

Southwest Michigan

BEHAVIORAL HEALTH

Board Meeting Minutes

September 13, 2024

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

9:30 am-11:30 am

Members Present: Sherii Sherban, Tom Schmelzer, Louie Csokasy, Edward Meny, Erik Krogh, Carol Naccarato, Lorraine Lindsey

Members Absent: Tina Leary

Guests Present: Brad Casemore, Chief Executive Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Sarah Ameter, Manager of Customer Services, SWMBH; Jeannette Bayyapuneedi, Behavioral Health & Integrated Care Manager, SWMBH; Cameron Bullock, Pivotal; Mandi Quigley, Summit Pointe; John Ruddell, Woodlands; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Ric Compton, Riverwood; Jon Houtz, Pines BH Board Alternate

Welcome Guests

Sherii Sherban called the meeting to order at 9:34 am.

Public Comment

None

Agenda Review and Adoption

Motion Louie Csokasy moved to approve the agenda as presented.
Second Carol Naccarato
Motion Carried

Financial Interest Disclosure (FID) Handling

Mila Todd stated that Barry County CMH has appointed a new Board Alternate to the SWMBH Board; Bob Becker. Mr. Becker was not present at the meeting.

Motion Tom Schmelzer moved that The Board, with reasonable efforts, is not able to obtain a more advantageous transaction or arrangement with someone other than Mr. Becker, the conflict is not so substantial as to be likely to affect the integrity of the services the Board can expect to receive from Mr. Becker, and a conflict of interest waiver should be granted.

Second Edward Meny
Motion Carried

Consent Agenda

Motion Lorraine Lindsey moved to approve the August 9, 2024 Board minutes as presented.
Second Tom Schmelzer
Motion Carried

July 31, August 14, 2024 Operations Committee Meeting Minutes

Minutes were included in the packet for the Board’s information.

Motion Lorraine Lindsey moved to approve the July 31, and August 14, 2024 Board minutes as presented.
Second Tom Schmelzer
Motion Carried

Required Approvals

Operating Agreement

Brad Casemore noted one revision to the Operating Agreement of removing the line related to MI Health Link as SWMBH is no longer participating in the MI Health Link demonstration. Discussion followed with Sherii Sherban recommending the Board focus on scope and authority at the next review.

Motion Edward Meny moved to approve the Operating Agreement as presented.
Second Tom Schmelzer
Motion Carried

Ends Metrics Updates

None scheduled

Board Actions to be Considered

Financial Risk Management Plan

Garyl Guidry presented one proposed revision, as supported by SWMBH’s Audit Firm, to the SWMBH Financial Management Plan. The proposed revision is removing the line: “As a financial risk management strategy, SWMBH maintains \$3 million in reserved local funds as a regional fund for possible use in the event of an entry into the state share of the Medicaid Risk Corridor.” Brad Casemore added that using \$3 million in reserved local funds for legitimate Medicaid expenses artificially reduces Medicaid expense and future capitation rates. Discussion followed.

Motion Lorraine Lindsey moved to approve the SWMBH Financial Risk Management Plan revision as presented.

Second Erik Krogh

Roll Call Vote

- Sherii Sherban yes
- Tom Schmelzer yes
- Carol Naccarato yes
- Edward Meny yes
- Erik Krogh yes
- Louie Csokasy yes
- Lorraine Lindsey yes

Motion Carried

Board Finance Committee

Tom Schmelzer summarized the August 8, 2024 Board Finance Committee meeting and presented the Board Finance Committee Charter for Board approval. Tom also noted that another Board member needs to be appointed to the committee considering Mark Doster’s resignation. Sherii Sherban nominated Carol Naccarato in addition to Tom Schmelzer and Louie Csokasy to serve on the Board Finance Committee and that the Board Finance Committee review the Financial Risk Management Plan and Investment portfolio prior to Board future review and approval. Discussion followed.

