



Southwest Michigan Behavioral Health Board Meeting

Air Zoo Aerospace & Science Museum

6151 Portage Rd, Portage, MI 49002

August 8, 2025

9:30 am to 11:30 am

(d) means document provided

Draft: 7/30/25

- 1. Welcome Guests/Public Comment**
- 2. Agenda Review and Adoption (d) pg.1**
- 3. Financial Interest Disclosure Handling**
 - None Scheduled
- 4. Consent Agenda (2 minutes)**
 - a. July 11, 2025 SWMBH Board Meeting Minutes (d) pg.3
 - b. July 9 and July 23, 2025 Operations Committee Meeting Minutes (d) pg.9
 - c. July 11, 2025 Board Finance Committee Meeting Minutes (d) pg.20
- 5. SWMBH 2024 External Audit – Derek Miller of Roslund Prestage and Company**
- 6. Fiscal Year 2025 Year to Date Financial Statements and Cash Flow Analysis (15 minutes)**
 - a. G. Guidry (d) pg.22
 - b. Operations Committee
- 7. Required Approvals (0 minutes)**
 - None scheduled
- 8. Ends Metrics Updates (**Requires motion*) (10 minutes)**

Proposed Motion: Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Do the Ends need Revision?

 - Management Information – Business Intelligence Plan (A. Lacey) (d) pg.32
**no motion needed*
- 9. Board Actions to be Considered (10 minutes)**
 - Financial Assessment (Board Finance Committee)
- 10. Board Policy Review (0 minutes)**

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

 - None scheduled

11. Executive Limitations Review (15 minutes)

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

- a. BEL-009 Global Executive Constraint (C. Naccarato) (d) pg.35
- b. BEL-004 Treatment of Staff (L. Lindsey) (d) pg.37
- c. BEL-007 Compensation and Benefits (M. Seals) (d) pg.41

12. Board Education (10 minutes)

- Fiscal Year 2026 Federal Budget Impacts on Medicaid (S. Nemani) (d) pg.46

13. Communication and Counsel to the Board (10 minutes)

- a. County Population Health Reports (A. Lacey) (d) pg.61
- b. PIHP Procurement
- c. September Board Policy Direct Inspection – BEL-005 Treatment of Plan Members – Tina Leary; BEL-008 Communication and Counsel – Sherii Sherban

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 12, 2025
9:30 am - 11:30 am
Advia Credit Union
6400 W. Main St.
Kalamazoo, MI 49009**



Board Meeting Minutes

July 11, 2025

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

9:30 am-11:30 am

Draft: 7/14/25

Members Present: Sherii Sherban, Tom Schmelzer, Edward Meny, Michael Seals, Lorraine Lindsey, Tina Leary, Carol Naccarato

Members Absent: Joyce Locke, Allen Edlefson

Guests Present: Brad Casemore, CEO, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Alena Lacey, Chief Clinical Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Beth Guisinger, Director of Utilization Management, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Cathi Abbs, SWMBH Board Alternate; Jon Houtz, SWMBH Board Alternate; Cameron Bullock, Pivotal; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Jeff Patton, ISK; Roger Pierce, Riverwood; Mandi Quigley, Summit Pointe; Srinidhi Nemani, SWMBH Intern; Carl Doerschler.

Welcome Guests

Sherii Sherban called the meeting to order at 9:31 am.

Public Comment

None

Agenda Review and Adoption

Motion Tom Schmelzer moved to approve the agenda with the addition of Forensic Audit discussion.

Second Lorraine Lindsey

Motion Carried

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

Motion Carol Naccarato moved to approve the June 13, 2025 Board minutes, June 11, and June 25, 2025 Operations Committee Meeting minutes as presented.

Second Lorraine Lindsey

Sherii Sherban discussed changes to the June 13, 2025 Board minutes.

Motion Carried

SWMBH Retirement Plans

Carl Doerschler of Doerschler and Associates reported as documented, highlighting services provided to SWMBH staff, vendor changes, available investment funds for SWMBH staff, and recent reduction in fees. Discussion followed.

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

Garyl Guidry reported as documented, reviewed and noted:

- TANF (Temporary Assistance to Needy Families) eligibles are flat
- DAB (Disabled Aging Blind) eligibles are flat
- HMP (Healthy Michigan Plan) eligibles are flat
- Flat eligibles means flat revenue
- Reviewed Period 8 financials and noted that managed care admin is an area we must analyze for potential cost savings, managed care admin is a lever that the PIHP controls since there is not much we can do about the healthcare cost, outside of utilization management
- Could see some improvements in eligibles-anticipated starting within period 9 financial and continuing in the period 10 financials
- Additional \$1 million received – finance is researching details of new eligible in payment files (could be transferring consumers from Plan First to DAB or TANF)
- Cost settling with CMHs is decreasing SWMBH Internal Service Fund (ISF)
- State released recoup and repay schedule last Friday. This will happen July through August
- Reviewed Medicaid and Health Michigan by CMH
- Cash Settlements are happening sooner with MDHHS
- Waiting on Fiscal Year 2022, and Fiscal Year 2024 settlements with the State (Fiscal Year 2023 was zero)
- Certified Community Behavioral Health Clinics (CCBHC) revenues and expenses. CCBHCs are full risk to the CMHSPs
- Revised Fiscal Year 2025 Budget
- Fiscal Year 2026 State will use regional rates
- MDHHS is moving away from some area factors to acuity in determining rates
- Reviewed Cash Flow Analysis
- SWMBH report on financial efforts and Regional Finance work continues

Board discussion followed.

Operations Committee Update

Cameron Bullock presented as documented in a handout that was distributed. Discussion followed.

Forensic Audit

Michael Seals talked with Rehmann regarding forensic audit and stated that a forensic audit is not necessary and was off the table due to cost,time constraints and no appearance of concerning activity. Rehmann recommends a financial assessment. Board Finance Committee will report back to the Board at the August Board meeting with their recommendations.

Required Approvals

None scheduled

Ends Metrics Updates

None scheduled

Board Actions to be Considered

Operating Agreement review

Mila reported as documented noting that revisions align the purposes of the Operations Committee in the Operating Agreement to the Board Ends more clearly. The Operations Committee has reviewed and endorsed the revised Operating Agreement.

Motion Lorraine Lindsey moved to approved the revised Operating Agreement with one addition of adding an apostrophe to E on page 57.

Second Michael Seals

Motion Carried

Sub Ends 1, 3 and 5 Interpretations

Brad Casemore reported as documented. Discussion followed.

Motion Tom Schmelzer moved to accept Sub Ends 1, 3 and 5 Interpretations as presented.

Second Lorraine Lindsey

Motion Carried

PIHP Procurement

Rehmann has approached the CMH CEOs to create a joint venture to bid together.

Nothing new on the Concept Paper from Mid-State Health Network. Brad mentioned the Urban Cooperation Act of 1967. SWMBH is unable to bid on any larger region due to SWMBH Bylaws limiting SWMBH to the eight-county geographic footprint. Mila noted that SWMBH pursuit of any option like the Central Region PIHP concept or other transformation requires Board and member-CMH direction and support.

Board Policy Review

BG-001 Committee Structure

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-001 Committee Structure and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BG-002 Management Delegation

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-002 Management Delegation and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BG-003 Unity of Control

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-003 Unity of Control and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BG-005 Chairperson's Role

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-005 Chairperson's Role and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BG-007 Code of Conduct

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-007 Code of Conduct and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BG-008 Board Member Job Description

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-008 Board Member Job Description and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

BG-011 Governing Style

Motion Tom Schmelzer moved that the Board is in compliance with policy BG-011 Governing Style and the policy does not need revision.

Second Lorraine Lindsey

Motion Carried

Board Policies S. Radwan's uninterrupted policies and follow up

Sherii Sherban noted that she had a conversation with Susan Radwan and the uninterrupted policies that the Board approved on 6/13/2025 are complete.

Executive Limitations Review**BEL-009 Global Executive Constraint**

Carol Naccarato asked that this policy review be moved to the August Board meeting.

Board Education**Fiscal Year 2026 Budget Assumptions**

Garyl Guidry reported as documented noting a draft budget will be presented at the September Board meeting. Mila Todd discussed the FY26 provider contract rate letters that will be sent out on Monday, July 14, 2025. Discussion followed.

Communication and Counsel to the Board

Utilization Management

Beth Guisinger reported as documented. Discussion followed.

CEO Retirement Plan

Brad Casemore requested a closed session per the Open Meetings Act of Michigan PA 267 of 1976 Section 15.268 (1) (a) to consider a periodic personnel evaluation

Motion Lorriane Lindsey moved to go into closed session.

Second Michael Seals

Roll call vote

Sherii Sherban yes

Tom Schmelzer yes

Carol Naccarato yes

Edward Meny yes

Michael Seals yes

Lorraine Lindsey yes

Tina Leary yes

Motion Carried

When back in open session

Motion Michael Seals moved to go back into open session.

Second Tom Schmelzer

Motion Carried

Motion Carol Naccarato moved to accept the resignation of Mr. Casemore effective upon the execution of a mutually agreeable Separation Agreement and subject to the Employment Agreement Section 2. B. 1.

Second Michael Seals

Roll call vote

Sherii Sherban yes

Tom Schmelzer yes

Carol Naccarato yes

Edward Meny yes

Michael Seals yes

Lorraine Lindsey yes

Tina Leary yes

Motion Carried

Contracting with Rehmann

Brad Casemore reported as documented. Discussion followed.

Dispute Resolution Process

Sherii Sherban noted the document in the packet for the Board's review

Departures from Board Policies

Sherii Sherban noted the document in the packet for the Board's review and made comments related thereto.

