



Southwest Michigan Behavioral Health Board Meeting
Air Zoo Aerospace & Science Museum
6151 Portage Rd, Portage, MI 49002
July 11, 2025
9:30 am to 11:30 am
(d) means document provided
Draft: 7/2/25

1. **Welcome Guests/Public Comment**
2. **Agenda Review and Adoption (d) pg.1**
3. **Financial Interest Disclosure Handling**
 - None Scheduled
4. **Consent Agenda (2 minutes)**
 - a. June 13, 2025 SWMBH Board Meeting Minutes (d) pg.3
 - b. June 11 and June 25, 2025 Operations Committee Meeting Minutes (d) pg.9
5. **SWMBH Retirement Plans Performance (15 minutes) (C. Doerschler and J. Ingersoll) (d) pg.25**
6. **Fiscal Year 2025 Year to Date Financial Statements, Cash Flow Analysis and revised Fiscal Year 2025 Budgets (15 minutes)**
 - a. G. Guidry (d) pg.33
 - b. Operations Committee
7. **Required Approvals (0 minutes)**
 - None scheduled
8. **Ends Metrics Updates (*Requires motion) (0 minutes)**

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

 - None Scheduled
9. **Board Actions to be Considered (15 minutes)**
 - a. Operating Agreement Review (M. Todd) (d) pg.47
 - b. Sub Ends 1, 3 and 5 Interpretations (B. Casemore) (d) pg.62
 - c. PIHP Procurement (M. Todd and B. Casemore)

10. Board Policy Review (20 minutes)

Proposed Motion: Is the Board in Compliance? Not Applicable > Does the Policy Need Revision?

- a. BG-001 Committee Structure (d) pg.66
- b. BG-002 Management Delegation (d) pg.67
- c. BG-003 Unity of Control (d) pg.68
- d. BG-005 Chairperson's Role (d) pg.69
- e. BG-007 Code of Conduct (d) pg.71
- f. BG-008 Board Member Job Description (d) pg.73
- g. BG-011 Governing Style (d) pg.75
- h. Board Policies [S. Radwan's uninterrupted Policies and follow up (S. Sherban)

11. Executive Limitations Review (5 minutes)

Proposed Motion: Is the Executive Officer in Compliance with this Policy? Not Applicable > Does the Policy Need Revision?

- BEL-009 Global Executive Constraint (C. Naccarato) (d) pg.77

12. Board Education (10 minutes)

- Fiscal Year 2026 Budget Assumptions (G. Guidry) (d) pg.79

13. Communication and Counsel to the Board (20 minutes)

- a. Utilization Management (B. Guisinger) (d) pg.92
- b. CEO Retirement Plan (B. Casemore)
- c. Dispute Resolution Process (B. Casemore) (d) pg.98
- d. Contracting with Rehmann (B. Casemore) (d) pg.99
- e. Departures from Board Policy (B. Casemore) (d) pg.101
- f. Public Relations Materials (E. Philander) (d) pg.110
- g. August Board Policy Direct Inspection – BEL-004 Treatment of Staff - Lorraine Lindsey;
BEL-007 Compensations and Benefits – Michael Seals

14. Public Comment

15. Adjournment

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

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

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

**Next Board Meeting
August 8, 2025
9:30 am - 11:30 am**



Board Meeting Minutes

June 13, 2025

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

9:30 am-11:30 am

Draft: 6/24/25

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

Members Absent: None

Guests Present: Brad Casemore, CEO, SWMBH; Mila Todd, Chief Compliance Officer, SWMBH; Garyl Guidry, Chief Financial Officer, SWMBH; Anne Wickham, Chief Administrative Officer, SWMBH; Alena Lacey, Chief Clinical Officer, SWMBH; Natalie Spivak, Chief Information Officer, SWMBH; Michelle Jacobs, Senior Operations Specialist & Rights Advisor, SWMBH; Ella Philander, Executive Projects Manager, SWMBH; Cathi Abbs, SWMBH Board Alternate; Gail Patterson-Gladney, SWMBH Board Alternate; Cameron Bullock, Pivotal; Sue Germann, Pines BH; Debbie Hess, Van Buren County CMH; Richard Thiemkey, Barry County CMH; Jeff Patton, ISK; Ric Compton, Riverwood; Jeannie Goodrich, Summit Pointe

Welcome Guests

Sherii Sherban called the meeting to order at 9:40 am.

Public Comment

None

Agenda Review and Adoption

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

Financial Interest Disclosure (FID) Handling

None

Consent Agenda

Motion Joyce Locke moved to approve the May 9, 2025 Board minutes, May 14, and May 28, 2025 Operations Committee Meeting minutes, and May 2, 2025 Board Finance Committee Meeting minutes as presented.
Second Lorraine Lindsey
Motion Carried

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

Garyl Guidry reported as documented, reviewed and noted:

- TANF (Temporary Assistance to Needy Families) eligibles are flat
- DAB (Disabled Aging Blind) eligibles are flat
- HMP (Healthy Michigan Plan) eligibles are flat
- Flat eligibles means flat revenue
- Period 7 financials project a \$13 million deficit with a projected end of Fiscal Year 2025 of \$22.7 million deficit. Revised Fiscal Year 2025 Budget projects a \$26.9 million deficit.
- Certified Community Behavioral Health Clinics (CCBHC) revenues and expenses. CCBHCs are full risk to the CMHSPs.
- Mid-Year rate adjustment was \$15 million with the area factor increasing by 5.4% (other PIHPs area factors went down in percentage)
- Revised Fiscal Year 2025 Budget projects a \$6.7 million deficit
- Another rate adjustment could be coming to cover Direct Care Wage (DCW) and the Earned Sick Time Act (ESTA)
- Possible October rate adjustment
- MDHHS is moving from area factors to acuity in determining rates
- Cash Flow Analysis
- SWMBH Local is \$6 million. SWMBH is not using local funds to cover Medicaid deficit because the department is responsible for Medicaid shortfalls
- Rehmann value: Pros: alignment and audit processes. Cons: costs and impacts on other priorities. Brad added SWMBH management determines what contracts are initiated and implemented.
- SWMBH report on financial efforts and Regional Finance work continues

Board discussion followed with comments noted:

- Change format on report from blackout to zeros

Operations Committee Update

Jeannie Goodrich presented as documented in a handout that was distributed. Anne Wickham stated that Level of Care (LOC) Guidelines for Community Living Supports (CLS) has been set to zero so that authorizations are reviewed and not automatically approved based on LOC guidelines. Discussion followed.

Motion Carol Naccarato moved the SWMBH CEO will report the decision on whether SWMBH will immediately contract with Rehman to provide: 1) Financial Oversight; 1) Assurance of Standard Cost Allocation (SCA) Compliance – Fiscal Year 2025 or Fiscal Year 2026 requirement for audit; and 3) Assurance of SCA/Financial alignment of CMH to SWMBH reporting (align with CMH reporting structure), including the rationale for the decision and cost by the July Board meeting.

Second Michael Seals

Motion Carried

Required Approvals

None scheduled

Ends Metrics Updates

Sub Ends 1, 3 and 5

Brad Casemore noted that Sub Ends 1, 3 and 5 are scheduled for the July Board meeting.

Board Actions to be Considered

Appoint Alternate Representative to Michigan Consortium for Healthcare Excellence (MCHE)

Brad Casemore noted the document in the packet and reviewed the history of MCHE.

Motion Michael Seals read and moved to approve the SWMBH Board Resolution as presented.

Second Tom Schmelzer

Roll Call Vote

Sherii Sherban yes

Tom Schmelzer yes

Joyce Locke yes

Allen Edlefson yes

Michael Seals yes

Lorraine Lindsey yes

Tina Leary yes

Carol Naccarato yes

Motion Carried

SWMBH/CMH financial solutions and plan of action

Sherii Sherban discussed May 9, 2025, Board Planning Session documents along with Community Mental Health Association of Michigan (CMHAM) documents. Brad Casemore noted that the Request For Proposal (RFP) regarding the procurement has not been released and stated SWMBH's position related to the MDHHS procurement as follows:

SWMBH

- must behave as if the PIHP procurement is real with a 10/1/26 or 12/31/26 changeover date unless DHHS withdraws the plan.
- and its staff will not undertake overt or covert advocacy against the DHHS decision. What staff do as private citizens is not SWMBH's business.
- has contractual and ethical duties and obligations to persons served, staff, providers and our Founding CMHs which will be fulfilled.
- is reviewing current plans and projects for future suitability and resourcing modifications.
- is not an eligible bidder for Central Region PIHP or any region PIHP per stated DHHS bidder qualifications.
- has no authority over our CMH's consideration of forming or joining a new Regional Entity or other agency to participate in PIHP bidding.
- cannot and will not speak on behalf of CMH Boards.

- has no enthusiasm for initiating future PIHP bid positioning unless directed to do so by the SWMBH Board on behalf of Founding CMH Boards.
- will maintain participation in conversations related to emerging public system models, as well as SWMBH and CMH preparation needs.
- will continue conversations with CMH CEOs and the SWMBH Board regarding SWMBH performing administrative and clinical support services after the changeover.

Brad Casemore presented the concept paper to create a central regional entity as documented and noted that SWMBH will not consider becoming a part of the proposed concept paper unless directed to do so by the Board. Jeff Patton asked the Board to consider not only SWMBH but also the CMHSPs because the procurement would affect all in the region. Discussion followed.

Sherii Sherban discussed a recent SWMBH Board Executive Committee meeting and shared the following verbal summary she said had been gleaned from many SWMBH Board members and CMH representatives resulting in nineteen pages of notes.

- Uncertainty makes action steps difficult
- There are Pros and Cons of possible action steps
- If MDHHS procurement happens the SWMBH governing body needs to decide how to carry on to close out SWMBH
- Fear of liability
- Maintain staff and functions
- Trust issues, frustrations with decision making
- Oversight
- Need new budgets for review ASAP
- Administrative costs
- Employee capacity audit
- Administrative contacts audit
- Can AI be utilized
- UM review .vs auto
- Is procurement a done deal or not ?
- Financial stability for FY 25 and FY26
- What does SWMBH Management do that could be dispersed to the CMHs

Sherii asked Board to prioritize the following four items:

1. Forensic Audit
2. CMH Budgets
3. SWMBH Bylaws
4. SWMBH Operating Agreement

Motion	Carol Naccarato moved a no confidence vote in Brad Casemore's leadership of SWMBH
Second	No second and no comments
Motion Failed	

Each Board Member shared their thoughts on action steps for going forward which included: Brad and his leadership team are doing their best, we need to plan for the unknown, continue to be successful with finances, roles and impacts, Washington administration has brought things to a head, what can be done, more eyes on finances, Rehmann audit, more oversight to gain confidence in how things are being done, total confidence in Brad, big problems happened in the last year, teamwork issues started when Summit Pointe and St. Joesph bought the Dispute Resolution which spent a lot of money and effected trust and collaboration, teamwork is breaking down, no need for a forensic audit, money has decreased while need for services has increased.

Motion Lorraine Lindsey moved to Provide an Independent Financial Forensic audit that is approved by the SWMBH Finance Committee and Board and that accurately presents its overall net position which should include a minimum of: Total Assets (Current capital assets, Net leases receivable, Net pension asset), Deferred Outflows of Resources, Total Liabilities (Current liabilities, Long-term liabilities, Net other post-employment benefits liability), Deferred Inflows of Resources, Net Position (Net Investment in capital assets, Restricted Net Position, Unrestricted Net Position).

Second Tom Schmelzer

Motion Carried ***Tina voted No by voice vote. There was no roll call vote subsequent to that.

Motion Lorriane Lindsey moved that revised Fiscal Year CMH budgets be submitted to the SWMBH Board by the July meeting.

Second Michael Seals

Motion Carried

Board Policy Review

Sherii Sherban noted that Susan Radwan's version of the SWMBH Board policies are missing a couple of policies, and she would reach out to Susan on those missing policies.

Motion Tom Schmelzer moved to approve the balance of the policies

Second Joyce Locke

Motion Carried

Executive Limitations Review

BEL-001 Budgeting

Tom Schmelzer reported as documented noting that the SWMBH Board Finance Committee approved the revised policy at their last meeting.

Motion Tom Schmelzer moved to approve the revised policy BEL-002 are we sure it is 002 Budgeting as presented.

Second Michael Seals

Motion Carried

Board Education

Information Systems overview/update

Natalie Spivak reported as documented.

Communication and Counsel to the Board**Regional Public Policy Plan draft**

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

Fiscal Year 2026 Budget Assumptions

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

Managed Care Information Systems (MCIS)/PCE Systems

PCE implementation on hold due to MDHHS procurement.

September 12, 2025, Board Meeting location

September 12, 2025, Board meeting location is Advia Credit Union.

July Board Policy Direct Inspection

BEL-009 Global Executive Constraints, Carol Naccarato.

Public Comment

None

Adjournment

Motion Michael Seals moved to adjourn the Board meeting

Second Joyce Locke

Meeting adjourned at 2:25pm

Date:	6/11/25
Time:	9:00 am – 11:00 am
Facilitator:	Jeannie
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ John Ruddell (Woodlands) ☒ Brad Casemore (SWMBH)
☒ Ric Compton (Riverwood) ☐ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☒ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)

Version 6/10/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> • Done Via email approval.
3. Cash Flow Support (Garyl)		<ul style="list-style-type: none"> • Paused and held for the moment. • John is projecting that from the most recent rate adjustment will be good until February of 2026; other options are available to help get things to cash settlement times.
4. Rate Letter (Mila) <ul style="list-style-type: none"> • Inpatient • Community Providers 		<ul style="list-style-type: none"> • Uniformity across the board for all 8 CMHs. • Summit Point suggests that the letter only be written to the CMHs

		<p>themselves, and then have the CMHs handle the providers they contract with, to handle any issues.</p> <ul style="list-style-type: none"> • Mila will make the changes suggested by CEOs. • Ric stated that the rate readjustment needs to be addressed in that letter to help providers understand that there is still a significant deficit, regardless of the rate adjustment. • Mila to ask Provider Network what the drop dead date is for the letter to be ready for dispersal. • Inpatient rates: <ul style="list-style-type: none"> ○ Flat % decrease – decided that it most likely will not be the best way to move forward. ○ Looking to take current providers and calculate Medicare base rates, and then compare to what our current contract rates are. Looking to ensure HRA payments are included in FY 26 considerations.
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		<ul style="list-style-type: none"> ○ Jeff and Jeannie would like to see the comparisons when completed.
5. CLS Services Regional Approach (Anne)		<ul style="list-style-type: none"> • The project is still moving forward. All CMHs have agreed to and approved. • Next look at – CLS (H2015) approval in a spec res when they are already getting CLS (H2016) – across the region, there were 187 consumers affected. • Potential for issues of Fair Hearings/UM with leasing agreements, etc. Potential for conflict between lease agreements and medical necessity. CMHs should ensure that they are not signing lease agreements that guarantee a certain amount of CLS, and should only be based on Medical Necessity. Something for CMHs to review internally.
6. Financial Stability a. Period 7 financials including 2025 revenue, expense and margin projections (if available) (d) b. ABA funding shortfall and DHHS communications (d) c. State/Milliman Meeting Updates d. Rehmann financial oversight		<ul style="list-style-type: none"> • About a 5.1% increase from the same time FY 24 revenues. This is technically down from 6% from the projected 11% we were supposed to see. • P07 – <ul style="list-style-type: none"> ○ \$323.912 Million in Revenue ○ \$338.471 Million in expenses

<p>e. Wakely Findings (Suzanne Grace) (d)</p>		<ul style="list-style-type: none"> ○ Deficit of \$14.559 million ○ Projected out is \$22.767 million for FY 25 across all funding lines ○ Medicaid funding buckets, we are projecting a roughly \$25 million deficit. This is an increase largely in part due to the Autism rates that were retroed due to state requirements. ● Mid-Year Rate Amendment: <ul style="list-style-type: none"> ○ Entire state increase of \$161 million. ○ SWMBH region – approximately 15 million increase. Paid out through repay/recoup. Should be sent sometime this week. ○ Received about a 5.4% increase in Area Regional Factor. Unknown at this time what changes affected the Regional Area Factor. ○ Moving towards a regional factor, which is based on the acuity of the region starting June
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		<p>1st. Not sure what is included in that.</p> <ul style="list-style-type: none"> ○ Questions regarding if the Autism rate increase covered the expenditures or not. Garyl indicated that they would be looking into that, but have not yet been able to. If not, it still needs to be advocated at the state level to ensure appropriate funding for that requirement. ● Revised Budget: <ul style="list-style-type: none"> ○ The new projected deficit is approximately \$7.3 million for 2025. Which means a final \$6.7 million deficit after the ISF remaining funding is utilized. ○ \$3.4 million QBP from CCBHC is an estimate, 75% of the potential earnings before redistribution. The budget will be updated when we get the actual numbers. ● There is potential for a fourth amendment for FY 25 for ESTA. Projected to be \$16 million across the state, and SWMBH typically gets 10% of statewide increases.
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		<ul style="list-style-type: none"> • Wakely to meet with the MCHE group on June 23rd, no updated document to discuss • Rehmann update – nothing new to report. • State/Milliman Update – No currently scheduled meetings, SWMBH did send a current financial status update, but didn't take into consideration the mid-year rate adjustment. ISF notice as well. • Finance Committee discussion: <ul style="list-style-type: none"> ○ The FY24 audit was unable to be presented to the committee. Information was missing from Summit Pointe, which was addressed Mon/Tuesday of this week.
7. UM Follow up Report (Anne)		<ul style="list-style-type: none"> • Anne is to get a list of services that could be reduced in auto-approval. Anne is to chat with RUM to consult. Results of that discussion to follow.
8. PIHP Bid out		<ul style="list-style-type: none"> • SWMBH's current thought process is that they will no longer be present on 10/1/26, but realistically, 12/31/26 for closeout of all needed reporting. • CMHA is actively fighting on behalf of the PIHPs.

		<ul style="list-style-type: none"> • SWMBH does not intend to advocate for the continuation of the PIHPs, but instead to fulfill the terms of the contract as required by the state. • Delegated functions become a considerable concern for CMHs as many hold many delegated functions, and with new procurement, there are no delegated functions. • Legacy activities need to continue even when the PIHPs are no longer in effect – claims, COBRA, financial reporting etc. • Other discussions were had.
9. CCBHC Direct Payment		<ul style="list-style-type: none"> • No updates.
10. PCE Update (Anne)		<ul style="list-style-type: none"> • Currently in a holding pattern. If SWMBH does not exist on October 1, 2026, then there is no reason to implement.
11. Sub Ends 1, 5, and 3		<ul style="list-style-type: none"> • Considering as a group, but focusing on financials.
12. Operating Agreement Review (d)		<ul style="list-style-type: none"> • Review one final time. To be decided on at next Ops Comm. Brad will bring back any red lines.
13. Tableau (d)		<ul style="list-style-type: none"> • Reviewed the tableau report, Natalie to give a drop-dead date for final changes, and then use that list to move forward.

		<ul style="list-style-type: none"> Once go-live, the Tableau users' TA, passwords, and access will go to Alena/Moira.
14. Central Region PIHP Concept Paper (Brad)		<ul style="list-style-type: none"> Passed out for informational purposes.
15. Next Meeting Agenda June Facilitator-Rich July Facilitator-Ric August Facilitator- John		
16. 11:00 am-12:00 pm CMH CEOs		<ul style="list-style-type: none"> Sub Ends 1, 5, and 3 Operating Agreement Review Financials UM Update – Anne Update on State Procurement FY 26 Rate Letters – Mila

h Date:	6/25/25
Time:	9:00 am – 11:00 am
Facilitator:	Rich
Minute Taker:	Cameron
Meeting Location:	SWMBH, 5250 Lovers Lane, Suite 200, Portage, MI 49002 Click here to join the meeting

Present: ☒ Rich Thiemkey (Barry) ☒ John Ruddell(Woodlands) ☒ Brad Casemore (SWMBH)
☒ Ric Compton (Riverwood) ☒ Jeff Patton (ISK) ☒ Mila Todd (SWMBH)
☒ Sue Germann (Pines BHS) ☒ Cameron Bullock (Pivotal) ☒ Garyl Guidry (SWMBH)
☒ Jeannie Goodrich (Summit) ☒ Debbie Hess (Van Buren)

Version 6/23/25

9:00 am – 11:00 am		
Agenda Topics:	Discussion Points:	Minutes:
1. Agenda Review & Adoption (d)		<ul style="list-style-type: none"> Rich asks that if there are changes to the agenda, that they be communicated to the Ops Comm, and not added just to the invite.
2. Prior Meeting Minutes Review (d)		<ul style="list-style-type: none"> Approved.
3. Financial Stability a. Period 8 financials including 2025 revenue, expense and margin projections (if available) (d) b. State/Milliman Meeting Updates c. Rehmann financial oversight		<ul style="list-style-type: none"> P08 Financials are not available yet. The current month's payments were up \$1 million from last month. – Looking to confirm if this is the retro payments and new rate details.

