Southwest Michigan

BEHAVIORAL HEALTH

Southwest Michigan Behavioral Health Board Meeting
Kalamazoo Valley Community College Groves Center
7107 Elm Valley Drive, Room B1100
Kalamazoo, MI 49009
Dial in: 1-844-655-0022
Access Code: 738 811 844
September 13, 2019
9:30 am to 11:30 am

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d) (pg.1)**
3. **Recess Board Meeting**
4. **Fiscal Year 2020 Budget Public Hearing**
5. **Reconvene Board Meeting**
6. **Consent Agenda**
   a. August 9, 2019 SWMBH Board Meeting Minutes (d) (pg.3)
   b. Customer Service Advisory Committee Nominations (d) (pg.7)
7. **Operations Committee**
   - Operations Committee Minutes July 31, 2019 (d) (pg.12)
8. **Ends Metrics Updates (*motions required)**
   Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?
   - Performance Bonus Incentive Program (d) (J. Gardner) (pg.14)
9. **Board Actions to be Considered**
   a. Fiscal Year 2020 Budget Draft (attachment) (T. Dawson)
   b. EO-002 Monitoring Executive Performance: Appoint Review Committee (d) (T. Schmelzer) (pg.15)
10. **Board Policy Review**
    Is the Board in Compliance? Does the Policy Need Revision?
    - BG-008 Board Member Job Description (d) (pg.17)
11. **Executive Limitations Review**
    Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?
    - BEL-009 Global Executive Constraints (d) (T. Schmelzer) (pg.19)

12. **Board Education**

    - SWMBH Region 4 - 1915(c) and Substance Use Disorder Site Review (d) (J. Smith and R. Freitag) (pg.21)

13. **Communication and Counsel to the Board**

    a. Consolidated Fiscal year 2019 Year to Date Financial Statements (d) (T. Dawson) (pg.23)
    b. MHEF Grant Outcome (d) (B. Casemore) (pg.31)
    c. BHDDA Letter (d) (B. Casemore) (pg.33)
    d. Cass County/Woodlands Update (d) (B. Casemore) (pg.34)
    e. CMHAM on Advocates (d) (B. Casemore) (pg.35)
    f. CMS New Enforcement Authorities (d) (B. Casemore) (pg.41)
    g. Governing magazine (B. Casemore)
    h. Board Member Attendance Roster (d) (pg.43)

14. **Closed Session**
    - Review of August 9, 2019 Closed Session Minutes

15. **Board Action to be Considered**
    - Approval of August 9, 2019 Closed Session Minutes

16. **Public Comment**

17. **Adjournment**

Next SWMBH Board Meeting
October 11, 2019
9:30 am - 11:00 am
5250 Lovers Lane, Portage, MI 49002

Southwest Michigan
BEHAVIORAL HEALTH

Draft Board Meeting Minutes
August 9, 2019
9:30 am-11:00 am
5250 Lovers Lane, Suite 200, Portage, MI 49002
Draft: 8/13/19

Members Present: Tom Schmelzer, Ed Meny, Susan Barnes, Robert Nelson, Mary Myers, Moses Walker, Patrick Garrett

Guests: Bradley Casemore, Executive Officer, SWMBH; Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance and Privacy Officer, SWMBH; Jon Houtz, Pines Behavioral Health Alternate; Ric Compton, Riverwood; Brad Sysol, Summit Pointe; Debra Hess, Van Buren CMH; Richard Thiemkey, Barry County CMH; Kathy Sheffield, Woodlands BHN; Michael McShane, Woodlands BHN; Karen Lehman, Woodlands BHN; Sue Germann, Pines BH; Randall Hazelbaker, Branch County; Jonathan Gardner, Director of Quality Assurance and Improvement, SWMBH; Joel Smith, Director of Substance Use Disorder Services, SWMBH; Mary Ann Bush, Senior Operations Specialist, SWMBH; Michelle Jorgboyan, Senior Operations Specialist, SWMBH

Welcome Guests

Tom Schmelzer called the meeting to order at 9:30 am, introductions were made, and Tom welcomed the group.

Public Comment

None

Agenda Review and Adoption

Motion	Edward Meny moved to accept the agenda as presented.
Second	Mary Myers
Motion Carried	

Consent Agenda

Motion	Susan Barnes moved to approve the July 12, 2019 Board meeting minutes as presented.
Second	Robert Nelson
Motion Carried	

Operations Committee

Operations Committee Minutes June 26, 2019

Tom Schmelzer presented the report as documented. Discussion followed. Minutes accepted.

Ends Metrics Updates

Michigan Mission Based Performance Indicator System Update

Jonathan Gardner reported as documented. Discussion followed.

Board Actions to be Considered

Closed Session to review Counsel Opinion (Time: 10:30am)

Motion	Tom Schmelzer moved that the SWMBH Board go into closed session pursuant to Section 8(h) of the Open Meetings Act to review information exempt from disclosure under MCL 15.243(g), specifically, information protected by the attorney-client privilege.		
Second	Edward Meny		
Roll Call Vote	Robert Nelson – yes	Edward Meny – yes	Tom Schmelzer – yes
	Patrick Garrett – yes	Mary Myers – yes	Moses Walker – yes
	Susan Barnes - yes		
Motion Carried			

Note: Remaining in the room – Tom Schmelzer, Robert Nelson, Edward Meny, Patrick Garrett, Mary Myers, Moses Walker, Susan Barnes, Karen Lehman, Jon Houtz, Brad Casemore, Tracy Dawson, Mila Todd, Mary Ann Bush and Michelle Jorgboyan. All others left the meeting.

Return to Open Session (Time: 11:55am)

Motion	Moses Walker moved that the SWMBH Board go into open session.		
Second	Edward Meny		
Roll Call Vote	Robert Nelson – yes	Edward Meny – yes	Tom Schmelzer – yes
	Patrick Garrett – yes	Mary Myers – yes	Moses Walker – yes
	Susan Barnes - yes		
Motion Carried			

Board Policy Review

BG-002 Management Delegation

Tom Schmelzer reviewed the policy as documented.

Motion	Moses Walker moved that the Board is in compliance with BG-002 Management Delegation and the policy does not need revision.
Second	Edward Meny
Motion Carried	

Executive Limitations Review

BEL-005 Treatment of Plan Members

Moses Walker reviewed the policy as documented.

Motion	Moses Walker moved that the Executive Officer is in compliance with the policy BEL-005 Treatment of Plan Members and the policy does not need revision.
Second	Patrick Garrett
Motion Carried	

Board Education

Fiscal Year 2020 Budget Preview

Tracy Dawson reported that the budget preparation is going well. All CMHSPs have submitted their budgets to SWMBH. The rates from the State have not been released yet. Brad Casemore reviewed State Fiscal Year 2020 Behavioral Health Capitation Rate Setting as documented. Discussion followed.

Managed Care Functional Review – Provider Network Management Update

Mila Todd reported that the work group with TBD Solutions drafted recommendations to the MCFR Steering Committee to approve. After approval the recommendations will go to the Operations Committee and then to the SWMBH Board. Discussion followed.

CMH Review Scores

Mila Todd reported as documented. Discussion followed.

Substance Abuse Prevention and Treatment Update

Joel Smith reported as documented. Discussion followed.

Substance Use Disorder Oversight Policy Board (SIDOPB) Update

Randall Hazelbaker, Branch County Commissioner and SUDOPB Chair, reported that the Board continues to review and approve budget amendments for PA2 funded programming and new Substance Use Disorder license applications, mid-year evaluation of all program's performance metrics, and the fiscal year 2020 PA2 budget vote will occur on September 9, 2019 at Kalamazoo Valley Community College The Groves Center. The meeting begins at 3:00pm.

Communication and Counsel to the Board

Consolidated Fiscal Year 2019 Year to Date Financial Statements

Tracy Dawson reported as documented noting the material improvements between 2019 and 2018 statements. Discussion followed.

Cass Woodlands Authority Status

Brad Casemore reported as documented. Discussion followed.

Lakeshore Regional Entity

Brad Casemore reported as documented.

Board Member Attendance Roster

Brad Casemore noted the Board Attendance included in the packet for review.

Articles

Brad Casemore noted articles of interest included in the packet and on the SWMBH portal.

2019 Aetna Delegation Audit Report

Brad Casemore reported as documented.

Opinion Prepared by SWMBH Legal Counsel, Roselyn Parmenter

Motion	Mary Myers moved that the SWMBH Board waive Attorney-Client Privilege as it relates to the Opinion prepared by SWMBH legal counsel Roselyn Parmenter PC titled "Termination of Cass County Community Mental Health Authority," dated August 6, 2019, and reviewed during today's Closed Session.		
Second	Edward Meny		
Roll Call Vote	Robert Nelson – yes	Edward Meny – yes	Tom Schmelzer – yes
	Patrick Garrett – yes	Mary Myers – yes	Moses Walker – yes
	Susan Barnes - yes		

Public Comment

- None

Adjournment

Motion	Moses Walker moved to adjourn at 12:05 pm.
Second	Edward Meny
Motion Carried	

Southwest Michigan
BEHAVIORAL HEALTH

Principal Office: 5250 Lovers Lane, Portage, MI 49002

Phone: 800-676-0423

Date: August 20, 2019

Agenda Item

Southwest Michigan Behavioral Health Customer Advisory Committee

Recommendation for Membership

It is the recommendation of the Southwest Michigan Behavioral Health Executive Officer that the following individuals be appointed to a two-year term ending September 30, 2021.

Name	County
Sharon Sheddan	Calhoun

Southwest Michigan
BEHAVIORAL HEALTH

Principal Office: 5250 Lovers Lane, Portage, MI 49002

Phone: 800-676-0423

Date: August 20, 2019

Agenda Item

Southwest Michigan Behavioral Health Customer Advisory Committee

Recommendation for Membership

It is the recommendation of the Southwest Michigan Behavioral Health Executive Officer that the following individuals be appointed to a two-year term ending September 30, 2021.

Name	County
Ella Smith	Calhoun

Southwest Michigan
BEHAVIORAL HEALTH

Principal Office: 5250 Lovers Lane, Portage, MI 49002

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Date: August 20, 2019

Agenda Item

Southwest Michigan Behavioral Health Customer Advisory Committee

Recommendation for Membership

It is the recommendation of the Southwest Michigan Behavioral Health Executive Officer that the following individuals be appointed to a two-year term ending September 30, 2021.

Name	County
Jennifer Leigh	Kalamazoo

Southwest Michigan
BEHAVIORAL HEALTH

Principal Office: 5250 Lovers Lane, Portage, MI 49002

Phone: 800-676-0423

Date: August 20, 2019

Agenda Item

Southwest Michigan Behavioral Health Customer Advisory Committee

Recommendation for Membership

It is the recommendation of the Southwest Michigan Behavioral Health Executive Officer that the following individuals be appointed to a two-year term ending September 30, 2021.

