



Southwest Michigan Behavioral Health Board Meeting
5250 Lovers Lane, Suite 200, Portage, MI 49002
September 12, 2025
9:30 am to 11:30 am
(d) means document provided
Draft: 9/2/25

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d) pg.1**
3. **Financial Interest Disclosure Handling**
 - Kayla Wisniewski – Woodlands Behavioral Health Network
4. **Consent Agenda (3 minutes)**
 - a. August 1, and August 27, 2025 SWMBH Special Board Meeting minutes(d) pg.3
 - b. August 8, 2025, SWMBH Board Meeting Minutes (d) pg.7
 - c. August 13, and August 27, 2025, Operations Committee Meeting Minutes (d) pg.12
 - d. August 1, 2025, Board Finance Committee Meeting Minutes (d) pg.20
5. **Fiscal Year 2025 Year to Date Financial Statements; Cash Flow Analysis; Mid-Year Revenue Rate Assumptions and Revised SWMBH Budget/Projections (15 minutes)**
 - a. G. Guidry (d) pg.22
 - b. Operations Committee
6. **Required Approvals (0 minutes)**
 - None scheduled
7. **Ends Metrics Updates (*Requires motion) (0 minutes)**

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

 - None scheduled
8. **Board Actions to be Considered (10 minutes)**
 - a. Interim Chief Executive Officer Compensation
 - b. Annual SWMBH Finance Committee Charter review (T. Schmelzer) (d) pg.39
9. **Board Policy Review (5 minutes)**

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

 - EO-001 Executive Role and Job Description (d) pg.41

10. Executive Limitations Review (10 minutes)

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

- a. BEL-007 Compensation and Benefits (M. Seals) (d) pg.42
- b. BEL-005 Treatment of Plan Members (T. Leary) (d) pg.47
- c. BEL-008 Communication and Counsel (S. Sherban) (d) pg.53

11. Board Education (15 minutes)

- Executive Officer Subcommittee update (S. Sherban)

12. Communication and Counsel to the Board (0 minutes)

- a. SWMBH Retirement Plans Amendments (d) pg.55
- b. State Opioid Response (SOR) 4 Region 4 - 2025 Site Visit Letter (d) pg.57
- c. MDHHS Substance Use, Gambling and Epidemiology Division Fiscal Review (d) pg.59
- d. Health Services Advisory Group Technical Report Overview (d) pg.60
- e. MDHHS Procurement Update (M. Todd)
- f. Substance Use Disorder Oversight Policy Board Meeting September 15, 2025
- g. October Board Policy Direct Inspection – 2.4 Policy Financial Conditions and Activities (formerly BEL-002 Financial Conditions) (T. Schmelzer); 2.8 Policy (formerly EO-003) Emergency Executive Officer Succession (M. Todd)

13. Public Comment

14. Adjournment

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

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

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

**Next Board Meeting
October 10, 2025
Air Zoo
9:30 am - 11:30 am**



Special Board Meeting Minutes

August 1, 2025

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

2:00 pm-3:00 pm

Draft: 8/4/25

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

Members Absent: Joyce Locke

Guests Present: Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Joel Smith, Director of SUD Treatment and Prevention Services, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; 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; Ric Compton, Riverwood; Jeannie Goodrich, Summit Pointe; Michael Mallory, Woodlands; Toni Kennedy, Veteran Navigator, SWMBH; Elizabeth Skaggs, Varnum

Welcome Guests

Sherii Sherban called the meeting to order at 2:00 pm.

Public Comment

None

Agenda Review and Adoption

Motion Tom Schmelzer moved to approve the agenda as presented.
Second Lorraine Lindsey
Motion Carried

Sign the separation agreement for our executive officer

Sherii Sherban

Motion Lorraine Lindsey moved to approve the agenda as presented.
Second Michael
Motion Carried

Closed Session

Motion Michael Seals moved to go into closed session pursuant to MCL 15.268(1)(h) to consider material exempt from discussion or disclosure by state or federal statute.
Second Carol Naccarato
Motion Carried

Open Session

Sherii Sherban returned the meeting to open session.

Approve the joint announcement of separation for the community

Sherii Sherban reported as documented.

Motion Michael Seals moved to approve the agenda as presented.

Second Tom Schmelzer

Motion Carried

Resolution to appoint an Interim EO

Sherii Sherban read the resolution as documented.

Motion Michael Seals moved to appoint Mila Todd as Interim EO.

Second Tom Schmelzer

Motion Carried

SWMBH Board subcommittee to form and meet to evaluate EO position, contract, compensation, company vehicle and other pertinent items. Subcommittee will be Sherii Sherban, Tom Schmelzer, Carol Naccarato and Michael Seals. Subcommittee to report back to full Board by 10/1/2025.

Resolutions to appoint successor trustee

Sherii Sherban read the resolution as documented, and Mila Todd noted the reason for the resolution.

Motion Tom Schmelzer moved to appoint Mila Todd as successor trustee.

Second Michael Seals

Motion Carried

Resolutions to appoint signatory for bank accounts

Sherii Sherban read the resolution as documented.

Motion Tom Schmelzer moved to appoint Mila Todd as signatory trustee for SWMBH FNB and SWMBH Commercial bank accounts.

Second Michael Seals

Motion Carried

Public Comment

Debbie Hess thanked Mila Todd.

Adjournment

Motion Michael Seals moved to adjourn the Board meeting

Second Tom Schmelzer

Meeting adjourned at 2:44pm



Special Board Meeting Minutes

August 27, 2025

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

12:00 pm-1:00 pm

Draft: 8/27/25

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

Members Absent: Joyce Locke

Guests Present: Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Cameron Bullock, Pivotal; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Jeff Patton, ISK; Ric Compton, Riverwood; Jeannie Goodrich, Summit Pointe; Michael Mallory, Woodlands; Sarah Wixson, Varnum LLP; Jessica McLemore, Miller Johnson

Welcome Guests

Sherii Sherban called the meeting to order at 12:01 pm.

Public Comment

None

Agenda Review and Adoption

Motion	Michael Seals moved to approve the agenda as presented.
Second	Tom Schmelzer
Motion Carried	

Closed Session

Motion	Michael Seals moved to go into closed session pursuant to MCL 15.268(1)(h) to consider a written attorney opinion and pursuant to the Common Interest Privilege doctrine, the CMH representatives and their counsel are also permitted to attend the closed session.
Second	Lorraine Lindsey
Roll Call vote	
Lorraine Lindsey	yes
Tina Leary	yes
Carol Naccarato	yes
Allen Edlefson	yes
Michael Seals	yes
Tom Schmelzer	yes
Sherii Sherban	yes
Motion Carried	

Open Session

Sherii Sherban returned the meeting to open session.

Motion Michael Seals moved to authorize the Interim CEO to take legal action(s) in connection with the MDHHS RFP process.

Second Allen Edlefson

Motion Carried

Public Comment

Cameron Bullock and Jeff Patton thanked the Board for allowing the CMH CEOs to attend the closed session.

Adjournment

Motion Lorraine Lindsey Seals moved to adjourn the Board meeting

Second Michael Seals

Meeting adjourned at 12:31pm



Board Meeting Minutes

August 8, 2025

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

9:30 am-11:30 am

Draft: 8/11/25

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.

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|----------------|---|
| 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.

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|----------------|---|
| 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 by 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 stated that he is frustrated and upset about the SWMBH staff retention approval, stating that it's a disservice to CMHs and current financial conditions.

Carol Naccarato requested change:

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 is not going to cover it.

Carol Naccarato requested change:

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

Date:	8/13/25
Time:	9:00 am – 11:00 am
Facilitator:	Jeannie
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ Michael Mallory (Woodlands)
☐ 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)

Guest: Roger Pierce

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Approved virtually and presented to the board.
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	a. Financial packet status -Stmnt of Net Position; Stmnt Net Activities; Net Activities to Budget b. Mtg. with MDHHS/Milliman 8/19 c. Status of engagement	<ul style="list-style-type: none"> Due To/Due From – Will be added by CMH starting next Period. Eligibles are pretty much flat. 6% higher in overall revenue from last year, not the 11% forecasted. This is still prior to the rate amendment. First payment was made on July 31st, \$5.2 million in Medicaid. HAB waiver, increase of \$2 Million. Still two more recoups and repays this week and next week.

		<ul style="list-style-type: none"> • The projected amount of \$15 million is still on pace for the Amendment 3 issued via the state. • P09 \$24.1 million deficit, before the \$15 million from the rate amendment. You should start to see the revenue in the July financials. • Amendment 4 was released yesterday. The PPS-1 rate was sent out for Cohort 2, which is the only CCBHCs affected by this amendment. • Clarification asked for when discussing Due to/Due from for CMHs, that we differentiate what is actually from SWMBH and what is coming directly from the state for CCBHC supplemental payments. Garyl will work on modifying it to help clarify for future use. • Meeting with the department on Tuesday- Finance rates reprojected, with the updated regional rate process starting in June of 2025. Projecting only a \$2 million deficit if the rate was applied to 10/1 through now, vs 6/1 through now. Garyl to confirm if the 10/1 rejections included the 6000 ish people that were added in the June repayment file
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		<ul style="list-style-type: none"> • Rehmann agreement has been signed and sealed. <ul style="list-style-type: none"> ○ Review FY 26 revenue projections – Rate meeting was cancelled, and moved to next week. ○ Template for reporting ○ Preparing financials on a monthly basis. Rehmann will review for accuracy once transitioning back to SWMBH. ○ Peer review of SWMBHs final FSR. ○ General consultation as needed Ad Hoc.
4. Wakely Updates	No update	
5. FY 2026 SWMBH Budget Development	8/14 Mtg. with MDHHS for FY26 PIHP rates	<ul style="list-style-type: none"> • Fluid, a lot of work in process. Will have several revisions.
6. UM Follow-up (Anne)		<ul style="list-style-type: none"> • Project is currently behind, was going to come up with CLS tools for each population. As well as training for CMH staff on purpose, how to ensure medical necessity etc. • Did not have full participation from all CMHs. • Beth has completed training for staff. Companion guide and training. Anne to send out to CMH CEOs today. • SMI tools are done. • Next steps:

		<ul style="list-style-type: none"> ○ Recommitment to training- Anne to complete. ○ Identification of tools ○ Workgroup identified – Emily W, Beth Ann M., Sheila H., and Sean F.
7. Regional Data Workgroup	Evaluate how data impacts rate setting – understand the relationship between cost reductions and the possible impact on rates and revenues; identify and decrease BH acuity factor deviations from the statewide average.	<ul style="list-style-type: none"> ● Pat Davis will be working with SWMBH staff to replicate the data she was able to do with ISK for the entire region.
8. CCBHC Direct Payment Methodology	Implications to be discussed at 8/27 mtg.	Moved to 8/27 PCE Meeting at the end of August about billing CHAMPS.
9. PIHP Competitive Procurement	<ul style="list-style-type: none"> * RFP released * Options; plans; possibilities 	<ul style="list-style-type: none"> ● The RFP requires a letter of Commitment. ● 45 CFR 74 – Open Competitive Bidding. ● CCBHCs- 2027 – Goes back into the Managed Care System. ● Unanimous consensus that there would not be support for the amendment of SWMBH bylaws.
10. Transition Planning		