4. Wakely Findings (Suzanne Grace) (d)		<ul style="list-style-type: none"> • Repayment and Recoupment schedule has not yet been received from the state. • CCBHC QBP numbers released. The region received a <u>preliminary</u> total of \$4,365,616.11. This is higher than the budgeted projection of \$3.4 million. • No update from the State/Milliman – Waiting for the FY 26 • Rehman oversight, still ongoing, still discussing what that looks like. Brad is requesting feedback on the document presented for financial oversight. Provide to Brad by COB 6/26/25. It will not be finalized until July 3rd. Include Garyl in the email as a cc. • Wakely Findings – MCHE was to meet on June 23rd with them. Not sure if that meeting actually took place or not. Brad sent out an inquiry about where the work products are and when we can get them.
5. UM Follow-up Report (Anne)	<ul style="list-style-type: none"> * H2015/H2016 same day reporting; * Services to reduce auto-authorization threshold 	<p>Moved to next meeting – Anne not here.</p>

6. PIHP Competitive Procurement	Regional Entity Roles and Future	<ul style="list-style-type: none"> No Update. Agenda item will remain as a placeholder for a future discussion.
7. CCBHC Direct Payment Methodology		<ul style="list-style-type: none"> Discussed the potential impact for the CCBHC payments to no longer go through SWMBH. There was nothing concrete and we are awaiting further direction from the State. Specific discussion about the use of Block Grant funds for CMH/CCBHC relative to SUD services. Again, nothing concrete provided.
8. Sub Ends 1 and 5 and 3		<ul style="list-style-type: none"> Brad to request final feedback by July 1st. Sube Ends 1, 5, and 3 will be presented to the Board for approval on July 11th. Alternatives are also welcome by the July 1st deadline. The Committee Norms document will also be sent to CEOs for review. Added to next Ops Comm Meeting, it is in draft subject to revisions/feedback/etc.
9. Operating Agreement Review (d)		<ul style="list-style-type: none"> Under Contractual Agreements, for section 12, use the original L and M language. Mila to prep and circulate. Will go to the SWMBH board at the July Meeting.

		<ul style="list-style-type: none"> • Otherwise, all are in agreement. • SWMBH will file with the counties.
10. Tableau		<ul style="list-style-type: none"> • The list was sent out via Natalie S., and SWMBH is moving forward as is. Moira is the new main contact for passwords, TA, etc.
11. Rate letters (Mila)		<ul style="list-style-type: none"> • Discussed with the Regional Provider Network meeting. There is concern about the uproar that providers will cause. RPN says they want to send out the letters as soon as possible, versus the CEO Ops recommendation of sending them with contracts. • The letter will come from SWMBH to the CMH CEO's and then CMHs will distribute it. • July 14th is the agreed-upon send-out date for providers from Ops Comm.
12. SUD services - under direct payment of CCBHC services		<ul style="list-style-type: none"> • Covered under #7 briefly.
13. Special presentation in July by Pat Davis and Judith Taylor		<ul style="list-style-type: none"> • Presenting UM concerns, and strategies to contain costs, and reviewing issues with Milliman reports, and other reports that Pat and team have created. • 9:15-10:15 – next Ops meeting.

14. Financial Management Plan/ Financial Risk Management Plan		<ul style="list-style-type: none"> • Revenues need to be clearly identified on how they are distributed across ALL fund sources. • Debts need to be clearly identified on how they will be distributed if SWMBH dissolved. • Brad committed management to look at both documents. • Ask is ASAP due to the potential implications to all CMH's and get that process rolling. • Jeff stated there will need to be a revisit to the bylaws to ensure they are in line as well.
15. SWMBH Finance Audit		<ul style="list-style-type: none"> • Revised FY 24 audit is now complete. 6-25-25 should be available. • Needs to go through the finance committee. It will be presented to the audit committee and the finance committee, and then sent to the CEOs. • There were prior-year activities that needed to be cleaned up. The previous year's reports needed to be cleaned up. It should be more thorough. • The financial audit was completed in March. <ul style="list-style-type: none"> ○ There are some CMH's whose compliance

		<p>audits are not complete.</p> <ul style="list-style-type: none"> ▪ Summit Pointe has not completed theirs yet, due to issues with a contract. ▪ There is one other CMH not done however Garyl didn't know which other CMH wasn't done. ▪ RPC asked Garyl to submit an extension request from the State, as done in previous years.
<p>16. June 13th SWMBH Board meeting Discussion</p>		<ul style="list-style-type: none"> • Pivotal has requested that Brad address the issues raised by board member Tom S. regarding the continued stay reviews and why the board was presented with a step 3. Pivotal contends that a formal request was sent months in advance, and that a lawyer on behalf of Summit Pointe and Pivotal was only brought in because there was no communication until pushed. Pivotal contends that it was addressed at Step Two, with all six non-involved CEOs approving the delegated

		<p>function to be given to both Summit Pointe and Pivotal. It was Brad who brought it to step three at the board level, not Summit Pointe/Pivotal. It would be helpful not to have to continually defend Pivotal against inaccuracies by SWMBH board members.</p> <ul style="list-style-type: none"> • Brad asks that it be brought up again at the August Ops Comm meeting, as he was not prepared to discuss at this point. Agenda item added for August.
17. SWMBH Finance Email/Summit Pointe Response		<ul style="list-style-type: none"> • If there were a Breach of Contract, then it would be addressed by SWMBH Management. • At this point, there is no breach. • Moving forward, any deficiencies that a CMH has, SWMBH will make a reasonable faith effort to bring them to the Ops Comm's attention, and the Tardy CMH processes. • Compliance Audit is currently held up by CMH's <ul style="list-style-type: none"> ○ Summit Pointe is one of those that has not turned in its compliance audit yet. (Does have until 6/30 to submit)

		<ul style="list-style-type: none"> ○ Reported from the Auditor that it was more than one.
18. Pivotal: Seeking approval for Sub-Delegation of Customer Service		<ul style="list-style-type: none"> ● Pivotal is going to submit an official request to SWMBH that Pivotal sub-delegate/subcontract the customer service function to Summit Pointe.
19. Next Meeting Agenda June Facilitator-Rich July Facilitator-Ric August Facilitator- John?	May need to extend due to multiple presentations.	<ul style="list-style-type: none"> ● UM Follow Up Report- Anne ● Wakely Update – SG ● Financial Management Plan/ Financial Risk Management Plan, By-Laws- Garyl ● PIHP Competitive Procurement ● Committee Norms- Brad ● Special presentation- Pat Davis and Judith Taylor ● Continued Stay Review and SWMBHs recollection- August Agenda ● Jeff to Chair July 9th, meeting.
20. 11:00 am-12:00 pm CMH CEOs		



Southwest Michigan Behavioral Health Board of Directors Meeting Friday, July 11th, 2025

Carl Doerschler, AIF®, CPFA, CMFC
Doerschler & Associates Wealth Management, LLC
carl@doerschlerandassociates.com
269-744-4180

Jill Ingersoll, AIF®, CPFA
Doerschler & Associates Wealth Management, LLC
jill@doerschlerandassociates.com
269-744-2004



Overview

Service Providers:

- Vendor: Nationwide Financial through July 2025 and Empower Retirement thereafter
- Administrator: Kushner & Company
- Financial Advisors: Carl Doerschler and Jill Ingersoll at Doerschler & Associates Wealth Management, LLC
- Sponsored Retirement Plans:
 - 457(b) Deferred Compensation Plan
 - Employee Elective Deferrals
 - 401(a) Retirement Savings Plan
 - Employer Match
 - 401(a) Social Security Alternative
 - Social Security Alternative Contributions

Services Provided to SWMBH:

- Semi-Annual scheduled Fiduciary Review Meetings
- Co-Fiduciary 3(21) Advisory Services
- Consult with Investment Committee
- Prepare and maintain Investment Policy Statements (IPS)
- Recommend specific investments for each plan
- Prepare Investment Performance Reports
- Provide participant advice including enrollments and education
- Provide plan benchmarking analysis
- Assist with plan design consultation
- One-on-one education with each employee to discuss account contribution rates and investments
- Personal one-on-one enrollments for new employees

Statistics / Demographics

Deferred Compensation - 457(b) Plan

- Plan Balance as of 6/27/2025: \$4,020,661
- 2024 Average Rate of Return per Participant: 11.49%
- Average annualized compounded growth rate per participant over the previous 7 years was 12.24%
- There are 72 participants eligible to participate. All 72 are participating for a 100% participation rate (Based on 2024 Annual Valuation).

Retirement Savings Plan - 401(a) Plan

- Plan Balance as of 6/27/2025: \$4,092,706
- 2024 Average Rate of Return per Participant: 10.92%
- Average annualized compounded growth rate per participant over the previous 7 years was 14.04%
- There are 72 participants eligible for the employer match, and all 72 are receiving the employer match (Based on 2024 Annual Valuation).
- Employer match is \$1 for \$1 up to 5%

Social Security Alternative - 401(a) Plan

- Plan Balance as of 6/27/2025: \$4,813,131
- 2024 Average Rate of Return per Participant: 12.44%
- Average annualized compounded growth rate per participant over the previous 7 years was 14.37%
- There are 72 participants eligible to participate. 49 participants are contributing for a 68% participation rate (Based on 2024 Annual Valuation).

Best Interest Practice Management



BEST INTEREST
CONTRACT RULE.



NO KNOWN CONFLICTS
OF INTEREST.



NO REVENUE SHARING
ARRANGEMENTS, SUCH
AS 12B-1, SUB-TA,
COMMISSIONS, OR
LOADS OR SALES
CHARGES.



DIVERSIFIED LINE-UP OF
INVESTMENTS.



BROAD RANGE OF
INVESTMENT OFFERINGS
INCLUDING VANGUARD
TARGET DATE FUNDS.



ALL INVESTMENTS MEET
OR EXCEED THE
STANDARDS SET FORTH
IN THE INVESTMENT
POLICY STATEMENTS
(IPS).



NO INVESTMENTS ON
THE "WATCH-LIST".

Summary of Material Modifications

- New Local Third-Party Administrator (TPA) - Kushner & Company
- Vendor Change from Nationwide Financial to Empower Retirement
- Eliminating Nationwide Proprietary Investments
- Reduce Asset Base Fee by 0.05% (From 0.31% to 0.26%)
- Reduce Asset Allocation Weighted Average Expense Ratios
 - Nationwide Destination Conservative (GMICX) – 0.51% Gross Expense Ratio mapped to Vanguard Life Strategy Income (VASIX) – 0.11% Gross Expense Ratio
 - Nationwide Destination Moderate Conservative (GMIMX) – 0.50% Gross Expense Ratio mapped to Vanguard Wellesley® Income Fund Admiral (VWIAX) – 0.16% Gross Expense Ratio
 - Nationwide Mid Cap Market Index (GMXIX) – 0.28% Gross Expense Ratio mapped to Vanguard Mid Cap Index (VIMAX) – 0.05% Gross Expense Ratio
 - Nationwide Small Cap Index (GMRIX) – 0.35% Gross Expense Ratio mapped to iShares Russell 2000 (BRMKX) – 0.04% Gross Expense Ratio
- Improve Participant Experience Through Enhanced Technology

Transition Guide

- Important Dates

- July 18th, 2025

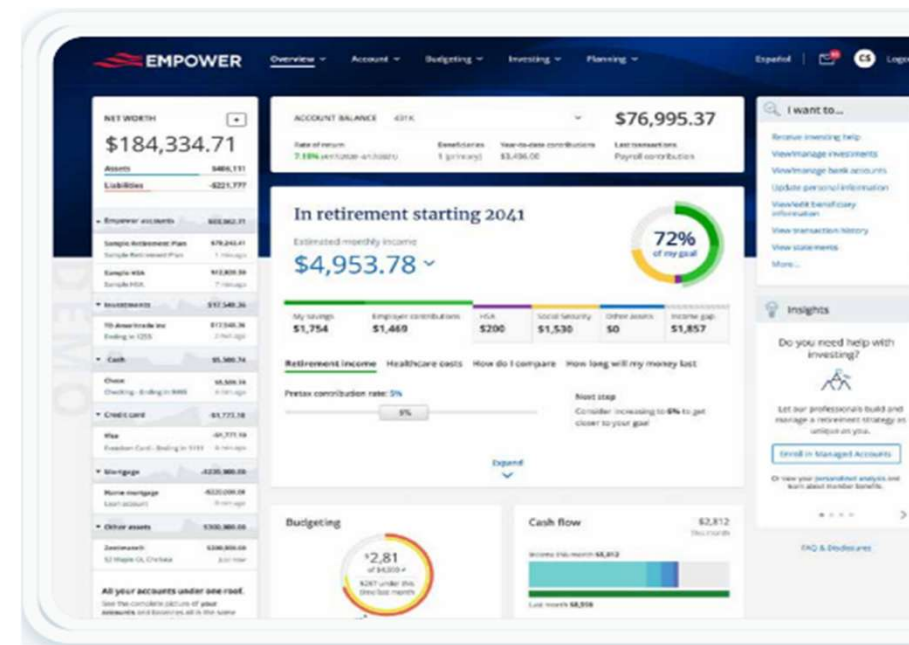
- Last Day to process participant account activity at Nationwide Financial.
 - Deadline for account updates and changes including investment changes and rebalancing.
 - Blackout Period begins (Limited account access at Nationwide Financial and Empower Retirement).

- August 7th, 2025

- Blackout period is expected to conclude.

- August 8th, 2025

- “Go Live” with Empower Retirement



Historical Fee Benchmarking

	Nationwide Plan Year 2020	Nationwide Plan Year 2021	Nationwide Plan Year 2022	Nationwide Plan Year 2023	Nationwide Plan Year 2024	Empower Current Plan Year (2025)
Vendor Costs						
Asset Based Fee	0.47%	0.47%	0.31%	0.31%	0.31%	0.26%
Weighted Average Expense Ratio	0.25%	0.24%	0.14%	0.16%	0.16%	0.16%
Total Vendor/Fund Annual Cost	0.72%	0.71%	0.45%	0.47%	0.47%	0.42%
Financial Advisor Annual Fee	0.40%	0.40%	0.30%	0.30%	0.30%	0.30%
Total (all-in) Fees	1.12%	1.11%	0.75%	0.77%	0.77%	0.72%
TPA Cost Comparison						
Beene Garter						
Conversion Fee	N/A	N/A	N/A	N/A	N/A	N/A
Document Fee	N/A - Attorney Drafted	N/A - Attorney Drafted	N/A - Attorney Drafted	N/A - Attorney Drafted	N/A - Attorney Drafted	N/A - Attorney Drafted

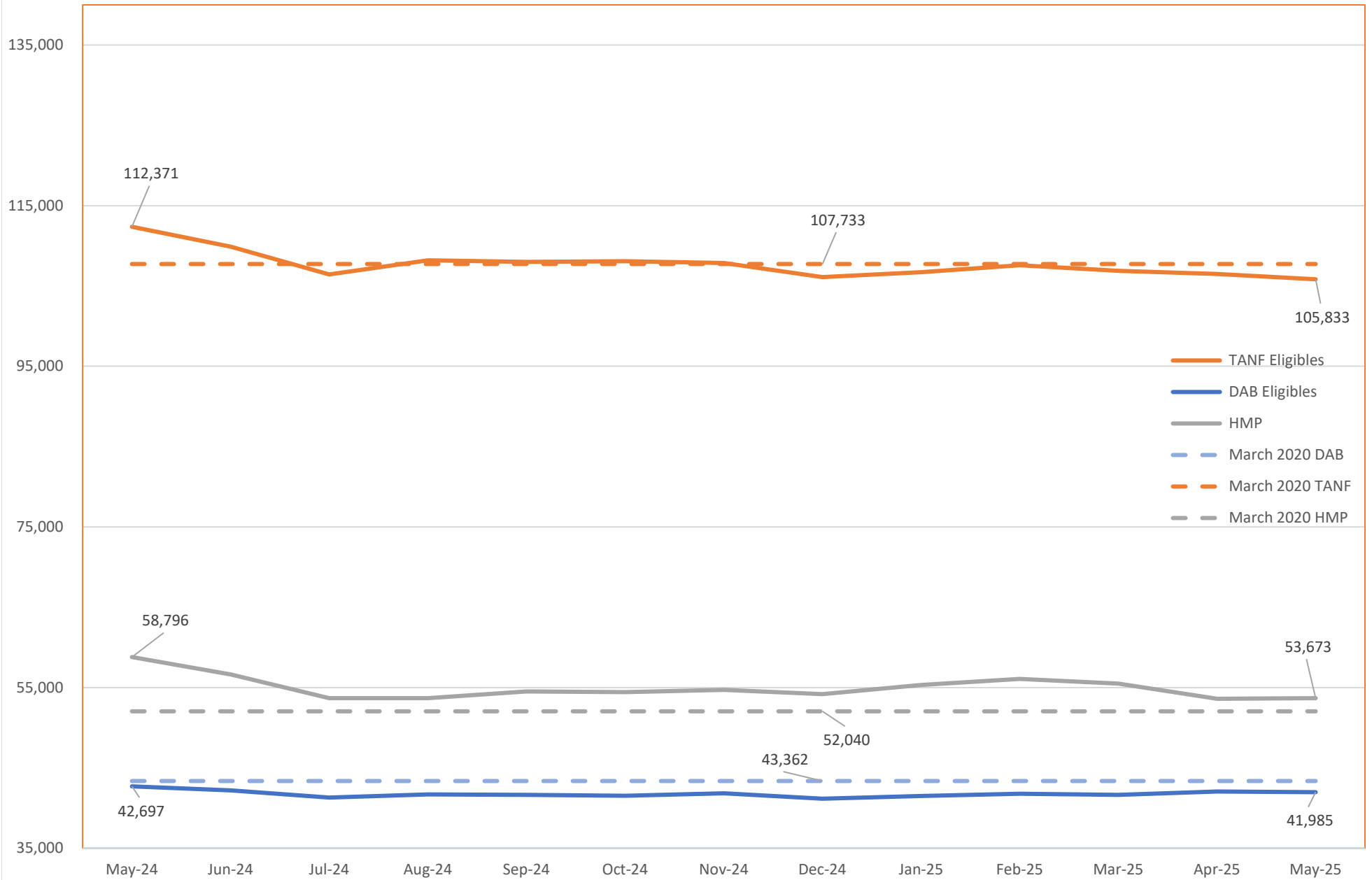
- For 2019, the estimated cost savings for all three retirement plans was approximately \$10,800. This is based on \$4,000,284.95 in total plan assets with a 0.27% cost savings.
- For 2020, the estimated cost savings for all three retirement plans was approximately \$17,821. This is based on \$5,940,402.87 in total plan assets with a 0.30% cost savings.
- For 2021, the estimated cost savings for all three retirement plans was approximately \$22,679. This is based on \$7,315,949.26 in total plan assets with a 0.31% cost savings.
- For 2022, the estimated cost savings for all three retirement plans was approximately \$47,038. This is based on \$7,020,687.12 in total plan assets with a 0.67% cost savings.
- For 2023, the estimated cost savings for all three retirement plans was approximately \$63,154. This is based on \$9,715,952 in total plan assets with a 0.65% cost savings.
- For 2024, year over year there was no anticipated cost savings.
- For 2025, the estimated cost savings for all three retirement plans are anticipated to be \$15,559.30. This is based on \$12,966,081 in total plan assets with a 0.12% cost savings.



