Southwest Michigan Behavioral Health Board Meeting
Please join the meeting from your computer, tablet, or smartphone:
https://global.gotomeeting.com/join/515345453
You can also dial in using your phone:
1-571-317-3116 - Access Code: 515-345-453
May 14, 2021_9:30 am to 11:00 am
(d) means document provided
Draft: 5/5/21

1. **Welcome Guests/Public Comment**

2. **Agenda Review and Adoption (d) pg.1**

3. **Financial Interest Disclosure Handling (M. Todd)**

   - None Scheduled

4. **Consent Agenda**

   - April 9, 2021 SWMBH Board Meeting Minutes (d) pg.3

5. **Operations Committee**

   a. Operations Committee Minutes March 24, 2021 (d) pg.8
   b. Operations Committee Self-Evaluation (D. Hess, J. Gardner) (d) *Acceptance Motion Required pg.12*

6. **Ends Metrics Updates *(*Requires motion)***
   Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?

   - *National Council on Quality Assurance (NCQA) Managed Behavioral Health Organization (MBHO) Accreditation (J. Gardner) (d) pg.15

7. **Board Actions to be Considered**

   a. Election of Officers (Edward Meny) *Motion Required*
   b. **10:00 – 10:15am** External Auditor Report - Fiscal Year 2020 (Roslund, Prestage & Company, P.C.; Derek Miller) (d) *Acceptance Motion Required pg.18*
   c. June Direct Inspection Assignments *Move to July*
      - BEL-007 Compensation and Benefits (R. Perino)
      - BEL-002 Financial Conditions (M. Middleton)
      - BEL-006 Investments (C. Naccarato)

8. **Board Policy Review**
Is the Board in Compliance? Does the Policy Need Revision?

- BG-011 Governing Style (d) pg. 50

9. **Executive Limitations Review**
Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?

- BEL-004 Treatment of Staff (P. Garrett) (d) *To be Reassigned for July Board Agenda pg.52*

10. **Board Education**

a. Fiscal Year 2021 Year to Date Financial Statements (T. Dawson) (d) pg.57
b. Fiscal Year 2021 Mid-Year Contract Vendor Summary (T. Dawson) (d) pg.65
c. Emerging Integrated Care Initiatives (B. Casemore) (d) pg.68

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

a. Provider Network Stability Report (M. Todd) (d) pg.77
b. **10:30 – 11:00** Environmental Scan (CMHAM Alan Bolter) (d) pg.80
c. June 11, 2021 Draft Board Agenda (d) pg.102
d. Board Member Attendance Roster (d) pg.104
e. Brad not at June Board meeting – Mila substitutes
f. Ex-Michigan health department director Robert Gordon subpoenaed over separation agreement - from Detroit Free Press, see link below: https://www.freep.com/story/news/politics/2021/04/22/robert-gordon-subpoena-separation-agreement/7332715002/
g. White House Nominates Dr. Miriam Delphin-Rittmon as Assistant Secretary for Mental Health and Substance Use (d) pg.105

12. **Public Comment**

13. **Adjournment**

Next Board Meeting
June 11, 2021
9:30 am - 11:00 am

Board Planning Session

11:15 am **Welcome, Objectives and Board Preferences**
11:20 am **Discussion: Bolter Material. Integrated Care Initiatives. Certified Community Behavioral Health Clinics (J. Patton). Shirkey and Whiteford System Transformation Efforts. Advocacy Group Response to Shirkey Proposal.**
1:00 - 1:15 pm **Next Steps and Board Needs**

SWMBH adheres to all applicable laws, rules, and regulations in the operation of its public meetings, including the Michigan Open Meetings Act, MCL 15.261 – 15.275.
SWMBH does not limit or restrict the rights of the press or other news media.
Discussions and deliberations at an open meeting must be able to be heard by the public participating in the meeting. Board members must avoid using email, texting, instant messaging, and other forms of electronic communication to make a decision or deliberate toward a decision and must avoid "round-the-horn" decision-making in a manner not accessible to the public at an open meeting.

Southwest Michigan
BEHAVIORAL HEALTH

Draft Board Meeting Minutes
April 9, 2021
9:30 am-11:00 am
GoTo Webinar and Conference Call
Draft: 4/12/21

Members Present: Erik Krogh

Members Present via phone:
Ruth Perino, Tom Schmelzer, Randy Hyrns, Mary Middleton, Carol Naccarato, Susan Barnes

Guests Present: Bradley Casemore, Executive Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist and Rights Advisor, SWMBH

Guests Present via phone: Tracy Dawson, Chief Financial Officer, SWMBH; Mila Todd, Chief Compliance and Privacy Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance Performance and Improvement, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Sarah Green, Integrated Care Manager, SWMBH; Deb Hess, Van Buren CMH; Richard Thiemkey, Barry County CMH; Kelly Jenkins, Barry County CMH; Jon Houtz, Pines BH Board Alternate; Mary Ann Bush, Project Coordinator/Senior Operations Specialist, SWMBH; Brad Sysol, Summit Pointe; Pat Guenther, ISK Board Alternate; Jeff Patton, ISK; Jane Konyndyk, ISK; Terry Proctor, Woodlands Board Alternate; Sue Germann, Pines BH; Kris Kirsch, St. Joseph CMH; Justin Rolin, Gambling Prevention Specialist, SWMBH

Welcome Guests
Tom Schmelzer called the meeting to order at 9:32 am and Board attendees were announced. Brad Casemore reviewed the Kalamazoo State of Emergency due to COVID-19 and therefore remote attendance is allowable under Sec.3 (2) (a) (ii) of PA228.

Public Comment
None

Agenda Review and Adoption

Motion	Erik Krogh moved to accept the agenda with the additions of live board meetings under Board Actions and Michigan Legislative Integration Proposal under Communication and Counsel.	
Second	Susan Barnes	
Roll call vote	Ruth Perino	yes
	Randy Hyrns	yes
	Tom Schmelzer	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes
Motion Carried		

Financial Interest Disclosure Handling

Mila Todd stated that there were no disclosures.

Consent Agenda

Motion	Ruth Perino moved to approve the March 12, 2021 Board meeting minutes as presented.	
Second	Mary Middleton	
Roll call vote	Ruth Perino	yes
	Randy Hyrns	yes
	Tom Schmelzer	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes
Motion Carried		

Operations Committee

Operations Committee Minutes February 24, 2021

Tom Schmelzer noted the minutes as documented. No additional comments. Minutes accepted.

Operations Committee Quarterly Report

Debra Hess reported as documented. Discussion followed.

Ends Metrics

Fiscal Year 2020 Michigan Mission Based Performance Indicator System

Jonathan Gardner reported as documented.

Motion	Erik Krogh moved to that the data is relevant and compelling, the Executive Officer is in compliance and the Ends Metrics revision is acceptable and approved. The 2021 Board Ends Metric has been revised as appropriate in accordance with the 2020 MDHHS code book.	
Second	Mary Middleton	
Roll call vote	Ruth Perino	yes
	Randy Hyrns	yes
	Tom Schmelzer	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes

Board Actions to be Considered

Election of Officers

Tom Schmelzer recommended that the Election of Officers be tabled until the May meeting. The Board agreed. The Elections of Officers to the SWMBH Board will be held at the May 14th, 2021 meeting.

Live Board Meetings

Brad Casemore reviewed the history of the Open Meetings Act statues and the current declared state of emergency in Kalamazoo, noting that all eight counties in our region have a declared state of emergency. Discussion followed. The Board agreed to meet remotely for the remainder of 2021, until December 31, 2021.

Motion	Erik Krogh moved that the Board meet remotely for the remainder of 2021, until December 31, 2021.	
Second	Ruth Perino	
Roll call vote	Ruth Perino	yes
	Randy Hyrns	yes
	Tom Schmelzer	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes

Board Policy Review

BG-006 Annual Board Planning

Tom Schmelzer reported as documented.

Motion	Susan Barnes moved that the Board is in compliance and policy BG-006 Annual Board Planning does not need revision.	
Second	Carol Naccarato	
Roll call vote	Ruth Perino	yes
	Randy Hyrns	yes
	Tom Schmelzer	yes
	Mary Middleton	yes
	Erik Krogh	yes
	Carol Naccarato	yes
	Susan Barnes	yes

BG-010 Board Committee Principles

Tom Schmelzer reported as documented.

Motion	Mary Middleton moved that the Board is in compliance and policy BG-010 Board Committee Principles does not need revision.	
Second	Ruth Perino	
Roll call vote	Ruth Perino	yes
	Randy Hyrns	yes

Tom Schmelzer	yes
Mary Middleton	yes
Erik Krogh	yes
Carol Naccarato	yes
Susan Barnes	yes

Executive Limitations Review

None

Board Education

Open Meetings Act (OMA)

Brad Casemore reported as documented noting SWMBH is watching and monitoring any revisions or extensions made to the OMA and that SWMBH recommendations are informed and thought out. Please reach out to Brad Casemore with any feedback, questions or concerns.

Fiscal Year 2021 Year to Date Financial Statements

Tracy Dawson reported as documented noting that the direct care wage is included in the total and that any money not spent in 2020 must be returned to the State. Discussion followed.

Michigan Consortium for Healthcare Excellence Written Report

Brad Casemore reported as documented.

March Gambling Awareness Prevention Month Update

Justin Rolin reported as documented. Discussion followed.

Communication and Counsel to the Board

MI Health Link (Duals Demonstration)

Brad Casemore reported as documented.

Public Policy Committee Update

Brad Casemore reported as documented.

Michigan Association of Health Plans Presentation

Brad Casemore noted the document in the packet for the Board's review and highlighted the behavioral integration information in the presentation.

Policy Governance Bootcamp

Brad Casemore noted the document in the packet for the Board's review.

May 14, 2021 Board Agenda

Brad Casemore noted the document in the packet for the Board's review.

May 14, 2021 Board Planning Session Update

Brad Casemore noted the Board Planning Session is scheduled for May 14, 2021 from 11:15am to 1:15pm. Mary Ann Bush will be sending invitations and information soon.

Board Member Attendance Roster
Brad Casemore noted the document in the packet for the Board's review. Randy Hyrns asked for 2020 and 2021 Board attendance information be sent to him.

2021 Advocacy Handbook
Brad Casemore noted the document in the packet for the Board's review.

May Board Policy Direct Inspect
Brad Casemore noted that Patrick Garrett will be reviewing Board Policy BEL-004 Treatment of Staff at the May 14, 2021 Board meeting.

Michigan Legislative Integration Proposal
Brad Casemore reported that the Michigan Legislators are again proposing a carve in behavioral health integration proposal. SWMBH continues to monitor this proposal and will keep the Board informed.

Public Comment

None

Adjournment

Motion Erik Krogh moved to adjourn at 11:02am
Second Susan Barnes
Unanimous Voice Vote
Motion Carried

Southwest Michigan
BEHAVIORAL HEALTH

Operations Committee Meeting Minutes
Meeting: March 24, 2021 10:00am-1:00pm

Members Present via phone – Brad Casemore, Jeannie Goodrich, Jeff Patton, Richard Thiemkey, Sue Germann, Kris Kirsch, Tim Smith, Ric Compton, Debbie Hess

Guests present via phone – Tracy Dawson, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Jonathan Gardner, Director of Quality Assurance and Performance Improvement, SWMBH; Joel Smith, Substance Use Treatment and Prevention Director, SWMBH; Moira Kean, Director of Clinical Quality, SWMBH; Sarah Ameter, Manager of Customer Services, SWMBH; Rhea Freitag, Behavioral Health Waiver and Clinical Quality Manager, SWMBH; Beth Guisinger, Manager of Utilization Management and Call Center, SWMBH; Michelle Jacobs, Senior Operations Specialist and Rights Advisor, SWMBH; Brad Sysol, Summit Pointe; Pat Davis, Integrated Services of Kalamazoo; Mary Ann Bush, Senior Operations Specialist/Project Coordinator, SWMBH; Gale Hackworth, Clinical Consultant, SWMBH; Beth Ann Meints, ISK; Amy Kanouse and Kelsey Schell, MDHHS

Call to Order – Brad Casemore began the meeting at 10:00 am.

Review and approve agenda – Agenda approved.

Review and approve minutes from 2/24/21 Operations Committee Meeting – Minutes were approved by the Committee.

Kelsey Schell, Health Home Analyst, Office of Recovery Oriented Systems of Care (ROSC), MDHHS – Kelsey Schell shared State updates regarding:

- Opioid Health Homes – Region 4 is doing a great job as your baseline year. State would like to expand statewide by fiscal year 2022.
- Behavioral Health Homes – Behavioral Health Homes are active in Regions 1, 2 and 8 and is their baseline year. State is exploring expansion in fiscal year 2023.
- eConsent Pilot – eConsent and Michigan Health Information Network Shared Services (MiHIN) will interface with plans for use statewide by 2023. State working out "kinks" with CareConnect 360 and workflow processes.

Amy Kanouse, Contractor, MDHHS – Kelsey Schell shared State updates regarding:

- Certified Community Behavioral Health Clinics (CCBHC) Federal – SAMHSA grant with funding going directly to CCBHC sites with no State involvement.
- Certified Community Behavioral Health Clinics (CCBHC) Demonstrations State – State is working through requirements. Potential billing specifics discussed.
- Michigan Crisis and Access Line (MiCAL) – MiCAL pilot set to launch in April in the Upper Peninsula and Oakland County. After pilot launch State is reviewing documentation and

certification processes. State plans for statewide expansion in summer of 2021. Evaluation of MiCAL and 998 and will become 998 in summer of 2022.

Unenrolled Complex Care Management Proposal – Brad Casemore circulated confidential draft document for CMHSP CEO review and discussion. Please provide feedback and revisions by April 19th.

CMH Updates – In the interest of time, this item was deferred except to congratulate Summit Pointe on opening their crisis center.

Fiscal Year 2021 Year to Date Financials – Tracy Dawson noted that documents are not ready yet; waiting on reporting from one CMHSP.

Fiscal Year 2020 Close Out – Tracy Dawson reported that submission to the State is on 3/31 and then close out will be shared at April's Operations Committee meeting.

Fiscal Year 2021 Encounters – Tracy Dawson reported as documented.

Fiscal Year 2021 Direct Care Wage (DCW) – Tracy Dawson reported that SWMBH is waiting on more guidance from the State.

Cost Allocation, Encounter Quality Improvement (EQI) and Rate Setting/Standardized Cost Allocation Processes – Tracy Dawson stated the next rate setting meeting is scheduled for 4/26 and state is reviewing data submitted to them. Tracy Dawson stated that EQI data is being submitted on 3/31/21. Pat Davis stated that rate templates and guidance to be finalized in April. Jeannie Goodrich noted that the CEO Cost Allocation workgroup has not met.

Fiscal Year 2020 Performance Bonus Incentive Program (PBIP) earnings detail – Tracy Dawson reported as documented. Brad Casemore thanked everyone for their hard work in earning 100% PBIP dollars.

Governor's Fiscal Year 2021 Supplement and Fiscal Year 2022 Budget – Brad Casemore noted the documents in the packet for the groups review.

Regional Public Policy Committee Charter Revisions – Brad Casemore noted the document in the packet for the groups review.

Submission of Annual DHHS Incentive Payment Data for Fiscal Year 2020 – Jonathan Gardner reported as documented.

Center for Medicare and Medicaid Services (CMS) Certified Community Behavioral Health Clinics (CCBHC) Demonstration – Brad Casemore reported as documented, noting a meeting is being scheduled with participating CMHSPs and TBD Solutions to discuss CCBHC implementation.

Autism Fee Schedule – Brad Casemore reported as documented.

Cost Allocation/Falcone/DHHS – Brad Casemore noted the document in the packet for the groups review.

Community Mental Health MI Health Link and Outpatient Staff – This topic was moved to April's meeting.

Opioid Health Home (OHH) Health Management Association (HMA) Scope of Work (SOW) – Joel Smith stated that SWMBH will be working with HMA on oversight and development of OHH to define an improved clinical model and fidelity standards.

Behavioral Health Developmental Disabilities Administration (BHDDA) Memo – Expectations or Face to Face Services – Brad Casemore noted the document in the packet for the groups review.

Beacon Specialized Independent Placements – Ric Compton stated that the region is losing Specialized Individual Placement (SIP) settings due to the State's changes in coding. Moving a client from a SIP to Specialized Residential is more costly and does not match their level of care.

Service Use Evaluation (SUE) – Tracy Dawson stated that a SUE meeting will be scheduled after year-end. Drive tool by Milliman needs to be revised and SUE pulls from data that is no longer being reported.

May Board Planning Meeting – Brad Casemore stated that an agenda will be sent out soon and Alan Bolter is a scheduled presenter.

Operations Committee Self-Evaluation – The committee agreed to use the same questions and survey method as last year. Jonathan Gardner to email the survey. Results to be discussed at April's Opertions Committee meeting and presented to the SWMBH Board at their May 14th meeting.

Fiscal Year 2021 Performance Bonus Incentive Pool – Moira Kean reviewed joint health plans metrics, Health Effectiveness Data and Information Set (HEDIS) metrics, and statistically significant health disparities.

Assessment Tools Status – Natalie Spivak stated that Child and Adolescent Functional Assessments Scale (CAFAS) needs some work and Substance Use Disorder (SUD) Behavioral Health (BH) Treatment Episode Data Set (TEDS) looks good, thanking Anastasia Miliadi for her hard work.

Relias Population Health Application Roll Out – Natalie Spivak summarized application and topics that application covers.

820 and 834 Files to CMHs – Natalie Spivak clarified that requests to provide these files be sent to her. The files are not human readable and IT staff will have to parse it out to make it readable.

Fiscal Year 2020 Customer Satisfaction Survey Results – Jonathan Gardner reported as documented.

Integrated Care Updates – Moira Kean stated that Sarah Green has accepted the position of Integrated Care Manager and will be updating the Integrated Care strategic plan.

Level of Care Navigator – Moira Kean stated that this position is funded by a mental health block grant and helps individuals' transition from inpatient to receiving services, noting that there are currently nine individuals with complex care needs receiving this service.

Z Codes – Moira Kean stated to be aware of Z codes for determinates of health. DHHS could use these codes in the future.

Mental Health Block Grant Letter of Intent – Moira Kean stated that SWMBH is submitting a letter of intent, targeting youth and families, to MDHHS by 3/29/21 regarding available supplemental funding for outreach, trainings and other COVID related issues.

H2015 – Anne Wickham stated that there was a technical assistance meeting on the conversion of H0043 to H2015. Ongoing discussion at regional committees on how our region will implement this conversion.

MCG – Anne Wickham stated that SWMBH is going live on April 2, 2021 with Indicia trainings the following week. Brad Casemore stated that the MCG contract expiries September of 2021 and MCHE is process of contract renewal terms.

Opioid Health Homes (OHH) – Joel Smith stated that there are 275 enrollees, and as SWMBH approaches the sixth month mark, the State will begin reviewing encounters.

American Society of Addiction Medicine (ASAM) Continuum of Care Installation – Joel Smith stated that meetings are ongoing regarding the 10/1/21 implementation of the ASAM standardized assessment tool. SWMBH continues to develop workflows and processes to address accessing the tool through the SWMBH system and/or accessing the tool through the providers electronic medical records system.

Substance Use Disorder (SUD) Block Grant Funding – Joel Smith stated that the State Opioid Response No Cost Extension (SOR NCE) Grant was reduced. SWMBH is submitting a recommendation to the department and continues to look for the dollars from the Federal COVID Relief package.

April 9, 2021 SWMBH Board Agenda – Brad Casemore noted the agenda in the packet for the committee's review.

April 28, 2021 Operations Committee Meeting Agenda – Brad Casemore noted the agenda in the packet for the committee's review.