Public Relations Materials

Sherii Sherban noted the document in the packet for the Board's review.

August Board Policy Direct Inspection

BEL-004 Treatment of Staff, Lorraine Lindsey; BEL-007 Compensation and Benefits, Michael Seals

Public Comment

None

Adjournment

Motion Tom Schmelzer moved to adjourn the Board meeting

Second Michael Seals

Meeting adjourned at 12:40pm

Date:	7/9/25
Time:	9:00 am – 11:00 am
Facilitator:	TBD
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☐ (Woodlands) ☒ Brad Casemore (SWMBH)
☐ 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)

Guests: Michelle Jacobs, Pat Davis, Amy Rottman, Sheila Hibbs, Dave Ballmer, Ashley Esterline, Charlotte Bowser, Ed Sova, Roger Pierce, Tina Boyer, Emily Versteeg, Aleena Lacey, Anne Wickham, Ella Philander

Version 7/8/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		Removed 9, 10, 11
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Approved via email for Board Packet.
3. Financial Stability a. Period 8 financials including 2025 revenue, expense and margin projections (if available) (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight		<ul style="list-style-type: none"> P08 does not have a new rate-setting income coming through. \$15 million deficit currently. Still on track for the end of the year with a new rate increase of a \$7.3 million estimated deficit. P09/10 should see an increase in eligibles. The state came through and added an additional 5,763 eligibles from
4. Wakely Findings (Suzanne Grace) (d)		

		<p>January 1, 2025, through June.</p> <ul style="list-style-type: none"> • Recoup and Repay will occur 7/17/25 and will occur periodically through 8/21/25 to catch up with past payments. • HSW payments were \$800k higher than usual from previous months. • Received a detailed report from Richard on the expansion of work, and Brad is reviewing. Brad to meet with Garyl today and tomorrow to finalize. Will bring the final report to the board. Will bring \$ and categories that Brad will pick and choose and potentially set a time limit on etc. • No State/Milliman Meeting • Wakely – Pat to potentially meet with SG for a better understanding of SWMBH factors and rate settings as compared to Milliman.
5. Financial Management Plan, the Financial Risk Management Plan, and the Bylaw review.		<ul style="list-style-type: none"> • Brad reviewed by-laws and sent out highlighted portions. • Work in progress. • Needs to be completed before September 2025. • Will be a standing agenda item.
6. FY 2026 Budget Development		<ul style="list-style-type: none"> • The process is starting. We do not yet have Revenue Rates for FY 26. This has not

		<p>allowed CMH's/SWMBH to begin the budget process yet. Mid-to-late August for first review at the Ops Comm. Board for approval in October.</p> <ul style="list-style-type: none"> • Potential to use Richard for Budgetary purposes. Is an ad hoc add on that can be utilized.
7. UM Follow-up Report (Anne)	<p>* H2015/H2016 same day reporting; * Services to reduce auto-authorization threshold</p>	<ul style="list-style-type: none"> • Reports have been commissioned by RUM from Moira and Maddie. <ul style="list-style-type: none"> ○ Possibly based on last year's FY 24, will get clarity from next week's Monday meeting. • Will have answers from the RUM today on their suggestions on the biggest potential impact for focus on the population.
8. PIHP Competitive Procurement	Regional Entity Roles and Future	<ul style="list-style-type: none"> • Richard via Rehmann presented a potential plan B option to CMHs and CMH CEOs.
9. CCBHC Direct Payment Methodology		<ul style="list-style-type: none"> • No Updates.
10. Rate letters (Mila)		<ul style="list-style-type: none"> • Mila to finalize and send out as a PDF by end of this week. • To be sent out July 14th via all CMHs. • LRE is reducing its rates by 5%. Hope is closing a home due to the proposal. Rich has an individual there and is

		<p>looking for additional placement opportunities.</p> <ul style="list-style-type: none"> • Inpatient rates are still being evaluated internally. Sent to the provider network. Reviewing with that group Friday of next week.
Nt to 11. SUD services - under direct payment of CCBHC services		<ul style="list-style-type: none"> • FY 2026 Block Grant allocations are currently in the SWMBH contract. Reduction from FY 25. 14% reduction. Nothing is known beyond that at this time, contingent upon federal funding. • Added to next meeting. •
12. Special presentation in July by Pat Davis.		<ul style="list-style-type: none"> • Currently, we have the lowest acuity factors, with the changes being proposed by the state, we will be at a significant disadvantage when potentially getting combined with 33 total CMH's with the current procurement bid out. • Pat Davis presented on Entity-Specific Factor Summarization. • Ask that each CMH review their own scores, as prevalence factors are different for each CMH and then be able to fix individual CMH's potential issues to collectively raise the regional factor score.

		<ul style="list-style-type: none"> • Potential for Moira and Maddie to replicate ISK data for each CMH.
16. Next Meeting Agenda July Facilitator-Ric August Facilitator-? September Facilitator-Jeannie		<ul style="list-style-type: none"> • UM Follow-up Report (Anne) • Financials - Garyl • FY 26 Budget- Garyl • FY 26 Financial Management Plan, the Financial Risk Management Plan- Garyl/Brad (August meeting) • Bylaw review – Brad (August) • PIHP Competitive Procurement • CCBHC Direct Payment Methodology • SUD services - under direct payment of CCBHC services
17. 11:00 am-12:00 pm CMH CEOs		

Date:	7/23/25
Time:	9:00 am – 11:00 am
Facilitator:	Ric
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☐ (Woodlands) ☒ (SWMBH)
☒ 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 7/9/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		<ul style="list-style-type: none"> Added population Health Reports Business Information Report
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Approved Version 2 no additional changes.
3. Financial Stability a. SWMBH Period 9 financials including 2025 revenue, expense and margin projections (if available) (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight		<ul style="list-style-type: none"> Woodlands and Pivotal do not have their financials in, final P9 to be sent later this week. The revenue rates meeting happened last week. Next scheduled meeting August 4th. Capitation during FY 26 is significantly reduced due to CCBHC portion being pulled out.

		<ul style="list-style-type: none"> • Base capitation \$42 million projected, Milliman projected \$77 million. • ASO contract with Richard was sent over, expected start date of 10/1/25. • Request to add back in the balance sheets and other changes from previous year to be added routinely, Garyl stated that now that the revised financials are done, he can again share that information with Ops Comm. • July Waiver payments should be higher for waiver payments, capitation payments should be here in August, P10 should be larger. The current state based schedule doesn't seem to be occurring like the state had stated. • CCBHC QBP has not yet been seen yet either, with no anticipation of when we will get that. (\$4.3 million payments to SWMBH Region).
4. Wakely Findings (Suzanna Grace) (d)		<ul style="list-style-type: none"> • Concerns regarding base data for CCBHC payments. • Hard for Wakely to reconcile Milliman data to what they were able to get from EQI and FSR's from the PIHP regions. • 2025 Rate concerns: Not utilizing Regional rates, used tables from Milliman own rate

		<p>certification tables to show disparities. Wakely never received feedback from Milliman from the initial memo.</p> <ul style="list-style-type: none"> • Additional questions concerning retroactivity, and the Earned Sick Time Leave Act for FY 25. • Actions to take: <ul style="list-style-type: none"> ○ Ask question about retroactivity. Depending on the answer, determines next steps. Apply the bump to the entire year, and see what the information would do if the change was applied to the entire year and not the last portion of the FY. ○ DCW change would not be appropriate to make for the entire year. ○ Ask of isolating the disenrollment factor that was placed into the entity factor, Milliman said no. ○ FY 26: Milliman added a 1% margin for expected cost for next year. Wakely is asking for explanation for the sufficiency of the 1%
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		<p>and the methodology of that.</p> <ul style="list-style-type: none"> • Milliman has hired a lobbyist as the state legislature is not happy with their performance. • Wakely to send memo from 2 weeks ago, and the most recent memo. Garyl to distribute to CEO's.
5. SWMBH Financial Management Plan, SWMBH Financial Risk Management Plan, SWMBH Cost Allocation Plan and SWMBH Bylaw review.		<ul style="list-style-type: none"> • Brad is still reviewing, hopefully will have something at next Ops Comm. • Pivotal's request is that the dissolution of assets/debts be added to the bylaws, and not live in the SWMBH policies. The bylaws then hold greater legal power and should hold the true dissolution.
6. FY 2026 SWMBH Budget Development		<ul style="list-style-type: none"> • Some form of revenue assumption will be based on July information so that CMH's can put together their first revisions of the budget. • Holding off as long as possible, only will be Medicaid portions and not include the CCBHC portions. • August 27th will be the first review of the SWMBH budget via Ops Comm.
7. UM Follow up Report (Anne)	<p>* Services to reduce auto-authorization threshold</p>	<ul style="list-style-type: none"> • UM group has found that reducing the auto-thresholds by 20/25% would not reach

		<p>more than 40 individuals in the region.</p> <ul style="list-style-type: none"> Review of underutilization should be reviewed, and retro reviews need to be done to identify why those services who have been offered, are not being given.
8. PIHP Competitive Procurement	Regional Entity Roles and Future	<ul style="list-style-type: none"> Two options shared.
9. CCBHC Direct Payment Methodology	SUD Block Grant implications	<ul style="list-style-type: none"> Meeting was cancelled by state, due to lack of agenda items. SWMBH sent a list of 4 pages to agenda items. State contract system is now involved to remove CCBHC language to remove PIHP responsibility. The MDHHS Contracts section should release something within the next few weeks. Should come out in the next couple weeks. Did not indicate what was actually coming out i.e. memo, contract etc. Block grant will become FFS for FY 26 Contracts. BG is projected to be overspent-SWMBH is exploring cost containment measures. Possibly ask for the board to use local or PA2. May go to SUD board or may go to SMWBH full board.
10. Population reports, Business Information		<ul style="list-style-type: none"> Goes to SWMBH Board in August.