Name	County
Mary Bowers	St. Joseph

Southwest Michigan
BEHAVIORAL HEALTH

Principal Office: 5250 Lovers Lane, Portage, MI 49002
Phone: 800-676-0423

Date: August 20, 2019

Agenda Item

Southwest Michigan Behavioral Health Customer Advisory Committee

Recommendation for Membership

It is the recommendation of the Southwest Michigan Behavioral Health Executive Officer that the following individuals be appointed to a two-year term ending September 30, 2021.

Name	County
Junelle Hicks	Kalamazoo

Southwest Michigan
BEHAVIORAL HEALTH

Operations Committee Meeting Minutes
Meeting: July 31, 2019
9:00am-2:00pm

Members Present – Debbie Hess, Sue Germann, Jeff Patton, Jane Konyndyk, Ric Compton, Kris Kirsch, Jeannie Goodrich and Bradley Casemore

Members Present via conference call – Richard Thiemkey

Guests – Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance and Privacy Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance and Performance Improvement, SWMBH; Mary Ann Bush, Senior Operations Specialist, SWMBH; Michelle Jorgboyan, Senior Operations Specialist, SWMBH; David Ballmer, Summit Pointe; Brad Sysol, Summit Pointe, Heather Garcia, KCMHSAS; Pat Davis, KCMHSAS; and Tina Boyer Van Buren CMH

Guests present via conference call – Roger Pierce, Riverwood Center; Robin Wilber, Pines BH; Greg Hintz, Woodlands; and Jill Bishop, St. Joe CMH

Call to Order – Debbie Hess began the meeting at 9:05 am.

Review and approve agenda – Agenda was approved as presented.

Review and approve minutes from 6/26/19 Operations Committee Meeting – Minutes were approved by the Committee.

Fiscal Year 2019 YTD Financials – Tracy Dawson reported as documented, noting net surplus is positive and commended everyone for their hard work.

Fiscal Year 2020 Budget Development – Tracy Dawson reported as documented. Group discussed proposed budget. Brad Casemore reviewed the State of Michigan Fiscal Year 2020 Behavioral Health Capitation Rate Development Update as documented and emphasized the critical importance of complete, accurate, timely encounter and BH TEDS submissions. Brad Casemore also shared that Milliman uses diagnosis from the encounter and not from the Behavioral Health Treatment Episode Data Set (BH TEDS). Discussion followed.

Public Policy Environment – Brad Casemore shared that the State budget is not completed yet, and the new DHHS director is settling into his new position and is working on 298 issues. Mary Ann Bush shared that the Public Policy Committee has incorporated the directives given at the SWMBH Board retreat into possible future options for the Operations Committee to consider. The Public Policy Committee also has openings and would be open to member recommendations from the Operations Committee. Discussion followed.

2020-2021 Strategic Priorities – Jonathan Gardner reported and reviewed 2020-2021 Board Ends Metrics draft as documented, noting timelines and a target date of 11/8/19 for the Board's review and approval. Jonathan requested feedback be sent directly to him on any changes or suggestions for new metrics. Discussion followed.

CMH Review Scores and Discussion – Mila Todd reported as documented.

Child Services Lawsuit – Brad Casemore and Mila Todd reported as documented.

Unfunded Mandates – Tracy Dawson reported as documented. Discussion followed.

Regional MI Health Link Meeting – Brad Casemore stated that a regional meeting is scheduled for late September, early October and reviewed a proposed agenda.

Opioid Health Homes – Brad Casemore stated that SWMBH and Kalamazoo CMH is in the preliminary stages of developing opioid health homes in Kalamazoo and Calhoun Counties. Discussion followed.

Cass Woodlands Authority Status – Brad Casemore shared the recent resolution from the Cass County Commissioners terminating the existence of the Cass County Mental Health Authority. Discussion of concerns, implications, and future issues followed.

SWMBH Region 4 – 1915(c) and Substance Use Disorder Site Review Results – Jonathan Gardner reported as documented. Discussion followed.

Managed Care Functional Review (MCFR) Provider Network Management (PNM) – Mila Todd reported that the work group with TBD Solutions drafted recommendations to the MCFR Steering Committee to approve. After approval the recommendations will come to the Operations Committee for information. Discussion followed.

Fiscal Year 2020 Prepaid Inpatient Health Plan (PIHP) and CMH Contract Development – Mila Todd stated that DHHS and PIHPs are finalizing Performance Bonus Incentive Program language. A red line Fiscal Year 2020 CMH Contract was submitted and Electronic Visit Verification language is being finalized.

Chief Information Officer (CIO) Plans – Brad Casemore announced that Bob Schleichert came out of retirement and will act as the interim CIO.

Quarter 2 Michigan Mission Based Performance Indicator System Results – Jonathan Gardner reported as documented. Improvements are required.

Care Management Technologies (CMT) Contract – Brad Casemore reported as documented.

August SWMBH Board Agenda – Brad Casemore noted that a draft Board agenda is included in the packet for review.

Prevention Direct Services – Brad Casemore reported as documented. Provider language will be provided at the next Operations Committee meeting for further discussion.

Adjourned – Meeting adjourned at 1:40pm

2019 Performance Bonus Incentive Program Update

Board Report: September 13, 2019

PROOFS	STATUS	PROOFS	STATUS
1. Achieve 95% of Performance Based Incentive Program monetary award based on MDHHS specifications. Metric Measurement Period: (10/1/18 - 11/15/19) Metric Report Date: March 8, 2020 A. Increased participation in patient-centered medical homes B. Identification of enrollees who may be eligible for services through the Veteran's Administration C. Additional Areas to be addressed include: 1. Veterans Community Action Team attendance 2. Co-location of CMH staff in primary care settings 3. Involvement with FQHC's, SIM, MI Health Link 4. Efforts to identify consumers without a primary care physician	Submit Narrative Report to MDHHS on November 15, 2019 CMHSP's to send information to SWMBH by 10/21/19 In 2018 Full Credit was awarded for our narrative report.	**2. Achieve the following Joint expectations for the MHP's and SWMBH. There are 100 points possible for this bonus metric in FY2019:** Metric Measurement Period: (1/1/19 - 12/30/19) Metric Report Date: February 14, 2020 1. ***Joint Care Management*** *(35pts)*: 90% of care plans evaluated must achieve full compliance. 2. ***Follow-up after Hospitalization for Mental Illness*** *(50pts)*: The adult minimum standard is 58% and the child minimum standard is 70%. 3. **Plan All-Cause Readmission** (10pts): Review and validate data, noting discrepancies found that impact the measure results, as well as actions taken to address data issues. Submit report (By: July 30, 2019) 4. **Follow-up after Emergency Department Visit for Alcohol and Drug Dependence** (5pts): Members 13 years and older with an (ED) visit for alcohol and other drug dependence, that had a 30 day follow-up visit. Submit a narrative report (4 pages) on findings of efforts to review data. Analysis should include disparities among racial and ethnic minorities. Submit report (By: August 15, 2019). *Possible bonus credit for #2 Follow-up after Hospitalization: +1 point – Youth over 90% +1point – Adults over 85%	Youth: 6-20 75.95% Adult: 21-64 67.39% Submitted Data Validation Report to MDHHS on July 30th *MDHHS indicated they really appreciated the level of detail that SWMBH provided! Submitted Narrative Report to MDHHS on August 16th (no response yet)

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Executive Limitations	Policy Number: EO-002	Pages: 2
Subject: Monitoring of Executive Officer Performance	Required By: Policy Governance	Accountability: SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		Required Reviewer: SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
03.14.14	11.12.18	07.11.2014, 03.13.15, 05.13.16 11/11/16, 11.10.17

I. **PURPOSE:**
To ensure Executive Officer performance is monitored and evaluated.

II. **POLICY:**
Monitoring Executive Officer, EO, performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of EO performance, formal or informal, may be derived from these monitoring data.

III. **STANDARDS:**
Accordingly,

1. The purpose of monitoring is to determine the degree to which Board policies are being fulfilled. Information that does not do this will not be considered to be monitoring.

2. A given policy may be monitored in one or more of three ways; with a balance of using all of the three types of monitoring:
   a. Internal report: Disclosure of compliance information to the Board from the Executive Officer.
   b. External report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board. Such reports must assess Executive Officer performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party's opinion to be the standard.
   c. Direct Board inspection: Discovery of compliance information by a Board Member, a Committee or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a "prudent person" test of policy compliance.

3. Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring, however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method.
   a. Internal
   b. External
   c. Direct Inspection

4. Each November the Board will have a formal evaluation of the EO. This evaluation will consider monitoring data as defined here and as it has appeared over the calendar year.

5. The Executive Committee, (Chair, Vice Chair, and Secretary), will take data and information from the bulleted documents below upon which the annual performance of the EO will be evaluated. The overall evaluation consists of compliance with Executive Limitations Policies, Ends Interpretation and Ends Monitoring reports and supporting documentation, (as per the Board developed schedule), and follow through on Board requests, (what we ask for in subsequent meetings and what we want to see on the agendas). For the performance review the following should be documents given the Executive Committee at least one month prior, (October), to the Board EO evaluation, (November).
   - Minutes of all meetings
   - Ends Monitoring reports for the past year along with the Ends Interpretation for each Ends Monitoring report
   - Any supporting Ends documentation
   - Ends Monitoring Calendar
   - Other policies monitoring calendar

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Governance	Policy Number: BG-008	Pages: 1
Subject: Board Member Job Description	Required By: Policy Governance	Accountability: SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 03.14.2014	Last Review Date: 2/9/18	Past Review Dates: 2.13.15, 2/12/16, 1/13/17

I. **PURPOSE:**
To define the role and responsibility of the SWMBH Board.

II. **POLICY:**
Specific job outputs of the Board, as informed agents of ownership, are those that ensure appropriate organizational performance.

III. **STANDARDS:**
To distinguish the Board's own unique job from the jobs of its staff, the Board will concentrate its efforts on the following job "products" or outputs:

1. The link between Southwest Michigan Behavioral Health and Participant counties.

2. Written governing policies which, at the broadest levels, address:
   a. Accomplishments/Results/Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which needs at what cost).
   b. Executive Limitations: Constraints on executive authority, which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
   c. Governance Process: Specification of how the Board conceives carries out and monitors its own task.
   d. Board-EO Delegation: How Board expectations are assigned and properly monitored; the EO role, authority and accountability.

3. The assurance of organizational and EO performance.

IV. **ORIENTATION:**
New Board Members shall be offered/required to complete an initial orientation for purposes of enhancing their knowledge of the roles and responsibilities of SWMBH as an agency, and their understanding to assist in governance decision-making.