Adjourned – Meeting adjourned at 1:00pm

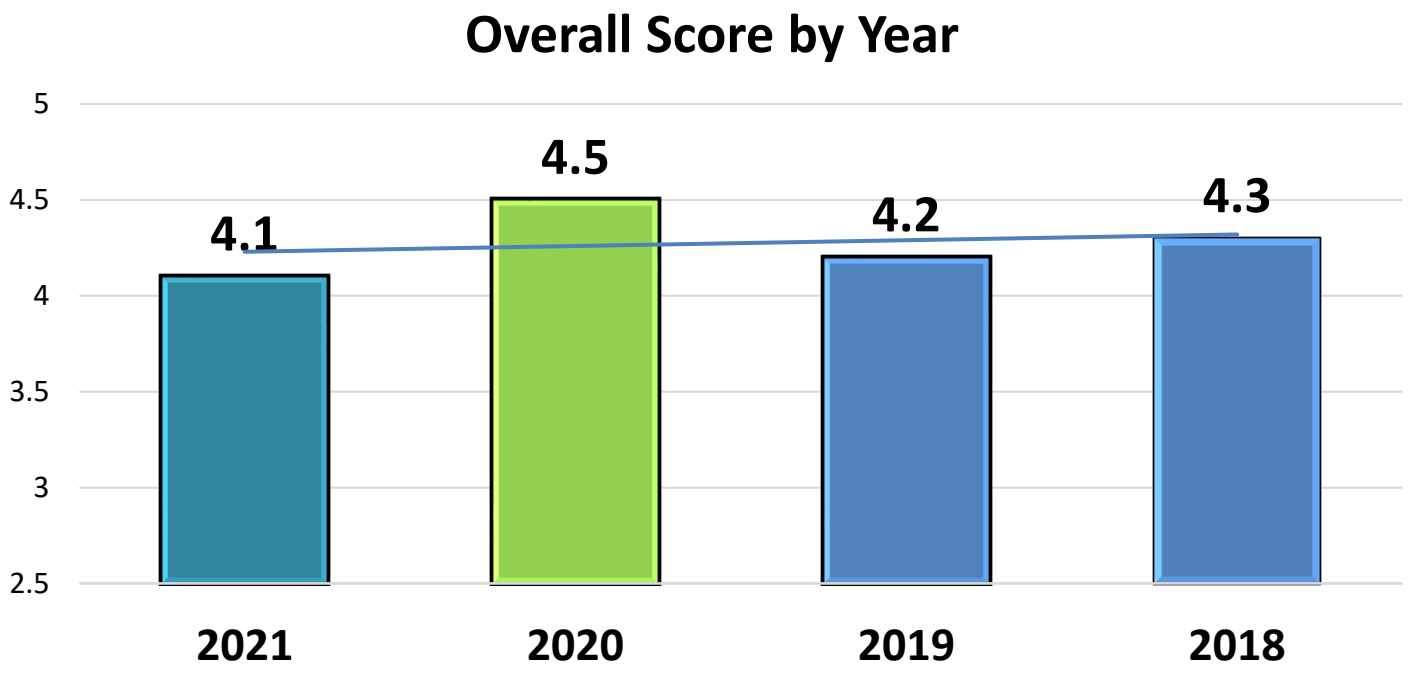
Southwest Michigan
BEHAVIORAL HEALTH

2021 Operations Committee Self-Evaluation Summary Report

April 28, 2021

Operations Committee
Self Evaluation Summary Report

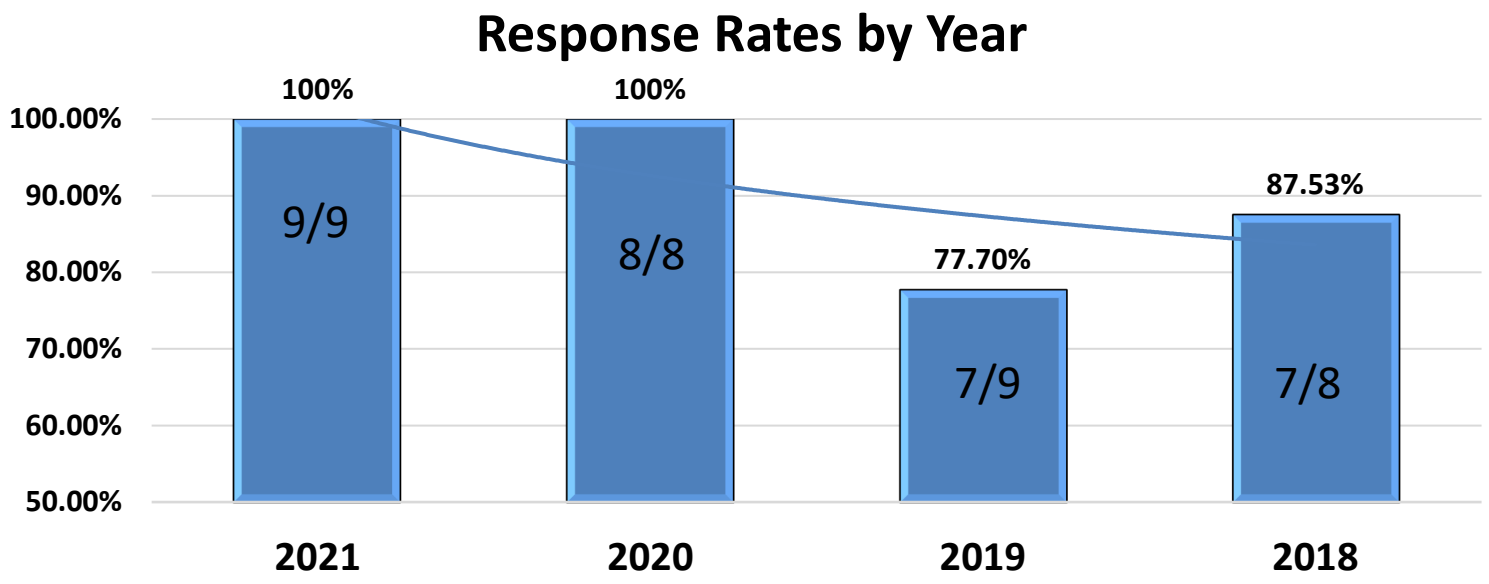
The Operations Committee performed its annual self-evaluation on April 6, 2021, by confidential score submissions. The Scoring system was a 5-point scale, with 5 being “strongly agree” and 1 being “strongly disagree”. The overall average score for 17 questions is shown below, as well as a comparison of the previous years overall score. The 2021 survey observed an average score of (4.1), which is a (-.40) decrease in scores, across all questions in comparison to the 2020 survey.



The overall Average “In Agreement Percentage” was 83%

Operations Committee
Self Evaluation Summary Report

- 2021 Self Evaluation = 100% response rate (9/9)
- 2020 Self Evaluation = 100% response rate (8/8)
- 2019 Self Evaluation = 77.7% response rate (7/9)
- 2018 Self Evaluation = 87.5% response rate (7/8)



2021-2022 Board Ends Metric for Presentation and Approval

National Committee for Quality Assurance (NCQA) – Managed Behavioral Healthcare Organization Reaccreditation.

PERFORMANCE METRIC DESCRIPTION	STATUS
SWMBH will achieve Recertification of National Committee for Quality Assurance (NCQA) – Managed Behavioral Healthcare Organization Medicare Service Line. Metric Measurement Period: (12/1/2020 - 3/31/21) Metric Board Report Date: June 11, 2021 A. SWMBH will prepare all required evidence for each standard/element and submit through the IRT tool to NCQA by 12/15/20. B. SWMBH will prepare and complete the on-site survey review process by 3/31/21. **Measurement:** Results are verified, certified by the NCQA final compliance report to be received by June 2021. **Possible Points:** • 1 point awarded upon official Board approval (1 Year Successful Reaccreditation) • +1/2 bonus points awarded for achievement of (Full – 3 years) Reaccreditation.	**METRIC ACHIEVED** SWMBH's Current NCQA Accreditation was good through March 2021. SWMBH completed the reaccreditation process and was notified on April 16th, that a 1-year successful reaccreditation was awarded. SWMBH's overall score was an 82% and 84% was needed to achieve 3-year reaccreditation status.

1100 13th Street NW, Third Floor
Washington, DC 20005
phone 202.955.3500
fax 202.955.3599
www.ncqa.org

April 8, 2021

Bradley Casemore
Executive Officer
Southwest Michigan Behavioral Health
5250 Lovers Ln. Suite 200
Portage, MI 49002

Dear Mr. Casemore:

We are pleased to inform you that based on the information gathered during your recent MBHO survey, the National Committee for Quality Assurance (NCQA) Review Oversight Committee has awarded **Southwest Michigan Behavioral Health** the accreditation status(es) listed below. The final assessment report, which incorporates relevant changes made in response to your organization's earlier comments, can be accessed by visiting https://irt.ncqa.org. Please select your organization's project on the Dashboard and then select "View Final Report" from the actions menu. If this section does not appear, please follow the instructions in the attached documents entitled "Log In and Dashboard" and "User Management" and update your user rights.

Product Line/ Product	Accreditation Status	Effective Date	Expiration Date
Medicare MBHO	One Year	March 25, 2021	June 25, 2022

The NCQA Report Card will be updated to reflect this status by no later than the 15th of May. A certificate reflecting your accreditation status(es) can be downloaded from my.ncqa.org in recognition of your achievement. Also, for your convenience, you may download the NCQA accreditation seal by visiting our Web site at www.ncqa.org. Please refer to the 'Guidelines for Advertising NCQA MBHO Survey Accreditation,' enclosed.

If you have reason to believe that the compliance scoring of any standard or standards does not accurately reflect your organization's compliance with the standards, you have the opportunity to request a reconsideration of compliance designations and/or distinction outcome by the NCQA Reconsideration Committee. To proceed with reconsideration, NCQA must receive within the next 30 days a written request for reconsideration that addresses at least one of the grounds for appeal identified in the Reconsideration section of the "Administrative Policies and Procedures" of the 2020 *Standards and Guidelines for the Accreditation of Managed Behavioral Healthcare Organizations*. This request must not exceed five pages in length and must include a listing of the standards for which reconsideration is being requested. A fee, as specified in the Agreement for MBHO Accreditation Survey, "Pricing Methodology and Cancellation Policy" (Exhibit A), is charged for reconsideration. The fee must be paid at the time reconsideration is requested.

www.ncqa.org

In order to maintain your accreditation status(es), Southwest Michigan Behavioral Health will need to participate in a resurvey approximately three months prior to the expiration date. Your next survey will be conducted in NCQA's Interactive Review System (IRT) and standards in effect at the time of the survey. The first, or offsite, stage will begin immediately upon submission of your organization's completed Survey Tool. During this stage, NCQA reviews the organization against most of the standards and elements, thus reducing the duration of the second, or onsite, stage which will be scheduled to begin seven weeks after your Survey Tool is submitted to NCQA.

We have tentatively reserved **March 29, 2022**, as the submission date of the completed Survey Tool to NCQA. NCQA has tentatively set **May 16 - 17, 2022** for your two-day onsite survey. If the proposed dates present a problem for you or if you have any questions regarding these dates, please contact Cindy Francis, Program Manager, Accreditation, at (202) 955-5147 or e-mail francis@ncqa.org.

If you have questions about the IRT, please contact NCQA Customer Support at (888) 275-7585 or via my.ncqa.org. You can also visit www.ncqa.org for additional information.

While it is our understanding that the results of this distinction survey may satisfy a state regulatory requirement, NCQA assumes no responsibility for transmitting copies of this report to relevant state agencies.

We wish to acknowledge your quality improvement efforts, which were evident throughout the survey process. NCQA looks forward to working with you and your staff again in the future.

Sincerely,

Sue Matthiesen
Assistant Vice President, Accreditation

Suggested Motion: *The data and evidence presented is relevant and compelling. The Executive Officer is in compliance and no metric revisions are needed at this time.*

Southwest Michigan Behavioral Health

Financial Statements
September 30, 2020

RPC
Roslund Prestage & Company
Certified Public Accountants

525 WEST WARWICK DRIVE, SUITE A, ALMA, MICHIGAN 48801

Southwest Michigan Behavioral Health
Table of Contents
September 30, 2020

RPC
Roslund Prestage & Company
Certified Public Accountants

Independent Auditor's Report

To the Members of the Board
Southwest Michigan Behavioral Health
Portage, Michigan

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Southwest Michigan Behavioral Health (the Entity), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Entity, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in

the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on April 21, 2021, on our consideration of the Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Entity's internal control over financial reporting and compliance.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
Certified Public Accountants

April 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

SOUTHWEST MICHIGAN BEHAVIORAL HEALTH (SWMBH)

MANAGEMENT DISCUSSION & ANALYSIS FISCAL YEAR 2020

FOR THE PERIOD October 1, 2019 – SEPTEMBER 30, 2020

The following narrative offers readers of Southwest Michigan Behavioral Health's external audit a narrative overview and analysis of its operational and financial activities for the 12-month period ended September 30, 2020.

The information contained in management's discussion and analysis (MD&A) should be considered in conjunction with financial statements.

BACKGROUND:

Southwest Michigan Behavioral Health (SWMBH) is a Michigan public body, created as a Regional Entity under 330.1204(b) of the Michigan Mental Health Code. SWMBH became the regional Prepaid Inpatient Health Plan (PIHP) for Medicaid Specialty Services and Supports and other related payer contracts on January 1, 2014. SWMBH became the Substance Abuse Coordinating Agency for the eight county[i] region on February 1, 2014. SWMBH is a participating PIHP in the MI Health Link Demonstration for dual eligibles. This began March 1, 2015 and continues on-going through 12/31/24.

SWMBH has its own governing board comprised of one appointee from each Participant Community Mental Health Services Program (CMHSP) Board[ii]. SWMBH is a separate legal entity from the CMHSPs. Additionally, Per MCL 300.1100a (22), an Inter-governmental Agreement was executed on December 10, 2013 and a Substance Abuse Oversight Policy Board established on January 20, 2014. This agreement was renewed in 2020.

SWMBH is responsible for managing a range of publicly funded behavioral health benefits in the counties of Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren. SWMBH holds both capitated and cost-based reimbursement contracts with the Michigan Department of Health and Human Services (MDHHS) for Medicaid Managed Specialty and Support Services, Medicaid and MiChild (state program name), Autism Benefits under an iSPA, Healthy Michigan Plan, Habitation Supports Waiver, Block Grant & and PA2 Substance Abuse Prevention and Treatment. SWMBH contracts with and funds each Participant CMH in a sub-capitation style, interim payment, cost-settlement model for most of these contracts, though not all. SWMBH is the risk-bearer for these contracts. SWMBH also maintains a provider network for selected services and supports with other providers on a per-diem or fee-for-service contracts.

SWMBH's duties include:

- Enter into contracts to provide services to plan members;
- Fulfillment of its benefits management PIHP role to MDHHS, including assuring delegated managed care functions are sound,
- Manage all mental health and substance abuse funds provided to the organization either directly or via sub-contract;
- Manage many of the primary and specialty medical care dollars;
- Assure that plan members are satisfied with their health care services;
- Assure that the State is satisfied with the performance of SWMBH;
- Remove barriers to seeking behavioral and primary care services;
- Uniformity of benefit (access, severity of illness-intensity of service, etc.)
- Assure plan members are aware of services and those who seek services are seen at or above stated standards;
- Assure plan members utilizing services experience improvements in their quality of life;
- Assure administrative and service efficiencies are achieved;
- Assure compliance to all applicable regulatory and contractual requirements for itself, its participant CMHs and its contracted providers.

Using This Annual Report

The annual report consists of four parts:

1. Management's Discussion & Analysis (MD&A)
2. Basic Financial Statements
3. Notes to the Financial Statements

The MD&A provides management's view of the current performance and financial results and expectations about the future.

The financial statements include the Statement of Net Position (often referred to as the Balance Sheet) which reflects the balance in the assets, liabilities and net position of SWMBH as of September 30, 2020. The net position is the result of the assets minus the liabilities, reflecting the financial health or position of the organization.

The Statement of Revenues, Expenses, and Changes in Net Position reflects the revenues, expenses and increase or decrease in the net position of SWMBH as a result of its activities during the period of time being reported.

The Statement of Cash Flows shows the sources from which funds were received, and how they were used over the course of the time period being reported.

SWMBH uses the accrual method of accounting, meaning that all of the period's revenues and expenses are taken into account regardless of when cash is actually received or paid. Revenues are recognized when earned, and expenses are recognized when incurred, absent instructions to the contrary from MDHHS or GAAP.

FINANCIAL HIGHLIGHTS

SWMBH's financial review will focus on the current year's results. Total assets at September 30, 2020 were $35,425,048 and total liabilities were $19,024,859. The difference between total assets and liabilities reflects the net revenue from activities of $16,400,189, interest income on ISF funds of $4,155 and Medicaid savings income of $0.

Total program revenue for the Regional Entity for the period October 1, 2019 through September 30, 2020 was as follows:

State Funding:	$	285,772,715
Federal Grants:		7,806,890
Local Funding		3,369,599
Other Revenue		252,500
Total Revenues:	$	297,201,704

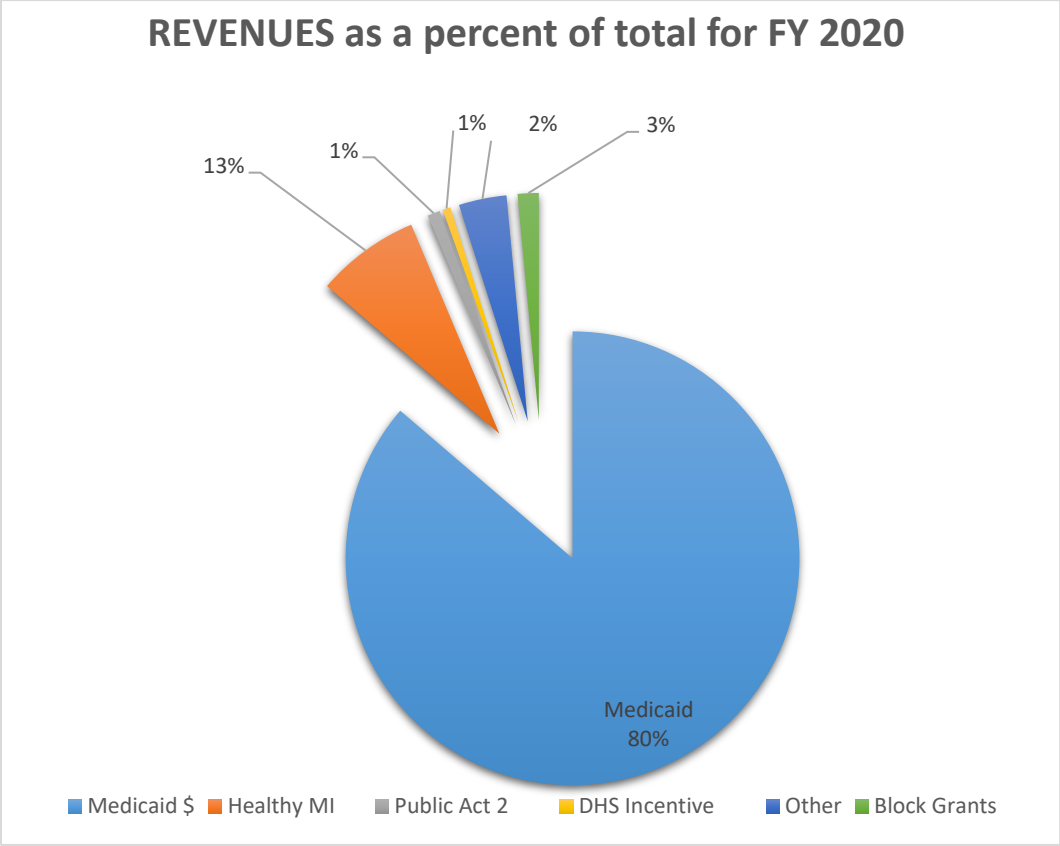
Specialty Managed Care Services Internal Service (Risk Reserve) Fund (ISF) is below 7.5%, as of 9/30/2020.

Medicaid Only:

Medical Loss Ratio (MLR):	Actual %	86.4
Admin Cost/Total Cost (ACR):	Actual %	9.4

These results are close or within normally occurring ranges. These ratios are monitored closely.

ANALYSIS OF FINANCIAL POSITION & OPERATING RESULTS:



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Revenue by program is reflected in the chart above and as follows:

State & Local Funding:

Medicaid	$	238,224,041	80%
Healthy MI		39,186,194	13%
Public Act 2		1,643,407	1%
Incentive Payments		3,455,289	1%
Other		6,885,883	2%(MI Health Link, Local, Grants)

Federal Grants:

Block Grants	$	7,806,890	3%

Total Revenue: $297,201,704

ANALYSIS OF BALANCES & TRANSACTIONS OF INDIVIDUAL FUNDS:

SWMBH receives funds from the federal and state governments and contracts with local Community Mental Health Service Providers (CMHSPs) and other providers to provide services for eligible beneficiaries. Additionally, each participant CMHSP provides to SWMBH delegated managed care functions within their county service area. The funds are maintained for the following programs:

- Medicaid Specialty Supports and Services including Habitation Supports Waiver (HSW)
  These programs provide a comprehensive array of specialty mental health and substance abuse services for eligible beneficiaries.
- Substance Abuse/Block Grant/PA2
  Provides for the administration and coordination of substance use disorder (SUD) services.
- Healthy Michigan Plan
  Provides for medically necessary services based on modified gross income eligibility. Autism benefits, provides for the coordination of services to children diagnosis of autism, these funds are not included in the monthly capitation payment from MDHHS.

CAPITAL ASSET & LONG-TERM DEBT ACTIVITY:

Southwest Michigan Behavioral Health does not own the land or the buildings from which it operates. It also has no long-term debt.