		<ul style="list-style-type: none"> • Maddie and Alena presented information <ul style="list-style-type: none"> ○ Data sources utilized: CC360 was used, BH-TEDs data, and pharmacy data came from Relias. •
11. Next Meeting Agenda July Facilitator-Ric August Facilitator-Jeannie September Facilitator-		<ul style="list-style-type: none"> • Financials • CCBHC Direct Payment Methodology • FY 2026 SWMBH Budget Development • SWMBH Financial Management Plan, SWMBH Financial Risk Management Plan, SWMBH Cost Allocation Plan and SWMBH Bylaw review. • Financial Stability <ul style="list-style-type: none"> ○ SWMBH Period 9 financials including 2025 revenue, expense and margin projections (if available) ○ State/Milliman Meeting Updates ○ Rehmann financial oversight
12. 11:00 am-12:00 pm CMH CEOs		



Board Finance Committee Meeting Minutes

July 11, 2025

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

1:00-2:00 pm

Draft: 7/15/25

Members Present: Tom Schmelzer, Michael Seals, Carol Naccarato, Tina Leary, Sherii Sherban

Guests: Jeff Patton, Cameron Bullock

Members Absent: None

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

Review Agenda

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

Central Topics

Review prior meeting minutes

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

Review SWMBH YTD financial statements

Garyl Guidry presented Period 8 financial statements as discussed in the Board meeting.

SWMBH Check Registers

As discussed in the Board meeting.

SWMBH Cash Flow Analysis

As discussed in the Board meeting.

Forensic Audit

Michael Seals read a prepared statement as follows: “

Michael Seals will get costs and timeframes for discussion at the August 1, 2025, Board Finance Committee meeting then a recommendation will be presented at the August 8, 2025, Board meeting. Discussion followed.

Board Finance Committee Charter

The charter was included in the packet for the Committee’s review/reference.

Adjournment

Carol Naccarato

Second

Michael Seals

Meeting adjourned

SWMBH Board Update for Period July 2025
CEO and Staff Finance Focused Activities

Results:

- Achieved \$15 million increase in regional Medicaid capitation rate revenues.
- SWMBHs Area Factors improved by 5.4% in amendment three from Milliman increasing regional rates, based on client acuity effective June 1, 2025.
- Collection of additional ongoing HSW funds resulting from Habilitative Supports Waiver payment report and cross functional process.

Actions/Activities taken by CEO:

- Followed and reported on PIHP Procurement developments
- Attended Mental Health Diversion Council
- Attended Opioid Task Force Treatment Committee
- Attended Opioids Advisory Commission
- Attended regional Public Policy Committee
- Attended fiscal year 2026 Medicaid rate meeting
- Finalized transition plans
- Met with MMRMA to review and renew agency insurance coverages

SWMBH July Actions

- Revised financial projections based on new waiver funding information
- Creating retrospective FY2025 financials to determine what the current financial situation would be if new funding had been retroactive to October 2024
- Attendance at “Partnering for Progress: Behavioral Health & Lawmakers Unite” with Julie Andrews and Matt Longjohn. Discussion regarding procurement and CCBHC
- Attendance at Innovation in Behavioral Health Model – initial convening structure meeting – 1 of 3 PIHPs participating
- Provided update regarding procurement to Michigan Association of Recovery Community Organizations

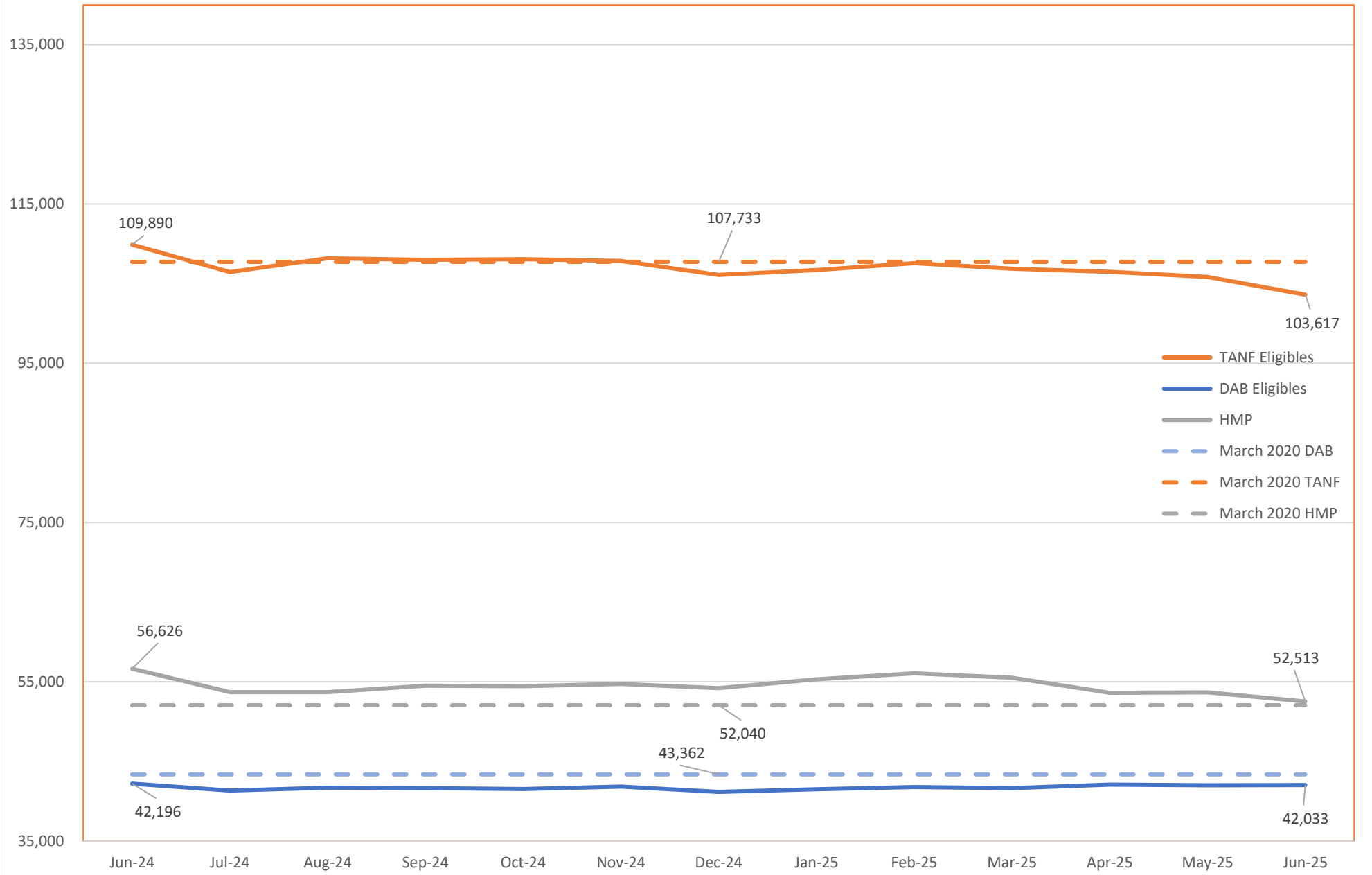
Utilization Management Project

- Continuing with CLS increased oversight
- Looking into adding additional increased oversight of high cost services

Southwest Michigan Behavioral Health

Total Eligibles June '24 - June '25

as of July 25, 2025



SWMBH Through June	FY25	FY24	% Change YOY	\$ Change YOY
State Plan MH	73,617,531	73,571,342	0.1%	46,189
1915i MH	68,441,280	63,855,855	7.2%	4,585,425
Autism	22,027,813	15,254,109	44.4%	6,773,704
<i>Habilitation Supports Waiver (HSW)</i>	<i>47,593,454</i>	<i>44,227,997</i>	<i>7.6%</i>	<i>3,365,456</i>
<i>Child Waiver Program (CWP)</i>	<i>691,922</i>	<i>813,992</i>	<i>-15.0%</i>	<i>(122,070)</i>
<i>Serious Emotional Disturbances (SED)</i>	<i>382,765</i>	<i>1,182,271</i>	<i>-67.6%</i>	<i>(799,506)</i>
Net Capitation Payment	212,754,765	198,905,565	7.0%	13,849,199
				-
State Plan SA	5,913,489	6,187,792	-4.4%	(274,303)
Net Capitation Payment	5,913,489	6,187,792	-4.4%	(274,303)
				-
Healthy Michigan Mental Health	18,649,005	17,792,683	4.8%	856,322
Healthy Michigan Autism	30,480	19,420	57.0%	11,060
Net Capitation Payment	18,679,485	17,812,103	4.9%	867,382
				-
Healthy Michigan Substance Abuse	10,161,534	10,554,593	-3.7%	(393,059)
Net Capitation Payment	10,161,534	10,554,593	-3.7%	
				-
GRAND TOTAL	247,509,273	233,460,053	6.0%	14,049,220

as of 7/25/2025

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.