Motion Erik Krogh moved to approve the nomination of Carol Naccarato, Tom Schmelzer and Louie Csokasy to the Board Finance Committee
Seconded Lorraine Lindsey
Motion Carried

Motion Tom Schmelzer moved to approve the SWMBH Board Finance Committee Charter as presented.
Second Carol Naccarato
Motion Carried

Holiday Luncheon

Brad Casemore reviewed history of Board holiday luncheons for the Board’s consideration and the topic will be added to the October Board agenda for discussion/decision. Initial view is January after that Board meeting.

Board Policy Review

BG-008 Board Member Job Description

Sherii Sherban reported as documented.

Motion Lorraine Lindsey moved that the Board is in compliance with BG-008 Board Member Job Description and the policy does not need revision.
Second Louie Csokasy
Motion Carried

EO-001 Executive Role & Job Description

Sherii Sherban reported as documented.

Motion Tom Schmelzer moved that the Board accepts the interpretation of Policy EO-001 Executive Role & Job Description as meeting the test of ANY reasonable interpretation and the data shows compliance with the interpretation. And that the Policy does not need revision.
Second Carol Naccarato
Motion Carried

Executive Limitations Review

BEL-005 Treatment of Plan Members

Louie Csokasy reported that he reviewed materials provided by Sara Ameter and commented materials were overwhelmingly positive and SWMBH is going in the right direction. Discussion followed.

Motion Louie Csokasy moved that the Board accepts the interpretation of Policy BEL-005 Treatment of Plan Members as meeting the test of ANY reasonable interpretation and the data shows compliance with the interpretation. And that the Policy does not need revision.

Second Carol Naccarato

Motion Carried

BEL-008 Communication and Counsel

Tom Schmelzer reported as documented.

Motion Tom Schmelzer moved that the Board accepts the interpretation of Policy BEL-008 Communication and Counsel as meeting the test of ANY reasonable interpretation and the data shows compliance with the interpretation. And that the Policy does not need revision.

Second Lorraine Lindsey

Motion Carried

Board Education

Fiscal Year 2024 Year to Date Financial Statements

Garyl Guidry reported as documented noting revenue, expenses and projected deficits. Garyl noted that the Region, for period 10, has a \$24.3 million dollar deficit and is projected to use all of its Internal Service Funds and enter the State's risk corridor for eight million dollars. Brad Casemore noted that it is doubtful to expect the State to adjust fiscal year 2024 Medicaid rates. Discussion followed.

Preview Fiscal Year 2025 Budget

Garyl Guidry reported as documented highlighting projected revenues and expenses noting SWMBH will enter fiscal year 2025 with no Internal Service Funds and no Medicaid savings. Final revenue rate information will be known on Monday, September 16th per MDHHS and a revised Fiscal Year 2025 Budget will be brought to the October Board for approval. Discussion followed. Discussion ensued around Board Policies on Financial Conditions and Budgeting and the Financial Risk Management Plan.

Compliance Role & Function

Mila Todd reported as documented.

Integrated Care

Jeanette Bayyapuneedi reported as documented. Discussion followed.

Communication and Counsel to the Board

October Board Direct Inspections

Brad Casemore noted the draft October Board agenda and October Policy direct inspections of: BEL-002 Financial Conditions (L. Csokasy); and Executive Officer Evaluation Committee establishment.

Investments Update

Garyl Guidry stated that SWMBH is meeting with Investments Advisors and will continue to keep the Board updated. This will become a standing item on Board Finance Committee agenda.

October 4, 2024 9th Annual Regional Healthcare Policy Forum

Brad Casemore reminded the Board of the upcoming event as documented in the packet and encouraged the Board to attend and to circulate the announcement and registration information.

Public Comment

Cameron Bullock and Rich Thiemkey shared their opinions of Fiscal Year 2025 contracts and budgeting. Ric Compton added that PIHP revenues need to be actuarially sound.

Adjournment

Motion Louie Csokasy moved to adjourn at 12:22 pm.
Second Tom Schmelzer
Motion Carried