As of September 30, 2020, SWMBH has the following capitalized assets which consist of:

Vehicles:	$ 28,613
Managed Care Software	796,755
Accumulated Depreciation	(790,965)
Total (Net) Capital Assets	$34,403

There was no long-term debt incurred during the past year.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS:

Given the COVID-19 pandemic Michigan has experienced a difficult time economically. Due to the pandemic Medicaid eligible participants that might have lost eligibility did not and have remained covered during FY20. Thus revenues, especially for TANF persons in the Specialty Supports and Services program have remained steady. We expect this to change once the State reverses that policy and the revenue will trend downward, the magnitude as yet is unknown.

As for Medicare, conversations with Integrated Care Organizations (ICOs) from whence that capitation revenue emerges will continue; there are contractual commitments to reviewing and performing actuarial analyses and capitation revisions. There will be cost settlements with the ICO's for FY's 19 in FY21.

FORWARD OUTLOOK

Fiscal Year 2020 was exceedingly challenging largely due to the COVID-19 pandemic and related disruptions to service access and the PIHP business. Further, 2020 was complicated by the plethora of federal and state statutory and policy changes impacting capitation revenue receipts, tracking and reconciliation. The numerous revisions MDHHS and Milliman made to rate-setting along with prior year adjustment issues have yet to be clarified as of this writing. Yet, our financial position is more favorable than at least four (4) PIHPs which have been in the state's risk corridor through fiscal year 2019 and several others thought to be in the state's risk corridor for fiscal year 2020.

For fiscal year 2021 we anticipate a stabilization in the pandemic resulting in increased demand for behavioral health services as well as greater willingness and ability of persons served to seek services, resulting in a rebound higher medical loss ratio.

We are conversing with the MI Health Link (duals) Integrated Care Organizations Aetna and Meridian regarding multi-year reconciliation, contract re-negotiation and their plans for January 1, 2022 as the Demonstration ends 12/31/24.

Management and the Board have active and ongoing strategic planning activity, a mature environmental scan process, and a detailed list of new and emerging initiatives focused on population health, integrated care and healthcare data analytics.

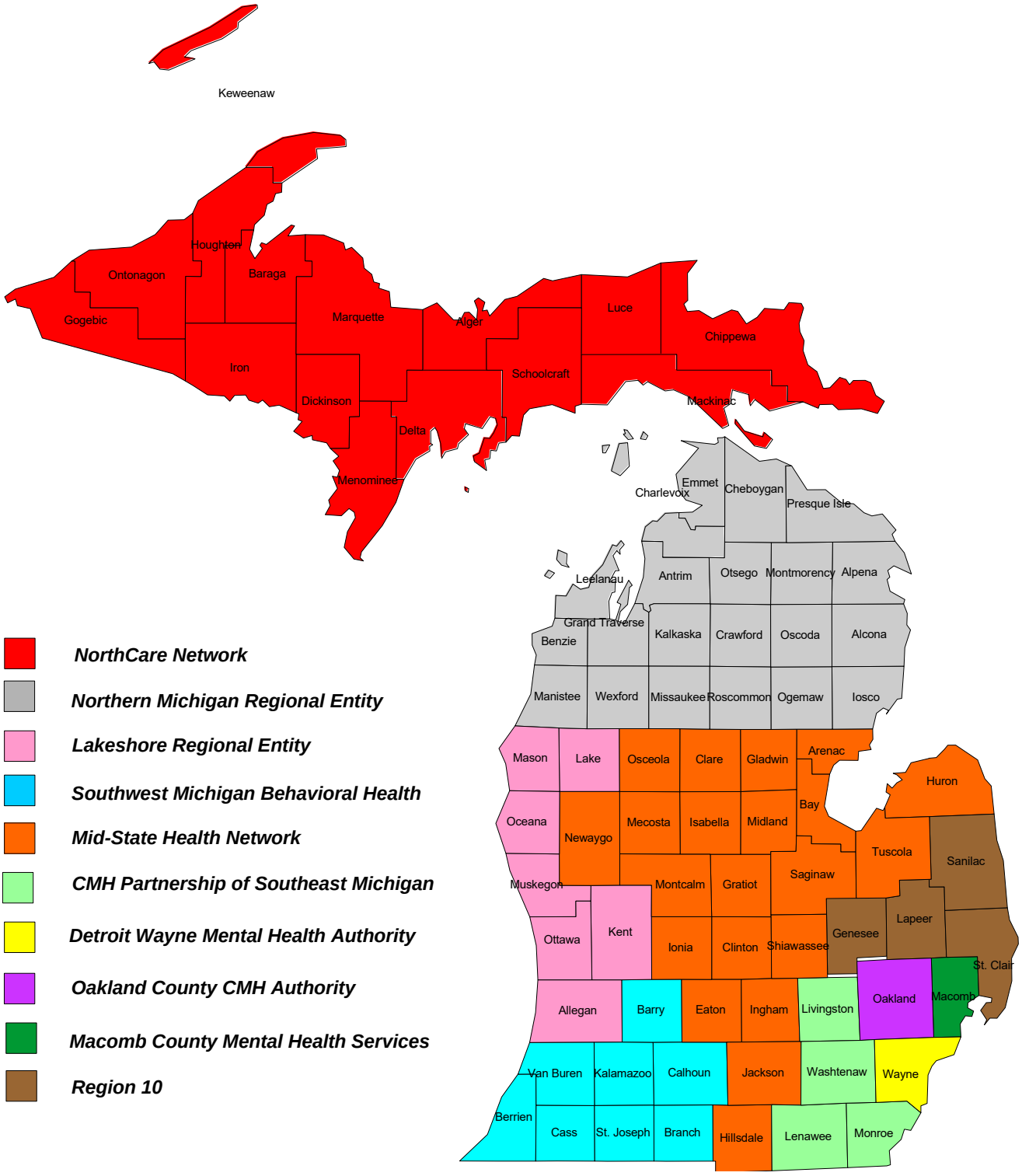
The recent release of the "Gearing Up for Integrated Care" carve-in legislative plan will again create tensions and anxieties throughout the system. SWMBH is well-situated to weather this repeated attack on the public behavioral health system with an assertive agency culture accelerator program, low staff turnover and a history of top tier performance.

Regardless of the environment our Board, management and CMHSPs maintain our focus on exemplary access, quality, effectiveness and cost considerations.

[i] Map of Michigan's Regional Entities
[ii] 2020 SWMBH Board Member Roster

Attachment i - Map of Michigan's Regional Entities

Michigan PIHP Map



Updated 03/03/2016

2020 Board Member Roster

Barry County

- Bob Nelson
- Robert Becker (Alternate)

Berrien County

- Edward Meny - Chair
- Randy Hyrns (Alternate)

Branch County

- Tom Schmelzer – Vice-Chair
- Jon Houtz (Alternate)

Calhoun County

- Patrick Garrett
- Kathy-Sue Vette (Alternate)

Cass County

- Mike McShane
- Mary Middleton

Kalamazoo County

- Erik Krogh
- Patricia Guenther (Alternate)

St. Joseph County

- Janet Bermingham
- Cathi Abbs (Alternate)

Van Buren County

- Susan Barnes - Secretary
- Angie Dickerson (Alternate)

BASIC FINANCIAL STATEMENTS

Southwest Michigan Behavioral Health
Statement of Net Position
September 30, 2020

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Current assets			
Cash and cash equivalents - unrestricted	$ 9,171,937	$ -	$ 9,171,937
Cash and cash equivalents - restricted	284,473	1,772,706	2,057,179
Due from other governmental units	25,864,545	-	25,864,545
Due from other funds	-	3,244,207	3,244,207
Prepaid expenses	69,690	-	69,690
Total current assets	35,390,645	5,016,913	40,407,558
Noncurrent assets			
Capital assets being depreciated, net	34,403	-	34,403
Total assets	35,425,048	5,016,913	40,441,961
Current liabilities			
Accounts payable	1,217,430	-	1,217,430
Accrued payroll and benefits	286,780	-	286,780
Due to other governmental units	8,327,717	-	8,327,717
Due to other funds	3,244,207	-	3,244,207
Incurred but not reported claims liability	1,024,324	-	1,024,324
Unearned revenue	4,639,928	-	4,639,928
Compensated absences, due within one year	42,671	-	42,671
Total current liabilities	18,783,057	-	18,783,057
Noncurrent liabilities			
Compensated absences, due beyond one year	241,802	-	241,802
Total liabilities	19,024,859	-	19,024,859
Net position			
Net investment in capital assets	34,403	-	34,403
Restricted for Medicaid risk management	-	3,022,339	3,022,339
Restricted for Healthy Michigan risk management	-	1,994,574	1,994,574
Restricted for Medicaid Savings	10,750,765	-	10,750,765
Restricted for Healthy Michigan Savings	1,689,274	-	1,689,274
Restricted for Performance Bonus Incentive Pool	3,417,252	-	3,417,252
Unrestricted	508,495	-	508,495
Total net position	$ 16,400,189	$ 5,016,913	$ 21,417,102

The notes to the financial statements are an integral part of this statement.

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2020

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Operating revenues			
State funding			
Medicaid	$ 238,224,041	$ -	$ 238,224,041
Healthy Michigan	39,186,194	-	39,186,194
Incentive payments	3,455,289	-	3,455,289
Medicare-Medicaid capitated revenue	3,275,546	-	3,275,546
State grant revenue	1,631,645	-	1,631,645
Total State funding	285,772,715	-	285,772,715
Federal grants			
Block grants	5,750,456	-	5,750,456
Partnerships for Success	138,400	-	138,400
Opioid State Targeted Response	440,406	-	440,406
State Opioid Response	1,477,628	-	1,477,628
Total federal grants	7,806,890	-	7,806,890
Local funding			
Public Act 2 funding	1,643,407	-	1,643,407
Local match drawdown	1,726,192	-	1,726,192
Total local funding	3,369,599	-	3,369,599
Other operating revenues	252,500	-	252,500
Total operating revenues	297,201,704	-	297,201,704
Operating expenses			
Funding for affiliate partners			
Barry County Community Mental Health	10,252,038	-	10,252,038
Kalamazoo Community Mental Health	70,634,886	-	70,634,886
Pines Behavioral Health	11,516,197	-	11,516,197
Riverwood Center	49,186,043	-	49,186,043
St. Joseph Community Mental Health	17,021,852	-	17,021,852
Summit Pointe	45,426,667	-	45,426,667
Van Buren Community Mental Health	23,293,393	-	23,293,393
Woodlands Behavioral Healthcare Network	12,139,882	-	12,139,882
PBIP funding for affiliate partners	1,588,529	-	1,588,529
Total funding for affiliate partners	241,059,487	-	241,059,487
Contract expenditures			
Contractual services	24,085,509	-	24,085,509
IPA and HRA taxes	8,270,513	-	8,270,513
Local match drawdown	1,726,192	-	1,726,192
Total contract expenditures	34,082,214	-	34,082,214
Administrative expenses			
Salaries and contracted personnel	4,811,026	-	4,811,026
Fringe benefits	1,338,624	-	1,338,624
Board expenses	760	-	760

Southwest Michigan Behavioral Health
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2020

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Community education	$ 95,902	$ -	$ 95,902
Depreciation expense	89,067	-	89,067
Furniture and small equipment	448,123	-	448,123
Insurance	29,887	-	29,887
IT and Consulting services	692,505	-	692,505
Lease expense	233,506	-	233,506
Legal and professional	156,298	-	156,298
Maintenance and custodial	30,163	-	30,163
Meeting and training expense	51,959	-	51,959
Membership and dues	69,222	-	69,222
Other operating expenses	10,353	-	10,353
Staff development and travel	47,421	-	47,421
Supplies	34,727	-	34,727
Utilities	80,055	-	80,055
Total administrative expenses	8,219,598	-	8,219,598
Total operating expenses	283,361,299	-	283,361,299
Operating income (loss)	13,840,405	-	13,840,405
Non-operating revenues (expenses)			
Investment income	81,397	4,155	85,552
Non-operating local expense	(76,193)	-	(76,193)
Total non-operating revenues (expenses)	5,204	4,155	9,359
Change in net position	13,845,609	4,155	13,849,764
Net position, beginning of year	2,554,580	5,012,758	7,567,338
Net position, end of year	$ 16,400,189	$ 5,016,913	$ 21,417,102

Southwest Michigan Behavioral Health
Statement of Cash Flows
For the Year Ended September 30, 2020

	Enterprise Fund	Internal Service	
	Mental Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Cash flows from operating activities			
Receipts from the State and other governments	$ 297,554,635	$ -	$ 297,554,635
Payments to employees	(6,017,118)	-	(6,017,118)
Payments to affiliates and other governments	(304,101,897)	-	(304,101,897)
Payments to suppliers and providers	(2,163,218)	-	(2,163,218)
Net cash provided by (used in) operating activities	(14,727,598)	-	(14,727,598)
Cash flows from noncapital financing activities			
Payments from/to other funds	-	-	-
Payments for non-operating local expense	(76,193)	-	(76,193)
Net cash provided by (used in) noncapital fin. activities	(76,193)	-	(76,193)
Cash flows from investment activities			
Investment income	81,397	4,155	85,552
Net cash provided by (used in) investment activities	81,397	4,155	85,552
Net increase in cash and cash equivalents	(14,722,394)	4,155	(14,718,239)
Cash and cash equivalents, beginning of year	24,178,804	1,768,551	25,947,355
Cash and cash equivalents, end of year	$ 9,456,410	$ 1,772,706	$ 11,229,116
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 13,840,405	$ -	$ 13,840,405
Depreciation expense	89,067	-	89,067
Changes in assets and liabilities:			
Accounts receivable	29,905	-	29,905
Due from other governmental units	(24,465,660)	-	(24,465,660)
Prepaid expenses	5,300	-	5,300
Accounts payable	(187,637)	-	(187,637)
Due to other governmental units	(4,494,536)	-	(4,494,536)
Accrued payroll and benefits	46,148	-	46,148
Incurred but not reported claims liability	-	-	-
Unearned revenue	323,026	-	323,026
Compensated absences	86,384	-	86,384
Net cash provided by (used in) operating activities	$ (14,727,598)	$ -	$ (14,727,598)

NOTES TO THE
FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Southwest Michigan Behavioral Health (the Entity) have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the Entity.

Reporting Entity

The Entity was formed by the CMHSP Participants to serve as the prepaid inpatient health plan ("PIHP") beginning on January 1, 2014 for the 8 counties designated by the Michigan Department of Health and Human Services as Region 4. The CMHSP Participants include Barry County Community Mental Health, Pines Behavioral Health (Branch Community Mental Health), Riverwood Center (Berrien Community Mental Health), Woodlands Behavioral Healthcare Network (Cass County Community Mental Health), Kalamazoo County Community Mental Health, Summit Pointe (Calhoun Community Mental Health), St. Joseph County Community Mental Health, and Van Buren Community Mental Health Authority.

Southwest Michigan Behavioral Health is a regional entity, which was formed pursuant to 1974 P.A. 258, as amended, MCL §330.1204b, as a public governmental entity separate from the CMHSP Participants that established it.

Financial Statement Presentation

Under GASB 34, the Entity is considered a special purpose government and has elected to present the basic statements as an Enterprise Fund (a type of proprietary fund) which is designed to be self-supporting. Enterprise Funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the Entity are charges related to serving its customers (including primarily "per member per month" capitation and state and county appropriations). Operating expenses for the Entity include cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses including investment income and interest expense.

As a general rule, the effect of interfund activity has been eliminated when presenting total proprietary fund activity.

All amounts shown are in U.S. dollars.

Fund Accounting

The accounts of the Entity are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, and expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The Entity reports the following major enterprise fund:

Mental Health Operating – This fund is used to account for those activities that are financed and operated in a manner similar to private business relating to revenues earned, costs incurred, and/or net income. This fund of the Entity accounts for its general operations.

In addition, the Entity reports the following major internal service fund:

Medicaid Risk Reserve – This fund is used to cover the risk of overspending the Medicaid Managed Care Specialty Services Program Contract within the established risk corridor. This contract provides for the use of Department of Health and Human Services funding for the establishment of Internal Service Funds. Expenses from this fund will occur when, in any one fiscal year, the Entity finds it necessary to expend more to provide services to carry out the contract requirements than revenue provided by the contract.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenue and expenses are recognized in the accounts and reported in the

financial statements. The proprietary funds are accounted for using the full accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The proprietary funds are accounted for on a cost of services or economic resources measurement focus. This means that all assets and all liabilities associated with their activity are included on the statement of net position.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Entity's cash and cash equivalents are considered to be cash on hand, money market funds, demand deposits, and certificates of deposit.

Investments
Investments for the Entity are reported at fair value (generally based on quoted market prices).

Accounts Receivable/Payable
Accounts receivable/payable in all funds report amounts that have arisen in the ordinary course of business. Accounts receivable is stated net of allowances for uncollectible amounts, if any.

Due from/Due to Other Governmental Units
Due from/due to other governmental units consist primarily of amounts due from/to the CMHSPs Participants and the State of Michigan.

Inventories
The Entity does not recognize supplies inventory as an asset. The cost of these supplies is considered immaterial to the financial statements and the quantities are not prone to wide fluctuation from year to year. The costs of such supplies are expensed when purchased.

Prepaid Expenses
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

Capital Assets
Capital assets are defined by the Entity as individual assets with an initial cost equal to or more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Entity are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Computers and software	3
Vehicles	5

The Entity reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a related expense is recognized in the current year.

Accrued Payroll and Benefits
Accrued payroll and benefits relate to salaries and wages earned in September but not paid until October.

Unearned Revenue
The Entity reports unearned revenue when revenue does not meet either the "measurable" and "available" criteria for recognition in the current period, or when resources are received by the Entity before it has a legal claim to them, such as when grant money is received prior to the incurrence of qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Entity has legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Incurred But Not Reported (IBNR) Liability
The amounts recorded in liabilities include amounts for incurred inpatient, residential and community provider claims liability based on management's estimate. The Entity may not be billed for these until several months after the date of service. The actual cost may vary from the estimated amount for a variety of reasons that include, but are not limited to, retroactive consumer eligibility or cost recovery from other third-party payers.

The methodology used in estimating reserves considers factors such as historical data adjusted for payment patterns, cost trends, service and benefit mixes, seasonality, utilization of health care services, internal processing changes, the amount of time it took to pay claims from prior periods, changes in the past few months in the claims adjudication procedures, changes in benefits, events that would lead to excessive claims, large increases or decreases in membership, and other relevant factors.

Compensated Absences
The Entity's policy permits employees to accumulate earned but unused vacation and sick benefits, which are eligible for payment upon separation from the Entity's service. The liability for such leave is reported as incurred in the financial statements. The liability for compensated absences includes salary related benefits, where applicable.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Entity has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Entity has no items that qualify for reporting in this category.

Net Position
Net investment in capital assets
This category consists of capital asset balances, net of accumulated depreciation, less outstanding balances of debt related to those assets.

Restricted
Net position in this category is reported as restricted when constraints placed on net position use is either:
- Externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or
- Imposed by law through constitutional provisions or enabling legislation.

Unrestricted
If net position does not meet the criteria for the above categories, it is reported as unrestricted.

In addition, the Entity will first use restricted resources when an expense is incurred for purposes for which either restricted or unrestricted net position is available.

MDHHS Revenue
The Entity serves as the Pre-Paid Inpatient Health Plan for the area that includes Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph and Van Buren Counties. The Entity contracts directly with the Michigan Department

of Health and Human Services (MDHHS) to administer mental health and substance abuse revenues for covered services provided to eligible residents of these counties.

Restrictions on Net Position

Mental Health Operating

A portion of the net position has been restricted to fund the net uninsured exposure of potential shortfalls of contract revenues. As of September 30th, this amount was $10,750,765 for Medicaid Savings and $1,689,274 for Healthy Michigan Savings.

Another portion of the net position has been restricted in the Mental Health Operating fund in accordance the requirements of the Performance Bonus Incentive Pool (PBIP). These PBIP funds must be used for the benefit of the public behavioral health system. As of September 30th, the amount of this restriction was $3,417,252.

Internal Service Fund

A portion of the net position has been restricted in the internal service fund to fund the net uninsured exposure of potential shortfalls of contract revenues. As of September 30th, this amount was $3,022,339 for Medicaid risk management and $1,994,574 for Healthy Michigan risk management.

Internal Service Fund

The Entity authorized the establishment of an internal service fund. This fund is used to cover the risk of overspending the Managed Care Specialty Services Program Contract within the established risk corridor. This contract provides for the use of MDHHS funding for the establishment of Internal Service Funds.

Expenses from this fund will occur when, in any one fiscal year, the Entity finds it necessary to expend more to provide services to carry out the contract requirements than revenue provided by the contract.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

Michigan's statutory authority allows governmental entities to invest in the following investments:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified institution.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investments Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

At September 30th the carrying amount of the Entity's cash and cash equivalents are as follows:

Description	Amount
Cash and cash equivalents - unrestricted	9,456,410
Cash and cash equivalents - restricted	1,772,706
Total cash and cash equivalents	11,229,116

Cash and Cash Equivalents - Restricted

The Entity has charged to MDHHS for the vested portion of compensated absences as of September 30th. The Entity holds, in a separate bank account, funds restricted for the payment of the compensated absences as they come due.

