Mid-State Health Network

Board of Directors Meeting ~ May 9, 2023 ~ 5:00 p.m.

Board Meeting Agenda

MyMichigan Medical Center
Wilcox Room
300 E. Warwick Drive
Alma, MI 48801

MEMBERS OF THE PUBLIC AND OTHERS UNABLE TO ATTEND IN PERSON CAN PARTICIPATE IN THIS MEETING VIA TELECONFERENCE
Teleconference: (Call) 1. 312.626.6799; Meeting ID: 379 796 5720

1. Call to Order
2. Roll Call
3. **ACTION ITEM:** Approval of the Agenda

   Motion to Approve the Agenda of the May 9, 2023 Meeting of the MSHN Board of Directors
4. Public Comment (3 minutes per speaker)
5. **ACTION ITEM:** FY2022 Audit Presentation (*Page 6*)

   MOTION to receive and file the FY2022 Audit Report of Mid-State Health Network completed by Roslund, Prestage and Company
6. **ACTION ITEM:** MSHN DEI Organizational Values Statement *(Page 15)*

   Motion to Approve the MSHN Official Statements of Purpose, Values, and Commitments to Health Equity and Diversity, Equity and Inclusion.
7. Chief Executive Officer's Report *(Page 18)*
8. Deputy Director's Report *(Page 46)*
9. Chief Financial Officer's Report

   Financial Statements Review for Period Ended March 31, 2023 *(Page 49)*

   ACTION ITEM: Receive and File the Preliminary Statement of Net Position and Statement of Activities for the Period ended March 31, 2023, as presented
10. **ACTION ITEM:** Contracts for Consideration/Approval *(Page 56)*

    The MSHN Board of Directors Approve and Authorizes the Chief Executive Officer to Sign and Fully Execute the FY 2023 Contracts, as Presented on the FY 2023 Contract Listing
11. Executive Committee Report
12. Chairperson's Report
13. Policy Committee Report

MSHN
Mid-State Health Network

Our Mission:

To ensure access to high-quality, locally-delivered, effective and accountable public behavioral health and substance use disorder services provided by its participating members

Our Vision:

To continually improve the health of our communities through the provision of premiere behavioral healthcare & leadership. MSHN organizes and empowers a network of publicly funded community partnerships essential to ensure quality of life while efficiently, and effectively addressing the complex needs of the region's most vulnerable citizens.

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Board of Directors Meeting Materials:
Click **HERE**
or visit MSHN's website at:
https://midstatehealthnetwork.org/stakeholders-resources/board-councils/board-of-directors/fy2023-meetings

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Upcoming FY23 Board Meetings

(Tentative until Board Approval)
Board Meetings convene at 5:00pm unless otherwise noted

May 9, 2023
MyMichigan Medical Center
300 E. Warwick Drive
Alma, MI 48801

July 11, 2023
Comfort Inn & Suites and Conference Center
2424 S. Mission St
Mt. Pleasant, MI 48858

September 12, 2023
Best Western Okemos/East Lansing Hotel & Suites
2209 University Park Drive
Okemos, MI 48864

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Policies and Procedures
Click HERE or Visit
https://midstatehealthnetwork.org/provider-network-resources/provider-requirements/policies-procedures/policies

14. **ACTION ITEM:** Consent Agenda

Motion to Approve the documents on the Consent Agenda

14.1 Approval Board Meeting Minutes 03/07/23 *(Page 59)*

14.2 Receive SUD Oversight Policy Board Minutes 12/21/22 *(Page 64)* and 02/15/23 *(Page 67)*

14.3 Receive Board Executive Committee Minutes 04/21/23 *(Page 70)*

14.4 Receive Policy Committee Minutes 04/04/23 *(Page 72)*

14.5 Receive Operations Council Key Decisions 02/27/23 *(Page 74)* and 03/20/23 *(Page 76)* and 04/17/23 *(Page 78)*

14.6 Approve the following policies:

14.6.1 Cash Management – Advances *(Page 80)*

14.6.2 Cash Management – Budget & Oversight *(Page 83)*

14.6.3 Cash Management – Cost Settlements *(Page 85)*

14.6.4 Cash Management *(Page 87)*

14.6.5 Costing *(Page 90)*

14.6.6 Finance Management *(Page 92)*

14.6.7 Fixed Assets Depreciation *(Page 95)*

14.6.8 Food Expense *(Page 97)*

14.6.9 Investment *(Page 99)*

14.6.10 PA2 Fund Use *(Page 102)*

14.6.11 PA2 Interest Allocation *(Page 104)*

14.6.12 Procurement *(Page 105)*

14.6.13 Risk Management *(Page 109)*

14.6.14 SUD-Income Eligibility & Fees *(Page 111)*

14.6.15 Transfer of CMHSP Care Responsibility *(Page 113)*

14.6.16 Travel *(Page 115)*

14.6.17 CCBHC Recipient Eligibility *(Page 118)*

15. Other Business

16. Public Comment (3 minutes per speaker)

17. Adjourn

MSHN
Mid-State Health Network

FY23 MSHN Board Roster

Last Name	First Name	Email 1	Email 2	Phone 1	Phone 2	Appointing CMHSP	Term Expiration
Bohner	Brad	bbohner@tds.net		517.294.0009		LifeWays	2025
Brehler	Joe	jbrehler@sprynet.com		517.882.7491	517.230.5911	CEI	2025
DeLaat	Ken	kend@nearnorthnow.com		231.414.4173		Newaygo County MH	2026
Griesing	David	davidgriesing@yahoo.com		989.823.2687		TBHS	2024
Grimshaw	Dan	midstatetitlesvcs@mstsinc.com		989.823.3391	989.823.2653	TBHS	2026
Hicks	Tina	tmhicksmshn64@gmail.com		989.576.4169		GIHN	2024
Johansen	John	j.m.johansen6@gmail.com		616.754.5375	616.835.5118	MCN	2024
Ladd	Jeanne	stixladd@hotmail.com		989.634.5691		Shia Health & Wellness	2024
McFarland	Pat	pjmcfarland52@gmail.com		989.225.2961		BABHA	2026
McPeek-McFadden	Deb	deb2mcmail@yahoo.com		616.794.0752	616.343.9096	The Right Door	2024
Moore	Phillip	phillipmoore@outlook.com		989.763.2866		Shia Health & Wellness	2024
Nyland	Gretchen	gretchen7080@gmail.com		616.761.3572		The Right Door	2025
O'Boyle	Irene	irene.oboyle@cmich.edu		989.763.2880		GIHN	2026
Peasley	Kurt	peasleyhardware@gmail.com		989.560.7402	989.268.5202	MCN	2024
Phillips	Joe	joe44phillips@hotmail.com		989.386.9866	989.329.1928	CMH for Central	2026
Raquepaw	Tracey	tl.raquepaw@icloud.com	raquepawt@michigan.gov	989.737.0971		Saginaw County CMH	2025
Scanlon	Kerin	kscanlon@tm.net		502.594.2325		CMH for Central	2025
Swartzendruber	Richard	rswartzn@gmail.com		989.269.2928	989.315.1739	HBH	2026
Twing	Susan	set352@hotmail.com		231.335.9590		Newaygo County MH	2025
Vacant	Vacant					BABHA	2025
Vacant	Vacant					CEI	2025
Williams	Joan	jkwms1@gmail.com		989.860.6230		Saginaw County CMH	2026
Wiltse	Beverly	bevwiltse@gmail.com		989.326.1052		HBH	2026
Woods	Ed	ejw1755@yahoo.com		517.392.8457		LifeWays	2024

MSHN
Mid-State Health Network

ACRONYMS - Following is a list of commonly used acronyms you may read or hear referenced in a MSHN Board Meeting:

ACA: Affordable Care Act

ACT: Assertive Community Treatment

ARPA: American Rescue Plan Act (COVID-Related)

ASAM: American Society of Addiction Medicine

ASAM CONTINUUM: Standardized assessment for adults with SUD needs

ASD: Autism Spectrum Disorder

BBA: Balanced Budget Act

BH: Behavioral Health

BHH: Behavioral Health Home

BPHASA – Behavioral and Physical Health and Aging Services Administration

BH-TEDS: Behavioral Health – Treatment Episode Data Set

CC360: CareConnect 360

CCBHC: Certified Community Behavioral Health Center

CAC: Certified Addictions Counselor

Consumer Advisory Council

CEO: Chief Executive Officer

CFO: Chief Financial Officer

CIO: Chief Information Officer

CCO: Chief Compliance Officer

Chief Clinical Officer

CFR: Code of Federal Regulations

CFAP: Conflict Free Access and Planning (Replacing CFCM)

CFCM: Conflict Free Case Management

CLS: Community Living Services

CMH or CMHSP: Community Mental Health Service Program

CMHA: Community Mental Health Authority

CMHAM: Community Mental Health Association of Michigan

CMS: Centers for Medicare and Medicaid Services (federal)

COC: Continuum of Care

COD: Co-occurring Disorder

CON: Certificate of Need (Commission) – State

CPA: Certified Public Accountant

CQS: – Comprehensive Quality Strategy

CRU: Crisis Residential Unit

CS: Customer Service

CSAP: Center for Substance Abuse Prevention (federal agency/SAMHSA)

CSAT: Center for Substance Abuse Treatment (federal agency/SAMHSA)

CW: Children's Waiver

DAB: Disabled and Blind

DEA: Drug Enforcement Agency

DMC: Delegated Managed Care (site visits/reviews)

DRM: Disability Rights Michigan

DSM-5: Diagnostic and Statistical Manual of Mental Disorders, 5th Edition

EBP: Evidence-Based Practices

EEO: Equal Employment Opportunity

EMDR: Eye Movement & Desensitization Reprocessing therapy

EPSDT: Early and Periodic Screening, Diagnosis and Treatment

EQI: Encounter Quality Initiative

EQR: External Quality Review (federally mandated review of PIHPs to ensure compliance with BBA standards)

FC: Finance Council

FI: Fiscal Intermediary

FOIA: Freedom of Information Act

FSR: Financial Status Report

FTE: Full-time Equivalent

FQHC: Federally Qualified Health Centers

FY: Fiscal Year (for MDHHS/CMHSP runs from October 1 through September 30)

GAIN: Global Appraisal of Individual Needs assessment for adolescents with SUD needs.

GF/GP: General Fund/General Purpose (state funding)

HB: House Bill

HCBS: Home and Community Based Services

HIPAA: Health Insurance Portability and Accountability Act

HITECH: Health Information Technology for Economic and Clinical Health Act

HMP: Healthy Michigan Program

HMO: Health Maintenance Organization

HRA: Hospital Rate Adjuster

HSAG: Health Services Advisory Group (contracted by state to conduct External Quality Review)

HSW: Habilitation Supports Waiver

ICD-10: International Classification of Diseases – 10th Edition

ICO: Integrated Care Organization (a health plan contracted under the Medicaid/Medicare Dual eligible pilot project)

I/DD: Intellectual/Developmental Disabilities

IDDT: Integrated Dual Diagnosis Treatment

IOP: Intensive Outpatient Treatment

ISF: Internal Service Fund

IT/IS: Information Technology/Information Systems

KPI: Key Performance Indicator

LBSW: Licensed Baccalaureate Social Worker

LEP: Limited English Proficiency

LLMSW: Limited Licensed Masters Social Worker

LMSW: Licensed Masters Social Worker

LLPC: Limited Licensed Professional Counselor

LPC: Licensed Professional Counselor

LOCUS: Level of Care Utilization System

LTSS: Long Term Supports and Services

MAHP: Michigan Association of Health Plans (Trade association for Michigan Medicaid Health Plans)

MAT: Medication Assisted Treatment (see MOUD)

MCBAP: Michigan Certification Board for Addiction Professionals

MSHN
Mid-State Health Network

ACRONYMS - Following is a list of commonly used acronyms you may read or hear referenced in a MSHN Board Meeting:

MCO: Managed Care Organization

MDHHS: Michigan Department of Health and Human Services

MDOC: Michigan Department of Corrections

MEV: Medicaid Event Verification

MHP: Medicaid Health Plan

MI: Mental Illness

Motivational Interviewing

MiHIA: Michigan Health Improvement Alliance

MiHIN: Michigan Health Information Network

MLR: Medical Loss Ratio

MMBPIS: Michigan Mission Based Performance Indicator System

MOUD: Medication for Opioid Use Disorder (a sub-set of MAT)

MP&A (MPAS): Michigan Protection and Advocacy Service

MPCA: Michigan Primary Care Association (Trade association for FQHC's)

MPHI: Michigan Public Health Institute

MRS: Michigan Rehabilitation Services

NACBHDD: National Association of County Behavioral Health and Developmental Disabilities Directors

NAMI: National Association of Mental Illness

NASMHPD: National Association of State Mental Health Program Directors

NCQA: National Committee for Quality Assurance

NCMW: National Council for Mental Wellbeing

NMRE: Northern Michigan Regional Entity (PIHP Region 2)

OC: Operations Council

OHCA: Organized Health Care Arrangement

OIG: Office of Inspector General

OMT: Opioid Maintenance Treatment - Methadone

OP: Outpatient

OTP: Opioid Treatment Provider (formerly methadone clinic)

PA: Public Act

PA2: Liquor Tax act (funding source for some MSHN funded services)

PAC: Political Action Committee

PASARR: Pre-Admission Screening and Resident Review

PCP: Person-Centered Planning

Primary Care Physician

PEP: Performance Enhancement Plan

PFS: Partnership for Success

PEO: Professional Employer Organization

PEPM: Per Eligible Per Month (Medicaid funding formula)

PI: Performance Indicator

PIP: Performance Improvement Project

PIHP: Prepaid Inpatient Health Plan

PMV: Performance Measure Validation

PN: Prevention Network

Project ASSERT: Alcohol and Substance abuse Services and Educating providers to Refer patients to Treatment

PS: Protective Services

PTSD: Post-Traumatic Stress Disorder

QAPIP: Quality Assessment and Performance Improvement Program

QAPI: - Quality Assessment Performance Improvement

QHP: Qualified Health Plan

QM/QA/QI: Quality Management/Assurance/Improvement

QRT: Quick Response Team

RCAC: Regional Consumer Advisory Council

REMI: MSHN's Regional Electronic Medical Information software

RES: Residential Treatment Services

RFI: Request for Information

RFP: Request for Proposal

RFQ: Request for Quote

RR: Recipient Rights

RRA: Recipient Rights Advisor

RRO: Recipient Rights Office/Recipient Rights Officer

SAMHSA: Substance Abuse and Mental Health Services Administration (federal)

SAPT: Substance Abuse Prevention and Treatment (when it includes an "R", means "Recovery")

SARF: Screening, Assessment, Referral and Follow-up

SCA: Standard Cost Allocation

SDA: State Disability Assistance

SED: Serious Emotional Disturbance

SB: Senate Bill

SIM: State Innovation Model

SIS: Supports Intensity Scale

SMI: Serious Mental Illness

SPMI: Severe & Persistent Mental Illness

SSDI: Social Security Disability Insurance

SSI: Supplemental Security Income (Social Security)

SSN: Social Security Number

SUD: Substance Use Disorder

SUD OPB: Substance Use Disorder Regional Oversight Policy Board

SUGE: Bureau of Substance Use, Gambling and Epidemiology

TANF: Temporary Assistance to Needy Families

UR/UM: Utilization Review or Utilization Management

VA: Veterans Administration

WM: Withdrawal Management (formerly "detox")

WSA: Waiver Support Application

YTD: Year to Date

ZTS: Zenith Technology Systems (MSHN Analytics and Risk Management Software)

Full report in Board Member folders. For those members not present and would like a copy mailed to them, please contact MSHN Executive Support Specialist, Sherry Kletke.

Mid-State Health Network

Audit Presentation
May 9, 2023

Independent Auditor's Report

To the Members of the Board
Mid-State Health Network
Lansing, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Mid-State Health Network (the Entity), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Entity, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in the notes to the financial statements, during 2022 the Entity adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

Mid-State Health Network
Statement of Net Position
September 30, 2022

	Enterprise	Internal Service	
	Behavioral Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Current assets			
Cash and cash equivalents - unrestricted	$ 108,442,569	$ -	$ 108,442,569
Cash and cash equivalents - restricted	-	38,860,380	38,860,380
Investments - restricted	-	11,662,167	11,662,167
Due from affiliate partners and other agencies	36,960,408	-	36,960,408
Due from MDHHS	19,288,266	-	19,288,266
Due from other funds	-	1,089,300	1,089,300
Prepaid expenses	239,706	-	239,706
Total current assets	164,930,949	51,611,847	216,542,796
Noncurrent assets			
Capital asset being depreciated, net	265,438	-	265,438
Total noncurrent assets	265,438	-	265,438
Total assets	165,196,387	51,611,847	216,808,234
	PY Total assets		165,511,296
Current liabilities			
Accounts payable	27,987,856	-	27,987,856
Accrued wages and related liabilities	131,739	-	131,739
Due to affiliate partners	12,892,420	-	12,892,420
Due to MDHHS	58,586,314	-	58,586,314
Due to other funds	1,089,300	-	1,089,300
Unearned revenue	55,156,874	-	55,156,874
Compensated absences	388,590	-	388,590
Lease liability, due within one year	54,491	-	54,491
Total current liabilities	156,287,584	-	156,287,584
	PY Total current liabilities		109,452,616
Noncurrent liabilities			
Lease liability, due beyond one year	78,017	-	78,017
Total noncurrent liabilities	78,017	-	78,017
Net position			
Net investment in capital assets	132,930	-	132,930
Restricted for risk management	-	51,611,847	51,611,847
Restricted local - PBIP	5,436,711	-	5,436,711
Restricted local - CCBHC Withhold	3,259,113	-	3,259,113
Unrestricted	2,032	-	2,032
Total net position	$ 8,830,786	$ 51,611,847	$ 60,442,633
PY Total net position	5,495,750	50,562,930	56,058,680

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

Mid-State Health Network
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2022

	Enterprise	Internal Service	
	Behavioral Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Operating revenues			
State funding			
Medicaid capitation	$ 541,752,342	$ -	$ 541,752,342
Healthy Michigan	119,321,855	-	119,321,855
Autism	52,677,921	-	52,677,921
PA2 revenues	4,266,712	-	4,266,712
DHS incentive	1,679,015	-	1,679,015
CCBHC	14,431,460	-	14,431,460
Incentive payments	9,471,405	-	9,471,405
Community grant - Substance use disorder	1,276,816	-	1,276,816
Total State funding	744,877,526	-	744,877,526
Federal funding			
Community grant	5,926,296	-	5,926,296
Prevention	2,319,864	-	2,319,864
State Opioid Response II	848,628	-	848,628
Block grants	721,592	-	721,592
Total Federal funding	9,816,380	-	9,816,380
Contributions - Local match drawdown	2,345,532	-	2,345,532
Other operating revenues	54,250	-	54,250
Total operating revenues	757,093,688	-	757,093,688
		PY Operating revenues	700,390,752
Operating expenses			
Contractual obligations			
Funding for affiliate partners	668,844,873	-	668,844,873
HRA and IPA taxes	23,156,635	-	23,156,635
Local match expense	2,345,532	-	2,345,532
Total contractual obligations	694,347,040	-	694,347,040
		PY Contractual obligations	640,107,841
Substance use services			
Prevention	4,795,454	-	4,795,454
Outpatient	10,224,977	-	10,224,977
Recovery Support	5,375,939	-	5,375,939
Medication-Assisted Treatment	4,878,977	-	4,878,977
Withdrawal management	2,951,497	-	2,951,497
Residential	15,860,555	-	15,860,555
Women's Specialty	3,836,791	-	3,836,791
Other contractual agreements	2,897,592	-	2,897,592
Total substance use services	50,821,782	-	50,821,782
		PY Substance use services	47,264,596
Administrative expense			
Board per diem	26,880	-	26,880
Depreciation expense	114,259	-	114,259
Dues and memberships	4,982	-	4,982
Insurance	25,792	-	25,792
Professional contracts	685,245	-	685,245
Rent and utilities	7,848	-	7,848
Salaries and fringes	5,573,682	-	5,573,682
Software maintenance	883,354	-	883,354

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

Mid-State Health Network
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2022

	Enterprise	Internal Service	
	Behavioral Health Operating	Medicaid Risk Reserve	Total Proprietary Funds
Supplies	$ 139,011	$ -	$ 139,011
Travel and training	61,095	-	61,095
Total administrative expense	7,522,148	-	7,522,148
		PY Administrative expense	7,663,637
Total operating expenses	752,690,970	-	752,690,970
Operating income (loss)	4,402,718	-	4,402,718
Non-operating revenues (expenses)			
Interest income	24,696	36,326	61,022
Interest expense	(3,078)	-	(3,078)
Investment income	-	(76,709)	(76,709)
Non-operating income (loss)	21,618	(40,383)	(18,765)
Income before transfers	4,424,336	(40,383)	4,383,953
Transfers in (out)	(1,089,300)	1,089,300	-
Change in net position	3,335,036	1,048,917	4,383,953
PY Change in net position	756,938	4,626,777	5,383,715
Net position, beginning of year	5,495,750	50,562,930	56,058,680
Net position, end of year	$ 8,830,786	$ 51,611,847	$ 60,442,633
PY Net position, end of year	5,495,750	50,562,930	56,058,680

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

NOTE 7 - DUE TO AFFILIATE PARTNERS

Due to affiliate partners as of September 30th consists of the following:

Description	Amount
Bay-Arenac Behavioral Health	1,652,962
Community Mental Health for Central Michigan	2,223,302
Gratiot Integrated Health Network	164,087
Huron Behavioral Health	1,246,649
LifeWays Community Mental Health Authority	6,264,632
Shiawassee Health and Wellness	1,340,788
Total	12,892,420

NOTE 8 - DUE TO MDHHS

Due to MDHHS as of September 30th consists of the following:

Description	Amount
Insurance Provider Assessment (IPA)	1,592,966
FY22 MDHHS Settlement	36,662,430
Prior Year Cost Settlements	20,330,918
Total	58,586,314

NOTE 9 - UNEARNED REVENUE

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

Description	Amount
Medicaid Savings Carryforward	47,790,692
PA2 Carryforward	7,993,104
Medicaid Savings Carryforward Adjusted	(626,922)
Total	55,156,874

NOTE 10 - LONG-TERM LIABILITIES

Summary of Long-Term Debt

The changes in long-term debt during the fiscal year are as follows:

	Beginning Balance	Additions	(Deletions)	Ending Balance	Due within one year
Compensated absences	347,825	92,939	(52,174)	388,590	388,590
Lease liability	-	203,309	(70,801)	132,508	54,491
Total	347,825	296,248	(122,975)	521,098	443,081

NOTE 11 – LEASE LIABILITY

The Entity entered into a 4-year lease agreement as lessee for the use of the downstairs portion of the MOA building. An initial lease liability was recorded in the amount of $151,169 during the current fiscal year. As of year-end, the value of the lease liability was $114,831. The Entity is required to make monthly principal and interest payments of $3,231. The lease has an interest rate of 2.00%. The value of the right-to-use asset as of the end of the current fiscal year was $151,169 and had accumulated amortization of $37,792.

The Entity entered into a 2-year lease agreement as lessee for the use of the upstairs portion of the MOA building. An initial lease liability was recorded in the amount of $52,140 during the current fiscal year. As of year-end, the value of the lease liability was $17,677. The Entity is required to make monthly principal and interest payments of $2,925. The lease has an interest rate of 2.00%. The value of the right-to-use asset as of the end of the current fiscal year was $52,140 and had accumulated amortization of $26,070.

The future principal and interest lease payments as of year-end were as follows:

Fiscal Year Ended September 30,	Principal	Interest	Total
2023	54,491	2,155	56,646
2024	38,269	1,211	39,480
2025	39,748	437	40,185
Total	132,508	3,803	136,311

NOTE 12 - NET INVESTMENT IN CAPITAL ASSETS

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

Net investment in capital assets	Amount
Capital assets being depreciated, net	265,438
Capital related long-term liabilities	(132,508)
Net investment in capital assets	132,930

NOTE 13 – RETIREMENT AND OTHER POST EMPLOYMENT BENEFIT PLANS

Defined Contribution Retirement Plan – 401(a)

Plan Description

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

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

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

Eligibility

All full time employees are eligible (excluding leased, independent contractors and part time employees).

Contributions

The Entity contributes 10% of the employee's compensation (defined as W2 wages) regardless of the employee contribution.

reason MMRMA's resources available to pay losses are depleted, the payment of all unpaid losses of the Entity is the sole obligation of the Entity. Settled claims have not exceeded the amount of coverage in any of the past three years.

The Entity's coverage limits are $10,000,000 for general liability, $10,000,000 for public officials' liability, and approximately $1,267,877 for personal property.

Medicaid Risk Reserve

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

The Entity has established a Medicaid Risk Reserve Fund, in accordance with Michigan Department of Health and Human Services guidelines, to assist in managing risk under the terms of its contract with the MDHHS.

NOTE 16 – CONTINGENT LIABILITIES

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

NOTE 17 – ECONOMIC DEPENDENCE

The Entity receives over 90% of its revenues from the State of Michigan directly from MDHHS.

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended September 30, 2022, the Entity implemented the following new pronouncement: GASB Statement No. 87, *Leases*.

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 19 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 96, *Subscription-based Information Technology Arrangements,* was issued by the GASB in May 2020 and will be effective for the Entity's fiscal year ending September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

GASB Statement No. 101, *Compensated Absences*, was issued by the GASB in June 2022 and will be effective for the Entity's fiscal year September 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by

amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

MSHN
Mid-State Health Network

RECOMMENDATION TO ADOPT OFFICIAL MID-STATE HEALTH NETWORK STATEMENT OF PURPOSE, VALUES AND COMMITMENTS TO HEALTH EQUITY AND DIVERSITY, EQUITY, AND INCLUSION

Background

Consistent with the commitments of the MSHN board in establishing a "better equity" strategic priority, MSHN administration has been actively working on our policies, procedures, and processes to be better in diversity, equity, and inclusion (DEI) *internal* to our organization and simultaneously working with collaborators, allies, providers, stakeholders, and other partners to frame being better at achieving health equity in the *external* environment in which we work.

Mid-State Health Network has been engaged in DEI and Health Equity work for many years. Dr. Dani Meier, our Chief Clinical Officer, and Ms. Skye Pletcher, our Director of Utilization and Care Management, are the primary lead executives for our organization in these efforts.

MSHN has established an external REACH Workgroup (Regional Equity Advisory Committee for Health) with diverse non-employee stakeholders from across the region. The REACH group is self-directed and self-managed and is staffed by Dr. Meier and Ms. Pletcher.

MSHN has established an internal workgroup known as IDEA: Inclusion, Diversity, Equity, and Accessibility. This workgroup is made up of 17-20 MSHN staff members charged with the responsibility for identifying and making recommendations for internal process, policy, procedure, or protocol changes that will result in increased diversity, improved equity, and broader inclusion in our internal organizational environment. This workgroup is staff (not leadership) led and is guided by an organizational assessment and their lived experiences in this space.

MSHN engaged the Michigan Department of Civil Rights (MDCR) to conduct baseline training for staff who then participated in an organizational assessment. Using a MDCR tool and MDCR led process, about 20 trained employees (of 43 at the time) rated MSHN on 60-70 dimensions or characteristics of diversity, equity, and inclusion. Categories included service delivery, leadership, service planning, inclusiveness of processes, policies/ guidelines/practices, staff recruitment/retention/promotion/performance appraisals, board/staff/volunteer training, evaluation and monitoring, outreach. Many of the participants in the organizational assessment process did not know or were not exposed to some or many of these aspects of MSHN operations. A major part of current work is to inform our IDEA Workgroup participants on current operations in order for the IDEA members to make recommendations for improvements through a DEI/Health Equity lens.

One of the accomplishments of the IDEA Workgroup was the development of the draft MSHN Official Organizational Statements of Purpose, Values and Commitments to Health Equity, Diversity, Equity, and Inclusion. These official statements are presented on the following pages for board consideration and when approved will be an important guide for our internal DEI and external Health Equity Work.

The IDEA Workgroup recommended adoption to the MSHN Leadership Team, which approved and recommends adoption by the MSHN Governing Board as the official position statement of the organization. Approved versions will be featured throughout various internal and external MSHN communications and publications. The draft statements were also reviewed and endorsed by the MSHN Executive Committee on 04/21/23.

Recommendation: The MSHN staff and Leadership Team urge the Board of Directors to approve and adopt the draft statements.

Recommended Motion: Motion to approve the Mid-State Health Network Official Statements of Purpose, Values, and Commitments to Health Equity and Diversity, Equity and Inclusion.

DEI Statement of Purpose:

Mid-State Health Network is committed to finding intentional ways to achieve better equity in our organization and in our region, to diversify our workforce, stakeholders, and service participants, to grow in our understanding and inclusion of all residents of Region 5, and to eliminate bias, discrimination, and health disparities in the healthcare services we exist to support.