11. SUD Block Grant		
12. Next Meeting Agenda August Facilitator-Jeannie September Facilitator-Jeff October Facilitator-Sue		8/27/25 Agenda: <ul style="list-style-type: none"> • FY26 Block Grant - FFS • Eleos payment & contract implications (FY26 CCBHC implications) • CCBHC Direct Payment Methodology • P10 Financials – Garyl • Bylaws, Financial Risk Management Plan, Financial Management Plan - Mila
13. 11:00 am-12:00 pm CMH CEOs		

Date:	8/27/25
Time:	9:00 am – 11:00 am
Facilitator:	Jeannie
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ Michael Mallory (Woodlands)
☒ 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 8/20/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		<ul style="list-style-type: none"> No Changes or additions
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> No additional changes, approved.
3. Financial Stability a. SWMBH Period 10 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"> P10 financials are not quite done yet, will be done by the end of the day today or Thursday. Edits are being made in accordance with the recommendations of the financial workgroup. There does seem to be a positive uptick due to the mid-year rate adjustments. Had a meeting on 8-19-25, went pretty well, ISK joined, MDHHS did not commit to anything. Let the state know

		<p>that we are projecting a \$ 9 million deficit. No answers or solutions for now. Presented to MDHHS, the revenue figures of what would happen if the rate adjustment were done 10-1-25 through 5-31-25, would show only a \$1.5 million deficit.</p> <ul style="list-style-type: none"> • First template meeting on September 4th with Rehmann. Revenue assumptions will be going to Rehmann. Garyl did send out a projected Revenue Assumption on Tuesday.
4. Wakely Updates		<ul style="list-style-type: none"> • No Update.
5. SWMBH Financial Management Plan, SWMBH Financial Risk Management Plan, SWMBH Cost Allocation Plan and SWMBH Bylaw review.		<ul style="list-style-type: none"> • Getting analysis from the Assets and Liabilities workgroup to determine what needs to happen. Waiting for the state to respond to the RFP for additional questions.
6. FY 2026 SWMBH Budget Development		<ul style="list-style-type: none"> • \$348 million projected at base. This is presented with plenty of caveats. This is a rough estimate and requires review by Rehman. • Currently projecting a potential \$30 million surplus. Fully funding our savings at 100 % and our ISF at 50%. • Potential review of provider rates based on the actual revenues received. Looking at potential provider rate increases in January, but it is

		<p>not a guarantee. Ask the CFO's to anticipate and include in the second draft of the budget.</p> <ul style="list-style-type: none"> Garyl to have a meeting with CFO's to review Managed Care Admin costs. Garyl to have Rehmann review and help isolate what is calculated in the MCA cost. Hoping to reduce to 10% as a target, currently at 12.5% To present that cost to SWMBH Region CEO's with % included.
7. UM Follow up (Anne)		<ul style="list-style-type: none"> Review the document Anne sent, to have feedback and be ready for approval, in the next two weeks, and provide feedback to Alena and Anne by COB 9-5-25. Training was approved to be sent out.
8. PIHP Competitive Procurement	Regional Entity Roles and Future	<ul style="list-style-type: none"> Waiting for RFP questions/responses from the state.
9. CCBHC Direct Payment Methodology	SUD Block Grant implications	<ul style="list-style-type: none"> Memo came out from the State. SWMBH to seek clarity on BG funding and access to from MDHHS.
10. Next Meeting Agenda August Facilitator-Jeannie September Facilitator-Jeff October Facilitator-Sue		<ul style="list-style-type: none"> Duplicate current agenda for next meeting unless something else is added in the next two weeks.
11. 11:00 am-12:00 pm CMH CEOs		



Board Finance Committee Meeting Minutes

August 1, 2025

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

1:00-2:00 pm

Draft: 8/4/25

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

Guests: Jeff Patton, Amy Rottman, Derek Miller, Christina Schaub

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

SWMBH 2024 External Audit Report

Derek Miller and Christina Schaub of Roslund Prestage and Company reported on the SWMBH 2024 External Audit as documented and noted the following:

- Material weakness finding(s)
- Different models of financial reporting
- Roslund Prestage's audit process
- Process going forward for reporting
- Processes to confirm numbers – PIHP to CMHs
- Financial assessment for 2026

Discussion followed regarding external audit, timing, and letter issued to Summit Pointe.

Motion Michael Seals moved that the Board Finance Committee would approved the SWMBH 2024 External Audit at the August 8, 2025, Board meeting.
Second Carol Naccarato
Motion Carried

Review SWMBH YTD financial statements

Garyl Guidry presented Period 9 financial statements as documented noting the PIHP settlement line item regarding what the PIHP would owe the CMH and what the CMH would owe the PIHP if cost settlement were to happen. Discussion followed.

SWMBH Check Registers

Garyl Guidry reported as documented.

SWMBH Cash Flow Analysis

Garyl Guidry reported as documented.

Financial Assessment

Michael Seals stated that he is still gathering information regarding a financial assessment of SWMBH.

SWMBH Staff Retention

Mila Todd and Garyl Guidry discussed conversations regarding SWMBH staff retention, noting that retaining staff to meet contractual obligations is crucial. SWMBH is considering a 10% quarterly retention payment. Board Finance Committee stated that they were open to that figure.

Board Finance Committee Charter

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

Adjournment

Michael Seals

Second

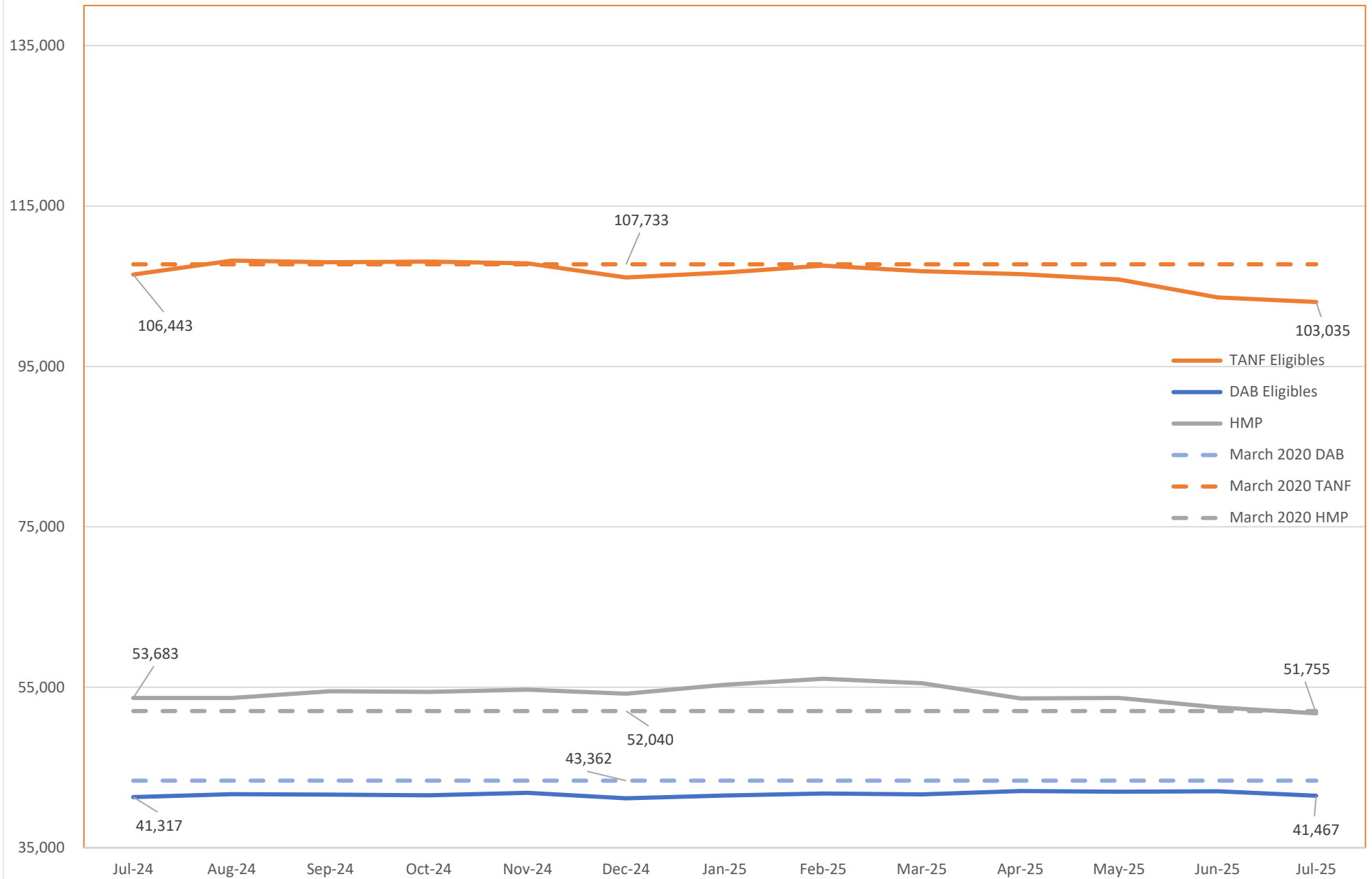
Carol Naccarato

Meeting adjourned

Southwest Michigan Behavioral Health

Total Eligibles July '24 - July '25

as of August 28, 2025



SWMBH Through July	FY25	FY24	% Change YOY	\$ Change YOY
State Plan MH	83,151,138	81,409,616	2.1%	1,741,522
1915i MH	77,381,049	70,701,975	9.4%	6,679,074
Autism	26,046,395	16,948,643	53.7%	9,097,751
Habilitation Supports Waiver (HSW)	53,879,917	49,323,460	9.2%	4,556,457
Child Waiver Program (CWP)	776,958	895,851	-13.3%	(118,894)
Serious Emotional Disturbances (SED)	433,873	1,323,356	-67.2%	(889,483)
Net Capitation Payment	241,669,328	220,602,901	9.5%	21,066,427
				-
State Plan SA	6,560,629	6,816,640	-3.8%	(256,011)
Net Capitation Payment	6,560,629	6,816,640	-3.8%	(256,011)
				-
Healthy Michigan Mental Health	21,434,896	19,498,390	9.9%	1,936,507
Healthy Michigan Autism	35,668	21,781	63.8%	13,887
Net Capitation Payment	21,470,564	19,520,170	10.0%	1,950,393
				-
Healthy Michigan Substance Abuse	11,261,510	11,570,962	-2.7%	(309,451)
Net Capitation Payment	11,261,510	11,570,962	-2.7%	
				-
GRAND TOTAL	280,962,031	258,510,674	8.7%	22,451,358