	E	F	I	J	K	L	M
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 6/30/2025			FY25 PIHP			
3	(For Internal Management Purposes Only)						
4							
6	REVENUE						
7	Contract Revenue						
8	Medicaid Capitation	230,693,820	256,227,043	184,608,990	194,104,664	258,806,219	
9	Healthy Michigan Plan Capitation	48,606,904	38,407,790	22,586,519	21,081,439	28,108,585	
10	Medicaid Hospital Rate Adjustments	5,963,797	12,089,192	6,044,596	9,066,894	12,089,192	
11	Opioid Health Home Capitation	1,863,222	1,610,090	1,208,616	1,189,298	1,585,731	
12	Mental Health Block Grant Funding	635,001	653,000	549,578	393,898	525,197	
13	SA Block Grant Funding	7,432,909	7,763,190	5,963,208	6,500,252	8,667,002	
14	SA PA2 Funding	2,110,931	2,184,476	1,583,198	1,440,231	1,920,308	
15							
16	Contract Revenue	297,306,585	318,934,780	222,544,704	233,776,675	311,702,234	
17	CMHSP Incentive Payments	501,957	419,357	209,679	362,701	483,601	
18	PIHP Incentive Payments	-	2,483,291		1,600,700	2,134,267	
19	Interest Income - Working Capital	573,177	1,222,315	916,737	352,873	470,497	
20	Interest Income - ISF Risk Reserve	102,887	-	224,547	674,573	899,431	
21	Local Funds Contributions	1,289,352	852,520	652,976	639,390	852,520	
23							
24	TOTAL REVENUE	299,773,958	323,912,264	224,548,642	237,406,913	316,542,550	
25							
26	EXPENSE						
27	Healthcare Cost						
28	Provider Claims Cost	24,396,146	23,023,897	16,487,969	17,012,350	22,683,133	
29	CMHP Subcontracts, net of 1st & 3rd party	233,928,855	263,904,801	192,278,826	195,777,184	261,036,245	
30	Insurance Provider Assessment Withhold (IPA)	3,790,852	3,746,326	2,477,275	2,220,349	2,960,465	
31	Medicaid Hospital Rate Adjustments	5,963,797	12,089,192	6,044,596	9,066,894	12,089,192	
33		-	-	-	-	-	
34	Total Healthcare Cost	268,079,650	302,764,215	217,288,666	224,076,776	298,769,035	
35	Medical Loss Ratio (HCC % of Revenue)	90.2%	94.9%	97.6%	95.9%	95.9%	
36							
37	Administrative Cost						
39	Administrative and Other Cost	11,698,386	12,805,756	7,203,680	7,813,487	10,417,983	
44	Delegated Managed Care Admin	22,429,220	24,714,174	18,246,113	23,152,689	30,870,251	
45	Apportioned Central Mgd Care Admin	(0)	(2,665,293)	(1,269,725)	(1,534,606)	(2,046,141)	
46							
47	Total Administrative Cost	34,127,607	34,854,637	24,180,068	29,431,570	39,242,093	
48	Admin Cost Ratio (MCA % of Total Cost)	11.3%	10.3%	10.0%	12.1%	12.1%	
49							
50	Local Funds Cost	1,289,352	852,520	652,976	639,390	852,520	
51	PBIP Transferred to CMHPs	-	-	-	1,338,004	1,784,005	
52							
53	TOTAL COST after apportionment	303,496,608	338,471,372	242,121,710	255,485,739	340,647,653	
54							
55	NET SURPLUS before settlement	(3,722,650)	(14,559,107)	(17,573,068)	(18,078,827)	(24,105,102)	
56	Net Surplus (Deficit) % of Revenue	-1.2%	-4.5%	-7.8%	-7.6%	-7.6%	
57							
58	Prior Year Savings Utilization	9,769,410	-	-	-	-	
59	Change in PA2 Fund Balance	(123,852)	-	(379,905)	-	-	
60	ISF Risk Reserve Abatement (Funding)	(102,887)	-	(224,547)	-	-	
61	ISF Risk Reserve Utilization		1,929,280	16,683,350	768,376	768,376	
62	CCBHC Supplemental Receivable (Payable)	6,592	3,813,725		-	-	
63	Settlement Receivable / (Payable)	-	-	6,555,659	-	-	
66	NET SURPLUS (DEFICIT)	5,826,612	(8,816,103)	5,061,490	(17,310,450)	(23,336,726)	

	A	B	C	D	E	F	G
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 6/30/2025						
3	FY25 CCBHC						
4	(For Internal Management Purposes Only)						
5			FY24 Budget	FY25 Budget	FY24 Actual as P09	FY25 Actual as P09	FY 25 Projection
6	REVENUE						
7	Contract Revenue						
16	Contract Revenue		85,003,146	94,989,631	49,272,796	80,473,591	107,298,121
17	CMHSP Incentive Payments		-	3,422,650	-	-	-
18							
19	TOTAL REVENUE		85,003,146	98,412,281	49,272,796	80,473,591	107,298,121
20							
21	EXPENSE						
22	Healthcare Cost						
23	CCBHC Subcontracts		82,452,731	82,461,854	49,504,427	58,779,688	78,372,917
24							
25	Total Healthcare Cost		82,452,731	82,461,854	49,504,427	58,779,688	78,372,917
26	Medical Loss Ratio (HCC % of Revenue)		97.0%	83.8%	100.5%	73.0%	73.0%
27							
28							
29	Administrative Cost						
30	Apportioned Central Mgd Care Admin		2,550,415	2,665,293	1,269,725	1,534,606	2,046,141
31							
32	Total Administrative Cost		2,550,415	2,665,293	1,269,725	1,534,606	2,046,141
33	Admin Cost Ratio (MCA % of Total Cost)		3.0%	3.1%	2.5%	2.5%	2.5%
34							
35	TOTAL COST		85,003,146	85,127,147	50,774,153	60,314,294	80,419,058
36							
37	NET SURPLUS before non MCA cost		0	13,285,134	(1,501,357)	20,159,297	26,879,063
38	Net Surplus (Deficit) % of Revenue		0.0%	13.5%	-3.0%	25.1%	25.1%
39							
40	CCBHC Non Medicaid Cost		-	(10,261,247)	-	(9,248,228)	(12,330,970)
41	CCBHC Supplemental Reciveable (Payable)				5,342,111		
42	Settlement Receivable / (Payable)				(3,840,754)		
43							
44	CCBHC Net Surplus/(Deficit)		0	3,023,886	-	10,911,070	14,548,093
45							

May										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	17,046,939	6,910,433	31,588,202	8,617,077	29,657,420	11,082,178	48,443,174	11,033,198	16,273,609	180,652,230
Expense	16,598,965	4,853,041	34,594,544	8,340,801	31,512,722	13,526,489	56,783,302	12,563,732	16,397,959	195,171,556
Difference	447,974	2,057,392	(3,006,342)	276,276	(1,855,302)	(2,444,311)	(8,340,128)	(1,530,534)	(124,351)	(14,519,326)
HMP										
Revenue	5,036,848	584,955	2,871,178	417,004	3,196,143	1,140,038	3,211,207	1,177,602	1,190,816	18,825,790
Expense	6,561,433	671,621	2,774,819	937,053	3,503,882	1,269,790	3,780,151	1,227,953	1,157,208	21,883,911
Difference	(1,524,584)	(86,666)	96,359	(520,049)	(307,739)	(129,752)	(568,945)	(50,351)	33,607	(3,058,120)
April Revenue and Expense										
Revenue	13,225,293	2,802,175	12,949,544	3,471,841	12,598,064	4,589,966	19,803,371	4,546,691	6,568,998	80,555,944
Expense	13,888,094	2,155,879	14,473,302	4,124,944	13,211,728	5,623,700	23,081,835	4,640,737	6,599,383	87,799,602
Capitation Deficit										(17,577,446.04)
June										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	11,431,537	7,789,896	35,779,478	9,771,340	33,374,643	12,528,056	54,434,068	12,278,415	18,261,915	195,649,348
Expense	10,581,654	5,494,219	38,479,374	9,897,202	35,071,178	15,590,603	63,930,705	14,038,368	18,213,952	211,297,254
Difference	849,883	2,295,677	(2,699,896)	(125,861)	(1,696,535)	(3,062,547)	(9,496,637)	(1,759,953)	47,963	(15,647,906)
HMP										
Revenue	5,655,178	653,369	3,250,238	467,726	3,566,484	1,276,769	3,607,302	1,253,495	1,350,877	21,081,439
Expense	7,355,824	826,433	3,082,809	1,055,258	3,884,832	1,650,873	4,285,150	1,322,598	1,396,816	24,860,594
Difference	(1,700,646)	(173,065)	167,429	(587,532)	(318,348)	(374,105)	(677,848)	(69,103)	(45,938)	(3,779,156)
April Revenue and Expense										
Revenue	8,228,222	3,750,052	17,519,880	4,676,826	16,685,629	6,172,575	26,190,360	5,867,801	8,717,366	97,808,711
Expense	8,665,175	2,951,869	18,666,122	5,799,549	17,151,133	8,068,898	30,734,236	6,210,018	8,654,983	106,901,984
Capitation Deficit										(19,427,061.24)
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	15,242,050	10,386,528	47,705,971	13,028,454	44,499,524	16,704,075	72,578,757	16,371,220	24,349,220	260,865,798
Expense	14,108,872	7,325,625	51,305,832	13,196,269	46,761,570	20,787,471	85,240,939	18,717,824	24,285,269	281,729,672
Difference	1,133,178	3,060,903	(3,599,861)	(167,815)	(2,262,046)	(4,083,396)	(12,662,182)	(2,346,604)	63,951	(20,863,874)
HMP										
Revenue	7,540,238	871,158	4,333,651	623,635	4,755,312	1,702,359	4,809,736	1,671,327	1,801,170	28,108,585
Expense	9,807,766	1,101,911	4,110,412	1,407,010	5,179,776	2,201,165	5,713,533	1,763,465	1,862,421	33,147,459
Difference	(2,267,528)	(230,753)	223,239	(783,375)	(424,464)	(498,806)	(903,797)	(92,138)	(61,251)	(5,038,874)
Combined Medicaid/HMP	(1,134,350)	2,830,150	(3,376,623)	(951,191)	(2,686,510)	(4,582,202)	(13,565,979)	(2,438,742)	2,699	(25,902,748)
May Results	(1,614,916)	2,956,089	(4,364,975)	(365,660)	(3,244,562)	(3,861,094)	(13,363,608)	(2,371,328)	(136,115)	(26,366,169)
1Month Comparison	480,566	(125,939)	988,352	(585,531)	558,052	(721,108)	(202,371)	(67,414)	138,815	463,421
Projected										(25,902,748.32)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 6/30/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