Land Acknowledgement:

We acknowledge that in Michigan, we are living on ancestral lands of the Anishinaabeg, the Three Fires Confederacy of Ojibwe, Odawa and Potawatomi peoples. The forced removal and relocation of these Native Nations and their struggles for survival is embedded in the history of this state and we honor with gratitude the land itself, those who came before us and those who today represent Michigan's First Nations.

Our Values

1. We believe all humans are born equal.
2. We believe health is a human right.
3. We believe in health equity, which means that people in Region 5 are provided with the supports they need—individually and as groups—to fully benefit from the public behavioral health supports and services over which MSHN has oversight.
4. We believe that bias, discrimination, and exclusion take many forms, overt and insidious towards certain populations in our region and in American society.
5. We believe there have been – and continue to be – public policies, community practices, and prevalent biases—explicit and implicit—that disenfranchise some people full and equitable benefit from participation in community life, including healthcare and in particular behavioral health services and supports that Mid-State Health Network exists to provide.
6. We believe that improving equity and eliminating bias, discrimination and barriers to care will produce benefits for all.

Our Commitments

1. To creating a safe place where ALL employees feel safe, valued, and heard.
2. To promoting open, respectful dialogue with a focus on growth, learning and a more connected collaborative path to improved cultural competence based on that learning.
3. To celebrating the contributions of all members of our diverse communities, and the rich cultural and religious traditions each brings to our communities.
4. To affirm explicitly our identity as an organization that stands against bias, hate and discrimination.

5. To individual and institutional exploration and examination of implicit bias and systemic advantage/oppression such as an anti-racism/anti-hate commitment be reflected in the life and culture of MSHN through our policies, programs, services, and practices as we continue to learn about systemic racism, bias, and oppression.
6. To the development and implementation of strategies, trainings, and best practices that dismantle racism, ethnic, gender, religious, disability and all forms of oppression within all aspects of our organization, network, and community.
7. To pursue these goals through a focus on learning from historically and currently disenfranchised communities, to implement changes based on that learning, and to become better at improving diversity and inclusion.
8. To lead by example. We will change the culture of discriminatory policies by understanding beneficiaries and changing our practices to eliminate health disparities.

To be silent on these issues is to be complicit. Mid-State Health Network is committed to these values and these actions, and we ask that all community partners, providers and all Region 5 stakeholders join MSHN in this work.

MSHN
Mid-State Health Network

REPORT OF THE MSHN CHIEF EXECUTIVE OFFICER
TO THE MSHN BOARD OF DIRECTORS
March/April 2023

National Suicide and Crisis Lifeline:

The "988" National Suicide and Crisis Lifeline" is now live nationwide. Toolkits and other information is available at this link. Increased marketing activities in Michigan are taking place now.

PIHP/REGIONAL MATTERS

1. **National Prevention Week – May 7 to May 13**
My recent board newsletter article focused on the importance of prevention and early intervention. The Substance Abuse and Mental Health Services Administration (SAMHSA) has announced that National Prevention Week is May 7 – 13 and a public education platform showcasing the work of communities and organizations across the country dedicated to raising awareness about the importance of substance misuse prevention and positive mental health. Event registration and additional information is available at this link.

2. **Medicaid Health Plan Re-Bid:**
While not strictly related to Pre-paid Inpatient Health Plan (PIHP) operations, Mchigan Department of Health and Human Services (MDHHS) has announced the five strategic pillars around which it will build the rebidding of contracts for Michigan's Medicaid Health Plans (MHPs). These pillars were formulated after a robust public input process where more than 10,000 Michigan residents provided input, 8,300 from persons served. Eleven MHPs currently provide Medicaid and Healthy Michigan physical health coverage for 2.2M Michiganders.

The five pillars are:
- Serve the Whole Person, Coordinating Health and Health-Related Needs.
- Give All Kids a Healthy Start.
- Promote Health Equity and Reduce Racial and Ethnic Disparities.
- Drive Innovation and Operational Excellence.
- Engage Members, Families and Communities.

MDHHS established six design teams consisting of subject matter experts from across the department to create actionable policies to support these strategic pillars. The teams continue to use feedback from the survey to inform the policy and program changes and the overall process for selecting Medicaid health plans through a rebidding process.

MDHHS will accept proposals for Comprehensive Health Care Program Medicaid health plans in fall 2023.

The Health Plan rebid could result in significant changes to the number and type of MHPs, benefit coverages (including mental health benefits), and could impact PIHPs and Community Mental Health Service Providers (CMHSPs) – as of now, in unknown ways. MSHN Administration will keep the MSHN Board informed of developments that may impact the public behavioral health system and the individuals, families, and communities we exist to serve.

3. **Expanding Methadone Access:**
SAMHSA has proposed an update to federal rules to expand access to Methadone and improve access to care. Companion bills have been introduced in Congress. MSHN Chief Clinical Officer Dr. Dani Meier recently reported that methadone access is now highly regulated and limited to about 2,000 Opioid Treatment Provider (OTP) sites nationwide. Under today's regulations, beneficiaries must travel to those clinics – every day – to receive methadone for their opioid addictions. There are many concerns about diversion of methadone for illicit purposes and other unintended consequences of deregulation. What is rarely discussed (or even known) is that the formation of the current Drug Enforcement Agency (DEA) regulation of methadone was rooted in Drug War – Informed racial stereotypes. Please see this Los Angeles Times opinion piece for more information. Nora Volkow, the Director of National Institute of Drug Addiction (NIDA) also is a supporter of deregulating access to methadone as reported by CBS News in this article.

Mid-State Health Network currently funds OTPs in the region and has not yet formulated a position on the proposed legislation.

4. **Supports Intensity Scale (SIS) Terminated:**
Michigan Department of Health and Human Service (MDHHS) has made the decision to sunset the use of the Supports Intensity Scale – A (SIS-A) in Michigan. According to MDHHS, key factors which led to this decision included critical feedback from our external partners, ongoing workforce challenges, and MDHHS efforts to review efficiencies gained in aligning our efforts across the behavioral health system. In our region, eleven people were employed as SIS assessors, including one person at MSHN. To the best of our knowledge, all of these workers (including the MSHN employee) whose jobs were eliminated have been retained and transferred to other available positions for which they were qualified.

5. **Lakeshore Regional Entity Allowed to Use Surplus Funds to Pay CMHSP Deficits:**
From Michigan Information and Research Service Inc. (MIRS), 03/27/23: A West Michigan Medicaid mental health management company can use its surplus to pay an estimated $30 million deficit resulting from alleged underfunding by the state in 2018 and 2019. Court of Claims Judge Douglas Shapiro upheld the Michigan Department of Health and Human Services' 2022 settlement agreement with Lakeshore Regional Entity and supports Lakeshore's position that the state agreed it could use its internal service and surplus funds to pay the deficit that three of its community mental health (CMH) partners experienced.

That permission, Shapiro noted, is in Lakeshore's January 2022 risk management strategy plan.

"MDHHS simply argues that we should ignore the provisions of the Rick Management Strategy despite the fact that it was formally approved by the department," wrote Shapiro, who sits on the Michigan Court of Appeals.

MDHHS contracts with PIHPs, such as Lakeshore, for the administration of mental health services to eligible Medicaid beneficiaries. Lakeshore, in turn, contracts with entities, such as Muskegon County's CMH provider, HealthWest, to provide those services through CMHs.

Lakeshore alleges the state underfunded its services in 2018 and 2019, leaving three of its CMH partners with a combined estimated $30 million shortfall.

MDHHS argued it properly funded Lakeshore and any shortfall was due to mismanagement and it moved to terminate its contract.

The two sides, however, reached an agreement in January 2022, which Lakeshore says allowed them to use their Fiscal Year 2020 surplus – a projected estimate of $50 million – and a portion of its ISF to pay the deficit, but the state disagreed.

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

6. **Michigan Opioid Advisory Commission Issues 2023 Report**

The Michigan Opioid Advisory Commission has released its 2023 Report. The report includes many findings and recommendations for Michigan policy makers relating to the National Opioid Settlement. The report also contains substance use disorder (SUD) expenditures by PIHPs, where Mid-State Health Network leads the State in almost every treatment category (See Section 3 of the report beginning at page 20).

7. **MDHHS Strategic Priorities – 2023-2027:**

MDHHS has released its 2023-2027 Strategic Priorities. Key goals for MDHHS for the period include:

- Public Health Investment
- Racial Equity
- Food, Nutrition, Housing and Other Social Determinants of Health
- Improve Behavioral Health Services System for Children and Families
- Improve Maternal-Infant Health and Reduce Outcome Disparities
- Reduce Lead Exposure for Children
- Reduce Child Maltreatment and Improve Rate of Permanency
- Full Implementation of the Families First Preservation Services Act
- Expand and Simplify Safety Net Access
- Reduce Opioid and Drug Related Deaths
- Ensure MDHHS is managing outcomes, investing in evidence-based solutions, and ensuring program accuracy in benefit issuances.

8. **Medicaid/Healthy Michigan Redeterminations Resume**

Due to the COVID-19 pandemic, a moratorium against loss of Medicaid coverage was placed on States by the Federal Centers for Medicare and Medicaid Services. With the scheduled end of the National Public

Health Emergency on May 11, 2023, Medicaid/Healthy Michigan eligibility redeterminations will resume. Michigan will complete redeterminations for all beneficiaries on a 12-month rolling basis. This means that if eligibility expires in January 2024, that coverage will be continued until January, when a redetermination process will be completed. Some beneficiaries will be required to submit documentation; other beneficiaries will be "passively re-enrolled" (if MDHHS already has the necessary information to make a redetermination decision). An Eligibility Renewal Brochure has been posted to the MDHHS website for beneficiaries and stakeholders. It is important that all providers and others that interact with beneficiaries encourage them to update their address, phone number, and email address as well as report any changes to household and/or income.

9. **Direct Care Workers Need Higher Pay to Keep Behavioral Health System Functional:**
From Gongwer Capital News Service, 03/28/2023: Compensation is too low to keep direct care workers on the job, according to the results of a workforce survey conducted by Incompass Michigan and the Michigan Assisted Living Association.

Incompass Michigan, a statewide network of human service providers, and the Michigan Assisted Living Association, a nonprofit organization representing providers supporting people with disabilities in the behavioral health and long-term care systems, published the results of their sixth annual survey this month, which collects data on wage levels and turnover rates within the direct care workforce.

The survey included 60 organizations employing approximately 6,700 direct support staff. Of those organizations, 25 percent have discontinued programs within the past six months and nearly 25 percent are considering discontinuing programs. More than 75 percent of the organizations discontinuing programs cite the inability to recruit or retain staff as the reason, and 90 percent of the organization which refused additional work or programming in the last year did so because of an inability to recruit staff.

"We view this workforce as the foundation of our behavioral health system," said Todd Culver, President and CEO of Incompass Michigan in an interview. "That foundation is crumbling right now."

The average starting wage for a direct care worker in Michigan's behavioral health sector is stagnant at $15.20 per hour, according to new data from the survey.

Direct care workers provide personal care, vocational services and community living supports to people with disabilities, aging adults, those with traumatic brain injuries, mental illnesses and substance use disorders.

Survey results indicate that more than a third of survey respondents have health and safety concerns for the people they support due to worker shortages and burnout.

Many providers rely on state and federal Medicaid funding to pay employees and can't increase salaries to compete with the retail or food service industries because their reimbursement rates are set based on available funding.

"When a state's behavioral health system is built entirely on the availability of direct care workers and then we don't pay them a competitive wage, then we begin to experience a major – even historic – level of

system failure," Robert Stein, general counsel for the Michigan Assisted Living Association, said in a statement.

Although this has always been the case, the challenges in the workforce have been exacerbated by the pandemic, high inflation and increased wages in other sectors, the survey found.

"There are much less-demanding jobs available at higher rates of pay," Mr. Culver said. "It is necessary to allow service providers to compete in their local market."

Mr. Stein also said that although there are many fields facing a workforce shortage, the shortage of direct care workers is especially dire because employees provide care to vulnerable adults who need personal care. Currently, the field has a 20 percent open rate and a 42 percent annual turnover rate.

"We do think it's dire," he said.

Governor Gretchen Whitmer has proposed a 10 percent wage increase for direct care workers in her budget proposal for fiscal year 2024.

Although the industry is grateful to be included in the governor's budget plans, the 10 percent increase, which works out to be about $1.50 per hour, would only be a "band-aid fix" and wouldn't stabilize the workforce, Mr. Culver said.

"It's not enough," Mr. Stein said. "Unfortunately, we don't even think it's close to enough."

A pay increase equal to $4 per hour for direct care workers and commensurate increases for supervisors is more in line with what the workforce needs, Mr. Culver said. The industry would also like to see an allocation of American Rescue Plan dollars for one-time retention bonuses. This would encourage people to remain in the workforce and reduce turnover, and the pay increase would incentivize hiring.

Mr. Culver also said it would be beneficial to develop support for career training and advancement for direct care workers. Developing a tiered, competency-based training and a credentialing program would benefit workers by allowing them to develop expertise and provide a structure for compensation that was reflective of their training. Mr. Stein also said a statewide awareness campaign about the value in the work of direct care workers was needed to bring people into the profession.

"Action is needed to address the current crisis in the field," Mr. Culver said in a statement.

"The scope of the problem is becoming impossible to ignore," he said. "In the past, lawmakers have been willing to help address DCW compensation challenges, but with inflation as it is, it just hasn't been enough."

10. **New State Psychiatric Hospital to be Located in Northville:**
From Gongwer News Service, 04/17/2023: A new state psychiatric hospital funded through the 2022-23 budget will be in Northville, at the current site of the facility the new inpatient complex will replace, the state announced Monday.

Governor Gretchen Whitmer recommended $325 million in her 2022-23 budget to build a new hospital to care for patients currently served at Hawthorn Center in Northville and Walter P. Reuther Psychiatric Hospital in Westland.

The new facility will be built at the current Hawthorn location, 18471 Haggerty Road in Northville.

"We are excited to be able to provide Michigan families in need of inpatient, behavioral healthcare a new state-of-the-art hospital in southeastern Michigan," Department of Health and Human Services Director Elizabeth Hertel said in a statement. "The modern facility will allow MDHHS to continue providing quality, compassionate care to both children and adults. The consolidation of two of our current hospitals will also allow for efficiencies in administrative and support services while maintaining separate living and treatment facilities for adults and children."

The two facilities serve nearly 200 patients and are among the state's five inpatient psychiatric hospitals for individuals who have severe mental illness or intellectual and developmental disabilities. The Hawthorn Center opened its doors in 1956, while Walter Reuther began operations in 1979. The facility needs to be replaced due to the aging infrastructure.
During construction of the new facility, which will be managed by Christman Company, staff and patients currently being cared for at Hawthorn Center will be moved to a separate unit at Walter P. Reuther Psychiatric Hospital to allow for the demolition of the current Hawthorn facility.

The new psychiatric complex will serve all ages, but the hospitals will be separate facilities with separate living and programmatic spaces for children and adults. The complex will include shared administration and food service.

"Mental health, especially for children, is an urgent need in our region," Mark Abbo, Northville Township supervisor, said in a statement. "We are pleased to have the opportunity to work with the State of Michigan to develop a state-of-the-art facility to help those in our region in need, get the highest possible mental health care."

11. **Michigan Legislation Tracking:**
Please see the attached Michigan legislation tracking report. This report is prepared by Sherry Kletke, MSHN Executive Support Specialist, and is used to monitor legislative initiatives in our state that directly affect our industry.

12. **Michigan Service Delivery Transformation Update:**
Please see the attached update on the status of these many initiatives directly related to service delivery transformation initiatives. Also note that MSHN is directly involved in these initiatives.

13. **Michigan Behavioral Health Crisis System Update:**
Please see the attached update on the status of these many initiatives directly related to improvements in Michigan's Behavioral Health Crisis System. Also note that MSHN is directly involved in these initiatives.

FEDERAL/NATIONAL ACTIVITIES

14. **SAMHSA Draft Strategic Plan (2023-2026):**
SAMHSA has announced that the agency's draft Strategic Plan is now open for public comment. This 4-year plan (for 2023-2026) will guide our work as SAMHSA advances its mission to lead public health and service delivery efforts that promote mental health, prevent substance misuse, and provide treatments and supports to foster recovery while ensuring equitable access and better outcomes. The 2023-2026 SAMHSA Strategic Plan presents a new person-centered mission and vision highlighting key guiding principles and presenting five key priorities and their associated goals and objectives. The Strategic Plan aligns with various initiatives and goals of the Administration.

The five priority areas are:
- Preventing Overdose
- Enhancing Access to Suicide Prevention and Crisis Care
- Promoting Resilience and Emotional Health for Children, Youth and Families
- Integrating Behavioral and Physical Health Care
- Strengthening the Behavioral Health Workforce

SAMHSA's four core principles are:
- Equity
- Trauma-Informed Approaches
- Recovery
- Commitment to Data and Evidence

15. **How Health Providers Can Help Prevent Suicide:**
The Pew Charitable Trusts has offered an article entitled *How Health Providers Can Help Prevent Suicide*. "Previous research shows that about half of people who die by suicide saw a health care provider within a month of their deaths. This suggests a key opportunity to help people at risk for suicide get care before it's too late. In a new video produced by Twin Cities PBS, doctors, social workers, and other providers share why they support screening all patients—not just those with behavioral health concerns—for suicide risk, an example of where and how universal screening has been adopted, and the impacts it is having. 'We should really be screening at every point so that we don't miss the opportunity [to prevent suicide]."

16. **National Overdose Response Strategy:**
The Office of National Drug Control Policy has released a national overdose response strategy. "The Overdose Response Strategy (ORS) is an unprecedented and unique collaboration between public health and public safety, created to help local communities reduce drug overdoses and save lives by sharing timely data, pertinent intelligence and evidence-based and innovative strategies.

"The ORS is implemented by teams made up of Drug Intelligence Officers and Public Health Analysts, who work together on drug overdose issues within and across sectors, states, and territories. By sharing information across sectors, the ORS is growing the body of evidence related to early warning signs and prevention strategies. With the information shared, and programs inspired by the ORS, we are helping communities and individuals make healthier, safer choices. As of July 2022, there are ORS Public Health

Analyst (PHA) and Drug Intelligence Officer (DIO) positions in 50 states, Puerto Rico and the U.S. Virgin Islands.

"The mission of the ORS is to help communities reduce fatal and non-fatal drug overdoses by connecting public health and public safety agencies, sharing information, and supporting evidence-based interventions."

17. **The US Department of Health and Human Services Provides New Guidance to Encourage States to Apply for New Medicaid Flexibilities for Delivering Medicaid Services to People Leaving Carceral Facilities:**
The U.S. Department of Health and Human Services (HHS), through the Centers for Medicare & Medicaid Services (CMS), is announcing a new opportunity for states to help increase care for individuals who are incarcerated in the period immediately prior to their release to help them succeed and thrive during reentry. The new Medicaid Reentry Section 1115 Demonstration Opportunity would allow state Medicaid programs to cover services that address various health concerns, including substance use disorders and other chronic health conditions.

"The Biden-Harris Administration has made expanding access to high-quality, affordable health care a top priority," said HHS Secretary Xavier Becerra. "We are committed to ensuring all Americans have the peace of mind they deserve knowing they have access to life-saving health care, whether it is medication-assisted treatment for substance use disorders or prescription medication to treat other chronic health conditions. Through this historic new effort, we are working to ensure that people who were formerly incarcerated can transition successfully back into the community with the health care supports and services they need. This is an essential step for advancing health equity in our nation, and we encourage all states to take advantage of this new opportunity."

"Today, we reach a significant milestone in expanding access to health care in the Medicaid program," said CMS Administrator Chiquita Brooks-LaSure. "This guidance outlines a pathway to implement historic changes for individuals who are incarcerated and eligible for Medicaid. By improving care and coordination prior to release from the justice system, we can help build a bridge back to the community and enhance individual and collective public health and public safety outcomes."

The goal of this demonstration opportunity is to help Medicaid enrollees establish connections to community providers to better ensure their health care needs are met during their reentry process. In January, California became the first state to cover certain health care services for individuals transitioning back to the community. CMS' action today builds on priorities established by the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act - PDF, and supports President Biden's comprehensive, evidenced-based public safety strategy, the Safer America Plan, as well as the President's Unity Agenda to address the mental health crisis and the opioid epidemic.

The Medicaid Reentry Section 1115 Demonstration Opportunity will allow states to cover a package of pre-release services for up to 90 days prior to the individual's expected release date that could not otherwise be covered by Medicaid due to a longstanding statutory exclusion that prohibits Medicaid payment for most services provided to most people in the care of a state or county carceral facility.

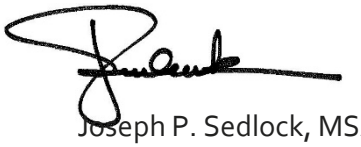
According to the U.S. Department of Justice, from 2011 to 2012, approximately 37 percent - PDF of people in state/federal prisons and 44 percent of people who were incarcerated overall had a history of mental illness. The National Institute on Drug Abuse (NIDA) estimates that the rate of substance use disorders for people who are incarcerated may be as high as 65 percent - PDF. The NIDA report also says that, without treatment, individuals formerly incarcerated are at increased risk of overdose within the first few weeks of reentry.

The Medicaid Reentry Section 1115 Demonstration Opportunity focuses on covering high-quality services for individuals who are incarcerated, eligible for Medicaid, and returning home to their communities – a group of individuals who have been historically underserved and adversely affected by persistent poverty and inequality. Improving health care transitions and addressing social determinants of health – from case management to medication-assisted treatment – for individuals after they have been released from carceral settings increases the likelihood that they may continue to receive crucial substance use disorder, mental health, and other health care treatment during this vital period. It also holds promise for reducing emergency department visits, inpatient hospital admissions, overdose, and overdose-related issues, including death, and improving health outcomes overall. Moreover, addressing people's underlying health needs enhances their ability to succeed and thrive during reentry, thereby lowering the risk of recidivism, helping make our communities healthier and safer.

In addition to increased health and well-being and saving lives, the demonstration aims to accomplish several other essential goals, including improving coordination and communication between correctional systems, Medicaid systems, managed care plans, and community-based providers, as well as increasing investments in health care and related services.

To learn more, read the complete State Medicaid Direct Letter on Medicaid.gov - PDF.

Submitted by:



Joseph P. Sedlock, MSA
Chief Executive Officer
Finalized: 04/26/2023

Attachments:

- MSHN Michigan Legislative Tracking Summary
- MDHHS Service Delivery Transformation Update
- MDHHS Michigan Behavioral Health Crisis System - April 2023 Update

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Mid-State Health Network

Compiled and tracked by Sherry Kletke

Below is a list of Legislative Bills MSHN is currently tracking and their status as of April 24, 2023:

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HB 4003	ELCRA (Hoskins) Includes sexual orientation and gender identity or expression as categories protected under the Elliott-Larsen civil rights act.	Received in Senate (3/9/2023; To Civil Rights, Judiciary and Public Safety Committee)
HB 4169	Occupational Therapists (Rogers) Enacts occupational therapy licensure compact.	Introduced (3/2/2023; To Health Policy Committee)
HB 4170	Occupational Therapists (Wozniak) Modifies licensure process for occupational therapists to incorporate occupational therapy licensure compact.	Introduced (3/2/2023; To Health Policy Committee)
HB 4328	Liquor Licenses (Filler) Allows issuance of liquor licenses to sporting venues on premises of public universities.	Introduced (3/23/2023; To Regulatory Reform Committee)
SB 4 (PA 6)	ELCRA (Moss) Includes sexual orientation and gender identity or expression as categories protected under the Elliott-Larsen civil rights act.	Signed by the Governor (3/16/2023; Signed: March 16, 2023, Effective: 90 days after sine die)
SB 28	Mental Health (Anthony) Expands definition of restraint.	Introduced (1/18/2023; To Health Policy Committee)
SB 83	Injunctions (McMorrow) Enacts extreme risk protection order act.	Enrolled in Senate (4/19/2023; Earlier 20-17; House substitute H-5 adopted.)
SB 133	Controlled Substances (McCann) Creates overdose fatality review act.	Introduced (3/2/2023; To Health Policy Committee)
SB 141	Liquor Licenses (McMorrow) Eliminates carryout sales and delivery of alcoholic liquor by an on-premises licensee sunset.	Received in House (3/22/2023; To Regulatory Reform Committee) Passed in Senate (3/22/2023; 37-1)

Service Delivery Transformation Section

April 2023 Update

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Service Delivery Transformation Section Overview

The Service Delivery Transformation Section is responsible for overarching strategic program policy development, implementation, and oversight for integrated health projects within Michigan's public behavioral health system. This includes behavioral health integration initiatives, Medicaid Health Homes, Certified Community Behavioral Health Clinics, SAMHSA integration cooperative agreements, and health integration technology initiatives to facilitate optimal care coordination and integration. Staff in this section collaborate with internal and external partners and provide training and technical support to the public behavioral health system and participants of integrated health projects. Lastly, this section focuses on quality-based payment for providers involved in behavioral health integration initiatives and oversees CCBHC Demonstration certification.

Our Team

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Opioid Health Home

Opioid Health Home Overview

- Medicaid Health Homes are an optional State Plan Amendment under Section 1945 of the Social Security Act.
- Michigan's OHH is comprised of primary care and specialty behavioral health providers, thereby bridging the historically two distinct delivery systems for optimal care integration.
- Michigan's OHH is predicated on multi-disciplinary team-based care comprised of behavioral health professionals, addiction specialists, primary care providers, nurse care managers, and peer recovery coaches/community health workers.
- As of October 1, 2022, OHH services are available to eligible beneficiaries in 76 Michigan counties. Service areas include PIHP region 1, 2, 4, 5, 6, 7, 8, 9, and 10.

Current Activities

- As of April 1, 2023, 3,370 beneficiaries are enrolled in OHH services.
- Resources including the OHH policy, directory, and handbook, are available on the Michigan Opioid Health Home website Opioid Health Home (michigan.gov)
- With the OHH expansion in October 2022, LE's have continued to expand OHH services with new Health Home Partners (HHPs). There are currently 37 Health Home Partners (HHP) contracted to provide services to OHH beneficiaries. Four HHPs are contracting with multiple LEs.
- MDHHS continues to collaborate with many state agencies to ensure OHH beneficiaries have comprehensive support services to aid in their recovery journey.

Substance Use Disorder Health Home

Substance Use Disorder Health Home Overview

- The Substance Use Disorder Health Homes is an optional opportunity under the SUD Block Grant Supplemental.
- The Substance Use Disorder Health Homes is designed as a look a-like health home comprised of primary care and specialty behavioral health providers, with a similar structure to the current operational Opioid Health Home (OHH).
- With the same structure as the OHH, the Substance Use Disorder Health Home is predicated on multi-disciplinary team-based care comprised of behavioral health professionals, addiction specialists, primary care providers, nurse care managers, and peer recovery coaches/community health workers.

Current Activities

- Three PIHP regions (2, 7, and 8) are using available funds to operate the Substance Use Disorder Health Home.
- Two PIHP regions (4 and 6) will use Substance Use Disorder Health Home funds as a staffing grant to assist providers in meeting capacity to become an OHH partner within the next fiscal year.

Behavioral Health Home

Behavioral Health Home Overview

- Medicaid Health Homes are an optional State Plan Benefit authorized under section 1945 of the US Social Security Act.
- Behavioral Health Homes provide comprehensive care management and coordination services to Medicaid beneficiaries with select serious mental illness or serious emotional disturbance by attending to a beneficiary's complete health and social needs.
- Providers are required to utilize a multidisciplinary care team comprised of physical and behavioral health expertise to holistically serve enrolled beneficiaries.
- Behavioral Health Home services are available to beneficiaries in 42 Michigan counties including PIHP regions 1 (upper peninsula), 2 (northern lower Michigan), 6 (Southeast Michigan), 7 (Wayne County), and 8 (Oakland County).

Current Activities

- As of April 4, 2023, there are 2,315 people enrolled:
    - Age range: 6-86 years old
    - Race: 25% African American, 69% Caucasian, 2% or less American Indian, Hispanic, Native Hawaiian and Other Pacific Islander
- Resources, including the BHH policy, directory, and handbook, are available on the Michigan Behavioral Health Home website. Behavioral Health Home (michigan.gov)
- MDHHS staff are working to expand the BHH into PIHP Region 5, Mid-State Health Network. Anticipated start date is May 1, 2023.
- The final policy was released on March 23rd.
- MDHHS hosted a Behavioral Health Home Kick-Off for Region 5 on March 23rd and March 24th. The agenda included an overview of the national landscape of health homes, program requirements, a panel discussion, and presentations by 3 Health Home Providers.

