

Region 10  
Genesee • Lapeer • Sanilac • St. Clair Counties

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GROUP MEETING: Region 10 PIHP Board  
PLACE: GHS  
420 W. 5<sup>th</sup> Ave., Flint, MI  
Date: September 16, 2022  
TIME: 9:00 a.m.  
PRESIDING: Lori Curtiss, Chairperson

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PRESENT: Ron Barnard, Lori Curtiss, Dr. Niketa Dani, Joyce Johnson, Gary Jones (arrived 9:15 a.m.), Bob Kozfkay, Ken Lemons, Chad Polmanteer, Wayne Strandberg, Nancy Thomson

ABSENT: Kathryn Boles, DeElla Johnson, Elva Mills, Edwin Priemer, Bobbie Umbreit

ALSO PRESENT: *Region 10 PIHP Staff:* Jim Johnson, Chief Executive Officer; Richard Carpenter, Chief Financial Officer; Kristen Potthoff, Chief Compliance Officer; Robin Kalbfleisch, Recording Secretary

*CMH Staff:* Wil Morris, Sanilac County CMH; Dan Russell, GHS; Lauren Emmons, Lapeer CMH

GUESTS: Lisa Fockler, Genesee County Prevention Coalition

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I. CALL TO ORDER

The meeting was called to order at 9:00 a.m. by Chairperson Curtiss.

II. CITIZENS WISHING TO ADDRESS THE BOARD

Ms. Lisa Fockler, Genesee County Prevention Coalition, addressed the Board regarding funding for prevention services.

III. AGENDA CHANGES (*Action*)

It was moved by Ms. Joyce Johnson, seconded by Ms. Thomson, to approve the meeting agenda as presented. **MOTION CARRIED**

IV. APPROVAL OF PREVIOUS MEETING MINUTES

It was moved by Mr. Barnard, seconded by Mr. Lemons, to approve the August 19, 2022, meeting minutes as presented. **MOTION CARRIED**

V. FINANCE

A. FY2022 Budget

1. Monthly Finance Report – July 2022 (*Action*)

Mr. Carpenter presented the report and noted that eligibles continue to grow month over month as expected due to the extension of the Public Health Emergency (PHE). We have not heard of an end date for the PHE but expect it to be extended one more time. Revenue is stable month over month and Mr. Carpenter reminded the Board that there was a rate increase in May due to the Direct Care Wage increase rate adjustment.

CCBHC redirect related to St. Clair CMH is about \$13 million. The Department has indicated that the supplemental calculation related to CCBHC will be modified, so we should see a smaller redirect from the base capitation over to St. Clair CMH. The Department has also accepted the PIHP's proposal that the mild to moderate population served by CCBHC would be 100% funded by supplemental funds which will also reduce the redirect.

Traditional Medicaid has a surplus of about \$18.6 million through July. Healthy Michigan has a surplus of about \$6.3 million through July. We expect to have a fully funded ISF and Savings for FY2022 to carry over into FY2023.

It was moved by Ms. Thomson, seconded by Dr. Dani, to approve the Monthly Finance Report for July 2022 as presented. **MOTION CARRIED**

2. Monthly Payment Report – July 2022 (*Action*)

Mr. Carpenter presented the monthly payment report for July. He noted that the Rehmann amount represents two months of service. There was discussion about the total projected payments to Rehmann for FY22.

It was moved by Ms. Thomson, seconded by Mr. Strandberg, to approve the Monthly Payment Report for July 2022 as presented. **MOTION CARRIED**

B. FY2023 Proposed Budget (*Action*)

Mr. Carpenter presented the FY2023 Proposed budget and reviewed the Key Points and Significant Assumptions. Substance Use Disorder costs are anticipated to increase by 3%. Mental health costs for CMHSPs are included at their requested amounts. The proposed total revenue is approximately \$319 million and proposed total operating expenses approximately \$316 million. We are expecting a surplus next year, and the amount depends on when the PHE ends. We will reproject the revenue after we have more information on when it will end.

There was discussion regarding the Department cuts to the SAPT block grant a couple of years ago of about 40-50%. It was determined at that time to keep the same level of spending by supplementing with local funds, which meant we were actually spending 1 ½ times more than we were receiving every year. There have been no other funding opportunities available for supplementing those cuts, so it was determined that we would project the actual spend by provider for the FY2023 budget. Chairperson Curtiss asked that a document be prepared to show how the FY2023 budget impacts the providers.

Mr. Jones suggested doing another finance presentation or workshop for the Board similar to presentations done at past Board retreats.

It was moved by Ms. Thomson, seconded by Mr. Strandberg, to approve the FY2023 Proposed Budget as presented. **MOTION CARRIED**

C. Finance Department Services (*Action*)

Mr. Johnson presented the Finance Department Services Summary regarding the Rehmann contract. Due to a combination of staffing shortages, limited pool of qualified candidates, and the threat to the public behavioral health system, Region 10 has been unable to fill the open finance positions. Region 10 asked for a proposal from Rehmann on providing all finance department services. Mr. Carpenter provided a proposal to contract with Rehmann to provide all finance department functions including the position of CFO for the period of October 1, 2022, to March 31, 2025. The cost would be \$95,000 per month plus actual out of pocket expenses, and a deposit of \$285,000 that would be returned upon termination of the contract.

