section
Bureau of Audit

cc: Mila Todd, Chief Executive Officer of SWMBH
Garyl Guidry, Chief Financial Officer of SWMBH
Christina Schaub, Audit Partner, RPC

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

as of 7/10/26

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