Barry County CMHA PIHP Summary Information

SWMBH TOTAL Excluding GF			Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
HCC%	100%		41.7%	0.1%	5.7%	0.0%	0.3%	1.1%	31%	11.2%	9.0%
Capitation Payment			8,892,162	161,994	808,808	282,855	28,316	701,496	1,264,260.42	438,295	-
Less: CCBHC Base Payment			(1,264,260)	-	(438,295)	-	-	-	-	-	-
Subcontract revenue			7,627,902	161,994	370,514	282,855	28,316	701,496	1,264,260.42	438,295	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,901,646.34	864,651.98	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	76,915.97	6,937	349,976
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue		13,024,287	7,627,902	161,994	370,514	282,855	28,316	701,496	3,242,823	1,309,883	349,976
External provider cost			3,958,652	-	602,834	-	-	41,742	-	-	-
Internal program cost			750,835	7,516	40,720	-	28,316	78,174	3,506,251.57	1,267,357	1,011,145
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
Mgd care administration		<i>PIHP Cost</i>	777,215	-	182,879	-	-	84,847	-	-	-
Subcontract cost		11,122,577	5,486,702	7,516	826,433	-	28,316	204,762	3,506,252	1,267,357	1,011,145
Net before settlement			2,141,199	154,478	(455,919)	282,855	-	496,734	(263,429)	42,526	(661,169)
Other Redistributions of State GF		<i>PIHP Stimt</i>	-	-	-	-	-	5,218	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)		(2,006,608)	(2,141,199)	(154,478)	455,919	(282,855)	-	-	161,623	(45,619)	-
Net after settlement			-	-	-	-	-	501,952	(101,806)	(3,093)	(661,169)

Berrien Mental Health Authorit PIHP Summary Information

SWMBH TOTAL Excluding GF			Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
HCC%	100.00%		71.30%	0.00%	5.43%	0.01%	0.87%	0.80%	13.3%	5.8%	2.5%
Capitation Payment			39,173,093	642,124	3,641,505	1,285,729	146,472	1,671,958	4,035,739	1,676,996	-
Less: CCBHC Base Payment			(4,035,739)	-	(1,676,996)	-	-	-	-	-	-
Subcontract revenue			35,137,354	642,124	1,964,509	1,285,729	146,472	1,671,958	4,035,739	1,676,996	-
Supplemental CCBHC Payment			-	-	-	-	-	-	5,420,909	2,918,787	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	161,223	28,849	308,135
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue		53,418,691	35,137,354	642,124	1,964,509	1,285,729	146,472	1,671,958	9,617,871	4,624,632	308,135
External provider cost			33,548,383	-	2,578,294	-	-	329,844	-	-	-
Internal program cost			1,495,900	324	90,329	6,337	428,892	62,770	6,550,758	2,829,118	1,229,313
SSI Reimb, 1st/3rd Party Cost Offset			(7,073)	-	(1,118)	-	-	(65,136)	-	-	-
Mgd care administration		<i>PIHP Cost</i>	3,441,840	-	408,967	-	-	258,748	-	-	-
Subcontract cost		51,370,951	38,479,050	324	3,076,472	6,337	428,892	586,226	6,550,758	2,829,118	1,229,313
Net before settlement			(3,341,696)	641,800	(1,111,963)	1,279,392	(282,420)	1,085,732	3,067,113	1,795,514	(921,178)
Other Redistributions of State GF		<i>PIHP Stimt</i>	-	-	-	-	-	(921,178)	-	-	921,178
Subcontract settlement (includes PPS-1 Payment Difference)		(1,635,677)	3,341,696	(641,800)	1,111,963	(1,279,392)	282,420	-	(2,743,979)	(1,706,585)	-
Net after settlement			-	-	-	-	-	164,554	323,134	88,929	-

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 6/30/2025
(For Internal Management Purposes Only)

6/30/2025

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INCOME STATEMENT

Pines Behavioral Health Serv

HCC%

99.98%

PIHP Summary Information

SWMBH TOTAL		Summary of Local CMHSP Components					
Excluding GF		SUD Block Grant					
		Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	Treatment	State GF
Capitation Payment		11,378,235	173,180	829,454	284,151	21,200	660,464
Less: CCBHC Base Payment		(1,780,074)	-	(645,878)	-	-	-
Subcontract revenue		9,598,160	173,180	183,576	284,151	21,200	660,464
Supplemental CCBHC Payment		-	-	-	-	-	-
CCBHC 1st/3rd Party Cost Offset		-	-	-	-	-	-
CCBHC General Fund Revenue		-	-	-	-	-	-
Incentive Payment Revenue	<i>PIHP Revenue</i>	-	-	-	-	-	-
Subcontract revenue	15,426,330	9,598,160	173,180	183,576	284,151	21,200	660,464
External provider cost		9,144,389	-	922,218	-	-	277,378
Internal program cost		235,864	3,134	42,280	5,611	21,200	118,300
SSI Reimb, 1st/3rd Party Cost Offset		(2,997)	-	-	-	-	-
Mgd care administration	<i>PIHP Cost</i>	516,812	-	85,148	-	-	43,608
Subcontract cost	14,623,102	9,894,068	3,134	1,049,646	5,611	21,200	439,286
Net before settlement		(295,908)	170,046	(866,071)	278,539	-	221,178
Other Redistributions of State GF	<i>PIHP Stim</i>	-	-	-	-	-	484,346
Subcontract settlement (includes PPS-1 Payment Difference)		295,908	(170,046)	866,071	(278,539)	-	(705,524)
Net after settlement		-	-	-	-	-	(0)

CCBHC		
CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
17.4%	6.6%	5.2%
1,780,074	645,878	-
-	-	-
1,780,074	645,878	-
1,846,165	811,113	-
69,931	12,902	-
-	-	-
-	-	-
3,696,170	1,469,893	-
-	-	-
2,643,349	1,006,093	795,088
-	-	-
2,643,349	1,006,093	795,088
1,052,821	463,800	(795,088)
-	-	-
(105,784)	(82,779)	705,524
947,037	381,021	(89,564)

Summit Pointe (Calhoun Coun

HCC%

100.00%

PIHP Summary Information

Capitation Payment		36,943,703	-	4,444,437	-	-	1,394,625
Less: CCBHC Base Payment		(3,569,060)	-	(877,953)	-	-	-
Subcontract revenue		33,374,643	-	3,566,484	-	-	1,394,625
Supplemental CCBHC Payment		-	-	-	-	-	-
CCBHC 1st/3rd Party Cost Offset		-	-	-	-	-	-
CCBHC General Fund Revenue		-	-	-	-	-	-
Incentive Payment Revenue	<i>PIHP Revenue</i>	-	-	-	-	-	-
Subcontract revenue	51,476,191	33,374,643	-	3,566,484	-	-	1,394,625
External provider cost		29,070,421	-	3,246,597	-	-	1,748,636
Internal program cost		2,127,416	2,323	95,023	6,221	68	137,450
SSI Reimb, 1st/3rd Party Cost Offset		-	-	-	-	-	-
Mgd care administration	<i>PIHP Cost</i>	3,871,018	-	536,991	-	-	296,466
Subcontract cost	48,795,024	35,068,854	2,323	3,878,611	6,221	68	2,182,552
Net before settlement		(1,694,211)	(2,323)	(312,127)	(6,221)	(68)	(787,927)
Other Redistributions of State GF	<i>PIHP Stim</i>	-	-	-	-	-	2,702,520
Subcontract settlement (includes PPS-1 Payment Difference)		1,694,211	2,323	312,127	6,221	68	(1,914,593)
Net after settlement		-	-	-	-	-	(0)

15.5%	4.9%	4.0%
3,569,060	877,953	-
-	-	-
3,569,060	877,953	-
6,742,323	3,345,728	-
-	-	-
-	-	-
-	-	-
10,311,383	4,223,681	-
-	-	-
7,463,612	2,375,335	1,914,593
-	-	-
7,463,612	2,375,335	1,914,593
2,847,771	1,848,346	(1,914,593)
-	-	-
(1,924,930)	(1,239,661)	1,914,593
922,841	608,685	(0)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 6/30/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

		6/30/2025	Summary of Local CMHSP Components				
SWMBH TOTAL			SUD Block Grant				
Excluding GF			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	Treatment
							State GF
Woodlands Behavioral Health	HCC%	100.0%	85.3%	1.0%	6.4%	2.7%	0.5%
PIHP Summary Information							4.0%
Capitation Payment			12,338,731	189,325	947,206	329,563	45,717
Less: CCBHC Base Payment			-	-	-	-	-
Subcontract revenue			12,338,731	189,325	947,206	329,563	45,717
Supplemental CCBHC Payment							
CCBHC 1st/3rd Party Cost Offset							
CCBHC General Fund Revenue							
Incentive Payment Revenue							
Subcontract revenue		<i>PIHP Revenue</i>	12,338,731	189,325	947,206	329,563	45,717
External provider cost			10,870,606	-	269,407	-	-
Internal program cost			3,328,824	174,700	800,393	445,814	85,756
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-
Mgd care administration		<i>PIHP Cost</i>	1,216,473	-	135,260	-	51,852
Subcontract cost			15,415,904	174,700	1,205,060	445,814	85,756
Net before settlement			(3,077,172)	14,625	(257,854)	(116,251)	(40,040)
Other Redistributions of State GF		<i>PIHP Stimt</i>	-	-	-	-	69,539
Subcontract settlement			3,077,172	(14,625)	257,854	116,251	40,040
Net after settlement			-	-	-	-	(0)