as of 8/28/2025

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 7/31/2025			FY25 PIHP			
3	(For Internal Management Purposes Only)						
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	A	B	C	D	E	F	G
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 7/31/2025						
3	FY25 CCBHC						
4	(For Internal Management Purposes Only)						
5			FY24 Budget	FY25 Budget	FY24 Actual as P10	FY25 Actual as P10	FY 25 Projection
6	REVENUE						
16	Contract Revenue		85,003,146	94,989,631	55,094,340	90,323,479	108,388,175
17	CMHSP Incentive Payments		-	3,422,650	-	-	-
18							
19	TOTAL REVENUE		85,003,146	98,412,281	55,094,340	90,323,479	108,388,175
20							
21	EXPENSE						
22	Healthcare Cost						
23	CCBHC Subcontracts		82,452,731	82,461,854	56,324,407	71,412,181	85,694,617
24							
25	Total Healthcare Cost		82,452,731	82,461,854	56,324,407	71,412,181	85,694,617
26	Medical Loss Ratio (HCC % of Revenue)		97.0%	83.8%	102.2%	79.1%	79.1%
27							
28							
29	Administrative Cost						
30	Apportioned Central Mgd Care Admin		2,550,415	2,665,293	1,424,943	1,783,935	2,140,722
31							
32	Total Administrative Cost		2,550,415	2,665,293	1,424,943	1,783,935	2,140,722
33	Admin Cost Ratio (MCA % of Total Cost)		3.0%	3.1%	2.5%	2.4%	2.4%
34							
35	TOTAL COST		85,003,146	85,127,147	57,749,350	73,196,116	87,835,339
36							
37	NET SURPLUS before non MCA cost		0	13,285,134	(2,655,010)	17,127,363	20,552,836
38	Net Surplus (Deficit) % of Revenue		0.0%	13.5%	-4.8%	19.0%	19.0%
39							
40	CCBHC Non Medicaid Cost		-	(10,261,247)	-	(9,050,433)	(10,860,519)
41	CCBHC Supplemental Reciveable (Payable)				8,358,567		
42	Settlement Receivable / (Payable)				(5,703,557)		
43			-	-	-	-	-
44	CCBHC Net Surplus/(Deficit)		0	3,023,886	-	8,076,930	9,692,316
45							

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	10,573,871	5,494,219	38,479,374	9,897,202	35,071,178	15,590,603	63,930,705	14,038,368	18,213,952	211,289,471
Difference	857,666	2,295,677	(2,699,896)	(125,861)	(1,696,535)	(3,062,547)	(9,496,637)	(1,759,953)	47,963	(15,640,123)
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	7,354,911	826,433	3,082,809	1,055,258	3,884,832	1,650,873	4,285,150	1,322,598	1,396,816	24,859,681
Difference	(1,699,733)	(173,065)	167,429	(587,532)	(318,348)	(374,105)	(677,848)	(69,103)	(45,938)	(3,778,242)
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	8,656,479	2,951,869	18,666,122	5,799,549	17,151,133	8,068,898	30,734,236	6,210,018	8,654,983	106,893,288
Capitation Deficit										(19,418,365.29)
July										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	18,197,792	8,805,520	40,457,517	11,118,890	38,107,845	14,133,562	62,171,100	13,860,009	20,641,135	227,493,371
Expense	17,226,943	6,301,890	43,699,114	11,057,461	39,134,280	17,616,923	71,379,203	15,583,755	20,978,782	242,978,351
Difference	970,849	2,503,630	(3,241,597)	61,429	(1,026,435)	(3,483,361)	(9,208,102)	(1,723,746)	(337,647)	(15,484,980)
HMP										
Revenue	7,844,199	735,900	3,727,825	546,994	4,131,440	1,451,132	4,163,943	1,351,930	1,541,800	25,495,163
Expense	9,900,853	920,313	3,348,292	1,104,565	4,257,081	1,681,236	4,701,568	1,452,927	1,538,831	28,905,667
Difference	(2,056,653)	(184,413)	379,533	(557,571)	(125,641)	(230,105)	(537,625)	(100,997)	2,969	(3,410,504)
April Revenue and Expense										
Revenue	17,183,498	4,848,207	22,675,506	6,103,644	21,983,787	7,952,444	34,484,034	7,547,830	11,287,509	134,066,458
Expense	17,855,493	3,853,421	24,151,345	7,009,116	21,586,484	10,125,580	38,599,153	7,885,734	11,561,829	142,628,154
Capitation Deficit										(18,895,483.92)
Projection for FY 2025										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	21,837,351	10,566,624	48,549,020	13,342,668	45,729,414	16,960,275	74,605,320	16,632,011	24,769,362	272,992,045
Expense	20,672,332	7,562,268	52,438,937	13,268,954	46,961,136	21,140,307	85,655,043	18,700,506	25,174,538	291,574,021
Difference	1,165,019	3,004,356	(3,889,916)	73,714	(1,231,721)	(4,180,033)	(11,049,723)	(2,068,495)	(405,176)	(18,581,976)
HMP										
Revenue	9,413,039	883,080	4,473,390	656,393	4,957,728	1,741,358	4,996,732	1,622,316	1,850,160	30,594,196
Expense	11,881,023	1,104,376	4,017,950	1,325,478	5,108,497	2,017,484	5,641,882	1,743,513	1,846,597	34,686,800
Difference	(2,467,984)	(221,296)	455,440	(669,085)	(150,769)	(276,126)	(645,150)	(121,197)	3,563	(4,092,605)
Combined Medicaid/HMP	(1,302,965)	2,783,059	(3,434,477)	(595,371)	(1,382,491)	(4,456,158)	(11,694,873)	(2,189,692)	(401,614)	(22,674,581)
June Results	(1,122,756)	2,830,150	(3,376,623)	(951,191)	(2,686,510)	(4,582,202)	(13,565,979)	(2,438,742)	2,699	(25,891,154)
1Month Comparison	(180,210)	(47,090)	(57,854)	355,820	1,304,020	126,044	1,871,106	249,050	(404,313)	3,216,573
Projected										(22,674,580.71)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 7/31/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

Barry County CMHA PIHP Summary Information

Capitation Payment			10,086,630	179,432	932,434	313,837	31,463	779,440	1,460,542.59	510,371	-
Less: CCBHC Base Payment			(1,460,543)	-	(510,371)	-	-	-	-	-	-
Subcontract revenue			8,626,088	179,432	422,063	313,837	31,463	779,440	1,460,542.59	510,371	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,113,933.59	956,813.01	-
CCBHC 1st/3rd Party Cost Offset									86,536.43	7,803	363,466
CCBHC General Fund Revenue									-	-	-
Incentive Payment Revenue									-	-	-
	<i>CCBHC Cost</i>	<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue	5,136,000	9,572,882	8,626,088	179,432	422,063	313,837	31,463	779,440	3,661,013	1,474,987	363,466
External provider cost			4,623,532	-	672,299	-	-	60,597	-	-	-
Internal program cost			802,868	7,898	45,208	-	31,463	83,247	3,910,379.55	1,444,971	1,123,980
SSI Reimb. 1st/3rd Party Cost Offset				-	-	-	-	-	-	-	-
Mgd care administration			867,593	-	202,806	-	-	94,086	-	-	-
	<i>CCBHC Cost</i>	<i>PIHP Cost</i>	-	-	-	-	-	-	-	-	-
Subcontract cost	5,355,351	7,253,666	6,293,992	7,898	920,313	-	31,463	237,930	3,910,380	1,444,971	1,123,980
Net before settlement			2,332,096	171,534	(498,250)	313,837	-	541,510	(249,367)	30,016	(760,514)
Other Redistributions of State GF			-	-	-	-	-	473	-	-	-
	<i>CCBHC Stlmt</i>	<i>PIHP Stlmt</i>	-	-	-	-	-	-	-	-	-
Subcontract settlement (includes PPS-1 Paymr	(296,599)	(2,319,216)	(2,332,096)	(171,534)	498,250	(313,837)	-	-	(134,715)	(161,884)	-
Net after settlement			-	-	-	-	-	541,983	(384,082)	(131,869)	(760,514)

Berrien Mental Health Authori PIHP Summary Information

Capitation Payment			44,317,195	712,102	4,202,042	1,424,720	162,746	1,855,990	4,571,780	1,898,937	-
Less: CCBHC Base Payment			(4,571,780)	-	(1,898,937)	-	-	-	-	-	-
Subcontract revenue			39,745,415	712,102	2,303,105	1,424,720	162,746	1,855,990	4,571,780	1,898,937	-
Supplemental CCBHC Payment			-	-	-	-	-	-	6,025,604	3,229,713	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	408,012	77,111	358,448
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			-	-	-	-	-	-	-	-	-
	CCBHC Cost	PIHP Revenue	-	-	-	-	-	-	-	-	-
Subcontract revenue	16,211,157	44,348,088	39,745,415	712,102	2,303,105	1,424,720	162,746	1,855,990	11,005,396	5,205,761	358,448
External provider cost			38,187,986		2,769,397			364,602		-	-
Internal program cost			1,678,350	537	121,575	14,361	474,009	68,757	7,283,685	3,122,897	1,366,593
SSI Reimb. 1st/3rd Party Cost Offset			-	-	-	-	-	(80,826)		-	-
Mgd care administration			-	-	-	-	-	374,907		-	-
	CCBHC Cost	PIHP Cost	3,832,241	-	442,959	-	-	-	-	-	-
Subcontract cost	10,406,582	47,521,415	43,698,577	537	3,333,931	14,361	474,009	727,440	7,283,685	3,122,897	1,366,593
Net before settlement			(3,953,162)	711,565	(1,030,826)	1,410,359	(311,263)	1,128,550	3,721,711	2,082,864	(1,008,145)
Other Redistributions of State GF			-	-	-	-	-	(1,008,145)	-	-	1,008,145
	CCBHC Stlmt	PIHP Stlmt	-	-	-	-	-	-	-	-	-
Subcontract settlement (includes PPS-1 Paym	(4,787,400)	3,173,327	3,953,162	(711,565)	1,030,826	(1,410,359)	311,263	-	(2,974,669)	(1,812,732)	-
Net after settlement			-	-	-	-	-	120,405	747,042	270,132	-

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 7/31/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

