

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

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GROUP MEETING: Region 10 PIHP Board  
PLACE: GHS – 4<sup>th</sup> Floor Conf. Room  
420 W. Fifth Ave., Flint, MI  
DATE: September 30, 2019  
TIME: 9:00 a.m.  
PRESIDING: Lori Curtiss, Chairperson

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PRESENT: Ronald Barnard, Wanda Cole, Lori Curtiss, Dr. Niketa Dani, DeElla Johnson, Joyce Johnson, Robert Kozfkay, Linda Keller, Elva Mills, Ed Priemer, Wayne Strandberg, Nancy Thomson

ABSENT: Terry Bankert, Gary Jones

ALSO PRESENT: *Region 10 PIHP Staff:* Jim Johnson, CEO; Kelly VanWormer, COO; Richard Carpenter, CFO-Rehmann; Kristen Potthoff, Administrative Director; Robin Kalbfleisch, Recording Secretary

*CMH Staff:* Brian Swiecicki, GHS; Wil Morris, Sanilac CMH

GUESTS: None

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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

None

III. AGENDA CHANGES

Chairperson Curtiss stated Mr. Carpenter will be late so we will start with agenda item VI. Agenda item VIII.C. will be separated to add a new VIII.D. Also, agenda item VIII.E requires “approval”. It was moved by Ms. Keller, seconded by Mr. Barnard, to approve the revised meeting agenda as presented. **MOTION CARRIED**

IV. APPROVAL OF PREVIOUS MEETING MINUTES (*Action*)

It was moved by Mr. Priemer, seconded by Mr. Strandberg, to approve the August 16, 2019 meeting minutes as presented. **MOTION CARRIED**

V. FINANCE

A. FY2019 Budget

1. Monthly Finance Report – July 2019 (*Action*)

Presented by Mr. Carpenter. He stated that the TANF, Healthy Michigan, and DAB eligibles are stable. The DAB revenue includes funds from the direct care wage increase. There is a Medicaid surplus of \$23 million and he anticipates a carryforward of approximately \$14 million into 2020. After reviewing the CMH projections for the rest of the year, there was a projected lapse of \$2.5 million. Mr. Carpenter stated that the projected lapse is less than 1% of our total budget. He has been working with the CFOs to try to identify ways to use these funds to avoid lapsing. There is a Healthy Michigan deficit of \$3.8 million. Ms. Keller inquired if there has been a resolution to the Healthy Michigan funding issue? Mr. Johnson replied that it has been discussed, but the Department, Milliman, and the Legislature believe that this is not a problem. There will be no formal policy changes, but there will be more scrutiny on the applications.

It was moved by Ms. Mills, seconded by Ms. Cole, to approve the Monthly Finance Report for July 2019 as presented. **MOTION CARRIED**

2. Monthly Payment Report – July 2019 (*Action*)

Presented by Mr. Carpenter. He noted that the Hospital Rate Adjustment (HRA) payments are included in this report.

It was moved by Ms. Keller, seconded by Mr. Priemer, to approve the Monthly Payment Report for July 2019 as presented. **MOTION CARRIED**

B. Financial Staffing Update

No new updates.

VI. **SUBSTANCE USE DISORDERS**

A. SUD Oversight Board Meeting Minutes (9.10.19)

Presented by Mr. Johnson.

B. FY2020 SUD Service Provider Grid

Mr. Johnson presented the grid, which shows who is in the network and what services they provide. Many of the providers also provide mental health services. It was determined that this grid would be added to the Board page of the Region 10 website.

C. SUD Financial Reports

1. FY2020 Max Treatment Rates (*Action*)

Mr. Johnson presented the “Max Service Rates by Service Group and Code”. This document shows all the services we fund for the providers in the grid mentioned previously. We pay each provider the lesser of their cost or our max fee. Most of the rates listed had no change from the previous year, but there are some increases and one decrease. These rates are set by Region 10 and providers submit their costs for each service to us. Mr. Johnson noted that the item “Lodging, state disability assistance” has been highlighted because it has been removed from the State budget proposal for FY20. This is money set aside to help with room and board for individuals receiving SUD services. We have been instructed to not pay for those services

as of 10/1/19. The 2020 budget has not yet been approved, but we should know later today if it will be put back into the budget or not. If it is put back into the budget, the rate is already set. Mr. Carpenter noted that there is still a rate for Lodging, but the SDA provides an enhanced rate.