Promoting Integration of Physical and Behavioral Health Care Grant

Promoting Integration of Physical and Behavioral Health Care (PIPBHC) Overview

- PIPBHC is a five-year Substance Abuse and Mental Health Services (SAMHSA) grant that seeks to improve the overall wellness and physical health status for adults with SMI or children with an SED. Integrated services must be provided between a community mental health center (CMH) and a federally qualified health center (FQHC).
- Grantees must promote and offer integrated care services related to screening, diagnosis, prevention, and treatment of mental health and substance use disorders along with co-occurring physical health conditions and chronic diseases.
- MDHHS partnered with providers in three counties:
    - Barry County: Cherry Health and Barry County Community Mental Health to increase BH services
    - Saginaw County: Saginaw County Community Mental Health and Great Lakes Bay Health Centers
    - Shiawassee County: Shiawassee County Community Mental Health and Great Lakes Bay Health Centers to increase primary care

Current Activities

- Grantees are currently working toward integrating their EHR system to Azara DRVS to share patient data between the CMH and FQHC. This effort should improve care coordination and integration efforts between the physical health and behavioral health providers.
- PIPBHC sites are focused on sustainability and the ways in which integrated care can continue after the end of the grant.

Certified Community Behavioral Health Clinic Demonstration

Certified Community Behavioral Health Clinic Demonstration Overview

- MI has been approved as a Certified Community Behavioral Health Clinic (CCBHC) Demonstration state by CMS. The demonstration launched in October 2021 with a planned implementation period of two years. The Safer Communities Act was signed with provisions for CCBHC Demonstration expansion, extending MI's demonstration until October 2027. 13 sites, including 10 CMHSPs and 3 non-profit behavioral health providers, are participating in the demonstration. The CCBHC model increases access to a comprehensive array of behavioral health services by serving all individuals with a behavioral health diagnosis, regardless of insurance or ability to pay.
- CCBHCs are required to provide nine core services: crisis mental health services, including 24/7 mobile crisis response; screening, assessment, and diagnosis, including risk assessment; patient-centered treatment planning; outpatient mental health and substance use services; outpatient clinic primary care screening and monitoring of key health indicators and health risk; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family supports; and intensive, community-based mental health care for members of the armed forces and veterans.
- CCBHCs must adhere to a rigorous set of certification standards and meet requirements for staffing, governance, care coordination practice, integration of physical and behavioral health care, health technology, and quality metric reporting.
- The CCBHC funding structure, which utilizes a prospective payment system, reflects the actual anticipated costs of expanding service lines and serving a broader population. Individual PPS rates are set for each CCBHC clinic and will address historical financial barriers, supporting sustainability of the model. MDHHS will operationalize the payment via the current PIHP network.

Current Activities

- The CCBHC team is working on reviewing and finalizing Year 1 data. CCBHCs reported providing 817,251 daily visits to Medicaid beneficiaries during FY22 and 70,143 visits to individuals without Medicaid coverage. Services were provided to 62,626 unique individuals. Approximately 30% served were children and young adults, age 0-21, and 70% were adults age 21+. As of April 4, 2023, 59,154 Medicaid beneficiaries and 11,468 individuals without Medicaid are assigned in the WSA to the 13 demonstration CCBHC sites.
- CCBHCs have submitted their DY1 Cost Reports, and PPS rates for DY2 are under development.
- MDHHS continues to partner with evaluators at the Center for Healthcare Research Transformation at the University of Michigan on formulating an evaluation, which is intended to help measure the impact of the demonstration- particularly efforts to expand access to behavioral health services for underserved populations. Work to develop a comprehensive evaluation plan will begin in early 2023. Clinic-reported metric reports were submitted March 31 and are under review.

- Training and technical assistance is ongoing. The April session of the CCBHC learning collaborative will focus on DCO relationships. An integrated health training is being planned for early May. MDHHS is also sponsoring the training of two Community Health Workers (CHWs) at each CCBHC demonstration site in FY23 and has open spots remaining.
- SAMHSA has released final revised certification criteria and the MDHHS team is reviewing to determine an expected implementation timeline for demonstration sites.
- MDHHS has implemented an internal steering committee to help develop a plan for the possibility of CCBHC expansion. The committee has already completed two out of the five planning sessions and continues to review feedback and guidance from members. A process for collecting external feedback is under development.
- SAMHSA has released new grant funding opportunities for clinics. Clinics without previous CCBHC experience can apply for CCBHC Planning, Development, and Implementation grants and existing grant recipients or demonstration sites can apply for CCBHC Improvement and Advancement grants. Applicants must request letters of approval from MDHHS and should send an executive summary or project overview to mdhhs-ccbhc@michigan.gov by May 15, 2023.

Questions or Comments

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Michigan Behavioral Health Crisis System

April 2023 Update

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MI Behavioral Health Crisis System

Michigan Department of Health and Human Services (MDHHS), in partnership with stakeholders across the state, is in the process of developing a crisis services system for all Michiganders; following the Substance Abuse and Mental Health Services Administration (SAMHSA) model. We envision a day when everyone across our state has someone to call, someone to respond, and a safe place to go for crisis care.

Michigan House CARES Task Force and the Michigan Psychiatric Admissions Discussion evolved into Michigan Psychiatric Care Improvement Project (MPCIP), which is now called Michigan Behavioral Health Crisis System (MI BH Crisis System).

Two-part Crisis System

1. Public service for anyone, anytime, anywhere: Michigan Crisis and Access Line (MiCAL) per PA 12 of 2020, Mobile Crisis, and Crisis Receiving and Stabilization Facilities.
2. More intensive crisis services that are fully integrated with ongoing treatment both at payer and provider level for people with more significant behavioral health and/or substance use disorder issues through Community Mental Health Service Programs.

Opportunities for Improvement

1. Increase recovery and resiliency focus throughout entire crisis system.
2. Expand array of crisis services.
3. Utilize data driven needs assessment and performance measures.
4. Equitable services across the state.
5. Integrated and coordinated crisis and access system – all partners.
6. Standardization and alignment of definitions, regulations, and billing codes.

988/MiCAL Implementation

The MiCAL, 988, Peer Warmline, and Frontline Strong sections of this report are combined because MiCAL (staffed by Common Ground) answers the calls, texts, and chats to these lines statewide.

Michigan Crisis and Access Line (MiCAL) Overview

- Legislated through PA 12 of 2020 and PA 166 of 2020.
- Based on SAMHSA's Model: One statewide line which links to local services tailored to meet regional and cultural needs and is responsible for answering Michigan 988 calls. MiCAL will provide a clear access point to the varied and sometimes confusing array of behavioral health services in Michigan.
- Supports all Michiganders with behavioral health and substance use disorder needs and locates care, regardless of severity level or payer type. Warm hand-offs and follow-ups, crisis resolution and/or referral, safety assessments, 24/7 warm line, and information or referral offered.
- MiCAL will not replace CMHSP crisis lines. It will not prescreen individuals. MiCAL will not directly refer people to psychiatric hospitals or other residential treatment. This will be done through PIHPs, CMHSPs, Emergency Departments, Mobile Crisis Teams, and Crisis Stabilization Units.
- Piloted in Upper Peninsula and Oakland April 2021; Operational Statewide October 2022.

988 Overview

- **988 went live on July 16, 2022,** as the new three digit dialing code for the National Suicide Prevention Lifeline. It is not a new crisis line. It is managed by Vibrant at the Federal Level.
- **988 Expanded Purpose**: With the addition of 988, the Lifeline is expanding crisis coverage for all behavioral health, emotional, and substance use crises in addition to people feeling suicidal.
- **988 Implementation Plan**: Michigan's Official 988 Implementation Plan was submitted to Vibrant and SAMHSA on January 21, 2022. It was developed by a cross sector stakeholder group through a Vibrant funded planning process.
- **Michigan Coverage**: As of June 1, 2022, Michigan has active statewide coverage for all 988 calls originating from Michigan counties through MiCAL. Seven counties have primary coverage through Network 180, Gryphon Place, or Macomb CMH.
- **988 Chat and Text**: MiCAL will also be responsible for answering 988 chats and texts in the future. Currently a national backup center answers chats and texts for Michigan.
- Vibrant is contracting with federally funded back up centers to answer call, chat, and text overflow.
- **988 Statewide Metrics:** February 2023
    - Total Calls Received: 6,033
    - Average Speed of Answer: 25 Seconds
    - Answer Rate: 94.3%
    - Involuntary Emergency Interventions: 18
        - Total Calls Received & Average Speed of Answer were pulled from Vibrant's State Report
        - The Answer Rate was calculated using the Total Calls Answered as reported by the centers divided by the Total Calls Received as reported by the center. Due to the data discrepancies between Vibrant's and centers' data, Michigan will rely on the 988 Center's total calls received when reporting the answer rate.

Current Activities for 988/MiCAL

- MDHHS received a 2 year SAMHSA 988 Implementation grant mid-April 2022. Key focus areas are (1) adequate statewide coverage, (2) common practices for centers, (3) stakeholder engagement/marketing, (4) stable diversified funding, and (5) 911/988 collaboration.
- **MiCAL Rollout**: MiCAL has rolled out statewide in two phases.
    - **Phase 1 FY 22**: January 2022 - MiCAL rolled out statewide one region at a time, providing coverage for 988 and crisis and distress support through the MiCAL number. It will not provide additional regions with CMHSP crisis after hours coverage at this time. MiCAL is rolling out care coordination protocols with publicly funded crisis and access services (CMHSPs, PIHPs, state demo CCBHCs, and CMHSP contract providers).

  - Coordination is in place with services in all PIHP geographic regions as of October 31, 2022. Map of the Prepaid Inpatient Health Plans (michigan.gov).
  - **Phase 2 FY 23**: CMHSP After Hours Crisis Coverage. Afterhours coverage services are currently provided as a pilot in the Upper Peninsula.
  - Afterhours Process Improvement meetings occurred throughout September and October 2022 to gather CMHSP and PIHP feedback and recommendations.
- MiCAL integration with OpenBeds/MiCARE is complete, allowing MiCAL staff to access all behavioral health resources housed within this platform.
- A considerable change that was made to our original project timeline was postponing our in-state answering of 988 chat and text until FY 24 or FY 25. The decision to postpone in-state coverage was discussed in depth and the choice was made to postpone this activity until the MiCAL platform can integrate with the universal platform to allow MiCAL staff access to MiCAL customer relationship management (CRM) technology functionality when answering chats and texts. Stable funding also needs to be identified prior to expanding to text and chat coverage.
- **There have been 108,013 MiCAL encounters since go-live on April 19, 2021 (this includes MiCAL number, 988, and CMHSP afterhours calls).** See February monthly metrics.
- **988 Center Practices:** Operations workgroup meetings with current 988 centers are focused on developing common practices around Imminent Risk, Active Rescues and Follow Up.
  - Michigan's 988 workgroup is working on finalizing Michigan's Center Protocol document, which has incorporated Vibrant's requirements and standards and will be utilized and adopted by all of Michigan's 988 call centers as the framework for expected operations.
  - Since the last workgroup meeting in February, Vibrant has released Follow-up Guidelines for Centers. The Michigan workgroup reviewed Vibrant's guidelines to ensure that they were in alignment with the Michigan 988 Center Protocols and will be finalizing the updated protocols by the end of the month. Updates to the protocols included (1) adding language about receiving verbal consent to a follow up call over the phone instead of in writing; (2) receiving training in follow-up requirements; (3) having at least one of the three call attempts to be on a different day; and (4) asking what time range would work for the caller. The workgroup has recently also added screening questions to the Michigan 988 Center Protocols document related to callers at imminent risk of harming others and/or experiencing homicidal ideations.
  - During the workgroup meeting that occurred in March, centers were asked to send any final feedback and edits that they had to the existing protocols. The workgroup also added the definitions to the follow-up metrics. Moving forward, the Centers will also be adding policies in the Michigan Center Protocol document for following up with minors. All protocols are in the processes of being finalized and up to date per Vibrant's requirements.
- **911/988 Collaboration:** State level 911/988 workgroup is meeting at least monthly to develop collaborative practices, with the initial focus on coordinated active rescues, both voluntary and involuntary.
  - Michigan's 988/911 workgroup finalized the Emergency Intervention Workflow. The workflow was created to standardize the way in which staff at all centers are expected to be trained and handle 988 involuntary emergency intervention processes. It will also be shared with 911 centers as an informational tool.
  - The 988/911 workgroup is still in the processes of working on creating a diversion plan that aligns with the NENA standards and includes best practices to consider for instances where 911 receives calls that should be diverted to 988.
  - The workgroup is also finalizing the development of educational materials that are intended to be shared with the public to help understand when to call 911 versus when to call 988.
  - MiCAL has a 988/911 Coordinator who is reaching out to each 911 center in Michigan to develop collaborative relationships and share the Emergency Intervention Workflow. is in the initial processes of partnering with a PSAP to get an MOU in place.

- **Public Relations**: 988 Implementation had initially focused on ensuring that there is adequate staffing and coordination with 911 and other crisis service providers before openly marketing the 988 number. This was a rollout approach that was recommended by SAMHSA and Vibrant.
  - MDHHS developed a website to share with its stakeholders: 988 Suicide & Crisis Lifeline and Michigan Crisis & Access Line, as well as a MiCAL/988 Quick Facts document for reference.
  - MDHHS is currently in the process of developing Michigan specific 988 materials. Once materials are finalized, they will be shared with partners via the 988 Stakeholder list serv and be available to the public via the MDHHS website that has been indicated above. While Michigan is still in the development phase of creating Michigan specific 988 materials, MDHHS is encouraging interested individuals to utilize SAMHSA's existing partnership toolkit for available and shareable 988 materials: 988 Partner Toolkit | SAMHSA.
  - MDHHS has been providing presentations to key stakeholder groups. Presentations include but aren't limited to: Michigan Suicide Prevention Commission, Governor's Diversion Council, Michigan NAMI, TYSP- Emergency Department Community of Practice, Tribal Nations Behavioral Health Meeting, and attending the Blue Cross Blue Shield of MI Healthy Safety Net Symposium.
- **Stakeholder Participation:** As of January 2023, partners can openly advertise 988 and utilize SAMHSA's promotional materials. At this time, partners can freely and actively advertise and market the 988 number. We are asking stakeholders to continue replacing the former NSPL number (the 800 number) with 988 and to maintain an active partner with us in identifying and notifying us of places where the 800 number needs to be replaced.
  - MDHHS would like to ensure that 988 in Michigan is accessible to all Michiganders, especially those who may be at a statistically heightened risk for a behavioral health crisis. Thus, MDHHS is currently actively partnering with Michigan Stakeholders to identify public awareness activities that specifically focus on targeting and reaching high-risk or underserved populations. Through our trusted Stakeholders we will also be focusing on how best to utilize existing trusted channels to assist in reaching all Michiganders in order to help spread information and awareness about 988, who can utilize it, and what other resources exist.
  - MDHHS is focused on ensuring that 988 is tailored to fit and supports all Michiganders. Listening sessions will be held with up to six priority populations, with two listening sessions designated for each population. The processes of hosting and conducting listening sessions has now progressed. Initial listening sessions have begun with the LGBTQ+ populations. Activities such as implementing changes to operational practices based on the results of the listening sessions, identifying population specific resources, and tailoring training to meet the needs of high-risk populations and traditionally underserved groups will follow upon receiving feedback and input from upcoming listening sessions.
  - We had our first kick off stakeholder meeting November 10th. The intention for the meeting was to provide an overview of SAMHSA and Vibrant's marketing recommendations, discuss Michigan's current and future approach to marketing 988, and provide a space to collaboratively work together to develop a comprehensive public awareness/marketing plan that utilizes existing communication channels that target people most at risk for a behavioral health crisis.
  - In December, MDHHS hosted a series of breakout sessions with Michigan stakeholders to engage in more in-depth conversations around tailoring support and resources to all Michiganders, especially those who are considered to be high-risk or underserved populations. The meetings were immensely informative and enlightening in outlining individual community needs regarding marketing 988 in Michigan. Michigan is currently in the processes of finalizing their 988 Marketing Plan. Once it has been formalized, MDHHS will reach back out to stakeholders to outline the identified plan, answer questions, and ask for feedback.

Current Activities for Michigan Peer Warmline and Frontline Strong Together

- Michigan Peer Warmline is operated under MiCAL by Common Ground. It is statewide and operates 10 am to 2 am 7 days per week.

- Michigan Peer Warmline has data gathered during the call, i.e., reason for the call and services and has compiled a monthly dashboard. See February monthly metrics.
- **There have been 79,518 Warmline encounters since go-live at the end of April 2021.**
- Frontline Strong First Responder Crisis support project called Frontline Strong Together in partnership with Wayne State is operated under MiCAL by Common Ground and is available statewide 24/7. Frontline Strong Together is a crisis line specifically for first responders (police, EMS, fire, dispatch, and corrections) to provide free, confidential support and effective resources.
- Common Ground has hired a Project Manager who brings a wealth of first responder, training, and crisis line experience. Frontline Strong Together went live in August 2022.
- Specialty first responder-specific resources have been incorporated into the Customer Relationship Management System to provide readily available resources to those calling in.
- The Project Manager has set up an office at the All for Oxford Resiliency Center once a week to reach out and serve as a resource to first responders.
- Frontline Strong Together is currently working on expanding visibility, including marketing, QR codes for easy access, and outreach to relevant stakeholder groups to increase awareness of the number.
- **There have been 109 Frontline Strong Together encounters since go-live mid-August 2022.**

Crisis Stabilization Units

Overview

Michigan Public Act (PA) 402 of 2020 added Chapter 9A (Crisis Stabilization Units) to the Mental Health Code, which requires the Michigan Department of Health and Human Services (MDHHS) to develop, implement, and oversee a certification process for CSUs (certification is in lieu of licensure). CSUs are meant to provide a short-term alternative to emergency department and psychiatric inpatient admission for people who can be stabilized within 72 hours.

To encourage participation and creation of CSUs, MI Legislature has designated funding in the FY 2023 budget to account for at least 9 CSUs. To develop a model and certification criteria for CSUs in Michigan, MDHHS engaged Public Sector Consultants (PSC) to convene and facilitate an advisory group of stakeholders. The stakeholder workgroup reviewed models from other states and Michigan to make recommendations around a model that will best fit the behavioral health needs of all Michiganders. Click here to see the current model.

MDHHS is developing draft certification rules for adult CSUs. PSC developed an initial draft based on the model and rules from other states. A small group of SMEs at the state level and potential CSU site representatives have been actively working with MDHHS and PSC over the last year to develop a set of draft rules for Michigan. These rules will be shared with stakeholders for feedback and to commence the official administrative rules process sometime in the summer or fall 2023. The certification criteria for children CSUs will be developed during FY 2024, with an implementation date in FY 2025.

Current Activities

- **CSU Certification Rules** workgroup was developed including potential CSU sites and SMEs at the state level. A series of meetings have been held over the last year to add key issues and areas of concern throughout December 2022 and January 2023.
    - Based on feedback from the workgroup, the Draft CSU Certification standards are being finalized to share with stakeholders for their feedback.
    - Once the rules workgroup is supportive and comfortable with the rules, we will begin the administrative rules process. We aim to start the administrative rules process in Summer or Fall of 2023.
    - The CSU Certification Rules workgroup will also assist MDHHS in addressing all feedback we receive during the Administration rules process.

- A survey was issued in late September to acute and psychiatric hospitals as well as CMHSPs to assess the existence of any walk-in urgent care or crisis care behavioral health services similar to a CSU, such as an EMPATH unit and a psychiatric emergency room. This survey also assessed entities' interest in providing CSU services.
- MDHHS issued a CSU Pilot Readiness Application to those who expressed interest in learning more as a potential participant (via the survey). 11 applications were received, and all were formally approved to join the pilot. Pilot sites include: Detroit Wayne Integrated Heath, Hegira, ACCESS, Common Ground, Macomb County Community Mental Health, Genesee Health System, CEI Community Mental Health, HealthWest, Network 180, Pine Rest Christian Mental Health Services (in partnership with Integrated Services of Kalamazoo) and Northern Lakes Community Mental Health.
    - Pre-pilot touch base meetings with individual sites throughout April.
    - Monthly Learning Cohort meetings with pilot sites will begin May 2023 (tentatively).
- MDHHS will operate a CSU Community of Practice Pilot which will result in a Best Practice Implementation Handbook and pilot entities receiving CSU certification.
- PSC, as CSU Pilot Facilitators, will hire 3 to 4 people with lived experience to participate on the CSU pilot.
- The Michigan Model has been tailored to include Children and Families. It has been shared for public feedback. Listening sessions with people with lived experience for child/family specific feedback will occur in early 2023.

Adult Mobile Crisis Intervention Services

Overview

- Mobile crisis services are one of the three major components that SAMHSA recommends as part of a public crisis services system.
- MDHHS goal is to eventually expand mobile crisis across the state for all populations.
- MDHHS has contracted with PSC/HMA to develop recommendations to expand mobile crisis for adults in Michigan, with special attention on strategies for rural areas.
- Per Diversion Fund legislation MDHHS will pursue the advanced Medicaid match and ensure that the model meets requirements.
- There is coordination with the Bureau of Children's Coordinated Health Policy and Supports (BCCHPS) and their intensive mobile crisis stabilization services.

Current Activities

- Multiple areas of MDHHS are working on the expansion of mobile crisis services: Diversion Council, BCCHPS, and Bureau of Specialty Behavioral Health Services.
- Internal meetings are occurring to ensure that models for children/families and adults stay aligned whenever possible.
- PA 162 and 163 of 2021 set up a Diversion Fund and pilot program for mobile crisis. MDHHS is coordinating around implementation plans internally, prior to stakeholder involvement.
- Public Sector Consultants has pulled together legislative and funding requirements, recommendations from Wayne State Center for Behavioral Health Justice (CBHJ), and other best practices to develop a draft model for adults. This model will be altered over the next couple of years based on stakeholder feedback from Diversion Fund pilots, CCBHC discussions, and feedback from people with lived experience.
- MDHHS has hired staff to initiate an RFP process for mobile crisis intervention through the Diversion Fund and develop the application for the Medicaid mobile crisis enhanced match.

MI-SMART (Medical Clearance Protocol)

Overview

Psychiatric patients are often at risk of being both under screened and over screened. The MI-SMART protocol enhances patient care by standardizing a thorough and comprehensive medical clearance process without subjecting patients to unnecessary testing. According to a pilot program study from Holland Hospital, they found that the MI-SMART Form decreased the length of stay for admitted patients by 9% and average charges per visit by 26% while also increasing Emergency Department efficiency. Similarly, Spectrum Health found that the length of stay in Emergency Department decreased.

A workgroup made up of representatives from emergency medicine, psychiatry, community mental health, etc., was held pre-COVID-19 and has continued to convene since. The workgroup incorporated examples from two pilots in development of this form and protocol: 1) the Southeast Michigan Medical Clearance Pilot and 2) the Southwest Michigan SMART Form Pilot.

Implementation is currently voluntary, but LARA has helped provided state licensing and federal certification regulatory compliance that supports the MI-SMART Form. More information can be found at www.mpcip.org/mpcip/mi-smart-psychiatric-medical-clearance/.

Current Activities

- As of 3/24/23: Adopted/accepted by 55 Emergency Departments, 30 Psychiatric Hospitals, and 18 CMHSPs.
    - Over 20 facilities are pursuing the implementing of MI-SMART at their facility, including Helen Newberry Joy Hospital and Sparrow Health System.
    - We are excited to welcome McLaren Bay Region, Summit Pointe, the Community Mental Health Authority of Clinton, Eaton, and Ingham Counites, and Berrien Mental Health Authority as our newest MI-SMART users!
- MHA has sent communication to members regarding the MI-SMART Form. Most recently this has included:
    - Communication to their small and rural hospitals informing them about the MI-SMART Form. They were sent a link which they can fill out if they are interested in learning more about how to implement the MI-SMART Medical Clearance Process at their facility.
    - Co-signing a letter with MDHHS encouraging the use of the MI-SMART Medical Clearance Process. This letter was signed by MDHHS Chief Medical Executive Dr. Natasha Bagdasarian and MHA Executive Vice President Laura Appel. MHA distributed the letter to their members.
- The co-chairpersons of the MI-SMART Medical Clearance Workgroup has recorded an overview of the use of the MI-SMART, which can be found at https://mpcip.org/mpcip/mi-smart-psychiatric-medical-clearance/.
- MDHHS distributed a letter to send to PIHPs/CMSHPs aiming to work regionally to increase adoption of the MI-SMART Form.

Psychiatric Bed Treatment Registry

Overview

In 2018, the Michigan Legislature enacted PA 658 that included language requiring the Michigan Department of Health & Human Services (MDHHS) to implement and maintain a statewide Psychiatric Bed Registry (PBR) in Michigan. The Michigan Legislature also enacted separate legislation that required the Michigan Department of Licensing & Regulatory Affairs (LARA) to establish a statewide bed registry for substance use disorders. Because of the similarity between potential users of the two registries and target populations, MDHHS and LARA collaborated and decided to integrate both registries into one comprehensive platform. This electronic service registry housing psychiatric beds,

crisis residential services, and substance use disorder residential services. MiCARE will eventually house all private and public Behavioral Health Services and will have a public facing portal. MiCARE will be housed on the OpenBeds platform.

As part of the legislation, MDHHS also created the Psychiatric Bed Registry Advisory Group to support the successful rollout and maximization of the OpenBeds platform to meet Michigan's needs. The Advisory Group participated in several activities such as the creation of process and performance measures of OpenBeds, the development of an evaluation plan to monitor and assess the functionality and level of use of the registry during and after implementation, editing MiCARE filter options, and the development of a psychiatric hospital survey. The Psychiatric Bed Registry has transitioned to meet on an as needed basis.

Current Activities

- MDHHS and LARA, in partnership with Bamboo Health, hosted a demonstration of the OpenBeds platform for all bed searchers. This allowed those who have not had a chance to attend a demonstration the opportunity to learn more about the OpenBeds platform. A recording of the demonstration is available at https://mpcip.org/mpcip/micare/.
- MDHHS and LARA have continued to reach out to stakeholders about the rollout and their facility's onboarding into MiCARE.
    - MDHHS has been, and will continue, contacting and working with psychiatric facilities. Communication from LARA and MDHHS was sent to psychiatric facilities notifying them to complete the onboarding into MiCARE. Nearly two-third of all psychiatric hospital have been fully onboarded into MiCARE.
    - LARA has met with all PIHP regions about their rollout of MiCARE. The focus is on substance use disorders treatment services. LARA will be holding additional meetings to continue the rollout process for providers in the PIHP regions. CMHSPs are being contacted to be brought on as searchers. Please watch for emails.
    - All Emergency Departments received communication form LARA notifying them of the MiCARE rollout. Facilities were encouraged to work with Bamboo Health's OpenBeds® team to onboard their Emergency Department in the network.
- MDHHS has conducted a series of small group listening sessions with representatives from Psychiatric Hospitals, Community Mental Health Services Programs, and Emergency Departments. The goal is to understand partner requirements so that MDHHS could provide technical assistance and support to facilities utilizing MiCARE and to develop usage protocols for MiCARE. In doing so, MDHHS would like to gain an understanding of how to implement the platform in the most optimal and cost neutral way. MDHHS will continue to meet individually with stakeholders to gain feedback. If you are interested in providing feedback, please contact us at mpcip-support@mphi.org.

Crisis Response Training Program

Overview

The Wayne State School of Social Work's crisis response credentialing program aims to support the development and expansion of a workforce with skills to work within Michigan's Behavioral Health Crisis Services. The project will offer cutting-edge education and training to individuals who have direct practice experience working within mental health settings and college students enrolled in a professional program aimed at becoming a mental health professional. The credentialing program will provide education and skill-building courses that enhance crisis assessment and practice techniques necessary to intervene in behavioral health crises, performing skills-based support when engaging as a first responder.

WSU School of Social Work will develop the training modules and university credit courses around performing rapid clinical assessments, de-escalation, providing contextual diagnosis, and effectively interacting with other first

responders and family members within the community. WSU School of Social Work will also manage the project's data collection and performance measurement, which will serve as the routine progress monitoring for the project.

Current Activities

- Contract formalized. Egrams objectives, budget, budget narrative completed and submitted (12/16/22).
- Formation of Advisory Board. Consultants with various expertise selection; formalization of consultation contract underway.
- Faculty Expertise. WSU SSW is negotiating with a nationally renowned scholar on crisis response. Hopeful that the contract will be finalized the week of 12/19.
- Exploration of Peer training. Meeting set with Pam Werner for January.

Intensive Crisis Stabilization Services for Children - Bureau of Children's Coordinated Health Policy and Supports

Overview

The Bureau of Children's Coordinated Health Policy and Supports is leading and responsible for Kids' Intensive Mobile Crisis Stabilization Services. Intensive Crisis Stabilization Services (ICSS) for Children is a current Medicaid service in the Medicaid Provider Manual. MDHHS identified ICSS for Children as a key service in the MI Kids Now Service Array, and MDHHS will work towards expanding and ensuring access to this service on a statewide basis.

MDHHS established a new grant program to provide up to $200,000 to each Community Mental Health Service Program (CMHSP) to expand ICSS for Children. MDHHS awarded grants to 18 CMHSPs in fiscal year 2023, and MDHHS will provide ongoing funding opportunities in fiscal years 2024 and 2025. MDHHS launched the first cohort on January 1, 2023, and established a learning community to support grantees in implementation and encourage peer-to-peer sharing of best practices.