For the Fiscal YTD Period Ended 7/31/2025 (For Internal Management Purposes Only)			7/31/2025	ok	Summary of Local CMHSP Components				CCBHC				
SWMBH TOTAL			Excluding GF		Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant		CCBHC Medicaid	Healthy Michigan	CCBHC Non-Medicaid
		Treatment							State GF				
INCOME STATEMENT													

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 7/31/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

Woodlands Behavioral Health			HCC%	100.0%	86.0%	1.1%	5.7%	2.5%	0.6%	4.0%			
PIHP Summary Information													
Capitation Payment					13,924,008	209,554	1,087,249	363,883	50,796	722,577			
Less: CCBHC Base Payment													
Subcontract revenue													
Supplemental CCBHC Payment													
CCBHC 1st/3rd Party Cost Offset													
CCBHC General Fund Revenue													
Incentive Payment Revenue			CCBHC Cost	PIHP Revenue									
Subcontract revenue			-	15,635,490	13,924,008	209,554	1,087,249	363,883	50,796	722,577			
External provider cost					12,335,095	-	280,821	-	-	307,826			
Internal program cost					3,704,787	210,222	791,567	473,186	104,611	445,846			
SSI Reimb, 1st/3rd Party Cost Offset					-	-	-	-	-	-			
Mgd care administration			CCBHC Cost	PIHP Cost	1,366,820	-	135,663	-	-	57,761			
Subcontract cost			-	19,402,771	17,406,701	210,222	1,208,051	473,186	104,611	811,433			
Net before settlement					(3,482,693)	(667)	(120,802)	(109,303)	(53,815)	(88,856)			
Other Redistributions of State GF			CCBHC Stmt	PIHP Stmt	-	-	-	-	-	88,856			
Subcontract settlement			-	3,767,280	3,482,693	667	120,802	109,303	53,815	-			
Net after settlement					-	-	-	-	-	0			
Integrated Services of Kalama			HCC%	100.0%	65.81%	0.00%	4.33%	0.00%	0.00%	0.00%	19.37%	6.53%	3.96%
PIHP Summary Information													
Capitation Payment					73,780,651		7,628,159		93,298		11,609,550	3,464,216	-
Less: CCBHC Base Payment					(11,609,550)	-	(3,464,216)	-	-	-	-	-	-
Subcontract revenue					62,171,100	-	4,163,943	-	93,298	-	11,609,550	3,464,216	-
Supplemental CCBHC Payment					-	-	-	-	-	-	10,164,321	5,166,765	-
CCBHC 1st/3rd Party Cost Offset					-	-	-	-	-	-	446,123	66,365	378,957
CCBHC General Fund Revenue					-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			CCBHC Cost	PIHP Revenue	-	-	-	-	-	-	-	-	1,326,190
Subcontract revenue			30,917,341	66,428,341	62,171,100	-	4,163,943	-	93,298	-	22,219,994	8,697,346	1,705,147
External provider cost					60,669,965		4,091,624		-		4,451,903	1,383,567	822,424
Internal program cost					1,651,298		13,037		436		13,887,603	4,800,283	2,928,707
SSI Reimb, 1st/3rd Party Cost Offset					(5,721)	-	(52)	-	-	-	-	-	-
Mgd care administration			CCBHC Cost	PIHP Cost	9,063,660	-	596,959	-	-	-	-	-	-
Subcontract cost			24,523,356	76,081,207	71,379,203	-	4,701,568	-	436	-	18,339,506	6,183,850	3,751,131
Net before settlement					(9,208,102)	-	(537,625)	-	92,862	-	3,880,488	2,513,496	(2,045,984)
Other Redistributions of State GF			CCBHC Stmt	PIHP Stmt	-	-	-	-	-	-	-	-	692,992
Subcontract settlement (includes PPS-1 Payrr			2,603,069	9,652,866	9,208,102	-	537,625	-	(92,862)	-	3,352,861	(749,791)	-
Net after settlement					-	-	-	-	-	-	7,233,349	1,763,705	(1,352,992)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 7/31/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

CMH of St Joseph County

PIHP Summary Information

		7/31/2025	Summary of Local CMHSP Components						CCBHC		
		SWMBH TOTAL							CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
		Excluding GF	Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF			
HCC%	100.0%		62.8%	0.0%	5.6%	0.0%	0.3%	2.5%	18.20%	5.00%	5.54%
Capitation Payment			15,529,626	259,161	1,423,975	481,152	65,807	868,800	1,928,778	553,197	-
Less: CCBHC Base Payment			(1,928,778)	-	(553,197)	-	-	-	-	-	-
Subcontract revenue			13,600,848	259,161	870,778	481,152	65,807	868,800	1,928,778	553,197	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,905,775	1,365,806	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	CCBHC Cost	PIHP Revenue									
Subcontract revenue	6,753,556	15,277,746	13,600,848	259,161	870,778	481,152	65,807	868,800	4,834,553	1,919,003	-
External provider cost			13,609,787	-	1,231,651	-	-	489,987			
Internal program cost			544,212	3,335	31,439	1,281	70,060	71,135	4,100,252	1,126,360	1,249,019
SSI Reimb, 1st/3rd Party Cost Offset									(77,309)	(9,907)	-
Mgd care administration	CCBHC Cost	PIHP Cost	1,426,421	-	188,556	-	-	150,250			
Subcontract cost	5,139,396	17,106,742	15,580,419	3,335	1,451,646	1,281	70,060	711,372	4,022,943	1,116,453	1,249,019
Net before settlement			(1,979,572)	255,826	(580,868)	479,871	(4,253)	157,428	811,610	802,550	(1,249,019)
Other Redistributions of State GF	CCBHC Stmt	PIHP Stmt	-	-	-	-	-	1,159,436			
Subcontract settlement (includes PPS-1 Paym	2,129,855	1,828,996	1,979,572	(255,826)	580,868	(479,871)	4,253	(1,316,864)	1,967,248	162,608	1,316,864
Net after settlement			-	-	-	-	-	(0)	2,778,858	965,158	67,845

Van Buren Mental Health Auth

PIHP Summary Information

HCC%	76.4%		68.9%	0.0%	4.7%	0.0%	0.4%	2.3%	15.6%	4.5%	3.5%
Capitation Payment			22,444,272	352,721	1,701,159	570,301	53,113	997,802	2,155,858	729,661	-
Less: CCBHC Base Payment			(2,155,858)	-	(729,661)	-	-	-	-	-	-
Subcontract revenue			20,288,414	352,721	971,499	570,301	53,113	997,802	2,155,858	729,661	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,100,606	425,795	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	CCBHC Revenue	PIHP Revenue	-	-	-	-	-	-	-	-	-
Subcontract revenue	4,411,920	22,236,048	20,288,414	352,721	971,499	570,301	53,113	997,802	3,256,464	1,155,456	-
External provider cost			17,307,402	-	1,282,285	-	-	602,736			
Internal program cost			1,995,649	1,485	26,853	8,931	121,673	51,307	4,360,059	1,267,337	977,345
SSI Reimb, 1st/3rd Party Cost Offset			(105,417)	-	-	-	-	-	-	-	-
Mgd care administration	CCBHC Cost	PIHP Cost	1,779,663	-	220,762	-	-	127,536	-	-	-
Subcontract cost	5,627,396	22,639,286	20,977,297	1,485	1,529,900	8,931	121,673	781,579	4,360,059	1,267,337	977,345
Net before settlement			(688,883)	351,236	(558,401)	561,370	(68,560)	216,223	(1,103,595)	(111,880)	(977,345)
Other Redistributions of State GF	CCBHC Stmt	PIHP Stmt	-	-	-	-	-	761,122	-	-	-
Subcontract settlement (includes PPS-1 Paym	1,670,539	403,238	688,883	(351,236)	558,401	(561,370)	68,560	-	1,287,938	382,601	-
Net after settlement			-	-	-	-	-	977,345	184,343	270,721	(977,345)

Southwest Michigan Behavioral Health
Statement of Net Position
July 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Current assets			
Cash and cash equivalents - unrestricted	\$ 13,880,706	\$ -	\$ 13,880,706
Cash and cash equivalents - restricted	362,799	1,034,619	1,397,418
Accounts receivable	20,359	-	20,359
Due from other governmental units	33,467,709	-	33,467,709
Due from other funds	231,624	-	231,624
Prepaid expenses	112,514	-	112,514
Total current assets	48,075,710	1,034,619	49,110,329
Noncurrent assets			
Capital assets being depreciated, net	781,498	-	781,498
Total assets	48,857,208	1,034,619	49,891,827
Current liabilities			
Accounts payable	(131,364)	-	(131,364)
Accrued payroll and benefits	2,008	-	2,008
Due to other governmental units	36,952,835	-	36,952,835
Due to other funds	-	231,624	231,624
Unearned revenue	6,317,599	-	6,317,599
Compensated absences, due within one year	52,793	-	52,793
Direct borrowing, due within one year	137,475	-	137,475
Total current liabilities	43,331,348	231,624	43,562,971
Noncurrent liabilities			
Compensated absences, due beyond one year	299,163	-	299,163
Direct borrowing, due beyond one year	626,277	-	626,277
Total noncurrent liabilities	925,440	-	925,440
Total liabilities	44,256,788	231,624	44,488,411
Net position			
Net investment in capital assets	17,745	-	17,745
Restricted for Medicaid risk management	-	77,551	77,551
Restricted for Healthy Michigan risk management	-	16,252	16,252
Restricted for Performance Bonus Incentive Pool	2,334,472	-	2,334,472
Unrestricted	2,248,203	709,192	2,957,396
Total net position	\$ 4,600,420	\$ 802,995	\$ 5,403,416

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ending July 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Operating revenues			
State and federal funding			
Medicaid	\$ 255,875,163	\$ -	\$ 255,875,163
Healthy Michigan	34,309,056	-	34,309,056
CCBHC	53,980,057	-	53,980,057
Incentive payments	2,263,569	-	2,263,569
MDHHS risk corridor	-	-	-
State and federal grant revenue	7,639,203	-	7,639,203
Total State and Federal funding	354,067,049	-	354,067,049
Local funding			
Public Act 2 funding	1,674,078	-	1,674,078
Local match drawdown	710,433	-	710,433
Total local funding	2,384,511	-	2,384,511
Total operating revenues	356,451,560	-	356,451,560
Operating expenses			
Funding for affiliate partners			
Barry County Community Mental Health	12,609,017	-	12,609,017
Kalamazoo Community Mental Health	100,604,562	-	100,604,562
Pines Behavioral Health	16,295,018	-	16,295,018
Riverwood Center	57,927,997	-	57,927,997
St. Joseph Community Mental Health	22,246,138	-	22,246,138
Summit Pointe	54,297,760	-	54,297,760
Van Buren Community Mental Health	28,266,682	-	28,266,682
Woodlands Behavioral Healthcare Network	19,402,771	-	19,402,771
PBIP funding for affiliate partners	1,486,671	-	1,486,671
CCBHC funding for affiliate partners	5,344,341	-	5,344,341
Total funding for affiliate partners	318,480,956	-	318,480,956
Contract expenditures			
Contractual services	19,487,618	-	19,487,618
IPA and HRA taxes	10,840,768	-	10,840,768
Local match drawdown	710,433	-	710,433
Total contract expenditures	31,038,819	-	31,038,819
Administrative expenses			
Salaries and contracted personnel	4,600,682	-	4,600,682
Fringe benefits	1,493,776	-	1,493,776
Board	4,358	-	4,358
Community education	244,317	-	244,317
Depreciation	-	-	-
Furniture and small equipment	950,351	-	950,351
Insurance	39,215	-	39,215
IT and Consulting services	402,101	-	402,101
Lease	164,399	-	164,399
Legal and professional	272,842	-	272,842