Questions and Answers

Information included in this document has been obtained from third parties. Although we believe the information to be reliable, we do not guarantee its accuracy, completeness, or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources. Securities and Investment Advisory Services Offered Through M Holdings Securities, Inc. A Registered Broker/Dealer and Investment Advisor, Member FINRA/SIPC. Doerschler & Associates Wealth Management, LLC is independently owned and operated. Doerschler & Associates Wealth Management, LLC is an affiliate firm of Thomas Financial Group. File #6542209.1

Southwest Michigan Behavioral Health
Total Eligibles May '24 - May '25
as of June 25, 2025



SWMBH Through May	FY25	FY24	% Change YOY	\$ Change YOY
State Plan MH	65,091,719	65,555,576	-0.7%	(463,857)
1915i MH	60,434,993	56,862,935	6.3%	3,572,058
Autism	19,315,310	13,533,363	42.7%	5,781,947
<i>Habilitation Supports Waiver (HSW)</i>	<i>42,448,307</i>	<i>39,365,961</i>	<i>7.8%</i>	<i>3,082,347</i>
<i>Child Waiver Program (CWP)</i>	<i>606,600</i>	<i>732,133</i>	<i>-17.1%</i>	<i>(125,534)</i>
<i>Serious Emotional Disturbances (SED)</i>	<i>340,954</i>	<i>1,075,839</i>	<i>-68.3%</i>	<i>(734,885)</i>
Net Capitation Payment	188,237,883	177,125,808	6.3%	11,112,075
				-
State Plan SA	5,253,985	5,540,728	-5.2%	(286,743)
Net Capitation Payment	5,253,985	5,540,728	-5.2%	(286,743)
				-
Healthy Michigan Mental Health	16,497,796	15,993,857	3.2%	503,939
Healthy Michigan Autism	26,923	17,008	58.3%	9,915
Net Capitation Payment	16,524,719	16,010,865	3.2%	513,854
				-
Healthy Michigan Substance Abuse	9,051,366	9,486,783	-4.6%	(435,417)
Net Capitation Payment	9,051,366	9,486,783	-4.6%	
				-
GRAND TOTAL	219,067,953	208,164,183	5.2%	10,903,770

as of 6/25/2025

State Plan, 1915i, B3 and Autism have DAB and TANF payments included.

DAB refers to the "disabled, aged, or blind" eligibility categories for Medicaid programs.

TANF refers to "Temporary Assistance for Needy Families" for Medicaid programs.

	E	F	I	J	K	L	M
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 5/31/2025				FY25 PIHP		
3	(For Internal Management Purposes Only)						
4		FY24 Budget	FY25 Budget	FY24 Actual as P08	FY25 Actual as P08	FY 25 Projection	
6	REVENUE						
7	Contract Revenue						
8	Medicaid Capitation	230,693,820	256,227,043	165,050,375	172,230,068	258,345,101	
9	Healthy Michigan Plan Capitation	48,606,904	38,407,790	20,600,807	18,825,790	28,238,686	
10	Medicaid Hospital Rate Adjustments	5,963,797	12,089,192	6,044,596	8,059,461	12,089,192	
11	Opioid Health Home Capitation	1,863,222	1,610,090	1,073,394	1,042,048	1,563,072	
12	Mental Health Block Grant Funding	635,001	653,000	485,696	334,916	502,374	
13	SA Block Grant Funding	7,432,909	7,763,190	5,220,824	5,578,584	8,367,876	
14	SA PA2 Funding	2,110,931	2,184,476	1,407,287	1,173,655	1,760,483	
15							
16	Contract Revenue	297,306,585	318,934,780	199,882,977	207,244,523	310,866,784	
17	CMHSP Incentive Payments	501,957	419,357	209,679	362,701	544,052	
18	PIHP Incentive Payments	-	2,483,291		1,422,845	2,134,267	
19	Interest Income - Working Capital	573,177	1,222,315	696,356	296,529	444,793	
20	Interest Income - ISF Risk Reserve	102,887	-	204,170	616,265	924,398	
21	Local Funds Contributions	1,289,352	852,520	586,461	568,346	852,520	
22	Other Local Income					-	
23							
24	TOTAL REVENUE	299,773,958	323,912,264	201,579,643	210,511,209	315,766,813	
25							
26	EXPENSE						
27	Healthcare Cost						
28	Provider Claims Cost	24,396,146	23,023,897	14,534,376	14,897,188	22,345,783	
29	CMHP Subcontracts, net of 1st & 3rd party	233,928,855	263,904,801	170,918,506	173,951,048	260,926,573	
30	Insurance Provider Assessment Withhold (IPA)	3,790,852	3,746,326	2,226,821	1,982,553	2,973,829	
31	Medicaid Hospital Rate Adjustments	5,963,797	12,089,192	6,044,596	8,059,461	12,089,192	
33		-	-	-	-	-	
34	Total Healthcare Cost	268,079,650	302,764,215	193,724,299	198,890,251	298,335,377	
35	Medical Loss Ratio (HCC % of Revenue)	90.2%	94.9%	96.9%	96.0%	96.0%	
36							
37	Administrative Cost						
39	Administrative and Other Cost	11,698,386	12,805,756	6,408,086	7,068,031	10,602,046	
44	Delegated Managed Care Admin	22,429,220	24,714,174	16,339,133	20,476,497	30,714,745	
45	Apportioned Central Mgd Care Admin	(0)	(2,665,293)	(1,126,243)	(1,367,349)	(2,051,024)	
46							
47	Total Administrative Cost	34,127,607	34,854,637	21,620,977	26,177,178	39,265,767	
48	Admin Cost Ratio (MCA % of Total Cost)	11.3%	10.3%	10.0%	12.1%	12.1%	
49							
50	Local Funds Cost	1,289,352	852,520	586,461	568,346	852,520	
51	PBIP Transferred to CMHPs	-	-	-	1,189,336	1,784,005	
52							
53	TOTAL COST after apportionment	303,496,608	338,471,372	215,931,736	226,825,112	340,237,668	
54							
55	NET SURPLUS before settlement	(3,722,650)	(14,559,107)	(14,352,093)	(16,313,903)	(24,470,855)	
56	Net Surplus (Deficit) % of Revenue	-1.2%	-4.5%	-7.1%	-7.7%	-7.7%	
57							
58	Prior Year Savings Utilization	9,769,410	-		-	-	
59	Change in PA2 Fund Balance	(123,852)	-	(366,668)		-	
60	ISF Risk Reserve Abatement (Funding)	(102,887)	-	(204,170)	-	-	
61	ISF Risk Reserve Utilization		1,929,280	15,028,188	710,068	710,068	
62	CCBHC Supplemental Receivable (Payable)	6,592	3,813,725		-	-	
63	Settlement Receivable / (Payable)	-	-	818,120	-	-	
66	NET SURPLUS (DEFICIT)	5,826,612	(8,816,103)	923,376	(15,603,835)	(23,760,787)	

	A	B	C	D	E	F	G
1	Southwest Michigan Behavioral Health						
2	For the Fiscal YTD Period Ended 5/31/2025						
3	FY25 CCBHC						
4	(For Internal Management Purposes Only)						
5			<u>FY24 Budget</u>	<u>FY25 Budget</u>	<u>FY24 Actual as P08</u>	<u>FY25 Actual as P08</u>	<u>FY 25 Projection</u>
6	REVENUE						
16	Contract Revenue		85,003,146	94,989,631	42,932,408	69,616,096	104,424,145
17	CMHSP Incentive Payments		-	3,422,650	-	-	-
18							
19	TOTAL REVENUE		85,003,146	98,412,281	42,932,408	69,616,096	104,424,145
20							
21	EXPENSE						
22	Healthcare Cost						
23	CCBHC Subcontracts		82,452,731	82,461,854	43,578,915	51,162,692	76,744,037
24							
25	Total Healthcare Cost		82,452,731	82,461,854	43,578,915	51,162,692	76,744,037
26	Medical Loss Ratio (HCC % of Revenue)		97.0%	83.8%	101.5%	73.5%	73.5%
27							
28							
29	Administrative Cost						
30	Apportioned Central Mgd Care Admin		2,550,415	2,665,293	1,126,243	1,367,349	2,051,024
31							
32	Total Administrative Cost		2,550,415	2,665,293	1,126,243	1,367,349	2,051,024
33	Admin Cost Ratio (MCA % of Total Cost)		3.0%	3.1%	2.5%	2.6%	2.6%
34							
35	TOTAL COST		85,003,146	85,127,147	44,705,157	52,530,041	78,795,061
36							
37	NET SURPLUS before non MCA cost		0	13,285,134	(1,772,749)	17,086,056	25,629,083
38	Net Surplus (Deficit) % of Revenue		0.0%	13.5%	-4.1%	24.5%	24.5%
39							
40	CCBHC Non Medicaid Cost		-	(10,261,247)	-	(8,521,831)	(12,782,746)
41	CCBHC Supplemental Reciveable (Payable)				6,050,787		
42	Settlement Receivable / (Payable)						
43							
44	CCBHC Net Surplus/(Deficit)		0	3,023,886	4,278,038	8,564,225	12,846,337
45							

April										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	14,856,186	6,060,212	27,933,440	7,492,229	25,948,026	9,698,841	42,338,273	9,492,698	14,284,239	158,104,144
Expense	14,494,153	4,102,924	30,385,385	6,988,146	27,432,356	12,195,518	49,108,520	11,119,319	14,188,602	170,014,922
Difference	362,033	1,957,288	(2,451,945)	504,083	(1,484,330)	(2,496,677)	(6,770,246)	(1,626,621)	95,637	(11,910,778)
HMP										
Revenue	4,416,562	520,883	2,627,881	364,452	2,794,664	1,004,899	2,807,793	1,007,777	1,034,819	16,579,730
Expense	5,852,317	574,241	2,360,272	781,392	3,139,953	1,249,142	3,185,807	1,136,099	1,062,105	19,341,329
Difference	(1,435,755)	(53,359)	267,609	(416,940)	(345,289)	(244,244)	(378,014)	(128,322)	(27,286)	(2,761,599)
April Revenue and Expense										
Revenue	10,414,254	1,887,882	9,051,486	2,294,440	8,487,192	3,071,490	13,295,057	2,836,366	4,423,631	55,761,798
Expense	11,074,167	1,308,382	9,849,596	2,616,627	8,767,432	4,272,082	14,812,709	3,104,469	4,294,922	60,100,386
Capitation Deficit										(14,672,376.35)
May										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	17,046,939	6,910,433	31,588,202	8,617,077	29,657,420	11,082,178	48,443,174	11,033,198	16,273,609	180,652,230
Expense	16,598,965	4,853,041	34,594,544	8,340,801	31,512,722	13,526,489	56,783,302	12,563,732	16,397,959	195,171,556
Difference	447,974	2,057,392	(3,006,342)	276,276	(1,855,302)	(2,444,311)	(8,340,128)	(1,530,534)	(124,351)	(14,519,326)
HMP										
Revenue	5,036,848	584,955	2,871,178	417,004	3,196,143	1,140,038	3,211,207	1,177,602	1,190,816	18,825,790
Expense	6,561,433	671,621	2,774,819	937,053	3,503,882	1,269,790	3,780,151	1,227,953	1,157,208	21,883,911
Difference	(1,524,584)	(86,666)	96,359	(520,049)	(307,739)	(129,752)	(568,945)	(50,351)	33,607	(3,058,120)
April Revenue and Expense										
Revenue	13,225,293	2,802,175	12,949,544	3,471,841	12,598,064	4,589,966	19,803,371	4,546,691	6,568,998	80,555,944
Expense	13,888,094	2,155,879	14,473,302	4,124,944	13,211,728	5,623,700	23,081,835	4,640,737	6,599,383	87,799,602
Capitation Deficit										(17,577,446.04)
Projection for FY 2025										
Medicaid	SWMBH	Barry	Berrien	Pines	Summit Pointe	Woodlands	ISK	St. Joe	Van Buren	Total
Revenue	25,570,408	10,365,650	47,382,303	12,925,616	44,486,130	16,623,267	72,664,761	16,549,797	24,410,413	270,978,345
Expense	24,898,447	7,279,562	51,891,816	12,511,202	47,269,083	20,289,733	85,174,953	18,845,599	24,596,939	292,757,334
Difference	671,961	3,086,088	(4,509,513)	414,414	(2,782,953)	(3,666,466)	(12,510,192)	(2,295,801)	(186,526)	(21,778,989)
HMP										
Revenue	7,555,273	877,432	4,306,767	625,506	4,794,214	1,710,058	4,816,810	1,766,403	1,786,223	28,238,686
Expense	9,842,149	1,007,432	4,162,229	1,405,580	5,255,823	1,904,685	5,670,227	1,841,929	1,735,812	32,825,866
Difference	(2,286,877)	(129,999)	144,539	(780,074)	(461,609)	(194,628)	(853,417)	(75,527)	50,411	(4,587,180)
Combined Medicaid/HMP	(1,614,916)	2,956,089	(4,364,975)	(365,660)	(3,244,562)	(3,861,094)	(13,363,608)	(2,371,328)	(136,115)	(26,366,169)
April Results	(1,840,667)	3,263,879	(3,744,575)	149,388	(3,136,488)	(4,698,721)	(12,254,161)	(3,008,473)	117,173	(25,152,645)
1Month Comparison	225,751	(307,790)	(620,399)	(515,048)	(108,073)	837,627	(1,109,448)	637,145	(253,288)	(1,213,524)
Projected										(26,366,169.06)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 5/31/2025
(For Internal Management Purposes Only)

5/31/2025

ok

INCOME STATEMENT

Barry County CMHA

PIHP Summary Information

Capitation Payment		7,865,819	144,209	713,870	251,041	172,503	623,552	1,099,594.17	379,956	-
Less: CCBHC Base Payment		(1,099,594)	-	(379,956)	-	-	-	-	-	-
Subcontract revenue		6,766,225	144,209	333,914	251,041	172,503	623,552	1,099,594.17	379,956	-
Supplemental CCBHC Payment		-	-	-	-	-	-	1,682,355.29	768,295.53	-
CCBHC 1st/3rd Party Cost Offset		-	-	-	-	-	-	70,154.69	6,188	336,571
CCBHC General Fund Revenue		-	-	-	-	-	-	-	-	-
Incentive Payment Revenue	PIHP Revenue	-	-	-	-	-	-	-	-	-
Subcontract revenue	11,674,435	6,766,225	144,209	333,914	251,041	172,503	623,552	2,852,104	1,154,439	336,571
External provider cost		3,470,986	-	478,824	-	-	30,009	-	-	-
Internal program cost		680,033	4,892	33,183	-	172,503	79,424	3,114,241.00	1,132,198	864,488
SSI Reimb, 1st/3rd Party Cost Offset		-	-	-	-	-	-	-	-	-
Mgd care administration	PIHP Cost	697,130	-	159,614	-	-	75,977	-	-	-
Subcontract cost	9,943,605	4,848,149	4,892	671,621	-	172,503	185,410	3,114,241	1,132,198	864,488
Net before settlement		1,918,075	139,317	(337,707)	251,041	-	438,142	(262,137)	22,241	(527,917)
Other Redistributions of State GF	PIHP Stimt	-	-	-	-	-	(179,769)	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)	(1,902,461)	(1,918,075)	(139,317)	337,707	(251,041)	-	-	128,075	(59,810)	-
Net after settlement		-	-	-	-	-	258,372	(134,062)	(37,569)	(527,917)

Berrien Mental Health Authorit

PIHP Summary Information

Capitation Payment	HCC%	100.00%	72.0%	0.0%	5.5%	0.0%	0.3%	0.8%	13.2%	5.7%	2.5%
Less: CCBHC Base Payment			34,606,670	568,811	3,213,893	1,144,189	130,197	1,487,925	3,587,279	1,486,904	-
Subcontract revenue			(3,587,279)	-	(1,486,904)	-	-	-	-	-	-
Supplemental CCBHC Payment			31,019,391	568,811	1,726,989	1,144,189	130,197	1,487,925	3,587,279	1,486,904	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	4,783,342	2,582,152	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			-	-	-	-	-	-	-	-	-
<i>PIHP Revenue</i>			-	-	-	-	-	-	-	-	-
Subcontract revenue		47,029,254	31,019,391	568,811	1,726,989	1,144,189	130,197	1,487,925	8,370,621	4,069,056	-
External provider cost			30,090,032	-	2,319,976	-	-	313,709	-	-	-
Internal program cost			1,382,125	324	86,692	1,084	130,197	45,523	5,777,084	2,492,249	1,096,738
SSI Reimb, 1st/3rd Party Cost Offset			(7,073)	-	(1,118)	-	-	(43,593)	-	-	-
Mgd care administration			3,129,136	-	368,185	-	-	76,702	-	-	-
<i>PIHP Cost</i>			-	-	-	-	-	-	-	-	-
Subcontract cost		45,768,893	34,594,220	324	2,773,735	1,084	130,197	392,341	5,777,084	2,492,249	1,096,738
Net before settlement			(3,574,829)	568,487	(1,046,746)	1,143,105	-	1,095,584	2,593,537	1,576,807	(1,096,738)
Other Redistributions of State GF			-	-	-	-	-	-	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)			2,718,353	(568,487)	1,046,746	(1,143,105)	-	(1,096,738)	232,907	(424,537)	1,096,738
Net after settlement			-	-	-	-	-	(1,154)	2,826,444	1,152,270	-

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 5/31/2025
(For Internal Management Purposes Only)

5/31/2025

ok

INCOME STATEMENT

		SWMBH TOTAL Excluding GF	Summary of Local CMHSP Components						CCBHC		
			Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non- Medicaid
Pines Behavioral Health Serv	HCC%	99.98%	60.3%	0.0%	6.5%	0.0%	0.1%	2.7%	17.9%	6.8%	5.5%
PIHP Summary Information											
Capitation Payment			10,050,081	153,881	733,328	253,743	18,845	587,079	1,586,885	570,067	-
Less: CCBHC Base Payment			(1,586,885)	-	(570,067)	-	-	-	-	-	-
Subcontract revenue			8,463,196	153,881	163,261	253,743	18,845	587,079	1,586,885	570,067	-
Supplemental CCBHC Payment			-	-	-	-	-	-	1,629,442	721,879	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	65,176	11,675	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue		13,638,051	8,463,196	153,881	163,261	253,743	18,845	587,079	3,281,503	1,303,622	-
External provider cost			7,681,295	-	811,603	-	-	244,215	-	-	-
Internal program cost			204,558	2,550	42,472	5,128	18,845	111,476	2,344,011	891,297	724,401
SSI Reimb, 1st/3rd Party Cost Offset			(2,833)	-	-	-	-	-	-	-	-
Mgd care administration		<i>PIHP Cost</i>	455,231	-	77,850	-	-	40,546	-	-	-
Subcontract cost		12,532,007	8,338,252	2,550	931,925	5,128	18,845	396,237	2,344,011	891,297	724,401
Net before settlement			124,944	151,331	(768,664)	248,615	-	190,842	937,492	412,325	(724,401)
Other Redistributions of State GF		<i>PIHP Stimt</i>	-	-	-	-	-	471,491	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)		41,671	(124,944)	(151,331)	768,664	(248,615)	-	(662,332)	(113,857)	(88,246)	662,332
Net after settlement			-	-	-	-	-	0	823,636	324,079	(62,069)
Summit Pointe (Calhoun Coun	HCC%	100.00%	64.6%	0.0%	6.9%	0.0%	0.0%	4.1%	15.4%	5.0%	3.9%
PIHP Summary Information											
Capitation Payment			32,678,728	-	3,953,409	-	-	1,239,666	3,021,308	757,267	-
Less: CCBHC Base Payment			(3,021,308)	-	(757,267)	-	-	-	-	-	-
Subcontract revenue			29,657,420	-	3,196,143	-	-	1,239,666	3,021,308	757,267	-
Supplemental CCBHC Payment			-	-	-	-	-	-	5,965,626	2,984,104	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue		<i>PIHP Revenue</i>	-	-	-	-	-	-	-	-	-
Subcontract revenue		45,581,867	29,657,420	-	3,196,143	-	-	1,239,666	8,986,933	3,741,371	-
External provider cost			26,075,313	-	2,923,115	-	-	1,667,053	-	-	-
Internal program cost			1,936,216	1,960	90,803	4,547	61	129,165	6,663,859	2,179,817	1,697,724
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
Mgd care administration		<i>PIHP Cost</i>	3,499,234	-	485,417	-	-	267,993	-	-	-
Subcontract cost		43,860,341	31,510,763	1,960	3,499,335	4,547	61	2,064,211	6,663,859	2,179,817	1,697,724
Net before settlement			(1,853,342)	(1,960)	(303,192)	(4,547)	(61)	(824,545)	2,323,074	1,561,554	(1,697,724)
Other Redistributions of State GF		<i>PIHP Stimt</i>	-	-	-	-	-	2,522,269	-	-	-
Subcontract settlement (includes PPS-1 Payment Difference)		(899,108)	1,853,342	1,960	303,192	4,547	61	(1,697,724)	(1,893,340)	(1,168,871)	1,697,724
Net after settlement			-	-	-	-	-	(0)	429,735	392,683	0