Cash and cash equivalents have been restricted in the Internal Service Fund for the expected future risk corridor requirements of the MDHHS contract.

Description	Amount
Restricted for Compensated Absences	284,473
Restricted for Internal Service Fund	1,772,706
Total	2,057,179

Interest Rate Risk
State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The Entity's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk
State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the summary of significant accounting policies. The Entity's investment policy does not have specific limits in excess of state law on investment credit. The ratings for each investment are identified above for investments held at year-end.

Custodial Credit Risk
Custodial credit risk is the risk that in the event of a bank failure, the Entity's deposits may not be returned. State law does not require and the Entity does not have a policy for deposit custodial credit risk. As of year-end, $778,130 of the Entity's bank balance $18,909,046 was exposed to custodial credit risk. FDIC insured balances are held in bank, CDARS and Sweep accounts.

Due to the timing of when funds are received (from MDHHS) and when they are remitted (to the CMHSPs), it is not operationally feasible to have all deposits covered by FDIC insurance coverage. The Entity typically remits payments to the CMHSPs within 2 business days from when the payment details are received from MDHHS.

The Entity evaluated the remaining financial institutions where the remaining funds will be held and the risk of the institution has an acceptable estimated risk level and deemed appropriate. To help reduce custodial credit risk, management has chosen to invest in repurchase agreements, as seen below.

Description	Fair Value	Weighted average maturity (in years)	%
First National Bank - Insured Cash Sweep	$17,880,915	.0027	100%
1 day maturity equals approximately .0027 years.			

Concentration of Credit Risk
State law limits allowable investments but does not limit concentration of credit risk as identified in the summary of significant accounting policies. The Entity's investment policy does not have specific limits in excess of state law on concentration of credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

The Entity believes that the accounts receivable will be collected in full and therefore the receivable balance has not been offset by an allowance for doubtful accounts.

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Due from other governmental units as of September 30th consists of the following:

Description	Amount
MDHHS	6,625,340
Barry County CMH	1,074,439
Kalamazoo CMH	7,918,458
Pines Behavioral Health	2,410,338
Riverwood Center	814,864
St. Joseph County CMH	1,058,198
Summit Pointe	1,782,744
Van Buren County CMH	1,823,756
Woodlands Behavioral Healthcare Network	2,356,408
Total	25,864,545

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated					
Computers and software	796,755	-	-	-	796,755
Vehicles	28,613	-	-	-	28,613
Total capital assets being depreciated	825,368	-	-	-	825,368
Accumulated depreciation					
Computers and software	(695,222)	(83,344)	-	-	(778,566)
Vehicles	(6,676)	(5,723)	-	-	(12,399)
Total accumulated depreciation	(701,898)	(89,067)	-	-	(790,965)
Capital assets being depreciated, net	123,470	(89,067)	-	-	34,403

NOTE 6 - DUE TO OTHER GOVERNMENTAL UNITS

Due to other governmental units as of September 30th consists of the following:

Description	Amount
MDHHS	4,407,495
Barry County CMH	77,874
Kalamazoo CMH	470,030
Other	3,372,318
Total	8,327,717

NOTE 7 - UNEARNED REVENUE

The amount reported as unearned revenue represents revenues received in advance of the period earned as follows:

Description	Amount
PA2 revenues	4,468,607
Other unearned revenues	171,321
Total	4,639,928

NOTE 8 - LONG-TERM LIABILITIES

The changes in the long-term liabilities are as follows:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Compensated absences	198,089	116,097	(29,713)	284,473	42,671

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

As of September 30th, the composition of net investment in capital assets was comprised of the following:

Net investment in capital assets	Amount
Capital asset being depreciated, net	34,403
Net investment in capital assets	34,403

NOTE 10 – RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT PLANS

Defined Contribution Retirement Plan – 401(a)

Plan Description

The Entity offers all employees a retirement plan created in accordance with the Internal Revenue Code, Section 401(a). The assets of the plan were held in trust for the exclusive benefit of the participants (employees) and their beneficiaries. Nationwide acts as the custodian for the plan and holds the custodial account for the beneficiaries of this Section 401(a) plan.

The assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. Plan balances and activities are not reflected in the Entity's financial statements.

Plan provisions are established or amended by Board resolution. This plan is funded solely by employer contributions.

Eligibility

All employees are eligible.

Contributions

The Entity contributes a match of 50% of the employee deferral (into the 457 plan) up to the maximum of 5.0% of wages. The Entity may also make discretionary contributions.

Normal Retirement Age & Vesting

Retirement age as defined by the plan is 59 ½ years of age. Contributions are vested 33% per year and 100% vested after 3 years of vesting service (1,000 hours in a plan year). All participants are fully vested upon death, disability and retirement.

Forfeitures
Forfeitures of contributions are reallocated as an employer discretionary contribution.

For the year ended September 30th, employer contributions (net of $7,988 in forfeitures) amounted to $189,485. No discretionary contributions were made during the fiscal year. The outstanding liability to the plan at year-end was $0.

Deferred Compensation Retirement Plan – 457(b)
Plan Description
The Entity offers all employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan were held in trust, as described in IRC Section 457(b) for the exclusive benefit of the participants (employees) and their beneficiaries. Nationwide acts as the custodian for the plan and holds the custodial account for the beneficiaries of this plan.

The assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Entity's financial statements.

Plan provisions are established or amended by Board resolution. Under the plan, employees may elect to defer a portion of their wages, subject to Internal Revenue Service limits. This plan is funded solely by employee contributions.

Eligibility
All employees are eligible.

Contributions
Pre-tax employee deferrals and catch up contributions are allowed (up to maximum allowed by law). Rollovers are allowed from all participants.

Normal Retirement Age & Vesting
Retirement age as defined by the plan is 59 ½ years of age. All contributions are 100% vested immediately.

Forfeitures
Contributions are 100% vested immediately therefore there are no forfeitures.

Funding
For the year ended September 30th, contributions by employees amounted to $391,339. The outstanding liability to the plan at year-end was $0.

NOTE 11 - OPERATING LEASES

The Entity has entered into various operating leases for the use of real and personal property. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in the financial statements. Lease expense for the fiscal year was approximately $233,308.

The future minimum lease obligations as of September 30th, were as follows:

Year Ending September 30th	Amount
2021	238,052
2022	205,100
2023	208,371
2024	215,397
2025	222,543
2026	229,813

NOTE 12 - RISK MANAGEMENT

MMRMA
The Entity is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries; and natural disasters. The Entity participated in the public entity risk pool – Michigan Municipal Risk Management Authority (MMRMA) for auto and general liability, property and crime and vehicle physical damage coverage.

MMRMA, a separate legal entity, is a self-insured association organized under the laws of the State of Michigan to provide self-insurance protection against loss and risk management services to various Michigan governmental entities.

As a member of this pool, the Entity is responsible for paying all losses, including damages, loss adjustment expenses and defense costs, for each occurrence that falls within the member's self-insured retention. If a covered loss exceeds the Entity's limits, all further payments for such loss are the sole obligation of the Entity. If for any reason MMRMA's resources available to pay losses are depleted, the payment of all unpaid losses of the Entity is the sole obligation of the Entity. Settled claims have not exceeded the amount of coverage in any of the past three years.

The Entity's coverage limits are $10,000,000 for general and public officials' liability, $1,500,000 vehicles, and $1,550,543 for buildings and personal property.

Medicaid Risk Reserve
The Entity covers the costs up to 105% of the annual Medicaid and Healthy Michigan contract. The Entity and MDHHS equally share the costs between 105% to 110% of the contract amounts. Costs in excess of 110% of the contract are covered entirely by MDHHS.

The Entity has established a Medicaid Risk Reserve Fund, in accordance with MDHHS guidelines, to assist in managing any potential operating shortfalls (as noted above) under the terms of its contract with the MDHHS.

NOTE 13 – CONTINGENT LIABILITIES

Under the terms of various federal and state grants and regulatory requirements, the Entity is subject to periodic audits of its agreements, as well as a cost settlement process under the full management contract with the regional entity and the state. Such audits could lead to questioned costs and/or requests for reimbursement to the grantor or regulatory agencies. Cost settlement adjustments, if any, as a result of compliance audits are recorded in the year that the settlement is finalized. The amount of expenses which may be disallowed, if any, cannot be determined at this time, although the Entity expects such amounts, if any, to be immaterial.

NOTE 14 – ECONOMIC DEPENDENCE

The Entity receives over 95% of its revenues directly from the State of Michigan.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 84, Fiduciary Activities, was issued by the GASB in January 2017 and will be effective for the Entity's 2020-2021 fiscal year. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Entities with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

GASB Statement No. 87, Leases, was issued by the GASB in June 2017 and will be effective for the Entity's 2021-2022 fiscal year. The objective of this Statement is to better meet the information needs of financial statement

users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the Board
Southwest Michigan Behavioral Health
Portage, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Southwest Michigan Behavioral Health (the Entity), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements, and have issued our report thereon dated April 21, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Roslund, Prestage & Company, P.C.

Roslund, Prestage & Company, P.C.
April 21, 2021

RPC
Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

Southwest Michigan Behavioral Health
Financial Statements
September 30, 2020

Southwest Michigan
BEHAVIORAL HEALTH

Section: Board Policy – Governance	Policy Number: BG-011	Pages: 2
Subject: Governing Style and Commitment	**Required By**: Policy Governance	**Accountability:** SWMBH Board
Application: ☒ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board
Effective Date: 04.11.2014	**Last Review Date**: 5.8.20	**Past Review Dates**: 04.11.15, 05.08.15, 5.13.16, 12.9.16, 5.12.17, 5.11.18, 5.10.19

I. **PURPOSE:**
The SWMBH Board will engage in continual refinement of its values and vision, guaranteeing the accountability of SWMBH through monitoring of performance.

,

II. **POLICY:**
The Board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive roles, (e) collective rather than individual decisions, (f) future rather than past or present focus, and (g) proactivity rather than reactivity.

III. **STANDARDS:**
Accordingly, the SWMBH Board shall:

1. Cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives. The Board will not use the expertise of individual member to substitute for the judgment of the Board, although the expertise of individual members may be used to enhance the understanding of the Board as a body.

2. Direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts, not on administrative or programmatic means of attaining those effects.

3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will observe those currently in force.

4. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

5. Allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling group obligations.

6. The Board will monitor and discuss the Board's process and performance periodically. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.

7. Follow the SWMBH Conflict of Interest Policy.

8. When a Member either must recuse themselves or chooses to recuse themselves from voting on a Board decision their prior potential vote count will be removed from the vote tally denominator.

   When a Member abstains from voting on a Board decision their potential vote count will not be removed from the vote tally denominator.

Southwest Michigan
BEHAVIORAL HEALTH

Section:	Policy Number:	Pages:
Board Policy	BEL-004	1
Subject:	**Required By**:	**Accountability:**
Treatment of Staff	Policy Governance	SWMBH Board
Application: ☐ SWMBH Governance Board ☒ SWMBH EO		**Required Reviewer:** SWMBH Board

Effective Date:	Last Review Date:	Past Review Dates:
03.14.2014	5.8.20	12.12.14, 3/11/16, 4/14/17, 4.13.18, 5.10.19

I. **PURPOSE:**

To clearly define the Treatment of SWMBH staff by SWMBH.

II. **POLICY:**

With respect to the treatment of paid and volunteer staff, the EO shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

III. **STANDARDS:**

Accordingly the EO may not:

1. Operate without written personnel rules that:
   a. Clarify rules for staff
   b. Provide effective handling of grievances and
   c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

2. Retaliate against any staff member for expression of dissent.

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

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

Southwest Michigan
BEHAVIORAL HEALTH

Executive Limitations
Monitoring to Assure Executive Performance
May 14, 2021

Policy Number: BEL-004
Policy Name: Treatment of Staff
Assigned Reviewer: Patrick Garrett

Purpose: To clearly define the Treatment of SWMBH staff.

Policy: With respect to the treatment of paid and volunteer staff, the EO shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

Standards: Accordingly, the EO may not;

1. Operate without written personnel rules that:

    a. Clarify rules for staff
    b. Provide effective handling of grievances and
    c. Protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.

EO Response: A SWMBH Staff Manual exists which a. clarifies rules for staff, b. provides for handling of grievances – termed "conflict resolution", and c. protects against the wrongful conditions listed above, as well as a welcoming mechanism for reporting and resolving allegations of these conditions. The manual was revised and reviewed by SWMBH Labor Counsel in January 2019 and is under current revision with projected review by SWMBH Labor Counsel in May 2021.

I have been vigilant toward and responsive to staff needs and concerns, particularly in the areas of fairness, dignity and safety as expressed in this Board directive. Formal orientation and onboarding, inclusive of a mandatory meeting with me, occurs for new staff. Enforcement of expectations related to level of effort, work product output and professional demeanor have been consistent. Staff is treated with dignity & respect and is not subjected to unsafe work environment or conditions. Compliance with this Executive Limitation is evidenced by the absence of any known Worker's Compensation claims, OSHA complaints, FMLA violation claims and the like. In the past year staff have been required to work remotely in accordance with state emergency orders for additional safety measures. SWMBH had no employee complaints filed with Human Resources during the review period.

An Employee Assistance Program is provided for SWMBH staff at no expense to them and is regularly advertised to staff.

In June 2018, a Cultural Insights Survey conducted by an outside contractor, HRM Inc, was conducted to measure staff satisfaction and cultural engagement, this survey led to a project plan to improve employee engagement and satisfaction developed by Senior Leaders. Follow up "pulse" surveys were conducted in 2018 and 2019 with some significant improvements seen in most areas. In December 2019, another full Cultural Insights survey was conducted which showed significant improvement to staff satisfaction and engagement. In order to measure staff satisfaction and engagement during the pandemic additional "pulse" surveys were conducted in April and December 2020 which showed continued satisfaction and engagement in most areas. I continue to work with Senior Leadership and in consultation with Rose Street Advisors/HRM to improve upon these scores.

SWMBH has a Staff Handbook, that was updated with review by labor Counsel in January 2019, circulated to and available to staff. This Handbook has been reviewed in part at staff meetings, is available to all staff on the shared intranet portal and is provided upon hire and as revised with signature receipts on file. Independent Contractors are subject to the terms and conditions of their written Agreements. There have been no related staff or written complaints internally, nor to outside agencies to our knowledge.

We have specific Ends Metrics, departmental strategic imperatives, and performance tracking mechanisms which support organized and clear goals, objectives, responsibilities, and accountabilities in our fast-paced, complex environment. Mechanisms include but are not limited to production and review of management information reports, team meetings, and management deliberations and refinements.

Staff meetings occur a minimum of ten times per year, and include items on agency and regional financial status, Ends Metrics and Goal status, public policy developments, department reports, and major initiative updates. Staff meetings include nominal door prizes for attendees, including a monthly Lunch with Executive Officer (during non-pandemic times). This, in addition to monthly Birthday Bagels with Brad which now occurs virtually, provides ongoing, random, informal setting individual and small group interactions between me and staff.

2. Retaliate against any staff member for expression of dissent.

EO Response: No retaliation against any staff member has occurred for any reason including but not limited to an expression of dissent as evidenced by an absence of staff complaints to management, Human Resources or outside agencies in this regard. No staff member has been discriminated against in any shape or fashion for expressing an ethical dissent as evidenced by the absence

of verbal or written complaints by staff either internal or to external agencies. Monthly staff meetings include a call for agenda items and views, and there is a HR-confidential question and issue submission process.

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

EO Response: This Policy has been reviewed at staff meeting and is prominently posted in the staff lounge. The EO personally covers this Policy and related information in a live meeting with all new staff as part of new employee orientation. This policy is posted at SWMBH, circulated and made available on the shared network drive, Intranet portal and to new staff. Related policies are on the shared network drive, and all staff have access to them. Staff is encouraged to raise personnel and operating policy questions and engage in dialogue amongst themselves, at staff meetings, with Human Resources and the Chief Administrative Officer. I have consistently considered human diversity in all dealings with staff, as evidenced by flexible yet consistent treatment; effective team relations; appropriate production and output; and consideration of staff needs and desires without sacrificing effectiveness or efficiency. This is evidenced by the absence of verbal or written complaints by staff related to diversity issues.

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

EO Response: Safety is an assigned role of Chief Administrative Officer and all staff are trained on safety plans during new employee orientation as well as periodic updates and refreshers at staff meetings. Emergency evacuation maps are centrally located in multiple places throughout the office to aid staff in the event of tornado, fire or bomb threat. Fire extinguishers and emergency lighting are available per commercial building code regulations. The Portage Fire Department inspects the premises twice per year to ensure there are no violations and to offer recommendations to the Chief Administrative Officer. SWMBH has a Business Continuity Plan as well as a committee chaired by a Senior Operations Specialist under the direction of the Chief Administrative Officer (Business Continuity and Safety Committee) that is responsible for continued staff training, drills and improvements. The Business Continuity Plan is reviewed and approved by the EO. SWMBH has a current Covid 19 Response Plan as required by the State of Michigan and the Chief Administrative Officer is responsible for its implementation.

The Board's direct inspector Mr. Garrett was provided with the staff contact information, this report and accompanying materials. He was invited to contact staff and to meet with the EO and Chief Administrative Officer.

Documents Provided:

SWMBH Staff Handbook
SWMBH Staff Contact Roster
December 2020 Cultural Insights Survey

	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 3/31/2021			**P06FYTD21**	**6**									
3	*(For Internal Management Purposes Only)*													
4	***INCOME STATEMENT***			**TOTAL**	**Medicaid Contract**	**Healthy Michigan Contract**	**Autism Contract**	**MI Health Link**	**MH Block Grant Contracts**	**SA Block Grant Contract**	**SA PA2 Funds Contract**	**SWMBH Central**	**Indirect Pooled Cost**	
5														
6														
7	**REVENUE**													
16	Contract Revenue			157,199,572	117,457,337	22,281,445	11,471,739	1,807,700	-	2,735,963	981,768	463,619	-	
17	DHHS Incentive Payments			222,386	222,386	-	-	-	-	-	-	-	-	
18	Grants and Earned Contracts			109,315	-	-	-	-	105,467	3,848	-	-	-	
19	Interest Income - Working Capital			4,318	-	-	-	-	-	-	-	4,318	-	
20	Interest Income - ISF Risk Reserve			546	-	-	-	-	-	-	-	546	-	
21	Local Funds Contributions			863,096	-	-	-	-	-	-	-	863,096	-	
22	Other Local Income			-	-	-	-	-	-	-	-	-	-	
23														
24	**TOTAL REVENUE**			**158,399,233**	**117,679,723**	**22,281,445**	**11,471,739**	**1,807,700**	**105,467**	**2,739,811**	**981,768**	**1,331,578**	**-**	
25														
26	**EXPENSE**													
27	**Healthcare Cost**													
28	Provider Claims Cost			10,301,952	1,776,705	3,729,064	-	1,696,017	28,587	2,353,905	615,327	102,348	-	
29	CMHP Subcontracts, net of 1st & 3rd party			115,361,366	94,785,656	11,219,198	8,355,048	746,459	-	255,006	-	-	-	
30	Insurance Provider Assessment Withhold (IPA)			1,650,028	1,650,028	-	-	-	-	-	-	-	-	
31	Medicaid Hospital Rate Adjustments			1,101,408	1,101,408	-	-	-	-	-	-	-	-	
32	MHL Cost in Excess of Medicare FFS Cost			-	768,293	-	-	(768,293)		-	-	-		
33														
34	**Total Healthcare Cost**			**128,414,754**	**100,082,089**	**14,948,262**	**8,355,048**	**1,674,183**	**28,587**	**2,608,911**	**615,327**	**102,348**	**-**	
35	**Medical Loss Ratio (HCC % of Revenue)**			**81.6%**	**85.0%**	**67.1%**	**72.8%**	**92.6%**		**95.4%**	**62.7%**			
37	**Administrative Cost**													
38	Purchased Professional Services			192,197	-	-	-	-	-	-	-	192,197	-	
39	Administrative and Other Cost			3,759,113	-	-	-	-	76,881	47,643	-	3,632,786	1,803	
40	Interest Expense			-	-	-	-	-	-	-	-	-	-	
41	Depreciation			11,956	-	-	-	-	-	-	-	11,956	-	
42	Functional Cost Reclassification			-	-	-	-	-	-	-	-	-	-	
43	Allocated Indirect Pooled Cost			0	-	-	-	-	-	-	-	1,803	(1,803)	
44	Delegated Managed Care Admin			8,830,411	7,268,508	864,137	640,796	56,969	-	-	-	-	-	
45	Apportioned Central Mgd Care Admin			(0)	3,026,279	468,481	261,848	76,548	3,305	83,257	-	(3,919,718)	-	
46														
47	**Total Administrative Cost**			**12,793,676**	**10,294,787**	**1,332,618**	**902,645**	**133,517**	**80,186**	**130,900**	**-**	**(80,977)**	**-**	
48	**Admin Cost Ratio (MCA % of Total Cost)**			**9.1%**	**9.3%**	**8.2%**	**9.8%**	**7.4%**		**4.8%**	**0.0%**	**2.8%**		
49														
50	Local Funds Contribution			863,096	-	-	-	-	-	-	-	863,096	-	
51	PBIP Transferred to CMHPs			-								-		
52														
53	**TOTAL COST after apportionment**			**142,071,526**	**110,376,876**	**16,280,880**	**9,257,693**	**1,807,700**	**108,773**	**2,739,811**	**615,327**	**884,467**	**-**	
54														
55	**NET SURPLUS before settlement**			**16,327,706**	**7,302,847**	**6,000,566**	**2,214,047**	**-**	**(3,305)**	**(0)**	**366,441**	**447,111**	**-**	
56	**Net Surplus (Deficit) % of Revenue**			**10.3%**	**6.2%**	**26.9%**	**19.3%**	**0.0%**	**-3.1%**	**0.0%**	**37.3%**	**33.6%**		
58	Prior Year Savings			-	-	-	-	-		-	-	-		
59	Change in PA2 Fund Balance			(366,441)	-	-	-	-		-	(366,441)	-		
60	ISF Risk Reserve Abatement (Funding)			(546)	-	-	-	-		-	-	(546)		
61	ISF Risk Reserve Deficit (Funding)			-	-	-	-	-		-	-	-		
62	Settlement Receivable / (Payable)			(0)	5,986,468	(3,772,421)	(2,214,047)	-	-	0	(0)	-		
63	**NET SURPLUS (DEFICIT)**			**15,960,720**	**13,289,315**	**2,228,145**	**-**	**-**	**(3,305)**	**-**	**-**	**446,565**	**-**	
64	*HMP & Autism is settled with Medicaid*													
65														
66	**SUMMARY OF NET SURPLUS (DEFICIT)**													
67	Prior Year Unspent Savings			-	-	-	-	-		-	-	-		
68	Current Year Savings			15,330,375	13,102,231	2,228,145	-	-		-	-	-		
69	Current Year Public Act 2 Fund Balance			-	-	-	-	-		-	-	-		
70	Local and Other Funds Surplus/(Deficit)			630,344	187,084	-	-	-	(3,305)	-	-	446,565	-	
72	**NET SURPLUS (DEFICIT)**			**15,960,720**	**13,289,315**	**2,228,145**	**-**	**-**	**(3,305)**	**-**	**-**	**446,565**	**-**	
73														