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Month Ending July 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Maintenance and custodial	\$ 17,785	\$ -	\$ 17,785
Meeting and training	63,009	-	63,009
Membership and dues	18,697	-	18,697
Other	7,617	-	7,617
Staff development and travel	42,317	-	42,317
Supplies	18,709	-	18,709
Utilities	44,814	-	44,814
Total administrative expenses	8,384,987	-	8,384,987
Total operating expenses	357,904,762	-	357,904,762
Operating income (loss)	(1,453,202)	-	(1,453,202)
Non-operating revenues (expenses)			
Investment income	410,569	709,192	1,119,762
Interest expense	-	-	-
Non-operating local expense	(170,656)	-	(170,656)
Total non-operating revenues (expenses)	239,913	709,192	949,105
Transfers			
Transfer in (out)	-	-	-
Total transfer in (out)	-	-	-
Change in net position	(1,213,289)	709,192	(504,097)
Net position, beginning of year			
Beginning as previously presented	5,813,710	93,803	5,907,513
Beginning as restated	5,813,710	93,803	5,907,513
Net position, end of year	\$ 4,600,421	\$ 802,995	\$ 5,403,416

Southwest Michigan Behavioral Health
Statement of Cash Flows
For the Month Ending July 31, 2025

	Enterprise Fund	Internal Service	
	Mental Health	Medicaid Risk	Total Proprietary
	Operating	Reserve	Funds
Cash flows from operating activities			
Receipts from the State and other governments	\$ 356,624,645	\$ -	\$ 356,624,645
Payments to employees	(6,229,363)	-	(6,229,363)
Payments to affiliates and other governments	(368,993,236)	-	(368,993,236)
Payments to suppliers and providers	(3,152,472)	-	(3,152,472)
Net cash provided by operating activities	(21,750,426)	-	(21,750,426)
Cash flows from capital and related financing activities			
Acquisition of capital assets	-	-	-
Payment of direct borrowing	(0)	-	(0)
Payment of interest	-	-	-
Net cash provided by capital and related financing activities	(0)	-	(0)
Cash flows from noncapital financing activities			
Payments from/to other funds	8,366,851	(8,366,851)	-
Payments for non-operating local expense	(170,656)	-	(170,656)
Net cash provided by noncapital financing activities	8,196,195	(8,366,851)	(170,656)
Cash flows from investment activities			
Investment income	410,569	709,192	1,119,761
Net cash provided by investment activities	410,569	709,192	1,119,761
Net change in cash and cash equivalents	(13,143,661)	(7,657,659)	(20,801,320)
Cash and cash equivalents, beginning of year	27,387,167	8,692,278	36,079,445
Cash and cash equivalents, end of year	\$ 14,243,506	\$ 1,034,619	\$ 15,278,125
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (1,453,202)	\$ -	\$ (1,453,202)
Depreciation expense	0	-	-
Changes in assets and liabilities:			
Accounts receivable	26,766	-	26,766
Due from other governmental units	191,784	-	191,784
Prepaid expenses	(31,624)	-	(31,624)
Accounts payable	(830,319)	-	(830,319)
Accrued payroll and benefits	(134,905)	-	(134,905)
Due to other governmental units	(19,665,246)	-	(19,665,246)
Unearned revenue	146,319	-	146,319
Compensated absences	(1)	-	(1)
Net cash provided by operating activities	\$ (21,750,427)	\$ -	\$ (21,750,427)

Southwest Michigan Behavioral Health
Footnotes
For the Month Ending July 31, 2025

Unearned Revenue	
County	Balance
Barry	822,702
Berrien	759,465
Branch	595,743
Calhoun	193,987
Cass	639,348
Kazoo	2,279,311
St. Joe	397,513
Van Buren	629,530
Total	6,317,599

FY25 County Specific PA2 Fund Balance.

Due from other governmental units	
Barry County	40,393
Barry CMH	2,615,815
Berrien County	163,103
Riverwood	1,614,073
Branch County	33,210
Calhoun County	322,069
Summit Pointe	3,741,102
Cass County	68,666
Kalamazoo County	304,391
St. Joseph County	42,869
Van Buren County	70,990
MDHHS	24,451,027
Total	33,467,709

Balance includes FY24 MDHHS Shared Risk Receivable, FY25 PA2 funds due to SWMBH, FY25 CMHSP Settlements, FY25 CCBHC Supplemental Receivable, and FY25 SUD and MHBG Receivable.

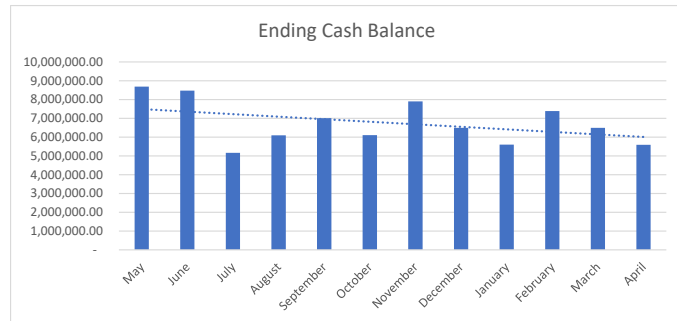
Due to other governmental units	
Pines BHN	331,922
Woodlands	3,767,280
ISK	12,255,935
Pivotal	3,958,851
Van Buren CMH	2,073,777
MDHHS	11,761,440
Local Match	60,421
IPA	1,082,694
Due to Other Agencies	1,660,515
Total	36,952,835

Balance includes FY21 and FY22 SWMBH Lapse to MDHHS, FY21 Death Recoupments and FY25 CMHSP Settlements.



**Southwest Michigan Behavioral Health
Cash Flow Analysis
Operations Account**

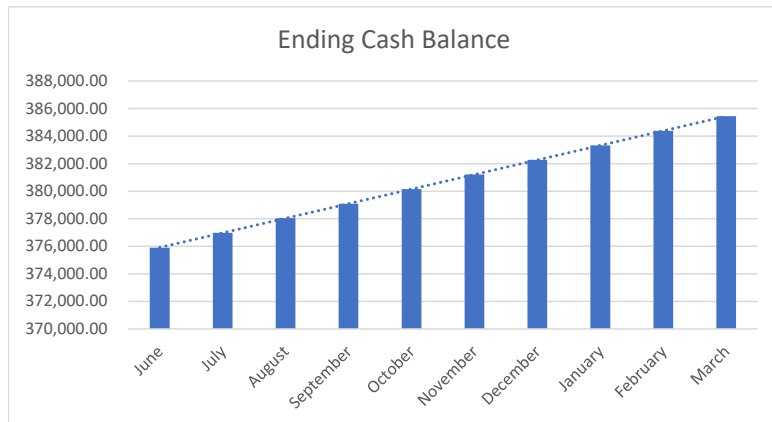
	May	June	July	August	September	October	November	December	January	February	March	April
Medicaid/HMP	22,318,365.49	23,316,290.07	28,306,837.58	25,334,942.56	24,819,108.93	22,890,549.19	22,890,549.19	22,890,549.19	22,890,549.19	22,890,549.19	22,890,549.19	22,890,549.19
Waivers	5,594,342.75	5,272,281.09	6,063,999.74	5,662,216.60	5,648,210.05	5,643,541.19	5,643,541.19	5,643,541.19	5,643,541.19	5,643,541.19	5,643,541.19	5,643,541.19
CCBHC Supplemental	4,977,424.46	5,041,963.96	5,186,727.02	5,059,493.81	5,066,402.31	5,068,705.15	-	-	-	-	-	-
Other Revenue Sources	1,983,919.55	8,028,267.70	37,970.25	4,033,313.56	8,028,267.70	62,638.94	2,757,197.69	8,028,267.70	62,638.94	2,757,197.69	62,638.94	62,638.94
Total Revenues	34,874,052.25	41,658,802.82	39,595,534.59	40,089,966.53	43,561,988.98	33,665,434.47	31,291,288.07	36,562,358.08	28,596,729.32	31,291,288.07	28,596,729.32	28,596,729.32
CMHSP CAP Payments	25,355,077.72	31,006,540.85	38,845,090.80	31,778,562.28	31,778,562.28	31,778,562.28	26,709,857.13	26,709,857.13	26,709,857.13	26,709,857.13	26,709,857.13	26,709,857.13
SWMBH Claims Payments	1,316,494.50	1,375,353.52	1,839,775.03	1,381,493.57	1,381,493.57	1,381,493.57	1,381,493.57	1,771,324.78	1,381,493.57	1,381,493.57	1,381,493.57	1,381,493.57
SWMBH Central Operations	1,382,395.38	9,487,288.45	2,227,636.91	5,996,587.22	9,487,288.45	1,405,563.47	1,405,563.47	9,487,288.45	1,405,563.47	1,405,563.47	1,405,563.47	1,405,563.47
Total Expenses	28,053,967.60	41,869,182.82	42,912,502.74	39,156,643.07	42,647,344.30	34,565,619.32	29,496,914.17	37,968,470.36	29,496,914.17	29,496,914.17	29,496,914.17	29,496,914.17
Net	6,820,084.65	(210,380.00)	(3,316,968.15)	933,323.46	914,644.69	(900,184.85)	1,794,373.90	(1,406,112.28)	(900,184.85)	1,794,373.90	(900,184.85)	(900,184.85)
Begininning Balance	1,867,223.93	8,687,308.58	8,476,928.58	5,159,960.43	6,093,283.89	7,007,928.58	6,107,743.73	7,902,117.64	6,496,005.36	5,595,820.51	7,390,194.42	6,490,009.57
Ending Cash Balance	8,687,308.58	8,476,928.58	5,159,960.43	6,093,283.89	7,007,928.58	6,107,743.73	7,902,117.64	6,496,005.36	5,595,820.51	7,390,194.42	6,490,009.57	5,589,824.73