Specifically, they shall be provided the following information:

- **Governance Documents (Hierarchical)**
  - o SWMBH Board Bylaws
  - o SWMBH-CMH Sub-Contracts with Attachments
  - o SWMBH Operating Agreement
  - o SWMBH Operations Committee Charter
  - o Standing SWMBH Committee Charters
    - ☐ Finance Committee
    - ☐ Quality Management Committee (QMC)
    - ☐ Utilization Management Clinical Practices Committee (RUMCP)
    - ☐ Provider Network Management Committee (PNM)
    - ☐ Health Information Services Committee (Regional IT/RITC)
    - ☐ Customer Services Committee
    - ☐ Regional Compliance Coordinating Committee
  - o Michigan Consortium of Healthcare Excellence Bylaws (MCHE)

- **Ends, Proofs and Strategy**
  - o Previous and Current Years' SWMBH Board Ends and Proofs
  - o SWMBH Strategic Planning Document
  - o SWMBH Finance Plans
  - o Key Regional Plans
    - ☐ QAPI
    - ☐ UM
    - ☐ Program Integrity-Compliance
    - ☐ Financial and Risk Management
    - ☐ SUD Strategic Plan
    - ☐ Population Health Integrated Care

- **Context**
  - o SWMBH General PowerPoint
  - o Operations Committee Roster
  - o Last 3 months of Operations Committee Meeting Minutes
  - o Current SWMBH Board Meeting Calendar and Roster
  - o Current SWMBH SUD-OPB Meeting Calendar and Roster

- **Conflict of Interest Material (COI)**
  - o CMH Resolution to Appoint CEO to SWMBH Operations Committee
  - o CMH CEO Conflict of Interest Waiver
  - o CMH CEO Financial Interest Disclosure

In addition, new Board Members will be offered a live briefing at SWMBH by each functional area leader.

Southwest Michigan
BEHAVIORAL HEALTH

Section:	Policy Number:	Pages:
Board- Policy Executive Limitations	BEL-009	1
Subject:	**Required By:**	**Accountability:**
Global Executive Constraint	Policy Governance	SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
11.18.2013	09-14-18	9.12.14, 9.11.15, 9.9.16, 8.11.17

I. **POLICY:**

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

III. **STANDARDS:**

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

Southwest Michigan
BEHAVIORAL HEALTH

Executive Limitations
Monitoring to Assure Executive Performance
Board Date September 13, 2019

Policy Number: BEL-009
Policy Name: Global Executive Constraint
Assigned Reviewer: Tom Schmelzer

Policy

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

2) 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.

Executive Officer Response

1) The EO has not caused or allowed any practice, activity, decision, or organizational circumstance which is either illegal, imprudent, in violation of commonly accepted business and professional ethics, or in violation of contractual obligations. This is evidenced by the absence of evidence or even insinuation of any of the above to the Board via Executive Officer self-report, by internal or external reviewers, staff, auditors or authorities. Ongoing monitoring and surveillance of SWMBH and performance by the EO, SWMBH staff and SWMBH contractors exists, with frequent cross-agency and cross-functional assignments and reports. This strengthens the avoidance and early detection of anything that is or could go amiss.

2) The board has instructed the EO clearly and diligently through written policies or formal directives consistent with board policies. The EO interpretation and implementation of those policies and Ends has relied on ongoing monitoring and reporting to the Board, periodic formal consideration of the Environmental Scan, Strategic Plan, Board Ends, Ends Interpretations and Metrics status. This is evidenced by ongoing Board review of specific Executive Limitations Board Polices, regular reports to the Board, and frequent interactions with the Board by other Senior Leaders.

-END-

STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

GRETCHEN WHITMER
GOVERNOR

ROBERT GORDON
DIRECTOR

DATE: July 25, 2019

TO: Bradley Casemore, Executive Officer
Southwest Michigan Behavioral Health

Richard Thiemkey, Executive Director
Barry County CMH Authority

Ric Compton, CEO
Berrien Mental Health Authority

Jeff Patton, Executive Director
Kalamazoo CMH & Substance Abuse Services

Sue Germann, CEO
Pines Behavioral Health Services

Jeannie Goodrich, CEO
Summit Pointe

Debra Hess, CEO
VanBuren Community Mental Health Authority

Kris Kirsch, Executive Director
CMH & Substance Abuse Services of St. Joseph County

Kathy Sheffield, Interim CEO
Cass County CMH Authority dba Woodlands Behavioral Healthcare Network

FROM: Belinda Hawks, Director
Division of Quality Management & Planning
Bureau of Community Based Services

SUBJECT: 1915(c) and Substance Use Disorder Site Review

On behalf of the site review team, I would like to thank you and your staff for the outstanding assistance provided during the site review on June 3, 2019 – June 28, 2019. As you know, the intent of this review was to provide an opportunity for training and consultation, and to provide you with feedback in meeting service delivery requirements for the 1915(c) waivers.

Enclosed are the HSW and SUD Reports. The SUD Protocol was fully compliant.

All findings for HSW must include remediation at both the individual and system level. Once you have approved your agency's Corrective Action Plan (CAP), please respond in the "REMEDIAL ACTION" column under the "CMHSP/PIHP Response" title and submit the CAP via e-mail to the

team lead, Chris Parker-Darish at parkerdarishc@michigan.gov and include a include a copy to Emilea Brook at Brooke@michigan.gov by August 26, 2019.

The CAP will be reviewed and approved by MDHHS staff. The site review team will follow-up to ensure that your CAP is implemented 90 days after it has been approved by MDHHS.

Please direct your staff to pay attention to the following Dimensions/Indicators as they are **REPEAT CITATIONS** that may be brought to the attention of Michigan Department of Health and Human Services (MDHHS) contract staff.

HSW: F.2.1, F.2, P.2.6, P.2.8, P.5.1, P.5.2, B.2, Q.2.3 and Q.2.4

If you have any questions/concerns, or would like to request additional assistance, please feel free to contact the team lead, Chris Parker-Darish at parkerdarishc@michigan.gov or at (517) 335-1594.

Thank you.
Enclosures (2)

cc:

Brenna Ellison	Jamelah Earle	Lori Caputo
Sheila Hibbs	Kyleen Gray	Rhea Freitag
Aaron Harp	Cameron Bullock	Jonathan Gardner
Chris Parker-Darish	Tomeyshia Walker	Yingxu Zhang
Emilea Brook	Kelli Dodson	Angelo Powell
Kathy Neville	Jeff Wieferich	

	E	F	G	H	J	K	L	M	N	O	P	Q	R	S
1	***Southwest Michigan Behavioral Health***				*Mos in Period*									
2	For the Fiscal YTD Period Ended 7/31/2019			P10FYTD19	10									
3	*(For Internal Management Purposes Only)*													
4	***INCOME STATEMENT***			TOTAL	Medicaid Contract	Healthy Michigan Contract	Autism Contract	MI Health Link	SA Block Grant Contract	SA PA2 Funds Contract	SWMBH Central	ASO Activities	Indirect Pooled Cost	
5														
7	**REVENUE**													
16	Contract Revenue			214,475,734	167,447,165	25,537,105	10,107,119	2,850,415	6,884,459	1,649,471	-	-	-	
17	DHHS Incentive Payments			574,524	574,524	-	-	-	-	-	-	-	-	
18	Grants and Earned Contracts			412,395	-	-	-	-	360,602	-	51,794	-	-	
19	Interest Income - Working Capital			170,022	-	-	-	-	-	-	170,022	-	-	
20	Interest Income - ISF Risk Reserve			36,946	-	-	-	-	-	-	36,946	-	-	
21	Local Funds Contributions			1,802,517	-	-	-	-	-	-	1,802,517	-	-	
22	Other Local Income			182,324	-	-	-	-	-	-	182,324	-	-	
23														
24	**TOTAL REVENUE**			217,654,462	168,021,689	25,537,105	10,107,119	2,850,415	7,245,061	1,649,471	2,243,603	-	-	
25														
26	**EXPENSE**													
27	Healthcare Cost													
28	Provider Claims Cost			19,034,194	2,931,134	4,798,729	-	3,190,273	6,487,378	1,626,680	-	-	-	
29	CMHP Subcontracts, net of 1st & 3rd party			173,952,914	143,128,200	15,857,273	13,173,159	1,392,368	401,914	-	-	-	-	
30	Insurance Provider Assessment Withhold (IPA)			2,351,688	2,351,688	-	-	-	-	-	-	-	-	
32	MHL Cost in Excess of Medicare FFS Cost			-	1,994,578	-	-	(1,994,578)	-	-	-			
33														
34	**Total Healthcare Cost**			195,338,796	150,405,600	20,656,002	13,173,159	2,588,063	6,889,292	1,626,680	-	-	-	
35	**Medical Loss Ratio (HCC % of Revenue)**			90.8%	89.5%	80.9%	130.3%	90.8%	100.1%	98.6%				
36														
37	Administrative Cost													
38	Purchased Professional Services			542,302	-	-	-	-	-	-	542,302	-	-	
39	Administrative and Other Cost			6,127,879	-	-	-	-	-	-	6,126,883	-	996	
41	Depreciation			91,407	-	-	-	-	-	-	91,407	-	-	
42	Functional Cost Reclassification			-	-	-	-	-	115,523	-	(115,523)	-	-	
43	Allocated Indirect Pooled Cost			0	-	-	-	-	-	-	996	-	(996)	
44	Delegated Managed Care Admin			13,121,619	10,835,790	1,190,664	989,985	105,180	-	-	-	-	-	
45	Apportioned Central Mgd Care Admin			0	5,009,432	708,444	451,803	157,172	240,246	-	(6,567,097)	-	-	
46														
47	**Total Administrative Cost**			19,883,207	15,845,222	1,899,108	1,441,788	262,352	355,769	-	78,968	-	-	
48	**Admin Cost Ratio (MCA % of Total Cost)**			9.2%	9.5%	8.4%	9.9%	9.2%	4.9%	0.0%	3.1%			
49														
50	Local Funds Contribution			1,802,517	-	-	-	-	-	-	1,802,517	-	-	
51														
52	**TOTAL COST after apportionment**			217,024,520	166,250,823	22,555,110	14,614,946	2,850,415	7,245,061	1,626,680	1,881,485	-	-	
53														
54	**NET SURPLUS before settlement**			629,943	1,770,866	2,981,995	(4,507,827)	-	-	22,791	362,118	-	-	
55	**Net Surplus (Deficit) % of Revenue**			0.3%	1.1%	11.7%	-44.6%	0.0%	0.0%	1.4%	16.1%			
56														
57	Prior Year Savings			-	-	-	-	-	-	-	-			
58	Change in PA2 Fund Balance			(22,791)	-	-	-	-	-	(22,791)	-			
59	ISF Risk Reserve Abatement (Funding)			(36,946)	-	-	-	-	-	-	(36,946)			
60	ISF Risk Reserve Deficit (Funding)			-	-	-	-	-	-	-	-			
61	Settlement Receivable / (Payable)			-	(1,770,866)	(2,736,961)	4,507,827	-	-	-	-			
62	**NET SURPLUS (DEFICIT)**			570,206	-	245,034	-	-	-	-	325,172	-	-	
63	*HMP & Autism is settled with Medicaid*													
64														
65	SUMMARY OF NET SURPLUS (DEFICIT)													
66	Prior Year Unspent Savings			-	-	-	-	-	-	-	-			
67	Current Year Savings			245,034	-	245,034	-	-	-	-	-			
68	Current Year Public Act 2 Fund Balance			-	-	-	-	-	-	-	-			
69	Local and Other Funds Surplus/(Deficit)			325,172	-	-	-	-	-	-	325,172	-	-	
70														
71	**NET SURPLUS (DEFICIT)**			570,206	-	245,034	-	-	-	-	325,172	-	-	
72														