Integrated Services of Kalama:	HCC%	100.0%	65.70%	0.00%	4.40%	0.00%	0.00%	0.00%	19.43%	6.53%	3.94%
PIHP Summary Information											
Capitation Payment			64,789,191	-	6,662,506	-	83,968	-	10,355,123	3,055,204	-
Less: CCBHC Base Payment			(10,355,123)	-	(3,055,204)	-	-	-	-	-	-
Subcontract revenue			54,434,068	-	3,607,302	-	83,968	-	10,355,123	3,055,204	-
Supplemental CCBHC Payment			-	-	-	-	-	-	9,136,406	4,657,830	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	384,222	55,632	333,331
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue			54,434,068	-	3,607,302	-	83,968	-	19,875,751	7,768,666	333,331
External provider cost			54,315,928	-	3,726,113	-	-	-	3,963,944	1,219,282	738,242
Internal program cost			1,450,605	-	11,265	-	440	-	12,527,944	4,327,946	2,603,620
SSI Reimb, 1st/3rd Party Cost Offset			(10,076)	-	(53)	-	-	-	-	-	-
Mgd care administration		<i>PIHP Cost</i>	8,174,248	-	547,824	-	-	-	-	-	-
Subcontract cost			63,930,705	-	4,285,150	-	440	-	16,491,887	5,547,228	3,341,862
Net before settlement			(9,496,637)	-	(677,848)	-	83,528	-	3,383,864	2,221,438	(3,008,531)
Other Redistributions of State GF		<i>PIHP Stimt</i>	-	-	-	-	-	-	-	-	326,623
Subcontract settlement (includes PPS-1 Payment Difference)			9,496,637	-	677,848	-	(83,528)	-	2,915,496	(758,236)	-
Net after settlement			-	-	-	-	-	-	6,299,360	1,463,202	(2,681,908)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 6/30/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

CMH of St Joseph County	HCC%	100.0%	63.0%	0.0%	5.7%	0.0%	0.2%	2.5%	18.5%	4.9%	5.2%
PIHP Summary Information											
Capitation Payment			13,720,342	234,050	1,241,298	436,185	59,226	781,920	1,675,977	423,988	-
Less: CCBHC Base Payment			(1,675,977)	-	(423,988)	-	-	-	-	-	-
Subcontract revenue			12,044,365	234,050	817,310	436,185	59,226	781,920	1,675,977	423,988	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,621,937	1,243,450	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>									
Subcontract revenue		19,556,489	12,044,365	234,050	817,310	436,185	59,226	781,920	4,297,914	1,667,438	-
External provider cost			12,257,476	-	1,126,258	-	-	440,596	-	-	-
Internal program cost			489,285	3,385	30,631	980	48,493	60,232	3,740,980	990,000	1,055,435
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	(66,128)	(8,599)	-
Mgd care administration		<i>PIHP Cost</i>	1,288,222	-	164,730	-	-	124,790	-	-	-
Subcontract cost		20,065,713	14,034,983	3,385	1,321,619	980	48,493	625,618	3,674,852	981,401	1,055,435
Net before settlement			(1,990,619)	230,665	(504,309)	435,205	10,733	156,302	623,062	686,037	(1,055,435)
Other Redistributions of State GF		<i>PIHP Stmt</i>	-	-	-	-	-	945,136	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)		3,454,800	1,990,619	(230,665)	504,309	(435,205)	(10,733)	(1,101,438)	1,618,807	17,669	1,101,438
Net after settlement			-	-	-	-	-	(0)	2,241,869	703,707	46,003
Van Buren Mental Health Auth	HCC%	75.7%	68.1%	0.0%	4.8%	0.0%	0.4%	2.4%	16.0%	4.7%	3.6%
PIHP Summary Information											
Capitation Payment			19,827,446	317,825	1,476,898	515,246	47,802	898,022	1,883,356	641,267	-
Less: CCBHC Base Payment			(1,883,356)	-	(641,267)	-	-	-	-	-	-
Subcontract revenue			17,944,090	317,825	835,631	515,246	47,802	898,022	1,883,356	641,267	-
Supplemental CCBHC Payment			-	-	-	-	-	-	987,178	382,861	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue		19,660,594	17,944,090	317,825	835,631	515,246	47,802	898,022	2,870,534	1,024,128	-
External provider cost			14,913,005	-	1,166,902	-	-	543,074	-	-	-
Internal program cost			1,793,260	313	23,003	4,099	96,337	41,529	3,919,507	1,147,822	892,234
SSI Reimb, 1st/3rd Party Cost Offset			(94,875)	-	-	-	-	-	-	-	-
Mgd care administration		<i>PIHP Cost</i>	1,602,249	-	202,812	-	-	115,410	-	-	-
Subcontract cost		19,707,105	18,213,639	313	1,392,717	4,099	96,337	700,014	3,919,507	1,147,822	892,234
Net before settlement			(269,550)	317,513	(557,086)	511,148	(48,535)	198,008	(1,048,973)	(123,694)	(892,234)
Other Redistributions of State GF		<i>PIHP Stmt</i>	-	-	-	-	-	694,226	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)		1,455,139	269,550	(317,513)	557,086	(511,148)	48,535	(892,234)	1,086,484	322,145	-
Net after settlement			-	-	-	-	-	-	37,511	198,451	(892,234)

Southwest Michigan Behavioral Health

Management Information & Business Intelligence Plan

July 9, 2025

1. Executive Summary

This plan outlines how the PIHP will collect, manage, analyze, and report data to support operational efficiency, clinical effectiveness, compliance with MDHHS requirements, and continuous quality improvement. It details the use of Management Information Systems (MIS) and Business Intelligence (BI) tools to transform raw data into actionable insights for stakeholders.

2. Objectives

- Ensure complete, accurate, and timely data collection and reporting to meet state and federal requirements.
- Enable evidence-based decision-making through business intelligence analytics.
- Improve service delivery, member outcomes, and financial performance.
- Support population health management and strategic planning.
- Promote interoperability and data sharing across CMHSPs and provider networks.

3. Governance and Oversight

- Executive Sponsor: Chief Executive Officer or Chief Clinical Officer
- Data Governance Team: Includes representatives from IT, Clinical, Finance, Compliance, and Quality
- Oversight Bodies: Aligns with PIHP Board, Compliance Committee, and MDHHS data reporting requirements

4. Data Sources

A. Files shared by CMHs and SWMBH's SmartCare through automated data exchange:

- Authorization requests and responses in X12 278 format,
- Assessments (LOCUS and ASAM),
- Basic client demographics,
- Behavioral Health Treatment Episode Data Set (BH-TEDS)
- Claims/encounters in X12 837 format,
- Requests for services

B. Files shared by MDHHS through automated data exchange processes:

- Eligibility & Enrollment: CHAMPS (Community Health Automated Medicaid Processing System) records in X12 834 format
- CareConnect360: Medicaid Health Plan and Fee-For-Service Medicaid goods, services, and pharmacy encounters
- Payment: Premium Payment in X12 820 format
- Third-party liabilities

C. Other data captured outside of automated data exchange but maintained in SWMBH databases:

- Person/event-level CMS Core Set metric results generated by MDHHS/Optum
- Milliman capitation analyses - person-level results
- Critical incidents
- Provider directory
- WSA enrollment
- Behavior treatment plan committee review

5. Management Information System (MIS) Infrastructure

- Platform: Centralized Data Warehouse with ETL (Extract, Transform, Load) processes
- Data Integration: Automated feeds from CMHSPs, MDHHS, and third-party systems
- Tools: SQL Server, Tableau, Microsoft Azure

Security & Compliance:

- HIPAA & 42 CFR Part 2 compliance
- Role-based access control (RBAC)
- Multi-factor authentication (MFA)
- Data encryption (at rest and in transit)

6. Business Intelligence (BI) Components

A. Tableau Analytics and Dashboards

- Operational Dashboards: Encounter submission timeliness, file transfer monitoring, error checking
- Clinical and Utilization Management Dashboards: Utilization/encounter trends, authorizations and denials, readmissions, LOCUS assessments
- Quality Dashboards: Critical incidents, performance indicators, BH-TEDS demographics and social determinants of health, equity and disparities analysis
- Financial Dashboards: Capitation analysis, payment monitoring, coordination of benefits
- Enrollment Dashboards: Medicaid enrollment and service penetration by county and zip code, enrollment changes over time

B. Relias Population Performance Platform

- Quality metrics and care gaps
- Member risk scoring
- Disease registries
- Utilization and diagnostic histories

C. Other Reporting and Analytics

- Regional population health analyses
- Ad hoc data pulls, queries, and reports
- Quest Analytics network adequacy analyses

D. Self-Service BI

- Tableau user access to real-time interactive data visualizations
- Custom analysis and export functions for Tableau “explorer” licensees

7. Data Quality and Integrity

- Routine Data Validation: Automated scripts for data anomalies and missing fields
- Audit Trails: Traceability of data changes and access
- Error Resolution Workflows: Feedback loops with CMHSPs and providers
- Training and Support: Regular user training on documentation and reporting standards

8. Risk Management

- System Downtime: Disaster recovery plan with backups and cloud redundancy
- Data Breaches: Ongoing security audits and employee HIPAA training
- Incomplete Data Submissions: Escalation processes and collaborative correction with CMHSPs