	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 3/31/2021			6									
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	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5													
6	**Medicaid Specialty Services**			*HCC%*	79.5%	76.8%	78.0%	78.1%	78.6%	73.5%	82.2%	81.0%	80.8%
7	Subcontract Revenue		117,457,337	7,316,367	110,140,970	4,766,655	21,785,866	6,109,862	19,895,657	5,980,060	33,836,444	7,267,134	10,499,292
8	Incentive Payment Revenue		222,386	40,241	182,145	9,531	12,708	37,594	57,185	-	56,656	6,354	2,118
9	**Contract Revenue**		**117,679,723**	**7,356,608**	**110,323,115**	**4,776,186**	**21,798,574**	**6,147,456**	**19,952,842**	**5,980,060**	**33,893,100**	**7,273,488**	**10,501,410**
10													
11	External Provider Cost		73,267,716	1,776,705	71,491,011	2,382,922	13,935,110	3,069,374	14,538,961	3,190,479	23,950,955	4,457,087	5,966,123
12	Internal Program Cost		24,504,673	-	24,504,673	1,476,755	4,940,138	1,354,399	4,427,969	1,470,075	4,400,446	2,481,924	3,952,967
13	SSI Reimb, 1st/3rd Party Cost Offset		(463,569)	-	(463,569)	(5,694)	(75,729)	(25,184)	(133,823)	-	(168,262)	(22,308)	(32,569)
14	Insurance Provider Assessment Withhold (IPA)		2,751,436	2,751,436	-	-	-	-	-	-	-	-	-
15	MHL Cost in Excess of Medicare FFS Cost		(35,135)	(35,135)	-	-	-	-	-	-	-	-	-
16	**Total Healthcare Cost**		**100,025,120**	**4,493,005**	**95,532,115**	**3,853,983**	**18,799,519**	**4,398,588**	**18,833,107**	**4,660,554**	**28,183,139**	**6,916,703**	**9,886,521**
17	**Medical Loss Ratio (HCC % of Revenue)**		**85.0%**	**61.1%**	**86.6%**	**80.7%**	**86.2%**	**71.6%**	**94.4%**	**77.9%**	**83.2%**	**95.1%**	**94.1%**
18													
19	**Managed Care Administration**		**10,351,756**	**3,026,279**	**7,325,477**	**429,765**	**1,418,609**	**386,641**	**1,282,968**	**458,462**	**2,344,610**	**379,941**	**624,481**
20	**Admin Cost Ratio (MCA % of Total Cost)**		**9.4%**	**2.7%**	**6.6%**	**10.0%**	**7.0%**	**8.1%**	**6.4%**	**9.0%**	**7.7%**	**5.2%**	**5.9%**
21													
22	**Contract Cost**		**110,376,876**	**7,519,284**	**102,857,592**	**4,283,749**	**20,218,129**	**4,785,229**	**20,116,074**	**5,119,016**	**30,527,749**	**7,296,644**	**10,511,002**
23	**Net before Settlement**		**7,302,847**	**(162,676)**	**7,465,523**	**492,438**	**1,580,445**	**1,362,226**	**(163,232)**	**861,043**	**3,365,351**	**(23,156)**	**(9,592)**
24													
25	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
26	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
27	Contract Settlement / Redistribution		5,986,468	13,451,991	(7,465,523)	(492,438)	(1,580,445)	(1,362,226)	163,232	(861,043)	(3,365,351)	23,156	9,592
28	**Net after Settlement**		**13,289,315**	**13,289,315**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29													
30	**Eligibles and PMPM**												
31	Average Eligibles		163,085	163,085	163,085	8,681	31,301	9,361	30,927	9,877	42,636	13,450	16,852
32	Revenue PMPM		$ 120.26	$ 7.52	$ 112.75	$ 91.70	$ 116.07	$ 109.45	$ 107.53	$ 100.91	$ 132.49	$ 90.13	$ 103.86
33	Expense PMPM		$ 112.80	$ 7.68	$ 105.12	$ 82.24	$ 107.65	$ 85.20	$ 108.41	$ 86.38	$ 119.33	$ 90.42	$ 103.95
34	Margin PMPM		$ 7.46	$ (0.17)	$ 7.63	$ 9.45	$ 8.42	$ 24.25	$ (0.88)	$ 14.53	$ 13.16	$ (0.29)	$ (0.09)
35													
36	**Medicaid Specialty Services**												
37	**Budget v Actual**												
38													
39	**Eligible Lives (Average Eligibles)**												
40	Actual		163,085	163,085	163,085	8,681	31,301	9,361	30,927	9,877	42,636	13,450	16,852
41	Budget		150,993	150,993	150,993	7,748	29,128	8,480	28,644	8,958	39,711	12,462	15,862
42	Variance - Favorable / (Unfavorable)		12,092	12,092	12,092	933	2,173	881	2,283	919	2,925	988	990
43	% Variance - Fav / (Unfav)		8.0%	8.0%	8.0%	12.0%	7.5%	10.4%	8.0%	10.3%	7.4%	7.9%	6.2%
44													
45	**Contract Revenue before settlement**												
46	Actual		117,679,723	7,356,608	110,323,115	4,776,186	21,798,574	6,147,456	19,952,842	5,980,060	33,893,100	7,273,488	10,501,410
47	Budget		110,133,506	6,809,825	103,323,681	4,482,144	20,364,810	5,715,957	18,835,067	5,642,119	31,573,058	6,840,198	9,870,327
48	Variance - Favorable / (Unfavorable)		7,546,217	546,783	6,999,434	294,042	1,433,763	431,498	1,117,775	337,941	2,320,042	433,290	631,083
49	% Variance - Fav / (Unfav)		6.9%	8.0%	6.8%	6.6%	7.0%	7.5%	5.9%	6.0%	7.3%	6.3%	6.4%
50													
51	**Healthcare Cost**												
52	Actual		100,025,120	4,493,005	95,532,115	3,853,983	18,799,519	4,398,588	18,833,107	4,660,554	28,183,139	6,916,703	9,886,521
53	Budget		100,302,528	5,553,750	94,748,778	3,968,531	18,150,835	5,130,378	17,191,387	4,732,637	29,620,302	7,184,587	8,770,121
54	Variance - Favorable / (Unfavorable)		277,408	1,060,745	(783,337)	114,548	(648,684)	731,790	(1,641,720)	72,083	1,437,163	267,884	(1,116,400)
55	% Variance - Fav / (Unfav)		0.3%	19.1%	-0.8%	2.9%	-3.6%	14.3%	-9.5%	1.5%	4.9%	3.7%	-12.7%
56													
57	**Managed Care Administration**												
58	Actual		10,351,756	3,026,279	7,325,477	429,765	1,418,609	386,641	1,282,968	458,462	2,344,610	379,941	624,481
59	Budget		10,729,234	3,724,624	7,004,610	295,963	1,337,123	433,490	1,176,166	430,568	2,360,412	449,898	520,991
60	Variance - Favorable / (Unfavorable)		377,478	698,345	(320,867)	(133,803)	(81,487)	46,848	(106,801)	(27,894)	15,802	69,957	(103,490)
61	% Variance - Fav / (Unfav)		3.5%	18.7%	-4.6%	-45.2%	-6.1%	10.8%	-9.1%	-6.5%	0.7%	15.5%	-19.9%

	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 3/31/2021			**6**									
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**	**Integrated Services of Kalamazoo**	**St Joseph CMHA**	**Van Buren MHA**
5													
62													
63	**Total Contract Cost**												
64	Actual		110,376,876	7,519,284	102,857,592	4,283,749	20,218,129	4,785,229	20,116,074	5,119,016	30,527,749	7,296,644	10,511,002
65	Budget		111,031,762	9,278,374	101,753,388	4,264,494	19,487,958	5,563,868	18,367,553	5,163,205	31,980,714	7,634,485	9,291,112
66	Variance - Favorable / (Unfavorable)		654,886	1,759,090	(1,104,204)	(19,255)	(730,171)	778,639	(1,748,521)	44,189	1,452,965	337,841	(1,219,890)
67	% Variance - Fav / (Unfav)		0.6%	19.0%	-1.1%	-0.5%	-3.7%	14.0%	-9.5%	0.9%	4.5%	4.4%	-13.1%
68													
69	**Net before Settlement**												
70	Actual		7,302,847	(162,676)	7,465,523	492,438	1,580,445	1,362,226	(163,232)	861,043	3,365,351	(23,156)	(9,592)
71	Budget		(898,256)	(2,468,549)	1,570,293	217,650	876,853	152,090	467,514	478,914	(407,656)	(794,287)	579,215
72	Variance - Favorable / (Unfavorable)		8,201,104	2,305,873	5,895,230	274,788	703,593	1,210,137	(630,747)	382,130	3,773,006	771,131	(588,807)
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 3/31/2021			6									
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	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5													
75	***Healthy Michigan Plan***			*HCC%*	9.3%	12.9%	9.4%	9.9%	10.0%	10.9%	8.0%	11.7%	7.7%
76	**Contract Revenue**		**22,281,445**	**4,553,929**	**17,727,517**	**894,228**	**3,540,376**	**838,932**	**3,223,743**	**1,050,106**	**5,106,593**	**1,369,545**	**1,703,994**
77													
78	External Provider Cost		9,876,843	3,729,064	6,147,779	270,076	1,289,925	275,920	942,947	265,689	2,232,562	418,446	452,213
79	Internal Program Cost		5,071,419	-	5,071,419	374,889	966,345	281,826	1,446,079	422,519	508,807	579,543	491,411
80	Insurance Provider Assessment Withhold (IPA)		-	-	-	-	-	-	-	-	-	-	-
81	**Total Healthcare Cost**		**14,948,262**	**3,729,064**	**11,219,198**	**644,966**	**2,256,269**	**557,746**	**2,389,026**	**688,208**	**2,741,368**	**997,989**	**943,625**
82	**Medical Loss Ratio (HCC % of Revenue)**		**67.1%**	**81.9%**	**63.3%**	**72.1%**	**63.7%**	**66.5%**	**74.1%**	**65.5%**	**53.7%**	**72.9%**	**55.4%**
83													
84	**Managed Care Administration**		**1,332,618**	**468,481**	**864,137**	**71,921**	**170,258**	**49,027**	**162,748**	**67,700**	**228,060**	**54,820**	**59,604**
85	**Admin Cost Ratio (MCA % of Total Cost)**		**8.2%**	**2.9%**	**5.3%**	**10.0%**	**7.0%**	**8.1%**	**6.4%**	**9.0%**	**7.7%**	**5.2%**	**5.9%**
86													
87	**Contract Cost**		**16,280,880**	**4,197,545**	**12,083,335**	**716,887**	**2,426,527**	**606,773**	**2,551,774**	**755,907**	**2,969,428**	**1,052,810**	**1,003,228**
88	**Net before Settlement**		**6,000,566**	**356,384**	**5,644,182**	**177,341**	**1,113,849**	**232,159**	**671,969**	**294,199**	**2,137,165**	**316,735**	**700,765**
89													
90	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
91	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
92	Contract Settlement / Redistribution		(3,772,421)	1,871,761	(5,644,182)	(177,341)	(1,113,849)	(232,159)	(671,969)	(294,199)	(2,137,165)	(316,735)	(700,765)
93	**Net after Settlement**		**2,228,145**	**2,228,145**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
94													
95	**Eligibles and PMPM**												
96	Average Eligibles		66,086	66,086	66,086	3,348	13,287	3,148	11,929	3,965	18,843	5,137	6,430
97	Revenue PMPM		$ 56.19	$ 11.48	$ 44.71	$ 44.51	$ 44.41	$ 44.42	$ 45.04	$ 44.14	$ 45.17	$ 44.44	$ 44.17
98	Expense PMPM		41.06	10.59	30.47	35.68	30.44	32.13	35.65	31.78	26.26	34.16	26.00
99	Margin PMPM		$ 15.13	$ 0.90	$ 14.23	$ 8.83	$ 13.97	$ 12.29	$ 9.39	$ 12.37	$ 18.90	$ 10.28	$ 18.16
100													
101	***Healthy Michigan Plan***												
102	**Budget v Actual**												
103													
104	**Eligible Lives (Average Eligibles)**												
105	Actual		66,086	66,086	66,086	3,348	13,287	3,148	11,929	3,965	18,843	5,137	6,430
106	Budget		52,365	52,365	52,365	2,543	10,834	2,465	9,345	3,201	14,696	4,100	5,182
107	Variance - Favorable / (Unfavorable)		13,721	13,721	13,721	805	2,453	683	2,585	764	4,147	1,037	1,249
108	% Variance - Fav / (Unfav)		26.2%	26.2%	26.2%	31.7%	22.6%	27.7%	27.7%	23.9%	28.2%	25.3%	24.1%
109													
110	**Contract Revenue before settlement**												
111	Actual		22,281,445	4,553,929	17,727,517	894,228	3,540,376	838,932	3,223,743	1,050,106	5,106,593	1,369,545	1,703,994
112	Budget		20,846,957	3,921,044	16,925,913	839,985	3,401,430	813,599	3,085,518	1,021,719	4,829,654	1,314,187	1,619,820
113	Variance - Favorable / (Unfavorable)		1,434,489	632,885	801,604	54,243	138,946	25,332	138,225	28,387	276,939	55,358	84,174
114	% Variance - Fav / (Unfav)		6.9%	16.1%	4.7%	6.5%	4.1%	3.1%	4.5%	2.8%	5.7%	4.2%	5.2%
115													
116	**Healthcare Cost**												
117	Actual		14,948,262	3,729,064	11,219,198	644,966	2,256,269	557,746	2,389,026	688,208	2,741,368	997,989	943,625
118	Budget		13,714,976	3,094,419	10,620,557	571,695	1,778,969	527,081	2,743,505	431,744	2,790,011	696,581	1,080,971
119	Variance - Favorable / (Unfavorable)		(1,233,285)	(634,645)	(598,640)	(73,271)	(477,301)	(30,665)	354,479	(256,464)	48,643	(301,409)	137,347
120	% Variance - Fav / (Unfav)		-9.0%	-20.5%	-5.6%	-12.8%	-26.8%	-5.8%	12.9%	-59.4%	1.7%	-43.3%	12.7%
121													
122	**Managed Care Administration**												
123	Actual		1,332,618	468,481	864,137	71,921	170,258	49,027	162,748	67,700	228,060	54,820	59,604
124	Budget		1,308,846	533,476	775,370	42,636	131,052	44,536	187,700	39,279	222,333	43,620	64,215
125	Variance - Favorable / (Unfavorable)		(23,772)	64,995	(88,767)	(29,286)	(39,206)	(4,491)	24,952	(28,420)	(5,727)	(11,201)	4,611
126	% Variance - Fav / (Unfav)		-1.8%	12.2%	-11.4%	-68.7%	-29.9%	-10.1%	13.3%	-72.4%	-2.6%	-25.7%	7.2%
127													
128	**Total Contract Cost**												
129	Actual		16,280,880	4,197,545	12,083,335	716,887	2,426,527	606,773	2,551,774	755,907	2,969,428	1,052,810	1,003,228
130	Budget		15,023,822	3,627,895	11,395,927	614,330	1,910,021	571,617	2,931,205	471,024	3,012,344	740,200	1,145,187

	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 3/31/2021			**6**									
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**	**Integrated Services of Kalamazoo**	**St Joseph CMHA**	**Van Buren MHA**
5													
131	Variance - Favorable / (Unfavorable)		(1,257,058)	(569,650)	(687,407)	(102,557)	(516,507)	(35,157)	379,431	(284,884)	42,916	(312,609)	141,958
132	% Variance - Fav / (Unfav)		-8.4%	-15.7%	-6.0%	-16.7%	-27.0%	-6.2%	12.9%	-60.5%	1.4%	-42.2%	12.4%
133													
134	**Net before Settlement**												
135	Actual		6,000,566	356,384	5,644,182	177,341	1,113,849	232,159	671,969	294,199	2,137,165	316,735	700,765
136	Budget		5,823,135	293,149	5,529,986	225,655	1,491,409	241,983	154,313	550,696	1,817,310	573,987	474,633
137	Variance - Favorable / (Unfavorable)		177,431	63,235	114,196	(48,314)	(377,560)	(9,824)	517,655	(256,497)	319,855	(257,252)	226,132
138													
139													