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 5/31/2025
(For Internal Management Purposes Only)

INCOME STATEMENT

Woodlands Behavioral Health	HCC%	100.0%	85.5%	1.3%	5.8%	2.3%	0.6%	4.5%			
PIHP Summary Information											
Capitation Payment			10,914,069	168,109	844,595	295,444	35,557	578,062			
Less: CCBHC Base Payment			-	-	-	-	-	-			
Subcontract revenue			10,914,069	168,109	844,595	295,444	35,557	578,062			
Supplemental CCBHC Payment											
CCBHC 1st/3rd Party Cost Offset											
CCBHC General Fund Revenue											
Incentive Payment Revenue		PIHP Revenue									
Subcontract revenue		12,257,773	10,914,069	168,109	844,595	295,444	35,557	578,062			
External provider cost			9,092,126	-	186,659	-	-	241,905			
Internal program cost			3,152,883	183,177	637,152	336,186	88,036	397,480			
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-			
Mgd care administration		PIHP Cost	1,098,303	-	109,793	-	-	50,458			
Subcontract cost		14,884,315	13,343,312	183,177	933,604	336,186	88,036	689,843			
Net before settlement			(2,429,243)	(15,068)	(89,010)	(40,742)	(52,478)	(111,781)			
Other Redistributions of State GF		PIHP Stimt	-	-	-	-	-	111,781			
Subcontract settlement		2,626,541	2,429,243	15,068	89,010	40,742	52,478	-			
Net after settlement			-	-	-	-	-	0			

Integrated Services of Kalama:	HCC%	100.0%	65.86%	0.00%	4.38%	0.00%	0.00%	0.00%	19.37%	6.45%	3.93%
PIHP Summary Information											
Capitation Payment			57,417,226		5,880,101		65,309		8,974,052	2,668,895	-
Less: CCBHC Base Payment			(8,974,052)	-	(2,668,895)	-	-		-	-	-
Subcontract revenue			48,443,174	-	3,211,207	-	65,309		8,974,052	2,668,895	-
Supplemental CCBHC Payment			-	-	-	-	-		8,071,076	4,120,210	-
CCBHC 1st/3rd Party Cost Offset									337,660	48,262	290,030
CCBHC General Fund Revenue			-	-	-	-	-		-	-	-
Incentive Payment Revenue		PIHP Revenue	-	-	-	-	-		-	-	-
Subcontract revenue		75,939,844	48,443,174	-	3,211,207	-	65,309		17,382,788	6,837,367	290,030
External provider cost			48,501,467		3,303,886				3,579,133	1,109,308	672,269
Internal program cost			1,277,928		9,779		2,145		11,064,393	3,766,181	2,300,218
SSI Reimb, 1st/3rd Party Cost Offset			(4,657)	-	(53)	-	-		-	-	-
Mgd care administration		PIHP Cost	7,008,564	-	466,539	-	-		-	-	-
Subcontract cost		80,084,613	56,783,302	-	3,780,151	-	2,145		14,643,526	4,875,489	2,972,487
Net before settlement			(8,340,128)	-	(568,945)	-	63,164		2,739,262	1,961,878	(2,682,458)
Other Redistributions of State GF		PIHP Stimt	-	-	-	-	-		-	-	552,476
Subcontract settlement (includes PPS-1 Payment Difference)		10,504,001	8,340,128	-	568,945	-	(63,164)		2,372,542	(714,450)	-
Net after settlement									5,111,804	1,247,428	(2,129,982)

Southwest Michigan Behavioral Health

For the Fiscal YTD Period Ended 5/31/2025
(For Internal Management Purposes Only)

5/31/2025

ok

INCOME STATEMENT

CMH of St Joseph County

PIHP Summary Information

	HCC%	100.0%	Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Capitation Payment			12,150,162	208,681	1,106,358	391,302	52,646	695,040	1,325,645	320,059	-
Less: CCBHC Base Payment			(1,325,645)	-	(320,059)	-	-	-	-	-	-
Subcontract revenue			10,824,517	208,681	786,300	391,302	52,646	695,040	1,325,645	320,059	-
Supplemental CCBHC Payment			-	-	-	-	-	-	2,322,082	1,112,771	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			-	-	-	-	-	-	-	-	-
<i>PIHP Revenue</i>											
Subcontract revenue		17,344,002	10,824,517	208,681	786,300	391,302	52,646	695,040	3,647,727	1,432,830	-
External provider cost			10,972,861	-	1,048,985	-	-	407,758	-	-	-
Internal program cost			437,665	3,971	30,862	557	43,262	60,536	3,323,516	864,365	982,966
SSI Reimb, 1st/3rd Party Cost Offset			-	-	-	-	-	-	(63,342)	(8,150)	-
Mgd care administration			1,149,235	-	147,550	-	-	113,904	-	-	-
<i>PIHP Cost</i>											
Subcontract cost		17,951,337	12,559,761	3,971	1,227,396	557	43,262	582,198	3,260,175	856,215	982,966
Net before settlement			(1,735,244)	204,710	(441,097)	390,745	9,383	112,842	387,552	576,614	(982,966)
Other Redistributions of State GF			-	-	-	-	-	911,064	-	-	-
<i>PIHP Stimt</i>											
Subcontract settlement (includes PPS-1 Payment Difference)		2,477,782	1,735,244	(204,710)	441,097	(390,745)	(9,383)	(1,023,906)	1,021,464	(115,185)	1,023,906
Net after settlement			-	-	-	-	-	0	1,409,017	461,430	40,940

Van Buren Mental Health Auth

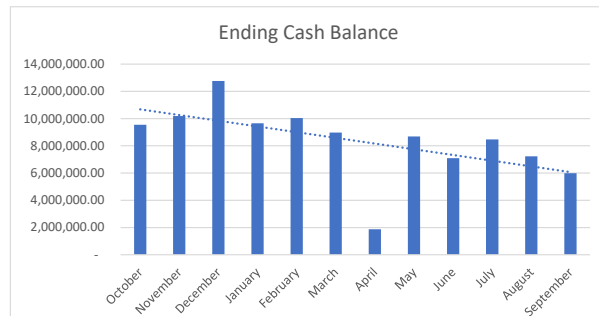
PIHP Summary Information

	HCC%	75.4%	Medicaid MH/IDD	Medicaid SUD	HMP MH	HMP SUD	SUD Block Grant Treatment	State GF	CCBHC Medicaid	CCBHC Healthy Michigan	CCBHC Non-Medicaid
Capitation Payment			17,659,060	281,587	1,300,079	457,884	26,557	798,241	1,667,038	567,148	-
Less: CCBHC Base Payment			(1,667,038)	-	(567,148)	-	-	-	-	-	-
Subcontract revenue			15,992,022	281,587	732,931	457,884	26,557	798,241	1,667,038	567,148	-
Supplemental CCBHC Payment			-	-	-	-	-	-	862,346	336,542	-
CCBHC 1st/3rd Party Cost Offset			-	-	-	-	-	-	-	-	-
CCBHC General Fund Revenue			-	-	-	-	-	-	-	-	-
Incentive Payment Revenue			-	-	-	-	-	-	-	-	-
<i>PIHP Revenue</i>											
Subcontract revenue		17,490,981	15,992,022	281,587	732,931	457,884	26,557	798,241	2,529,384	903,690	-
External provider cost			13,438,275	-	954,217	-	-	510,012	-	-	-
Internal program cost			1,599,641	-	20,555	2,096	83,546	37,731	3,557,423	1,058,904	809,627
SSI Reimb, 1st/3rd Party Cost Offset			(84,333)	-	-	-	(6,118)	-	-	-	-
Mgd care administration			1,444,376	-	180,340	-	-	101,618	-	-	-
<i>PIHP Cost</i>											
Subcontract cost		17,632,595	16,397,959	-	1,155,112	2,096	77,427	649,361	3,557,423	1,058,904	809,627
Net before settlement			(405,938)	281,587	(422,181)	455,788	(50,871)	148,880	(1,028,038)	(155,215)	(809,627)
Other Redistributions of State GF			-	-	-	-	-	660,747	-	-	-
<i>PIHP Stimt</i>											
Subcontract settlement (includes PPS-1 Payment Difference)		1,391,109	405,938	(281,587)	422,181	(455,788)	50,871	(809,627)	963,295	286,200	-
Net after settlement			-	-	-	-	-	-	(64,743)	130,985	(809,627)



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

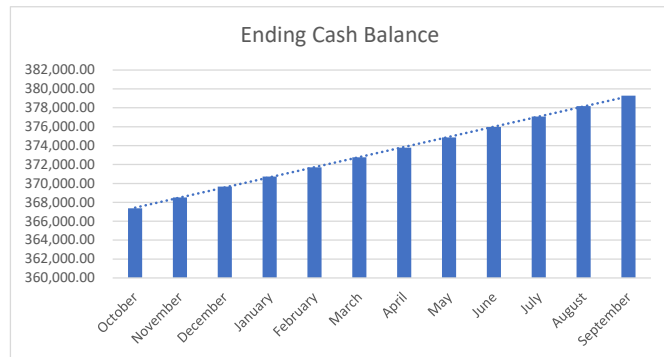
	October	November	December	January	February	March	April	May	June	July	August	September
Medicaid/HMP	21,770,700.65	22,165,013.39	21,713,007.60	21,895,358.69	22,186,473.37	22,574,540.89	22,090,680.17	22,318,365.49	22,213,083.72	22,213,083.72	22,213,083.72	22,213,083.72
Waivers	5,370,542.08	5,708,407.14	5,385,507.00	5,610,355.91	5,353,174.25	5,729,923.22	5,373,272.82	5,594,342.75	5,272,281.09	5,488,891.67	5,488,891.67	5,488,891.67
CCBHC Supplemental	4,536,320.55	4,694,283.64	4,737,804.43	4,895,288.34	4,905,158.41	4,947,399.54	5,040,427.33	4,977,424.46	5,041,963.96	4,967,943.67	4,967,943.67	4,967,943.67
Other Revenue Sources	25,324.14	949,052.46	2,761,280.73	227,526.05	2,025,868.35	107,821.45	2,341,129.02	1,983,919.55	8,028,267.70	2,757,197.69	62,638.94	62,638.94
Total Revenues	31,702,887.42	33,516,756.63	34,597,599.76	32,628,528.99	34,470,674.38	33,359,685.10	34,845,509.34	34,874,052.25	40,555,596.47	35,427,116.76	32,732,558.01	32,732,558.01
CMHSP CAP Payments	29,893,466.38	30,468,168.14	29,315,190.22	32,145,398.46	31,193,987.30	31,864,421.68	38,974,068.26	25,355,077.72	31,389,485.76	31,177,695.99	31,113,690.76	31,113,690.76
SWMBH Claims Payments	1,240,081.44	1,224,031.17	1,560,540.09	1,771,324.78	1,334,253.72	1,262,678.05	1,325,220.16	1,316,494.50	1,398,818.21	1,381,493.57	1,381,493.57	1,381,493.57
SWMBH Central Operations	1,815,772.38	1,182,428.67	1,154,290.76	1,808,146.82	1,565,569.49	1,299,682.65	1,648,570.91	1,382,395.38	9,367,017.13	1,482,107.13	1,482,107.13	1,482,107.13
Total Expenses	32,949,320.20	32,874,627.98	32,030,021.07	35,724,870.06	34,093,810.51	34,426,782.38	41,947,859.33	28,053,967.60	42,155,321.10	34,041,296.69	33,977,291.46	33,977,291.46
Net	(1,246,432.78)	642,128.65	2,567,578.69	(3,096,341.07)	376,863.87	(1,067,097.28)	(7,102,349.99)	6,820,084.65	(1,599,724.62)	1,385,820.07	(1,244,733.45)	(1,244,733.45)
Beginning Balance	10,792,873.84	9,546,441.06	10,188,569.71	12,756,148.40	9,659,807.33	10,036,671.20	8,969,573.92	1,867,223.93	8,687,308.58	7,087,583.96	8,473,404.02	7,228,670.57
Ending Cash Balance	9,546,441.06	10,188,569.71	12,756,148.40	9,659,807.33	10,036,671.20	8,969,573.92	1,867,223.93	8,687,308.58	7,087,583.96	8,473,404.02	7,228,670.57	5,983,937.11





Southwest Michigan Behavioral Health
Cash Flow Analysis
Labor Risk Account

	October	November	December	January	February	March	April	May	June	July	August	September
Interest Income	1,241.67	1,145.26	1,145.26	1,069.35	958.47	1,064.18	1,032.93	1,070.43	1,090.94	1,090.94	1,090.94	1,090.94
Total Revenues	1,241.67	1,145.26	1,145.26	1,069.35	958.47	1,064.18	1,032.93	1,070.43	1,104.03	1,104.03	1,104.03	1,104.03
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net	1,241.67	1,145.26	1,145.26	1,069.35	958.47	1,064.18	1,032.93	1,070.43	1,104.03	1,104.03	1,104.03	1,104.03
Begininning Balance	366,136.16	367,377.83	368,523.09	369,668.35	370,737.70	371,696.17	372,760.35	373,793.28	374,863.71	375,967.74	377,071.77	378,175.81
Ending Cash Balance	367,377.83	368,523.09	369,668.35	370,737.70	371,696.17	372,760.35	373,793.28	374,863.71	375,967.74	377,071.77	378,175.81	379,279.84



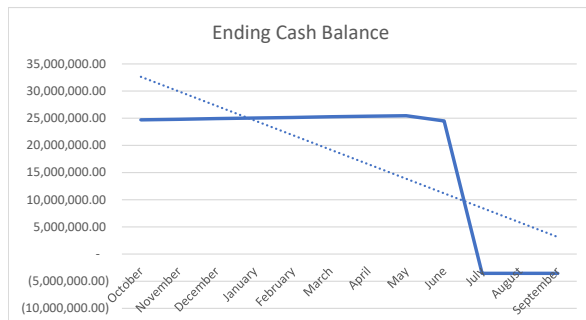


**Southwest Michigan Behavioral Health
Cash Flow Analysis
Internal Service Fund**

	October	November	December	January	February	March	April	May	June	July	August	September
FY24 CCBHC Settlement	-	-	-	-	-	-	-	-	8,551,693.73	-	-	-
ICS	45,675.22	38,701.97	38,678.12	35,397.40	36,875.23	39,995.21	28,503.51	23,974.29	32,949.13			
ISF Non CDARS	29,578.36	27,281.75	27,281.75	27,706.55	23,692.51	29,348.10	69,534.96	74,494.48	44,955.32			
CDARS A	27,237.72	26,447.46	22,940.32	25,611.06	23,204.15	21,608.04	-	-	-	-	-	-
CDARS B	30,773.63	29,896.83	22,106.00	25,474.88	23,848.99	26,485.91	1,711.62	-	-	-	-	-
Total Revenues	133,264.93	122,328.01	111,006.19	114,189.89	107,620.88	117,437.26	99,750.09	98,468.77	8,629,598.18	-	-	-
Prior Year Lapse - FY21										3,063,629.00		
FY24 Settlements due to CMHSP's									9,591,094.67	24,990,678.94		
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net	133,264.93	122,328.01	111,006.19	114,189.89	107,620.88	117,437.26	99,750.09	98,468.77	(961,496.49)	(28,054,307.94)	-	-
Beginning Balance	<u>24,561,549.17</u>	<u>24,694,814.10</u>	<u>24,817,142.11</u>	<u>24,928,148.30</u>	<u>25,042,338.19</u>	<u>25,149,959.07</u>	<u>25,267,396.33</u>	<u>25,367,146.42</u>	<u>25,465,615.19</u>	<u>24,504,118.70</u>	<u>(3,550,189.24)</u>	<u>(3,550,189.24)</u>
Ending Cash Balance	<u>24,694,814.10</u>	<u>24,817,142.11</u>	<u>24,928,148.30</u>	<u>25,042,338.19</u>	<u>25,149,959.07</u>	<u>25,267,396.33</u>	<u>25,367,146.42</u>	<u>25,465,615.19</u>	<u>24,504,118.70</u>	<u>(3,550,189.24)</u>	<u>(3,550,189.24)</u>	<u>(3,550,189.24)</u>

**Current Interest
Rate**

3.50%



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

Results:

- Achieved \$15 million increase in regional Medicaid capitation rate revenues.
- SWMBHs Area Factors improved by 5.4% in amendment three from Milliman increasing regional rates, based on client acuity effective June 1, 2025.
- Collection of an additional \$304K of HSW funds resulting from Habilitative Supports Waiver payment report and cross functional process.

Actions/Activities taken by CEO:

- Multiple consultations with stakeholders and allies regarding PIHP procurement.
- Began visits to management, regional clinical programs.
- Finalized Board Policy on Budgeting
- MCHE Board meeting regarding Central Region PIHPs; no actions taken
- Consulted Counsel regarding FY 2026 SWMBH DHHS Agreement and FY 2026 CMH and Provider Agreements and PIHP Procurement.
- Reviewed and circulated newest PIHP concept using Urban Cooperation Act.
- Attended the following meetings and committees related to finances
 - DHHS-Milliman mid-year Medicaid rate setting meeting
 - PIHP CEO meeting
 - Fundraiser for SUD treatment provider The Haven in Battle Creek
 - Michigan Senate Health Policy and Medicaid Committee
 - Regional committees specifically regional finance & utilization management
 - Rehmann: internal meetings regarding use of meeting with Richard Carpenter

SWMBH June Actions

- Considered revised financials based on mid-year rate adjustment
- Preparation of FY 2026 budget assumptions
- Revised FY24 audited SWMBH financials statements
- Began Processing FY24 CMHSP cash settlements

Utilization Management (UM) Project

- Operations Committee:
 - failed to come to a consensus on June 11th on a further 20% reduction to all LOC service guidelines reduction.
 - Requested that the Regional Utilization Management Committee (RUM) make recommendations on services outside of CCBHC services for reductions thus forcing an increase in manual UM review of plans locally.
- RUM rejected an arbitrary reduction of units to services as there is no belief any cost savings would occur.

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

- The group is working with Quality data analytics on reports related to high-cost services and the I/DD population to identify specific populations, programs and/or providers to review to better understand where cost savings may occur in a focused and data driven manner. Recommendations based on this data to be made by July 16.

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SOUTHWEST MICHIGAN BEHAVIORAL HEALTH OPERATING AGREEMENT

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PURPOSE

Pursuant to Michigan Law, an Operating Agreement is “an agreement among an organization’s participant members to govern the organization’s business, and the participant member’s financial and managerial rights and duties.” (MCL 450.4102(2)(r)).

Southwest Michigan Behavioral Health (SWMBH) Operating Agreement is established between SWMBH and its participant Community Mental Health Services Programs (CMHSPs). The Operating Agreement is approved by the regional SWMBH Board, which has as its membership representatives from each of the participant CMHSP Boards.

The primary purposes of this Operating Agreement are to:

- Declare that the Regional Entity is a separate legal entity from the participant CMHSP organizations;
- Augment specific sections of the SWMBH Bylaws, as referenced therein;
- Further define the governance and management structure of SWMBH that the participant CMHSPs have chosen for the organization;
- Clarify the business and operational relationships between SWMBH and its participant CMHSPs; and
- Clarify the provisions and understandings by which SWMBH will operate.

PREAMBLE

Southwest Michigan Behavioral Health (hereinafter referred to as “SWMBH”) is a Regional Entity created pursuant to MCL 330.1204b of the Michigan Mental Health Code, 1974 PA 258. A Regional Entity is an independent public governmental entity, and is separate from the counties, authorities, or organizations that establish it. SWMBH operates under the authority of its own Board of Directors (the “SWMBH Board”), which consists of membership from each of the participant CMHSP boards, as delineated in the SWMBH Regional Entity Bylaws.