There was extensive discussion that included confirmation that this is a \$50,000 per month increase to what we are paying now that would include the addition of 4.5 - 5 FTEs split between 6 - 7 Rehmann staff to assist with the functions listed within the summary. It was noted that this contract is for finance staff that are in our budget that we have been unable to hire. They would be removed from the budget if this contract is approved. There was discussion regarding how other PIHPs are handling their finance functions and the fact that Rehmann has contracts with other PIHPs/CMHs in the state for various finance functions. Mr. Carpenter stated he spends approximately 50% of his time each week on Region 10 business.

There was further discussion about whether an RFP should be done before entering into a contract for this amount of money. Mr. Carpenter explained that the Region 10 procurement policy is aligned with Federal Regulation 2 CFR 200, which states that anything over \$250,000 requires a formal procurement process unless it is an emergent situation, or the organization can document that there is no competitive procurement available (sole source procurement). Mr. Carpenter noted that the last Rehmann contract was entered into after an RFP had been done and Rehmann had been the only bidder, so it was documented as a sole source procurement.

Another option discussed was getting a legal opinion rather than an RFP, which can be a lengthy process.

It was moved by Ms. Thomson, seconded by Mr. Barnard, to enter into a 12-month contract with a 6 month close out period after receiving a legal opinion that it is allowable to do so, with an RFP process being completed before the end of the contract. Additional discussion ensued.

It was moved by Ms. Thomson, seconded by Mr. Barnard, to amend the motion on the floor in order to obtain a legal opinion before entering into a contract with Rehmann and to table the discussion regarding the contract until the October meeting. Amended motion states "It was moved by Ms. Thomson, seconded by Mr. Barnard, to approve acquiring a legal opinion regarding entering into a contract with Rehmann for finance services prior to the October Board meeting. The Board will review the legal opinion and consider a Rehmann 12-month contract with a 6 month close out period at the October board meeting." **MOTION CARRIED**

D. SUD Max Service Rates

Mr. Carpenter presented an update to the Max Service Rates. The rate # 96372 Medication Administration was added and is available retroactively to August 1, 2022.

VI. BUILDING UPDATE

Mr. Johnson provided a brief update on the building. He stated pre-construction meetings have been ongoing with NBS and we have met with the township. We anticipate all permits to be issued in the near future. The plan for installation of fiber has changed: RESA will be coming onsite next week to run the fiber directly from Water Street to the building by boring a line under the parking lot, instead of running the line across poles. The parts for the switchgear and generator have been ordered. A bid package for demolition was issued and we expect work to begin this month. An initial meeting was held with the Construction Management team at NBS this month and they are currently developing a detailed project schedule.

VII. CONTRACT MANAGEMENT

A. FY2022 PIHP Contract Monitoring Aggregate Report (*Action*)

Ms. Potthoff presented and summarized the findings of the FY2022 contract monitoring evaluations of the CMH and SUD Provider Network System. Average scores and recommendations were reviewed.

It was moved by Mr. Barnard, seconded by Ms. Joyce Johnson, to approve the FY2022 PIHP Contract Monitoring Aggregate Report as presented. **MOTION CARRIED**

B. FY2022 MDHHS / PIHP Contract Amendment Summary (*Action*)

Ms. Potthoff presented and reviewed the summary showing language modifications that are consistent with ongoing MDHHS/PIHP contract negotiation meetings and includes an extension of the agreement through FY2023.

It was moved by Mr. Kozfkay, seconded by Ms. Thomson, to approve the FY2022 MDHHS / PIHP Contract Amendment Summary as presented. **MOTION CARRIED**

C. FY2022 PIHP / CMH Contract Amendment Summary (*Action*)

Ms. Potthoff presented and reviewed the summary showing language modifications that are similar to those in the above MDHHS/PIHP contract amendment, except for the sections regarding reporting and GHS staffing.

It was moved by Mr. Strandberg, seconded by Dr. Dani, to approve the FY2022 PIHP / CMH Contract Amendment Summary as presented. **MOTION CARRIED**

D. FY2023 PIHP / SUD Treatment Contract Summary (*Action*)

Ms. Potthoff presented and reviewed the language changes within summary. All revisions will be included in the FY2023 Treatment contracts.

It was moved by Mr. Kozfkay, seconded by Ms. Joyce Johnson, to approve the FY2023 PIHP / SUD Treatment Contract Summary as presented. **MOTION CARRIED**

E. FY2023 PIHP / SUD Prevention Contract Summary (*Action*)

Ms. Potthoff presented and reviewed the language changes within the summary. All revisions will be included in the FY2023 Prevention contracts.