As part of this grant program, CMHSPs will expand ICSS for Children to address crisis situations for young people who are experiencing emotional symptoms, behaviors, or traumatic circumstances that have compromised or impacted their ability to function within their family, living situation, school/childcare, or community. The awarding of these grants will allow CMHSP to develop staffing at the local level and increase access. Increased utilization will also help inform the development of Medicaid rates through the Prepaid Inpatient Health Plans (PIHPs) to allow for sustainable provision of these services. This program will allow CMHSPs to test different models (e.g., rural service delivery, 24/7 coverage, collaboration with other child-serving systems, etc.) using flexible General Fund dollars, and "lessons learned" will be integrated into Medicaid policy as permissible under federal law and regulations.

Current Activities

- MDHHS is developing a widescale outreach plan to ensure children and families are aware of ICSS services available to them.
- MDHHS is collaborating with the Association for Children's Mental Health and Michigan State University to develop a survey to gain feedback from youth and families regarding their ICSS experience. This survey will be distributed to youth and families following every deployment of a mobile response team.

MDHHS - Crisis Services & Stabilization Section Updates

Staffing Update

The Crisis Services and Stabilization Section has two new staff joining the team on April 17, 2023. There are three remaining vacancies on the team.

- Alyssa Newmoyer, Crisis Stabilization Unit Specialist, will lead the CSU initiative.
- Robin Basarabska-Bruff, Crisis Services Analyst, will lead the adult mobile crisis work.

The MDHHS Behavioral Health (BH) Customer Relationship Management (CRM) System

The Crisis Services and Stabilization Section is tasked with ownership of the BH CRM from a technical and development perspective. We work with MDHHS business owners to design and implement processes into the system (i.e., MiCAL, Customer Inquiries, CMHSP Certification, ASAM Level of Care, and Critical Incidents). We act as a liaison between our MDHHS colleagues and the application developers and provide training and technical support to MDHHS and partners (CMHSPs, PIHPs, MiCAL, SUD entities, CCBHCs, etc.).

As we continue to move forward with the rollout of MDHHS BPHASA business processes, we want to clear up any confusion and announce that this system is to be formally named the MDHHS Behavioral Health Customer Relationship Management System (BH CRM). Effective immediately, please ensure all communications align with the name change.

Additionally, we have updated the shared team email address to encompass all facets of the BH CRM rather than solely MiCAL. **The newly updated email address is** MDHHS-BH-CRM@michigan.gov. *Any emails that are sent to the former address (MDHHS-BHDDA-MiCAL@michigan.gov) will be routed to this new address.*

Questions or Comments

Community Mental Health Association of Michigan distributes this document to its' members.
To be added to the distribution list for this update - please contact MPCIP-support@mphi.org

MiCARE/Openbeds platform questions - contact Haley Winans, Specialist, LARA, WinansH@michigan.gov
988 or MiCAL questions, feedback, or complaints - contact us here.

Krista Hausermann, LMSW, CAADC
Crisis Services and Stabilization Section Manager,
Bureau of Specialty Behavioral Services,
Behavioral & Physical Health & Aging Services Administration
HausermannK@Michigan.gov

MDHHS Michigan Department of Health & Human Services

Time frame is April 19, 2021 to February, 2023 as indicated * MiCAL also includes CMHSP, First Responder, ER/ Hospital (ED) and 988 calls except as noted **

Metrics for MiCAL, February 2023

Offered 8091

Answered 7534

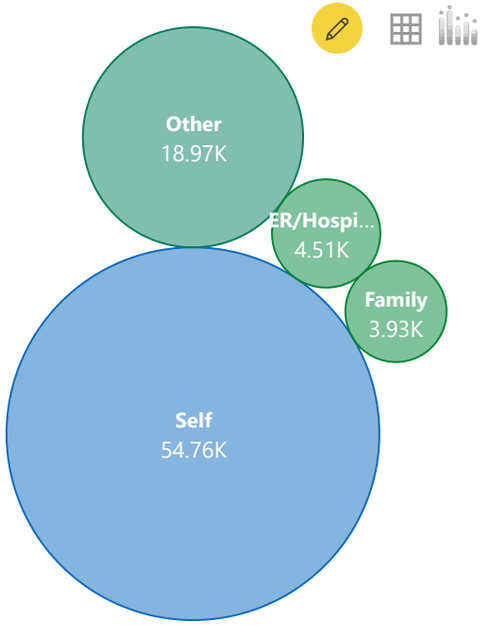
Answer Rate 93%

Avg. Speed of Answer (H:M:S) 00:00:16

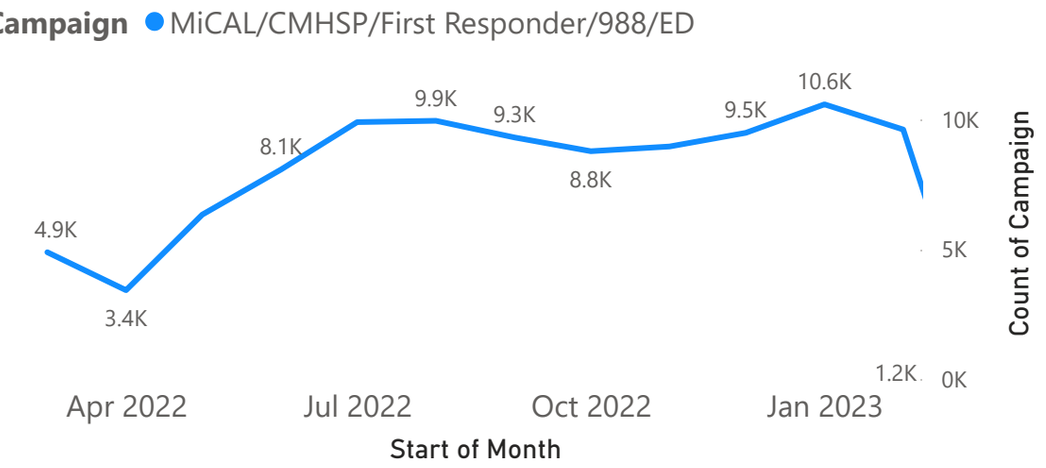
Avg. Talk Time 00:09:30

Goal (80% Answered in 30 Seconds) 92%

MiCAL Caller Type*

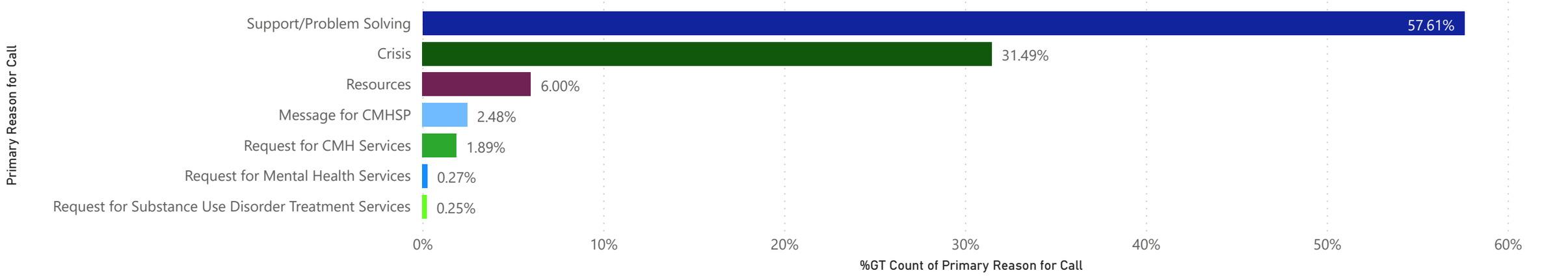


Call Volume Trends*



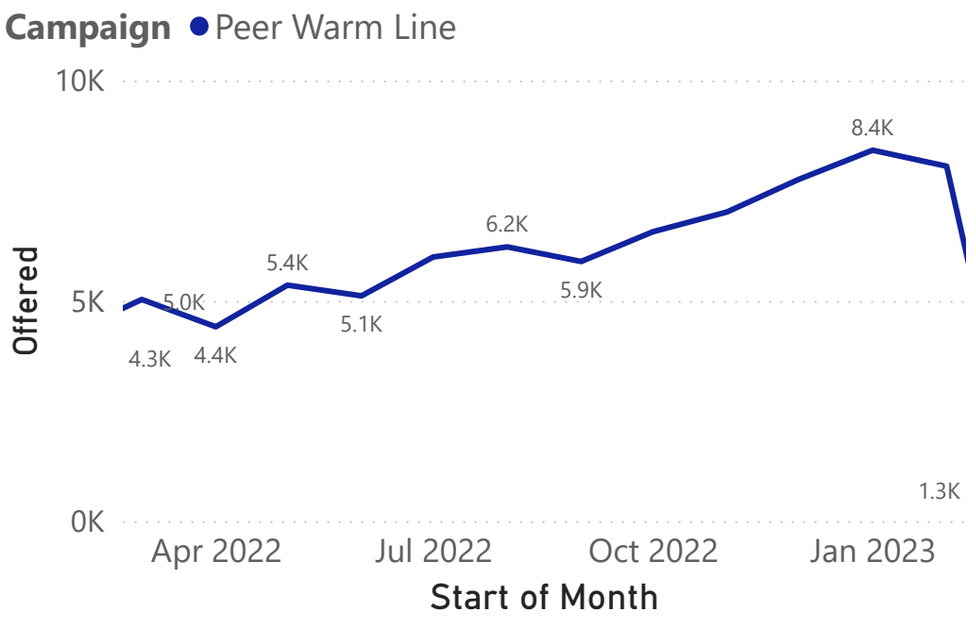
Campaign Name**	Inbound	Outbound	**Total**
988	56024		**56024**
MiCAL/CMHSP/First Responder/ED	59495	17001	**76496**

Reason for MiCAL Calls in Last 90 Days (from November 30, 2022 to February 28, 2023)

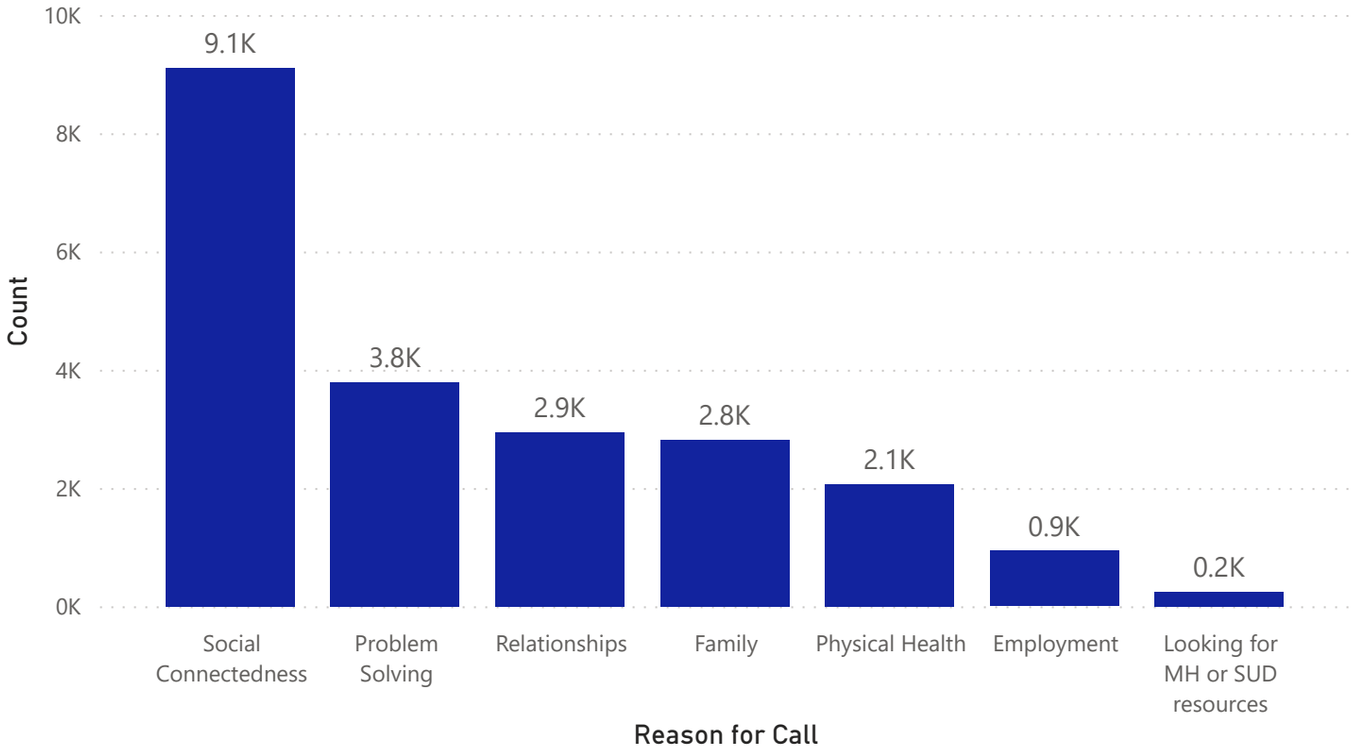


Michigan Warm Line Report - *Caller names and phone numbers are not connected to this data. Call reasons are documented anonymously.*

Call Volume Trends, March 1, 2022 to February 28, 2023



Frequency of Reason(s)* for Calls in Last 90 Days (November 30 to February 28, 2023)



*Warm Line Calls Can Be Documented with More Than 1 Reason

Call Volume, March 1, 2022 to February 28, 2023

Campaign Name	Offered
Peer Warm Line	75841

Call Volume, April 19, 2021 to February 28, 2023

Campaign Name	Offered
Peer Warm Line	115602

Metrics for Warm Line, February 2023

Avg. Time in Queue (H:M:S) 00:00:60

Avg. Talk Time 00:13:38

MSHN
Mid-State Health Network

Community Mental Health Member Authorities

Bay Arenac Behavioral Health

•

CMH of Clinton.Eaton.Ingham Counties

•

CMH for Central Michigan

•

Gratiot Integrated Health Network

•

Huron Behavioral Health

•

The Right Door for Hope, Recovery and Wellness (Ionia County)

•

LifeWays CMH

•

Montcalm Care Center

•

Newaygo County Mental Health Center

•

Saginaw County CMH

•

Shiawassee Health and Wellness

•

Tuscola Behavioral Health Systems

Board Officers

Ed Woods
Chairperson

Irene O'Boyle
Vice-Chairperson

Kurt Peasley
Secretary

REPORT OF THE MSHN DEPUTY DIRECTOR
to the Board of Directors
March/April

Annual Disclosure of Ownership, Controlling Interest, and Criminal Convictions

MSHN is contractually responsible for monitoring ownership and control interests within its provider network and disclosing criminal convictions of any staff member, director, or manager of MSHN, any individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with MSHN. Therefore, Board of Directors must complete an annual disclosure statement that ensures MSHNs compliance with the contractual and federal regulations to obtain, maintain, disclose, and furnish required information about ownership and control interests, business transactions, and criminal convictions.

In short order, Board Members will receive an email from Sherry Kletke, with a request to complete and electronically sign a disclosure form (via DocuSign). The form can be completed on a smart phone or computer. Common questions that arise when completing the form:

- ***Do I have to provide my social security number?*** 42 CFR § 455.104 requires names, address, Date of Birth (DOB), and Social Security numbers in the case of an individual.

- ***How will my information be kept confidential and secure?*** MSHN maintains policies and practices that protect the confidentiality of personal information, including Social Security numbers, obtained from its providers and associates in the course of its regular business functions. MSHN is committed to protecting information about its providers and associates, especially the confidential nature of their personal information. Access to this, and other confidential documentation, is limited to MSHN staff who need to access information in order to perform their duties, relative to monitoring disclosures.

- ***What does MSHN do with the information it obtains through disclosure statements?*** MSHN is required to ensure it does not have a 'relationship' with an 'excluded' individual and must search the Office of Inspector General's (OIG) exclusions database to ensure that the provider entity, and any individuals with ownership or control interests in the provider entity (direct or indirect ownership of five percent or more or a managing employee), have not been excluded from participating in federal health care programs. MSHN must search the OIG exclusions database monthly to capture exclusions and reinstatements that have occurred since the last search, or at any time new disclosure information is provided.

If Board Members have questions about the disclosures or need assistance completing the electronic form, please feel free to reach out to Sherry or myself.

Value Based Purchasing Pilots – Kick Off May 2023

The Board may recall that MSHN had previously been actively engaged in developing value-based purchasing pilots with the Substance Use Disorder (SUD) providers in the region. Back in 2020, Ten16, Inc along with MSHN attended the Michigan Practice Transformation Academy conducted by the National Council for Behavioral Health. The implementation however was on hold during the federal public health emergency to allow for the multitude of changes and impact on the provider network. As the region prepares for the end of the public health

emergency, MSHN Leaders have sought four providers willing to pursue and implement value-based pilots. MSHN is working with Cristo Rey, Ten16 Inc., Wedgewood and Wellness Inx., and have developed a scope of work to include the following objectives:

- Increase both the total number of Project ASSERT encounters that occur in hospital emergency departments;
- Increase the overall rate of follow-up contacts after emergency department use; and
- Explore innovative payment strategies that incentivize Project ASSERT providers.

For more information regarding the value-based projects or other initiatives, see the link below ***Integrated Health Department Report FY23Q1.***

Certified Community Behavioral Health Centers Update

The implementation of Certified Community Behavioral Health Centers (CCBHCs) has been going strong since Fall of 2021. All three CCBHCs in the MSHN region have been certified and have been providing CCBHC services, now into demonstration year two (FY23). CCBHCs provide comprehensive and coordinated behavioral health services to all individuals seeking services, regardless of their insurance, ability to pay, place of residence, or age. CCBHCs are federally required to provide nine comprehensive behavioral health services, including 24/7 mobile crisis response and medication assisted treatment for substance use disorders. To receive certification from the Michigan Department of Health and Human Services (MDHHS) and participate in the demonstration, CCBHCs must also demonstrate that they meet stringent standards for care coordination, quality and financial reporting, staffing, and governance. Clinics are reimbursed using a prospective payment system intended to cover the costs of providing CCBHC services.

As of FY22, MSHN has assigned 12,386 individuals with Medicaid/Healthy Michigan and 1,332 without Medicaid to receive CCBHC services. There were 142,060 consumer days (T1040's per consumer per day) that the CCBHC PPS-1 rate will be paid for totaling $54,676,817.

- CEI – $35,290,557
- TRD – $9,216,671
- Saginaw - $10,169,589

The Quality CCBHC measures report is available at the link below ***CCBHC Priority Measures FY23Q1.***

On April 20, MDHHS announced an opportunity to join the CCBHC Demonstration beginning October 1, 2023 (FY24). MDHHS is requesting funds to expand the CCBHC demonstration to allow any new Community Mental Health Service Providers (CMHSPs) to participate in the demonstration and for current CCBHC demonstration sites to expand for FY24. MSHN Leadership will be participating in information sessions and holding a regional planning meeting to discuss in-region expansion.

Behavioral Health Home Kick-Off May 2023

The Behavioral Health Home model has been authorized to kick off in the MSHN region May 1, 2023, with the following CMHSPs participating.

- Community Mental Health for Central Michigan
- Montcalm Care Network
- Newaygo County Community Mental Health
- Shiawassee Health and Wellness
- Saginaw County Community Mental Health

The BHH model is similar to the Certified Community Behavioral Health Clinic (CCBHC) and the Opioid Health Home (OHH) in regard to the roles and responsibilities of the PIHP. However, the PIHP has management, oversight, and

certification responsibility for BHH model. The MSHN integrated health team let by Skye Pletcher, Director of Utilization and Integrated Care, will be conducting a review of the BHH standards to ensure readiness and certification.

BHH is specific to serving individuals with serious mental illness (SMI) and serious emotional disturbance (SED) in combination of chronic physical health conditions. A risk stratification defined by each BHH provider is utilized to identify enrollees. There are also performance measures that include additional funds for positive outcomes similar to measures already monitored by MSHN and our CMHSP partners.

We are excited to announce the expansion of this service model in May 2023 and congratulations to the CMHSPs who are working diligently to ensure successful kickoff!

Balanced Scorecard Measures for FY23

MSHN Leadership and the CMHSPs have developed and finalized the key performance indicators for FY23. In addition, the Balanced Scorecard (BSC) now includes quarterly updates for tracking and trending. The BSC is utilized by our region throughout all the council and committee groups and are selected to support the strategic objectives included in MSHN's Strategic Plan. The BSC includes areas for Better Health, Better Care, Better Value, Better Provider Systems and Better Equity. In addition, there is a new tab to monitor the specific measures related to the Certified Behavioral Health Clinics (CCBHC) that apply to three of our CMHSPs.

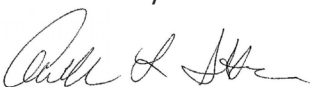
For the full report, including the new CCBHC BSC, see the link below ***FY23Q2 Balanced Scorecard Report.***

Efforts to Increase Use and Understanding of Data

MSHN will be offering Regional Data Workgroup sessions designed specifically for Substance Use Disorder Providers. The intent of the workgroup sessions will be to inform providers of key performance measures collected and reported by the PIHP, to assist providers in understanding their specific data and performance level and to allow providers an opportunity to work with MSHN's data experts. In addition, the workgroup will also provide for discussions around quality of data and to share quality initiatives to improve performance. An announcement will be coming shortly via constant contact and direct email to the Provider Network. The kick-off meeting will occur in May, with an ongoing quarterly schedule.

For other information technology updates, see the link below ***Information Technology Department Report FY23Q2.***

Submitted by:



Amanda L. Ittner
Finalized: 4.27.23

Links to Reports:
Integrated Health Department Report FY23Q1
CCBHC Priority Measures FY23Q1
Balanced Scorecard FY23
Information Technology Department Report FY23Q2

MSHN
Mid-State Health Network

Background:

In accordance with the MSHN Board of Directors to review financials, at a minimum quarterly, the Preliminary Statement of Net Position and Statement of Activities for the Period Ending March 31, 2023, have been provided and presented for review and discussion.

Recommended Motion:

The MSHN Board of Directors receives and files the Preliminary Statement of Net Position and Statement of Activities for the Period Ending March 31, 2023, as presented.

Mid-State Health Network
Statement of Activities
As of March 31, 2023

Rows Numbers	A	B	C	D	E (C - D)	F (C / B)	
		Budget Annual	Actual Year-to-Date	Budget Year-to-Date	Budget Difference	Actual % of Budget	
		FY23 Original Bdgt 50.00%		FY23 Original Bdgt			
1	Revenue:						
2	Grant and Other Funding	$ 922,984	77,327	461,492	(384,165)	8.38 %	1a
3	Medicaid Use of Carry Forward	$ 53,948,483	47,163,770	26,974,241	20,189,529	87.42%	1b
4	Medicaid Capitation	721,884,729	383,865,288	360,942,365	22,922,923	53.18%	1c
5	Local Contribution	2,345,532	775,438	1,172,766	(397,328)	33.06%	1d
6	Interest Income	20,000	108,686	10,000	98,686	543.43%	1e
7	Change in Market Value	0	315,654	0	315,654	0.00%	
8	Non Capitated Revenue	20,453,988	6,747,759	10,226,994	(3,479,236)	32.99%	1f
9	Total Revenue	799,575,716	439,053,922	399,787,858	39,266,063	54.91 %	
10	Expenses:						
11	PIHP Administration Expense:						
12	Compensation and Benefits	7,316,803	3,078,304	3,658,401	(580,098)	42.07 %	
13	Consulting Services	205,000	29,737	102,500	(72,763)	14.51 %	
14	Contracted Services	109,100	38,603	54,550	(15,946)	35.38 %	
15	Other Contractual Agreements	439,350	153,473	219,675	(66,203)	34.93 %	
16	Board Member Per Diems	18,060	7,350	9,030	(1,680)	40.70 %	
17	Meeting and Conference Expense	219,425	59,557	109,713	(50,156)	27.14 %	
18	Liability Insurance	36,705	33,572	18,352	15,220	91.46 %	
19	Facility Costs	140,526	82,504	70,263	12,241	58.71 %	
20	Supplies	283,475	224,186	141,738	82,448	79.08 %	
21	Depreciation	50,397	20,998	25,198	(4,199)	41.67 %	
22	Other Expenses	960,400	655,403	480,200	175,202	68.24 %	
23	Subtotal PIHP Administration Expenses	9,779,241	4,383,687	4,889,620	(505,934)	44.83 %	2a
24	CMHSP and Tax Expense:						
25	CMHSP Participant Agreements	654,532,545	341,592,233	327,266,273	14,325,961	52.19 %	1b,1c
26	SUD Provider Agreements	59,158,728	29,473,986	29,579,364	(105,378)	49.82 %	1c,1f
27	Benefits Stabilization	1,846,461	3,987,407	923,230	3,064,176	215.95 %	1b
28	Tax - Local Section 928	2,345,532	775,438	1,172,766	(397,328)	33.06 %	1d
29	Taxes- IPA/HRA	24,482,263	10,728,513	12,241,132	(1,512,619)	43.82 %	2b
30	Subtotal CMHSP and Tax Expenses	742,365,529	386,557,577	371,182,765	15,374,812	52.07 %	
31	Total Expenses	752,144,770	390,941,264	376,072,385	14,868,879	51.98 %	
32	Excess of Revenues over Expenditures	$ 47,430,946	$ 48,112,658	$ 23,715,473			

Mid-State Health Network
Preliminary Statement of Net Position by Fund
As of March 31, 2023

Row Numbers		A	B	C	D B + C	
			Column Identifiers			
1	**Assets**		**Behavioral Health Operating**	**Medicaid Risk Reserve**	**Total Proprietary Funds**	
2	**Cash and Short-term Investments**					
3	Chase Checking Account		17,316,601	0	17,316,601	1a
4	Chase MM Savings		88,317,803	0	88,317,803	
5	Savings ISF Account		0	20,432,790	20,432,790	1b
6	Savings PA2 Account		7,456,436	0	7,456,436	1c
7	Investment ISF Account		0	31,584,896	31,584,896	1b
8	Total Cash and Short-term Investments		$ 113,090,840	$ 52,017,686	$ 165,108,526	
9	**Accounts Receivable**					
10	Due from MDHHS		15,936,161	0	15,936,161	2a
11	Due from CMHSP Participants		9,383,862	0	9,383,862	2b
12	Due from CMHSP - Non-Service Related		3,850	0	3,850	2c
13	Due from Other Governments		(5,594)	0	(5,594)	2d
14	Due from Miscellaneous		248,936	0	248,936	2e
15	Total Accounts Receivable		25,567,215	0	25,567,215	
16	**Prepaid Expenses**					
17	Prepaid Expense Rent		4,529	0	4,529	2f
18	Prepaid Expense Other		15,085	0	15,085	2g
19	Total Prepaid Expenses		19,614	0	19,614	
20	**Fixed Assets**					
21	Fixed Assets - Computers		189,180	0	189,180	2h
22	Accumulated Depreciation - Computers		(189,180)	0	(189,180)	
23	Lease Assets		203,309	0	203,309	2i
24	Accumulated Amortization - Lease Asset		(95,793)	0	(95,793)	
25	Total Fixed Assets, Net		107,516	0	107,516	
26	**Total Assets**		**$ 138,785,185**	**$ 52,017,686**	**$ 190,802,871**	
27						
28	**Liabilities and Net Position**					
29	Liabilities					
30	Accounts Payable		$ 2,046,231	$ 0	$ 2,046,231	1a
31	Current Obligations (Due To Partners)					
32	Due to State		56,993,349	0	56,993,349	3a
33	Other Payable		4,158,099	0	4,158,099	3b
34	Due to State HRA Accrual		3,663,044	0	3,663,044	1a, 3c
35	Due to State-IPA Tax		1,809,459	0	1,809,459	3d
36	Due to CMHSP Participants		6,367,134	0	6,367,134	3e
37	Accrued PR Expense Wages		93,334	0	93,334	3f
38	Accrued Benefits PTO Payable		388,590	0	388,590	3g
39	Accrued Benefits Other		14,937	0	14,937	3h
40	Total Current Obligations (Due To Partners)		73,487,946	0	73,487,946	
41	Lease Liability		105,398	0	105,398	2i
42	Deferred Revenue		6,608,003	0	6,608,003	1b 1c 2b 3b
43	Total Liabilities		82,247,578	0	82,247,578	
44	Net Position					
45	Unrestricted		56,537,607	0	56,537,607	3i
46	Restricted for Risk Management		0	52,017,686	52,017,686	1b
47	Total Net Position		56,537,607	52,017,686	108,555,293	
48	**Total Liabilities and Net Position**		**$ 138,785,185**	**$ 52,017,686**	**$ 190,802,871**	

Mid-State Health Network
Notes to Financial Statements
For the Six-Month Period Ended,
March 31, 2023

Please note: The Preliminary Statement of Net Position contains Fiscal Year (FY) 2022 cost settlement figures between the PIHP and Michigan Department of Health Human Services (MDHHS) as well as each Community Mental Health Service Program (CMHSP) Participants. CMHSP cost settlement figures were extracted from MSHN's Final Financial Status Report (FSR) submitted to MDHHS in February 2023. CMHSP cost settlement activity is generally finalized during May following the fiscal year end.