SWMBH was created with the filing of its Bylaws with Michigan’s Office of the Great Seal. These Bylaws were approved by the following participant Community Mental Health Services Programs, which are organized and operated as community mental health authorities under Michigan’s Mental Health Code (MCL 330.1001 et seq.)

- Barry County Community Mental Health Authority;
- Berrien Mental Health Authority d/b/a Riverwood Center;
- Branch County Community Mental Health Authority, d/b/a Pines Behavioral Health Services;
- Calhoun County Community Mental Health Authority; d/b/a Summit Pointe;
- Cass County Community Mental Health Authority d/b/a Woodlands Behavioral Healthcare Network;
- Kalamazoo County Community Mental Health Authority, d/b/a/ Integrated Services of Kalamazoo;
- Community Mental Health and Substance Abuse Services of Saint Joseph County d/b/a Pivotal; and
- Van Buren Community Mental Health Authority.

As the Bylaws reference the Operating Agreement and require an annual review of this Operating

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Agreement with revisions subject to approval by the SWMBH Board, the Operating Agreement will be filed by SWMBH with each County Clerk and the Office of the Great Seal when revisions occur.

SWMBH designated service area encompasses the following Michigan counties: Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren. These counties are hereinafter known as the “Service Area” of SWMBH.

SWMBH was formed for the purpose of:

- (i) carrying out the provisions of the Mental Health Code in its Department designated service area as they relate to: serving as a prepaid inpatient health plan, as defined in 42 CFR 438.2 (“PIHP”);
- (ii) managing the business lines for which SWMBH is the contractor to Michigan Department of Health and Human Services (MDHHS);
- (iii) ensuring a comprehensive array of services and supports as provided in the contracts with MDHHS;
- (iv) performing all the duties and responsibilities contained in the Department/Regional Entity Contract;
- (v) Substance Abuse Coordinating Agency (CA) required functions for its service area, pursuant to MCL 333.6230 et seq. (PA 501 of 2012; Amendments to Public Health Code), and MCL 330.1100a et seq. (PA 500 of 2012, Mental Health Code); and finally
- (vi) exercising the powers and authority set forth by the Bylaws and governed by the SWMBH Board.

OPERATIONAL STRUCTURE

The aforementioned eight Community Mental Health Services Programs (the “Participants”) have joined together to create a jointly governed regional entity operating as a Prepaid Inpatient Health Plan (“PIHP”) for the purpose of supporting and furthering the work of the Participants in their roles as Community Mental Health Service Programs (“CMHSPs”) as applicable in the counties they serve.

Inherent in this action is the belief that the Participants are best suited to provide services well matched to the needs of the communities and citizens served. SWMBH is established for the purpose of meeting its regulatory and statutory requirements, and other services as mutually agreed, while not encumbering, but enhancing, the efforts of the Participant CMHSPs. In serving and representing the counties of Barry, Berrien, Branch, Cass, Calhoun, Kalamazoo, Saint Joseph, Van Buren, SWMBH shall be dedicated to ensuring that equality in voice and governance exists, and that the benefit to the person participating in services is uniform, person centered, and locally available.

SWMBH is founded on a shared governance structure, using standing committees to create avenues for input. Certain checks and balances are created to ensure that governance remains balanced and equal.

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SWMBH exists to support all Participants, and all Participants must work collaboratively to ensure that SWMBH is successful in its core mission.

The SWMBH Board has final authority over governing SWMBH, as set forth in the Bylaws approved by the Participants and subject to those powers reserved to the Participants in the Bylaws. This Operating Agreement reinforces the responsibility for governance of the Regional Entity to the SWMBH Board, and management of the Regional Entity to its Executive Officer (EO).

The SWMBH Board will be best served by an EO who is an accomplished administrator and facilitator, capable of bringing many and varied voices together to achieve consensus. The EO must promote compliance, fiscal responsibility, quality programs, meaningful outcomes, and efficiencies that will funnel more resources to direct services. The SWMBH Board shall also be advised by an Operations Committee that brings management expertise, local perspectives, local needs, and greater vision to the operation of the PIHP.

ORGANIZATION

Formation and Qualification. SWMBH has been formed by the Participants pursuant to the authority granted under the Michigan Mental Health Code, MCL § 330.1204b and by filing Bylaws with the County Clerks of each of the eight counties and the Michigan Secretary of State, Office of the Great Seal.

Name. The business of SWMBH may be conducted under that name or, in compliance with applicable laws, any other name that the SWMBH Board deems appropriate or advisable. SWMBH shall file any certificates, articles, fictitious business name statements and the like, and any amendments and supplements thereto, as SWMBH considers appropriate or advisable.

Office. The principal office of SWMBH shall be at such place or places of business within the eight counties as the SWMBH Executive Officer may determine.

SCOPE AND AUTHORITY

The intention of this Operating Agreement is to provide a paradigm for decision-making, and a structure for effective communication among members of the SWMBH Board, the Participants, SWMBH administration and, potentially, provider representatives, persons in service, SWMBH staff, and stakeholders, that is inclusive, collegial, equal and responsive.

The Operations Committee participates meaningfully in the establishment of and alignment to regional, SWMBH, and common CMHSPs goals.

- **Meetings.** The Operations Committee shall meet as often as it deems necessary in order to perform its responsibilities. The Operations Committee may also meet by video and phone options and may act by unanimous written consent via e-mail in lieu of a meeting. Records of Operations Committee Meetings shall be kept.

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- Annual Self-Evaluation. At least annually, the Operations Committee shall evaluate its own performance, and provide recommendations and conclusions to the Board.
- Standing Committees and Subcommittees. The Operations Committee may form and delegate authority to one or more Standing Committees made up of CEOs, or it may form self-populated subcommittees or workgroups as it deems appropriate from time to time under the circumstances. Such efforts will avoid duplication or role confusion.

SWMBH BOARD COMMITTEES AND OVERSIGHT BOARDS

Pursuant to the SWMBH Bylaws, the SWMBH Board shall create the following Committees or Oversight Boards:

- Operations Committee;

Operations Committee

To ensure the SWMBH region effectively achieves its purpose of improved health status, quality of life, self-sufficiency, recovery, and family preservation for individuals it serves, while optimizing resource utilization, the SWMBH Board establishes an Operations Committee. This committee, comprised of the CEOs (or their designees) of the Member CMH boards and the SWMBH Executive Officer (participating ex officio), will operate under the authority and responsibilities delegated by the Board and detailed in the Operating Agreement.

The Operations Committee will function as a key collaborative body, fostering a transparent and reciprocal partnership between SWMBH and its Member CMHs. It will actively contribute to:

1. **Regional Vision and Planning:** Collaborating with the EO and SWMBH Board in the development of the regional vision, mission, and long-term strategic plans, ensuring alignment with the needs and goals of Member CMHs and the broader community.
2. **Resource Optimization and Efficiency:** Identifying opportunities for increasing administrative efficiencies and promoting the sharing of knowledge and best practices across the region through common reports and accessible data when possible.
3. **Policy and Fiscal Recommendations:** Contributing to the development of policy and fiscal recommendations for the SWMBH Board's consideration, ensuring responsible stewardship of financial resources.
4. **Executive Leadership:** Providing input into the hiring and evaluation process of the EO, ensuring strong regional leadership.
5. **Contractual Alignment:** Facilitating awareness of and alignment with SWMBH-approved contracts, subcontracts, policies, and procedures at the Participant CMHSP and community levels.
6. **Stakeholder Engagement:** Ensuring active involvement of CMHSP personnel in relevant SWMBH committees and activities.
7. **Environmental Awareness and Regional Planning:** Contributing to the understanding of environmental disruptors and trends, and actively participating in regional planning activities, including budgeting, growth, and service development.
8. **Issue Resolution:** Proactively seeking to resolve boundary issues, differences, and disputes among regional partners.
9. **Oversight and Review:** Reviewing key operational and financial documents (annual budget, financial plans, quality assurance programs, utilization management plans, grant applications) prior to Board approval, ensuring alignment with regional goals and efficient resource allocation.

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10. External Engagement: Advising the EO on external discussions that may impact Participant CMHSPs or SWMBH operations.

11. Policy Interpretation and Delegation: Responding to the EO's consultations on policy interpretations and delegation of functions.

Contractual Arrangements:

"An Operations Committee will be formed consisting of the CEOs of the CMHSPs or their designees. The Operations Committee will have the responsibilities and authorities assigned by the Board and outlined in the Operating Agreement." (SWMBH Bylaws 5.1.1)

The SWMBH Operations Committee is comprised of the Participant CEOs/Executive Directors, or their designees, and the SWMBH EO. The SWMBH EO participates in an ex-officio capacity without vote. The Operations Committee, in collaboration with the EO and SWMBH Board, participates in the development of the vision, mission and long-term plans of SWMBH. The Operations Committee, in a manner consistent with SWMBH Board directives, contributes to the hiring and evaluation process of the EO. The EO, in concert with the Operations Committee, develops and recommends priorities for the SWMBH Board's consideration and makes recommendations to the SWMBH Board with respect to policy and fiscal matters. The EO collaborates with the Operations Committee in the development of the contracts between the Participants and SWMBH. Each CMHSP CEO is charged with assuring that its CMHSP complies with applicable federal and state standards and regulations. The Operations Committee is advisory to both the EO and SWMBH Board. Any items requiring approval from the Operations Committee requires a super majority (75% of present members) vote.

The Operations Committee shall function with a large degree of independence in the discharge of its responsibilities. The Operations Committee shall assess the information provided by the SWMBH management, in accordance with its business judgment; and will work in collaborative partnership with the SWMBH Executive Officer (EO) in carrying out its responsibilities, and in the provision of advice and recommendations to the Board.

Operations Committee Responsibilities and Authorities

The Operations Committee and the individual CMHSP CEOs/Executive Directors will work actively and constructively to:

A. Assure Participant CMHSP and community awareness of and alignment to SWMBH approved contracts, Participant subcontracts and related Plans, Policy and Procedures.

B. Assure its CMHSP personnel are constructively involved in SWMBH Committees and

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related activities.

C. ~~Contribute to SWMBH and Participant CMHSP environmental awareness and SWMBH regional planning activities, including but not limited to strategic planning, Mission development, operational and capital budgeting, growth, infrastructure, products and markets.~~

D. ~~Seek to resolve boundary issues, differences and disputes.~~

E. ~~On an ongoing basis consider possible administrative efficiencies where appropriate (Bylaws 11.2).~~

~~As listed throughout the Operating Agreement the Operations Committee does the following:~~

A. ~~Advises both the EO and SWMBH Board.~~

B. ~~Participates in the development of the vision, mission, and long-term plans of SWMBH and ensures alignment with common CMHSP goals.~~

C. ~~Reviews the annual operating and capital budget, Financial Management Plan, Cost Allocation Plan and Financial Risk Management Plan prior to presentation and approval by the SWMBH Board.~~

D. ~~Reviews the Quality Assurance and Program Improvement Program (QAPIP) prior to presentation and approval by the SWMBH Board.~~

E. ~~Reviews the Utilization Management Program (UM Plan) prior to implementation and/or presentation to the SWMBH Board.~~

F. ~~Advises the EO in advance of, and throughout, engaging in any meaningful discussion with other entities that may impact the operations or decision of participants' CMHSP or SWMBH.~~

G. ~~Attempts to resolve disputes between the Participants or one or more Participants and SWMBH at step 2 in the formal Dispute Resolution process.~~

H. ~~Assists the SWMBH Board in hiring and retention decisions regarding the SWMBH EO in a manner consistent with Board policy, and as requested.~~

I. ~~Responds to the EO's consultation before the EO renders a formal policy interpretation that may materially or negatively affect the Participants where feasible.~~

J. ~~Reviews all grant applications submitted on behalf of SWMBH prior to being submitted.~~

K. ~~Responds to the EO's consultation before the EO determines what functions remain with SWMBH and which can be delegated to the Participants consistent with the Balanced Budget Act, Medicaid Managed Care Regulations.~~

L. ~~Advise^s the EO regarding any additional SWMBH contractual arrangements that involve the Participants, and.~~

12. ~~Provide^s a recommendation to the SWMBH Governing Board regarding any additional SWMBH contractual arrangements that involve the Participants and/or other vendors and requires approval by the SWMBH Governing Board.~~

13. Substance Use Disorder Coordination; Reviewing and commenting on SUDOPB agendas and materials to ensure regional alignment and collaboration.

M. The Operations Committee will operate with a significant degree of independence in its responsibilities, leveraging the collective expertise of the Member CMH CEOs. It will assess information provided by SWMBH management and work collaboratively with the EO to provide informed advice and recommendations to the SWMBH Board, ultimately contributing to the sustainability of programs and the improved well-being of the SWMBH region's individuals and families. Decisions requiring Operations Committee approval will necessitate a super majority (75% of present members) vote, ensuring broad consensus and regional buy-in.

N. ~~Where appropriate, reviews and comments on agendas, materials, and minutes of the Substance Use Disorder Oversight Policy Board (SUDOPB).~~

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OPERATIONAL COMMITTEES AND POLICY BOARD COMMITTEES

SWMBH POLICY BOARDS AND COMMITTEES

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Substance Use Disorder Oversight Policy Board is established to assist SWMBH develop and sustain a comprehensive array of prevention programs, treatment and other services and a provider network

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capable of meeting the needs of persons with substance use disorders. SWMBH has executed an Intergovernmental Contract with 8 county commissions. This contract and related statutes and regulations shall guide the responsibilities of the SUD Oversight Policy Board. The Substance Use Disorder Oversight Policy Board will be constituted as required under MCL 330.1100a et seq. (PA 500 of 2012; Mental Health Code) and shall advise the SWMBH on issues concerning services to persons with substance use disorders. The functions and responsibilities assigned to the Board under law will include:

- A. Approval of that portion of SWMBH budget that includes local funds (PA2) for treatment or prevention of substance use disorders;
- B. Advice and recommendations regarding SWMBH budget for substance use disorder treatment or prevention using other nonlocal funding sources;
- C. Advice and recommendations regarding contracts with substance use disorder treatment or prevention providers;
- D. Other functions and responsibilities requested by SWMBH and accepted by amending Intergovernmental Contract.

Customer Advisory Committee (CAC) is established to advise SWMBH. The CAC is comprised of active or former customers, and may also include family members. Membership will include at least two but not more than three representatives from each county, nominated by Participants and other sources, recommended by the SWMBH EO, and appointed by the SWMBH Board, unless otherwise required by contract or regulation. Representatives will reflect the SWMBH population served and include those living with developmental disabilities, mental illness, serious emotional disturbance, and substance use disorders.

SWMBH Corporate Compliance Committee is established to develop the Compliance Plan for SWMBH Board approval and assist in implementing Program Integrity/Compliance Program of SWMBH. Committee members will include the SWMBH key functional areas such as Compliance, Utilization Management, Quality Management, Information Technologies, Finance, etc. as appointed by the EO. The Corporate Compliance Officer has a dual reporting relationship with the EO and the SWMBH Board. The Operations Committee will appoint a member to the SWMBH Compliance Committee.

SWMBH Standing Committees

Standing Operating Committees of SWMBH are:

- Finance Committee
- Quality Management Committee
- Utilization Management Committee
- Clinical Practices Committee
- Provider Network Management Committee
- Regional Information Technology Committee
- Customer Services Committee
- Regional Compliance Coordinating Committee

The CMHSP CEOs will ensure representatives from participant CMHSPs on all SWMBH Standing Committees. Each Participant CMHSP shall identify their representative to each committee. The EO with CMHSP support and involvement will actively pursue customer representation on standing committees. Committee work plans and goals shall be reviewed by the Operations Committee annually

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and in the event of changes to ensure alignment with SWMBH and common CMHSP goals. At its discretion, the Operations Committee may request an in-depth committee report or update.

Finance Committee is established to advise the EO and is comprised of the SWMBH Fiscal Officer and participant CMHSP Fiscal Officer or Finance Director, as appointed by the Participant CEOs/Executive Directors. The Finance Committee will be charged with advising the EO and SWMBH CFO in the development of the annual operating and capital budget; Financial Management Plan, Cost Allocation Plan, and Financial Risk Management Plan, for review by the SWMBH Operating Committee prior to presentation and approval by the SWMBH Board.

Quality Management Committee is established to advise the EO and is comprised of both SWMBH QAPI leader and Participant CMHSP QM staff. The Quality Management Committee will be charged with advising the EO and SWMBH QAPI Director in the development of the Quality Assurance and Program Improvement Program (QAPIP), for review by the SWMBH Operating Committee prior to presentation and approval by the SWMBH Board.

Utilization Management Committee is established to advise the EO and is comprised of both SWMBH Clinical leader and Participant CMHSP UM staff. The UM Committee will be charged with advising the EO and the SWMBH staff in the development of the Utilization Management Program (UM Plan) for review by the SWMBH Operations Committee prior to implementation, and/or presentation to the SWMBH Board.

Clinical Practices Committee is established to advise the EO and is comprised of both SWMBH Clinical leader and Participant CMHSP clinical staff. The CP Committee will be charged with advising the EO and the SWMBH staff in the development of the Clinical Practices Program for review by the SWMBH Operations Committee prior to implementation, and/or presentation to the SWMBH Board.

Provider Network Management Committee is established to advise the EO and is comprised of both SWMBH Provider Network Manager Leader and Participant CMHSP PNM staff, as appointed by the Participant CEOs/Executive Directors.

Regional Information Technology Committee is established to advise the EO and is comprised of both SWMBH CIO and Participant CMHSP IS/IT staff, as appointed by the Participant CEOs/Executive Directors.

Customer Services Committee is established to advise the EO and is comprised of both SWMBH staff and Participant CMHSP CS leader, as appointed by the Participant CEOs/Executive Directors.

Regional Compliance Coordinating Committee consists of both SWMBH Chief Compliance Officer and CMHSP Compliance Officers as appointed by the Participant CEOs/Executive Directors. It is established to insure sharing of Compliance knowledge and best practice among the participants.

Each Committee shall have a Charter, subject to review by the Operations Committee. Periodic Operations Committee reviews of Committee Charters at the direction of the Operations Committee and SWMBH EO.

Responsibilities of SWMBH and Participants Regarding the Participants and Committees

SWMBH EO and the Participant CMHSP CEOs/Executive Directors shall mutually assure communication and collaboration including but not limited to:

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- A. Provide all parties, in a timely manner, copies of correspondence of a substantive nature to allow full consideration and deliberation prior to being called on to take action on such items. This includes but is not limited to: 1) policy, 2) contracts, 3) funding, 4) State and federal mandates, 5) items requiring a parties action and 6) legislative initiatives;
- B. Provide all parties with copies of minutes from meetings attended by staff as representatives of SWMBH, and provide timely reports to the Operations Committee, as requested;
- C. It is the intent of the parties to operate an efficient and well managed organization, keeping cost reasonable, thus allowing a maximum flow of funding for services. To this end all parties will share in representing the SWMBH at State level meetings and on committees at the regional, State, federal, and any association levels. Only those authorized to do so by the EO may speak on behalf of SWMBH, and those representing SWMBH are to provide a written summary or minutes of the proceedings. Determination of SWMBH representation, if other than SWMBH staff appointed by the EO, at standing statewide PIHP committees or meetings will be discussed by the Operations Committee;
- D. Provide timely and accurate financial reports, with detail at the level necessary to allow the Participant CEOs/Executive Directors to have a full understanding of fiscal operations and status of SWMBH matters;
- E. Provide data to all parties Boards in a complete and timely manner, and provide additional reasonable detail as requested by the Participants;
- F. Contribute to SWMBH and Participant CMHSPs environmental awareness and SWMBH regional planning activities, including but not limited to strategic planning, Mission development, operational and capital budgeting, growth, infrastructure, products and markets;
- G. Advise the Operations Committee in advance of engaging in any meaningful discussion with other entities that may impact the operations or decision of CMHSPs; and
- H. Establish and sustain a regular schedule for standing committee meetings and arrange for appropriate space and clerical support.