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	**Southwest Michigan Behavioral Health**			*Mos in Period*									
2	For the Fiscal YTD Period Ended 7/31/2019			10									
3	*(For Internal Management Purposes Only)*			*ok*									
4	**INCOME STATEMENT**		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5													
6	**Medicaid Specialty Services**			*HCC%*	79.1%	76.8%	79.4%	74.3%	75.0%	83.1%	81.5%	81.0%	79.4%
7	Subcontract Revenue		167,447,165	10,299,825	157,147,340	6,373,569	31,107,078	8,216,693	29,169,182	8,458,896	48,014,879	10,685,505	15,121,537
8	Incentive Payment Revenue		574,524	227,331	347,194	23,831	34,000	26,469	93,303	3,754	124,778	21,235	19,824
9	**Contract Revenue**		**168,021,689**	**10,527,156**	**157,494,533**	**6,397,400**	**31,141,078**	**8,243,162**	**29,262,485**	**8,462,650**	**48,139,657**	**10,706,739**	**15,141,361**
10													
11	External Provider Cost		107,577,821	2,931,134	104,646,687	3,382,388	20,139,296	5,271,296	18,079,696	5,087,205	38,037,927	6,544,230	8,104,648
12	Internal Program Cost		40,710,819	-	40,710,819	2,806,812	8,446,251	2,210,056	8,036,853	2,673,622	6,357,678	3,926,824	6,252,723
13	SSI Reimb, 1st/3rd Party Cost Offset		(842,443)	-	(842,443)	(59,706)	(182,006)	(43,848)	(190,157)	(4,596)	(264,069)	(23,496)	(74,565)
14	Insurance Provider Assessment Withhold (IPA)		2,351,688	2,351,688	-	-	-	-	-	-	-	-	-
15	MHL Cost in Excess of Medicare FFS Cost		497,030	497,030	-	-	-	-	-	-	-	-	-
16	**Total Healthcare Cost**		**150,294,914**	**5,779,852**	**144,515,063**	**6,129,494**	**28,403,542**	**7,437,503**	**25,926,392**	**7,756,231**	**44,131,536**	**10,447,558**	**14,282,807**
17	Medical Loss Ratio (HCC % of Revenue)		89.4%	54.9%	91.8%	95.8%	91.2%	90.2%	88.6%	91.7%	91.7%	97.6%	94.3%
18													
19	**Managed Care Administration**		**15,950,402**	**5,009,432**	**10,940,970**	**496,120**	**2,212,105**	**612,485**	**1,768,592**	**590,956**	**3,703,285**	**618,639**	**938,788**
20	Admin Cost Ratio (MCA % of Total Cost)		9.6%	3.0%	6.6%	7.5%	7.2%	7.6%	6.4%	7.1%	7.7%	5.6%	6.2%
21													
22	**Contract Cost**		**166,245,317**	**10,789,284**	**155,456,033**	**6,625,615**	**30,615,647**	**8,049,989**	**27,694,983**	**8,347,187**	**47,834,821**	**11,066,197**	**15,221,595**
23	**Net before Settlement**		**1,776,372**	**(262,128)**	**2,038,500**	**(228,215)**	**525,430**	**193,174**	**1,567,502**	**115,464**	**304,836**	**(359,457)**	**(80,234)**
24													
25	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
26	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
27	Contract Settlement / Redistribution		(1,770,866)	267,634	(2,038,500)	228,215	(525,430)	(193,174)	(1,567,502)	(115,464)	(304,836)	359,457	80,234
28	**Net after Settlement**		**5,506**	**5,506**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29													
30	**Eligibles and PMPM**												
31	Average Eligibles		146,077	146,077	146,077	7,525	28,521	8,095	27,420	8,533	38,527	11,983	15,473
32	Revenue PMPM		$ 115.02	$ 7.21	$ 107.82	$ 85.02	$ 109.19	$ 101.83	$ 106.72	$ 99.18	$ 124.95	$ 89.35	$ 97.86
33	Expense PMPM		$ 113.81	$ 7.39	$ 106.42	$ 88.05	$ 107.34	$ 99.44	$ 101.00	$ 97.82	$ 124.16	$ 92.35	$ 98.38
34	Margin PMPM		$ 1.22	$ (0.18)	$ 1.40	$ (3.03)	$ 1.84	$ 2.39	$ 5.72	$ 1.35	$ 0.79	$ (3.00)	$ (0.52)
35													
36	**Medicaid Specialty Services**												
37	**Budget v Actual**												
38													
39	**Eligible Lives (Average Eligibles)**												
40	Actual		146,077	146,077	146,077	7,525	28,521	8,095	27,420	8,533	38,527	11,983	15,473
41	Budget		148,407	148,407	148,407	7,521	28,972	8,437	27,913	8,550	39,123	12,222	15,669
42	Variance - Favorable / (Unfavorable)		(2,330)	(2,330)	(2,330)	4	(451)	(342)	(493)	(17)	(596)	(239)	(196)
43	% Variance - Fav / (Unfav)		-1.6%	-1.6%	-1.6%	0.1%	-1.6%	-4.1%	-1.8%	-0.2%	-1.5%	-2.0%	-1.3%
44													
45	**Contract Revenue before settlement**												
46	Actual		168,021,689	10,527,156	157,494,533	6,397,400	31,141,078	8,243,162	29,262,485	8,462,650	48,139,657	10,706,739	15,141,361
47	Budget		170,057,374	14,368,365	155,689,009	6,163,648	30,996,782	8,324,358	28,569,253	8,126,968	48,137,675	10,450,809	14,919,519
48	Variance - Favorable / (Unfavorable)		(2,035,685)	(3,841,210)	1,805,524	233,753	144,296	(81,195)	693,233	335,683	1,982	255,931	221,843
49	% Variance - Fav / (Unfav)		-1.2%	-26.7%	1.2%	3.8%	0.5%	-1.0%	2.4%	4.1%	0.0%	2.4%	1.5%
50													
51	**Healthcare Cost**												
52	Actual		150,294,914	5,779,852	144,515,063	6,129,494	28,403,542	7,437,503	25,926,392	7,756,231	44,131,536	10,447,558	14,282,807
53	Budget		158,874,362	8,608,369	150,265,993	6,480,147	30,377,552	7,966,010	26,787,297	7,713,979	45,546,257	10,809,800	14,584,951
54	Variance - Favorable / (Unfavorable)		8,579,448	2,828,517	5,750,930	350,652	1,974,010	528,507	860,905	(42,252)	1,414,721	362,242	302,144
55	% Variance - Fav / (Unfav)		5.4%	32.9%	3.8%	5.4%	6.5%	6.6%	3.2%	-0.5%	3.1%	3.4%	2.1%
56													
57	**Managed Care Administration**												

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	***Southwest Michigan Behavioral Health***			*Mos in Period*									
2	For the Fiscal YTD Period Ended 7/31/2019			10									
3	*(For Internal Management Purposes Only)*			*ok*									
4	***INCOME STATEMENT***		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5													
58	Actual		15,950,402	5,009,432	10,940,970	496,120	2,212,105	612,485	1,768,592	590,956	3,703,285	618,639	938,788
59	Budget		17,154,803	5,806,608	11,348,195	482,544	2,264,405	665,260	1,933,280	591,072	3,828,773	674,936	907,925
60	Variance - Favorable / (Unfavorable)		1,204,401	797,176	407,225	(13,576)	52,300	52,774	164,688	116	125,489	56,297	(30,863)
61	% Variance - Fav / (Unfav)		7.0%	13.7%	3.6%	-2.8%	2.3%	7.9%	8.5%	0.0%	3.3%	8.3%	-3.4%
62													
63	**Total Contract Cost**												
64	Actual		166,245,317	10,789,284	155,456,033	6,625,615	30,615,647	8,049,989	27,694,983	8,347,187	47,834,821	11,066,197	15,221,595
65	Budget		176,029,165	14,414,977	161,614,188	6,962,691	32,641,958	8,631,270	28,720,577	8,305,051	49,375,030	11,484,736	15,492,876
66	Variance - Favorable / (Unfavorable)		9,783,848	3,625,693	6,158,155	337,076	2,026,310	581,281	1,025,593	(42,135)	1,540,209	418,539	271,281
67	% Variance - Fav / (Unfav)		5.6%	25.2%	3.8%	4.8%	6.2%	6.7%	3.6%	-0.5%	3.1%	3.6%	1.8%
68													
69	**Net before Settlement**												
70	Actual		1,776,372	(262,128)	2,038,500	(228,215)	525,430	193,174	1,567,502	115,464	304,836	(359,457)	(80,234)
71	Budget		(5,971,791)	(46,611)	(5,925,179)	(799,043)	(1,645,176)	(306,912)	(151,324)	(178,084)	(1,237,355)	(1,033,927)	(573,357)
72	Variance - Favorable / (Unfavorable)		7,748,163	(215,517)	7,963,680	570,829	2,170,606	500,086	1,718,826	293,547	1,542,192	674,470	493,124
73													
74													