Southwest Michigan Behavioral Health
Cash Flow Analysis
Labor Risk Account

	June	July	August	September	October	November	December	January	February	March
Interest Income	<u>1,038.90</u>	<u>1,076.70</u>	<u>1,057.80</u>	<u>1,057.80</u>	<u>1,057.80</u>	<u>1,057.80</u>	<u>1,057.80</u>	<u>1,057.80</u>	<u>1,057.80</u>	<u>1,057.80</u>
Total Revenues	1,038.90	1,076.70	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net	1,038.90	1,076.70	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80	1,057.80
Beginning Balance	<u>374,863.71</u>	<u>375,902.61</u>	<u>376,979.31</u>	<u>378,037.11</u>	<u>379,094.91</u>	<u>380,152.71</u>	<u>381,210.51</u>	<u>382,268.31</u>	<u>383,326.11</u>	<u>384,383.91</u>
Ending Cash Balance	<u>375,902.61</u>	<u>376,979.31</u>	<u>378,037.11</u>	<u>379,094.91</u>	<u>380,152.71</u>	<u>381,210.51</u>	<u>382,268.31</u>	<u>383,326.11</u>	<u>384,383.91</u>	<u>385,441.71</u>



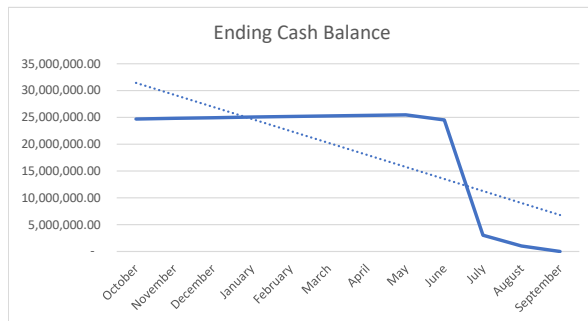


**Southwest Michigan Behavioral Health
Cash Flow Analysis
Internal Service Fund**

	October	November	December	January	February	March	April	May	June	July	August	September
From Operations												
FY24 CCBHC Settlement	-	-	-	-	-	-	-	-	8,551,693.73	-	1,359,622.30	2,029,010.11
ICS	45,675.22	38,701.97	38,678.12	35,397.40	36,875.23	39,995.21	28,503.51	22,605.93	56,673.68	56,609.90	-	-
ISF Non CDARS	29,578.36	27,281.75	36,218.43	27,706.55	23,692.51	29,348.10	69,534.96	74,494.48	49,371.60	34,618.89	34,618.89	-
CDARS A	27,237.72	26,447.46	22,940.32	25,611.06	23,204.15	21,608.04	-	-	-	-	-	-
CDARS B	30,773.63	29,896.83	22,106.00	25,474.88	23,848.99	26,485.91	1,711.62	-	-	-	-	-
Total Revenues	133,264.93	122,328.01	119,942.87	114,189.89	107,620.88	117,437.26	99,750.09	97,100.41	8,657,739.01	91,228.79	1,394,241.19	2,029,010.11
Prior Year Lapse - FY21	-	-	-	-	-	-	-	-	-	-		3,063,629.00
FY24 Settlements due to CMHSP's	-	-	-	-	-	-	-	-	9,591,094.67	21,615,628.53	3,375,050.41	-
Total Expenses	-	-	-	-	-	-	-	-	9,591,094.67	21,615,628.53	3,375,050.41	3,063,629.00
Net	133,264.93	122,328.01	119,942.87	114,189.89	107,620.88	117,437.26	99,750.09	97,100.41	(933,355.66)	(21,524,399.74)	(1,980,809.22)	(1,034,618.89)
Beginning Balance	24,561,549.17	24,694,814.10	24,817,142.11	24,937,084.98	25,051,274.87	25,158,895.75	25,276,333.01	25,376,083.10	25,473,183.51	24,539,827.85	3,015,428.11	1,034,618.89
Ending Cash Balance	24,694,814.10	24,817,142.11	24,937,084.98	25,051,274.87	25,158,895.75	25,276,333.01	25,376,083.10	25,473,183.51	24,539,827.85	3,015,428.11	1,034,618.89	0.00

**Current Interest
Rate**

3.50%



Board Finance Committee COMMITTEE CHARTER	
Charter Effective Date: Board approval date: 9/13/2024	
Approved by: SWMBH Board	Authorization Signature: SWMBH Board Chair _____
SWMBH Liaison: Chief Financial Officer	Review dates:

Committee Authorization: SWMBH is a Regional Entity created under the Mental Health Code section 330.1204b(2) and operates under By-Laws established by the Participating County CMH Boards. These By-Laws under Article V section 5.1 allow for the Board to establish Committees. The Finance Committee was authorized through a motion, passed by the SWMBH Board at their meeting on July 12, 2024.

Committee Purpose: The Finance Committee's purpose is to recommend to the Board financial policies, and financial integrity and health of SWMBH as well as:

- On a regular basis determined by regulation, best practices and Board preferences oversee a Board process for the external Audit firm selection process.
- Assist in establishing a schedule and an annual Board review of the results of the annual Financial Audit with the Audit firm and the Chief Financial Officer.
- Review on a regular basis SWMBH's regional financial statements and provide input to the Board as to recommended Board actions.
- When the need arises, investigate and provide guidance to the Board regarding the financial implications of a pertinent issue as directed by the Board.
- On an annual basis review the performance of SWMBH regional investments and make recommendations to the Board.

Committee Scope of Responsibility: Ultimate authority for financial decisions at SWMBH rests with the SWMBH Board and SWMBH Management through the Policy Governance system. Therefore, The Finance Committee has no decision-making authority. It has a responsibility to assist the Board in understanding the current financial condition of the SWMBH region and projected future financials. In order to provide input to the Board the Finance Committee will have the ability to receive all financial information it deems necessary to complete its responsibilities to the Board, consistent with other relevant Board Policies. Annually assures establishment of Board Audit Committee membership and schedule.

Management Structure: The Finance Committee was created and reports to the Board and as such may be modified, suspended or terminated by the Board via formal Board action The members of the Committee shall annually elect a Committee Chair from

Committee members for the purposes of running the committee meetings and making assignments related to Committee business. In the event a Committee member departs from the SWMBH Board and thus can no longer serve on the Finance Committee the SWMBH Board Chair shall appoint a replacement. The Committee Chair has unilateral authority to cancel or reschedule Committee meetings.

Accountability and Reporting: The Finance Committee shall report to the Board on their activities at monthly SWMBH Board meetings.

Committee Roles: As defined by Board Governance Policy BG-010 The committee as a whole and or its members shall:

- Not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
- Assist the Board by preparing policy alternatives and implications for Board deliberation.
- Not speak or act for the Board except when formally given such authority via documented Board action for specific and time-limited purposes.
- Not direct management decisions or activities.

Committee Composition: The Committee will be composed of three (3) SWMBH Board members and/or Board alternates. The Executive Officer shall serve as an ex-officio (non-voting) Board Finance Committee member. The Chief Financial Officer shall support the Committee and is a necessary consultant to the Committee to provide financial and audit information. The SWMBH Board Chair and SWMBH Executive Officer are ex-officio (non-voting) members of the committee and may attend meetings at their discretion. SWMBH support staff shall be in attendance as required.

Committee Member Responsibilities and Values:

- Attend meetings in person or virtually according to established meeting schedules.
- Prepare for and actively participate in Committee meetings and activities.
- Actively offer insight and perspective.
- Complete assignments in a timely manner.
- Committee members with specific expertise in issues or projects addressed by the Committee will offer insight and perspective.

Committee Meetings: Meetings will be scheduled monthly on the first Friday of each month unless canceled by the SWMBH Board Finance Committee Chair. Per Board Governance Policy BG-001 this Committee will cease to exist when its business is completed. Minutes will be taken at each Board Finance Committee meeting and be included in the Monthly Board packet for the full Board review.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations		Policy Number: EO-001	Pages: 1
Subject: Executive Role and Job Description		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO			Required Reviewer: SWMBH Board
Effective Date: 03.14.2014	Last Review Date: 9.13.24	Past Review Dates: 10.12.14, 10.9.15, 10.14.16, 10.13.17, 9.14.18, 10.11.19, 9.11.20, 9.10.21, 11.11.22, 9.8.23	

I. **PURPOSE:**

To define the executive role and job description.

II. **POLICY:**

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.

III. **STANDARDS:**

Accordingly:

1. The Board will not give instructions to persons who report directly or indirectly to the EO.
2. The Board will not evaluate, either formally or informally, any staff other than the EO.

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

**Executive Limitations
Monitoring to Assure Executive Performance
For the period August 2024 to August 2025**

Policy Number: BEL-005

Policy Name: Treatment of Plan Members

Assigned Reviewer: Tina Leary

Policy Purpose: To clearly define the Treatment of Plan Members by Southwest Michigan Behavioral Health (SWMBH).

Policy: With respect to interactions with Plan members, the SWMBH EO shall not allow conditions, procedures, or processes which are unsafe, disrespectful, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy.

EO Comment: I broadly interpret "Plan Member" as any past, present, or potential future beneficiary of SWMBH managed supports and services. Our contractual obligations apply to those in active Medicaid, Healthy Michigan, or in Block Grant substance use disorder prevention and treatment services. Regulations for Enrollee Rights and Protections for Medicaid are codified primarily in the federal Managed Care Regulations, via our contract with MDHHS, and in Michigan statute for people with behavioral health and substance use disorders. Additional privacy, security and confidentiality protections are codified in multiple federal and state regulations.

Standards: Accordingly, the EO may not;

1. Use forms or procedures that elicit information for which there is no clear necessity.

EO Response: SWMBH only utilizes forms and procedures that are required by statutory, regulatory, or contractual obligations to request necessary information of members. There are no Member complaints known to SWMBH related to this issue for the time period under consideration.

2. Use methods of collecting, reviewing, or storing plan member information that fail to protect against improper access to the information elicited.

EO Response: All electronic and paper member informational files at SWMBH are appropriately and securely stored, with "need-to-know" access to Protected Health Information (PHI) that is limited by job function(s). The Managed Care

Information System and other electronic storage access to PHI is strictly limited, individually assigned by job functions, and auditable by individual staff. Logins and passwords are required for network and managed care information system applications; passwords are “change-forced” every ninety (90) days. Efforts have been completed to improve security by adding Duo multifactor authentication (MFA) for the Microsoft 365 Environment. MFA was previously in place for servers in our remote hosted private cloud and Financial Systems. SWMBH has comprehensive backup solutions and replicates all backups off-site to secure locations.

SWMBH has a designated Privacy Officer (Mila Todd) and Security Officer (Natalie Spivak) as required under HIPAA regulations. SWMBH has a set of privacy, security, and confidentiality related policies. Staff receive, sign acknowledgements for, and undergo annual training that includes federal regulations related to proper safeguarding and release of information rules for substance use disorder information (42 CFR Part 2). Signed staff attestations will be made available at the request of the Reviewer.