DISPUTE RESOLUTION PROCESS

"The manner for adjudicating a dispute or disagreement among Participants shall be set forth in an Operating Agreement, approved by the Regional Entity Board and incorporated herein by reference."
(SWMBH Bylaws 3.6)

Occasionally disputes may arise that cannot be resolved through amiable discussion. Any unresolved disputes between the Participants or one or more Participant and SWMBH will be resolved as follows:

- 1. The Participant CMHSP CEOs/Executive Directors will attempt to resolve the dispute through discussion with each other, or the SWMBH EO if the dispute is with SWMBH.
- 2. If the dispute remains unresolved, the Participant CMHSP CEOs/Executive Directors, or the SWMBH EO if the dispute is with SWMBH, will bring the matter to the Operations Committee no later than its next scheduled meeting, which will discuss the matter and render a decision within fifteen (15) calendar days of the meeting, or within agreed upon timeframe by involved parties.
- 3. If the dispute continues to be unresolved to the satisfaction of the Participant/s or SWMBH, all parties to the dispute will provide written descriptions of the issue in dispute and propose a solution to the SWMBH Board within fifteen (15) calendar days or within agreed upon timeframe by involved parties. The SWMBH Board will have thirty (30) calendar days or a

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mutually agreed upon timeframe to provide a written decision.

4. If the Participant/s or SWMBH remain dissatisfied, the Participant/s or SWMBH may seek mediation, arbitration or legal recourse as provided by PIHP-CMHSP contract and law.
5. Participant sub-contracts will include a Dispute Resolution section congruous with this approach.

OPERATION OF SWMBH

A. Budget

The Finance Committee is charged with advising the EO and SWMBH CFO in the development of the regional annual operating and capital budget; Financial Management Plan, Cost Allocation Plan, and Financial Risk Management Plan, for review by the SWMBH Operating Committee prior to presentation and approval by the SWMBH Board as applicable.

From these plans, annual operating and capital budgets will be developed. The Participants play an integral part in the budget development via its representatives on the SWMBH Finance Committee.

Annual operating and capital budgets will be developed in accordance with the principles outlined in SWMBH Financial Management and Financial Risk Management Plan and Cost Allocation Plans which are incorporated herein by reference and considered a part of this Operating Agreement. The annual operating and capital budgets will be reviewed by the Operations Committee prior to presentation to the SWMBH Board.

The annual operating budget shall plan for adequate funds for projected supports and services to beneficiaries. Budgeting shall consider Participant CMHSPs needs for capital and operating costs, payments of principal and interest on obligations; prudent risk management; reinvestment of Medicaid savings to ensure benefit stabilization; Participant CMHSPs meeting local match obligations for Medicaid; equitable distribution of any surplus funds available after the completion of the Regional Entity's purpose, and operations efficiency and effectiveness across the region.

The SWMBH CFO and Finance Committee may recommend to the EO potential areas where functional consolidation and administrative efficiencies may be achieved. These in turn will be considered by the EO and the Operations Committee. After thorough review, a proposal may be presented to the SWMBH Board for approval if necessary.

Purchase of Services (POS)

Participant CMHSPs singly or in groups may purchase services from SWMBH. Such arrangements shall be documented in writing with mutual agreement as to specification and pricing.

Where there is a POS agreement between SWMBH and one or more Participants, only those Participants who are a party to the agreement will be subject to the terms and conditions of the agreement. Cost associated with any agreements shall be managed between SWMBH and applicable Participants, subject to request for review by the Operations Committee.

Nothing shall prohibit a Participant from withdrawing from an agreement established with SWMBH to provide a service on behalf of the Participant. However, the Participant, once a party to an agreement, will be bound by that agreement and may withdraw only according to the terms of the agreement.

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9/13/24*

The SWMBH CFO and Finance Committee will establish a financial management system sufficient to monitor revenues and expenditures by funding source (Medicaid, HMP, General Fund, etc.) and the Participants. SWMBH shall maintain accounts and source records in which any and all revenues received and expenses incurred are ascertainable and verifiable and include date of receipt /payment and sources of funds. The SWMBH CFO has the responsibilities set forth in MCL § 330.1204b and will be responsible for receiving, depositing, investing, and disbursing SWMBH's funds in the manner authorized by SWMBH Bylaws, Board policy, and operational policy.

B. Planning

The SWMBH Board, in collaboration with the Operations Committee and the EO, will develop and publish a mission statement and vision statement consistent with the principles of SWMBH.

Per Board directive the EO will facilitate a planning session, involving the SWMBH Board and the Operations Committee to create, update, or modify the Long-Term Plan of SWMBH. The process will allow for broad input and is intended to meet all contractual and accreditation requirements. The SWMBH Board will approve the Long-term Plan prior to its publication.

C. Compliance

All parties recognize that SWMBH is a regional entity, and holds distinct and different legal status and responsibilities than the Participants. SWMBH is the Department designated PIHP and CA Office for the Southwest Michigan service area.

Throughout the implementation of this Operating Agreement, all parties enter into this arrangement in a spirit of good faith and cooperation. All parties recognize that SWMBH may need to, at the discretion and with the advanced approval of the SWMBH EO and his/her designee, conduct random audits and/or reviews of the Participants. Such activity would occur with timely notice to the Participant CEOs/Executive Directors and Participant Compliance Officer to communicate rationale for the review and findings. The Participants acknowledge that SWMBH is responsible for ensuring that covered services and administrative services furnished by and through the Participants are furnished and compensated in accordance with applicable laws and regulations. Accordingly, on behalf of itself and its providers, the Participants acknowledge that SWMBH has the right, responsibility and authority:

1. To detect and deter compliance violations by the Participants and their providers by any lawful means, including monitoring and announced audits; and
2. In conjunction with the Participant CMHSPs Compliance Officer to independently investigate alleged or suspected compliance violations by the Participants, a network provider, or an employee, owner, or governing body members of either.

The Participants acknowledge their obligation to submit all requested financial and quality data and reports within the timelines as found in subcontracts, MDHHS directives or as agreed upon. Should a Participant CMHSPs not submit requested financial and quality data and reports in a complete, valid and timely manner, SWMBH will be empowered to take corrective action, including agreed upon sanctions, in accordance with the terms of the SWMBH/CMHSP Contract.

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9/13/24*

D. Human Resources

SWMBH will directly employ the EO, CFO, and CIO. The Operations Committee may recommend to the SWMBH EO the use of other hired staff, or the use of a contract to secure other established positions as required.

The SWMBH EO shall appoint, or contract with, an individual or an organization to perform Human Resources functions.

The employee handbook of SWMBH shall be made available upon request to the Operations Committee.

The SWMBH Board has sole responsibility for all hiring and retention decisions regarding the SWMBH EO. The Operations Committee shall assist the SWMBH Board in this process as requested. This may include screening candidates to ensure the SWMBH Board receives only qualified applicants to consider and participation in the interview and evaluation process

E. Policy Development

The SWMBH EO, making full use of the Operations committee and standing committees, shall develop policies, exclusive of SWMBH internal operational policies.

The SWMBH EO shall consult with the Operations Committee before rendering a formal policy interpretation that may materially or negatively affect the Participants where feasible.

F. Contracts

SWMBH shall contract with the Participants as its CMHSP providers.

SWMBH, consistent with regulatory requirements and funds availability may consider with review from Operations Committee providing Participants with pilot or startup funding. Nothing other than federal or state statutory or regulatory prohibition should inhibit or prohibit a Participant CMHSPs from participating in opportunities to provide integrated and accountable care to serve the Medicaid population in its CMHSP catchment area provided that they are consistent with SWMBH policies, financial plan, financial risk management plan and cost allocation plan.

Consistent with the SWMBH mission, vision, and principles, all grant applications submitted on behalf of SWMBH must be reviewed by the Operations Committee prior to being submitted. This may necessitate review outside the regularly scheduled Operations Committee meetings due to funding application grant timelines.

The SWMBH EO shall, in consultation with Operations Committee, determine what functions remain with SWMBH and which can be delegated to the Participants consistent with the Medicaid Managed Care Rules.

The Operating Committee shall be consulted regarding significant contract arrangements that involve SWMBH and Participant CMHSPs. Nothing herein prohibits the participant CMHSPs from entering into opportunities at the local level to provide services.

“2.4.1 The Regional Entity shall have no powers, rights or authority with respect to:

- the Participants’ obligations under the Mental Health Code including those related to size,

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9/13/24*

composition, and authority of the Participants' Board;

- the Participants' autonomous administrative, financial, or clinical operations; or
 - the Participants' relationship with other providers unless the Regional Entity's involvement is so limited that it does not prevent the Participant from collaborating with other providers."
- (SWMBH Bylaws 2.4)

AMENDMENTS

This Operating Agreement shall be reviewed and an Operations Committee Self-Evaluation shall be performed by the Operations Committee on an annual basis, with a report to the Board on both. Any recommended changes to the Operating Agreement will be forwarded to the SWMBH Board for consideration. All revisions or amendments to the Operating Agreement shall be in writing and formally approved by the SWMBH Board.

SWBMH Board Sub-End 1, 3 and 5 Interpretations
Prepared for the SWMBH Board Meeting on July 11, 2025

Global End: As a benefits manager of state and federal funds, SWMBH exists to assure that member agencies and providers create sustainable programs and provide specialty services so that persons in the SWMBH region have access to appropriate resources and experience improvements in their health status and quality of life, optimizing self-sufficiency, recovery, and family preservation. Quality services are provided while minimizing costs through efficient stewardship of human, financial, and technology resources available and use of shared knowledge.

Introduction: This is Interpretations and probable proof data tracks for Board Sub-Ends 1, 3, and 5 for the July 11, 2025, Board meeting.

Board Motions for Acceptance of Sub-Ends:

The Board accepts the Interpretation as reasonable.

The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for each Sub-End.

SUB END 1: Member CMH boards, EOs, and staff value the partnership with SWMBH, and experience the relationship as collaborative, transparent, responsive, and reciprocal.

Interpretation: SWMBH staff and CMH staff work together professionally and effectively to ensure persons served in our region are provided with quality services while minimizing avoidable costs.

Required and requested information will be exchanged per contractual schedules or if unscheduled by mutually agreed time frames. All nine agencies' staff will respond completely timely and accurately to requests.

Regional norms will be mutually agreed upon by all nine agencies CEOs.

Member CMH Boards will receive written reports with information germane to their governance role related to status and plans of the region.

Achievement of collaborative, transparent, responsive, and reciprocal relationship with CMH staff will be demonstrated through the adoption of behaviorally specific regional norms by the Operations Committee with subsequent surveys and reports.

- Collaboration: The action of working with someone to produce or create something.
- Transparency: The quality of being easy to perceive or detect.
- Responsive: Reacting quickly and positively.
- Reciprocal: Given, felt, or done in return. Bearing on or binding each of two parties equally.

SWBMH Board Sub-End 1, 3 and 5 Interpretations
Prepared for the SWMBH Board Meeting on July 11, 2025

Achievement of relationship with CMH Boards will be demonstrated by production and circulation of quarterly communication from SWMBH leadership; SWMBH CEO will attend CMH Board meetings upon request.

Achievement of collaboration and transparency will be supported by a minimum of three State of the Region Webinars in each twelve-month period.

Metrics from Board acceptance of Interpretations:

- Agency CEOs co-develop regional work relationship norms within 60 calendar days. SWMBH circulates norms to regional committees.
- Nine CEOs and agency management teams will reinforce and expect adherence to norms upon and after adoption of regional norms.
- Regional committees will document discussion of the norms at their next regularly scheduled meeting.
- SWMBH completes baseline survey of regional committees based on norms 4-6 months after publication of the norms.
- SWMBH compiles regional survey and presents baseline results at regional committee meetings.
- Subsequent annual regional committee surveys will indicate an increase of scores from baseline year.

Regarding CMH Boards

- State of the Region webinars for CMH Boards, SUD Oversight Board, and SWMBH Board will be held a minimum of three times per year beginning September 2025.
- Written regional status and plan reports will be provided to CMH Boards quarterly.
- An annual report will be provided to CMH Boards and other regional stakeholders beginning winter 2025.

Board Motions for Acceptance of Sub-End:

The Board accepts the Interpretation as reasonable.

The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for these Sub-Ends.

SWBMH Board Sub-End 1, 3 and 5 Interpretations
Prepared for the SWMBH Board Meeting on July 11, 2025

SUB-END 3: Member CMHs have the resources needed to address their communities' individualized needs, successfully access appropriate resources, and successfully meet contractual obligations (including managed care functions).

Interpretation: SWMBH aggregates, analyzes data, and publishes reports for CMHs supporting and demonstrating all are meeting contractual obligations and have a positive impact within their communities.

Achievement will be demonstrated with the release of regional scorecards providing comparative statewide and CMH-specific data.

Achievement of appropriate resources will be demonstrated when the region's Medicaid margin is improved to break even or better for fiscal year 2026.

Sample Potential Metrics:

- Production of a SWMBH Management Information – Business Intelligence Plan by September 2025.
- 2026 Health Services Advisory Group External Quality Review of SWMBH's Compliance Review corrective action plans from 2024 and 2025 are found to be *Met* at the 90% level or higher.
- 2026 Health Services Advisory Group External Quality Review results of the Performance Measure Validation activities show that 90% of the Performance Indicators are found to be *Reportable* and 90% of the Data Integration and Validation results are found to be *Met*.
- Acceptable 2026 Consolidated CMH managed care review results will be determined pending information regarding PIHP procurement.

Activities and external audit results below may in part be used to influence and prove achievement of the Sub End.

1. Access Standards through site reviews and HSAG results, Michigan Mission Based Performance Improvement System Results (MMBPIS), utilization comparisons with SUE report
2. Annual Network Adequacy Results
3. CMH and Provider Site Review Findings
4. Data from submissions from the CMHs: Compliance Activity Report; Denial Files; Grievance & Appeals; Credentialing Activities
5. HSAG External Quality Compliance Review (EQR) Results and Improvement Strategies
6. HSAG Performance Measure Validation (PMV) Audit Results and Improvement Strategies
7. Critical Incident Reporting timeliness and efficiency data
8. SUD Home Health Metrics
9. Behavioral Health Treatment Episode Data Set (BH TEDS) completion benchmarks
10. Customer Services Survey Results

SWBMH Board Sub-End 1, 3 and 5 Interpretations
Prepared for the SWMBH Board Meeting on July 11, 2025

Board Motions for Acceptance of Sub-Ends:

The Board accepts the Interpretation as reasonable.

The Board finds the data to be unavailable at this time and expects compliant data with the next scheduled monitoring report for these Sub-Ends.

SUB END 5: SWMBH regional partners align with best practice, learning from each other, collaborating, sharing resources, and benefiting from lessons learned.

Interpretation: There is a structured, focused and collaborative environment where regional resources are provided whereby clinical and administrative best practices are developed, installed, maintained, measured, and reported.

Regarding **clinical programs**, CMHs and other provider partners align with clinical best practice when providing services to persons served. The priorities and pace will be agreed upon by the Clinical Practices Committee within 60 days of SWMBH Board acceptance of the interpretation.

Achievement will be demonstrated by completion of regional Clinical Practices Protocols approved through the Clinical Practices committee of at least one of the categories by March 31, 2026.

- For persons with intellectual and/or developmental disabilities
- For children and youth with serious emotional disturbance
- For adults with severe and persistent mental illness
- For persons with autism spectrum disorders
- For persons with substance use disorders
- For substance use disorder prevention

Regarding **administrative benefits management SWMBH will co-develop with the regional Utilization Management Committee revised and improved utilization management protocols and level of care guidelines by March 31, 2026 (already underway).**

Metrics:

- Acceptable 2026 CMH delegated administrative utilization management site review scores will be determined pending information regarding PIHP procurement.
- Acceptable 2026 CMH clinical file site review scores will be determined pending information regarding PIHP procurement.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Governance		Policy Number: BG-001	Pages: 1
Subject: Committee Structure		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="checked" type="checkbox"/> SWMBH Governance Board <input type="checkbox"/> SWMBH EO			Required Reviewer: SWMBH Board
Effective Date: 03.14.2014	Last Review Date: 6/13/25	Past Review Dates: 3.13.15, 3/11/16, 3/10/17, 3/9/18, 1/11/19, 1/10/20, 1/8/21, 1/14/22, 4/14/23, 10/11/24	

I. PURPOSE:

To define a SWMBH Board Committee.

II. POLICY:

A committee is a Board Committee only if its existence and charge come from the Board, regardless whether Board Members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its work is complete.

III. STANDARDS:

1. The Board will charge the committee formed.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board- Policy Global Board		Policy Number: BG-002	Pages: 1
Subject: Management Delegation		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input type="checkbox"/> SWMBH EO			Required Reviewer: SWMBH Board
Effective Date: 11.18.2013	Last Review Date: 6.13.25	Past Review Dates: 8.08.14, 08.14.15, 8.12.16, 8.11.17, 8.10.18, 08.09.19, 08.14.20, 9.10.21, 7.14.23, 7.12.24	

I. PURPOSE:

To establish official connections with SWMBH Executive Officer and other SWMBH staff.

II. POLICY:

The Board's sole official connection to the operational organization, its achievements and conduct will be through its chief executive officer, titled Executive Officer. *The Fiscal Officer and Chief Compliance Officer shall have direct access to the Board.

III. STANDARDS:

*Verbatim from Bylaws: 7.1 Executive Officer. The Regional Entity shall have at a minimum an Executive Officer, and a Fiscal Officer. The Regional Entity Board shall hire the Executive Officer; and the Executive Officer shall hire and supervise the Fiscal Officer. Both positions shall have direct access to the Regional Entity Board

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board- Policy Board-Management	Policy Number: BG-003	Pages: 1
Subject: Delegation Unity of Control	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 11.18.2013	Last Review Date: 6.13.25	Past Review Dates: 11.14.14, 11.13.15, 11.11.16, 11.10.17, 11.9.18, 11.8.19, 11.13.20, 11.12.21, 11.11.22, 8.11.23, 8.9.24

I. PURPOSE:

Only officially passed motions of the Board are binding on the EO.

II. POLICY:

1. Decisions or instructions of individual Board Members, Officers, or Committees are not binding on the Executive Officer (EO) except in instances when the Board has specifically authorized such exercise of authority.
2. In the case of Board Members or Committees requesting information or assistance without Board authorization the EO can refuse such requests that require, in the EO's opinion, a material amount of staff time or funds, or are disruptive.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy- Board Governance/ Management	Policy Number: BG-005	Pages: 2
Subject: Board Chair Role	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 12.20.2013	Last Review Date: 6.13.25	Past Review Dates: 11.14.14, 12.11.15, 12.9.16, 12.8.17,12.14.18, 12.13.19,12-11-20, 12.10.21, 12.9.22,12.8.23,1.10.25

I. PURPOSE:

To establish the role of the Chair of the SWMBH Board.

II. POLICY:

It shall be the policy of the SWMBH Board to abide by its bylaws in the management of its business affairs. The Chair shall preside at all SWMBH Board meetings.

The Chair shall have the power to perform duties as may be assigned by the Regional Entity Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Regional Entity Board directs otherwise.

III. STANDARDS:

The Chair shall be a specially empowered member of the Board who shall be responsible for ensuring the integrity of the Board's process and represents the Board to outside parties.

- a. The result of the Chair's job is that the Board acts consistently with its own rules and those legitimately imposed upon it from outside the organization.
 1. Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 2. Information that is neither for monitoring Board or enterprise performance nor for Board decisions will be avoided or minimized.
 3. Deliberation will be fair, open, and thorough, but also timely and orderly.
- b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (i) employment or termination of the EO and (ii) areas where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provision in these policies.
- c. The Chair is empowered to preside over all SWMBH Board meetings with all the commonly accepted power of that position, such as agenda review, ruling, and recognizing.

- d. The Chair has no authority to make decisions about policies created by the Board within *Ends* and *Executive Limitations* policy areas. Therefore, the Chair has no authority to supervise or direct the EO.
- e. The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating Chair decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.

* Verbatim from the Bylaws:

4.9 Special Meetings. Special meetings of the Regional Entity Board may be held at the call of the Chair of the Regional Entity Board or, in the Chair's absence, the Secretary, or by a simple majority of the Regional Entity Board members.

6.1 Officers. The Officers of the Regional Entity Board shall be the Chairperson, the Vice Chairperson, and the Secretary. Only Officers of the Regional Entity Board can speak to the press as representatives of the Regional Entity.