Preliminary Statement of Net Position:

1. Cash and Short-Term Investments
   a) The Cash Chase Checking and Chase Money Market Savings accounts is the cash available for operations. A portion of cash available for operations will be used to cover accounts payable and taxes.
   b) The Savings Internal Service Fund (ISF) and Investment ISF reflect designated accounts to hold the Medicaid ISF funds separate from all other funding per the MDHHS contract. MSHN holds more than $31M in the investment account which is about 62% of the available ISF balance. The remaining portion is held in a savings account and available for immediate use if needed. Internal Service Funds are used to cover the Region's risk exposure. In the event current Fiscal Year revenue is spent and all prior year savings are exhausted, PIHPs are able to abate funds from the ISF and use for remaining costs. MSHN has had a fully funded ISF which is 7.5% of Medicaid Revenue for the last several Fiscal Years.
   c) The Savings PA2 account holds PA2 funds and is also offset by the Deferred Revenue liability account.
2. Accounts Receivable
   a) Approximately 58% of the balance in Due from MDHHS represents an amount owed to MSHN for FY 2022 Performance Bonus Incentive Pool (PBIP) and other withholds. In addition, another 23% is due for Quarter 2 HRA payments. Lastly, the remaining amounts in this account stems from Block Grant and other various grants funds owed to MSHN.
   b) Due from CMHSP Participants reflects FY 2022 projected cost settlement activity.

CMHSP	Cost Settlement	Payments/Offsets	Total
CEI	23,286,751.82	16,434,763.00	6,851,988.82
The Right Door	505,009.48	459,830.00	45,179.48
Montcalm	1,244,299.97	1,244,299.97	-
Newaygo	81,818.70	598,589.00	(516,770.30)
Saginaw	10,236,261.57	7,733,924.00	2,502,337.57
Tuscola	1,093,985.42	592,859.00	501,126.42
Total	**36,448,126.96**	**27,064,264.97**	**9,383,861.99**

   c) Due from CMHSP – The balance represents amounts owed by one CMHSP for MSHN's performance of Supports Intensity Scale (SIS) assessments. Please Note: The SIS program was discontinued by MDHHS on March 31, 2023.
   d) The balance held in Due from Other Governments represents a deposit error currently being corrected by Chase Bank. Please note: In December 2022 Michigan's Governor signed into law an estimated $25M increase for liquor tax funding. MSHN's portion of the funding totals an increase of $576k available for treatment and prevention activities.

e) Approximately 47% of the balance in Due from Miscellaneous represents amounts owed from providers for Medicaid Event Verification (MEV) findings. The remaining amount represents advances made to Substance Use Disorder (SUD) providers to cover operations and other outstanding miscellaneous items.
f) Prepaid Expense Rent balance consists of security deposits for three MSHN office suites.
g) Prepaid Expense Other relates to Relias training paid for MSHN and SUD provider network staff and MSHN's video conferencing platform Zoom.
h) Total Fixed Assets represents the value of MSHN's capital assets net of accumulated depreciation. Please Note: MSHN completed its transfer of the Mobile Care Unit (MCU) in March 2023. Home of New Vision (HNV) is the new owner, and the provider intends to utilize the MCU for harm reduction efforts. MSHN does not hold any interest in the vehicle and is not contracted with HNV for its use.
i) The Lease Assets category is now displayed as an asset and liability based on a new Governmental Accounting Standards Board (GASB) requirement. The lease assets figure represents FY 2022 – 2025 contract amounts for MSHN's office space.

3. Liabilities

a) MSHN estimates FY 2022 and FY 2021 lapses totaling $36.6 M and $19.1 M to MDHHS, respectively. The lapse amount indicates we have a fully funded FY 2022 ISF, and that savings will fall within the second tier (above 5%). Per contractual guidelines MDHHS receives half of every dollar generated beyond this threshold until the PIHP's total savings reach the 7.5% maximum. Further, MSHN owes MDHHS an FY 2020 lapse amount totaling $1.2 M based on Compliance Examination adjustments.
b) This amount is related to SUD provider payment estimates and is needed to offset the timing of payments.
c) The HRA (Hospital Rate Adjustor) is a pass-through account for dollars sent from MDHHS to cover supplemental payments made to psychiatric hospitals. HRA payments are intended to incentivize hospitals to have available psychiatric beds as needed. Total HRA payments are calculated based on the number of inpatient hospital services reported.
d) Due to State - IPA Tax contains funds held for tax payments associated with MDHHS Per Eligible Per Month (PEPM) funds. Insurance Plan Assessment taxes are applied to Medicaid and Healthy Michigan eligibles.
e) Due to CMHSPs shows FY 2022 projected cost settlement amounts.

CMHSP	Cost Settlement	Payments/Offsets	Total
Bay	1,652,961.83	1,198,112.00	454,849.83
Central	2,223,301.75	1,264,405.00	958,896.75
Gratiot	164,086.60	180,584.00	(16,497.40)
Huron	1,246,649.11	1,091,330.00	155,319.11
Lifeways	6,264,631.70	2,048,495.00	4,216,136.70
Shiawassee	1,340,788.71	742,359.00	598,429.71
Total	**12,892,419.70**	**6,525,285.00**	**6,367,134.70**

f) Accrued payroll expense wages represent expenses incurred in March and paid in April.
g) Accrued Benefits PTO (Paid Time Off) payable is the required liability account set up to reflect paid time off balances for employees.
h) Accrued Benefits Other represents retirement benefit expenses incurred in March and paid in April.
i) The Unrestricted Net Position represents the difference between total assets, total liabilities, and the restricted for risk management figure.

Statement of Activities – Column F now calculates the actual revenue and expenses compared to the full year budget. Revenue accounts whose Column F percent is less than 50% translates to MSHN receiving less revenue than anticipated/budgeted. Expense accounts with Column F amounts greater than 50% shows MSHN's spending is trending higher than expected.

1. Revenue
    a) This account tracks SIS revenue earned from CMHSPs, Veterans Navigator (VN) activity and other small grants. Actual revenue is lower than budget since Certified Community Behavioral Health Centers (CCBHC) grants from MDHHS to cover non-Medicaid individuals have not been received. In addition, since the SIS program ended March 31, 2023, actual revenue will not reach budgeted figures for FY 23.
    b) Medicaid Use of Carry Forward represents FY 2022 savings. Medicaid savings is generated when prior year revenue exceeds expenses for the same period. A small portion of Medicaid Savings is sent to the CMHSPs as funding delegated for SUD activities which include access, prevention, and customer services. FY 2022 Medicaid Carry Forward must be used as the first revenue source for FY 2023. In addition, the large budget variance in expenses results from cash flow payments issued to CMHSPs to cover their provider staffing stabilization approvals.
    c) Medicaid Capitation – Actual revenue continues trending higher than the budgeted amount. The higher revenue results from the Public Health Emergency's (PHE) continuous Medicaid Enrollment condition which ended March 31, 2023. MDHHS announced it will begin enrollee recertifications in June 2023 with the full process is slated for completion within 12 months. MSHN will monitor funding trends related to disenrollments and take necessary action to ensure the region's financial stability including a potential budget amendment later this fiscal year if indicated. Medicaid Capitation dollars are disbursed to CMHSPs based on per eligible per month (PEPM) payment files and paid to SUD providers based on service delivery.
    d) Local Contribution is flow-through dollars from CMHSPs to MDHHS. Typically, revenue equals the expense side of this activity under Tax Local Section 928. Local Contributions were scheduled to reduce over the next few fiscal years until completely phased out. FY 2023 amounts owed were nearly $800 k less than FY 2022.
    e) Interest income is earned from investments and changes in principle for investments purchased at discounts or premiums. Interest income is trending significantly higher than budget amounts as MSHN's investment portfolio has grown. The "change in market value" account records activity related to market fluctuations. Other amounts recorded in interest are those earned from the PA2 and General Savings accounts.
    f) This account tracks non-capitated revenue for SUD services which include Community Grant and PA2 funds. The variance may decrease over time however unspent PA2 dollars remain in the deferred revenue account and Block Grant is received based on actual expenses incurred and billed to MDHHS.
2. Expense
    a) Total PIHP Administration Expense is under budget. The line items with the largest dollar variances are Compensation and Benefits and Other Expenses. Actual Compensation expense will increase in the coming months since MSHN is now fully staffed. Other Expense balance is higher than budget because MiHIN's (technology provider – data exchange) entire FY 23 invoice was paid in October.
    b) IPA/HRA actual tax expenses are lower than the budget amount. IPA estimates are impacted by variability in the number of Medicaid and Healthy Michigan eligibles. HRA figures will also vary throughout the fiscal year based on inpatient psychiatric utilization and contribute to the variance. (Please see Statement of Net Position 3c and 3d).

MID-STATE HEALTH NETWORK
SCHEDULE OF INTERNAL SERVICE FUND INVESTMENTS
As of March 31, 2023

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY	Change in market value	Chase Savings Interest	Interest - Accrued	Total Chase Balance
UNITED STATES TREASURY BILL	912796k57	8.2.21	8.3.21	7.14.22		2,998,706.25	3,000,000.00					
UNITED STATES TREASURY BILL	912796k57	8.2.21	8.3.21	7.14.22			(3,000,000.00)					
UNITED STATES TREASURY BILL	91282CDR9	1.19.22	1.20.22	12.1.23		1,992,391.23	1,996,714.58		(55,230.20)	3,729.28		
UNITED STATES TREASURY BILL	912796X53	7.8.22	7.11.22	6.15.23		9,740,570.83	9,740,570.83		165,314.97			
UNITED STATES TREASURY BILL	912796XQ7	1.11.23	1.12.23	7.13.23		19,531,956.67	19,531,956.67		205,569.53			
JP MORGAN INVESTMENTS							31,269,242.08		315,654.30		-	31,584,896.38
JP MORGAN CHASE SAVINGS							20,209,424.14	0.050%		223,365.56		20,432,789.70
							$ 51,478,666.22		$ 315,654.30	$ 223,365.56	$ -	$ 52,017,686.08

U.S. Treasury Bills – Treasury Bills, or T-Bills, are sold in terms ranging from a few days to 52 weeks. T-Bills are short-term debt issued and backed by the full faith and credit of the United States government. T-Bills are typically sold at a discount from the par amount (par amount is also called face value). You can hold a T-Bill until it matures or sell it prior to maturity. When a T-Bill matures, you are paid the par amount. Assuming the T-Bill is held to maturity, the difference between the par amount at maturity and the original cost is the amount of interest earned. **Source: U.S Treasury Direct**

U.S. Agencies – An agency security is a low-risk debt obligation that is issued by a U.S. government-sponsored enterprise (GSE). A Government-Sponsored Enterprise (GSE) bond is an agency bond issued by such agencies as Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage (Freddie Mac), Federal Farm Credit Banks Funding Corporation, and the Federal Home Loan Bank. Unlike Treasury securities, government agency bonds are not expressly backed by the full faith and credit of the U.S. government, but they do carry an implied backing due to the continuing ties between the agencies and the U.S. government. Most agency securities pay a semi-annual fixed coupon. **Source: Investopedia**

Chase does not generate statements in months when no investment activity occurs. In these instances, a position report provided by Chase is used to determine the investment principal. In addition, the change in market value is derived from the difference in market value and cost.

MSHN
Mid-State Health Network

Background

In accordance with the MSHN Operating Agreement, Article VI, Contracts that state the following:

> The Entity Board must approve the execution of any contract exceeding $25,000 in value. This includes any contract involving the acquisition, ownership, custody, operation, maintenance, lease, or sale of real or personal property and the disposition, division or distribution of property acquired through execution of the contract.

Therefore, MSHN presents the attached FY23 Contract Listing for Board approval and authorization of the Chief Executive Officer to sign.

Recommended Motion:

The MSHN Board authorizes its Chief Executive Officer to sign and fully execute the contracts as presented and listed on the FY23 contract listing.

MID-STATE HEALTH NETWORK

FISCAL YEAR 2023 NEW AND RENEWING CONTRACTS

May 2023

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	CURRENT FY23 CONTRACT AMOUNT	FY23 TOTAL CONTRACT AMOUNT	FY23 INCREASE/ (DECREASE)
PIHP ADMINISTRATIVE FUNCTIONS					
GreatAmerican Finance Services	MSHN Staff Laptops - Lease	5.1.23 - 4.30.26		**125,000**	**125,000**
			$ -	**$ 125,000**	**$ 125,000**

CONTRACTING ENTITY	CMHSP SERVICE AREA	CONTRACT TERM	CURRENT FY23 CONTRACT AMOUNT	FY23 TOTAL CONTRACT AMOUNT	FY23 INCREASE/ (DECREASE)
PIHP/CMHSP MEDICAID SUBCONTRACTS					
Community Mental Health of Central Michigan	Clare, Gladwin, Isabella, Mecosta, Midland, Osceola - Behavioral Health Home Services (Pass-through Case Rate Payment)	5.1.23 - 9.30.23	-	**311.98**	**311.98**
Montcalm Care Network	Montcalm - Behavioral Health Home Services (Pass-through Case Rate Payment)	5.1.23 - 9.30.23	-	**311.98**	**311.98**
Newaygo County Community Mental Health Authority	Newaygo - Behavioral Health Home Services (Pass-through Case Rate Payment)	5.1.23 - 9.30.23	-	**311.98**	**311.98**
Saginaw County Community Mental Health Authority	Saginaw - Behavioral Health Home Services (Pass-through Case Rate Payment)	5.1.23 - 9.30.23	-	**311.98**	**311.98**
Shiawassee Health & Wellness	Shiawassee - Behavioral Health Home Services (Pass-through Case Rate Payment)	5.1.23 - 9.30.23	-	**311.98**	**311.98**
			$ -	**$ 1,559.90**	**$ 1,559.90**

CONTRACTING ENTITY	SUD PROVIDERS COST REIMBURSEMENT SOR PROJECTS/PROGRAM DESCRIPTION	CONTRACT TERM	CURRENT FY23 SOR COST REIMBURSEMENT CONTRACT AMOUNT	TOTAL FY23 SOR COST REIMBURSEMENT CONTRACT AMOUNT	FY23 SOR INCREASE/ (DECREASE)
CONTRACTS LISTED IN THIS SECTION ARE ALL SOR GRANT FUNDED PROGRAMS					
Family Services & Children's Aid	NarCan Vending Machine (Jackson)	10.1.22 - 9.29.23	5,650	**6,200**	**550**
LIST Psychological Services	NarCan Vending Machine (Tuscola)	5.1.23 - 9.29.23	-	**6,000**	**6,000**
			$ 5,650	**$ 12,200**	**$ 6,550**

CONTRACTING ENTITY	SUD PROVIDERS COST REIMBURSEMENT PROJECTS/PROGRAM DESCRIPTION	CONTRACT TERM	CURRENT FY23 COST REIMBURSEMENT CONTRACT AMOUNT	FY23 TOTAL COST REIMBURSEMENT CONTRACT AMOUNT	FY23 INCREASE/ (DECREASE)
City of Saginaw (Police Dept)	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	57,376	**67,376**	**10,000**
CMH for CEI	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	799,311	**809,311**	**10,000**
Cristo Rey Counseling Services	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	-	**10,000**	**10,000**
Gratiot County Child Advocacy Association	Community Anti-Drug Coalitions of America (CADCA) Membership reimbursement for Prevention Coalition (Gratiot)	5.1.23 - 9.30.23	216,863	**217,063**	**200**
LifeWays	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	4,500	**14,500**	**10,000**
List Psychological Services	Community Anti-Drug Coalitions of America (CADCA) Membership reimbursement for Prevention Coalition (Tuscola)	5.1.23 - 9.30.23	88,751	**88,951**	**200**
McLaren Bay Region (Neighborhood Resource Center)	Community Anti-Drug Coalitions of America (CADCA) Membership reimbursement for Prevention Coalition (Bay)	5.1.23 - 9.30.23	153,746	**153,946**	**200**

Mid-Michigan District Health Department	Community Anti-Drug Coalitions of America (CADCA) Membership reimbursement for Prevention Coalition (Montcalm)	5.1.23 - 9.30.23	288,654	**288,854**	**200**

CONTRACTING ENTITY	SUD PROVIDERS COST REIMBURSEMENT PROJECTS/PROGRAM DESCRIPTION	CONTRACT TERM	CURRENT FY23 COST REIMBURSEMENT CONTRACT AMOUNT	FY23 TOTAL COST REIMBURSEMENT CONTRACT AMOUNT	FY23 INCREASE/ (DECREASE)
Mid-Michigan Recovery Services (f.k.a.NCALRA)	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	165,229	**175,229**	**10,000**
Newaygo Regional Education Service Agency (RESA)	Community Anti-Drug Coalitions of America (CADCA) Membership reimbursement for Prevention Coalition (Newaygo)	5.1.23 - 9.30.23	111,305	**111,505**	**200**
Peer 360	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	921,950	**931,950**	**10,000**
Peer360	Peer Recovery Conference Attendance for 2 conferences	5.1.23 - 9.30.23	921,950	**934,870**	**12,920**
Professional Psychological & Psychiatric Services	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	-	**10,000**	**10,000**
Recovery Pathways	Enhanced Women's Support Specialty (WSS) (Bay)	4.1.23 - 9.30.23	238,172	**275,606**	**37,434**
Samaritas	SUD RFP Award Start-Up Costs	5.1.23 - 9.30.23	41,033	**222,926**	**181,893**
Ten16	SUD RFP Award Start-Up Costs	5.1.23 - 9.30.23	700,325	**795,069**	**94,744**
Victory Clinical Services - Lansing	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	15,899	**25,899**	**10,000**
Victory Clinical Services III - Jackson	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	11,849	**21,849**	**10,000**
Victory Clinical Services IV - Saginaw	Equity Upstream Learning Collaborative	4.1.23 - 9.30.23	43,349	**53,349**	**10,000**
			$ 4,780,262	**$ 5,208,253**	**$ 427,991**

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION (Revenue Contract)	CONTRACT TERM	FY23 CURRENT CONTRACT AMOUNT	FY23 TOTAL CONTRACT AMOUNT	FY23 INCREASE/ (DECREASE)
Michigan Department of Health & Human Services (EGrAMS)	Michigan Gambling Disorder Prevention Project	10.1.22 - 9.30.23	189,074	**146,660**	**(42,414)**
			$ 189,074	**$ 146,660**	**$ (42,414)**

Mid-State Health Network (MSHN) Board of Directors Meeting
Tuesday, March 7, 2023
MyMichigan Medical Center
Meeting Minutes

1. Call to Order

Ms. Amanda Ittner introduced MSHN newest staff members present: Stacey Lehmann and Keely Hapanowicz, Utilization Management Specialists; Michael Bradley, HCBS Waiver Coordinator; and Victoria Ellsworth, HSW Waiver Coordinator.

Chairperson Ed Woods called this meeting of the Mid-State Health Network Board of Directors to order at 5:07 p.m. Mr. Woods requested a moment of silence for students and first responders, which include Clinton, Eaton and Ingham Community Mental Health, to the Michigan State University (MSU) mass shooting and for fellow board member, Gretchen Nyland, who is currently experiencing medical issues.

2. Roll Call

Secretary Kurt Peasley provided the roll call for Board Members in attendance.

Board Member(s) Present: Joe Brehler (CEI), Ken DeLaat (Newaygo), David Griesing (Tuscola), Dan Grimshaw (Tuscola), Tina Hicks (Gratiot) – joined at 5:14 p.m., John Johansen (Montcalm), Deb McPeek-McFadden (Ionia), Kurt Peasley (Montcalm), Joe Phillips (CMH for Central Michigan), Tom Ryder (Bay-Arenac), Kerin Scanlon (CMH for Central Michigan), Richard Swartzendruber (Huron), Susan Twing (Newaygo), and Ed Woods (LifeWays)

Board Member(s) Remote: Jeanne Ladd (Shiawassee) – joined at 5:42 p.m., Irene O'Boyle (Gratiot)

Board Member(s) Absent: Brad Bohner (LifeWays), Bruce Cadwallender (Shiawassee), Pat McFarland (Bay-Arenac), Gretchen Nyland (Ionia), Tracey Raquepaw (Saginaw), and Beverly Wiltse (Huron)

Staff Member(s) Present: Joseph Sedlock (Chief Executive Officer), Amanda Ittner (Deputy Director), Leslie Thomas (Chief Financial Officer), Sherry Kletke (Executive Support Specialist), Cammie Myers (Utilization Management Administrator), Keely Hapanowicz (Utilization Management Specialist), Stacey Lehmann (Utilization Management Specialist), Michael Bradley (HCBS Waiver Coordinator) and Victoria Ellsworth (HSW Waiver Coordinator)

Staff Member(s) Remote: Dr. Dani Meier (Chief Clinical Officer)

Public Present: None

3. Approval of Agenda for March 7, 2023

Board approval was requested for the Agenda of the March 7, 2023, Regular Business Meeting.

MOTION BY KEN DeLAAT, SUPPORTED BY KURT PEASLEY, FOR APPROVAL OF THE AGENDA OF THE MARCH 7, 2023, REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED: 13-0.

4. Public Comment

An opportunity for public comment was provided. There was no public comment.

5. Equity Upstream Presentation

Dr. Dani Meier provided board members with an Equity Upstream presentation, which was included in the board meeting packet. Mr. Joseph Sedlock wished to thank Dr. Meier for putting together the presentation and spearheading the Equity Upstream initiative, which will likely become a model for the state and perhaps nationally. Board members directed questions to Dr. Meier.

6. FY2022 Board Self-Assessment

Ms. Irene O'Boyle summarized the FY2022 Board Self-Assessment results. The Board Self-Assessment trending report from FY2016 – FY2022 was included in board meeting packets. Nineteen (19) of the current twenty-two (22) Board members completed the survey, which equates to an 86% participation rate. Mr. Ed Woods expressed his appreciation to Ms. O'Boyle for taking the lead on the Board Self-Assessment project.

MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY JOHN JOHANSEN, TO RECEIVE AND FILE THE FY2022 BOARD SELF-ASSESSMENT REPORT. MOTION CARRIED: 14-0.

7. Continuation of the Regional Provider Staffing Crisis Stabilization Program through September 30, 2023.

The Mid-State Health Network (MSHN) Board of Directors originally approved this program for implementation in March 2022 which included funding for in-region behavioral health providers in their efforts to address staff recruitment, attraction, commitment to employment (and related onboarding costs), existing or new workforce retention strategies, temporary staffing costs, and other innovations intended to stabilize staffing.

Mid-State Health Network (MSHN) Administration proposed to expand this initiative from $5M approved through March 31, 2023 to $8M through September 30, 2023 in regional savings to continue to support all in-region behavioral health providers

(including substance use disorder prevention, treatment, and recovery providers) in their staffing stabilization crises they face. Board discussion included sustainability, provider efforts to organize for new post-pandemic realities, the likelihood that some providers, especially residential-type programs, will likely require subsidies to remain viable well into the future.

MOTION BY KURT PEASLEY, SUPPORTED BY TINA HICKS, TO DESIGNATE UP TO AN ADDITIONAL $3M FOR A TOTAL OF $8 MILLION (EIGHT MILLION DOLLARS) OF FY23 MSHN RESOURCES FOR THE PURPOSE OF STABILIZING AND ASSISTING ELIGIBLE PROVIDER ORGANIZATIONS CONTRACTED WITHIN THE REGION IN ADDRESSING WORKFORCE/STAFFING CRISES PURSUANT TO REGIONAL GUIDELINES ESTABLISHED BY MSHN, THROUGH SEPTEMBER 30, 2023. MOTION CARRIED: 14-0.

8. Reschedule May 2023 Board Meeting

The NatCon (the annual conference of the National Council for Mental Wellbeing) is being held this year on May 1 and May 2, 2023 in Los Angeles. Currently the MSHN Board Strategic Planning and Board of Directors meeting is scheduled on May 2. If the MSHN Board chooses to keep the current date, MSHN senior staff participating in board strategic planning would not be able to attend the national conference, Chairperson Ed Woods is the National Council Board Chairperson and must be at the conference and would therefore be absent from the board strategic planning and board meeting, and MSHN would not be able to offer board members the opportunity to attend NatCon 2023 on MSHN scholarship.

The Executive Committee considered these factors and recommends the board act to change the May strategic planning and board meeting to May 9, 2023 from 10:30 a.m. to 7:00 p.m.at the currently reserved location (MyMichigan Medical Center, Alma).

MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY TINA HICKS, TO RESCHEDULE THE MAY BOARD STRATEGIC PLANNING WORK SESSION (TO BEGIN AT 10:30 A.M.) AND BOARD MEETING (TO BEGIN AT 5:00 P.M.) TO MAY 9, 2023. MOTION CARRIED: 14-0.

9. Chief Executive Officer's Report

Mr. Joseph Sedlock discussed several items from within his written report to the Board highlighting the following:

- Michigan State University Mass Shooting
- MSHN Appeal of Michigan Department of Health and Human Services (MDHHS) Regional Site Review Citation on the Use of Ranges in Person-Centered Plans
- Equity, Health Disparities, Diversity, and Inclusion Work
- Michigan Legislation Tracking
- MSHN Offices 2nd Illegal entry

- MDHHS terminates the contract with American Association on Intellectual and Developmental Disabilities for the use of the Supports Intensity Scale (SIS) Assessment tool on March 23, 2023

10. Deputy Director's Report

Ms. Amanda Ittner discussed several items in her written report to the board, highlighting the following:

- Performance Bonus Incentive Report FY22
- Increased Services to Veterans – FY22 Report
- Annual Compliance Summary Report FY22
- Regional Consumer Advisory Council (RCAC)

11. Chief Financial Officer's Report

Ms. Leslie Thomas provided an overview of the financial reports included within board meeting packets for the period ended January 31, 2023.

MOTION BY DAN GRIMSHAW, SUPPORTED BY DAVID GRIESING, TO RECEIVE AND FILE THE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDING JANUARY 31, 2023, AS PRESENTED. MOTION CARRIED: 14-0.

12. Contracts for Consideration/Approval

Ms. Leslie Thomas provided an overview of the revised FY2023 contract listing provided in the member folders which replaces the listing provided in the packet and requested the board authorize MSHN's CEO to sign and fully execute the contracts listed on the FY2023 contract listing.

MOTION BY KURT PEASLEY, SUPPORTED BY TINA HICKS, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED ON THE REVISED FY23 CONTRACT LISTING. MOTION CARRIED: 14-0.

13. Executive Committee Report

Mr. Ed Woods provided an overview from the February 2023 Executive Committee meeting, highlighting the following:

- The Executive Committee reviewed the annual litigation report and MSHN is not a named party in any litigation occurring in the region.
- The U.S. Public Health Emergency conclusion and CMHSPs working to re-enroll Medicaid beneficiaries.
- FY2022 Board Self-Evaluation
- May 2023 Strategic Planning and Board Meeting date change

- Board Member Compensation – The Policy Committee will discuss the current compensation rate at the April meeting.

14. Chairpersons Report

Mr. Ed Woods attended the recent Jackson County Commissioners meeting and shared information about behavioral health services and the vision and mission of MSHN. The Board of Commissioners Chair thanked Ed for bringing the information forward.

The National Council is having discussions regarding school mental health and offering more access to mental health services in schools.

15. Approval of Consent Agenda

Board approval was requested for items on the consent agenda as listed in the motion below, and as presented.

MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY TINA HICKS, TO APPROVE THE FOLLOWING DOCUMENTS ON THE CONSENT AGENDA: APPROVE MINUTES OF THE JANUARY 10, 2023 BOARD OF DIRECTORS MEETING; RECEIVE BOARD EXECUTIVE COMMITTEE MEETING MINUTES OF FEBRUARY 17, 2023; RECEIVE POLICY COMMITTEE MINUTES OF FEBRUARY 14, 2023; RECEIVE OPERATIONS COUNCIL KEY DECISIONS OF JANUARY 23, 2023; AND TO APPROVE ALL THE FOLLOWING POLICIES: APPOINTED MEMBER COMPENSATION, BEHAVIOR TREATMENT PLANS, CONSUMER SATISFACTION SURVEY, CRITICAL INCIDENT, CRITICAL INCIDENT-SUD ONLY, EXTERNAL QUALITY REVIEW, MEDICAID EVENT VERIFICATION, MICHIGAN MISSION BASED PERFORMANCE INDICATOR SYSTEM (MMBPIS), MONITORING AND OVERSIGHT, PERFORMANCE IMPROVEMENT, QUALITY MANAGEMENT, REGIONAL PROVIDER MONITORING AND OVERSIGHT, RESEARCH, SENTINEL EVENTS. MOTION CARRIED: 14-0.

16. Other Business

Ms. Tina Hicks congratulated Mr. Ed Woods on his appointment as Board Chairperson to the National Council.