SWMBH has a hybrid work model, therefore there are minimal clinical staff in the office. For those in the office, there is a designated clinical area that is protected with a digital key lock to restrict access to the area. SWMBH has created policy language to include security requirements for staff working remotely. This language is included in policy 21.03 Agency Hybrid Model. As outlined in the policy, employees must follow all security measures regarding their workspace to remain in compliance with the SWMBH Corporate Compliance Plan, including printed or electronically displayed information, and Protected Health Information that is secured and locked. This is to ensure member protected health information is secure no matter where the workstation is located. There are no known Member complaints or compliance inquiries stemming from SWMBH related to this issue in the period under consideration.

3. Fail to inform the Board of the status of uniform benefits across the region or fail to assist Participant CMHs towards compliance.

EO Response: The Board periodically receives penetration and access reports indicative of basic Uniform Benefit markers such as readiness of access, timeliness of care, utilization data, and other measures. This information is provided in formats such as board ends reports, board education documents, and direct reporting from SWMBH senior leadership. CMHSPs receive updates in various regional committees and/or workgroup meetings and are able to request this information from SWMBH leadership staff at any time to review the data. There is very little legitimate Michigan PIHP comparative data for benchmarking that compares Michigan’s performance to other states. SWMBH benefits use reports exist in the area of utilization, especially where assessment of functioning, level of care, and outcomes are concerned. The Michigan Mission-Based Performance Indicator System (MMBPIS) is Michigan specific, making national comparisons impossible. SWMBH is able to assess and track any deficiencies with timeliness/access to care with our providers and potentially

identify challenges and barriers members may encounter utilizing MMBPIS indicators. Those outcomes are monitored through the regional Quality Management Committee and corrective action plans are requested from the CMHSPs when indicators are not met.

Multiple evidence-based practices, (trauma informed care, seeking safety, helping men recovery, cognitive behavioral therapy, dialectical behavior therapy, motivational interviewing, parent management training) have been promoted throughout the region at both the provider and member level. Common functional assessment tools utilized region wide, such as LOCUS and ASAM for adult mental health and adult co-occurring (mental health and substance use disorders).

Through various methodologies, including geo-mapping, SWMBH assesses the adequacy of our Provider Network against MDHHS Network Adequacy Standards. The Network Adequacy analysis is completed during the first quarter of each Fiscal Year. This allows the SWMBH region to adjust as necessary to member needs. This report is reviewed by the Regional Provider Network Management Committee and submitted to MDHHS annually by the designated due date.

SWMBH's Quality and Clinical Outcomes Department works with a survey vendor, Kiaer Research, to administer the Customer Satisfaction survey annually. The goal for FY24 was to collect 1500 adult surveys (MHSIP) and 600 youth surveys (YSS). The Region was able to reach the goal for both, receiving 1583 completed adult surveys and 644 completed youth surveys. Each CMHSP was provided with their county specific results, including the qualitative client comments, and were asked to develop actions focused on either improving completion rates and/or improving satisfaction scores where weaknesses were identified. The completion of the Customer Satisfaction surveys improves the Region's capability to identify and address member needs. The results of the FY24 Customer Satisfaction survey were shared with the SWMBH Board of Directors.

There are no member complaints registered by or to SWMBH related to the issue of lack of uniform benefit for the period under consideration.

4. Fail to provide procedural safeguards for the secure transmission of Plan members' protected health information.

EO Response: All electronic and non-electronic information transmission activities, network design, and protections take place under applicable federal and state law, regulations, and established policies. Systems are in place so that, to the extent possible, electronic mail with potential malicious messages is forced to quarantine before it can be opened or acted upon. SWMBH requires all outgoing e-mail messages containing protected information to be encrypted. In addition, all incoming and outgoing emails are scanned for data, such as social security numbers, protected information, and possible malicious content. SWMBH requires all staff to receive quarterly security awareness training, KnowBe4 Security Training. The training addresses common threats, social

engineering, and Internet security. For the past five years SWMBH has used a rules-based system, Phish-ER, for reporting and resolving phishing attempts. If the outside agency uses Transport Layer Security (TLS), SWMBH can instruct our email system to utilize this encryption tunneling protocol instead. SWMBH reviews email security for hardening at least once a year and generally more often. Daily reviews of firewall logs are completed as well.

Data transmission with external trading partners occurs via encryption with passwords, or using Secure File Transfer Protocol (SFTP) between systems, inspection of technical systems and actual processes are overseen by the Security Officer and Privacy Officer.

For the period under review, twenty-seven (27) actual or potential privacy incidents were reported. They have all been investigated by the Program Integrity and Compliance Department. All were reviewed and considered by the SWMBH Breach Response Team which completed a Breach Risk Assessment Tool utilizing factors enumerated by the Federal Rules (45 CFR 164.402(2)) to assess the probability that the protected health information involved was compromised. Of the twenty-seven (27) incidents assessed to date, zero were identified as rising to the level of a HIPAA breach and necessitating notification to the affected members and to the Office for Civil Rights (OCR).

5. Fail to establish with Plan members a clear contract of what may be expected from SWMBH including but not limited to their rights and protections.

EO Response: The SWMBH Member Handbook outlines what services are mandatory, optional, and alternative by Benefit Plan for members. At intake, members sign to acknowledge the handbook has been offered to them either in paper format or electronically. The handbook is located on the SWMBH and/or CMHSP's website. The Memorandum of Understanding (MOU), contract between SWMBH and providers, including the CMHSPs, and the Provider Manual outline SWMBH's expectations of Providers and their Treatment of Plan Members. Ongoing Member education occurs via Newsletters and regular EO and Leadership attendance at the SWMBH Customer Advisory Council.

Quarterly newsletters are provided electronically that include updates, changes, or clarifying information to educate Plan Members. SWMBH has increased efforts in the last Three (3) years to promote information and education for members through SWMBH social media sites such as Instagram and Facebook. In the last year, SWMBH provided 133 posts on Facebook and 122 posts on Instagram providing members various types of education and information. SWMBH strives to post around 2-3 times a week, with an average of 11 posts a month. In FY 25, SWMBH updated the Latest News page on the SWMBH website. It now contains resources and announcements for Plan Members. There are no known Member complaints related to this topic for the period under consideration.

6. Fail to inform Plan members of this policy or to provide a grievance process to those plan members who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

EO Response: The SWMBH Member Handbook delineates what issues are subject to Office of Recipient Rights complaints, Customer Service grievance and appeals, and Compliance Fraud, Waste, and Abuse reporting. All member grievances and appeals are tracked and trended by SWMBH. SWMBH reviews and, if warranted, defends actions on termination, reduction, suspension, or denials of services at the local level appeal and Fair Hearing. The Member Handbook outlines how to access the related processes. Member newsletters periodically reinforce this policy and how to file a grievance or appeal. Participant CMH Customer Services representatives have been trained in their delegated roles, and they receive ongoing oversight and monitoring from SWMBH. The SWMBH Customer Services Department completes, at a minimum, an annual grievance and appeal report that is provided annually to the SWMBH Board. The Treatment of Plan Members Policy is posted at SWMBH and reviewed in person with new staff by the EO. This Policy is available to all staff on the Shared Network Drive.

Related items offered for review:

- FY24 QAPIP Evaluation Summary
- 2024 RSA-r Survey Results
- SUE Project Code Breakout May 2025
- SWMBH FY24 Network Adequacy Analysis
- SWMBH Customer Handbook FY 25
- 21.03 Agency Hybrid Model
- CAC Oct. 21_Minutes
- CAC June16_Minutes
- Newsletter April 2025
- Newsletter February 2025

The assigned SWMBH Behavioral Health Board direct inspector, Tina Leary, was offered further contact with the EO, Chief Administrative Officer and Manager of Customer Services.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy	Policy Number: BEL-005	Pages: 1
Subject: Treatment of Plan Members	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 12.20.2013	Last Review Date: 09/13/24	Past Review Dates: 12/12/14, 1/8/16, 3/10/17, 3/18/18,8/9/19,08/14/20, 9/10/21, 10/14/22,9/8/23

I. PURPOSE:

To clearly define the Treatment of Plan Members by SWMBH

II. POLICY:

With respect to interactions with Plan members, the SWMBH EO shall not allow conditions, procedures, or processes which are unsafe, disrespectful, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy.

III. STANDARDS:

Accordingly the EO may not:

1. Use forms or procedures that elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, or storing plan member information that fail to protect against improper access to the information elicited.
3. Fail to inform the Board of the status of uniform benefits across the region or fail to assist Participant CMHs towards compliance.
4. Fail to provide procedural safeguards for the secure transmission of Plan members' protected health information.
5. Fail to establish with Plan members a clear contract of what may be expected from SWMBH including but not limited to their rights and protections.
6. Fail to inform Plan members of this policy or to provide a grievance process to those plan members who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations		Policy Number: BEL-008	Pages: 2
Subject: Communication and Counsel to the Board		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH Executive Officer (EO)			Required Reviewer: SWMBH Board
Effective Date: 01.10.2014	Last Review Date: 09.13.24	Past Review Dates: 10.12.14, 10.09.15, 10.14.16, 10.13.17, 10.12.18, 10.11.19, 10.9.20, 09.10.21, 10.14.22, 9.08.23	

I. PURPOSE:

To make appropriate decisions the board must be provided with accurate, timely and relevant information.

II. POLICY:

The Executive Officer shall not cause or allow the Board to be uninformed or unsupported in its work.

III. STANDARDS:

The EO will not;

1. Neglect to submit monitoring data required by the Board in Board Policy and Direction in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including Executive Officer interpretations as well as relevant data.
2. Allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the Board regardless of the Board's monitoring schedule.
3. Allow the Board to be without decision information required periodically by the Board or let the Board be unaware of relevant trends.
4. Let the Board be unaware of any significant incidental information it requires including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
5. Allow the Board to be unaware that, in the Executive Officer's opinion, the Board is not in compliance with its own policies, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Officer.

6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
7. Allow the Board to be without a workable mechanism for official Board, Officer, or Committee communications.
8. Deal with the Board in a way that favors or privileges certain Board Members over others, except when fulfilling individual requests for information or responding to Officers or Committees duly charged by the Board.
9. Fail to submit to the Board a consent agenda containing items delegated to the Executive Officer yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.

Southwest Michigan Behavioral Health Retirement Savings Plan

6th Amendment

The Southwest Michigan Behavioral Health Retirement Savings Plan, as previously amended, is further amended as follows:

1. Section 6.7(d) is amended to replace “three percentage points” with “one percentage point” where the former appears therein.
2. Section 9.10(b) is amended in its entirety to read as follows:
 - (b) The term “*cash-out limit*” means the dollar amount specified in Code §411(a)(11)(A).