It was moved by Mr. Barnard, seconded by Ms. Keller, to approve the FY2020 Max Treatment Rates as presented. **MOTION CARRIED**

2. FY2020 PA2 Funding Summary (*Action*)

Presented by Mr. Johnson. The proposed SUD PA2 Funding has already been reviewed by the SUD Advisory Committee, which includes members from Genesee and St. Clair counties. He noted that the New Path's Sobering Facility cannot be funded with Medicaid or Block Grant dollars, so it is funded by PA2 dollars.

It was moved by Ms. Joyce Johnson, seconded by Ms. Mills, to approve the FY2020 PA2 Funding Summary as presented. **MOTION CARRIED**

VII. **BUDGET**

A. FY2020 Proposed Budget (*Action*)

Mr. Carpenter presented the FY20 Proposed Budget. He stated that Region 10 had an increase of 7.6% to Medicaid and an 18.3% increase to Healthy Michigan, based on the most recent MDHHS rate letter received two weeks ago. Region 10 received the largest increase compared to other regions.

There is no planned use of the ISF for FY20. There are some new expenditures expected in 2020: SUD Gain assessment, MDOC contract, new nighttime supervision service, additional autism consumers, and moving the CWP and SED waiver children from the CMHSPs to the PIHP. There is an estimated increase for FY20 for Medicaid of \$16.5 million, and \$5.5 million for Healthy Michigan. There is an estimated lapse of \$16 million; however, the new expenditures listed above will reduce this lapse amount. Mr. Carpenter noted that there are corrections needed on this handout for State Targeted Response and State Opioid Response "Prior Year Projected Actual" columns. Annual expenditures estimated for SUD treatment is \$23.9 million and SUD prevention is \$1.8 million. Revenue is projected to be \$27 million.

Total proposed operating revenue is \$279.7 million for FY20; total operating expenses \$261.9 million.

It was moved by Ms. Mills, seconded by Ms. Cole, to approve the FY2020 Proposed Budget as presented. Roll call vote commenced. Ayes: Mr. Barnard, Ms. Cole, Chairperson Curtiss, Dr. Dani, Ms. D. Johnson, Ms. J. Johnson, Ms. Keller, Mr. Kozfkay, Ms. Mills, Mr. Priemer, Mr. Strandberg, Ms. Thomson. Ayes: 12, Nays: 0. **MOTION CARRIED by roll call vote**

VIII. **CONTRACTS**

A. Veteran's Navigator Grant Amendment (*Action*)

Ms. Potthoff presented the GHS Veteran's Navigator Contract Amendment No. 1. GHS requested an additional amount of \$23,000 to more closely match the costs. The grant budget is not changing, but the PIHP can transfer funds within the region.

It was moved by Ms. Mills, seconded by Ms. Cole, to approve the Veteran's Navigator Grant Amendment No. 1 as presented. **MOTION CARRIED**

B. FY2020 PIHP-CMH Contracts (*Action*)

Ms. Potthoff presented the summary of changes to the PIHP-CMH FY20 Contracts. The name of the contract was changed due to updated waiver language. The waiver language was changed throughout the contract. The title of Contract Administrator was changed to Administrative Director to reflect Ms. Potthoff's correct title. The first amendment from the Department has been received and will be presented to the Board in the near future and updates will be made to the PIHP-CMH contracts accordingly. In addition, the HSAG review was recently completed and the Plan of Correction may also result in contract changes.

It was moved by Ms. Keller, seconded by Ms. Cole, to approve the FY2020 PIHP-CMH Contracts as presented. **MOTION CARRIED**

C. FY2020 PIHP-SUD Prevention Contracts (*Action*)

Ms. Potthoff presented the PIHP SUD Prevention Contracts for FY20. Changes were made to align with Department requirements and language was added regarding reimbursement of services.

It was moved by Ms. Keller, seconded by Mr. Priemer, to approve the FY20 PIHP SUD Prevention Contracts as presented. **MOTION CARRIED**

D. FY2020 PIHP-SUD Treatment Contracts (*Action*)

Ms. Potthoff presented the PIHP SUD Treatment Contracts for FY20. Changes were made to align with Department requirements, additional language was added regarding reimbursement of services, administrative responsibilities for notifying the PIHP of staff changes was updated, and updates to attachments were made.