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	**Southwest Michigan Behavioral Health**			*Mos in Period*									
2	For the Fiscal YTD Period Ended 7/31/2019			10									
3	*(For Internal Management Purposes Only)*			*ok*									
4	**INCOME STATEMENT**		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5													
75	***Healthy Michigan Plan***			*HCC%*	8.7%	13.3%	6.6%	12.7%	11.9%	7.4%	7.4%	9.5%	6.3%
76	**Contract Revenue**		25,537,105	4,615,474	20,921,631	1,035,671	4,279,865	987,147	3,819,949	1,236,186	5,882,321	1,606,629	2,073,863
77													
78	External Provider Cost		13,361,134	4,798,729	8,562,404	424,402	1,067,851	729,524	1,914,422	321,031	3,123,052	484,824	497,298
79	Internal Program Cost		7,294,869	-	7,294,869	635,215	1,290,283	542,885	2,191,503	366,976	892,232	738,772	637,002
80	Insurance Provider Assessment Withhold (IPA)		-	-	-	-	-	-	-	-	-	-	-
81	**Total Healthcare Cost**		20,656,002	4,798,729	15,857,273	1,059,617	2,358,134	1,272,409	4,105,925	688,007	4,015,284	1,223,596	1,134,301
82	Medical Loss Ratio (HCC % of Revenue)		80.9%	104.0%	75.8%	102.3%	55.1%	128.9%	107.5%	55.7%	68.3%	76.2%	54.7%
83													
84	**Managed Care Administration**		1,899,108	708,444	1,190,664	85,765	183,655	104,784	280,089	52,420	336,941	72,454	74,556
85	Admin Cost Ratio (MCA % of Total Cost)		8.4%	3.1%	5.3%	7.5%	7.2%	7.6%	6.4%	7.1%	7.7%	5.6%	6.2%
86													
87	**Contract Cost**		22,555,110	5,507,173	17,047,937	1,145,383	2,541,789	1,377,193	4,386,014	740,427	4,352,225	1,296,050	1,208,857
88	**Net before Settlement**		2,981,995	(891,699)	3,873,694	(109,712)	1,738,077	(390,047)	(566,065)	495,760	1,530,096	310,579	865,006
89													
90	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
91	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
92	Contract Settlement / Redistribution		(2,736,961)	1,136,732	(3,873,694)	109,712	(1,738,077)	390,047	566,065	(495,760)	(1,530,096)	(310,579)	(865,006)
93	**Net after Settlement**		245,034	245,034	-	-	-	-	-	-	-	-	-
94													
95	**Eligibles and PMPM**												
96	Average Eligibles		49,898	49,898	49,898	2,498	10,217	2,385	9,028	2,969	13,991	3,834	4,977
97	Revenue PMPM		$ 51.18	$ 9.25	$ 41.93	$ 41.46	$ 41.89	$ 41.39	$ 42.31	$ 41.64	$ 42.04	$ 41.91	$ 41.67
98	Expense PMPM		45.20	11.04	34.17	45.86	24.88	57.74	48.58	24.94	31.11	33.81	24.29
99	Margin PMPM		$ 5.98	$ (1.79)	$ 7.76	$ (4.39)	$ 17.01	$ (16.35)	$ (6.27)	$ 16.70	$ 10.94	$ 8.10	$ 17.38
100													
101	***Healthy Michigan Plan***												
102	**Budget v Actual**												
103													
104	**Eligible Lives (Average Eligibles)**												
105	Actual		49,898	49,898	49,898	2,498	10,217	2,385	9,028	2,969	13,991	3,834	4,977
106	Budget		51,569	51,569	51,569	2,512	10,410	2,431	9,168	2,975	15,052	3,917	5,103
107	Variance - Favorable / (Unfavorable)		(1,672)	(1,672)	(1,672)	(15)	(194)	(46)	(140)	(6)	(1,062)	(83)	(127)
108	% Variance - Fav / (Unfav)		-3.2%	-3.2%	-3.2%	-0.6%	-1.9%	-1.9%	-1.5%	-0.2%	-7.1%	-2.1%	-2.5%
109													
110	**Contract Revenue before settlement**												
111	Actual		25,537,105	4,615,474	20,921,631	1,035,671	4,279,865	987,147	3,819,949	1,236,186	5,882,321	1,606,629	2,073,863
112	Budget		24,189,179	4,180,166	20,009,013	966,046	4,037,128	937,690	3,580,470	1,140,258	5,874,676	1,514,051	1,958,694
113	Variance - Favorable / (Unfavorable)		1,347,926	435,308	912,618	69,625	242,737	49,457	239,479	95,928	7,645	92,578	115,169
114	% Variance - Fav / (Unfav)		5.6%	10.4%	4.6%	7.2%	6.0%	5.3%	6.7%	8.4%	0.1%	6.1%	5.9%
115													
116	**Healthcare Cost**												
117	Actual		20,656,002	4,798,729	15,857,273	1,059,617	2,358,134	1,272,409	4,105,925	688,007	4,015,284	1,223,596	1,134,301
118	Budget		20,939,770	4,844,189	16,095,581	1,150,628	2,407,044	1,054,858	3,969,834	818,696	4,273,566	971,094	1,449,862
119	Variance - Favorable / (Unfavorable)		283,768	45,460	238,308	91,011	48,910	(217,552)	(136,091)	130,689	258,282	(252,502)	315,561
120	% Variance - Fav / (Unfav)		1.4%	0.9%	1.5%	7.9%	2.0%	-20.6%	-3.4%	16.0%	6.0%	-26.0%	21.8%
121													
122	**Managed Care Administration**												
123	Actual		1,899,108	708,444	1,190,664	85,765	183,655	104,784	280,089	52,420	336,941	72,454	74,556
124	Budget		2,004,714	792,135	1,212,580	85,682	179,426	88,094	286,509	62,731	359,250	60,633	90,255
125	Variance - Favorable / (Unfavorable)		105,606	83,691	21,915	(84)	(4,229)	(16,691)	6,420	10,311	22,309	(11,821)	15,699
126	% Variance - Fav / (Unfav)		5.3%	10.6%	1.8%	-0.1%	-2.4%	-18.9%	2.2%	16.4%	6.2%	-19.5%	17.4%

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	***Southwest Michigan Behavioral Health***			*Mos in Period*									
2	For the Fiscal YTD Period Ended 7/31/2019			10									
3	*(For Internal Management Purposes Only)*			*ok*									
4	***INCOME STATEMENT***		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5													
127													
128	**Total Contract Cost**												
129	Actual		22,555,110	5,507,173	17,047,937	1,145,383	2,541,789	1,377,193	4,386,014	740,427	4,352,225	1,296,050	1,208,857
130	Budget		22,944,484	5,636,324	17,308,161	1,236,309	2,586,470	1,142,951	4,256,343	881,427	4,632,816	1,031,727	1,540,117
131	Variance - Favorable / (Unfavorable)		389,374	129,151	260,223	90,927	44,682	(234,242)	(129,672)	141,000	280,591	(264,323)	331,261
132	% Variance - Fav / (Unfav)		1.7%	2.3%	1.5%	7.4%	1.7%	-20.5%	-3.0%	16.0%	6.1%	-25.6%	21.5%
133													
134	**Net before Settlement**												
135	Actual		2,981,995	(891,699)	3,873,694	(109,712)	1,738,077	(390,047)	(566,065)	495,760	1,530,096	310,579	865,006
136	Budget		1,244,695	(1,456,158)	2,700,853	(270,264)	1,450,658	(205,262)	(675,872)	258,831	1,241,860	482,324	418,577
137	Variance - Favorable / (Unfavorable)		1,737,300	564,459	1,172,841	160,552	287,419	(184,785)	109,807	236,928	288,236	(171,745)	446,430
138													
139		x											

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	**Southwest Michigan Behavioral Health**			*Mos in Period*									
2	For the Fiscal YTD Period Ended 7/31/2019			10									
3	*(For Internal Management Purposes Only)*			*ok*									
4	**INCOME STATEMENT**		Total SWMBH	SWMBH Central	CMH Participants	Barry CMHA	Berrien CMHA	Pines Behavioral	Summit Pointe	Woodlands Behavioral	Kalamazoo CCMHSAS	St Joseph CMHA	Van Buren MHA
5													
140	**Autism Specialty Services**			*HCC%*	7.2%	6.1%	9.6%	8.1%	7.1%	3.8%	5.7%	5.8%	9.8%
141	**Contract Revenue**		10,107,119	105,490	10,001,629	524,088	1,858,634	548,793	1,817,176	505,235	2,936,784	814,962	995,957
142													
143	External Provider Cost		11,142,282	-	11,142,282	2,190	3,428,133	790,828	1,066,594	357,409	3,109,525	736,758	1,650,844
144	Internal Program Cost		2,030,877	-	2,030,877	485,988	1,987	19,997	1,389,538	1,600	-	11,195	120,572
145	Insurance Provider Assessment Withhold (IPA)		-	-	-	-	-	-	-	-	-	-	-
146	**Total Healthcare Cost**		13,173,159	-	13,173,159	488,178	3,430,120	810,825	2,456,132	359,010	3,109,525	747,952	1,771,416
147	Medical Loss Ratio (HCC % of Revenue)		130.3%	0.0%	131.7%	93.1%	184.6%	147.7%	135.2%	71.1%	105.9%	91.8%	177.9%
148													
149	**Managed Care Administration**		1,441,788	451,803	989,985	39,513	267,142	66,772	167,547	27,353	260,935	44,289	116,433
150	Admin Cost Ratio (MCA % of Total Cost)		9.9%	3.1%	6.8%	7.5%	7.2%	7.6%	6.4%	7.1%	7.7%	5.6%	6.2%
151													
152	**Contract Cost**		14,614,946	451,803	14,163,143	527,691	3,697,263	877,597	2,623,679	386,363	3,370,460	792,241	1,887,849
153	**Net before Settlement**		(4,507,827)	(346,313)	(4,161,515)	(3,603)	(1,838,628)	(328,804)	(806,503)	118,872	(433,677)	22,721	(891,892)
154	Contract Settlement / Redistribution		4,507,827	346,313	4,161,515	3,603	1,838,628	328,804	806,503	(118,872)	433,677	(22,721)	891,892
155	**Net after Settlement**		-	0	-	-	-	-	-	-	-	-	-
156													
157		x											
158	**SUD Block Grant Treatment**			*HCC%*	0.2%	0.4%	0.4%	0.4%	0.0%	0.5%	0.0%	0.7%	0.2%
159	**Contract Revenue**		6,884,459	5,774,843	1,109,617	76,203	396,172	29,133	-	123,028	225,968	159,385	99,728
160													
161	External Provider Cost		6,487,378	6,487,378	-	-	-	-	-	-	-	-	-
162	Internal Program Cost		401,914	-	401,914	31,663	155,828	39,941	-	48,579	3,084	86,322	36,497
163	Insurance Provider Assessment Withhold (IPA)		-	-	-	-	-	-	-	-	-	-	-
164	**Total Healthcare Cost**		6,889,292	6,487,378	401,914	31,663	155,828	39,941	-	48,579	3,084	86,322	36,497
165	Medical Loss Ratio (HCC % of Revenue)		100.1%	112.3%	36.2%	41.6%	39.3%	137.1%	0.0%	39.5%	1.4%	54.2%	36.6%
166													
167	**Managed Care Administration**		(4,833)	(4,833)	-	-	-	-	-	-	-	-	-
168	Admin Cost Ratio (MCA % of Total Cost)		-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
169													
170	**Contract Cost**		6,884,459	6,482,545	401,914	31,663	155,828	39,941	-	48,579	3,084	86,322	36,497
171	**Net before Settlement**		-	(707,703)	707,703	44,540	240,344	(10,808)	-	74,450	222,883	73,063	63,231
172	Contract Settlement		-	707,703	(707,703)	(44,540)	(240,344)	10,808	-	(74,450)	(222,883)	(73,063)	(63,231)
173	**Net after Settlement**		-	-	-	-	-	-	-	-	-	-	-
174													
175		x	-										