This amendment is dated and effective _____, 2025.

Employer

Southwest Michigan Behavioral Health

By: _____

Name: _____

Its: _____

Southwest Michigan Behavioral Health SSA Pension Plan

5th Amendment

The Southwest Michigan Behavioral Health SSA Pension Plan, as previously amended, is further amended as follows:

1. Section 8.9(b) is amended in its entirety to read as follows:
 - (b) The term “*cash-out limit*” means the dollar amount specified in Code §411(a)(11)(A).
2. Section 8.11(8) is amended to read as follows:
 - (8) an employee who is classified by the employer as a part-time employee.

This amendment is dated and effective _____, 2025.

Employer

Southwest Michigan Behavioral
Health

By: _____

Name: _____

Its: _____



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

August 8, 2025

Mila C. Todd, Interim Executive Officer
Southwest Michigan Behavioral Health
5250 Lovers Lane, Suite 200
Portage, MI 49002

Dear Ms. Todd,

Thank you for the cooperation extended to Health Services staff during the July 22, 2025, State Opioid Response (SOR) virtual site visit.

PRESENT AT THE SITE VISIT

**Southwest Michigan
Behavioral Health:**

Joel Smith, SUD Prevention and Treatment Director
Achiles Malta, Regional Coordinator for SUD Prevention Services
Amy St. Peter, SUD Grants Specialist

Health Services:

Logan O'Neil, Project Director – SOR 4
Foua Hang, Project Coordinator – SOR 4
Danyle Stacks, Project Coordinator – SOR 4

Wayne State University:

Danielle Hicks, Evaluation Project Director

The purpose of the Grant Year One Site Visit was to verify that Southwest Michigan Behavioral Health's SOR grant activities and services for opioid use disorder (OUD) are following federal and state requirements to support prevention, treatment, and recovery activities.

SOR REQUIREMENTS

Prepaid Inpatient Health Plans (PIHP) must utilize funds within programs for individuals with opioid use disorders to fulfill federal and state funding requirements. SOR funds are distributed to increase the availability of prevention, treatment and recovery services designed for individuals with an OUD.

SITE VISIT FINDINGS

After careful consideration and review of the requirements and documentation submitted, we have determined that Southwest Michigan Behavioral Health is in compliance with the Substance Abuse and Mental Health Services Administration's Funding Opportunity Announcements and the Michigan Department of Health and Human Services Contract.

Currently, Southwest Michigan Behavioral Health has all the necessary tools in place to manage, maintain and report on the SOR activities and data from their provider network. Their providers

August 8, 2025

will screen individuals to assess their needs and provide or make referrals for interventions as needed for individuals with an OUD.

We greatly appreciate Southwest Michigan Behavioral Health's preparation for the site visit and their commitment to provide our staff with the necessary documentation.

If you have any further questions, please contact Logan O'Neil at ONeill@michigan.gov.

Sincerely,



Angela Smith-Butterwick, Director
Division of Substance Use, Gambling, and Epidemiology
Bureau of Specialty Behavioral Health Services
Michigan Department of Health and Human Services



Logan O'Neil, Project Director
Division of Substance Use, Gambling, and Epidemiology
Bureau of Specialty Behavioral Health Services
Michigan Department of Health and Human Services

ASB/ds

cc: Logan O'Neil, Project Director – SOR 4
Joel Smith, SUD Prevention and Treatment Director



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ELIZABETH HERTEL
DIRECTOR

August 25, 2025

Mila Todd, Interim Chief Executive Officer
Southwest Michigan Behavioral Health
5250 Lovers Lane, Suite 200
Portage, MI 49002

Dear Ms. Todd:

Thank you for the cooperation extended to the Substance Use, Gambling and Epidemiology Division staff during the fiscal desk review process. The desk review, which included a review of your Fiscal Questionnaire, has been completed, as it pertains to programs under the Substance Use, Gambling and Epidemiology Division.

The objectives of the desk review were to evaluate responses to ensure that Southwest Michigan Behavioral Health complied with applicable program standards and requirements, and if any reporting or funding revisions were necessary. This review noted no exceptions.

If you have any questions concerning the procedures or the results of our review, please contact Choua Gonzalez-Medina at GonzalezMedinaC@michigan.gov.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Angela Smith-Butterwick".

Angela Smith-Butterwick, MSW
Director
Division of Substance Use, Gambling and Epidemiology
Health Services

AS/cg

c: Choua Gonzalez-Medina, State Opioid Coordinator
Garyl Guidry, Chief Financial Officer
Joel Smith, Substance Use, Prevention & Treatment Director

2024 HSAG Validated Performance Improvement Project (PIP)

Table 3-30—Overall Validation Rating for SWMBH

PIP Topic	Validation Rating 1	Validation Rating 2	Performance Indicator	Performance Indicator Results			
				Baseline	R1	R2	Disparity
<i>Reducing Racial Disparities in Follow-Up After Emergency Department Visit for Alcohol and Other Drug Abuse or Dependence</i>	<i>High Confidence</i>	<i>Low Confidence</i>	The percentage of African-American/Black beneficiaries with a 30-day follow-up after an ED visit for alcohol or other drug abuse or dependence.	14.5%	25.8% ↑	—	Yes
			The percentage of White beneficiaries with a 30-day follow-up after an ED visit for alcohol or other drug abuse or dependence.	23.4%	42.7% ↑	—	

R1 = Remeasurement 1

R2 = Remeasurement 2

— The PIP had not progressed to including remeasurement (R2) results during SFY 2024.

↑ Designates statistically significant improvement over the baseline measurement period (p value < 0.05).

Strengths

Strength #1: SWMBH initiated timely interventions that were reasonably linked to their corresponding barriers. The interventions were evaluated to determine the effectiveness of each effort, with decisions to continue, discontinue, or revise an effort being data driven. [**Quality** and **Timeliness**]

Strength #1: SWMBH achieved statistically significant improvement over the baseline for both performance indicators. [**Quality**, **Timeliness**, and **Access**]

Weaknesses and Recommendations

Weakness #1: SWMBH did not achieve the state-defined goal of eliminating the existing disparity in the first remeasurement period. [**Quality** and **Access**]

Why the weakness exists: While it is unclear why the goal was not achieved, **SWMBH** made significant progress in improvement performance among both populations.

Recommendation: HSAG recommends that **SWMBH** revisit its causal barrier analysis to determine if any new barriers exist for the disparate population that require the development of targeted strategies to improve performance.

2024 Performance Measure Validation (PMV) Audit

The following table represents how SWMBH has scored on the HSAG Performance Measure Validation (PMV) Audit over the past 5 years.

Fiscal Year	PMV Result
FY21	90%
FY22	100%
FY23	100%
FY24	100%

Strengths

HSAG’s final report noted strengths within the Region including SWMBH’s collaboration and process improvements across all of the CMHSPs, and improvement in data quality with all CMHSPs working in the same PCE-based EHR system which includes extensive data controls and validation steps.

Weaknesses

HSAG noted five weaknesses including the manual data entry errors resulting in incorrect BH TEDS data impacting Indicator #2e, an incorrectly reported exception for Indicator #10, misalignment between beneficiary-level detail data counts and MMBPIS reporting to MDHHS for Indicators 2, 2a, and 4, a case that was incorrectly reported as compliant when it should have been an exception for Indicator 4b, and Indicator #3’s total rate fell below the 50th percentile benchmark. SWMBH will work to address all identified weaknesses in FY25.

2024 Compliance Review

The state fiscal year SFY24 compliance review was the first year of the three-year cycle.

Standard	Total Elements	Total Applicable Elements	Number of Elements			Total Compliance Score
			M	NM	NA	
Standard I—Member Rights and Member Information	24	21	18	3	3	86%
Standard III—Availability of Services	20	18	18	0	2	100%
Standard IV—Assurances of Adequate Capacity and Services	11	9	9	0	2	100%
Standard V—Coordination and Continuity of Care	16	15	15	0	1	100%
Standard VI—Coverage and Authorization of Services	23	22	16	6	1	73%
Total	94	85	76	9	9	89%

M = Met; NM = Not Met; NA = Not Applicable

Total Elements: The total number of elements within each standard.

Total Applicable Elements: The total number of elements within each standard minus any elements that were NA. This represents the denominator.

Total Compliance Score: The overall percentages were obtained by adding the number of elements that received a score of Met (1 point), then dividing this total by the total number of applicable elements.

2024 Network Adequacy Validation (NAV) Audit

SWMBH participated in the HSAG NAV audit for the first time in FY24 and scored 100%.

Standard Type	Total "Met" elements	Total "Not Met" elements	Score	Validation Rating
PIHP-Time and Distance-Behavioral Health	19	0	100	High confidence

2024 Encounter Data Validation (EDV) Audit

Table 3-36—Key Findings for SWMBH

Analysis	Key Findings
Medical Record Procurement Status	
Medical Record Procurement Rate	<ul style="list-style-type: none"> The medical record procurement rate was 100 percent, indicating that all requested records were successfully procured and submitted.
Second Date of Service Submission Rate	<ul style="list-style-type: none"> Among the procured medical records, 63.3 percent included a corresponding second date of service.
Encounter Data Completeness	
Medical Record Omission Rate	<ul style="list-style-type: none"> The <i>Procedure Code Modifier</i> data element had a relatively high medical record omission rate at 15.2 percent. This indicates that the diagnosis codes in the encounter data were not adequately supported by the members' medical records.
Encounter Data Omission Rate	<ul style="list-style-type: none"> All key data elements exhibited relatively low encounter data omission rates with <i>Date of Service</i> having the highest omission rate at 4.6 percent.
Encounter Data Accuracy	
Diagnosis Code Accuracy Rate	<ul style="list-style-type: none"> The <i>Diagnosis Code</i> data element was accurate in 99.7 percent of instances where codes were present in both the medical records and encounter data, with all errors attributed to inaccurate coding.
Procedure Code Accuracy Rate	<ul style="list-style-type: none"> The <i>Procedure Code</i> data element was accurate in 99.7 percent of instances where codes were present in both the medical records and encounter data, with all errors related to inaccurate coding.
Procedure Code Modifier Accuracy Rate	<ul style="list-style-type: none"> The <i>Procedure Code Modifier</i> data element was accurate in 98.7 percent of instances where modifiers were present in both the medical records and encounter data.
All-Element Accuracy Rate	<ul style="list-style-type: none"> Dates of service with accurate values for all key data elements (i.e., <i>Diagnosis Code</i>, <i>Procedure Code</i>, and <i>Procedure Code Modifier</i>) were observed in 74.2 percent of the dates of service present in both data sources (i.e., encounter data and medical records).