9. Current Management Information & Business Intelligence Goals

- Establish Data Governance Team Charter – Target date 10/1/2025
- Improve Tableau usability and provide technical assistance – Target date 10/1/2025
- Transition to new Azure server – Target date 10/1/2026

10. Conclusion

SWMBH’s Management Information and Business Intelligence Plan ensures the PIHP collects complete, timely, and accurate data, that reporting requirements are met, that data is securely maintained, and that useful reports and insights are delivered. The plan supports the region in meeting regulatory obligations, enhancing care coordination, improving outcomes, reducing costs, and maximizing revenue.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board- Policy Executive Limitations		Policy Number: BEL-009	Pages: 1
Subject: Global Executive Constraint		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: 11.18.2013	Last Review Date: 07.12.24	Past Review Dates: 9.12.14, 9.11.15, 9.9.16, 8.11.17,9.14.18,9.13.19,09.11.20,09.10. 21, 09.09.22, 07.14.23	

I. POLICY:

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

III. STANDARDS:

1. The EO is accountable to the Board acting as a body. The Board will instruct the EO through written policies or directives consistent with Board policies, delegating to the EO the interpretation and implementation of those policies and Ends.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board- Policy Executive Limitations		Policy Number: BEL-009	Pages: 1
Subject: Global Executive Constraint		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: 11.18.2013	Last Review Date: 07.12.24	Past Review Dates: 9.12.14, 9.11.15, 9.9.16, 8.11.17, 9.14.18, 9.13.19, 09.11.20, 09.10. 21, 09.09.22, 07.14.23	

Executive Officer Report for July 11, 2025. Prepared for Carol Naccarato.

I. **POLICY:**

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

Executive Officer Response

There have been no practices, activities, decisions, or organizational circumstance which were illegal, imprudent or in violation of commonly accepted business and professional ethics or in violation of contractual obligations. This is evidenced by the absence of findings, sanctions or penalties from any of the internal processes or external agencies overseeing SWMBH and its operations including but not limited to

- Michigan Department of Health and Human Services
- Michigan Office of the Inspector General
- Health Services Advisory Group
- External Auditor Roslund, Prestage
- Equal Employment Opportunity Commission
- Michigan Office of Civil Rights

III. **STANDARDS:**

1. The EO is accountable to the Board acting as a body. The Board will instruct the EO through written policies or directives consistent with Board policies, delegating to the EO the interpretation and implementation of those policies and Ends.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy	Policy Number: BEL-004	Pages: 1
Subject: Treatment of Staff	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: 03.14.2014	Last Review Date: 8/9/24	Past Review Dates: 12/12/14, 3/11/16, 4/14/17, 4/13/18, 5/10/19, 5/8/20, 9/10/21, 9/9/22, 8/11/23

I. PURPOSE:

To clearly define the Treatment of SWMBH staff by SWMBH.

II. POLICY:

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.

III. STANDARDS:

Accordingly the EO may not:

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. Retaliate against any staff member for expression of dissent.
3. Fail to acquaint staff with the EO interpretation of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.



**Executive Limitations
Monitoring to Assure Executive Performance
August 8, 2025**

Policy Number: BEL-004

Policy Name: Treatment of Staff

Assigned Reviewer: Lorraine Lindsey

Purpose: To clearly define the Treatment of SWMBH staff.

Policy: 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.

Standards: Accordingly, the EO may not;

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 Staff Manual exists which 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 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. All new staff are provided the SWMBH employee manual at orientation.

EO has been vigilant toward 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, inclusive of a mandatory meeting with the EO, occurs for new staff. Enforcement of expectations related to level of effort, work product output and professional demeanor have been consistent. Staff is treated with dignity & respect and is 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 2025 the latest Cultural Accelerator Survey was conducted by an outside contractor, Rose St. Advisors, to measure staff satisfaction and engagement, this survey is one that we have conducted on a regular basis for several years to improve employee engagement and satisfaction. The improvement over time has been significant and our latest survey indicates not overall excellent scores. There was reduction in scores related to staff safety related to job insecurity and a very large reduction in whether staff would recommend working at SWMBH. These reductions were directly related to the MDHHS PIHP rebid announcement which occurred the same week as the staff survey was released.

SWMBH has a Staff Handbook, that was updated with review by labor Counsel in March 2025, circulated to and available to staff. This Handbook has been reviewed in part at staff meetings, is available to all staff on the shared intranet portal and is provided upon hire and as revised with signature receipts on file. Independent Contractors are subject to the terms and conditions of their written Agreements. There have been no related staff or written complaints internally, nor to outside agencies to our knowledge.

Staff meetings occur a minimum of ten times per year, and include items on agency and regional financial status, Ends 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 and who plan for staff interaction activities which provides for informal interactions between EO and staff.

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 HR-confidential question and issue submission process.

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

EO Response: This Policy has been reviewed at staff meeting and is prominently posted in the staff lounge. The EO personally covers this Policy and related

information in a live meeting with all new staff as part of new employee orientation. This policy is 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 is 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. I have consistently considered human diversity 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.

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

EO Response: Safety is an assigned role of Chief Administrative Officer, and all staff are trained on 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 tornado, fire or bomb threat. 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 is reviewed and approved by the EO.

The Board's direct inspector, Ms. Lindsey, was provided with the staff contact information, this report and accompanying materials. She was invited to contact staff and to meet with the Chief Administrative Officer.

Documents Provided:

SWMBH 2025 Staff Handbook
SWMBH Staff Contact Roster
May 2025 Cultural Accelerator Survey

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 08.15.2022	Last Review Date: 8/9/24	Past Review Dates: 11/13/15, 1/13/17, 2/9/18, 4/12/19, 6/12/20, 7/09/21, 8/12/22, 8/11/23	

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.
 - d. Make revisions to Retirement Plan documents without prior Board approval.

BEL-007

Page 1 of 2

- e. Implement employer discretionary contributions to staff without prior Board approval.



Executive Limitations Monitoring to Assure Executive Performance

Policy Number: BEL007
Policy Name: Compensation and Benefits
Board and Report Date: August 8, 2025
Assigned Reviewer: Michael Seals

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 negotiated with the Board.

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 Spring of 2023. 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 accordingly in May 2023. The increased need for mental health services has made hiring very competitive in the behavioral health field especially for those with advanced clinical degrees.
- 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 accelerator survey project which asks among other things staff satisfaction with compensation and benefits. The May 2025 survey indicated that 77% of staff agreed that SWMBH had competitive salary and benefits. This is a 5% drop from prior year and themes seem to indicate the belief market analysis for at least some positions should be redone and the increasing cost of healthcare coverage is of concern. Balancing staff preferences with budget realities is a continuous issue.

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.**
 - d. **Make revisions to Retirement Plan documents without prior Board approval.**
 - e. **Implement employer discretionary contributions to staff without prior Board approval.**

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.
- d. 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.
- e. No discretionary employer contributions, outside of those approved by the SWMBH Board have been made to any staff retirement accounts.

Attachments:

2025 Employee Manual

May 2024 Cultural Accelerator Report

FY2025 New Employee Benefit Summary

-END

Healthcare Reforms Enforced by the “One Big Beautiful Act”

Srinidhi Nemani

Introduction

- July 4, 2025: The “One Big Beautiful Bill” was signed into law
- This act effects various sectors of the country such as healthcare
- Regarding changes in healthcare, the law supports changes to Medicaid, Medicare, and the Affordable Care Act

Purpose

- The Center of Medicare and Medicaid Services intends on:
 - Improving access to care (\$150 million)
 - Ensuring enrollee cost-sharing (\$15 million)
 - Enforcing proper exchange
 - Improving healthcare in rural areas (\$50.2 billion)
 - Requiring community engagement (\$400 million)
 - Strengthening the enrollment process to avoid fraud (\$76.057 billion)
 - Ensuring spending is not wasteful (\$1 million)
 - Tightening financial practices to avoid wrongful spending (\$32 million)
 - Participating in Medicare changes

Improving Access to Care

July 1, 2028

To **qualify for** a home- and community-based services **waiver** to ensure that those who do not meet the requirement for the institutional “level of care” are covered, states must:

- Create a needs-based eligibility criteria
- Ensure that those who receive the waivers are not subject to longer wait times
- Ensure that the cost of services when on this home- and community-based services waiver will not exceed the cost of care for those being treated in an institution
- Give the Secretary annual data on the service costs, durations, and enrollments

Ensuring Enrollee Cost Sharing

October 1, 2028

Cost-sharing for Medicaid Expansion services for families whose income is **greater than 100% of the federal poverty level**

- Medicaid **providers** can **deny care** to beneficiaries if the beneficiaries **do not cost-share**
 - Cost-sharing is limited to \$35
 - The total cost-sharing amount for all the individuals in a family cannot exceed 5% of the family income either considered quarterly or annually.

Exceptions:

- Pregnancy-related services
- Emergency services
- Certain mental health services, substance use disorder, primary health services; services by certified community behavioral health clinics, rural health clinics, and Federally Qualified Health Centers

Enforcing Proper Exchanges

December 31, 2025

- **Narrowed** premium tax credit **eligibility** includes:
 - Green card holders
 - COFA migrants living in the United States
 - Some Cuban immigrants
- Individuals who enrolled in an **income-based special enrollment periods** are **not eligible** for premium tax credits and cost-sharing reductions
- The law **prohibits “lawfully present immigrants”** from getting premium tax credits if they are **not eligible** for Medicaid **because of their immigrant** status
- Premium tax credit recipients have to **return the excess premium tax credits** when their estimated income is lower than their actual income

Enforcing Proper Exchanges

January 1, 2026

- To **receive Advanced Premium tax credit and Cost-Sharing Reductions**, individuals must **verify** their eligibility **annually**
- Any **discrepancies** shall be **fixed within 90 days** (enrollees can remain part of the plan, but cannot get APTCs and CSRs until eligible)
- The **eligibility** factors:
 - Income
 - Immigration status
 - Health coverage status or eligibility
 - Place of residence
 - Family size
 - Other information
- **Exception:** If the individual enrolls into the special enrollment period (SEPs) because of a change in ⁵² family size such as pregnancy.