17. Public Comment

Mr. Joe Brehler wished to extend Clinton, Eaton, Ingham Community Mental Health's appreciation to the other Community Mental Health Service Programs (CMHSP) that assisted with the MSU mass shooting response.

Mr. Michael Bradley voiced appreciation of the MSHN appeal regarding the use of ranges in services. As a former Case Manager, he understands the burden placed on not just CMHSP staff, but also the person served.

18. Adjournment

The MSHN Board of Directors Regular Business Meeting adjourned at 7:05 p.m.

Mid-State Health Network SUD Oversight Policy Advisory Board
Wednesday, December 21, 2022, 4:00 p.m.
CMH Association of Michigan (CMHAM)
507 S. Grand Ave
Lansing, MI 48933

Meeting Minutes

1. Call to Order

Chairperson John Hunter called the MSHN SUD Regional Oversight Policy Board (OPB) of Directors Organizational Meeting to order at 4:04 p.m.

Board Member(s) Present:	Bruce Caswell (Hillsdale), Steve Glaser (Midland), John Hunter (Tuscola), Bryan Kolk (Newaygo), Robert Luce (Arenac), Jim Moreno (Isabella), Justin Peters (Bay), Jerrilynn Strong (Mecosta), Kim Thalison (Eaton), Dwight Washington (Clinton)
Board Member(s) Remote:	Nichole Badour (Gratiot), Sandra Bristol (Clare), Christina Harrington (Saginaw), Todd Tennis (Ingham), Deb Thalison (Ionia), Ed Woods (Jackson)
Board Member(s) Absent:	Lisa Ashley (Gladwin), Joe Murphy (Huron), Scott Painter (Montcalm), Vicky Schultz (Shiawassee), David Turner (Osceola)
Alternate Members Present:	John Kroneck (Montcalm), David Pohl (Clinton)
Staff Members Present:	Amanda Ittner (Deputy Director), Sherry Kletke (Executive Assistant), Dr. Dani Meier (Chief Clinical Officer), Leslie Thomas (Chief Financial Officer); Sarah Surna (Prevention Specialist)
Staff Members Remote:	Dr. Trisha Thrush (Director of SUD Services and Operations), Sarah Andreotti (Lead Prevention Specialist), Kari Gulvas (Prevention Specialist)

2. Roll Call

Ms. Sherry Kletke provided the Roll Call for Board Attendance and informed the Board Chair, John Hunter, that a quorum was present for Board meeting business.

3. Approval of Agenda for December 21, 2022

Board approval was requested for the Agenda of the December 21, 2022 Regular Business Meeting, as presented.

BOARD APPROVED APRIL 19, 2023

MOTION BY STEVE GLASER, SUPPORTED BY BRYAN KOLK, FOR APPROVAL OF THE DECEMBER 21, 2022 REGULAR BUSINESS MEETING AGENDA, AS PRESENTED. MOTION CARRIED: 11-0.

4. Approval of Minutes from the October 19, 2022 Regular Business Meetings

Board approval was requested for the draft meeting minutes of the October 19, 2022 Regular Business Meeting.

MOTION BY BOB LUCE, SUPPORTED BY DWIGHT WASHINGTON, FOR APPROVAL OF THE MINUTES OF THE OCTOBER 19, 2022 MEETING, AS PRESENTED. MOTION CARRIED: 11-0.

5. Public Comment

There was no public comment.

6. Board Chair Report

Mr. John Hunter provided members with a reminder of the annual organization meeting to be held at the February 15, 2023 meeting. Officer elections will take place for the Chair, Vice-Chair and Secretary positions. Current officers are each at their term limit. If anyone would be interested in an officer position, please notify Ms. Sherry Kletke or Ms. Amanda Ittner. A slate of officers can then be presented at the February 2023 meeting.

7. Deputy Director Report

Ms. Amanda Ittner provided an overview of the written report included in the board meeting packet, and available on the MSHN website, highlighting:

- Substance Use Disorder (SUD) Oversight Policy Board Bylaws
- MSHN Provider Network Supports
- Performance Indicator Report FY22 Q3

8. Chief Financial Officer Report

Ms. Leslie Thomas provided an overview of the financial reports included in board meeting packets:

- FY2023 PA2 Funding and Expenditures by County
- FY2023 PA2 Use of Funds by County and Provider
- FY2023 Substance Use Disorder (SUD) Financial Summary Report as of October 2022

9. FY23 Substance Use Disorder PA2 Contract Listing

Ms. Leslie Thomas provided an overview and information on the FY23 Substance Use Disorder (SUD) PA2 Contract Listing as provided in the packet.

MOTION BY BRUCE CASWELL, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE FY2023 SUBSTANCE USE DISORDER (SUD) PA2 CONTRACT LISTING, AS PRESENTED. MOTION CARRIED: 11-0.

10. SUD Operating Update

Dr. Dani Meier provided an overview of the written SUD Operations Report and the FY22 Quarter 4 SUD County Reports as included in the board meeting packet, highlighting:

- RFP to expand services in Montcalm and Isabella Counties were due December 16, 2022. The proposals received will be evaluated shortly after the New Year.
- Implementation of Opioid Health Home in Region 5 at Victory Clinical Services – Saginaw.

11. Other Business

Ms. Amanda Ittner introduced Ms. Sarah Surna who provided board members with an educational presentation about youth vaping and prevention programs.

12. Public Comment

There was no public comment.

13. Board Member Comment

Mr. Ed Woods thanked the Prevention Team for the work that they are doing in the field.

14. Adjournment

Chairperson John Hunter adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 4:57 p.m.

Meeting minutes submitted respectfully by:
MSHN Executive Support Specialist

Mid-State Health Network SUD Oversight Policy Advisory Board
Wednesday, February 15, 2023, 4:00 p.m.
CMH Association of Michigan (CMHAM)
507 S. Grand Ave
Lansing, MI 48933

Meeting Minutes

1. Call to Order

Chairperson John Hunter called the MSHN SUD Regional Oversight Policy Board (OPB) of Directors Organizational Meeting to order at 4:03 p.m.

Board Member(s) Present: Lisa Ashley (Gladwin)-joined at 4:22 p.m., Bruce Caswell (Hillsdale), Steve Glaser (Midland), John Hunter (Tuscola), Bryan Kolk (Newaygo), John Kroneck (Montcalm), Jim Moreno (Isabella), Vicky Schultz (Shiawassee), Jerrilynn Strong (Mecosta)

Board Member(s) Remote: Nichole Badour (Gratiot), George Gilmore (Clare); Robert Luce (Arenac), Deb Thalison (Ionia)

Board Member(s) Absent: Christina Harrington (Saginaw), Joe Murphy (Huron), Justin Peters (Bay), Todd Tennis (Ingham), Kim Thalison (Eaton), David Turner (Osceola); Dwight Washington (Clinton), Ed Woods (Jackson)

Alternate Members Present: David Pohl (Clinton)

Staff Members Present: Amanda Ittner (Deputy Director), Sherry Kletke (Executive Assistant), Dr. Trisha Thrush (Director of SUD Services and Operations), Leslie Thomas (Chief Financial Officer)

Staff Members Remote: Dr. Dani Meier (Chief Clinical Officer), Sarah Andreotti (Lead Prevention Specialist), Sarah Surna (Prevention Specialist)

2. Roll Call

Mr. Bruce Caswell provided the Roll Call for Board Attendance and informed the Board Chair, John Hunter, that there were only 9 members present in-person which does not meet the minimum requirement for a quorum. No action was taken on the action items noted below. Items requiring action will be added to the agenda for the next meeting on April 19, 2023.

3. Approval of Agenda for February 15, 2023

No quorum was present to take action to approve the Agenda of the February 15, 2023 Regular Business Meeting, as presented.

4. Approval of Minutes from the December 21, 2022 Regular Business Meetings

No quorum was present to take action to approve the draft meeting minutes of the December 21, 2022 Regular Business Meeting and will be scheduled for approval at the next meeting on April 19, 2023.

5. Public Comment

There was no public comment.

6. Board Chair Report

Mr. John Hunter announced the 2023 Organizational Meeting's Board Officer Elections will be postponed to the next meeting on April 19, 2023 due to lack of quorum.

7. Deputy Director Report

Ms. Amanda Ittner provided an overview of the written report included in the board meeting packet, and available on the MSHN website, highlighting:

Regional Matters:

- Substance Use Disorder (SUD) Oversight Policy Board Bylaws
- MSHN Provider Network Adequacy Assessment (NAA)
- COVID-19 Update

State of Michigan/Statewide Activities:

- Liquor Tax Funding Change Means $25 Million Boost to Counties

8. Chief Financial Officer Report

Ms. Leslie Thomas provided an overview of the financial reports included in board meeting packets:

- FY2023 PA2 Funding and Expenditures by County
- FY2023 PA2 Use of Funds by County and Provider
- FY2023 Substance Use Disorder (SUD) Financial Summary Report as of December 2022

9. SUD Operating Update

Dr. Trisha Thrush was available to answer board member questions about the written SUD Operations Report or the FY23 Quarter 1 SUD County Reports as included in the board meeting packet.

10. Other Business

There was no other business.

11. Public Comment

There was no public comment.

12. Board Member Comment

Members appreciated MSHN Administration added information to the quarterly SUD County Reports to include the primary substance at admission and secondary substance at admission.

13. Adjournment

Chairperson John Hunter adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 4:44 p.m.

Meeting minutes submitted respectfully by:
MSHN Executive Support Specialist

BOARD APPROVED APRIL 19, 2023

MSHN
Mid-State Health Network

Mid-State Health Network Board of Directors
Executive Committee Meeting Agenda
April 21, 2023

Members Present: Ed Woods, Chairperson; Irene O'Boyle, Vice-Chairperson; Kurt Peasley, Secretary; David Griesing, Member at Large

Members Absent: Pat McFarland, Member at Large (Called in to excuse himself due to an urgent matter)

Other Board Members: None

Staff Present: Amanda Ittner, Deputy Director; Joseph Sedlock, Chief Executive Officer

1. **Call to order:** Chairperson Woods called this meeting of the MSHN Executive Committee to order at 9:02 a.m.

2. **Approval of Agenda:** Motion by D. Griesing supported by K. Peasley to approve the agenda for the April 21, 2023 meeting of the MSHN Board Executive Committee as presented. Motion carried.

3. **Guest MSHN Board Member Comments:** None

4. **Board Matters**

4.1 **May 2023 Draft Board Strategic Planning Day Agenda:** The draft board strategic planning session agenda was reviewed by the Executive Committee. J. Sedlock provided background on Conflict Free Access and Planning. The Executive Committee endorsed the draft agenda/plan for the day. Administration will finalize in the coming week.

4.2 **May 2023 Draft Board Meeting Agenda:** The draft regular board meeting agenda was reviewed by the Executive Committee noting that the agenda is not final until published and approved by the Board. The meeting will focus on standard board business and Bill Hirschman will present the agency's financial audit for FY 22. The Executive Committee endorsed the draft regular board meeting agenda.

4.3 **MSHN Per Diem Rate – Policy Committee Recommendation:** A. Ittner reported that the MSHN Policy committee reviewed county, CMHSP and PIHP per diem information compiled from research completed by MSHN Executive Support Specialist Sherry Kletke and Deputy Director Amanda Ittner. The MSHN Policy Committee is not recommending any change to the per diems paid by MSHN to its board members.

4.4 **Vacancies on MSHN Board:** J. Sedlock reported that one vacancy for a Saginaw seat has been filled with the appointment of Joan Williams. Joan cannot make the May 9 board strategic planning session but is planning to attend the May 9 regular board meeting. Orientation is in the process of being scheduled. There are currently three other vacancies on the MSHN Board of Directors – 2 open seats for Shiawassee Health and Wellness appointees and one open seat for a CEI appointee. Administration is in contact with these CMHSPs to facilitate appointments, and once those are made, to complete orientation, onboarding, and related activities.

- Appointment to fill MSHN Board Policy Committee vacancy: Occasioned by one of the vacancies noted above, the Policy Committee has a vacancy. E. Woods requested that administration distribute an email to board members next week detailing time/effort commitments and requesting that anyone interested in filling the vacancy on the MSHN Board Policy Committee make themselves known. E. Woods will consider volunteers and/or make an appointment at the May Board Meeting.

4.5 **Appointment of Nominating Committee to Develop Slate of Officers for September 2023 Elections:** Bylaws requirements indicate that elections of officers (and appointments of at-large members to the Executive Committee) are to take place at the September 2023 board meeting. Executive Committee members provided input on composition of an ad hoc Nominating Committee, including the appointment

of a long-serving board member and other members from different parts of the region. E. Woods requested to meet with J. Sedlock next week to work on identification of potential membership. After that meeting, E. Woods will consider volunteers or nominees and will make appointments at the May Board Meeting.

4.6 **Update: Sponsorship of Attendees to NatCon 2023:** J. Sedlock reported that MSHN Board Members Kerin Scanlon and Tina Hicks are being sponsored by MSHN for attendance at the May 1-3 National Council for Mental Wellbeing conference in Los Angeles. No other MSHN Board Members requested sponsorship. MSHN will add an item near the end of the regular board meeting for Ms. Scanlon and Ms. Hicks to provide information to the full board on their experiences and learning.

4.7 **Other (if any):** None

5. Administration Matters

5.1 **US Public Health Emergency Declaration Status, Unwind, and COVID-Related Updates:** A. Ittner provided an update on the scheduled (May 11) termination of the COVID national public health emergency, continuation/termination of flexibilities in State policy, and the "unwind" process involved with redetermination of eligibility for Medicaid and Healthy Michigan. More information is available at this link. MSHN is continuing its regional provider stabilization initiatives.

5.2 **Draft Succession Planning Policy and Draft Procedure:** At the time of the most recent CEO performance review, the Executive Committee and the Board of Directors requested more attention to succession planning and increased awareness by the officers and the board of the CEO succession plan details. MSHN has an existing succession planning policy and procedure. When attending to this request, the CEO determined that the existing policy and procedure were far too complex and likely didn't fulfil the more recent requests made by MSHN Board Officers and Members. Draft edits to the Succession Planning Policy and Procedure were reviewed with the committee by Mr. Sedlock, noting that in developing replacement language, he consulted extensively with Board Chair Ed Woods. Once a final draft is completed, the next step is for consideration by the MSHN Board Policy Committee in June and full board consideration in July.

5.3 **MSHN Continuity of Operations Plan (COOP):** A. Ittner provided an overview of the existing MSHN Continuity of Operations Plan. The COOP has detailed plans for coverage of critical functions in the event of an emergency or catastrophe and includes all leadership members and all departmental impact plans, backup plans and cross training. MSHN updates the COOP periodically.

5.4 **MSHN Draft Official Statements on Diversity, Equity, and Inclusion:** J. Sedlock presented the proposed official MSHN Statements on Diversity, Equity, and Inclusion noting that this presentation was informational and for the purposes of receiving any recommendations for improvement prior to presentation to the full board for adoption at the May 9 board meeting. The Executive Committee endorses the draft statement.

5.5 **Other (if any):** I. O'Boyle proposed a meeting with a Central Michigan University colleague on a project titled "Healthy Democracy Healthy People Michigan." K. Peasley suggested that the Executive Committee meet with the CMU leader for this special purpose on May 19, 2023 at 9:00 a.m. Administration will send a calendar invitation today and will provide further details about a week prior to this special meeting of the Executive Committee.

6. Other

6.1 Any other business to come before the Executive Committee: None

6.2 Next scheduled Executive Committee Meeting: 05/19/2023, 9:00 a.m.

7. Guest MSHN Board Member Comments: None

8. Adjourn: This meeting of the MSHN Board Executive Committee was adjourned at 9:53 a.m.

MID-STATE HEALTH NETWORK

BOARD POLICY COMMITTEE MEETING MINUTES
TUESDAY, APRIL 4, 2023 (VIDEO CONFERENCE)

***Members Present**:* Irene O'Boyle, Kurt Peasley, John Johansen, David Griesing

Staff Present: Joe Sedlock (Chief Executive Officer); Sherry Kletke (Executive Assistant)

1. CALL TO ORDER

Mr. John Johansen called the Board Policy Committee meeting to order at 10:00 a.m.
Ms. Jeanne Ladd has resigned from the MSHN Board of Directors leaving a vacancy on the Policy Committee. MSHN Administration will request the Executive Committee to identify another appointment to the Policy Committee.

2. APPROVAL OF THE AGENDA

MOTION by David Griesing, supported by Irene O'Boyle, to approve the April 4, 2023, Board Policy Committee Meeting Agenda, as presented. Motion Carried: 4-0.

3. POLICIES UNDER DISCUSSION

There were no policies under discussion.

4. POLICIES UNDER BIENNIAL REVIEW

Mr. John Johansen invited Mr. Joe Sedlock to inform members of the revisions made to the policies being presented under biennial review. Mr. Sedlock provided an overview of the substantive changes within the policies. The Finance chapter has been reviewed by the Finance Council and the Chief Financial Officer.

CHAPTER: FINANCE

1. CASH MANAGEMENT – ADVANCES
2. CASH MANAGEMENT – BUDGET & OVERSIGHT
3. CASH MANAGEMENT – COST SETTLEMENTS
4. CASH MANAGEMENT
5. COSTING
6. FINANCE MANAGEMENT
7. FIXED ASSETS DEPRECIATION
8. FOOD EXPENSE
9. INVESTMENT
10. PA 2 FUND USE
11. PA 2 INTEREST ALLOCATION
12. PROCUREMENT
13. RISK MANAGEMENT – INTERNAL SERVICE FUND

Mid-State Health Network | 530 W. Ionia Street, Ste F | Lansing, MI | 48933 | P: 517.253.7525 | F: 517.253.7552

14. SUD – INCOME ELIGIBILITY & FEES
15. TRANSFER OF CMHSP CARE RESPONSIBILITY
16. TRAVEL

The Policy Committee requests the Travel policy be removed from the Consent Agenda and added as an item for discussion at the upcoming Board meeting.

MOTION by Irene O'Boyle, supported by David Griesing, to approve and recommend the policies under biennial review as presented. Motion carried: 4-0.

5. NEW POLICY:

Mr. John Johansen invited Mr. Joe Sedlock to inform members of the new policy being presented under the General Management chapter.

CHAPTER: GENERAL MANAGEMENT

1. CCBHC RECIPIENT ELIGIBILITY

MOTION by David Griesing, supported by Kurt Peasley, to approve and recommend the new policy titled CCBHC Recipient Eligibility under the General Management chapter as presented. Motion carried: 4-0.

6. NEW BUSINESS

- **Appointed Member Per Diem Rates:**
  The Executive Committee requested the Policy Committee to review the current per diem rate being paid to MSHN appointed members. The policy committee reviewed the information presented showing per diem rates being paid at counties in the MSHN region and the other PIHPs in Michigan and recommended to keep MSHNs current per diem rate in place.

- **Board Member Conduct and Board Meetings Policy**
  Policy Committee members requested to review the Board Member Conduct and Board Meetings Policy to remind members on matters of general comment or comments of a personal nature, each member may speak twice, up to three minutes each. It is the responsibility of each board member to adhere to this rule. Policy Committee members recommend placing this policy on the upcoming board meeting agenda to remind all board members of this rule for the good of the order to keep the meeting progressing forward.

7. ADJOURN
Mr. John Johansen adjourned the Board Policy Committee Meeting at 10:39 a.m.

Meeting Minutes respectfully submitted by:
MSHN Executive Support Specialist

Mid-State Health Network | 530 W. Ionia Street, Ste F | Lansing, MI | 48933 | P: 517.253.7525 | F: 517.253.7552

MSHN
Mid-State Health Network

REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: 02/27/2023

Members Present: Lindsey Hull; Maribeth Leonard; Carol Mills; Tracey Dore; Tammy Warner; Michelle Stillwagon; Bryan Krogman; Sandy Lindsey; Sara Lurie
Members Absent: Chris Pinter; Sharon Beals; Kerry Possehn
MSHN Staff Present: Joseph Sedlock; Amanda Ittner;

Agenda Item	Action Required				
CONSENT AGENDA	PIHP/MDHHS minutes, pg. 13: Hope not handcuffs received a $5m allocation to stand up in Macomb County. MiCAL update, pg 24: Question related to MiCAL and training. MSHN UM staff trained, CMH report not being trained yet.				
	No further discussion noted Consent agenda considered and approved.	By Who	N/A	By When	N/A
FY23 Savings Estimates through December 2022	L. Thomas reviewed the FY23 Savings Estimates through Q1. Discussion regarding the discontinuation of Medicaid Continuous Enrollment and affects on projected Medicaid Revenue for FY23 and FY24				
	Discussion Only	By Who	N/A	By When	N/A
Provider Staffing Crisis Stabilization Program Extension	J. Sedlock presented the proposal drafted for MSHN Board approval in their March meeting to extend the provider staffing crisis stabilization funds through FY23.				
	Informational Only; Operations Council supports.	By Who	N/A	By When	N/A
Improving Access for Children in Child Welfare	MSHN and Southwest Michigan Behavioral Health (SWMBH) are collaborating in an approach to MDHHS to assist with improving access to specialty behavioral health services for children served by the Child Welfare System. MSHN and SWMBH have a meeting set with MDHHS leaders end of March to discussion options and support MDHHS to present a public option. CMHs reported state reaching out to them to discuss coordination with Child welfare and the association also having discussion with MDHHS. Noted concern as well with placement and services for children of color. MDHHS response to this approach has been overwhelmingly positive. Meeting is schedule near the end of March. MSHN will keep the Operations Council posted.				
	Ops Council supported continued dialog with MDHHS	By Who	N/A	By When	N/A
MSU Shooting – CEI Involvement	S. Laurie thanked all in the region for their support and others outside the region. Lifeways and Central support virtual services. CEI will beginning more individual and group briefings. Overall MSU has a large number of resources and mobilized quickly with private providers as well. Noted lack of connection to the higher-ups at MSU to connect services.				

Agenda Item	Action Required				
	Discussion Only	By Who	N/A	By When	N/A
April In-Person meeting	J. Sedlock recommended to change the April meeting from virtual to in-person to support strategic planning. Operations Council supported				
	MSHN to send out a revised invite when confirmed location	By Who	J. Sedlock	By When	4.1.23
Crisis Stabilization Units	T. Warner reported local hospitals showing interest in developing a CSU proposal. CSUs provide 24 hours service for up to 72 hours; most have their crisis stabilized within several hours or be referred to more intensive crisis stabilization services, such as a crisis residential or a psychiatric hospital.				
	Discussion Only	By Who	N/A	By When	N/A
Self-Determination Services	B. Krogman reporting individuals receiving SD services have been advocating for ancillary community services. Concern regarding Medical Necessity requirements and how they are being addressed in the IPOS. CMHCM's position includes that if the budget is underspend, it doesn't correlate to being allowed to spend the dollars on other expense such as memberships, etc. Concerns regarding allowability to Medicaid.				
	MSHN will follow up on our guidance to the field.	By Who	J. Sedlock	By When	3.15.23
Hospital Payment Group	PIHPs and MHPs have been discussing the payment for boarding in Med Surg hospitals with a Psychiatric diagnosis. The proposal now is the public system be responsible for the cost. PIHPs response is that they are not funded for this cost. MDHHS indicating then they should fund the PIHPs for this but there is no experience rating to develop funding rate. Right now, the MHPs pay a DRG rate. On the med surg they are not paying, and the hospitals are absorbing the cost. Discussion is in process and more information to follow. Another meeting is occurring next week.				
	Informational only	By Who	N/A	By When	N/A
HIDE/FIDE	B. Krogman brought up the communication from the association regarding their support for the HIDE for dual eligibles. My Health link was complicated. Not enough information yet to determine.				
	Informational Only	By Who	N/A	By When	N/A

MSHN
Mid-State Health Network

REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: March 20, 2023

Members Present: **Lindsey Hull; Maribeth Leonard; Sharon Beals (P); Tammy Warner; Kerry Possehn; Michelle Stillwagon (P); Bryan Krogman; Sandy Lindsey (P); Sara Lurie; Tracey Dore (P)**
Members Absent: Chris Pinter; Carol Mills;
MSHN Staff Present: **Joseph Sedlock; Amanda Ittner; Leslie Thomas**

Agenda Item	Action Required				
CONSENT AGENDA	Question to clarify the reference to NMRE in the PBIP Report. This was an MDHHS error and the rest of the report is correct.				
	Approved and acknowledged receipt	By Who	N/A	By When	N/A
FY22 CCBHC Expense Comparison	L. Thomas reviewed the FY22 CCBHC Expense Comparison included in the packet.				
	Informational Only	By Who	N/A	By When	N/A
Operating Agreement/Local Funds	L. Thomas reviewed the Background and Summary for the Operating Agreement and Local Funds related to Interest and Health Home Initiatives. Discussion and follow up included: • Estimates of MSHN expense for Health Homes • Consider other risk pools – Health Home Risk Pool • Funds should support both PIHPs and CMHs risk • Should all CMHs be at risk for initiatives deficit • PBIP – MSHN to review and report the expense related to the efforts of the metrics				
	MSHN will meet internally to provide more information related to expense and revenue related to SUD specific initiatives and health homes.	By Who	L. Thomas	By When	4.15.23
Update on MSHN Appeal of MDHHS Citation: Use of Ranges in PCPs	J. Sedlock reviewed letter from MDHHS regarding use of ranges MSHN's position hasn't changed and will continue to allow use of ranges as permitted by federal and state regulations.				
	Discussion Only	By Who	N/A	By When	N/A
CRU – Memorial Healthcare (Owosso)	L. Hall reviewed the background regarding the interest in Owosso Memorial to discuss the repurpose of an owned house to a CRU (3-4 bedroom – 6 beds) and operate directly. Adult only. Need to ensure they understand the requirements; voluntary, non-lockable Saginaw – CRU with Hope Network – (Meadows) will take all 6 beds and will no longer be taking new referrals. Ask: Is there interest in supporting another CRU? MSHN will explore if interested.				

Agenda Item		Action Required			
	MSHN will begin feasibility analysis in cooperation with Lindsey and Owosso Memorial	By Who	T. Lewicki/A. Ittner	By When	5.31.23
Preparation for April (In-Person) Strategic Planning Session	Priority: Risk to MSHN and CMHs with new initiatives Opportunities: Increase legislative connections and where it makes sense appointments to state groups O: Suggestion for budget advocacy for capital improvements for CMHs and providers W: The amount of resources and length of audits from MSHN seen as too much scrutiny – Look at deemed status and could this apply to in network MDHHS increased oversight and reporting Waivers – applications being pushed back at MSHN level for more information W: additional language to address workforce shortage O: Healthcare benefit regional S: Mutual respect for staff within CMH and PIHP S: Responsiveness within our region is strong Under threats where we can develop scenarios of threats/changes to the system				
	Additional feedback should be emailed to Joe. Next Steps: Designate 2hrs or so to priorities for discussion MSHN will use this information with the Board of Directors for the May 9, meeting planning session with the board. After the Board meeting, MSHN will create action planning that will be presented to Operations Council	By Who	J. Sedlock	By When	4.15.23
Provider Staffing Crisis Stabilization	Discussion regarding Retention Payments and if maximums are being placed due to providers that are shared within the network. Regional guidance doesn't include any language on maximums. Local decisions allowed regarding implementing maximums. COVID positive care payments are still in place with Saginaw, Tuscola, Central and CEI CMH.				

MSHN
Mid-State Health Network

REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: 04/17/2023

Members Present: Lindsey Hull (phone); Maribeth Leonard (phone); Carol Mills; Sharon Beals (phone); Tracey Dore; Kerry Possehn (phone); Michelle Stillwagon; Bryan Krogman; Sandy Lindsey (phone); Sara Lurie (late arrival); Tammy Warner (phone)
Members Absent: Chris Pinter
MSHN Staff Present: Joseph Sedlock; Amanda Ittner; For specific agenda items: Skye Pletcher, Leslie Thomas

Agenda Item	Action Required				
CONSENT AGENDA	No discussion				
	Considered and approved	By Who	N/A	By When	N/A

Operating Agreement/Local Funds Discussion (Continued)	Leslie Thomas reviewed the MSHN-proposed amendments to the operating agreement pertaining to local funds changes.
	For the Performance Bonus Incentive Program, the Council agreed to review another draft with the following elements:
	• Add language to clarify a % to be held for risk and the rest will be reinvested into the SUD provider network/SUD services.
	• Other possible changes:
	  ○ Change from $amount to an up to a % of SUD Revenue.
	  ○ Permissible to amount to be as agreed upon each year.
	  ○ % of SUD revenue with a 7.5% maximum.
	• Ops agreed to 3rd bullet and MSHN will draft language to propose next month
	• Change dissolution language to the dissolution of the program (BHH, OHH, etc.)
	For future discussion: Criteria/review of participants allowed to be certified in BHH.				