	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 3/31/2021			6									
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	Integrated Services of Kalamazoo	St Joseph CMHA	Van Buren MHA
5													
140	**Autism Specialty Services**			*HCC%*	7.0%	5.6%	9.1%	4.3%	6.6%	8.1%	6.4%	5.3%	7.1%
141	**Contract Revenue**		**11,471,739**	**-**	**11,471,739**	**594,619**	**2,153,688**	**656,747**	**2,095,561**	**587,649**	**3,301,627**	**927,484**	**1,154,366**
142													
143	External Provider Cost		7,340,707	-	7,340,707	-	2,194,661	242,225	881,613	513,650	2,207,631	443,890	857,038
144	Internal Program Cost		1,014,341	-	1,014,341	279,678	1,495	790	709,367	1,483	-	7,929	13,600
145	Insurance Provider Assessment Withhold (IPA)		-	-	-	-	-	-	-	-	-	-	-
146	**Total Healthcare Cost**		**8,355,048**	**-**	**8,355,048**	**279,678**	**2,196,155**	**243,016**	**1,590,980**	**515,132**	**2,207,631**	**451,818**	**870,638**
147	**Medical Loss Ratio (HCC % of Revenue)**		**72.8%**	**0.0%**	**72.8%**	**47.0%**	**102.0%**	**37.0%**	**75.9%**	**87.7%**	**66.9%**	**48.7%**	**75.4%**
148													
149	**Managed Care Administration**		**902,645**	**261,848**	**640,796**	**31,187**	**165,722**	**21,361**	**108,382**	**50,674**	**183,657**	**24,819**	**54,994**
150	**Admin Cost Ratio (MCA % of Total Cost)**		**9.8%**	**2.8%**	**6.9%**	**10.0%**	**7.0%**	**8.1%**	**6.4%**	**9.0%**	**7.7%**	**5.2%**	**5.9%**
151													
152	**Contract Cost**		**9,257,693**	**261,848**	**8,995,844**	**310,865**	**2,361,877**	**264,377**	**1,699,362**	**565,806**	**2,391,288**	**476,637**	**925,631**
153	**Net before Settlement**		**2,214,047**	**(261,848)**	**2,475,895**	**283,754**	**(208,189)**	**392,370**	**396,198**	**21,843**	**910,339**	**450,847**	**228,734**
154	Contract Settlement / Redistribution		(2,214,047)	261,848	(2,475,895)	(283,754)	208,189	(392,370)	(396,198)	(21,843)	(910,339)	(450,847)	(228,734)
155	**Net after Settlement**		**(0)**	**(0)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
156													
157													
158	**SUD Block Grant Treatment**			*HCC%*	0.2%	0.2%	0.4%	0.3%	0.0%	1.2%	0.0%	0.3%	0.3%
159	**Contract Revenue**		**2,735,963**	**2,447,496**	**288,467**	**18,878**	**97,648**	**14,133**	**-**	**30,478**	**55,979**	**39,484**	**31,868**
160													
161	External Provider Cost		2,353,905	2,353,905	-	-	-	-	-	-	-	-	-
162	Internal Program Cost		255,006	-	255,006	10,458	88,889	19,468	-	78,773	871	22,959	33,587
163	Insurance Provider Assessment Withhold (IPA)		-	-	-	-	-	-	-	-	-	-	-
164	**Total Healthcare Cost**		**2,608,911**	**2,353,905**	**255,006**	**10,458**	**88,889**	**19,468**	**-**	**78,773**	**871**	**22,959**	**33,587**
165	**Medical Loss Ratio (HCC % of Revenue)**		**95.4%**	**96.2%**	**88.4%**	**55.4%**	**91.0%**	**137.7%**	**0.0%**	**258.5%**	**1.6%**	**58.1%**	**105.4%**
166													
167	**Managed Care Administration**		**79,409**	**79,409**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
168	**Admin Cost Ratio (MCA % of Total Cost)**		**3.0%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
169													
170	**Contract Cost**		**2,688,320**	**2,433,314**	**255,006**	**10,458**	**88,889**	**19,468**	**-**	**78,773**	**871**	**22,959**	**33,587**
171	**Net before Settlement**		**47,643**	**14,181**	**33,462**	**8,420**	**8,758**	**(5,334)**	**-**	**(48,295)**	**55,107**	**16,525**	**(1,719)**
172	Contract Settlement		0	33,462	(33,462)	(8,420)	(8,758)	5,334	-	48,295	(55,107)	(16,525)	1,719
173	**Net after Settlement**		**47,643**	**47,643**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
174													
175													

	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 3/31/2021			6									
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**	**Integrated Services of Kalamazoo**	**St Joseph CMHA**	**Van Buren MHA**
5													
176	***SWMBH CMHP Subcontracts***												
177	Subcontract Revenue		153,946,485	14,317,791	139,628,694	6,274,380	27,577,578	7,619,674	25,214,960	7,648,293	42,300,643	9,603,647	13,389,519
178	Incentive Payment Revenue		222,386	40,241	182,145	9,531	12,708	37,594	57,185	-	56,656	6,354	2,118
179	**Contract Revenue**		**154,168,872**	**14,358,033**	**139,810,839**	**6,283,910**	**27,590,286**	**7,657,268**	**25,272,145**	**7,648,293**	**42,357,298**	**9,610,001**	**13,391,637**
180													
181	External Provider Cost		92,839,171	7,859,674	84,979,497	2,652,998	17,419,696	3,587,519	16,363,521	3,969,818	28,391,147	5,319,423	7,275,374
182	Internal Program Cost		30,845,439	-	30,845,439	2,141,780	5,996,866	1,656,483	6,583,415	1,972,850	4,910,124	3,092,354	4,491,565
183	SSI Reimb, 1st/3rd Party Cost Offset		(463,569)	-	(463,569)	(5,694)	(75,729)	(25,184)	(133,823)	-	(168,262)	(22,308)	(32,569)
184	Insurance Provider Assessment Withhold (IPA)		2,751,436	2,751,436	-	-	-	-	-	-	-	-	-
185	MHL Cost in Excess of Medicare FFS Cost		(35,135)	(35,135)	-	-	-	-	-	-	-	-	-
186	**Total Healthcare Cost**		**125,937,340**	**10,575,974**	**115,361,366**	**4,789,085**	**23,340,833**	**5,218,818**	**22,813,113**	**5,942,668**	**33,133,010**	**8,389,470**	**11,734,371**
187	**Medical Loss Ratio (HCC % of Revenue)**		**81.7%**	**73.7%**	**82.5%**	**76.2%**	**84.6%**	**68.2%**	**90.3%**	**77.7%**	**78.2%**	**87.3%**	**87.6%**
188													
189	**Managed Care Administration**		**12,666,428**	**3,836,018**	**8,830,411**	**532,874**	**1,754,589**	**457,029**	**1,554,097**	**576,836**	**2,756,327**	**459,580**	**739,078**
190	**Admin Cost Ratio (MCA % of Total Cost)**		**9.1%**	**2.8%**	**6.4%**	**10.0%**	**7.0%**	**8.1%**	**6.4%**	**8.8%**	**7.7%**	**5.2%**	**5.9%**
191													
192	**Contract Cost**		**138,603,769**	**14,411,992**	**124,191,777**	**5,321,959**	**25,095,422**	**5,675,847**	**24,367,210**	**6,519,503**	**35,889,336**	**8,849,050**	**12,473,449**
193	**Net before Settlement**		**15,565,103**	**(53,959)**	**15,619,062**	**961,952**	**2,494,864**	**1,981,420**	**904,935**	**1,128,790**	**6,467,962**	**760,951**	**918,188**
194													
195	Prior Year Savings		-	-	-	-	-	-	-	-	-	-	-
196	Internal Service Fund Risk Reserve		-	-	-	-	-	-	-	-	-	-	-
197	Contract Settlement		0	15,619,062	(15,619,062)	(961,952)	(2,494,864)	(1,981,420)	(904,935)	(1,128,790)	(6,467,962)	(760,951)	(918,188)
198	**Net after Settlement**		**15,565,103**	**15,565,103**	**-**	**0**	**-**	**-**	**(0)**	**-**	**-**	**-**	**0**
199													
200													

	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 3/31/2021			6									
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**	**Integrated Services of Kalamazoo**	**St Joseph CMHA**	**Van Buren MHA**
5													
201	***State General Fund Services***			*HCC%*	4.0%	4.5%	3.2%	7.4%	4.7%	6.2%	3.4%	1.8%	4.1%
202	**Contract Revenue**				**6,042,144**	**396,624**	**1,009,638**	**375,769**	**984,768**	**513,932**	**1,876,291**	**371,951**	**513,171**
203													
204	External Provider Cost				1,809,596	84,373	187,503	171,422	309,110	325,318	581,581	75,468	74,821
205	Internal Program Cost				3,007,694	143,612	573,667	244,812	826,092	69,447	643,442	77,278	429,344
206	SSI Reimb, 1st/3rd Party Cost Offset				(72,044)	-	-	-	-	-	(72,044)	-	-
207	**Total Healthcare Cost**				**4,745,247**	**227,985**	**761,170**	**416,234**	**1,135,202**	**394,765**	**1,152,980**	**152,746**	**504,165**
208	**Medical Loss Ratio (HCC % of Revenue)**				**78.5%**	**57.5%**	**75.4%**	**110.8%**	**115.3%**	**76.8%**	**61.4%**	**41.1%**	**98.2%**
209													
210	**Managed Care Administration**				**414,938**	**28,597**	**64,352**	**41,054**	**86,646**	**43,181**	**106,366**	**9,380**	**35,362**
211	**Admin Cost Ratio (MCA % of Total Cost)**				**8.0%**	**11.1%**	**7.8%**	**9.0%**	**7.1%**	**9.9%**	**8.4%**	**5.8%**	**6.6%**
212													
213	**Contract Cost**				**5,160,185**	**256,582**	**825,522**	**457,288**	**1,221,849**	**437,946**	**1,259,346**	**162,126**	**539,527**
214	**Net before Settlement**				**881,960**	**140,042**	**184,116**	**(81,519)**	**(237,080)**	**75,986**	**616,946**	**209,825**	**(26,356)**
215													
216	Other Redistributions of State GF				(4,415)	-	-	(4,415)	-	-	-	-	-
217	Contract Settlement				(1,174,041)	(136,117)	(175,678)	-	-	(50,289)	(610,096)	(201,863)	-
218	**Net after Settlement**				**(296,496)**	**3,926**	**8,439**	**(85,934)**	**(237,080)**	**25,697**	**6,850**	**7,963**	**(26,356)**
219													

SWMBH SERVICES ADMINISTRATIVE CONTRACT

(October 2020 - March 2021)

AUNALYTICS/SECANT	
Deliverables/Services	• Provides Data Center & Storage Services • Web Hosting • Cloud Computing Services • Network Infrastructure • VOIP • Wireless Communications • Hardware and Software Needs (with Helpdesk Support) • Related Project Management
	FY21 Expenditure: $184,098 (FY20 Expenditure: $173,549)
BLUE FIRE MEDIA, INC	
Deliverables/Services	• Supports the SWMBH public website
	FY21 Expenditure: $1,065 (FY20 Expenditure: $750)
CAPITOLINE CONSULTING	
Deliverables/Services	• Consultation service on federal regulations & funding opportunities • Secure materials and prepare briefs summarizing attended event
	FY21 Expenditure: $11,625 (FY20 Expenditure: $8,292)
CARE MANAGEMENT TECHNOLOGIES, INC	
Deliverables/Services	• Licensed proprietary healthcare data analytics solution • Analyze data in order to determine opportunities for improving care and decreasing costs for SWMBH and CMHSPs • Install and manage population health and case level user application
	FY21 Expenditure: $87,015 (FY20 Expenditure: $84,893)
CONTRACT PHYSICIANS	
Deliverables/Services	• Program policy issue consultation • Service guideline consultation and review • Medical policy review and approval • SWMBH credentialing panel participant • Consultation provided to Member Services and Contractor Network Management as necessary • On-call Medical decisions with Utilization Management during non-business hours • BH Human Resource Management Committee consultant
	FY21 Expenditure: $21,333 (FY20 Expenditure: $23,155)

FINCH CONSULTING	
Deliverables/Services	Assisting with activities and documents related to: • State reporting development • Risk reserve requirements review • Refinement of cost management systems region wide • CMH financial statement support
	FY21 Expenditure: $64,268 (FY20 Expenditure: $57,998)
HEALTH MANAGEMENT ASSOCIATES	
Deliverables/Services	• Technical assistance on emerging regulatory initiatives regarding population health management, duals, health homes and data analytics
	FY21 Expenditure: $4,690 (FY20 Expenditure: $425)
INTEGRATED SERVICES OF KALAMAZOO	
Deliverables/Services	• Access to EDI system
	FY21 Expenditure: $6,000 (FY20 Expenditure: $6,000)
MORC, INC	
Deliverables/Services	• Support intensity scale assessment training
	FY21 Expenditure: $10,350 (FY20 Expenditure: $5,794)
ON-CALL LEGAL RESOURCES	
Deliverables/Services	• Medicaid fair hearing counsel: Act as legal representation on behalf of SWMBH and participant CMHSP's for the Fair Hearing process • Perform tasks related to Fair Hearing preparation process: Record review, witness preparation and interviews • Hearing Summary preparation • Legal consultation related to Fair Hearing process
	FY21 Expenditure: $945 (FY20 Expenditure: $525)
PARENT MANAGEMENT TRAINING - OREGON model (PMTO)	
Deliverables/Services	• Provide training to clinicians using PMTO coaching model
	FY21 Expenditure: N/A (FY20 Expenditure: $11,045)
PARMENTER & ASSOCIATES	
Deliverables/Services	• General legal counsel
	FY21 Expenditure: $22,550 (FY20 Expenditure: 10,432)
PHD CONSULTANTS/LIGHTHOUSE BEHAVIORAL HEALTH	
Deliverables/Services	• Mental Health Parity project • Clinical consultation and project management
	FY21 Expenditure: $28,075 (FY20 Expenditure: $39,913)
PREST AND ASSOCIATES	
Deliverables/Services	• Health Plan professional independent review and consulting service • Utilization reviews concerning medical necessity and/or medical appropriateness of treatment
	FY21 Expenditure: $179 (FY20 Expenditure: $488)

PROTOCALL	
Deliverables/Services	• On-call crisis intervention counseling and related reporting
	FY21 Expenditure: $25,714 (FY20 Expenditure: $20,310)
QUEST ANALYTICS, LLC	
Deliverables/Services	• Annual Software licensing cost • To Provide Network Adequacy analysis
	FY21 Expenditure: $8,138 (FY20 Expenditure: $8,138)
ROSE ST ADVISORS/HRM INNOVATIONS, INC	
Deliverables/Services	Provides support, direction and consultation in the area of Human Resources ensuring federal and state regulations and standards are met. Tasks include, but not limited to: • Cultural Insights Surveys • Strategic leadership planning • Human Resource Consulting • Recruiting
	FY21 Expenditure: $23,450 (FY20 Expenditure: $12,800)
ROSLUND PRESTAGE & COMPANY, P.C	
Deliverables/Services	• Financial, Compliance & Single audit
	FY21 Expenditure: $31,950 (FY20 Expenditure: $25,650)
STREAMLINE HEALTHCARE SOLUTIONS	
Deliverables/Services	• Streamline Care Management System is a desktop application used to manage and pay external providers
	FY21 Expenditure: $107,143 (FY20 Expenditure: $94,020)
TBD SOLUTIONS LLC	
	• Level of Care Data Analytics and Guidelines project • Internal Functional assessment of UM Call Center and Provider Network
	FY21 Expenditure: $5,761 (FY20 Expenditure: $46,396)
VARNUM LLP	
Deliverables/Services	• Retirement plans legal consultation
	FY21 Expenditure: $112 (FY20 Expenditure: $1,037)
VOICES FOR HEALTH	
Deliverables/Services	• Translation and Interpretation services
	FY21 Expenditure: $12,641 (FY20 Expenditure: $12,063)

Contract Services

FY 2021 Actual: $657,102
FY 2020 Actual: $643,673
Delta $: $13,429
Delta %: 2.09%

PIHP ROLES AND RESPONSIBILITIES

Michigan Behavioral Health Initiatives

INITIATIVE	DESCRIPTION	POPULATION(S)	CMHSP/AGENCIES	PIHP ROLE	FINANCING	GAPS & OVERLAPS
MICHIGAN BEHAVIORAL HEALTH HOMES	Behavioral Health Homes are based on Health Homes as defined in Section 2703 of the Patient Protection and Affordable Care Act; with primary goals to provide the six core services: 1) Comprehensive Care Management 2) Care Coordination 3) Health Promotion 4) Comprehensive Transitional Care 5) Individual and/or Family Support 6) Referral to Community and Social Support Services	Must be a Medicaid beneficiary* and have a qualifying Serious Mental Illness diagnoses: F06, F20, F25, F31, F32, F33, F43, F41, F90; and reside in one of the participating counties. Enrollment: Opt-in. Potential enrollees identified by Lead Entities using the MDHHS Waiver Support Application (WSA) in coordination with Health Home Partners, but enrollment is voluntary *enrollment in an MHP is not required	<u>NorthCare Network</u> • Copper Country CMH • Gogebic CMH • Hiawatha Behavioral Health • NorthPointe Behavioral Healthcare System • Pathways CMH Northern Michigan <u>Regional Entity</u> • AuSable Valley CMH • Centra Wellness Network • Northern Lakes CMH • North Country CMH • Northeast Michigan CMH <u>Oakland Community Health Network</u> • CNS Healthcare • Training and Treatment Innovations Inc • Easterseals of Michigan • Macomb Oakland Regional Center • Oakland Family Services • Community Living Services	- Is the Lead Entity (LE) responsible for the provider network, to including establishing contracts or MOUs with Health Home Partners (HHPs). - Provides oversight and monitoring, negotiates and pays for services to HHPs, and provides standard reporting to the State. - Accesses relevant data via the WSA application and CC360. - Must meet provider qualifications set forth in the State Plan Amendment, the OHH Handbook, and provide the 6 Federally required core HH services. - Provides leadership for the implementation and coordination of health home activities - Is a liaison between MDHHS	Capitated payment based on MI Care Team Health Home model for participants. MDHHS Pay-for-performance (P4P) to LEs and distributed to HHPs who are able to attain the quality improvement benchmarks as identified in the handbook. P4P funds must be distributed to HHPs.	Version 1.5 of BHH Handbook states that both LEs and HHPs must meet provider criteria, but it is not always clear where the lines are of distinction are regarding the performance of each.

				Staff/Contractors and HHPs - Champions HH principles to transform practices - Monitors HHP quality and performance efforts - Overarching leadership for HHP services - Distributes pay-for-performance monies to HHPs		
SAMHSA CCBHC "EXPANSION GRANTS" (2018 - 2021)	CMS requires CCBHCs, directly or through designated collaborating organizations, to provide a set of nine comprehensive services: • 24/7/365 BH crisis services, including mobile crisis teams • Immediate screening and risk assessment • Patient-centered treatment planning • OP mental health and substance use services • OP clinic primary care screening and monitoring • Targeted case management • Psychiatric rehabilitation services • Peer support, counseling, and family support • Intensive mental health care for active-duty military and veterans	SMI, SUD, SED is primary focus of grant funds. Additional populations/sub-populations of focus may be identified by grantees Inclusion and exclusion vary dependent on the grant applicant. Enrollment: Opt-in	Grants awarded to the following CMHSPs/Organizations since 2018: • CEI CMH • Genesee HS • HealthWest • Integrated Services of Kalamazoo • LifeWays • Macomb CMH • Network 180 • Saginaw CMHA • St Clair CMH • Washtenaw CMH • West MI CMH • Summit Pointe • Community Network Services (Novi) • Easter Seals (Auburn Hills) • The Guidance Center (Southgate) • Detroit Recovery Project • Hegira Programs Inc	There is no formal PIHP role in Expansion grants, however CCBHC sites must coordinate with PIHPs as the payer for SUD services.	$2 million per grant year direct to grantee	Grant requires "Care Coordination" function – primarily at the person-level, but some "system/population-level" care coordination expectations are also included in CCBHC certification criteria

	CCBHC Criteria includes extensive data collection and reporting on health measures, enhanced data exchange/HIE, and improved care coordination across service delivery systems.		• Judson Center Inc • Team Mental Health Services (Dearborn) • Development Centers Inc (Detroit) • Faith Hope and Love Outreach (Detroit) • Northeast Guidance Center (Detroit) • Southwest Counseling Solutions (Detroit) • Neighborhood Services Organization (Detroit) FY 21 SAMHSA CCBHC grant applications due 03/01/21			
MICHIGAN CCBHC DEMONSTRATION (2020)	Same required CCBHC services as above	All persons with any mental illness or substance use disorder diagnosis regardless of insurance or ability to pay. *Exclusion: Benefit <u>does not apply</u> to persons <u>solely</u> diagnosed with an intellectual and/or developmental disability* Enrollment: Opt-in	Limited to organizations certified by state during 2016 planning grant, sorted by Regional or County-based PIHP: <u>CMH Partnership for Southeast Michigan</u> • Washtenaw CMH <u>Detroit-Wayne Integrated Health Network</u> • The Guidance Center <u>Lakeshore Regional Entity</u> • HealthWest • West MI CMH <u>Macomb CMH (PIHP)</u> • Macomb CMH <u>Mid-State Health Network</u> • CEI CMH	Per draft State Concept Paper, PIHP will be responsible to: - Identify and assign /enroll beneficiaries to a CCBHC via WSA. - Verify beneficiary consent to share information - Process Medicaid claim/encounter adjudication and enrollment - Share responsibility with MDHHS for ensuring continued access to CCBHC services and oversight of certification requirements.	Uses a Prospective Payment System (PPS) rate for qualifying encounters provided to Medicaid beneficiaries. Augmented per member per month (PMPM) capitation payment to PIHPs with CCBHC Demonstration Sites in their service areas) PIHPs will reimburse CCBHC for enrolled beneficiaries that have qualifying CCBHC service encounters	PIHP role with Private provider CCBHC sites is not yet clear Care Coordination functions required in demonstration include both individual and system-level coordination. PIHP has role in assigning and oversight for non-Medicaid consumers