It was moved by Ms. Thomson, seconded by Dr. Dani, to approve the FY2023 PIHP / SUD Prevention Contract Summary as presented. **MOTION CARRIED**

F. FY2023 PIHP / SUD Recovery Housing Contract Summary (*Action*)

Ms. Potthoff presented and reviewed the language changes within the summary. All revisions will be included in the FY2023 Recovery Housing contracts.

It was moved by Ms. Thomson, seconded by Mr. Barnard, to approve the FY2023 PIHP / SUD Recovery Housing Contract Summary as presented. **MOTION CARRIED**

G. FY2023 PIHP / SUD Letters of Agreement (*Action*)

Ms. Potthoff presented the listing showing the providers with proposed FY23 SUD Letters of Agreement.

It was moved by Dr. Dani, seconded by Mr. Barnard, to approve the FY2023 PIHP / SUD Letters of Agreement as presented. **MOTION CARRIED**

H. FY2022 SUD Stabilization Funding Report

Ms. Potthoff presented the report showing funds requested as part of the ongoing provider staffing crisis stabilization program. All three were already presented at past meetings and there have been no additional requests.

VIII. **POLICIES**

A. PIHP Policy Overview

Ms. Potthoff presented a list of our current policies, which was requested at the last meeting.

IX. **REGULATORY COMPLIANCE COMMITTEE**

A. Meeting Minutes (8.19.22)

Ms. Potthoff summarized the minutes from the Regulatory Compliance Committee meeting that took place on August 19, 2022.

B. FY23 Corporate Compliance Plan (*Action*)

Ms. Potthoff presented the annual plan that was endorsed by the Regulatory Compliance Committee and stated there were very little changes to the plan for FY2023. Revisions are usually the result of changes in the law or significant network concerns that would require a change to the plan. She

summarized each section of the plan and stated the plan will be sent out to staff, providers, and posted on the website.

It was moved by Mr. Barnard, seconded by Dr. Dani, to approve the FY23 Corporate Compliance Plan as presented. **MOTION CARRIED**

X. **SUBSTANCE USE DISORDER**

A. Meeting Minutes (9.6.22)

Mr. Johnson summarized the minutes from the September 6, 2022, SUD Oversight Board meeting. He noted that there were changes to the by-laws which will be brought to this meeting for approval.

B. PA2 Funding Requests

1. Genesee County PA2 Funding Request for FY22 - Partners for Recovery requested funds but their request did not come in time for review at the SUD Oversight Board meeting. It was endorsed electronically by the SUD Board members in Genesee County. The request is for \$1,100 for grassroots support for people in recovery.
2. Genesee County PA2 Funding Requests for FY23 – Five requests were received and endorsed by Genesee County SUD Board members in the amount of \$958,329.31. There were three St. Clair County PA2 Funding Requests for FY23 that were endorsed by SUD Board members in St. Clair County in the amount of \$33,965.

It was moved by Mr. Kozfkay, seconded by Ms. Thomson, to approve the FY22 Genesee County PA2 Funding Request and the FY23 Genesee County and St. Clair County PA2 Funding Requests as presented. **MOTION CARRIED**

XI. **DIRECTOR'S REPORT**

CCBHC: Expansion for the demonstration was approved by CMS with a state option to include newly designated CCBHCs. The state has not said if they will expand the demonstrations in Michigan yet. If they decide to expand, the new CCBHCs will likely have the option to opt in or out of being a demonstration site.

HCBS: MDHHS is planning to send a list of providers that fall into the non-responders group, but we have not received it yet. Individuals being served by those providers will not be able to be funded by Medicaid for those services effective March 2023. Non-responders will have opportunities to get back into the network after March 2023 if they become compliant.

HB 6355: There is concern about this bill as it allows hospitals to independently conduct pre-admission screenings if the CMH is not available within three hours. It has not been submitted for a vote yet and advocacy is taking place.

At the Federal level, the House and Senate are in session but will have a recess for the month of October. None of the FY23 appropriations are positioned for passing by September 30<sup>th</sup>, so there will be a continuing resolution to extend what is in the current budget. An anomalies list will be added to the continuing resolution and includes items not in the current budget, such as support to Ukraine, COVID-19, Monkey Pox, and natural disaster recovery.

XII. ANY OTHER BUSINESS TO PROPERLY COME BEFORE THE BOARD

None

XIII. CITIZENS WISHING TO ADDRESS THE BOARD

Ms. Fockler addressed the Board again to say thank you for hearing her concerns. She stayed to learn more about how the Region 10 Board operates and she is very thankful for all that the Board does for the community.

XIV. ADJOURNMENT

It was moved by Ms. Thomson to adjourn the meeting. With no further business to discuss, Chairperson Curtiss adjourned the meeting at 11:33 a.m.

Respectfully submitted,

Reviewed and approved,

Robin Kalbfleisch  
Recording Secretary

Region 10 PIHP Board  
Secretary / Designee