It was moved by Ms. Keller, seconded by Ms. Cole, to approve the FY20 PIHP SUD Treatment Contracts as presented. **MOTION CARRIED**

E. FY2019 Contract Monitoring Aggregate (*Action*)

Ms. Potthoff presented the revised copy of the Contract Monitoring Aggregate report. Recommendations include: renewal of contracts and continuation of delegated functions; addressing outliers; and specialized review of providers where appropriate.

Mr. Strandberg inquired why everyone under the Delegated Function: Coordination of Care was rated 33%. Ms. Potthoff believes it is due to updated federal requirements, but she will check and report back to the Board.

It was moved by Ms. Mills, seconded by Ms. Cole, to approve the FY19 Contract Monitoring Aggregate report as presented. **MOTION CARRIED**

IX. REGULATORY COMPLIANCE COMMITTEE

A. Meeting Minutes (8.16.19)

Ms. Keller summarized the minutes from the August meeting.

It was moved by Ms. Keller, seconded by Ms. Cole, to approve the Regulatory Compliance Committee minutes from the August 16, 2019 meeting as presented. **MOTION CARRIED**

B. FY2020 Corporate Compliance Plan (*Action*)

Ms. Pottoff stated that changes from the previous year include the addition of the *Integrity of Electronic Data policy* on page four and the addition of the *Code of Conduct development and implementation* under *Corporate Compliance Officer responsibilities* on page three.

It was moved by Ms. Keller, seconded by Ms. Cole, to approve the FY2020 Corporate Compliance Plan as presented. **MOTION CARRIED**

X. DIRECTOR'S REPORT

Mr. Johnson reported that the FY20 Budget has not been signed by the Governor yet, but that is expected by the end of the day today. We are watching several items, including:

Section 298 and the late addition of language that allows the Health Plans to contract with other service providers and language that implementation costs are accounted for before savings are reinvested in the pilot site.

Section 294 includes language regarding pilot project in Oakland County for expanded care coordination through CareConnect 360 including persons not receiving certain health care services.

Section 928 regarding retaining the local match requirement for the CMHSPs with legislative intent to phase out over the next five years.

Section 964 consists of MDHHS developing and implementing a standardized fee schedule for Medicaid behavioral health services by January 1, 2020. Costs above these fees will not be used to develop future rates.

Section 974 requires the Department and PIHPs to allow an individual with an intellectual or developmental disability who receives services from a CMHSP to choose to instead receive services from another provider.

Waivers – CMS has approved the (i)Waiver and the changes to the 1915 (c) related to the children's waiver and SED waiver. October 1st is the start date for all the waivers.

Lakeshore – The appeal by Lakeshore is scheduled with the administrative law judge for the week of October 14th. MDHHS has agreed to work on a contract extension with Lakeshore pending the outcome of the appeal.

298 – By the end of today, the State will know if the pilots will move forward. Ms. Keller stated that GHS is all set and they are just waiting on the Health Plans. Some of the smaller Health Plans in

Genesee County may not sign on. Mr. Johnson stated that we are unsure if the pilots will move forward if all Health Plans are not on board, as was required by 298 language.

FY19 Supplemental – The talks about a FY19 Supplemental have been stalled in the FY20 budget process. We should learn more after the budget is approved.

System Redesign – There have been questions about what the State’s intent is if the pilots do not move forward. The Department has stated that there is no interest from the Governor’s office or the Legislative branch to move directly to privatization. Dave Schneider from HMA has been contracted by the Department to work on system redesign. The redesign will be at the state policy level to make the system more efficient.

Conflict free case management – A group to discuss conflict of interest in the Medicaid program and conflict free case management has been formed and will meet in October. Mr. Johnson has been invited to participate. Key high-risk areas that need to be addressed are providers of services determining eligibility for services, providers managing networks, and providers doing their own utilization management.

Miscellaneous - Mr. Johnson presented a handout from a recent meeting held by Senator Stabenow that updates her constituency on some of the issues, including behavioral health.

IX. ANY OTHER BUSINESS TO PROPERTY COME BEFORE THE BOARD

A. CMHA Annual Fall Conference Oct. 21-22, 2019

If anyone is interested in attending the conference, please let Robin know ASAP.

X. CITIZENS WISHING TO ADDRESS THE BOARD

None

XI. ADJOURNMENT

Motion by Ms. Keller, supported by Ms. Cole, to adjourn the meeting. With no further business to discuss, Chairperson Curtiss adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Reviewed and approved,

Robin Kalbfleisch  
Recording Secretary

Wanda Cole  
Region 10 Board Secretary/Designee