			• The Right Door* • Saginaw CMH <u>Northern Michigan Regional Entity</u> • Centra Wellness* <u>Oakland Community Health Network</u> • Easterseals of Michigan • Community Network Services <u>Region 10 PIHP</u> • St Clair CMH <u>SWMBH</u> • CMHSAS of St Joseph* • Integrated Services of Kalamazoo * Not a current CCBHC grantee Note: The state is not required to select all of these sites for the demonstration	- Report grievance, appeal, and fair hearing information - Fidelity monitoring PIHP Role in clinical quality data reporting is not clear	MDHHS will employ a pay-for-performance (P4P) incentive to reward Quality Bonus Payments (QBPs) based on federal CCBHC-specified metrics	
MI HEALTH LINK	A Medicare-Medicaid financial alignment initiative, it allows enrollees eligible under both programs to have one coordinated delivery system so that members can carry a single card to gain access to physical healthcare, behavioral healthcare, home- and community-based	Adults aged 21 and over and residing in an eligible catchment area who has ***<u>both</u>*** Medicaid and Medicare	Integrated Care <u>Organizations (ICOs)</u> • Aetna Better Health Premier Plan • AmeriHealth Caritas • HAP Empowered • Michigan Complete Health • MeridianComplete • Molina Dual Options	The PIHP is a coordinating agency on behalf of the ICOs for MI Health Link enrollees. PIHPs must ensure provision of Level II assessment within 15-days of Level I	Michigan received $1M in 2011 for planning, and was awarded 2 years of implementation funding from CMH at $12.2M ($7.4M in year 1, $4.8M in year 2).	Michigan retained the existing structure for managing Medicaid behavioral health services, which relies on prepaid inpatient health plans (PIHPs) to manage mental health and substance use disorder services,

	services, with no co-payments or deductibles for in-network services to included medications	Enrollment: Passive (Opt-out) *EXCLUSIONS:* Individual is not residing in a Veteran's Home, and are not enrolled in Hospice care.	• Upper Peninsula Health Plan PIHPs • DWHIN • Macomb CMH • SWMBH • NorthCare Network	assessment provided by ICOs if enrollee is identified with a potential mental illness, substance use disorder, intellectual and/or developmental disabilities. If assessed as having a qualifying diagnosis, must determine the needs and provide a referral. PIHP is responsible for updating the Individual Integrated Care and Supports Plan (IICSP) in coordination with the ICO's MI Health Link (MHL) Care Coordinator, with the PIHP having a representative on the individual's care team PIHPs must work with ICO and long-term supports and services agencies (LTSS) as needed	Primary financing of Medicare and most Medicaid (physical healthcare) is under the management and purview of the ICOs. BH Medicaid remains under the PIHP. Risk for ICO services for additional services provided, and PIHP staff time invested in care teams. While there are additional costs, the funding model is still predicated on the carve-out in a shared-risk arrangement with the State.	and the HCBS waiver for persons with intellectual and developmental disabilities. Integrating behavioral health through two sets of entities created challenges, particularly for the PIHPs, but the ICOs and PIHPs said they were able to meet beneficiaries' needs, and State officials agreed. The current Medicaid capitated financing model overlaps with the financing for the Specialty Supports and Services contract while requiring additional engagement by the PIHP that may or may not be fully funded by the ICO.
MICHIGAN OPIOID HEALTH HOMES	Opioid Health Homes are based on Health Homes as defined in Section 2703 of the Patient Protection and Affordable Care Act; provides all 6 core services for persons with Opioid Use Disorder to achieve 3 primary goals	Must be a Medicaid beneficiary* and have a valid Opioid Use Disorder diagnosis (F11.xx except F11.13) and residing in	PIHPs, as the Lead Entity (LE), work with the following Health Home Providers (HHPs). Macomb CMH (PIHP) • Gammons Medical • MyCare Health Center	- Is the Lead Entity (LE) responsible for the provider network, to including establishing contracts or MOUs with Health Home Partners (HHPs).	Capitated payment based on MI Care Team Health Home model for participants. MDHHS Pay-for-performance (P4P) to LEs and	Version 1.1 of OHH Handbook states that both LEs and HHPs must meet provider criteria, but it is not always clear where the lines are of distinction are

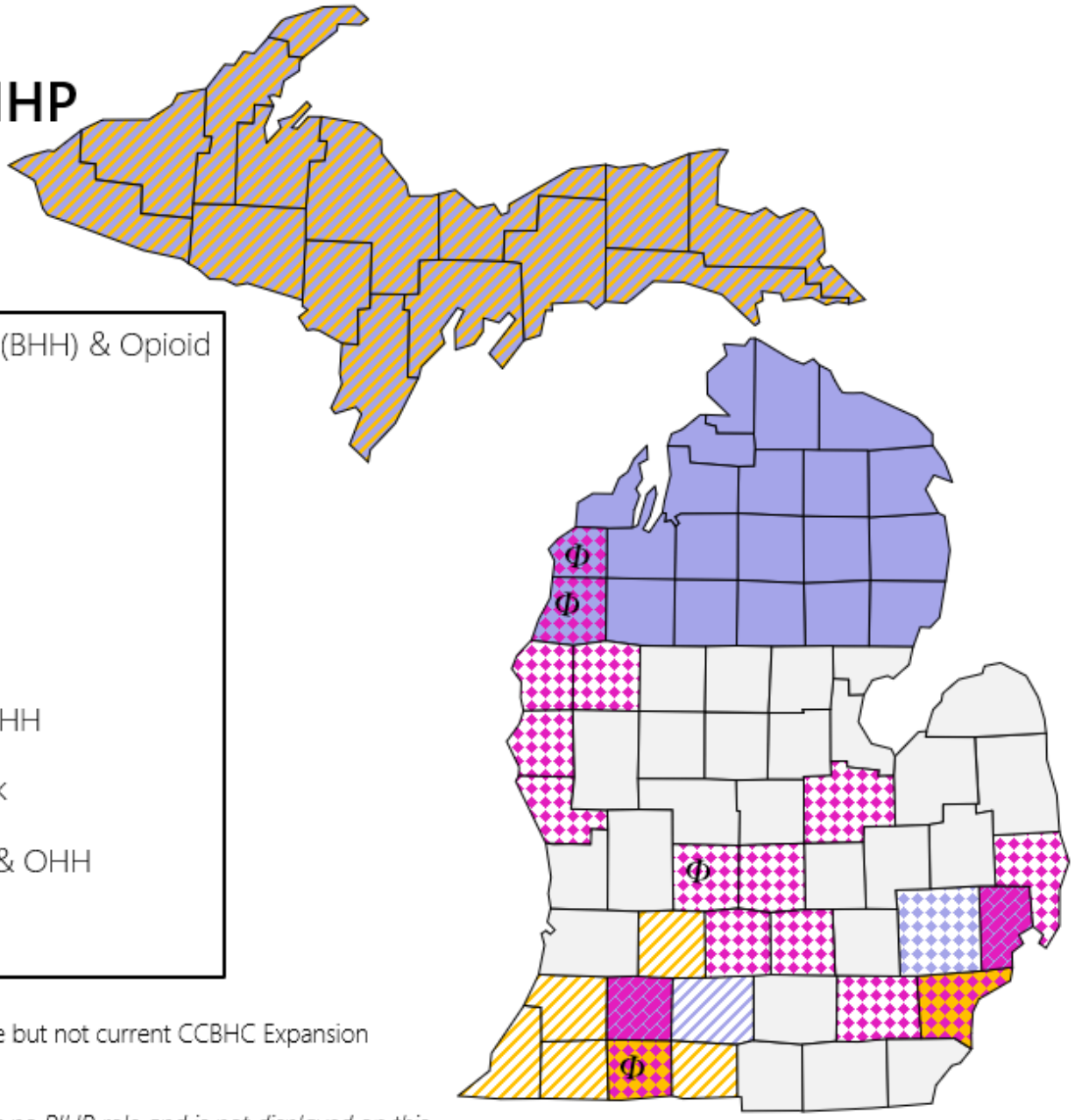
1) Improved care, including MAT 2) Improved coordination between physical & BH care 3) Improved transitions between settings of care (BH, primary, inpatient)	one of the participating counties. Enrollment: Opt-in. Potential enrollees identified by Lead Entities using WSA in coordination with Health Home Partners, but enrollment is voluntary *enrollment in an MHP is not required	• Beaumont Family Medical • Bio Med Behavioral Health • Sacred Heart Rehab Center • Quality Behavioral Health <u>NorthCare Network</u> • Great Lakes Recovery Center • Upper Great Lakes Family Health Center Northern Michigan <u>Regional Entity</u> • Alcona Health Center • Bear River Health • Centra Wellness Network (CMH) • Harbor Hall • Addiction Treatment Services • Thunder Bay Community Health Service, Inc. • Traverse Health Clinic • Northern Michigan Substance Abuse Services <u>Southwest Michigan Behavioral Health</u> • Summit Pointe • Victory Clinic (Kalamazoo) • Victory Clinic (Calhoun)	- Provides oversight and monitoring, negotiates and pays for services to HHPs, and provides standard reporting to the State. - Accesses relevant data via the WSA application and CC360. - Must meet provider qualifications set forth in the State Plan Amendment, the OHH Handbook, and provide the 6 Federally required core HH services. - Provides leadership for the implementation and coordination of health home activities - Is a liaison between MDHHS Staff/Contractors and HHPs - Champions HH principles to transform practices - Monitors HHP quality and performance efforts - Overarching leadership for HHP services	distributed to HHPs who are able to attain the quality improvement benchmarks as identified in the handbook. P4P funds must be distributed to HHPs.	regarding the performance of each.

				- Distributes pay-for-performance monies to HHPs		
MICHIGAN'S BENEFIT MONITORING PROGRAM (BMP)	State and federal regulations require the Medicaid program to conduct surveillance and benefits utilization review to ensure the appropriate amount, scope, and duration of medically necessary services are being provided to program beneficiaries. BMP is in place to closely monitor program usage and to identify beneficiaries who may be potentially over utilizing or misusing their Medicaid services and benefits. A beneficiary who is enrolled in the BMP will be identified with the Benefit Plan ID of BMP. BMP will be indicated on the CHAMPS Eligibility Inquiry response as additional information.	Medicaid beneficiaries who have been identified as potentially overusing or misusing benefits, including: mis-utilization of Emergency Det, pharmacy patterns, multiple physicians, specific medications with high potential for abuse. Individuals are flagged within CHAMPS. May be enrolled in a Medicaid Health Plan (MHP) or unenrolled/fee-for-service arrangement.	Enrollment is statewide; no identified CMHSP role.	Enrollment is statewide; no identified PIHP role.	The BMP assigns Authorized Providers who are responsible for supervising the case management and coordination of all prescribed drugs, specialty care, and ancillary services. A monthly case management fee is authorized to providers following an BMP referral for unenrolled/FFS beneficiaries Medicaid eligibility. For beneficiaries with managed care, the MHP coordinates the member's care and no additional payment is provided.	Oversight of Michigan's BMP unenrolled/FFS population is managed by providers, whereas others are managed by the MHP of their enrollment. PIHPs could assume this role to provide oversight, care management and monitoring.

SOURCES: ALL INFORMATION SOURCED FROM THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND SUPPLEMENTED BY PIHP, CMH, AGENCY AND ASSOCIATION RESOURCES. FOR MI HEALTH LINK INFORMATION, THE *FINANCIAL ALIGNMENT INITIATIVE MICHIGAN MI HEALTH LINK FIRST EVALUATION REPORT (*SEP 2019) WAS USED TO CONFIRM DESIGN OPTIONS AND CHALLENGES.

MSHN
Mid-State Health Network

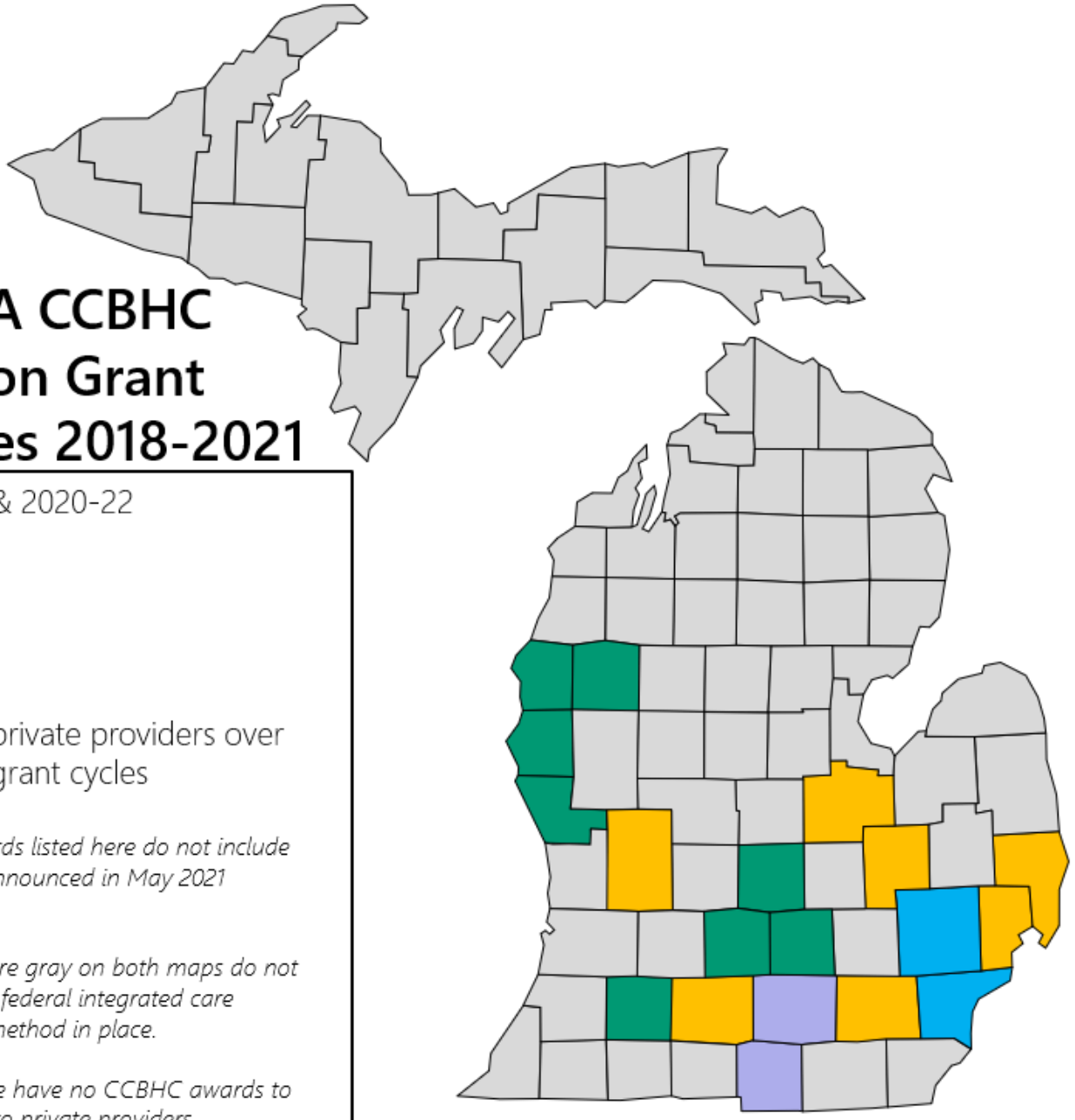
Michigan BH Initiatives with PIHP Role



*Potential CCBHC Demonstration Site.
Φ – Potential CCBHC demonstration site but not current CCBHC Expansion grantee

Note: CCBHC Expansion (2018-2021) has no PIHP role and is not displayed on this map

SAMHSA CCBHC Expansion Grant Awardees 2018-2021



- 2018-20 & 2020-22
- 2020-22
- 2021-23
- Multiple private providers over multiple grant cycles

Note: 2021-23 awards listed here do not include awards still to be announced in May 2021

Important:

1) *Counties that are gray on both maps do not have a state or federal integrated care management method in place.*

2) *Counties in blue have no CCBHC awards to CMHSPs, only to private providers.*

SOUTHWEST MICHIGAN BEHAVIORAL HEALTH

TO: MDHHS - JEFFERY WIEFERICH, ALLEN JANSEN
CC: BRAD CASEMORE; REGIONAL OPERATIONS COMMITTEE

FROM: SOUTHWEST MICHIGAN BEHAVIORAL HEALTH
SUBJECT: REGION 4 PROVIDER NETWORK STABILITY PLAN REPORT
DATE: APRIL 30, 2021

Section A: Number of Providers, Provider Type, Assistance Type, and Funding Totals
One provider is "new" (had not received support prior to April) for the month of April.

Provider Type	Support Discontinued/Ended	Type of Support	Support Amount Paid
Residential		Rate increase	$34,222
CLS		Rate increase	$22,462
Drop In Center		6 months to keep open	$31,927 **FY Breakdown of above 3 amounts:** **FY20 $58,750** **FY21 $24,511**
			April pymt/Total
Skill Building-CLO		Net Cost	$21,057/$136,098
Skill Building-CDS		Net Cost	$46,827/$259,448
Skill Building-MRC		Net Cost	$77,362/$428,251
Clubhouse-MRC		Net Cost	$0/$193,181
Community Healing Center (CHC)		Net Cost	$35,689/$35,689
Supports Coordination-CDS		Net Cost	$4,290/$50,252
Case Management-Interact		Net Cost	$22,200/$114,559

ACT-Interact		Net Cost	$0/$47,077
Autism Services(ABA)-WMU		Lump Sum and Rate Increase	$92,593/$357,730
FY20 Support			
5 Outpatient SUD Providers	X		$133,195.91
11 SUD Detox and Res Providers	X	Rate Increase	$308,241.45
4 Skill Building	X		
1 Clubhouse	X		
2 Homebased	X		
1 Youth mobile crisis response	X		
2 Youth case management/supports coordination	X		
1 Youth Respite	X		
1 IDDA Supported Employment	X		
2 Autism	X		
1 CLS – Senior Day	X		
1 IDDA Supports Coordination	X		**TOTAL: $1,218,848**
ABA	X	Net Cost	$766,426
Spec Res	X	Lump Sum	$21,590

Section B: Funding Totals

April Funding Total: $350,025*
Cumulative Total Paid: $4,351,519.36

*SWMBH provided an increase for methadone providers of $1 for each dosing claim, which will be accomplished through a lump sum payment for dates

of service 01/01/2021 – 03/31/2021. This lump sum payment will be calculated 30 days following 03/31/2021 to allow for claims submission. Additionally, SWMBH increased the methadone dosing rate by $1 for dates of service 04/01/2021 through 09/30/2021. The increase will be paid to the provider as part of the normal claims adjudication process. This increase was just put into effect and claims are still being recalculated and readjudicated for dates of service 04/01/2021 to present. Totals will be reported in the May report.

Section C: Providers at Risk of Closure

Provider and Individual Program Name	Number of Beneficiaries Impacted	Reason for being at risk of closure
None		

Section D: Provider Closures

Provider/Program Name	Date of Closure	Number of Beneficiaries Impacted	Status of Beneficiaries Impacted
None			

Spring 2021 Public Policy Update

Changes at MDHHS

* On Friday, January 22 Robert Gordon announced via Twitter "Today, I am resigning from the Whitmer Administration. It's been an honor to serve alongside wonderful colleagues. I look forward to the next chapter."

* Governor Gretchen Whitmer quickly appointed Elizabeth Hertel as Director of the Michigan Department of Health and Human Services (MDHHS).

  * Elizabeth Hertel previously served as the Senior Chief Deputy Director for Administration for MDHHS, where she oversees External Relations and Communications, Finance and Administration, Legislative Services, Legal Affairs, Policy & Planning, Strategic Integration, Organizational Services, Workforce Engagement and Community and Faith Engagement.

* March 23 was the last day for the Michigan Senate to reject the appointment

Budget Items

Figure 1

FY22 Executive Budget

Specific Mental Health/Substance Abuse Services Line items

	FY'20 (Final)	FY'21 (Final)	FY'22 (Exec Rec)
-CMH Non-Medicaid services	$125,578,200	$125,578,200	$125,578,200
-Medicaid Mental Health Services	$2,487,345,800	$2,653,305,500	$3,011,525,500
-Medicaid Substance Abuse services	$68,281,100	$87,663,200	$80,988,900
-State disability assistance program	$0	$2,018,800	$2,018,800
-Community substance abuse (Prevention, education, and treatment programs)	$108,754,700	$108,333,400	$78,005,200
-Health Homes Program	$3,369,000	$26,769,700	$33,005,400
-Autism services	$230,679,600	$271,721,000	$356,875,800
-Healthy MI Plan (Behavioral health)	$371,843,300	$589,941,900	$540,551,700
-CCBHC	$0	$0	$25,597,300

FY22 Executive Budget

Other Highlights of the FY22 Executive Budget:

Direct Care Worker Wage Increase

The Executive Recommendation provides $110 million ($43.1 million general fund) in fiscal year 2021 and $360 million ($121.4 million general fund)in fiscal year 2022 to permanently continue the $2 per hour wage increase for direct care workers who provide critical care to our most vulnerable neighbors through Medicaid-funded behavioral health supports, community-and facility-based long-term care services, and home-based services provided through area agencies on aging. Maintaining the wage increase will help to stabilize the workforce and ensure continued access to services.

CCBHC Implementation

The FY22 Executive Budget includes $26.5million gross, $5.0million general fund(6.0FTEs) to support a two-year implementation of the Centers for Medicare and Medicaid (CMS) Certified Community Behavioral Health Clinic (CCBHC) Demonstration program. Proposed funding will be used to:

* **Establish 14 CCBHC sites**, through 11 Community Mental Health Programs and 3 non-profit behavioral health entities, to provide comprehensive access to behavioral health services to vulnerable individuals.

