



Board Meeting Minutes

August 8, 2025

Air Zoo Aerospace & Science Museum, 6151 Portage Rd, Portage, MI 49002

9:30 am-11:30 am

Members Present: Sherii Sherban, Tom Schmelzer, Allen Edlefson, Michael Seals, Lorraine Lindsey, Tina Leary, Carol Naccarato; Kayla Wisniewski

Members Absent: Joyce Locke

Guests Present: Mila Todd, Interim CEO, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Alena Lacey, Chief Clinical Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Srinidhi Nemani, Intern, SWMBH; Cathi Abbs, SWMBH Board Alternate; Gail Petterson-Gladney, SWMBH Board Alternate; Cameron Bullock, Pivotal; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Roger Pierce, Riverwood; Jeannie Goodrich, Summit Pointe; Derek Miller and Christina Schaub, Roslund Prestage and Company.

Welcome Guests

Sherii Sherban called the meeting to order at 9:32am and introductions were made.

Public Comment

None

Agenda Review and Adoption

Motion	Lorraine Lindsey moved to approve the agenda with the additions of a motion for the 2024 External Audit, Executive Officer sub-committee, SWMBH staff retention, Recovery Fair sponsorship and Interim Compliance Officer.
Second	Michael Seals
Motion Carried	

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

Motion	Carol Naccarato moved to approve July 11, 2025, Board minutes, July 9, and July 23, 2025, Operations Committee Meeting minutes, and July 11, 2025, Board Finance Committee Meeting minutes as presented.
Second	Tom Schmelzer
Motion Carried	

SWMBH 2024 External Audit

Derek Miller of Prestage and Company reported as documented noting the following:

- Material Weakness in internal control over financial reporting.
- The PIHP's due from/to CMHSP balances were not reconciled timely.
- The PIHP's internal control structure should be designed and implemented to ensure that receivables and payables to CMHSPs are properly reconciled in a timely manner.
- Reconciliation of the amount due from/to CMHSPs was not completed in a timely manner.
- When due from/to CMHSPs accounts are not reconciled in a timely manner, financial activity may not be properly recorded in the general ledger and the risk that errors going undetected rises significantly.
- We recommend that the PIHP review their due from/to CMHSP process and make necessary changes to ensure that accounts are reconciled on a monthly basis. The PIHP should also consider confirming the due from/to CMHSP with the respective CMHSP(s).

Management's Response in agreement with report and had implemented changes and processes to address the report by 10/1/2025. Discussion followed.

Motion Michael Seals moved to accept the SWMBH 2024 External Audit as presented.

Second Tom Schmelzer

Motion Carried

Carol Naccarato referenced a letter that the SWMBH Board Finance Committee issued to Summit Pointe in regard to the audit and stated that the Board Finance Committee issued that letter with the information that was given at the current time and apologized on behalf of the Board Finance Committee.

2025 Year to Date Financial Statements; Cash Flow Analysis; Mid-Year Revenue Rate Assumptions and Revised SWMBH Budget/Projections

Garyl Guidry reported as documented for Period 9, and noted:

- TANF (Temporary Assistance to Needy Families) eligibles show a small decline
- DAB (Disabled Aging Blind) eligibles are static
- HMP (Healthy Michigan Plan) eligibles are static
- Reviewed Period 9 financials and noted a 6% increase in revenue which is below the 11% increase anticipated from the State
- Reviewed PIHP line of business that SWMBH manages with an \$18 million deficit and a projected year end of \$23.3 million deficit
- Certified Community Behavioral Health Clinics (CCBHC) revenues and expenses. CCBHCs are full risk to the CMHSPs/CCBHCs.
- CCBHC Cohort 2 will have a rebasing of their PPS rates
- No additional funds for Direct Care Wage (DCW) or Earned Sick Time Act (ESTA)
- SWMBH contacting State on a possible 5th amendment
- CMH expense reductions are still ongoing at many of the CMH's.
- PIHP settlement numbers by CMH - \$16 million in cost settlements
- Contract with Rehmann to assist SWMBH with financial model and budget planning
- 8/14/25 SWMBH is meeting with the State in regard to Fiscal Year 2026 revenue rates and a retrospective review of FY25 and the new regional rates.
- 8/19/25 SWMBH is meeting with the State to report on financial conditions

Board discussion followed.

Operations Committee Update

Jeannie Goodrich presented as documented in a handout that was distributed. Discussion followed.

Required Approvals

None scheduled

Ends Metrics Updates

Management Information Business Intelligence (MIBI) Plan

Alena Lacey reported as documented noting the MIBI Plan complies with Board Sub Ends 4 interpretations.