6.2 Appointment. Officers will be elected by a majority vote of the Regional Entity Board members, and must be a representative of the Participant's Board.

6.3 Term of Office. The term of office of Officers elected in 2013 shall be through March 30, 2014. Thereafter the term of office of Officers shall be annual April to March with annual April Officer elections. Election of Officers of the Regional Entity Board shall occur annually, or in case of vacancy.

6.5 Removal. The Regional Entity Board will be able to remove any Regional Entity Board Officer by a super majority (75% of attendees) vote of Regional Entity Board members present at a meeting where a quorum is present and shall constitute an authorized action of the Regional Entity Board.

6.6 Chair. The Chair shall preside at all Regional Entity Board meetings. The Chair shall have the power to perform duties as may be assigned by the Regional Entity Board. The Chair shall perform all duties incident to the office.

6.7 Vice Chair. The Vice Chair shall have the power to perform duties that may be assigned by the Chair or the Regional Entity Board. If the Chair is absent or unable to perform his or her duties, the Vice Chair shall perform the Chair's duties until the Regional Entity Board directs otherwise. The Vice Chair shall perform all duties incident to the office.

6.8 Secretary. The Secretary shall: (a) ensure that minutes of Regional Entity Board meetings are recorded; (b) be responsible for providing notice to each Regional Entity Board Member as required by law or these Bylaws; (c) be the custodian of the Regional Entity records; (d) keep a register of the names and addresses of each Officer and Regional Entity Board Member; (e) complete all required administrative filings required by the Regional Entity's legal structure; and (f) perform all duties incident to the office and other duties assigned by the Regional Entity Board.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Management/Governance	Policy Number: BG-007	Pages: 2
Subject: Code of Conduct	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input type="checkbox"/> SWMBH Executive Officer (EO)		Required Reviewer: SWMBH Board
Effective Date: 01.10.2014	Last Review Date: 6/13/25	Past Review Dates: 1.09.15, 1/8/16, 1/13/17, 2/9/18,1/11/19, 1/10/20, 1/8/21, 1/14/22,2/10/23,2/9/24,2/14/25

I. **PURPOSE:**

The Board commits itself to ethical, lawful, and businesslike conduct including proper use of authority and appropriate decorum when acting as Board Members.

II. **POLICY:**

It shall be the policy of SWMBH Board that SWMBH Board Members represent the interests of Southwest Michigan Behavioral Health. This accountability supersedes any potential conflicts of loyalty to other interests including advocacy or interest groups, membership on other Boards, relationships with others or personal interests of any Board Member.

III. **STANDARDS:**

1. Members will follow the SWMBH Conflict of Interest Policy
2. Board Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. Members' interaction with the Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.
 - b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board Member to speak for the Board unless provided in policy.
 - c. Members' commenting on the agency and Executive Officer performance must be done collectively and as regards to explicit Board policies.
3. Members will respect the confidentiality appropriate to issues of a sensitive nature including, but not limited, to those related to business or strategy.
4. Confidentiality: Board Members shall comply with the Michigan Mental Health Code, Section, 330.1748, & 42 CFR Part 2 relative to substance abuse services, and any other applicable privacy laws (Materials can be found by contacting the SWMBH Compliance Department)
5. Members will be properly prepared for Board deliberation.

6. Member will support the legitimacy and authority of the final determination of the Board on any matter, without regard to the Member's personal position on the issue.
7. Delegation of Authority: SWMBH Board will use due care not to delegate substantial discretionary authority to individuals whom they know, or should have known through due diligence, have a propensity to engage in illegal activities.
8. Excluded Individuals: Persons who have been excluded from participation in Federal Health Care Programs may not serve as Board Members. The Board Member becomes responsible for notifying the SWMBH Compliance Department if they believe they will become an excluded individual. The Board Member is responsible for providing information necessary to monitor possible exclusions. SWMBH shall periodically review Board Member names against the excluded list per regulatory and contractual obligations.
9. Members will read and seek to understand the SWMBH Compliance Plan and Code of Conduct.
 - A. Members have a duty to report to the SWMBH Chief Compliance Officer any alleged or suspected violation of the Board Code of Conduct or related laws and regulations by themselves or another Board Member.
 - B. Members may seek advice from the Board Chairman or the SWMBH Chief Compliance Officer concerning appropriate actions that may need to be taken in order to comply with the Code of Conduct or Compliance Plan.
 - C. Reporting Suspected Fraud: SWMBH Board must report any suspected "fraud, abuse or waste" (consistent with the definitions as set forth in the Compliance Program Plan) of any SWMBH funding streams.
 - D. Failure to comply with the Compliance Plan and Board Code of Conduct may result in the recommendation to a Participant CMH Board for the member's removal from the SWMBH Board.
 - E. Members will participate in Board compliance trainings and educational programs as required.
 - F. SWMBH Board will establish at SWMBH, and encourage throughout its region, cultures that promote prevention, detection, and resolution of instances of misconduct in order to conform to applicable laws and regulations.
 - G. SWMBH Board Members shall cooperate fully in any internal or external Medicaid or other SWMBH funding stream compliance investigation.

"Conflict of Interest" (Definition): means any actual or proposed direct or indirect financial relationship or ownership interest between the Board Member and any entity with which SWMBH has or proposes to have a contract, affiliation, arrangement or other transaction.

Southwest Michigan

BEHAVIORAL HEALTH

Section: Board Policy – Governance	Policy Number: BG-008	Pages: 1
Subject: Board Member Job Description	Required By: Policy Governance	Accountability: SWMBH Board
Application: <input checked="" type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 03.14.2014	Last Review Date: 6/13/25	Past Review Dates: 2.13.15, 2/12/16, 1/13/17,2/9/18,9/13/19,9/11/20, 09/10/21, 10/14/22,9/8/23,9/13/24

I. **PURPOSE:**

To define the role and responsibility of the SWMBH Board.

II. **POLICY:**

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

III. **STANDARDS:**

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

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

IV. **ORIENTATION:**

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



Regional Entity 4 Governance Board Policy Manual

Specifically, they shall be provided the following information:

- **Governance Documents (Hierarchical)**
 - o SWMBH Board Bylaws
 - o SWMBH Operating Agreement
 - o Michigan Consortium of Healthcare Excellence Bylaws (MCHE)
- **Ends, Proofs and Strategy**
 - o Previous and Current Years' SWMBH Board Ends and Proofs
- **Context**
 - o SWMBH General PowerPoint
 - o Current SWMBH Board Meeting Calendar and Roster

In addition, new Board Members will be offered a live/remote briefing for each functional area leader.

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: <input checked="" type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO		Required Reviewer: SWMBH Board
Effective Date: 04.11.2014	Last Review Date: 6.13.25	Past Review Dates: 4.11.15, 05.08.15, 5.13.16, 12.9.16, 5.12.17, 5.11.18, 5.10.19, 5.8.20, 5.14.2, 6.10.22, 6.9.23, 5.10.24, 5.9.25

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: Board- Policy Executive Limitations		Policy Number: BEL-009	Pages: 1
Subject: Global Executive Constraint		Required By: Policy Governance	Accountability: SWMBH Board
Application: <input type="checkbox"/> SWMBH Governance Board <input checked="" type="checkbox"/> SWMBH EO			Required Reviewer: SWMBH Board
Effective Date: 11.18.2013	Last Review Date: 07.12.24	Past Review Dates: 9.12.14, 9.11.15, 9.9.16, 8.11.17,9.14.18,9.13.19,09.11.20,09.10. 21, 09.09.22, 07.14.23	

I. POLICY:

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

III. STANDARDS:

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

Southwest Michigan

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

I. **POLICY:**

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

Executive Officer Response

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

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

III. **STANDARDS:**

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



For SWMBH Board
Fiscal Year 2026 Budget
Assumptions and Targets
-DRAFT-

July 11, 2025

Budget Assumptions

- Federal Threats to Medicaid Funding
- State Threats to PIHP Funding
- Direct Payment to CCBHC's
- PIHP's Role with CCBHC's
- Mandatory Reductions of Managed Care Expenditures
- Regional Revenue Rates
- 0% Provider Rate Increases
- Inpatient Provider Rate Reductions
- Quality Withhold Earnings – Must Maximize

Contingent Revenues

- CMHSP's Incentive Payments
 - MDHHS Incentive Payments (DHIP) – \$465,952
 - CCBHC Quality Bonus Payment (QBP) – \$3,422,650
- PIHP Incentive Payments
 - Performance Bonus Incentive Pool (PBIP) – \$2,134,267
 - Opioid Health Home (OHH)
 - Surplus Retained – \$ 250,000
 - Payment for Performance (P4P) – \$5,000

Financials

FY 2024 Actual Results

- FY 24 Internal Service Fund Balance (ISF): \$93,803
- FY 24 Medicaid Savings Funding: \$0
- FY 24 SWMBH Risk: \$23,649,426
- FY 24 MDHHS Risk: \$10,647,512

FY2025 Year end Projections

- Projected FY25 Deficit: \$25.9M
- Projected FY25 Savings: \$0
- Projected FY25 ISF Balance: \$0M



SWMBH Multi Year Financial Performance

Medicaid and HMP Margin

	FY22		FY23		FY24		FY25***		Total	
	Margin \$	Margin %	Margin \$	Margin %	Margin \$	Margin %	Margin \$	Margin %	Margin \$	Margin %
Barry	\$ 969,640	7.3%	\$ 473,482	3.4%	\$ 1,258,381	11.3%	\$ 3,263,879	11.3%	\$ 5,965,382	8.9%
Berrien	\$ 5,009,494	8.9%	\$ (1,990,016)	-3.5%	\$ (4,950,594)	-10.2%	\$ (3,744,575)	-10.2%	\$ (5,675,691)	-2.9%
Branch	\$ 1,900,252	12.0%	\$ 296,307	1.9%	\$ (1,308,367)	-10.2%	\$ 149,388	-10.2%	\$ 1,037,580	2.4%
Calhoun	\$ 1,368,891	2.6%	\$ (6,575,064)	-12.1%	\$ (5,379,742)	-11.4%	\$ (3,136,488)	-11.4%	\$ (13,722,404)	-7.5%
Cass	\$ 1,452,080	8.7%	\$ (3,229,283)	-18.6%	\$ (4,616,767)	-27.1%	\$ (4,698,721)	-27.1%	\$ (11,092,692)	-16.2%
Kalamazoo	\$ 4,035,562	5.9%	\$ (288,502)	-0.4%	\$ (9,828,387)	-13.6%	\$ (12,254,161)	-13.6%	\$ (18,335,488)	-6.0%
St. Joseph	\$ 284,278	1.7%	\$ (4,691,977)	-32.5%	\$ (4,142,273)	-24.5%	\$ (3,008,473)	-24.5%	\$ (11,558,446)	-19.2%
Van Buren	\$ 277,370	1.0%	\$ (3,224,111)	-11.4%	\$ (4,506,221)	-16.3%	\$ 117,173	-16.3%	\$ (7,335,789)	-8.9%
CMH Total	\$ 15,297,567	5.7%	\$ (19,229,164)	-7.0%	\$ (33,473,971)	-13.2%	\$ (23,311,978)	-11.1%	\$ (60,717,547)	-6.0%

***FY25 Projected from data through P7 FY25

Notes: Margins are Medicaid and Healthy Michigan Plan combined.

version 6/2/2025

Managed Care Expense

Entity	FY 25 Budgeted Amount	Percent of Total Managed Care Admin.
Barry CMHA	\$ 891,123.36	2%
Berrien CMHA	\$ 4,853,007.00	13%
Pines Behavioral	\$ 910,877.56	3%
Summit Pointe	\$ 5,120,028.64	14%
Woodlands Behavioral	\$ 1,485,493.00	4%
Integrated Services of Kalamazoo	\$ 7,349,837.58	20%
Pivotal CMHA	\$ 1,791,409.54	5%
Van Buren MHA	\$ 2,373,995.44	7%
SWMBH Central	\$ 11,577,749.17	32%
Total Managed Care Administration	\$ 36,353,521.30	100%

Medicaid Cost per Member

FY24 vs FY25 (7/25 YTD)

	<u>FY24YTD</u>	<u>FY25YTD</u>	<u>Chg \$</u>	<u>Chg%</u>
• *Barry	\$83.6	\$75.5	(\$8.1)	(10.7%)
• Berrien	\$137.0	\$154.5	\$17.5	11.3%
• *Branch	\$114.2	\$114.2	(\$0)	(0%)
• Calhoun	\$125.1	\$134.3	\$9.2	6.9%
• Cass	\$174.0	\$203.2	\$29.2	14.4%
• Kalamazoo	\$151.9	\$175.0	\$23.1	13.2%
• St. Joseph	\$123.1	\$136.9	\$13.8	10.1%
• *Van Buren	\$151.6	\$138.0	(\$13.6)	(9.9%)
• SWMBH Ctl	\$10.8	\$13.9	\$3.1	22.3%
• Regional	\$147.7	\$163.3	\$15.6	9.6%

Healthy Michigan Cost per Member

FY24 vs FY25 (7/25 YTD)

	<u>FY24YTD</u>	<u>FY25YTD</u>	<u>Chg \$</u>	<u>Chg%</u>
• *Barry	\$32.0	\$31.0	(\$1.0)	(3.2%)
• Berrien	\$25.0	\$29.3	\$4.3	14.7%
• Branch	\$33.0	\$42.0	\$9.0	21.4%
• Calhoun	\$41.7	\$42.9	\$1.2	2.8%
• Cass	\$51.8	\$57.1	\$5.3	9.3%
• Kalamazoo	\$23.5	\$29.2	\$5.7	19.5%
• St. Joseph	\$35.4	\$40.1	\$4.7	11.7%
• *Van Buren	\$44.0	\$31.6	(\$12.4)	(39.2%)
• *SWMBH Ctl	\$23.1	\$15.3	(\$7.8)	(51.0%)
• *Regional	\$55.6	\$50.4	(\$5.2)	(10.3%)

Drivers of Medicaid Expenditures

- Population Demographics
- Severity of Illness
- Intensity of Service
- Internal CMH vs. External Provider Service Expense
- Low Supply/High Demand for all Staff and Provider Types
- Type, Amount, Scope, and Duration of Care
- Effectiveness & Efficiency of Central Managed Care and Delegated Managed Care Functions
- Uniformity of Benefit (Medicaid Requirement)
- Population Demands for Services
- Aging I/DD population and aging natural supports

Expense Drivers

- Individual Customers' Budgets
 - Person Centered Plan
 - Medical Necessity Supported by Functional Assessment
 - Effective Service Delivery Model
 - Fidelity to Evidence Based Practices with Proper Client Matching
- Increased Utilization
- Utilization Management Standards – Consistent Application
- Productivity Benchmarks
- Penetration Targets

FY 2026 Budget Targets

- Aggregate Medical Loss Ratio continue to push to be to at the target of 90% or less
- Aggregate Administrative Cost Ratio 9.0% or less for Specialty Services
- Central Operations < 4.% of Gross Revenues
- Replenish Internal Service Fund to \$25M at 7.5% of Medicaid revenue

FY 2026 Budget Targets

- Material expense reductions in administrative and program costs across the region (SWMBH and CMHSPs).
- Mandatory reduction in managed care functions and expense reduction opportunities across the region.
- Regional initiatives in capacity and competencies for high-cost service avoidance, delay, diminished utilization, and discharge.
- Development of regional local funds use plan for Board consideration to ensure solvency of CMHSP's.
- Develop value added resources, create efficiencies and position SWMBH to be the premier support agency for services providers.

QUESTIONS?



SWMBH Utilization Management Plan 2025
Board Education

7/1/2025

[1]

Overview of the Utilization Management Program

Purpose and Standards: Maximize the quality of care to members while supporting the concepts of financial alignment and assuring the uniformity of:

- Benefit
- Adequate timely access to services
- Application of functional assessments, evidence-based practices and medical necessity criteria.
- UM decision-making that includes eligibility criteria, medical necessity criteria and level of care guidelines that is intended to drive positive outcomes for consumers.

Authority and Structure:

- Operates under the direction and approval of the SWMBH Medical Director
- Regional Utilization Management Committee (RUM) reviews and provides input on monitoring



[2]

Access & Utilization Management of services go hand in hand. While much of the UM program is completed behind the scenes, it is completed within the best interest of our beneficiaries in mind to ensure that they are able to consistently access treatment services and that the authorization of that treatment is consistent by ensuring the correct assessments are being used, the treatment is evidence-based, and that the medical necessity criteria being utilized is being used properly and supports the determinations being made by the UM staff at SWMBH and at each CMH.

SWMBH and each CMH have a UM Plan. SWMBH's medical director makes the final approval of the regional UM plan after it has gone to the Regional UM Committee. The committee is comprised of qualified staff representing each county. The plan and other policies & procedures that impact the region come to this committee for review before being finalized. These are based on requirements made by the state and federal government. SWMBH has worked in collaboration with regional committees to develop reports to review service utilization data and identify any outliers, concerning trends, and manage those collectively.

Access

Beneficiaries can access services through any of the following means:

- Telephone screening or walk-in during business hours to a CMHSP.
- Requesting substance use services from SWMBH during business hours or after-hours crisis or access line.
- ER's, mobile crisis units or urgent care centers
- Requesting services through local substance use providers either via phone or walk in.

MDHHS has established contractual obligations that must be met for access to services for all populations. There are 8 Regional Access Standards.

1. MMBPIS 1
2. MMBPIS 2
3. MMBPIS 2e
4. MMBPIS 3
5. MMBPIS 4a
6. MMBPIS 4b
7. Achieve a call abandonment rate of 5% or less.
8. Average call answer time 30 seconds or less.



[3]

The easiest way to describe the Access standards that are followed for the region is there is no wrong way to access behavioral health services. The Access Standards are established by MDHHS and the link to this 16-page document can be found on the Policies & Practice Guidelines page of the state's website. The MMBPIS Standards are specified by MDHHS. The telephone answering and abandonment rates are based on national call center standards and a requirement of NCQA accreditation.

1. MMBPIS #1 (Standard = 95%)- The percent of children and adults receiving a pre-admission screening for psychiatric inpatient care for whom the disposition was completed within three hours.
2. MMBPIS #2 (Standard = 73.15%)- The percentage of new persons receiving a completed biopsychosocial assessment within 14 calendar days of a non-emergency request for service.
3. MMBPIS #2e (Standard = 68.2%)- The percentage of new persons receiving a face-to-face service for treatment or supports within 14 calendar days of a non-emergency request for service for persons with substance use disorders (SUD).
4. MMBPIS #3 (Standard = 72.9%)- The percentage of new persons starting any medically necessary on-going covered service within 14 days of completing a non-emergent biopsychosocial assessment.

5. MMBPIS #4a (Standard = 95%)- The percent of discharges from a psychiatric inpatient unit who are seen for follow-up care within seven days.
6. MMBPIS #4b (Standard = 95%)- The percent of discharges from a substance abuse withdrawal management (detox) unit who are seen for follow-up care within seven days.
7. Achieve a call abandonment rate of 5% or less.
8. Average call answer time 30 seconds or less.

Medical Necessity Criteria and Level of Care Guidelines

- Standardized functional assessments that determine clinical eligibility for specialty behavioral health services are required for all populations we serve.
- Implementation of LOCUS, ASAM Continuum and MCG medical necessity criteria.
- SWMBH has established regional Level of Care guidelines based on SWMBH historical utilization data for each identified level of care score
- Each Level of Care has a core set of services and the “likely” number of units of each service that would be appropriately authorized for that level.
- Requests for authorizations above or outside the guidelines require review by a utilization manager either at SWMBH or the CMHSP to determine medical necessity of the additional units or service.



[4]

Medical necessity is the clinical criteria that determines if a person meets the eligibility for the treatment they have requested or requested on their behalf. After a clinician has worked in the field, they can assess a person and know the services and type of care they require based on their current need. The medical necessity criteria supports the determination the UM reviewers are making. This is important because when a service is denied, the individual must receive an Adverse Benefit Determination. This letter must specify the reason for the denial and provide the Medicaid beneficiary their due process rights. The medical necessity helps protect the clinical staff who is making the decision and the organization who has the managed care authority to make those Medicaid benefit determinations.