	F	G	H	I	J	K	L	M	N	O	P	Q	R
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5													
176	***SWMBH CMHP Subcontracts***												
177	Subcontract Revenue		209,975,847	20,795,632	189,180,216	8,009,530	37,641,749	9,781,766	34,806,307	10,323,346	57,059,951	13,266,481	18,291,085
178	Incentive Payment Revenue		574,524	227,331	347,194	23,831	34,000	26,469	93,303	3,754	124,778	21,235	19,824
179	**Contract Revenue**		**210,550,372**	**21,022,962**	**189,527,409**	**8,033,362**	**37,675,749**	**9,808,235**	**34,899,610**	**10,327,100**	**57,184,729**	**13,287,715**	**18,310,909**
180													
181	External Provider Cost		138,568,614	14,217,241	124,351,373	3,808,980	24,635,281	6,791,647	21,060,712	5,765,646	44,270,505	7,765,812	10,252,791
182	Internal Program Cost		50,438,478	-	50,438,478	3,959,678	9,894,349	2,812,879	11,617,894	3,090,776	7,252,994	4,763,113	7,046,795
183	SSI Reimb, 1st/3rd Party Cost Offset		(842,443)	-	(842,443)	(59,706)	(182,006)	(43,848)	(190,157)	(4,596)	(264,069)	(23,496)	(74,565)
184	Insurance Provider Assessment Withhold (IPA)		2,351,688	2,351,688	-	-	-	-	-	-	-	-	-
185	MHL Cost in Excess of Medicare FFS Cost		497,030	497,030	-	-	-	-	-	-	-	-	-
186	**Total Healthcare Cost**		**191,013,367**	**17,065,958**	**173,947,408**	**7,708,953**	**34,347,624**	**9,560,679**	**32,488,448**	**8,851,826**	**51,259,430**	**12,505,428**	**17,225,021**
187	Medical Loss Ratio (HCC % of Revenue)		90.7%	81.2%	91.8%	96.0%	91.2%	97.5%	93.1%	85.7%	89.6%	94.1%	94.1%
188													
189	**Managed Care Administration**		**19,286,466**	**6,164,847**	**13,121,619**	**621,399**	**2,662,902**	**784,042**	**2,216,228**	**670,729**	**4,301,161**	**735,382**	**1,129,777**
190	Admin Cost Ratio (MCA % of Total Cost)		9.2%	2.9%	6.2%	7.5%	7.2%	7.6%	6.4%	7.0%	7.7%	5.6%	6.2%
191													
192	**Contract Cost**		**210,299,832**	**23,230,805**	**187,069,027**	**8,330,351**	**37,010,527**	**10,344,720**	**34,704,676**	**9,522,555**	**55,560,590**	**13,240,810**	**18,354,797**
193	**Net before Settlement**		**250,540**	**(2,207,843)**	**2,458,382**	**(296,990)**	**665,223**	**(536,485)**	**194,933**	**804,545**	**1,624,139**	**46,905**	**(43,888)**
194													
195	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
196	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
197	Contract Settlement		-	2,458,382	(2,458,382)	296,990	(665,223)	536,485	(194,933)	(804,545)	(1,624,139)	(46,905)	43,888
198	**Net after Settlement**		**250,540**	**250,540**	**0**	**0**	**0**	**-**	**(0)**	**0**	**-**	**(0)**	**0**
199													
200													

	F	G	H	I	J	K	L	M	N	O	P	Q	R
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5													
201	***State General Fund Services***			*HCC%*	4.8%	3.4%	4.0%	4.4%	6.0%	5.2%	5.3%	3.0%	4.2%
202	**Contract Revenue**				**8,931,509**	**543,106**	**1,525,148**	**518,723**	**1,732,976**	**523,872**	**3,003,880**	**371,033**	**712,771**
203													
204	External Provider Cost				3,421,592	64,257	433,918	132,454	364,050	280,020	1,844,539	254,395	47,958
205	Internal Program Cost				5,411,282	203,160	985,595	312,392	1,703,793	206,095	1,149,637	135,748	714,863
206	SSI Reimb, 1st/3rd Party Cost Offset				(121,410)	-	-	-	-	-	(121,410)	-	-
207	**Total Healthcare Cost**				**8,711,464**	**267,417**	**1,419,513**	**444,846**	**2,067,843**	**486,115**	**2,872,766**	**390,143**	**762,821**
208	Medical Loss Ratio (HCC % of Revenue)				97.5%	49.2%	93.1%	85.8%	119.3%	92.8%	95.6%	105.2%	107.0%
209													
210	**Managed Care Administration**				**737,435**	**24,220**	**123,395**	**40,605**	**156,547**	**40,794**	**270,373**	**25,839**	**55,661**
211	Admin Cost Ratio (MCA % of Total Cost)				7.8%	8.3%	8.0%	8.4%	7.0%	7.7%	8.6%	6.2%	6.8%
212													
213	**Contract Cost**				**9,448,899**	**291,637**	**1,542,908**	**485,451**	**2,224,390**	**526,909**	**3,143,139**	**415,982**	**818,482**
214	**Net before Settlement**				**(517,390)**	**251,469**	**(17,760)**	**33,272**	**(491,414)**	**(3,037)**	**(139,259)**	**(44,949)**	**(105,711)**
215													
216	Other Redistributions of State GF				(148,438)	4,438	-	(429)	(13,116)	-	(114,093)	-	(25,238)
217	Contract Settlement				(265,584)	(241,392)	-	(24,192)	-	-	-	-	-
218	**Net after Settlement**				**(931,411)**	**14,515**	**(17,760)**	**8,650**	**(504,530)**	**(3,037)**	**(253,352)**	**(44,949)**	**(130,948)**
219													

30

From: Michigan Health Endowment Fund <rfp@mihealthfund.org>
Sent: Wednesday, August 14, 2019 11:57 AM
To: Brad Casemore <Brad.Casemore@swmbh.org>
Cc: Lynda Zeller <lynda@mihealthfund.org>
Subject: Application has been Granted

Dear Bradley,

Congratulations! I am pleased to inform you that the Board of Directors of the Michigan Health Endowment Fund approved Southwest Michigan Behavioral Health's 2019 Behavioral Health grant request, ID number R-1904-144636, in the amount of $500,000.00 to support the program entitled Improving Care Integration for Unenrolled Seniors in Kalamazoo County. Your Program Officer for this grant award is Lynda Zeller, who is copied on this email.

Please log in to the grantee portal on **Thursday, August 15** to review the Grant Agreement, Award Letter, payment, and reporting dates. You will find the Grant Agreement and Award Letter in the attachment section of your grant application, which will be located under the "Pending Approval" section of the system.

Please contact Sharon Karaboyas at sharon@mihealthfund.org or (810) 626-3625 if you have questions on the Grant Agreement, the corresponding Award Letter, or wish to adjust your program dates. **The Grant Agreement will be sent via email for electronic signature through DocuSign to the signatory contact listed in the application on Tuesday, August 20.**

We will host a kickoff call for all 2019 Behavioral Health grantees on **Tuesday, August 27 at 11 am**. Please register for the call using this link.

Finally, we are pleased to offer your organization vital capacity building services through a membership to Catchafire. Catchafire connects you with passionate, pro bono professionals looking to donate their skills through 1-hour phone calls and/or fully fledged projects. They offer regular webinars, online support, and phone calls to help you get started. The Health Fund began this partnership in early 2019 for all Health Fund grantees and we are thrilled to expand the membership to include our newest grant partners.

We look forward to this partnership with you. If you have other questions regarding this award, please contact your program officer, Lynda Zeller.

Sincerely,
Paul Hillegonds, President

MICHIGAN HEALTH ENDOWMENT FUND

Integrated Healthcare Pilot Program for Older Adults

Southwest Michigan Behavioral Health (SWMBH), in partnership with Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) and Family Health Center (FHC), is excited to announce they have been awarded a grant from the Michigan Health Endowment Fund for a two year pilot project aimed at aiding older adults (ages 55+) in Kalamazoo County who have Medicaid but are not enrolled in a Medicaid Health Plan and have a mental illness and one or more chronic medical conditions. This voluntary program will merge the participants' physical health requirements with their mental health needs by coordinating services into one integrated health care plan. Participants will receive a community-based Community Health Worker and Social Work Care Coordinator services, consumer-assistive technology, and Nurse Care Coordinator expertise, supported by a team of allied health specialists.

The funds from the grant will help SWMBH, KCMHSAS and FHC work together to align:

- assessments
- care planning,
- healthcare data analytics
- personalized interventions, and
- objective evaluation into one central location for project participants.

The goal of this unique and important partnership is to improve management of behavioral and physical health disorders, reduce avoidable health services, reduce healthcare expenses, enhance Participant functioning, provide symptom reduction and improve the overall quality of life. This partnership will target chronic medical conditions including Type 2 Diabetes, COPD, Heart Disease and Stroke, and/or Chronic pain. Participation will not be solely limited to these chronic conditions and any individuals with a mental illness and chronic condition can be accepted into the program.

The Michigan Health Endowment Fund works to improve the health and wellness of Michigan residents and reduce the cost of healthcare, with a special focus on children and seniors. You can find more information about the Health Fund at mihealthfund.org. For more information about the grant awarded to SWMBH through the Michigan Health Endowment Fund grant please contact Alona Wood at (269) 488-6441.

American College of Healthcare Executives
for leaders who care

Great Lakes Chapter

Behavioral Healthcare: Approaches to Increase Value for the Organization and Meet Community Needs

Luncheon Speaker – Elizabeth Hertel, Sr. Chief Deputy Director, Chief for Administration

Michigan Department of Health and Human Services

October 18, 2019 – Fetzer Center
Western Michigan University
9:00 am – 1:30 pm

Registration: www.glache.org/event-3509160/RegistrationsList

Southwest Michigan
BEHAVIORAL HEALTH

5250 Lovers Lane, Suite 200
Portage, MI 49002
800-676-0423
www.swmbh.org

August 7, 2019

Robert Gordon, Director
Michigan Department of Health and Human Services
Capitol Commons Center
400 South Pine Street
Lansing, Michigan 48913

Dear Robert Gordon,

Many of Michigan's statewide advocacy organizations have heard, both in public and from some staff within MDHHS, about a plan to move the Behavioral Health and Developmental Disabilities Administration (BHDDA) under the Medical Services Administration (MSA), the office that operates the state's Medicaid program. We write this letter to oppose this change as it further removes behavioral health services from the focus of the both the department and the Governor's administration. Our opposition centers on the following issues:

- The loss of the state's ability to focus on behavioral and mental health issues,
- The loss of capacity (over time) at the state level to ensure that Michigan's public mental health system remains public,
- The loss of capacity at the state level to ensure services are responsive to people using the system, and that services support people's overall quality of life,
- The loss of the visibility of behavioral and mental health issues in the state's policy making work; and
- This sends the message that nothing matters more than money, especially Medicaid money, even though under the law the State of Michigan is charged with providing a safety net to its most vulnerable adults.