Board Actions to be Considered

Financial Assessment

Michael Seals stated that a collaborative, regional workgroup with SWMBH and the CMHs, and with Rehmann serving in a consulting capacity, will take place regarding assessing assets, liabilities and a regional approach to potential division/distribution. Solutions to come from SWMBH and CMHs and then a report to the Board.

Executive Officer Next Steps

Sherii Sherban stated that an Executive Officer subcommittee of herself, Michael Seals, Carol Naccarato, and Tom Schmelzer would meet to discuss Interim CEO and full CEO.

Motion Michael Seals moved to empower the Executive Officer sub committee to develop a proposal for the transition of Interim CEO to full CEO.

Second Lorraine Lindsey

Motion Carried

SWMBH Staff Retention

Tom Schmelzer shared a discussion that the Board Finance Committee regarding a SWMBH staff retention program to ensure that SWMBH can maintain and meet its contractual requirements. The SWMBH staff retention program would incentivize staff to remain with SWMBH and equal 10% of an individual’s annual salary, divided into quarterly payments and paid retrospectively upon continued employment with SWMBH. This incentive program was utilized during 2018 and COVID. Discussion of recent staff departures, staff considering pending offers, and potential “mass exodus”. Garyl Guidry stated that staff retention would cost approximately \$88,000 for this fiscal year and \$538,000 for fiscal year 2026. These numbers would fluctuate depending on the number of staff that would remain with SWMBH. Board discussion followed on pros and cons of implementing the staff retention program.

Motion Tom Schmelzer moved to implement the SWMBH staff retention program, per previous retention policies, immediately for two quarters, until December 2025.

Second Michael Seals

Roll call vote

Sherii Sherban yes

Tom Schmelzer yes

Tina Leary yes

Lorraine Lindsey	yes
Michael Seals	yes
Allen Edlefson	yes
Carol Naccarato	no

Motion Carried

Recovery Fair Sponsorship

Mila Todd distributed a handout describing the Recovery Fair and request for use of local funds to sponsor the fair due to SUD Block Grant projecting to be overspent. Discussion followed.

Motion Lorraine Lindsey moved to use SWMBH local funds to sponsor the Recovery Fair for \$1,500 at the silver sponsorship level.

Second Allen Edlefson

Motion Carried

Board Policy Review

None scheduled

Executive Limitations Review

BEL-009 Global Executive Constraint

Carol Naccarato reported as documented. Discussion followed.

Motion Carol Naccarato moved that Brad Casemore was in compliance with BEL-009 Global Executive Constraint

Second Lorraine Lindsey

Motion Failed

BEL-004 Treatment of Staff

Lorraine Lindsey reported as documented, thanked Anne Wickham for the materials to review the policy and shared feedback from SWMBH staff.

Motion Lorraine Lindsey moved that the Executive Officer was in compliance with BEL-004 Treatment of Staff and the policy does not need revision.

Second Tom Schmelzer

Motion Carried

BEL-007 Compensation and Benefits

Michael Seals asked that BEL-007 Compensation and Benefits review be tabled until the September Board Meeting. Board members agreed.

Board Education

Fiscal Year 2026 Federal Budget Impacts on Medicaid

Srinidhi Nemani reported as documented. Discussion followed.

Communication and Counsel to the Board

County Population Reports

Mila Todd noted the report in the packet and reports on the SWMBH website for the Board's review.

PIHP Procurement

Mila Todd reported the following:

- Request for Proposal (RFP) was released late on 8/4/25.
- Schedule A on RFP revised
- Bidders conference on 8/11/25
- CMHAM meeting on RFP occurred 8/7/25
- Discussion at 8/13/25 Operations Committee meeting
- Research if SWMBH could be a potential bidder or not.
- Board will receive updates as information becomes available

Discussion followed.

Interim Compliance Officer

Mila Todd reported that Alison Strasser has agreed to serve as the Interim Compliance Officer. Alison will attend the September Board meeting.

September Board Policy Direct Inspection

BEL-005 Treatment of Plan Members, Tina Leary; BEL-008 Communication and Counsel, Sherii Sherban.

Public Comment

Cameron Bullock formally objected to the SWMBH Board's decision to authorize a 10% retention incentive payment. He contextualized his objection by citing the significant financial pressure on the system, specifically an \$18.7 million deficit that SWMBH lacks the capital to resolve, and the CMHs will be responsible for if the PIHP ceases to exist. It was also contended that a prudent course of action would have been to exhaust all other cost-saving strategies before approving new expenditures. He also raised a critical concern about the optics of the decision, as it directly contradicts a directive from the prior month in which SWMBH mandated that CMHs deny provider rate increases due to insufficient funds. He warned that this inconsistency damages the credibility of the regional entity and the CMHs.

Cathi Abbs stated that a 10% staff retention payout now is not going to be enough to encourage people to stay and help out to the end.

Adjournment

Sherii Sherban adjourned the Board meeting at 11:51am