December 31, 2027

- Can continue to have a health saving accounts even if they have a separate coverage for remote services such as telehealth while they are enrolled in a high-deductible health plan
- **Bronze plans and catastrophic plans** will be considered as **high-deductible health plans** and can be **combined with the health saving accounts**

Improving Healthcare in Rural Areas

Fiscal Year 2026 - 2030

- Federal funding will be given to create a **Rural Health Transformation Program** for states to achieve **3 out of 10 activities** :
 - Improving prevention and management of chronic disease using evidence-based, measurable interventions
 - Providing payments to healthcare providers for services
 - Improving prevention and management of chronic disease using consumer-facing, technologically driven solutions
 - Improving care delivery using technologically driven solutions
 - Recruiting a clinical workforce
 - Improving efficiency and patient health outcomes along with bettering cybersecurity development using technologically driven solutions
 - Identifying necessary service lines to “right size” rural health care delivery systems
 - Supporting access to mental health services, SUD treatment services, and opioid disorder treatment services
 - Creating different care models such as value-based care models and alternative payment models
 - Other plans to better sustainable access to high quality healthcare

Requiring Community Engagement

December 31, 2026

Certain individuals need to participate in **community engagement** to gain or maintain their **Medicaid coverage**

Exceptions:

- Caretaker of a disabled or dependent child
- A disabled veteran
- Medically frail individuals
- In a drug or alcoholic rehabilitation program
- Part of or is eligible for the SNAP program and work requirements
- Pregnant individuals or those dealing with postpartum

June 1, 2026 - December 31, 2028

States can be **exempt from the community engagement** requirement.

- Must provide **quarterly progress** reports regarding milestones towards compliance.
- **Ways** that the state can be **exempt** from the community engagement regulation:
 - State submits an exemption request to the Secretary
 - Secretary believes that the state is showing good faith effort

Strengthening the Enrollment Process to Avoid Fraud

October 1, 2026

Immigrant eligibility is limited to:

- U.S. citizens or nationals
- Immigrants who have become permanent residents under the Immigration and Nationality Act
- Aliens who are considered to be Cuban or Haitian
- Residents in Compacts of Free Association (COFA)

December 31, 2026

Bi-annually, Medicaid Expansion **eligibility** (19-64 year olds with an income level of 138 percent of Federal Poverty Level) will be checked

Exception:

- Indian
- Urban Indian
- California Indian
- Considered Indian for Indian Health Services

The law **reduces** the Federal Medical Assistance Percentage allocated for emergency Medicaid to match the state's traditional Federal Medical Assistance

Ensuring Spending is not Wasteful

July 4, 2026

Medicaid funds are **prohibited to providers** who:

- Received more than \$800,000 in Medicaid payments in 2023

December 31, 2026

Retroactive coverage will be reduced from **3** months prior to application date to:

- **1** month for Medicaid Expansion enrollees
- **2** months for the other enrollees.

September 30, 2034

Delaying the minimum **staffing standards** for long-term care facilities

Creating **requirements** that states must follow to **compensate** the support **staff** and direct care workers

Tightening Financial Practices to Avoid Wrongful Spending

January 1, 2026

Eliminate temporary incentive
for states expanding Medicaid

- Direct state payments for any healthcare service should not surpass:
 - **100%** of the published Medicare payment rate in **expansion states**
 - **110%** in **non-expansion states**
- **Funds approved before May 1, 2025** by the Centers of Medicare & Medicaid Services for **rural areas** will be **allocated** within **180 days** of the bill being passed, **then** funding will gradually **decline**
- **Medicaid changes are budget neutral**
 - The Secretary has to ensure that these changes allow for federal savings and provide details on the savings

57

October 1, 2026

- States **cannot implement new** and increased **provider taxes**
- Taxes on providers should be uniform and “broad-based”
- The cap on **expansion states’ provider tax** will be **reduced**
 - For **expansion states** Starting from FY 2028 the cap will drop from 6% to 5.5% with a 0.5% decrease year fiscal year until FY 2032.
 - For **expansion states** From FY 2032, the cap will remain at 3.5%.
 - For **non-expansion states** the cap will remain at 6%.

Participating in Medicare Changes

January 1, 2026 to January 1, 2027

To avoid any cuts to physician payment in 2026, the **physician fee schedule** will be **increased temporarily by 2.5%**.

January 1, 2028

Orphan drugs one or more rare disease designations will now be **exempt from Medicare negotiation** regardless of the time the drug took to be approved and licensed.

If **current Medicare enrollees do not meet** the new **eligibility**, they will **lose their coverage within 18 months** of the bill being passed.

- The candidates **eligible** :
 - United States citizens
 - Immigrants who have become permanent residents under the Immigration and Nationality Act
 - Aliens who are considered to be Cuban or Haitian
 - Residents in COFA

Conclusion

- While there are many changes in different sectors being made by the “One Big Beautiful Act” which was passed on July 4, 2025, it is crucial to look at the healthcare reforms in order to prepare for the future
- CMS intends on:
 - Improving access to care
 - Ensuring enrollee cost-sharing
 - Enforcing proper exchange
 - Improving healthcare in rural areas
 - Requiring community engagement
 - Strengthening the enrollment process to avoid fraud
 - Ensuring spending is not wasteful
 - Tightening financial practices to avoid wrongful spending
 - Participating in Medicare changes

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2025 County Population Health Reports

County Population Health Reports

Goals and Purpose:

SWMBH developed a series of eight population health reports, one for each county in Region 4, to better understand the health needs and healthcare experiences of Medicaid enrollees.

These reports analyze calendar year 2024 data and focus on key indicators such as demographics, behavioral and chronic health conditions, healthcare utilization, and pharmacy-related risk patterns.

The purpose of this work is to establish a baseline that highlights disparities, emerging trends, and opportunities for targeted improvement. By comparing county-level data to regional averages, each report helps identify where additional support or focus may be needed.

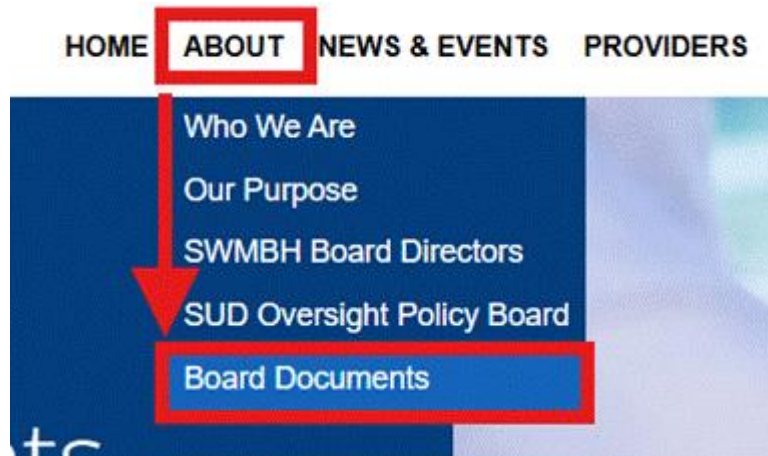
County Population Health Reports

Where to Access the Reports:

The reports are on the SWMBH Website with the Board Documents

Link to the Website:

<https://www.swmbh.org/about/board-documents-from-southwest-michigan-behavioral-health/>



County Population Health Reports

Data and Methods:

The reports use Medicaid enrollment and service encounter data. The Behavioral Health Treatment Episode Data Set was also used to include information about housing status for individuals receiving services funded by the Prepaid Inpatient Health Plan or Community Mental Health agencies. In addition, SWMBH used the Relias Population Performance platform to evaluate prescribing patterns and behavioral health-related quality indicators.

Analyses are stratified by age group, sex, race, and dual Medicare and Medicaid enrollment to better understand variation across subpopulations. County-level results are compared to regional averages to help interpret local findings in a broader context.

County Population Health Reports

How to Use the Reports:

Each report includes the following sections:

1. Demographic overview describing the age, race, and dual eligibility breakdown of Medicaid enrollees
2. Health profile including behavioral and chronic health conditions
3. Behavioral health diagnosis patterns and subgroup differences
4. Common chronic conditions and subgroup differences
5. Emergency department and inpatient hospital utilization
6. Multimorbidity and risk of hospitalization among individuals with multiple chronic conditions
7. Pharmacy-related risk flags and prescribing patterns

Each section provides summary statistics and observations to support data-driven discussions.

County Population Health Reports

Key Regional Takeaways:

- Across Region 4, just under 1 in 3 Medicaid enrollees had at least one behavioral health diagnosis, and a similar proportion had a chronic health condition.
- Medicaid members who were also enrolled in Medicare tended to have higher rates of both chronic and behavioral health conditions.
- Individuals with behavioral health diagnoses were much more likely to have a chronic condition compared to those without, highlighting the need for integrated care strategies.
- Analysis of prescribing patterns revealed several quality and safety concerns, such as the use of multiple psychotropic medications, high dose prescribing, and combinations of medications that may pose health risks. These patterns suggest opportunities for closer medication monitoring and care coordination.
- Having both behavioral and chronic physical health conditions was associated with greater risk of hospitalization. These individuals may benefit from enhanced outreach and care management efforts.