Placing BHDDA under MSA is strongly opposed by the advocacy community and does not make good policy sense at this time. If you have any questions please feel free to contact us at your convenience.

Sincerely,

Sherri Boyd, The Arc Michigan
Jane Shank, Association for Children's Mental Health
Brianna Romines, Epilepsy Foundation of Michigan
Mark Reinstein, Mental Health Association in Michigan
Vendella Collins, Michigan Developmental Disabilities Council
Norman DeLisle, Michigan Disability Rights Coalition
Mark McWilliams, Michigan Protection and Advocacy Services
Leslynn Angel, United Cerebral Palsy Michigan

cc: Joneigh Khaldun, Elizabeth Hertel, George Mellos, Kate Massey, Sarah Massey, Meghan Groen

Brief Summary of SWMBH – Cass County Meeting of 9-3-19 at SWMBH

Participants: Brad Casemore, Tracy Dawson, Cass County Probate Judge Susan Dobrich, Cass-Van Buren Health Department Director Jeff Elliott.

- The meeting was cordial. Judge and Jeff have been asked by the County to assist in resolving various issues Cass county stakeholders seem to have with Cass-Woodlands CMHA (CWA).

- We covered :
    - Cass County has the authority and right to do what they have done with their Resolution to terminate Cass Woodlands Authority.
    - The Resolution creates the termination of any CMHSP in Cass County, a real problem for us at the RE/PIHP for our other Participants.
    - We explained the Regional Entity creation and SWMBH contractual relation with CWA.
    - We expressed concern about the effect of these circumstances on CWA and its staff and most importantly potential negative impacts on services in Cass County.
    - We suggested the county make the one year clock explicit and inform the Cass county community that the letter to DHHS which initiates the one year clock has not been sent to DHHS.
    - We must assume and plan for what the Termination Resolution says and means; it has short-, medium- and long-term implications and ramifications for SWMBH and CWA.
    - We committed to being constructive, productive and forthcoming with all relevant stakeholders and said we would make ourselves available upon invitation and mutual agreement to meet with relevant stakeholders ideally to resolve the issues.
    - We said we do not want to lose a CMH in Cass County and prefer that Cass Woodlands retain its Authority status.
    - We said we would continue to inform and educate the Cass County Commission and community on options and implications for varying types of CMHSPs (Authority, Agency, Organization).
    - We provided Judge and Jeff the SWMBH Bylaws.

- Judge and Jeff covered:
    - They have seen Roz P's legal opinion on the matter.
    - Cass County has not yet sent the Resolution Notice formally to DHHS; thus the one year clock has not yet started.
    - They intend to do Cass County stakeholder meetings for input. And to determine what it is the County Commission wishes to achieve regarding services and CWA.
    - They believe Cass County Commission will honor Cass Woodlands Authority request to place a 90 day hold on sending the letter to MDHHS to engage and resolve known and unknown issues which created the conditions for the Termination Resolution.
    - They want to support the CMH in "Strengthening" it's community identity and operations.
    - They asked us for views on CWA. We said that CWA has copies of all reviews that SWMBH has performed of CWA. We suggested they seek those from CWA.

- Judge and Jeff will let us know what, if any further information or contacts they seek.

Response to "Perspectives of the Advocacy Community on the Lakeshore Regional Entity" Report

On Monday, August 8, Gongwer published an **article** highlighting main points from the "Perspectives of the Advocacy Community on the Lakeshore Regional Entity" report, detailing steps to be taken in the Lakeshore Prepaid Inpatient Health Plan (PIHP) region. Following is a response from Robert Sheehan, the CEO of the Community Mental Health Association of Michigan (CMHA), which represents all 46 Community Mental Health organizations, over 100 private mental health providers, and the 10 public Medicaid specialty health plans (Medicaid Prepaid Inpatient Health Plans (PIHPs)) serving the residents in the state of Michigan.

> *The Community Mental Health Association of Michigan (CMHA) is in strong agreement with a number of the recommendations contained in the recent report entitled "Perspectives of the Advocacy Community on the Lakeshore Regional Entity." The need for increased funding, a core recommendation of the report, and improved uniformity across the state are issues long underscored by our association and our stakeholders. The level of Medicaid and non-Medicaid funding provided the CMH system is woefully inadequate to meet the mental health needs of Michiganders. Demand for services across the state is higher than ever and state funding has not kept pace with that demand, as we pointed out in our study from March 2019, "The Systemic Underfunding of Michigan's Public Mental Health System." This association, our members, allies, and the statewide advocacy groups who authored this study, have been pushing for the past several years for greater mental health funding in light of this increased demand.*
>
> *Rather than debating the appropriate number of CMHs or public Medicaid specialty health plans (PIHPs), the conversation must focus on ensuring that the system is well funded and guided by statewide standardization and uniformity of services. If Michigan's public mental health system is adequately funded and is supported by statewide standards, there will be a natural contraction and expansion of entities to ensure standardization while responding to local person- and community-specific needs.*
>
> *The August report suggested that the Section 298 pilot project should be ended. Our association has long agreed with the advocates and have voiced this agreement for nearly half a decade, that the premise of the pilots, in the minds of some: the privatization of Michigan's public mental health system, is fundamentally flawed. Privatizing that system will fundamentally harm the state's nationally recognized model of a public, county-based, and locally accountable community mental health system. Such privatization is bad policy and bad for the 300,000 who rely upon that system. However, we do not support the recommendation to end the Section 298 pilot process. The four CMHs involved in crafting the Section 298 pilots are pursuing a bold vision, with concrete details, on how two segments of the public and private sectors, public CMHs and private health plans (health insurance companies), can build a partnership that brings the best of those two partners to the table to meet the mental health needs of Michiganders. This design effort should be allowed to continue as this vision unfolds.*
>
> *Our partnership with the state's leading mental health advocates is a strong one, resilient enough to allow for agreement and disagreement on a range of issues. It is this independence of thought, in fact, that has made Michigan's public mental health system the national model that it is. We look forward to the evolution of Michigan's leading edge, public mental health system, fueled by the best collective thinking and robust dialogue dedicated to mental health and the full inclusion and empowerment of persons with mental health needs.*

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> *The Community Mental Health Association of Michigan (CMHA) is in strong agreement with a number of the recommendations contained in the recent report entitled "Perspectives of the Advocacy Community on the Lakeshore Regional Entity." The need for increased funding, a core recommendation of the report, and improved uniformity across the state are issues long underscored by our association and our stakeholders. The level of Medicaid and non-Medicaid funding provided the CMH system is woefully inadequate to meet the mental health needs of Michiganders. Demand for services across the state is higher than ever and state funding has not kept pace with that demand, as we pointed out in our study from March 2019, "The Systemic Underfunding of Michigan's Public Mental Health System." This association, our members, allies, and the statewide advocacy groups who authored this study, have been pushing for the past several years for greater mental health funding in light of this increased demand.*
>
> *Rather than debating the appropriate number of CMHs or public Medicaid specialty health plans (PIHPs), the conversation must focus on ensuring that the system is well funded and guided by statewide standardization and uniformity of services. If Michigan's public mental health system is adequately funded and is supported by statewide standards, there will be a natural contraction and expansion of entities to ensure standardization while responding to local person- and community-specific needs.*
>
> *The August report suggested that the Section 298 pilot project should be ended. Our association has long agreed with the advocates and have voiced this agreement for nearly half a decade, that the premise of the pilots, in the minds of some: the privatization of Michigan's public mental health system, is fundamentally flawed. Privatizing that system will fundamentally harm the state's nationally recognized model of a public, county-based, and locally accountable community mental health system. Such privatization is bad policy and bad for the 300,000 who rely upon that system. However, we do not support the recommendation to end the Section 298 pilot process. The four CMHs involved in crafting the Section 298 pilots are pursuing a bold vision, with concrete details, on how two segments of the public and private sectors, public CMHs and private health plans (health insurance companies), can build a partnership that brings the best of those two partners to the table to meet the mental health needs of Michiganders. This design effort should be allowed to continue as this vision unfolds.*
>
> *Our partnership with the state's leading mental health advocates is a strong one, resilient enough to allow for agreement and disagreement on a range of issues. It is this independence of thought, in fact, that has made Michigan's public mental health system the national model that it is. We look forward to the evolution of Michigan's leading edge, public mental health system, fueled by the best collective thinking and robust dialogue dedicated to mental health and the full inclusion and empowerment of persons with mental health needs.*

Response to "Perspectives of the Advocacy Community on the Lakeshore Regional Entity" Report

On Monday, August 8, Gongwer published an **article** highlighting main points from the "Perspectives of the Advocacy Community on the Lakeshore Regional Entity" report, detailing steps to be taken in the Lakeshore Prepaid Inpatient Health Plan (PIHP) region. Following is a response from Robert Sheehan, the CEO of the Community Mental Health Association of Michigan (CMHA), which represents all 46 Community Mental Health organizations, over 100 private mental health providers, and the 10 public Medicaid specialty health plans (Medicaid Prepaid Inpatient Health Plans (PIHPs)) serving the residents in the state of Michigan.

> *The Community Mental Health Association of Michigan (CMHA) is in strong agreement with a number of the recommendations contained in the recent report entitled "Perspectives of the Advocacy Community on the Lakeshore Regional Entity." The need for increased funding, a core recommendation of the report, and improved uniformity across the state are issues long underscored by our association and our stakeholders. The level of Medicaid and non-Medicaid funding provided the CMH system is woefully inadequate to meet the mental health needs of Michiganders. Demand for services across the state is higher than ever and state funding has not kept pace with that demand, as we pointed out in our study from March 2019, "The Systemic Underfunding of Michigan's Public Mental Health System." This association, our members, allies, and the statewide advocacy groups who authored this study, have been pushing for the past several years for greater mental health funding in light of this increased demand.*
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From: Monique Francis <MFrancis@cmham.org>
Sent: Wednesday, September 4, 2019 10:02 AM
To: Monique Francis <MFrancis@cmham.org>
Cc: Robert Sheehan <rsheehan@cmham.org>; Alan Bolter <ABolter@cmham.org>
Subject: CMHA response to Gongwer News Service Article on advocates reports

To: Members of the Executive Board and Steering Committee, Board Chairpersons, CEOs of CMHs, PIHPs, and Provider Alliance members
From: Robert Sheehan, CEO, CMH Association of Michigan
Re: CMHA response to Gongwer News Service Article on advocates reports

As you know (having received an e-mail from our association about this topic) there was an article, in a recent edition of the Gongwer News Services (one of the two chief Capitol news services), regarding the reports issued by several of the state's mental health advocacy groups. In case you missed the article, it is provided below. As you know, the independence of the state's advocacy groups, an independence that is critical to their work, leads, many times, to the views of those advocacy organizations aligning with the views of our association and our members, while at other times to be in opposition to the views of this association and its members. The reports referenced in this article contain policy stances that represent both those that our association supports and those that our association opposes. Know that our association is in regular dialogue with and will continue in that dialogue with these statewide advocacy groups, coalescing on the issues with which we agree, dialoguing with civility and frankness on issues around which we differ, and openly opposing each other's views in areas around which we disagree.