	MSHN will draft amended language to present at next month Ops meeting	By Who	L. Thomas	By When	5.1.23
Service Authorization Denial Summary and Procedure	Skye Pletcher reviewed the proposed procedure. CMCHM still has some questions that will be sent for review Also ensure "denial" is completely defined.				
	Support for moving forward in policy/procedure process	By Who	A. Ittner	By When	5/31/23
Children in Foster Care, MSHN Region, Report/Discussion	Amanda reviewed the background and discussion with DHS and MDHHS regarding services to Children in Foster Care. MSHN developed a report based on data from cc360 and will continue to validate and add additional metrics in the report.				
		By Who		By When	

Agenda Item	Action Required				
Operations Council Strategic Planning Work Session	Way to decrease burden on staff, streamline, access to data EVV – Add to Better Provider Systems – Anything licensed. Workforce shortages and the increased demands from MDHHS Data management system to manage the increased demands Questions related to SNPs proposed by MDHHS for FY2027(?) MHP rebid – what will be included Medicaid benefit and limitations – MDHHS clarification Education to MDHHS on Medicaid Manual – What can we do to ensure knowledge transfer Better Health: Add MSHN will work with CMHs, to clarify roles and improve access Change strengthening MDHHS to expanding MDHHS – 89 SUD Access and after-hours warm handoff Inpatient and BH complex care; Developing Care Pathways, Limits, functions, etc. Interface with schools and MH system, threat assessment (schools, police, violence, threat) what is the CMH involvement Opioid Settlement – regional coordinate and identify needs Appendix B -103 – Divide out PIHP reference and CMH (ex. CMH retention isn't great but PIHP is and expert knowledge) Pg 105 – step down solutions being limited since COVID, ex. CLS used to help support and stabilize. Social Determinates of health – community records, status of gathering information, exchange, local efforts to address. The number of reviews, audits: Can MSHN reduce the effort based on compliance, closed out the prior fiscal year encounters, Pg 104 – 4 bullet down… not finished Public/Private Partnerships – association has produced a document that supports public/private partnerships – should our region review and discuss; possibility an environmental scan				
	Amanda will send out SDoH Newsletters to Ops Council Board approval isn't until September so another review with Ops Council will occur in August.	By Who	A.Ittner J.Sedlock	By When	4.17.23 8.15.23

MSHN
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POLICIES MANUAL

Chapter:	**Finance**		
Title:	**Cash Management - Advances**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 3	**Review Cycle:** ~~Annually~~Biennia **Author:** Chief Financial Officer Chief Executive Officer	**Adopted Date: 07.05.2016** **Review Date:** ~~05.04.2021~~01.2023 **Revision Eff. Date: 07.11.2017**	**Related Policies:** Financial Management

Purpose

To establish consistent guidelines related to unplanned requests for funds from Community Mental Health Service Programs (CMHSP) Participants and the Substance Use Disorder Provider Network (SUDPN).

Policy

It is the policy of Mid-State Health Network (MSHN) that approval of accelerated payments or cash advance disbursements are made with good internal controls and in accordance with generally accepted accounting principles (GAAP). MSHN will consider requests for advance disbursements (accelerated payments or cash advances), as defined in this policy, within the cash flow requirements of MSHN.

1. **Definitions – Applicable to CMHSP Participants**
   a) ***Accelerated Payment*** Definition: An *accelerated payment* is defined as funds requested by a CMHSP Participant and distributed prior to MSHN's receipt of Medicaid, Healthy Michigan Plan, Habilitation Supports Waiver or Autism capitation payments from Michigan Department of Health and Human Services (MDHHS). Typically, this payment is due to the CMHSP, it is simply being requested that MSHN provide the funds on an accelerated basis, which means prior to receipt of said funds by MSHN. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods, but never beyond.
   b) ***Cash Advance*** Definition: A *cash advance* is a disbursement of funds, requested by the CMHSP, to manage short-term cash flow problems. A cash advance is for funds above budgeted current fiscal year disbursements to the CMHSP taking into consideration Medicaid and Healthy Michigan savings for benefit stabilization. Cash advances do not increase the CMHSPs current fiscal year budget nor does a cash advance carry over from one fiscal year to another.
   c) ***Interim Payment*** definition: An *interim payment* is the initial 85% of the current year budgeted Medicaid/Healthy Michigan Program payment sent to CMHSP participants upon MSHN's receipt of funds from MDHHS. The interim payment allows CMHSP participants to receive the majority of their anticipated Per Eligible Per Month (PEPM) immediately upon receipt by MSHN. The remaining budgeted disbursement (up to 15%) due to the CMHSP is made after eligibility file process completion and is typically made within three-to-five business days of the initial interim payment.
2. **Request Process**: While MSHN reserves the right to request additional documentation/information of justification, requests for consideration under this policy must:
   a) Be submitted in writing to the MSHN Chief Financial Officer and
   b) Include supporting information and documentation.
3. **Approval – CMHSP Participants:**
   a) MSHN will consider all requests for accelerated payments or cash advances from CMHSP participants. MSHN will assess regional cash requirements, MSHN cash requirements, bank balances, projected expense payments and all other related factors in making a determination of whether MSHN can support the CMHSP request. MSHN reserves the right, in its sole discretion, to approve, deny, modify or otherwise make decisions based on all available information in the best interests of the region.
   b) The CMHSP will be notified of the decision of MSHN as soon as possible but not later than 30 days after satisfactory submission of all information needed to make a decision.
   c) Approved cash advances will be paid within CMHSP's specified "need by" date if possible or as soon as MSHN can process said request.

4. **Repayment – CMHSP Participants**
    a) An accelerated payment made by MSHN to a CMHSP will be repaid by withholding the funds from the next scheduled interim payment due to the CMHSP once funds are received by MSHN from MDHHS. These are typically very short-term arrangements covering a time period of several days to several weeks; these arrangements may span across to monthly reporting periods but never beyond.
    b) A cash advance may be repaid to MSHN by the CMHSP on a mutually agreeable time frame, which is as short in duration as possible, provided that all repayments must occur on or before September 30 of the fiscal year within which the advance was approved and made. CMHSPs unable to meet the repayment requirements will have their organization's outstanding cash advance balance funds deducted from the last PEPM payments of the fiscal year to meet the fiscal year-end deadline net of any amounts due to CMHSP from MSHN.
5. **Definition – Applicable to SUDPN (Fee for Services/Cost Reimbursement Arrangements)**
Cash Advance Definition: A *cash advance* is defined as a request for funds from contracted providers that is financed on a fee-for-service or cost reimbursement basis where service provision has not yet occurred.
    a) Cash Advance Requests must:
        i. Be submitted in writing to the MSHN CFO and
        ii. Include supporting information on MSHN's clinical criteria practice model form
6. **Approval – SUDPN (Fee for Services/Cost Reimbursement Arrangements)**
MSHN will consider all requests for cash advances from MSHN contractors financed on a fee for service or cost reimbursement basis. MSHN will assess regional cash requirements, MSHN cash requirements, bank balances, projected expense payments and all other related factors in making a determination of whether MSHN can support the request. MSHN reserves the right, in its sole discretion, to approve, deny, modify or otherwise make decisions based on all available information in the best interests of the region.
    a) The contractor will be notified of the decision of MSHN as soon as possible but not later than 30 days after satisfactory submission of all information needed to make a decision.
    b) Approved advances will be paid within the specified "need by" date if possible or as soon as MSHN can process said request.
7. **Repayment – SUDPN (Fee for Services/Cost Reimbursement Arrangements)**
Repayments must be made within 60 days unless another mutually agreed upon time frame exists. All repayments must be made by September 30 of the fiscal year in which the advance was approved and made net of balances due to SUDPN, if any. Repayments may also be deducted from future payments to the contractor, in order to secure the repayment balance due.

General: A cash advance should be considered a rare exception and other revenue sources to cover cash flow issues should be pursued.

All payments must comply with Office of Management and Budget (OMB) 2 CRF 200.305 which requires minimum time elapsing between the transfer of funds from MSHN to the CMHSP participant or the SUDPN vendor. MSHN payment methods consist of Automated Clearing House (ACH), bank wire, or check.

Applies to:
☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☒ Policy Only ☒ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions:
ACH: Automated Clearing House; system that accomplishes electronic money transfers
CFO: Chief Financial Officer
CMHSP: Community Mental Health Service Program
GAAP: Generally Accepted Accounting Principles; A collection of commonly followed accounting rules and standards for financial reporting
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
OMB: Office of Management and Budget
PEPM: Per Eligible Per Month
SUDPN: Substance Use Disorder Provider Network

Other Related Materials:
Clinical Criteria Practice Model

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
12.11.2015	New Policy	Chief Financial Officer
05.31.2016	Annual Review	Chief Financial Officer
06.20.2016	Revised, Endorsed by Operations Council	Chief Executive Officer
03.2017	Auditor recommended change	Chief Financial Officer
03.2018	Annual Review	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURES MANUAL

Chapter:	**Finance**		
Title:	**Cash Management – Budget and Oversight Policy**		
Policy: ☒ **Procedure:** ☐ **Page: 1 of 2**	**Review Cycle:** ~~Annually~~Biennial **Author:** Chief Financial Officer, Finance Council	**Adopted Date: 09.12.2017** **Review Date:** ~~05.04.2021~~01.2023 **Revision Eff. Date:**	**Related Policies:** Financial Management

Purpose

To establish consistent guidelines for Community Mental Health Service Programs (CMHSP) Participants related to Medicaid including Autism and Healthy Michigan Plan (HMP) budgeting and projected cost overruns.

Policy

MSHN and all CMHSPs in the region are expected to operate within a contractually established per eligible per month (PEPM) payment beginning Fiscal Year (FY) 2020. This policy outlines region-wide fiscal responsibilities and available remedies and actions when anticipated or actual expenditures exceed PEPM revenue.

MSHN Responsibilities

- Provide CMHSPs with projected revenue obtained from actuarial data and other relevant reports versus actual amounts received annually for budgeting purposes and throughout the fiscal year as rebasing occurs.
- MSHN distributes revenue pursuant to the specifications in the MSHN Operating Agreement, or as otherwise adopted from time to time.
- As it is contractually required to do, MSHN will cost settle as defined in current policy to the allowable expenses and is required to cover allowable expenses totaling more than the PEPM
- MSHN will allow redirection of funding to cover shortfalls/overages between Healthy Michigan and Medicaid expenditures above straight capitation.
- After MSHN's Board of Directors approve the next fiscal year's budget, MSHN will request written cost containment plans from CMHSPs with expenditures projecting to exceed Medicaid and HMP PEPM revenue by more than one (1) percent of total combined revenue. MSHN will operate under a cost containment plan based on the same CMHSP criteria outlined directly above. MSHN will monitor quarterly projections and provide reports to the Finance and Operations Councils. MSHN may request an interim cost containment plan from a CMHSP with projected expenditures exceeding Medicaid and HMP revenue by more than (1) percent of total combined revenue. MSHN will operate under a cost containment plan based on the same CMHSP criteria outlined directly above.
- MSHN may elect to waive cost containment plans when the Internal Service Fund (ISF) is fully funded and the anticipated Savings is above the 5% MDHHS threshold or other circumstances warrant such an action. CMHSPs projected to overspend will be reviewed on a case by case basis. A MSHN cost containment plan may be waived based on the criteria outlined directly above.

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CMHSP Responsibilities

- CMHSPs will provide Medicaid and HMP budgets less than or equal to projected Medicaid and HMP revenue and establish mechanisms internally to contain expenses within the capitation provided by MSHN (unless approved by MSHN based on potential MDHHS revenue adjustments). If budgeted expenses exceed revenue, then CMSHPs will submit a balanced budget using all funding sources, with an indication of the amount of anticipated redirect.
- CMHSPs must cooperate with and implement necessary actions and strategies that contain Medicaid and HMP costs within available revenues. The cost containment plan must identify savings targets in dollars to be achieved by specified dates. The strategy must be sufficiently detailed to ensure cost containment strategies do not adversely impact or reduce medically necessary services.
- CMHSP may redirect funding in excess of their PEPM based on the approved spending plan
- CMHSPs anticipating spending in excess of PEPM for both Medicaid and HMP may receive an apportioned benefit stabilization payment based on available funding.

Applies to:
☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☒ Policy Only ☒ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions:
CMHSP: Community Mental Health Service Programs
HMP: Healthy Michigan Plan
ISF: Internal Service Fund
MSHN: Mid-State Health Network
PEPM: Per Eligible Per Month

Other Related Materials:

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
06.23.2017	New Policy	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
12.19.2018	Policy Update	Chief Financial Officer
11.14.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Policy Update	Chief Financial Officer

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POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Title:	Cash Management – Cost Settlement		
Policy: ☒ Procedure: ☐ Page: 1 of 2	Review Cycle: ~~Annually~~Biennia Author: Chief Financial Officer & Finance Council	Adopted Date: 05.03.16 Review Date: ~~05.04.2021~~01.2023 Revision Eff. Date:	Related Policies: Financial Management

Purpose

To ensure Mid-State Health Network (MSHN) complies with Michigan Department of Health and Human Services' (MDHHS) contract, the Operating Agreement, and the Medicaid Subcontract Agreement related to cost settlement funds.

Policy

It is the policy of MSHN to establish a consistent practice for cost settlement activities that are in accordance with good internal controls and generally accepted accounting principles (GAAP).

MSHN will perform annual preliminary cost settlement activities after the interim Financial Status Report (FSR) report is submitted to MDHHS. Community Mental Health Service Program (CMHSP) Participants are expected to provide preliminary cost settlement figures to the PIHP and return 85% of the anticipated lapse to the PIHP -within 15 days of the agency's FSR submission to MSHN unless both parties agree to an alternative arrangement. MSHN will make preliminary cost settlement payments of 85% for CMHSPs whose funding does not cover expected expenditures as soon as sufficient funding is available (either through savings or receipt of unexpended funds)

CMHSP's should submit to MSHN final fiscal audits within 6 months after the close of the fiscal year in question by their independent auditor or firm. Final cost settlement activities will generally occur in April or May following the fiscal year. This allows time for completion of MSHN's and its CMHSPs' Compliance Examinations which may impact cost settlement figures. These activities include development of a cost settlement spreadsheet containing detailed amounts and account information as well as a formal Cost Settlement and Contract Reconciliation letter from MSHN to each CMHSP's Chief Executive Officer (CEO). Remaining cost settlement funds are due within 30 days of the cost settlement letter referred to above.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☒ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:

CEO: Chief Executive Officer
CMHSP: Community Mental Health Service Program
FSR: Financial Status Report
GAAP: Generally Accepted Accounting Principles: A collection of commonly followed accounting rules and standards for financial reporting
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PIHP: Pre-paid Inpatient Health Plan

Other Related Materials

N/A

References/Legal Authority
MDHHS Contract
Operating Agreement
Medicaid Subcontract Agreement

Change Log:

Date of Change	Description of Change	Responsible Party
12.11.2015	New Policy	Chief Financial Officer
03.20.2017	Annual Review	Chief Financial Officer
03.2018	Annual Review	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURES MANUAL

Chapter:	**Finance**		
Section:	**Cash Management**		
Policy: □ **Procedure:** □ **Page:** 1 of 2	**Review Cycle:** ~~Annually~~Biennial **Author:** Finance Council	**Adopted Date: 11.22.2013** **Review Date:** ~~05.04.2021~~01.2023 **Revision Eff. Date:**	**Related Policies:** Financial Management

Purpose

To ensure the appropriate control of cash disbursements on behalf of Mid-State Health Network (MSHN).

Policy

It is the policy of MSHN that cash disbursements are made with good internal controls and in accordance with generally accepted accounting principles (GAAP).

A. All disbursements of the Entity's funds are made by check, electronic funds transfer, or purchasing card, and are recorded in such a manner as to clearly show to which budget category they are charged.
B. The Entity disburses funds through either the accounts payable system, or electronic funds transfer.
C. Checks issued through the accounts payable system shall be signed by the Chief Executive Officer and the Deputy Director. Signature plates or electronic signatures may be utilized.
D. Electronic funds transfer (EFT) and checks are processed through the payables system.
E. Purchasing Cards may be issued to permanent employees to be used for MSHN expenditures only.
F. The purchasing card is the property of MSHN and shall not be used for personal purchases. Cards used for personal purchases, or any other misuse must be reported to the Chief Financial Officer and Deputy Director immediately.
    1. Restrictions by individual will be maintained by the Deputy Director limiting the dollar limit per cycle, dollar limit per transaction, number of transactions allowed per day, and number of transactions allowed per cycle.
    2. Purchasing card users shall be required to sign a Purchasing Card Holder Agreement (*see Exhibit A*) before obtaining card which in part states that "misuse or fraudulent use of the card may result in disciplinary actions and may be grounds for dismissal".
    ~~2.~~3. Financial Manager shall forward monthly purchasing card statements to purchaser's Chief or Director in reporting line for review and sign off. Chief or Director should ensure supporting documentation is submitted by the purchaser prior to sign off.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN's CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:

EFT: Electronic Funds Transfer; the transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems
GAAP: Generally Accepted Accounting Principles; a collection of commonly followed accounting rules and standards for financial reporting
MSHN: Mid-State Health Network

Other Related Materials
Audit Procedure

References/Legal Authority
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
11.2013	Policy Update	Chief Financial Officer
10.05.2015	Policy Update	Chief Financial Officer
03.20.2017	Policy Update	Chief Financial Officer
3.2018	Annual Review	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Policy Update	Chief Financial Officer

Exhibit A – Purchasing Card Holder Agreement:

MID-STATE HEALTH NETWORK (MSHN)
PURCHASING CARD HOLDER AGREEMENT

Participating Employee
Acknowledgment of Responsibilities

By participating in MSHN Purchasing Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Purchasing Card Program. These responsibilities include, but are not limited to, the following:

MSHN Purchasing Card is to be used for business expenditures only. MSHN Purchasing Card may not be used for personal purposes.

The Purchasing Card will be issued in the name of the employee. By accepting the Card, the employee assumes responsibility for the Card and will be responsible for all charges made with the Card. The Card is not transferable and may not be used by anyone other than the Cardholder.

MSHN Purchasing Card must be maintained with the highest level of security. If the Card is lost or stolen, or if the Cardholder suspects the Card of Account Number to have been compromised, the Cardholder agrees to immediately notify JP Morgan Chase at 1-800-316-6056, and the MSHN Chief Finance Officer.

All charges will be billed to and paid directly by MSHN. On a bi- monthly basis, the Cardholder will receive a statement listing all activity associated with the Card. This activity will include purchases and credits made during the reporting period. While the Cardholder will not be responsible for making payments, the Cardholder will be responsible for the verification and reconciliation of all Account activity within **seven (7)** days of receiving the statement.

Cardholders' accounts may be subject to periodic internal control reviews and audits designed to protect the interests of MSHN. By accepting the Card, the Cardholder agrees to comply with these reviews and audits. The Cardholder may be asked to produce the Card to validate its existence and will be required to produce statements and receipts to verity appropriate use.

Parameters and procedures related to the Purchasing Card Program may be updated or changed at any time. MSHN will promptly notify all Cardholders of these changes. The Cardholder agrees to and will be responsible for the execution of and compliance with any program changes.

The Cardholder agrees to surrender and cease use of their Card upon termination of employment whether for retirement, voluntary separation, lay off, resignation, or dismissal. In the event of transfer within MSHN, the card may be canceled or modified to reflect that change. The Cardholder may also be asked to surrender the Card at any time deemed necessary by management.

MSHN reserves the sole and absolute discretion to deny the issuance of a Purchasing Card to any employee.

Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document. I certify that, as a participating Cardholder of MSHN, I understand and assume the responsibilities listed above.

Employee signature	Title
Name (Print)	Date

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POLICY & PROCEDURE MANUAL

Chapter:	Finance		
Title:	Costing Policy		
Policy: ☐ Procedure: ☐ Page: 1 of 2	Review Cycle: ~~Annually~~Biennial Author: Chief Financial Officer and Finance Council	Adopted Date: 11.04.2014 Review Date: ~~05.04.2021~~01.2023	Related Policies: Financial Management

Purpose:

The Mid-State Health Network (MSHN) costing policy is established to:

- Define responsibility for a unit costing system;
- Define the responsibility for comparison of member Community Mental Health Service Program (CMHSP) rates with other Prepaid Inpatient Health Plan (PIHP) rates within the state; and
- Define the responsibility for regular review of unit cost data to ensure that unit costs are reasonable and customary.

Policy:

A. Each Community Mental Health Services Program Participant (CMHSP) will calculate unit costs on an annual basis:
   1. Unit costs will be calculated using full accrual accounting and encounter data services
   2. Unit costs will be calculated based on total costs, which are reflective of staff time, associated with services provided, less any delegated Pre-Paid Inpatient Health Plan (PIHP) administrative cost allocation.

B. Each CMHSP will incorporate unit costs ~~into Encounter~~into Encounter Quality Initiative (EQI) reports:
   1. Each CMHSP will submit EQI reports to the PIHP based on the schedule identified in the Michigan Department of Health and Human Services (MDHHS) contract; and
   2. The PIHP will compile data into one PIHP report for submission to MDHHS.
   3. Beginning in Fiscal Year (FY) 2022, CMHSPs will incorporate as applicable Independent Rate Model (IRM) and Standard Cost Allocation (SCA) MDHHS guidelines into costing and unit rate methodology.

C. PIHP will compare regional rates to rates throughout the state on an annual basis:
   1. Annual submission by MDHHS of EQI data by region will be reviewed by PIHP if available to determine codes where the MSHN region is a cost outlier.
   2. For those codes where the MSHN region is a cost outlier:
      a. PIHP will determine, from EQI reports, which CMHSP(s) within the region is an outlier; and
      b. Request from outlier CMHSP(s) steps that will be taken to bring costs within range; or
      c. Request from outlier CMHSP(s) reasons for which their program cannot or should not be modified, including an analysis of a wide range of data (program model, business model, clinical model, other client services, geographic disparities, and/or productivity issues). PIHP may determine outliers not needing review if the regional costs of such services are not material.

D. PIHP will provide opportunities to learn from others by providing comparison data of PIHPs across the state and comparison data of CMHSPs within the region.

Applies to:

☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒MSHN's CMHSP Participants: ☐Policy Only ☒Policy and Procedure
☐Other: Sub-contract Providers

Definitions

CMHSP: Community Mental Health Service Program
EQI: Encounter Quality Initiative
IRM: Independent Rate Model
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PIHP: Pre-paid Inpatient Health Plan
SCA: Standard Cost Allocation
UNC: Unit Net Cost

References/Legal Authority

Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

Change Log:

Date of Change	Description of Change	Responsible Party
06.24.2014	New policy	Chief Financial Officer
10.05.2015	Policy update	Chief Financial Officer
03.20.17	Policy update	Chief Financial Officer
03.2018	Policy update	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Title	Financial Management		
Policy: ☒ Procedure: ☐ Page: 1 of 3	Review Cycle: ~~Annually~~Biennial Author: Chief Financial Officer	Adopted Date: 11.22.2013 Review Date: ~~05.04.2021~~01.2023 ~~Revision Eff. Date:~~	Related Policies: Cash Management Travel

Purpose

To ensure that MSHN maintains an accurate and consistent financial system, financial data reporting, and risk management program. Supporting procedures will address the details of each responsibility stated. Where applicable, each Community Mental Health Services Program (CMHSP) Participant shall adopt policies and/or procedures that meet, at a minimum, the requirements stated in this policy.

Policy

Mid-State Health Network (MSHN), a regional entity operating as the Prepaid Inpatient Health Plan (PIHP), shall ensure accurate and consistent financial systems, financial data reporting and risk management. All MSHN financial practices shall comply with requirements established by federal and state laws and contracts (including, but not limited to, the Medicaid, Substance Use Disorder, and grant contracts approved by the board), and the Medicaid Provider Manual.

Budgeting – General Accounting and Financial Reporting

A. MSHN shall develop the necessary infrastructure and procedures to ensure that the organization meets all budgeting, accounting, and financial reporting requirements imposed by federal and state laws and contracts (including but not limited to the Medicaid, Substance Use Disorder, and grant contracts approved by the Board), along with the Medicaid Provider Manual.
B. MSHN shall prepare, at a minimum, quarterly financial statements for board review that accurately report the financial position of the PIHP.
C. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or subcontractors include requirements necessary to support the budgeting, accounting, and financial reporting infrastructure and procedures developed. At a minimum, these requirements will include references to applicable laws, contracts, and sections of the Medicaid Provider Manual, and will indicate the required information and timelines for reporting to MSHN.

Revenue Analyses

A. MSHN shall develop procedures to analyze and project revenues/funding received through federal, state, and local contracts, and agreements. These procedures shall be adequate to ensure that all revenues due to the PIHP are recorded properly and timely, that errors or exclusions are identified, and all reasonable and appropriate steps are taken to correct them.
B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the revenue analysis procedures developed.

Expense Monitoring and Management

A. MSHN shall assure and CMHSPs shall develop procedures to monitor expenses to ensure they are reasonable and necessary to meet the needs of the programs and consumers for which MSHN and CMHSP participants are responsible. All expenses, including those incurred by MSHN, must meet federal, state and local requirements, including, but not limited to, Office of Management and Budget Circular 2 CFR 200 Subpart E Cost Principles, applicable federal and state laws and contracts, and other policies and restrictions imposed by the MSHN Board of Directors.
B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the expense monitoring and management procedures developed. At a minimum, these requirements will include provisions for MSHN monitoring of the CMHSP Participants and/or subcontractors, available sanctions to MSHN for inappropriate or undocumented expenses, and an appeals process. All expense monitoring requirements will be uniformly applied to all MSHN CMHSP Participants.

Service Unit and Recipient-Centered Cost Analyses, and Rate-Setting

A. MSHN shall develop procedures to analyze costs and rates at a level meaningful to the service unit being provided and the recipient of the service. At a minimum, MSHN will perform biennial market rate analysis studies by comparing other PIHP rates, Medicaid Health Plan fee schedules, and commercial insurance reimbursement amounts for like services. MSHN will also consider historical provider arrangements meeting specified costing requirements to ensure best value for all services.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the cost analysis and rate setting process. At a minimum, these requirements shall include the specific information and timeline for reporting to MSHN. All cost analysis and rate setting procedures will be uniformly applied to all MSHN CMHSP participants.

Risk Analyses, Risk Modeling and Underwriting

A. MSHN shall develop a risk management plan that addresses the various risks involved with managing services to eligible consumers as determined by federal and state laws and contracts.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the risk analysis procedures developed. At a minimum, these requirements shall indicate the extent that CMHSP Participants and/or subcontractors hold risk related to the populations they serve, and any financial incentives or terms related to the transfer of risk.

Insurance, Re-insurance, and Management of Risk Pools

A. MSHN shall develop procedures to determine the need for, and to participate in insurance, re-insurance, and risk pools sufficient to mitigate risk, in accordance with the Medicaid Contract, GASB Statement 10 (as amended) and generally accepted accounting principles. MSHN may purchase insurance or self-insure against losses and future funding shortfalls.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the insurance, re- insurance and management of risk pools.

Supervision of Audit and Financial Consulting Relationships

A. MSHN shall develop procedures adequate to ensure supervision of audit/monitoring and financial consulting relationships in the event that these functions are not performed by employees of MSHN.

B. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the supervision of the audit and financial consulting relationships procedures developed. At a minimum, these requirements shall include the expected interactions/relationship between the audit, financial consultants, and the CMHSP/subcontractor.

Claims Adjudication and Payment

A. MSHN shall develop procedures adequate to ensure that claims adjudication and payment are complete, accurate and timely.

   1) CMHSP Participants and subcontractors may be contracted on a basis not conducive to claims adjudication and payment (i.e. sub-capitation or net-cost arrangements). When this occurs, the procedures shall include the mechanisms necessary to initiate payment under these arrangements, and a process by which claims will be captured and associated with the payments. This may require individual or aggregate reporting of activity over the course of a fiscal year.

B. To the extent that claims adjudication and payment functions are delegated to CMHSP Participants and/or subcontractors, the procedures shall include how these functions will be monitored at the CMHSP or subcontractor to ensure compliance with requirements of federal and state laws and contracts, and the Medicaid Provider Manual.

C. MSHN shall ensure that all contracts and operating agreements with CMHSP Participants and/or other subcontractors include requirements necessary to support the claims adjudication and payment procedures developed. At a minimum, the contract shall specify the required information, and timeframes for reporting to MSHN, and in the case of delegation, shall indicate the claims adjudication and payment functions that are being delegated to the CMHSP Participant or subcontractor.

Audits

A. MSHN shall develop procedures to adequately accommodate audits of the PIHP to ensure completion in accordance with federal and state laws and contracts. These audits may include, but are not limited to, audits performed by the State of Michigan Office of Inspector General, the Michigan Department of Health and Human Services, other federal and state departments and agencies, and independent auditors.

B. The Chief Financial Officer (CFO) of MSHN shall prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America. These financial statements shall be subjected to an audit in accordance with generally accepted government auditing standards issued by the U.S. Government Accountability Office. The financial statements, with the audit opinion and any additional letters of comments and recommendations (the reporting package), shall be completed in sufficient time to be delivered to all federal, state and local agencies in accordance with agreed timelines, but no later than six months after the end of the fiscal year. The reporting package will be presented to the MSHN Board and remitted to the CMHSP Participants at the next meeting following completion.