There are some services that have specified limits and amounts for how much of a service someone should be receiving based on the type of care they are getting. Those are outlined in the Michigan Medicaid Provider Manual. Our region developed Level of Care Guidelines in 2019 and go through periodic updates. These set level of care thresholds are integrated into each PCE EHR to allow authorizations requested under the established thresholds to auto-approve. Services requested over the set limit will trigger a manual review for the local UM staff. All service request decisions are made based on medical need after reviewing the client’s clinical file.

Use of Data in UM

- Established and drives the Level of Care guidelines core service menu
- Regional Utilization Management data reviews of over- and under-utilization
- Current focus is over-utilization of high-cost services, denied service authorizations
 - Includes making service authorization denials, reliable tracking for state reporting, Adverse Benefit Determinations (ABDs), thorough clinical documentation, Interrater Reliability (IRR)
- Identify opportunities for improvement in quality of care, population health and access to services.
- MDHHS reports on Access standards, Appeals and Grievances have identified further opportunities.



[5]

The data is reviewed at the regional UM meetings. The current focus has been reviewing over-utilization of higher cost services, specifically Community Living Skills. Next, we will begin reviewing previously established unit levels and adjust based on regional utilization trends. SWMBH began reviewing random samples from the MDHHS quarterly service authorization denial submissions to monitor ongoing performance improvement efforts being made. In an effort regional UM partner page was created where resources could be shared to allow committee members the spirit of “working smarter not harder”. This was completed to share any created tools for things like LOCUS Inter-Rater Reliability Testing. This was done to alleviate anything possible from supervisors & managers who are responsible for implementing and completing IRR with their pertinent clinical staff but have a shortage of time to complete in. The goal has been to learn and grow together to better serve the people in our communities. Everything we are doing is all about them.

Memo

To: SWMBH Board
From: Bradley Casemore
cc: Operations Committee
Date: July 11, 2025
Re: Prior Dispute Resolution Process (DRP)

There are lingering negative views and feelings about the November – December 2024 Dispute Resolution Process Steps 2 and 3.

Rather than revisiting events or circumstances this serves to identify a way forward for the Board, management and the Operations Committee. I acknowledge the role I played in a flawed process and in hindsight see what would have been a better approach.

I will initiate a DRP review with the Operations Committee for possible revisions for Board consideration. A few components I will be recommending include but are not limited to assuring that 1. all written materials are shared at least five (5) business days in advance and 2. a requirement that the EO an *ex officio* member of the Operations Committee be in attendance at Step 2.

Rehmann

CHANGE ORDER

Client: *Southwest Michigan Behavioral Health* (the "Region")

Date: May 14, 2025

Project Description

Upon execution of this change order, Rehmann will add additional support to the statement of work, including:

PIHP Financial Reporting

- Creation of a financial reporting template customized for the Region to accomplish monthly financial, grant, Encounter Quality Initiate (EQI), Finance Status Report (FSR), and Medical Loss Ratio (MLR) reporting
- Evaluation and recommendation for a chart of accounts that will meet the business needs of the Region including financial reporting
- Training, ongoing maintenance, and consulting related to the chart of accounts and financial template.
- Other tasks as requested by the CFO or CEO.

Additional Fees

Hours will be billed monthly on an as-needed basis using the previously agreed upon hourly rates.

We believe it is our responsibility to exceed the Region's expectations. This Change Order is being prepared because performance by us of the above projects and/or additional service efforts was not anticipated in our original Agreement dated December 5, 2024. It is our goal to ensure that the Region is never surprised by the price for any Rehmann service and, therefore, we have adopted the Change Order Policy.

If management agrees with the above project description, please authorize and date the Change Order below. Thank you for letting us serve Southwest Michigan Behavioral Health.

Agreed to and accepted:

Bradley Casemore
Bradley Casemore (May 20, 2025 07:07 EDT)
Name: Brad Casemore
Its: Chief Executive Officer
Date: May 14, 2025






SWMBH Change Order (5-14-2025)

Final Audit Report

2025-05-20

Created:	2025-05-19
By:	Rosario Salazar (rosario.salazar@swmbh.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAFvFTfnJk3dwX2JC-jumN-fW8HxaUiqSh

"SWMBH Change Order (5-14-2025)" History

-  Document created by Rosario Salazar (rosario.salazar@swmbh.org)
2025-05-19 - 12:00:28 PM GMT- IP address: 24.247.127.7
-  Document emailed to brad.casemore@swmbh.org for signature
2025-05-19 - 12:00:51 PM GMT
-  Email viewed by brad.casemore@swmbh.org
2025-05-20 - 11:07:11 AM GMT- IP address: 104.47.66.126
-  Signer brad.casemore@swmbh.org entered name at signing as Bradley Casemore
2025-05-20 - 11:07:30 AM GMT- IP address: 68.66.182.11
-  Document e-signed by Bradley Casemore (brad.casemore@swmbh.org)
Signature Date: 2025-05-20 - 11:07:32 AM GMT - Time Source: server- IP address: 68.66.182.11
-  Agreement completed.
2025-05-20 - 11:07:32 AM GMT

**Communication to SWMBH Board Regarding Perceived Departures from Board Policies
Respectfully Prepared by Bradley Casemore for July 11, 2025 Board Meeting**

This information is required to be provided to the Board as an EO obligation but more importantly to inform and protect the Board, its members and the agency from possible negative consequences of departures from Board Policies. It may serve as an opportunity for Board and Board member reflection.

SWMBH Board Policy BEL-008 #5 obligates the SWMBH Executive Officer (EO) to inform the Board of possible deviation from Board Policies.

The Executive Officer shall not cause or allow the Board to be uninformed or unsupported in its work. The EO will not allow the Board to be unaware that, in the Executive Officer's opinion, the Board is not in compliance with its own policies, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Executive Officer.

In my opinion diminishing fidelity to Board Policies has had and will continue to have, if left unchecked, negative impacts on the region, individuals and component agencies.

After thorough consideration, technical material review and consultation with a Policy Governance expert it is my opinion that the Board may have been departing from Board Policies excerpted in ***bold italics***.

BG-005 Board Chair Role

The Chair shall be a specially empowered member of the Board who shall be responsible for ensuring the integrity of the Board's process and represents the Board to outside parties.

The result of the Chair's job is that the Board acts consistently with its own rules and those legitimately imposed upon it from outside the organization.

Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.

Ends and Board Policies are the Board's domain, Means are the EO's domain. The Operations Committee, a critical component of regional performance is advisory to the Board and the EO.

On June 13th, considerable time was spent on topics and material outside Ends and Board Policies, i.e., matters of Means. Advice to the EO from the Operations Committee even if unanimous does not constitute a legitimate directive to the EO.

The EO is the Board's only employee.

**Communication to SWMBH Board Regarding Perceived Departures from Board Policies
Respectfully Prepared by Bradley Casemore for July 11, 2025 Board Meeting**

Information that is neither for monitoring Board or enterprise performance nor for Board decisions will be avoided or minimized.

Deliberation will be fair, open, and thorough, but also timely and orderly.

On June 13, 2025, the following occurred.

- Information presented as summary of inputs lacked sources and content other than a verbal summary with reference to 19 pages of notes. There were no written materials before or during the meeting thus minimizing Board and management preparedness. Little to no discussion or deliberation of the material by the full Board occurred.*
- Disruptive sidebar conversations occurred between and amongst members of the Operations Committee.*
- Some members of the Operations Committee participated in Board discussions both with and without invitation from the Chair. As a result the Recorder of the official Board proceeding had difficulty following and documenting content for Board meeting minutes.*
- Some members of the Operations Committee provided verbal coaching to their CMH Board members. Advice from one CMH CEO attempted to influence the Board out of its Ends domain with (paraphrasing) ; ‘I strongly urge the Board to pursue the Rehmann work,’ work which is operational in nature.*

Regarding the “forensic” audit the Board has the right and authority to secure Contractors to fulfill its governance oversight duty.

BG-007 Code of Conduct

The Board commits itself to ethical, lawful, and businesslike conduct including proper use of authority and appropriate decorum when acting as Board Members.

It shall be the policy of SWMBH Board that SWMBH Board Members represent the interests of Southwest Michigan Behavioral Health. This accountability supersedes any potential conflicts of loyalty to other interests including advocacy or interest groups, membership on other Boards, relationships with others or personal interests of any Board Member.

A Key Opinion in safeguarding the Board and its members: SWMBH Board members by design serve dual roles as SWMBH Board members and as CMH Board members. When serving as a SWMBH Board member the duties of care, loyalty and obedience are owed to the agency SWMBH.

Real or perceived departures from these obligations may put the Board, Board members and SWMBH at risk. I realize some do not share this view.

**Communication to SWMBH Board Regarding Perceived Departures from Board Policies
Respectfully Prepared by Bradley Casemore for July 11, 2025 Board Meeting**

Recall that the notion of “owners” refers to the CMHs as embodied by each CMH Board of Directors.

Ensuring the organization adheres to its bylaws, as well as all applicable laws and regulations.

SWMBH Board Chair asked the CMH CEOs to sit at the Board table for the duration of the Board meeting; not all did so. This extended their influence into Board deliberations beyond their role, seemingly serving as de facto Board members. This symbolically and practically diminishes Board members voices as well as EO role, duties and authority.

The Operations Committee is advisory to the Board, presumably as a group not as individuals, and are not appropriate to engage with the Board as active participants in a Board meeting. CMH CEOs who make up the Operations Committee have little to no express duty to the Regional Entity per se and thus largely represent their individual duties to their CMH allegiances which are not always synchronous with Regional Entity obligations. This is not to say they are not cognizant of or dedicated to the success of the Regional Entity.

CMH CEO active participation in SWMBH Board meetings opens the Board and Board members to claims of undue influence from others with dissimilar yet legitimate loyalties. It may create perceptions of Board members’ not fulfilling primary duties to SWMBH when participating as SWMBH Board members.

On June 13, 2025, some members of the Operations Committee were observed to engage in the following departures from appropriate decorum. These disruptions and Policy departures were not addressed by the Board Chair.

- Voicing an uninvited (paraphrasing) comment, ‘I strongly recommend the Board moving forward with Rehmann.’*
- Uninvited statement from a CMH CEO paraphrasing ‘You <Board> do not have a conflict of interest at SWMBH’ constituting advice contrary to years of written advice from agency Counsel, management and multiple Board Policies.*
- Loud interrupting exclamation from one CMH CEO to a Board member who was addressing the Board. That Board member continued and identified the departure from decorum to that person.*

On June 13 additional disruptive behaviors observed from some CMH CEOs included speaking amongst themselves; interjecting comments loudly and softly without being recognized by the Chair; passing around phones; disruptive sounds; facial contortions indicating displeasure,

**Communication to SWMBH Board Regarding Perceived Departures from Board Policies
Respectfully Prepared by Bradley Casemore for July 11, 2025 Board Meeting**

disgust, disbelief and disrespect; and providing solicited and unsolicited information and/or advice to Board members.

Members will follow the SWMBH Conflict of Interest Policy.

Board Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

<Board> Members' interaction with the Executive Officer or with staff must recognize the lack of authority vested in individuals except when explicitly Board-authorized.

On June 13, 2025, there were occasions of individual Board members attempting to direct and task SWMBH staff. This usurps the authority of the EO and violates Board Policy.

Over multiple Board and Board Committee meetings one Board member has said to the EO (paraphrasing), 'It is my expectation that you (EO) do X.' This is a departure from this standard and individual Board members and Board Committees are expressly to refrain from directing the EO and staff per several Board Policies.

Members' commenting on the agency and Executive Officer performance must be done collectively and as regards to explicit Board policies.

On June 13, 2025, one Board member stated to the EO, "Are you open to more oversight? I'm not seeing leadership, I see you resisting again. I have lost faith in you." Followed by a Motion of No Confidence which was not seconded. It is interpreted that this refers to the EO considering Operations Committee advice in light of all circumstances and priorities before pursuing them. Thoughtfulness and diligence are a management duty.

On June 13 that Board member pressed the SWMBH EO in a perceived accusatory fashion for a response to vague and unclear material provided verbally by another Board member referencing 19 pages of documentation. This demand occurred before any Board deliberations which are to produce Board views described as Unity of Control and Board Wholeness.

At a prior Board meeting the same Board member made similar statements to the EO with cursing and abrupt movements up and away from the Board table. This departure from decorum was not addressed openly at that or subsequent Board meetings thus seemingly rendering it tolerated and acceptable. The EO held conversations with that Board member and the Board Chair on this topic subsequent to the March Board meeting.

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At the April 11, 2025, Board meeting the Operations Committee spokesperson provided a memo (routinely handed out at each meeting without prior submission to EO or for Board packet) to the SWMBH Board with a list of previous recommendations.

A Board member stated they would like SWMBH to take the recommendation of Ops Comm and ensure it happens. Paraphrasing here, ‘Do we as a Board need to make a motion that we are in support of taking the actions being proposed by Ops Comm or do we allow/trust Brad to make the decision in the best interest of SWMBH?’ This disparaging statement insinuates that the EO does not make decisions in the best interest of SWMBH; I do. The EO is the only person amongst the Board and Operations Committee with primary allegiance to SWMBH. The statement implies Operations Committee members primarily have the best interests of SWMBH in mind although their primary duty is to their CMH not to SWMBH. The statement infers that the wisdom and authority of one or more CMH CEOs should supersede the judgement of Board members, the Board as a whole and the EO. This minimizes the authority of the Board and EO reducing the likelihood of adherence to Board Executive Limitations Policies, Ends achievement and thus SWMBH success.

The Board may wish to consider requiring consensus Operations Committee advice in writing placed into the Board packet rather than as a Board day handout. This will permit diligent consideration of valuable Operations Committee advice.

At the June 13 meeting as well as at prior meetings it is perceived there has been orchestration between some Board members and some members of the Operations Committee to require that Operations Committee operational recommendations become a required EO action. A June 13 example is the use of the firm Rehmann for operational purposes. In fact on May 14, 2025 the SWMBH EO approved an expanded Rehmann Scope of Work essentially verbatim as proposed by the Operations Committee the details and logistics of which are being finalized.

On June 13, one Board member stated (paraphrasing), ‘the forensic audit was words that were provided from Ops Comm.’

Types and uses of operational consultants are Means reserved to the EO, therefore this approach jeopardizes and exposes the Board and individual Board members to claims of favoring CMH care and goals over Regional Entity care and goals. Requiring the EO to defend his judgements and actions to Operations Committee advice violates the Board-EO boundary as described in several Board policies including but not limited to EO-001 Executive Role and Job Description, BG-003

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Delegation Unity of Control, BG-002 Management Delegation, and BG-008 Board Member Job Description.

As a practical matter it changes the EO's duties by imposing tasks beyond those necessary, alters EO authority and diverts EO and other management's time and attention from pressing matters, thus jeopardizing agency success. Regardless, the EO will recognize all lawful duly approved Board Motions.

June 13 Motion regarding forensic audit with tasks assigned to a Board member: Provide an Independent Financial Forensic audit that is approved by the SWMBH Finance Committee and Board and that accurately presents its overall net position which should include a minimum of: Total Assets (Current capital assets, Net leases receivable, Net pension asset), Deferred Outflows of Resources, Total Liabilities (Current liabilities, Long-term liabilities, Net other post-employment benefits liability), Deferred Inflows of Resources, Net Position (Net Investment in capital assets, Restricted Net Position, Unrestricted Net Position).

More or less verbatim from Operations Committee reports to Board.

Members will be properly prepared for Board deliberation.

The June 13 approach to discussion of the verbally referenced 19 pages of inputs did not allow seven members of the Board or management to be properly prepared. While well-intended, Board member secretive meetings with unnamed stakeholders for SWMBH operational planning is inconsistent with several Board Policies including but not limited to those referenced above.

BG-011 Governing Style

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

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.

Accordingly, the SWMBH Board shall:

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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.

On June 13, 2025, several motions attempted were language verbatim from Operations Committee report(s) to SWMBH Board. While CMH CEOs are not members of the Board, in their capacity as an advisory group to the SWMBH Board and EO, their advice, even if unanimous should not be substituted for the judgement of the EO or the full Board. As a side note, most advisory inputs from regional committees, including Operations Committee, have been implemented when found to be reasonable and beneficial.

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.

The ongoing Board focus on Operations Committee recommendations related to administrative Means of attaining the Impacts is a departure from several Board Policies and intrudes upon the EO Means domain.

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.

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

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.

None scheduled or seen.

Follow the SWMBH Conflict of Interest Policy.

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It is recommended that Board members refresh their knowledge of this Policy and related guiding documents. As always SWMBH Counsel is available to the Board and the SWMBH Chief Compliance Officer is available to the Board collectively as well as to individual Board members.

EO-001 Executive Role and Job Description

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

BG-003 Delegation Unity of Control

Only officially passed motions of the Board are binding on the EO.

EO-002 Monitoring of Executive Officer Performance

To ensure Executive Officer performance is monitored and evaluated.

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

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

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

- ***Minutes of all meetings***
- ***Ends Monitoring reports for the past year along with the Ends Interpretation for each Ends Monitoring report***
- ***Any supporting Ends documentation***
- ***Ends Monitoring Calendar***
- ***Other policies monitoring calendar***

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The Board is encouraged to adhere to this Policy in full. Recent comments from some Board members and the general atmosphere at Board meetings create an objective impression of evaluation and criticism of the EO. While Board members are free to speak their mind, departure from this Board policy is inappropriate, confuses stakeholders, minimizes the favorable impact of the EO and likely creates counter-productive anxiety amongst SWMBH senior leaders and staff.

The Executive Committee has departed from the SWMBH Bylaws; Article V Committees (pp 6-7) section “5.2 Meetings. Committees shall meet as directed by the Regional Entity Board; minutes shall be recorded at each committee meeting and shall be available to the Regional Entity Board.” There have been no meeting minutes produced from scheduled and ad hoc Executive Committee meetings. As always management supports Board Committees with staffing upon request.

SWMBH Public Relations Materials

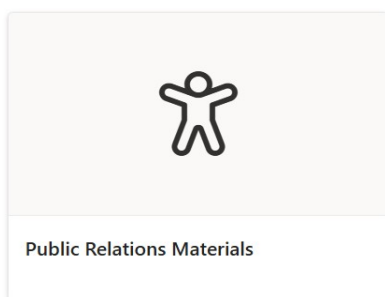
The accepted interpretation of SWMBH Sub End 2 states that one part of achievement will be demonstrated with the release of a regional portfolio of CMH public relations materials by July 14, 2025.

SWMBH Commons has a Shared Resources section that is accessible by member CMH staff and SWMBH staff.



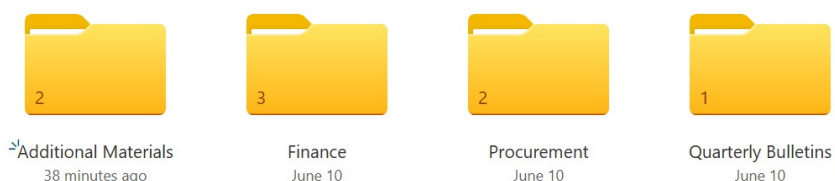
Welcome to SWMBH Commons!

Shared Documents



A Public Relations Material section has been added which houses subsequent folders where CMHA materials related to Finance and the PIHP Procurement can be easily accessed along with SWMBH Quarterly Bulletins and additional materials.

Documents > Public Relations Materials



There are currently eight documents uploaded and as more are made available they will be added as additional resources.

Information regarding these resources will be shared with all regional committees.

Sub End 2: Member CMHs are aware of environmental disruptors and trends and benefit from SWMBH's regional and statewide regulatory and public relations advocacy impacting the Mental Health Community.

Board Accepted Interpretation: This Sub End means SWMBH seeks, aggregates, compiles, and analyzes business disruption trends and federal & state policy and funding changes for the public behavioral health system. Member CMHs will receive comprehensive communications and products for the benefit of CMHs and providers that aid their understanding of and remediation of external threats. Bulletins will be provided to CMH boards and all standing committees, quarterly briefing meetings will be held. SWMBH will strengthen regional advocacy efforts resulting in favorable impacts. SWMBH will generate and if resources permit prepare and publish community and media relations material highlighting the services and successes of CMHs.

Achievement will be demonstrated with the a. release of a regional Public Policy Plan by 6/9/25, b. publication of the first related Bulletin by 6/9/25 and c. release of a regional portfolio of CMH public relations materials by 7/14/25.