As promised in that earlier e-mail, our association has issued a response to the article. That response is attached. Note, that, our response follows the tried-and-true guidance to keep our response focused on the topics covered in the article, avoiding the temptation to respond to all of the points in the reports – even those not covered in the Gongwer article. Our public relations partner, Lambert, is working to get the response picked up by Gongwer and other media outlets.

Gongwer article, Tuesday, August 27, 2019

Mental Health Advocates: More Money, Structural Change Needed

Michigan should end the controversial Section 298 pilot programs to integrate Medicaid management of physical and mental health payments, dramatically increase funding for mental health care and make a major structural change to how state mental health services are administered, seven different mental and behavioral health organizations said Monday.

The group issued a report on the state's publicly funded mental health system, which it said, "is in crisis," due to complex bureaucracy, poor structural design and a lack of funding.

The problems with the system are reflected in part in the state's decision to terminate its prepaid inpatient health plan contract with Lakeshore Regional Entity on the western side of the state.

Lakeshore is pursuing an administrative appeal of that decision and filed an initial lawsuit against the state which it has withdrawn for the time being.

Restructuring the state's prepaid inpatient health plan organization as well as the state's 46 community mental health service programs is a major focus of the document issued by The Arc-Michigan, Association for Children's Mental Health, the Mental Health Association in Michigan, the Michigan Developmental Disabilities Council, the Michigan Disability Rights Coalition, Michigan Protection and Advocacy Services and the National Alliance of Mental Illness - Michigan.

The document also calls for the state to triple the funding spent on non-Medicaid eligible mental health patients (which it said is essentially the amount the state used to spend on that patient population before Healthy Michigan was instituted), and it supports **Governor Gretchen Whitmer**'s call to boost Medicaid spending on mental health by 2.5 percent.

The group also called for the state to end the three pilot programs to test combined management of Medicaid physical and mental health set up under Section 298 of the state's health and human services budget.

Section 298 efforts have been some of the most controversial in the state's health care system since then Governor Rick Snyder proposed that total integration be included in the state's 2016-17 budget. Mental health advocates protested that the Medicaid managed care plans, some of which are for-profit, would oversee spending for Medicaid mental health patients. The issue was referred to a workgroup lead by then Lt. Governor Brian Calley, which included contentious meetings, and resulted in a proposal that would essentially have kept the state's dual system of management.

However, the Legislature called for pilot programs to test out how combined management might work.

The pilots were to begin operating on October 1, the first day of the 2019-20 fiscal year, but in June the Department of Health and Human Services announced they were being delayed in full implementation until 2020.

The document said, "against unanimous advice from the mental health community, the Legislature has called for three pilots in which private Medicaid Health Plans, some of which are for-profit, would be given all of the state's Medicaid specialty behavioral appropriations."

Because the pilots have been delayed again, they "should be ceased," the document said.

Dominick Pallone, executive director of the Michigan Association of Health Plans, said he was torn somewhat on the issue. Overall improved patient outcomes can come from full integration of physical and mental health Medicaid management, he said, and that has been seen in other states.

But the group is still waiting for "rate development" from the state, which would dictate how much funding the pilot programs would receive, he said. There has been progress in developing the pilots, and

Mr. Pallone said several community mental health organizations in the three pilot zones have worked on finding ways to improve overall performance and make integration work.

"But we're still at an impasse on the major issues," Mr. Pallone said, which include funding and ensuring there is a "path to sustainability." That path would include seeing how the system has worked and how it can be expanded. If such a path is not there and there is no way to expand what the state is doing, then the pilots should be ended, he said.

In terms of the prepaid inpatient health plans, the document said the state now has 10 such entities and should consider creating a single entity for the entire state. One prepaid inpatient health plan would promote, "efficiency, practice uniformity and reduced duplication of resources," the document said.

If the state wants to keep more prepaid inpatient health plans, then the document said it should require uniform statewide roles and responsibilities, create assurances board members do not have a conflict of interest, require annual reports on the finances, subject the boards to the state's Open Meetings and Freedom of Information Acts, and require that at least 33 percent of a plan's board consist of primary consumers and their families.

The document also questioned why the state continued to need 46 community mental health service programs, which it said creates duplications of efforts and expenses.

"In today's technological world, is there a need to have 46 CMHSPs? Can we put more money into service availability and accessibility with a reduced number of CMHSPs, and can we foster more system-wide uniformity," it said.

Mr. Pallone said he agreed with the groups on the need to restructure some elements of the state's mental health system, especially the prepaid inpatient health plans. And he agreed more spending was needed on non-Medicaid patients, though he wasn't sure it needed to be increased to $300 million.

Robert Sheehan
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CMS NEWS

FOR IMMEDIATE RELEASE
September 5, 2019

Contact: CMS Media Relations
(202) 690-6145 | CMS Media Inquiries

CMS Announces New Enforcement Authorities to Reduce Criminal Behavior in Medicare, Medicaid, and CHIP

The Centers for Medicare & Medicaid Services (CMS) today issued a final rule that strengthens the agency's ability to stop fraud before it happens by keeping unscrupulous providers out of our federal health insurance programs. This first-of-its-kind action – stopping fraudsters before they get paid – marks a critical step forward in CMS' longstanding fight to end "pay and chase" in federal healthcare fraud efforts and replace it with smart, effective and proactive measures. Today's action is part of the Trump Administration's ongoing effort to safeguard taxpayer dollars and protect the core integrity of the critical Medicare and Medicaid programs that millions rely on.

The final rule, Program Integrity Enhancements to the Provider Enrollment Process (CMS-6058-FC), creates several new revocation and denial authorities to bolster CMS' efforts to stop waste, fraud and abuse. Importantly, a new "affiliations" authority in the rule allows CMS to identify individuals and organizations that pose an undue risk of fraud, waste or abuse based on their relationships with other previously sanctioned entities. For example, a currently enrolled or newly enrolling organization that has an owner/managing employee who is "affiliated" with *another* previously revoked organization can be denied enrollment in Medicare, Medicaid, and CHIP or, if already enrolled, can have its enrollment revoked because of the problematic affiliation.

"For too many years, we have played an expensive and inefficient game of 'whack-a-mole' with criminals – going after them one at a time -- as they steal from our programs. These fraudsters temporarily disappear into complex, hard-to-track webs of criminal entities, and then re-emerge under different corporate names. These criminals engage in the same behaviors again and again," said CMS Administrator Seema Verma. "Now, for the first time, we have tools to stop criminals before they can steal from taxpayers. This is CMS hardening

the target for criminals and locking the door to the vault. If you're a bad actor you can never get into the program, and you can't steal from it."

The rule also includes other authorities that will effectively improve CMS' fraud-fighting capabilities. Similar to the affiliations component, these authorities provide a basis for administrative action to revoke or deny, as applicable, Medicare enrollment if:

- A provider or supplier circumvents program rules by coming back into the program, or attempting to come back in, under a different name (e.g. the provider attempts to "reinvent" itself);
- A provider or supplier bills for services/items from non-compliant locations;
- A provider or supplier exhibits a pattern or practice of abusive ordering or certifying of Medicare Part A or Part B items, services or drugs; or
- A provider or supplier has an outstanding debt to CMS from an overpayment that was referred to the Treasury Department.

The new rule also gives CMS the ability to prevent applicants from enrolling in the program for up to 3 years if a provider or supplier is found to have submitted false or misleading information in its initial enrollment application. Furthermore, the new rule expands the reenrollment bar that prevents fraudulent or otherwise problematic providers from re-entering the Medicare program. CMS can now block providers and suppliers who are revoked from re-entering the Medicare program for up to 10 years. Previously, revoked providers could only be prevented from re-enrolling for up to 3 years. Additionally, if a provider or supplier is revoked from Medicare for a second time, CMS can now block that provider or supplier from re-entering the program for up to 20 years.

These important new authorities and restrictions, effective November 4, 2019, ensure that the only providers and suppliers that will face additional burdens are "bad actors" — those who have real and demonstrable histories of conduct and relationships that pose undue risk to taxpayers, patients and program beneficiaries. This new rule ushers in an important new era of smart, effective, proactive and risk-based tools designed to protect the integrity of these vitally important federal healthcare programs we rely on every day to care for millions of Americans.

This new rule builds on CMS' previous successful efforts to protect beneficiaries and taxpayer dollars while limiting burden on our provider partners without whom we could not deliver high quality care to the millions of people we are honored to serve. "Every dollar that is stolen from federal programs is a dollar that will never contribute to paying for an item or service for seniors and eligible people who need them," said Administrator Verma.

The Trump Administration's program integrity activities saved Medicare an estimated $15.5 billion in Fiscal Year (FY) 2017, for an annual return on investment of $10.8 to $1. The 2018 Medicare fee-for-service (FFS) improper payment rate was 8.12%, the lowest since 2010. This translates to about $4.5 billion less in estimated improper payments from 2017. For Medicaid, in FY 2018 CMS recovered $10.5 billion in FFS improper payments. An improper payment is any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative or other legally applicable requirements.

In addition to today's rule, CMS has implemented several new initiatives to increase provider and supplier transparency and accountability while reducing burden in the Medicare and Medicaid programs. To learn more, **click here.**

2019 SWMBH Board Member & Board Alternate Attendance												
Name:	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Board Members:												
Robert Nelson (Barry)												
Edward Meny (Berrien)												
Tom Schmelzer (Branch)												
Patrick Garrett (Calhoun)												
Mary (Mae) Myers (Cass)												
Moses Walker (Kalamazoo)												
Angie Price (St. Joe)												
Susan Barnes (Van Buren)												
Alternates:												
Robert Becker (Barry)												
Nancy Johnson (Berrien)												
Jon Houtz (Branch)												
Kathy-Sue Vette (Calhoun)												
Karen Lehman (Cass)												
Patricia Guenther (Kalamazoo)												
Cathi Abbs (St. Joe)												
Angie Dickerson (Van Buren)												

as of 8/9/19

Timothy Carmichael (St. Joe)	
James Blocker (Calhoun)	
Anthony Heiser (St. Joe)	

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