* Create a new Behavioral Health Policy and Operations Office to oversee the implementation of the CCBHC demonstration, Medicaid Health Homes, and other behavioral health integration initiatives The new office will comprise 6 new FTE positions and 9 reassigned FTE positions responsible for policy, operations, technical assistance, and quality monitoring support.

FY22 Executive Budget

KB vs. Lyon lawsuit

The FY22 Executive Budget includes $90 million gross ($30 million general fund) to recognize new costs related to the implementation of policy changes associated with the KB v. Lyon lawsuit settlement. These caseload costs will come from program changes aimed at increasing consistency in access to behavioral health services for Medicaid enrollees and those served through the child welfare system.

Other items

* $1 million for Autism Service Navigation (general fund) is maintained in the Executive Budget on an ongoing basis. Support for this program has been included in recent budgets on a one-time basis.
* $3.5 million for cross enrollment expansion to improve technology and communication tools to better identify and enroll individuals needing support and services.
* $8.4 million to reduce health disparities and expand the use of community-based navigators to enhance access to health coverage, and improve screening, data sharing and interoperability of existing data systems through the Michigan Health Information Network.
* $15 million one-time for state psychiatric hospital special maintenance for capital improvements at all five of Michigan's psychiatric hospitals.

FY22 House and Senate Budgets

FY22 House and Senate Budget Proposals

Specific Mental Health/Substance Abuse Services Line items

	FY'22 (Exec Rec)	FY'22 (House)	FY'22 (Senate)
-CMH Non-Medicaid services	$125,578,200	$125,578,200	$125,578,200
-Medicaid Mental Health Services	$3,011,525,500	$2,775,817,800	$3,005,348,100
-Medicaid Substance Abuse services	$80,988,900	$80,988,900	$80,988,900
-State disability assistance program	$2,018,800	$2,018,800	$2,018,800
-Community substance abuse (Prevention, education, and treatment programs)	$78,005,200	$19,501,200 (1/4 funding)	$78,005,200
-Health Homes	$33,005,400	$33,005,400	$33,005,400
-Autism services	$356,875,800	$356,875,800	$356,875,800
-Healthy MI Plan (Behavioral health)	$540,551,700	$540,551,700	$540,551,700
-CCBHC	$25,597,300	$25,597,300	$25,597,300

FY22 House and Senate Budgets

Other Highlights of the FY22 House Budget:

Direct Care Worker Wage Increase

* House budget includes a $100 placeholder

CCBHC Implementation

House concurs with the FY22 Executive Budget and includes $26.5million gross, $5.0million general fund(6.0FTEs) to support a two-year implementation of the Centers for Medicare and Medicaid (CMS) Certified Community Behavioral Health Clinic (CCBHC) Demonstration program. Proposed funding will be used to:

* **Establish 14 CCBHC sites**, through 11 Community Mental Health Programs and 3 non-profit behavioral health entities, to provide comprehensive access to behavioral health services to vulnerable individuals.

* Create a new Behavioral Health Policy and Operations Office to oversee the implementation of the CCBHC demonstration, Medicaid Health Homes, and other behavioral health integration initiatives The new office will comprise 6 new FTE positions and 9 reassigned FTE positions responsible for policy, operations, technical assistance, and quality monitoring support.

FY22 House and Senate Budgets

KB vs. Lyon lawsuit

The House does not include funding for the KB v. Lyon lawsuit. (The FY22 Executive Budget includes $90 million gross ($30 million general fund) to recognize new costs related to the implementation of policy changes associated with the KB v. Lyon lawsuit settlement.)

Specialty Medicaid Managed Care Health Plan for Foster Children

House includes $500,000 Gross ($250,000 GF/GP) to complete an actuarial analysis and any necessary federal approvals to create a specialty Medicaid managed care health plan for children in foster care to provide comprehensive medical, behavioral, and dental services

Other items

* Concurs with the executive budget and includes $1 million for Autism Service Navigation (general fund)
* House concurs with the executive budget and includes $36.4 million in federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths.
* House adds $750,000 GF/GP for development and operation of a resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders or addictions (Boilerplate sec 1919)
* House adds $300,000 GF/GP for the St. Louis Center, a residential community for children and adults with intellectual and developmental disabilities;
* Enhanced FMAP redetermination – placeholder (the Governor's recommendation included $23.2 million Gross for additional admin costs for Medicaid eligibility redeterminations once the enhanced FMAP expires
* House adds one-time funding for special Olympics capital improvements ($1 million)
* House adds $19.1 million for MI Choice waiver program to add 1,000 slots by end of FY 21-22

FY22 House and Senate Budgets

Other Highlights of the FY22 Senate Budget:

Direct Care Worker Wage Increase

* The Senate budget reflects a full year implementation of a **$2.35/hour direct care worker wage increase** on an ongoing basis - $460,007,800 (Gross) / $159,775,100 GF/GP

CCBHC Implementation

* **Senate budget concurs with the FY22 Executive Budget and includes $26.5million gross, $5.0million general fund(6.0FTEs) to support a two-year implementation of the Centers for Medicare and Medicaid (CMS) Certified Community Behavioral Health Clinic (CCBHC) Demonstration program.**

KB vs. Lyon lawsuit

* **The Senate budget includes $45 million (Gross) / $15 million GF/GP funding for the KB v. Lyon lawsuit.** (The FY22 Executive Budget includes $90 million gross ($30 million general fund) to recognize new costs related to the implementation of policy changes associated with the KB v. Lyon lawsuit settlement.)

Local Match Draw Down

* The Senate bill includes funding for the second and third year of a five-year phase-out of the use of Local CMH Local Match funding to support the Medicaid Restricted Mental Health Services line. **$10,190,200 GF/GP**

FY22 House and Senate Budgets

Other items in Senate Budget:

- Senate concurs with the executive budget and includes $1 million for Autism Service Navigation (general fund)
- Senate concurs with the executive budget and includes $36.4 million in federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths.
- Senate adds $1.3 million increase for the MI Docs program
- Senate adds $100 placeholder for crisis stabilization units
- Senate increases in Medicaid funding for mental health and SUD services ($35 million increase)
- Senate adds $3 million for McLaren Greenlawn project
- Senate adds Families Against Narcotics placeholder

FY22 House and Senate Budgets

House & Senate Key Boilerplate Sections:

Sec. 236 NEW Senate – language to require the same level of reimbursement for services provided through telemedicine as for services provided through face-to-face contact in the Medicaid program

Sec. 908. NEW Senate – Uniform credentialing , As a condition of their contracts with the department, PIHPs and CMHSPs, in consultation with the Community Mental Health Association of Michigan, shall work with the department to implement section 206b of the mental health code, MCL 330.1206b, to establish a uniform community mental health services credentialing program.

Sec. 912. Salvation Army Harbor Light Program – executive deleted but House and Senate retained language to contract with the Salvation Army Harbor Light Program to providing Non-Medicaid substance use disorder services if program meets standard of care. *Executive deletes; House & Senate retains.*

Sec. 927. Uniform Behavioral Health Service Provider Audit. Existing boilerplate requires DHHS to create a uniform community mental health services auditing process for CMHPs and PIHPs, outlines auditing process requirements, and requires a report. *Executive deletes; House & Senate retains.*

Sec. 928. Each PIHP shall provide, from internal resources, local funds to be used as a part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.

- ***House budget did not include 5-year phase out language***
- ***Senate includes 5-year phase out language and years 2 & 3 of funding.***

FY22 House and Senate Budgets

Sec. 964. Behavioral Health Fee Schedule. Requires the department to provide a report with the standardized fee schedule for Medicaid behavioral health services and supports to the Legislature by July 1 and must include the adequacy standards to be used in all contracts with PIHPs and CMHSPs. In developing the fee schedule the Department must prioritize and support essential service providers and develop a standardized fee schedule for revenue code 0204.

Sec. 974. The department and PIHPs shall allow an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to instead receive supports and services from another provider if the individual shows that he or she is eligible and qualified to receive supports and services from another provider. Other providers may include, but are not limited to, MIChoice and program of all-inclusive care for the elderly (PACE).

Sec. 1005. Health Home Program – current boilerplate requires DHHS to maintain and expand the number of behavioral health homes in PIHP regions 1, 2, and 8 and to expand the number of opioid health homes in PIHP regions 1, 2, 4, and 9. Executive deletes. *House revises to maintain the current behavioral health and substance use disorder health homes and permits DHHS to expand into 2 additional PIHP regions.*

Sec. 1846. Graduate Medical Education Priorities - Requires DHHS to distribute GME funds with an emphasis on encouragement of the training of physicians in specialties, including primary care, that are necessary to meet future needs of this state, and training of physicians in settings that include ambulatory sites and rural locations. *House revises to also emphasize training of pediatric psychiatrists.*

COVID Supplemental Budgets

Congress passed two large COVID relief packages:

- December under the Trump Administration - $900 billion
- March under the Biden Administration - $1.9 Trillion

Michigan received a TON of federal money from the recent COVID packages.

- $5.6 billion from December
- $!8 billion from March

Legislature using the appropriations process as leverage point with Governor.

Key Budget Items for CMHA Members

Direct Care Wage Increase

* Support continuation of $2/hour increase for remainder of FY21 and support Governor's call to permanently address the issue.

Local Match draw down – Section 928

* FY21 supplemental budget – Advocate for $5 million GF to offset local/county resources for Medicaid match purposes. FY21 budget boilerplate section 928 called for a 5-year phase out of the use of local/county dollars for Medicaid match purposes, however the $5 million GF appropriation was not included in the final budget and the phase out remained paused at FY20 levels. FY21 should have been year 2 of the 5-year phase out plan.

* FY22 budget – Advocate for continued 5-year phase out and inclusion of the FY20 & FY21 boilerplate language and $5 million of GF to offset local/county resources (FY22 should be year 3 of 5-year phase out).

Key Budget Items for CMHA Members

Certified Community Behavioral Health Clinics (CCBHC)

On August 5, 2020 the Centers for Medicare & Medicaid Services (CMS) and the Substance Abuse & Mental Health Services Administration (SAMHSA) announced that the states of Kentucky and Michigan have been selected as additional participants in the Certified Community Behavioral Health Clinic (CCBHC) Demonstration. As part of the state implementation and roll out of the demonstration program, Michigan will be required to put up a small amount of state match dollars to draw down federal support for the program.

* FY22 budget – Advocate for at least $5 million GF which will allow the state to implement the greatest number of CCBHC sites across the state.

Substance Use Disorder Items

In November of 2020 PIHPs were informed that the substance use disorder block grant program will be taking a $15 million reduction in FY21 (permanent reduction moving forward) due to an over-allocation of funds (lapse funds) by the state in past years. In addition, PIHPs were recently informed that federal opioid response grant dollars would also be reduced in FY21. These reductions have caused an immediate and drastic hole in the SUD budget for the current and upcoming fiscal years. In December 2020 – Congress passed the last COVID stimulus package of $900 billion, included in that package was an additional $1.7 billion for Substance Abuse Prevention and Treatment Block Grant and $1.5 billion for State Opioid Response Grants.

* FY21 supplemental budget (HB 4019 adds $13.1 million more in SUD block grant) – Advocate for the state to use the recently approved federal dollars to help fill current budget year gaps created by the recent reductions in the SUD block grant and federal SOR grants, which will help smooth the reductions to programs over a few years versus dramatic cuts all in one fiscal year.

* FY22 budget – Advocate for the state to continue to use recently approved federal dollars to help smooth the recent reductions in the SUD block and federal SOR grant programs.

Gearing Towards Integration

https://www.youtube.com/watch?v=vUi1PdYn5nk

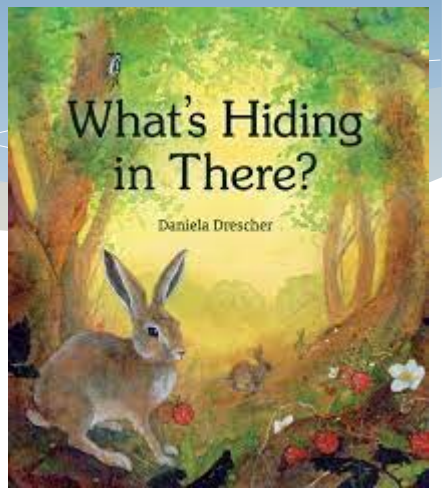
Gearing Towards Integration

Observations

* VERY serious threat – Sen. Shirkey is planning on moving this forward
* Seems to be a Senate proposal, limited conversations with democrats or House members – no interaction with Gov's office, DHHS has been involved.
  * House may be working on their own proposal (Rep Mary Whiteford)
* CMHA staff did talk to Elizabeth Hertel (focus on access & update the system we have to meet the needs)
* Where is the Governor, will she veto??
* Its important we remain part of the legislative process
* Dems and republicans aren't in love with current system/status quo
  * They want to have or willing to have the conversation
* NOT many legislators have been around since 298
* Process will move as the budget moves along
* **Advocacy in a COVID era – email, zoom, phone, etc**

Gearing Towards Integration

What's in the proposal?



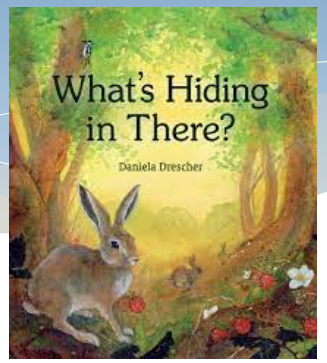
Essentially 298 with a little of Robert Gordon's SIP (specialty integrated plan) redesign language.

Plan is described as:

- Person-centered
- Consumer choice
- High quality & comprehensive
- Transparent
- Efficient
- Good stewards

- Proposal would create new entities – Specialty Integrated Plans (SIP)
- Bid process for SIPs
- SIP licensing requirements:
- Essentially the definition of a health plan (including insolvency coverage = reserves)

Gearing Towards Integration



What's in the proposal?

- At least 2 SIPs per region (unless rural exception)
- Phased in process – 1st SMI and kids (KB lawsuit), 2nd SUD, 3rd I/DD
  - After phased in process is complete the PIHPs would be eliminated by the SIPs
  - A phase must be determined successful before the state can move to the next phase

CMH role

- Department would require a contract with CMH and SIP
- BUT SIPs can contract directly with other behavioral health providers as they deem appropriate
- SIP care coordinators will serve as the main point of contact for beneficiaries (not CMH or providers)

Timeline

- Very aggressive timeframe originally outlined that this would be completed and sent to the Governor by mid-June.
- NEW Timeline – this will likely follow the budget process timeline (meaning late summer / early fall)

Gearing Towards Integration

We have several concerns with this proposal:

We believe **integration must begin and focus at the patient level on the ground** and this proposal focuses on financial integration. We believe focusing our time and attention on current gaps would be far more beneficial to the people served across the state rather than focusing on financial integration.

* Financial integration – this proposal does nothing to actually integrate care other than giving the managed care functions and funding to one entity

One of our biggest concerns with section 298 was the role of the CMH system. Your document describes ensuring a future existence of the CMH system, however your proposal just like section 298 simply makes the CMH just another provider for the managed care entity, which is a dramatic shift from what they do today.

The **proposed SIP is not a public-private joint venture**, but a wholly private managed care organization, leaving no role for the public management/oversight, which is currently provided by our PIHP system.

In the requirements for creating a **new entity it only outlines requirements to become a Medicaid Health Plan and is silent to all the roles and responsibilities of the current PIHP system (recipient rights, housing and employment supports, community collaboration, etc.**)

MHPs do not have a positive track record of managing mental health benefits (mild/moderate benefit) – before this change is made there **MUST** be more data and proof they can do the job.

BTW – Why are we making this change in the middle of a pandemic????

Contact Information

Community Mental Health Association of Michigan

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Robert Sheehan
Executive Director
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(517) 374-6848

Southwest Michigan Behavioral Health Board Meeting

Please join the meeting from your computer, tablet or smartphone:
https://global.gotomeeting.com/join/515345453
You can also dial in using your phone:
1-571-317-3116 - Access Code: 515-345-453
June 11, 2021
9:30 am to 11:00 am
(d) means document provided
Draft: 4/12/21

1. **Welcome Guests/Public Comment**

2. **Agenda Review and Adoption (d)**

3. **Financial Interest Disclosure Handling (M. Todd)**

   - **List name(s) and Agency or None Scheduled**

4. **Consent Agenda**

   - May 14, 2021 SWMBH Board Meeting Minutes (d)

5. **Operations Committee**

   - Operations Committee Minutes April 28, 2021 (d)

6. **Ends Metrics Updates *(*Requires motion)***
   Is the Data Relevant and Compelling? Is the Executive Officer in Compliance? Does the Ends need Revision?

   a. * Recertification of National Counsel on Quality Assurance (NCQA) (J. Gardner) (d)
   b. * Fiscal Year 2021 Behavioral Health Treatment Episode Data Set (BH TEDS) (N. Spivak) (d)

7. **Board Actions to be Considered**

   - None

8. **Board Policy Review**
   Is the Board in Compliance? Does the Policy Need Revision?

   - BG-012 Open Meetings and Freedom of Information Act (d)

9. **Executive Limitations Review**
   Is the Executive Officer in Compliance with this Policy? Does the Policy Need Revision?

   a. BEL-007 Compensation and Benefits (R. Perino) (d)
   b. BEL-002 Financial Conditions (M. Middleton) (d)
   c. BEL-006 Investments (C. Naccarto) (d)

10. Board Education

a. Fiscal Year 2021 Year to Date Financial Statements (T. Dawson) (d)
b. Management Business Information and Intelligence (N. Spivak) (d)
c. Information Systems Update (N. Spivak) (d)
d. Fiscal Year 2022 Budget Assumptions (T. Dawson)
e. Mid-Year Program Integrity and Compliance Report (M. Todd) (d)
f. MI Health Link Update (M. Kean) (d)

11. Communication and Counsel to the Board

a. Provider Network Stability Report (M. Todd) (d)
b. Public Policy Committee Update (B. Casemore) (d)
c. July 9, 2021 Board Agenda (d)
d. Board Member Attendance Roster (d)
e. July Board Policy Direct Inspection – None

12. Public Comment

13. Adjournment

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

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

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

Next Board Meeting
July 9, 2021
9:30 am - 11:00 am

2021 SWMBH Board Member & Board Alternate Attendance												
Name:	**January**	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
Board Members:												
Ruth Perino (Barry)												
Edward Meny (Berrien)												
Tom Schmelzer (Branch)												
Patrick Garrett (Calhoun)												
Mary Middelton (Cass)												
Erik Krogh (Kalamazoo)												
Carole Naccarto (St. Joe)												
Susan Barnes (Van Buren)												
Alternates:												
Robert Becker (Barry)												
Randy Hyrns (Berrien)												
Jon Houtz (Branch)												
Kathy-Sue Vette (Calhoun)												
Terry Proctor (Cass)												
Patricia Guenther (Kalamazoo)												
Cathi Abbs (St. Joe)												
Angie Dickerson (Van Buren)												

as of 4/9/21

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

White House Nominates Dr. Miriam Delphin-Rittmon as Ass't Secretary for Mental Health and Substance Use

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Dr. Miriam E. Delphin-Rittmon is currently the Commissioner of the Connecticut State Department of Mental Health and Addiction Services. She was appointed in March 2015 and previously held the positions of Deputy Commissioner, Senior Policy Advisor and Director of the department's Office of Multicultural Health Equity. In her role as Commissioner, Dr. Delphin-Rittmon has been committed to promoting recovery oriented, integrated, and culturally responsive services and systems that foster dignity, respect, and meaningful community inclusion. In addition, through her 20-year career in the behavioral health field Dr. Delphin-Rittmon has extensive experience in the design, evaluation and administration of mental health, substance use and prevention services and programs has received several awards for advancing policy in these areas. Most recently, she received the 2019 State Service Award from the National Association of State Drug and Alcohol Directors and the 2016 Mental Health Award for Excellence from the United Nations Committee on Mental Health.

In May 2014, Dr. Delphin-Rittmon completed a two-year White House appointment working as a Senior Advisor to the Administrator of the Substance Abuse and Mental Health Services Administration (SAMHSA) with the U.S. Department of Health and Human Services. Dr. Delphin-Rittmon currently holds an Associate Adjunct Professor position with the Yale University Department of Psychiatry where prior to her role as Commissioner was an Assistant Professor and served as Director of Cultural Competence and Health Disparities Research and Consultation with the Program for Recovery and Community Health since 2003. Dr. Delphin-Rittmon received her B.A. in Social Science from Hofstra University in 1989, her M.S. and Ph.D. in Clinical Psychology from Purdue University 1992 and 2001, respectively, and completed a postdoctoral fellowship in clinical community psychology at Yale University in 2002.

https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/23/president-biden-announces-six-key-administration-nominations/002