C. MSHN shall ensure that all contracts and operating agreements with CMHSPs and/or other subcontractors include requirements necessary to support the audit procedures developed. At a minimum, the requirements shall include the specific information to be provided and timelines for reporting to MSHN.

Applies to:
☐All Mid-State Health Network Staff Selected MSHN Staff, as follows:
☐MSHN's CMHSP Participants: ☒Policy Only ☐ Policy and Procedure

Definitions:
CFO: Chief Financial Officer
CMHSP: Community Mental Health Service Program
GASB: Governmental Accounting Standards Board
MDHHS: Michigan Department of Health & Human Services
MSHN: Mid-State Health Network
PIHP: Prepaid Inpatient Health Plan

Other Related Materials:
Audit Procedure
Capitation Payments and Budget Development Procedure Claims Procedure
Investment Policy Procedure Costing Procedure
Risk Management Procedure MSHN Compliance Plan

References/Legal Authority:
N/A

Change Log:

Date of Change	Description of Change	Responsible Party
11.2013	New Policy	Chief Financial Officer
11.2014	Policy Update	Chief Financial Officer
11.2015	Annual Review	Chief Financial Officer
03.2017	Policy Update	Chief Financial Officer
03.2018	Annual Review	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

MSHN
Mid-State Health Network

POLICIES AND PROCEDURE MANUAL

Chapter:	Finance		
Title:	Fixed Asset Depreciation		
Policy: ☒ Procedure: ☐ Page: 1 of 2	Review Cycle: Biennial Author: Chief Financial Officer	Adopted Date: 03.03.2020 Review Date: ~~05.04.2021~~01.2023 Revision Eff. Date:	Related Policies:

Purpose
The purpose of this policy is to ensure Mid-State Health Network (MSHN) follows regulatory requirements when accounting for fixed assets and recording depreciation.

Policy
It is the policy of MSHN to record depreciation expense as outline in Governmental Accounting Standards Board (GASB) 34 and in accordance with the below Fixed Asset Depreciation Schedule.

- All equipment purchased with agency funds is the property of the MSHN.
- A fixed asset inventory record will be maintained for any item purchased or donated with an original cost, or if donated an assessed value at the time of acquisition, of $5,000 or greater.
- Limited personal use of MSHN equipment is subject to guidelines approved by the Chief Executive Officer
- Depreciation will be expensed in accordance with GASB 34 and other pertinent accounting standards for all Fixed Assets.
- MSHN will dispose of all items of equipment that is no longer useful to the PIHP's operations. Methods of disposal may include trade-in, transfer to another governmental agency, or other methods that are consistent with agency values. Items of equipment that are no longer in usable condition will be scrapped. MSHN will ensure all Protected Health Information (PHI) is removed prior to disposal and follow Michigan Department of Health and Human Services (MDHHS) contractual guidelines related to equipment disposition.

Fixed Asset Depreciation Schedule:

- Computer Equipment and Software: 3 years
- Vehicles: 5 years
- Office Equipment and Furniture: 5 years
- Building Improvements: 20 years
- Buildings: 30 years

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☐MSHN CMHSP Participants: ☐Policy Only ☐Policy and Procedure
☐Other: Sub-contract Providers

Definitions:
Equipment: Durable items having a useful life of more than one year.

Fixed Assets: Durable items costing $5,000 or more, having a useful life of more than one year, and are depreciated.
GASB: Governmental Accounting Standards
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PHI: Private Health Information
PIHP: Pre-paid Inpatient Health Plan

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Other Related Materials:
N/A

References/Legal Authority:
National Council of Governmental Accounting
Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants in 1989
2 CFR Section 200
Governmental Accounting Standard Bulletin (GASB) 34
Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

Change Log:

Date of Change	Description of Change	Responsible Party
12.04.2019	New Policy	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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Mid-State Health Network

POLICIES AND PROCEDURES MANUAL

Chapter:	**Finance**		
Title:	**Food Purchases**		
Policy: ☒ **Procedure:** ☐ ~~**Version: 1.0**~~ **Page:** 1 of 2	**Review Cycle:** Biennial **Author:** Chief Financial Officer	**Adopted Date: 03.05.2019** **Review Date:** ~~05.04.2021~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management

Purpose

The purpose of this policy is to establish consistent guidelines for the purchase of food for internal and external meetings.

Policy

During the process of conducting official business, Mid-State Health Network (MSHN) staff may purchase food for internal and external meetings.

Please Note: This policy does not supersede food purchases occurring during conference attendance and travel. Purchases in this category should follow MSHN's travel reimbursement policy.

Internal Meetings

An internal meeting is defined as a gathering primarily of MSHN staff. The purchase of food for such meetings are generally specific to mandatory annual trainings. Food purchases must be reasonable in nature based on guidelines in 2 Code of Federal Regulations (CFR) 200 Subpart E. Food purchases for internal meetings other than those defined for training must be approved in advance by MSHN's Chief Executive Officer (CEO) or Deputy Director (DD).

External Meetings

An external meeting is defined as a gathering primarily of Community Mental Health Service Program (CMHSP) Participants, Board of Directors, and/or Stakeholders with MSHN staff for the purpose of official business. Examples of external meetings as defined in this section include but are not limited to MSHN Board of Directors, Operations Council, Oversight Policy Board (OPB) meetings, as well as meetings of business partners, providers, legislators, state or local officials for business purposes. The purchase of food for such meetings must be reasonable in nature based on guidelines in 2 CFR 200 Subpart E.

Reasonable in Nature

MSHN deems purchases reasonable in nature to include prepared sandwiches, pre-ordered meals, snacks, non-alcoholic beverages, and other miscellaneous food items.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN's CMHSP Participants: ☐ Policy Only ☐☒ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:

CEO: Chief Executive Officer
CFR: Code of Federal Regulations
CMHSP: Community Mental Health Service Program
DD: Deputy Director
MSHN: Mid-State Health Network
OPB: Oversight Policy Advisory Board

Other Related Materials:
N/A

References/Legal Authority:
2 CFR 200 Subpart E

Change Log:

Date of Change	Description of Change	Responsible Party
11.26.2018	New Policy	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

MSHN
Mid-State Health Network

POLICIES AND PROCEDURE MANUAL

Chapter:	**Finance**		
Section:	**Investment**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 3	**Review Cycle: Biennial** **Author**: Chief Financial Officer	**Adopted Date: 02.04.2014** **Review Date:** ~~05.04.2021~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management

Purpose:
To provide investment parameters for Mid-State Health Network's (MSHN) Chief Financial Officer (CFO) and banking institutions performing investment transaction. The primary objectives, in priority order, of MSHN investment activities shall be:

1. Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
2. Diversification – The investments shall be diversified by security type and institution with the objective that potential losses on individual securities not exceed the income generated from the remainder of the portfolio.
3. Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
4. Return on Investment – The investment portfolio shall be designed with the objective of obtaining a reasonable market rate of return throughout budgetary and economic cycles, taking into consideration the investment risk, legal constraints and the cash flow characteristics of the portfolio.

Policy:
It is the policy of MSHN to invest its funds in a manner that provides the highest investment return, with maximum security, while meeting the daily cash flow needs of the entity and in compliance with all regulatory requirements governing the investment of public funds.

Prudence: The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Ethics and Conflicts of Interest: Officers, employees and agents, including but not limited to, investment managers, involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program, or impairs their ability to make impartial investment decisions. They shall disclose any material financial interests that could be related to the performance of MSHN's investment portfolio. They shall also comply with all applicable Federal and State laws governing ethics and conflict of interest.

Delegation of Authority: The responsibility for the investment policy is hereby delegated to the Chief Executive Officer (CEO) and the CFO who shall establish a written procedure and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by MSHN. The CFO is delegated as the Investment Officer.

Authorized Investments: The Investment Officer is limited to investments authorized by Act 20 PA of 1943, as amended, and may invest in the following:

1. Bonds, securities and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2) of Act 20 PA of 1943, as amended.
3. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments listed in subdivision (a) of Act 20 PA of 1943, as amended.
5. Bankers' acceptances of United States banks.
6. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
7. Mutual funds registered under the investment company act of 1940, title one of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
8. Obligations described in subdivisions listed above if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
9. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
10. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141. to 129.150.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by MSHN shall be on a cash (or delivery vs. payment) basis. Securities may be held by a designated third-party custodian and evidenced by safekeeping receipts as determined by the Investment Officer. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

1. Audited financial statements
2. Proof of National Association of Securities Dealers (NASD) certification
3. Proof of state registration
4. Completed broker/dealer questions
5. Certification of having read and understood and agreeing to comply with the MSHN Investment policy, (See Attachment #1)

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CMHSP Participants: ☐ Policy Only ☒ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CMHSP: Community Mental Health Service Program
MSHN: Mid-State Health Network
NASD: National Association of Securities Dealers
PIHP: Pre-paid Inpatient Health Plan
Prudent Person Rule: A standard that requires that a fiduciary entrusted with funds for investment may invest such funds only in Securities that any reasonable individual interested in receiving a good return of income while preserving his or her capital would purchase.

References/Legal Authority
Act 20 PA of 1943, as amended

Change Log:

Date of Change	Description of Change	Responsible Party
02.04.2014	New policy	Chief Financial Officer
11.06.15	Policy update	Chief Financial Officer
03.20.17	Policy update	Chief Financial Officer
03.2018	Annual Review	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**Finance**		
Title:	**Use of Public Act 2 Dollars**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 2	**Review Cycle:** Biennial **Author:** Chief Executive Officer Chief Financial Officer	**Adopted Date: 01.05.2016** **Review Date:** ~~05.04.2021~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management

Purpose

Per Public Act 206 of 1893, Section 24e, Paragraph 11, as amended, Mid-State Health Network (MSHN) receives liquor tax funds, also known as PA2 funds, from each of the counties in the region. The funds are for local use in treatment, intervention and prevention of substance use disorder (SUD) services. This policy stipulates the authority for and the approved use of PA2 funds.

Policy

Pursuant to and in accordance with MCL 211.24e, MSHN shall receive, administer and use PA2 funds in accordance with the law and at the direction of the Substance Use Disorder (SUD) Oversight Policy Advisory Board (OPB). PA2 funds shall be accounted for by county of origin and shall be used exclusively in the county from which they were derived. PA2 fund balances must be accounted for by each county and planned use must occur in the county of origin. Interest income from PA2 funds is considered local income and, at the direction of the SUD OPB, must be used to support SUD treatment, intervention and prevention activities or the related proportionate share of administrative costs.

> *MCL 211.24e: (11) If the sum of a county's operating property tax levy for the ensuing fiscal year plus the county's distribution to be received pursuant to section 10 of the state convention facility development act, 1985 PA 106, MCL 207.630, exceeds the product of the county's taxable value for the ensuing fiscal year times the greater of the county's base tax rate or concluding fiscal year's operating millage rate, then an amount equal to the lesser of 50% of the excess or 50% of the state convention facility development act distribution shall be used for substance abuse treatment programs within the county. The proceeds received by the taxing unit shall be distributed to the coordinating agency designated for that county pursuant to section 6226 of the public health code, 1978 PA 368, MCL 333.6226, and used only for substance abuse prevention and treatment programs in the county from which the proceeds originated.*

At least annually the SUD OPB shall approve a plan and budget for the use of PA2 funds. The plan and budget shall include the amount of planned funding to be expended; the intended purpose for SUD treatment, intervention or prevention; and the identified primary contractor(s). The MSHN Chief Financial Officer (CFO) shall prepare and provide the SUD OPB with a bi-monthly report of PA2 funds received and disbursed.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐MSHN's CMHSP Participants: ☐ Policy Only ☐Policy and Procedure
☒ Other: MSHN SUD Oversight Policy Board

Definitions:

CFO: Chief Financial Officer
MSHN: Mid-State Health Network
OPB: Oversight Policy Advisory Board
PA2 Funds: Public Act 2 Liquor Tax Funds

SUD: Substance Use Disorder

Other Related Materials:

N/A

References/Legal Authority:

Public Act 206 of 1893, Section 24e, Paragraph 11, as amended; MCL 211.24e

Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

Change Log:

Date of Change	Description of Change	Responsible Party
TBD	New Policy	Chief Executive Officer
11.06.15	Update Policy – Original not Board approved	Chief Financial Officer
03.20.17	Policy Update	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**Finance**		
Title:	**Public Act 2 Dollars Interest Allocation**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 1	**Review Cycle:** Biennial **Author:** Chief Financial Officer	**Adopted Date: 09.06.2016** **Review Date:** ~~05.04.2021~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management Use of Public Act 2 Dollars

Purpose

Per Public Act 206 of 1893, Section 24e, Paragraph 11, as amended, Mid-State Health Network (MSHN) receives liquor tax funds, also known as PA2 funds, from each of the counties in the region. The funds are for the expressed purpose of local use in treatment, intervention and prevention of substance use disorder (SUD) services. Interest earned on PA2 funds will be allocated to each county within MSHN's region.

Policy

It is the policy of Mid-State Health Network that interest earned on PA2 funds during the fiscal year will be determined annually at September 30. MSHN earns interest on all revenue sources including, Medicaid, Healthy Michigan, Block Grant, and PA2. Interest attributable to PA2 will be allocated to each county proportionately based on fiscal year end balances. A financial report by county will be presented to the Substance Use Disorder Oversight Policy Board (OPB) designating the revenues received, disbursements made, and interest earned.

Applies to:

☒All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN's Affiliates: ☐ Policy Only ☐ Policy and Procedure
☒Other: MSHN SUD Oversight Policy Advisory Board

Definitions:

CFO: Chief Financial Officer
MSHN: Mid-State Health Network
OPB: Oversight Policy Board
PA2 Funds: Public Act 2 Liquor Tax Funds
SUD: Substance Use Disorder

References/Legal Authority:

Public Act 206 of 1893, Section 24e, Paragraph 11, as amended; MCL 211.24e
Michigan Department of Health and Human Services Contract for
1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

Change Log:

Date of Change	Description of Change	Responsible Party
08.08.2016	New Policy	Chief Financial Officer
03.20.17	Annual Review	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Section:	**Procurement Policy**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 4	**Review Cycle:** Biennial **Author:** Chief Financial Officer	**Adopted Date: 09.02.2014** **Review Date:** ~~09.13.2022~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management Cash Management

Purpose

To provide guidance to Mid-State Health Network (MSHN) staff involved in purchasing goods and services to assure:

A. That the MSHN obtains the best possible price and terms for all goods and services;
B. That a wide range of qualified vendors are notified of impending purchases;
C. That specifications are not so needlessly complex or restrictive that they would exclude qualified vendors; and
D. That staff are encouraged to exercise discretion in the purchasing process.

Policy

A. Oversight and Supervision of the Purchasing Process Shall be as Follows:
   1. **$0.00 -- $1,999**: Purchase of goods or services valued within this range may be purchased without written cost quotations or proposals. The responsible staff person shall solicit verbal quotations and submit to the Chief-level administrative officer in their reporting line. If approved by the Chief, documentation should be sent to the Chief Financial Officer who will authorize the purchase to be made from the vendor best able to provide necessary goods or services based upon price, availability of goods, and delivery schedule.
   2. **$2,000 -- $24,999**: Purchase of goods or services valued within this range shall be preceded by the solicitation of written cost proposals (or estimates), submitted to the Chief-level administrative officer in their reporting line, and if approved, sent to the Chief Financial Officer. The Chief Financial Officer shall develop a written recommendation based on written documentation and present to the Chief Executive Officer for approval. The reasons for all purchases made where the low-cost proposal is not accepted shall be clearly documented. Approved purchases shall be made from the vendor best able to provide the necessary goods or services with price being the primary consideration. The Chief Financial Officer will forward all pertinent documentation for inclusion in the accounts payable file.
   3. **$25,000 and higher**: Purchase of goods or services valued within this range shall be preceded by the solicitation of cost proposals as described in the Procedure: Procurement through formal procurement process (such as, but not necessarily limited to requests for quote, requests for information, or requests for proposals). Agency procedures for these processes shall be followed as noted in the Substance Use Disorder (SUD) Direct Service Procurement Policy and Procurement Through Request For Proposal Procedure The purchase shall be made from the vendor best able to provide the necessary goods or services with price being the primary consideration. The Chief-level Administrative Officer responsible for the purchase shall send all pertinent documentation and recommendations to the Chief Financial Officer. The Chief Financial Officer shall develop a written recommendation based on written documentation and present to the Chief Executive Officer for approval. The reasons for all purchases made where the low-cost proposal is not accepted shall be clearly documented. Once approved by the CEO, the Chief Financial Officer, with assistance from the Chief-level administrative officer responsible for the purchase, will prepare a Board Background and Motion (BB&M) containing sufficient background information and underlying rationale to support the purchase recommendation to the Board of Directors.

Items or services previously approved by the Board shall be brought back to the Board for review and approval if there is a dollar amount variance from the original BB&M of more than $10,000.

Exceptions:

1. Properties/facilities and maintenance purchases shall be bid out when the annualized or per item cost/value exceeds $10,000.
2. Computer Hardware and Software: The purchase of computer items or services valued less than $5,000 shall not be subject to this policy / procedure. The purchase may be approved when, in the judgment of the Chief Information Officer (CIO), the purchase is made from the vendor best able to provide necessary goods or services based upon price, availability of goods, and delivery schedule. The Chief Financial Officer must approve the purchase or purchase arrangement.
3. Computer Services: The purchase of computer services valued less than $20,000 may be approved by the Chief Information Officer after consultation with the Chief Financial Officer, when the provider of that service has already been selected to provide similar services within the previous 24 months via a documented bid or cost comparison process. Such approval may be made when, in the judgment of the CIO, the vendor continues to be best able to provide necessary services based upon price, performance and schedule.
4. Computer Hardware and Software and Employee/Physician Insurances: Purchases of $25,000 and higher may not be required to adhere to formal procurement process if the responsible Administrative Officer determines a solicitation of cost proposals is more appropriate.
5. Clinical services and/or supports including Substance Use Disorder (SUD) services are excluded from this policy as these procurements are governed by MSHN's SUD Direct Service Procurement Policy.
6. The services sought are professional services of limited quantity or short duration (e.g. Psychological testing);
7. Through the person-centered planning process, the consumer has chosen a qualified non-network provider as his/her provider of choice.
8. Where, for purposes of continuity of care, an existing qualified network provider or provider panel may be selected to provide a service.
9.

Exclusions:

1. The purchase of food and consumable supplies.
2. Goods or service contracts entered under, or based upon, the State of Michigan MI Deal program or the US Federal Government's GSA program(s).

B. Staff shall obtain cost proposals from qualified vendors for goods and services specified in this policy. Proposals may be obtained by means of direct solicitation or by advertising through professional periodicals, or otherwise appropriate publications with the express purpose of notifying a wide range of vendors. The use of direct solicitation or published advertisements to affect an efficient and expeditious vendor response shall be left to the discretion of the Chief-level administrative officer with responsibility for department making the purchase, in consultation with the Chief Financial Officer if/as needed. Generally, the receipt of at least three cost proposals shall be required prior to authorizing a purchase, however, the receipt of fewer proposals shall be acceptable, provided that a reasonable staff effort and solicitation process is documented and approved by the Chief Financial Officer.

C. MSHNs finance department may maintain a list of qualified vendors for solicitation purposes for routine or regular purchases. This list may be developed from a variety of sources, including vendor requests, professional or trade organizations, and past MSHN experience. The qualification of vendors may include verifying appropriate insurances, licensure, past performance based upon written recommendations and comments from previous customers, and the vendor's size and experience relative to MSHN's project and needs.

D. When used, MSHN Chief-level administrative officer shall develop specifications for cost proposals that are sufficiently complete so that all vendors provide quotations that are comparable. Specifications shall not be designed to favor a particular brand or type of product, or to exclude a particular vendor, without good cause. Good cause for narrow or restrictive specifications may include, but is not limited to, compatibility with existing systems or equipment, particular or specific needs of MSHN that few vendors are capable of fulfilling, professional or technical judgment of MSHN staff, and previous MSHN experience with vendors of products. The reasons for restrictive or narrow specifications must be clearly defined and filed with all other cost and proposal documents. Staff may be authorized make purchases without obtaining cost proposals, if only one vendor or product exists, or if proposals for identified products were received within the past twelve (12) months. The Chief Financial Officer shall approve all written specifications prior to release.

E. Staff shall maintain records sufficient to detail the significant history of a procurement decision. These records shall include, but are not limited to, information pertinent to the rationale for the method of provider selection or rejection and the basis for the cost or price. The files shall be maintained with MSHN's Finance department.

F. It is the responsibility of the Chief-level administrative officer to confirm with the Chief Financial Officer or designee that funds have been allocated and are available prior to the purchase.

G. All audits required by MSHN shall be obtained by direct solicitation or by advertising, which shall adhere to the principles stated herein. The length of the initial audit period shall not exceed three years. The CFO shall approve the audit specifications and proposal process. All responses to audit cost proposals shall be reviewed and approved by the Chief Executive officer and by the Board of Directors. MSHN may authorize staff to extend audit services beyond the original audit period without soliciting additional cost proposals, provided that any extensions do not exceed three (3) years. The cost for any extension may be negotiated at the time the extension is authorized.

H. Sole Source Exceptions: Under certain circumstances, the agency may contract with vendors or providers through single-source procurement without executing a competitive bid process. These circumstances may include any one or more of the following:
    1. The goods or services are available only from a single source;
    2. There is an urgent or emergent need for the goods or service;
    3. After solicitation through a number of sources, there is a lack of qualified provider candidates;
    4. The goods or services sought are unique or highly specialized;
    5. The services sought are professional services of limited quantity or short duration (e.g. Psychological testing);
    6. Through the person-centered planning process, the consumer has chosen a qualified non-network provider as his/her provider of choice.

   Single Source exceptions must be documented in writing and filed with the provider contract file (or accounts payable files) prior to execution of contract or expenditures of funds to complete the purchase.

I. For the purchases funded with federal funds, the MSHN shall be in compliance with requirements of the Davis-Bacon Act, the Copeland "Anti-Kickback" Act, and the Contract Work Hours and Safety Standards Act.

J. MSHN funds may not be utilized for the purchase of alcohol or tobacco products.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN's CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:

Administrative Officer: MSHN officer of administrative services (Chief Executive Officer, Deputy Directory, Chief Financial Officer, Chief Information Officer, Chief Clinical Officer)
BB&M: Board of Directors' Background and Motion
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CIO: Chief Information Officer
CMHSP: Community Mental Health Service Program
GSA: General Services Administration; The executive agency responsible for supervising and directing the disposal of surplus personal property
MI Deal: Extended purchasing program which allows Michigan local units of government to use state contracts to buy goods and services
MSHN: Mid-State Health Network
RFP: Request for Proposal
SUD: Substance Use Disorder

References/Legal Authority

2 CFR 200; Subpart D; Sections 318 through 326
Michigan Department of Health and Human Services Contract for Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s), the Healthy Michigan Program, and Substance Use Disorder Community Grant Programs – Procurement Technical Requirement

Change Log:

Date of Change	Description of Change	Responsible Party
09.2014	New Policy	Chief Financial Officer
11.2015	Annual Review	Chief Financial Officer
03.20.17	Policy Update	Chief Financial Officer
03.2018	Annual Review	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
06.2022	Policy Update	Chief Executive Officer
01.2023	Biennial Review	Chief Financial Officer

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PO LICIES AND PROCEDURE MANUAL

Chapter:	Finance		
Title:	Risk Management – Internal Service Fund		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 2	**Review Cycle:** Biennial **Author:** Chief Financial Officer	**Adopted Date: 07.01.2014** **Review Date:** ~~05.04.2021~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management Investments

Purpose:
Mid-State Health Network (MSHN) will establish an internal service fund (ISF) as a method for securing funds as part of the region-wide strategy for managing Medicaid risk exposure under the MDHHS/PIHP Medicaid Managed Specialty Supports and Services Contract. The funding of the ISF will be maintained at a level that sufficiently covers the projected overall risk of the Pre- Paid Inpatient Health Plan (PIHP), yet ensures maximum funds are directed to consumer services.

Policy:

A. As an integral part of risk management planning, the PIHP shall determine the necessity and the optimal funding amounts for an ISF, with the input and analysis provided by the MSHN Finance Council.

B. The ISF shall be maintained by the PIHP in accordance with the MSHN Investment Policy and in compliance with MDHHS/PIHP Services and Supports Contract with the Michigan Department of Health and Human Services consistent with the following criteria:
   1. Contributions to the ISF shall retain their character as state funds in accordance with the Mental Health Code. Beginning Fiscal Year 2017, MDHHS allows Medicaid and Healthy Michigan Plan (HMP) reserves may be used interchangeably to cover cost overruns in both funding stream. The use of funds to cover cost overruns assumes the funding stream in question exhausted its reserves prior to the redirection.
   2. Funds used to finance the ISF shall not be used as local funds or used to match federal cost sharing.
   3. ISF funds will be invested in accordance with the MSHN Investment Policy.
   4. Interest earnings from the investment of ISF funds shall be used to fund the risk reserve and shall be maintained in the fund.

C. MSHN shall determine at least semi-annually the optimum ISF funding level using the following criteria:
   1. The expected risk based on historical costs experience or reasonable cost assumptions.
   2. The funds contributed to the ISF determined in compliance with reserve requirements as defined by GAAP and applicable federal and state provisions, as stated in the MDHHS Services and Supports Contract.
   3. Charges allocated to the various programs/cost categories based on the relative proportion of the total contractual obligation.

D. MSHN shall review the costs charged against the ISF using the following criteria:
   1. Costs are restricted to the defined purpose of the ISF and no expenses can be charged to these funds
   2. The proper share of the risk corridor is charged to the ISF

E. MSHN shall review the total funding level of the ISF to ensure that:
   1. If the ISF becomes over-funded, it shall be reduced within one fiscal year through the abatement of current charges.
   2. If abatements are inadequate to reduce the ISF to the appropriate level, it shall be reduced through refunds in accordance with OMB Circular 2 CFR 200 Subpart E Cost Principles.

3. Upon dissolution of the ISF, any funds remaining in the ISF after all of its claims and related liabilities have been liquidated shall be refunded pursuant to OMB Circular 2 CFR 200 Subpart E Cost Principles.

Applies to:
All Mid-State Health Network Staff
Selected MSHN Staff, as follows:
MSHN CMHSP Participants~~'s Affiliates~~: [X] Policy Only [ ] Policy and Procedure
Other: Sub-contract Providers

Definitions:
GAAP: Generally Accepted Accounting Principles
ISF: Internal Service Fund; Risk reserve fund that can be used by the PIHP to cover Medicaid and Healthy Michigan Plan risk corridor financing, if necessary, per the shared risk contract with MDHHS
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
OMB: Office of Management and Budget
PIHP: Pre-paid Inpatient Health Plan

Other Related Materials
MSHN Investment Policy

References/Legal Authority
The following federal and state statues, contracts, and technical specifications establish the standards for Mid-State Health Network's Risk Management – ISF procedure.

A. The Balance Budget Act of 1997
B. OMB Circular 2 CFR 200 Subpart E Cost Principles
C. Mental Health Code
D. Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children's Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))
E. Generally Accepted AccountingPrinciples

Change Log:

Date of Change	Description of Change	Responsible Party
04.01.2014	New policy	Chief Compliance Officer
07.07.2015	Annual Review	Chief Financial Officer
07.05.2016	Annual Review	Chief Financial Officer
03.20.2017	Policy Update	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**Finance**		
Title:	**Substance Use Disorder Treatment – Income Eligibility & Fees**		
Policy: X **Procedure:** ☐ **Page:** 1 of 2	**Review Cycle:** Biennial **Author:** Chief Financial Officer and Finance Manager	**Adopted Date: 11.2015** **Review Date:** ~~05.04.2021~~01.2023 ~~**Revision Eff. Date:**~~	**Related Policies:** Financial Management

Purpose:
Per contractual requirements with the Michigan Department of Health & Human Services (MDHHS) Mid-State Health Network (MSHN) is required to establish and maintain an income eligibility policy and procedure. The policy is intended to assure compliance with contractual obligations.

Policy:
MSHN requires use of a standardized income eligibility fee policy and procedure for all substance use disorder (SUD) treatment services. This policy is applicable to all treatment service modalities.

General Information:
Application of First and Third-Party Fees: The contract provisions with respect to the collection and reporting of first and third-party fees earned by a SUD Provider will be the first source of funding for the consumer. If benefits are exhausted or if the person needs a service not covered by that third party insurance, community block grant funds may be applied. It will be the SUD Provider's responsibility to develop and maintain policies and procedures regarding the collection and reporting of consumer fees and accounts receivable.

Consumer Eligibility: The income eligibility scale shall use a consumer's current annualized household income and the family size to determine the consumer's financial eligibility for a SUD treatment benefit from MSHN. Household income would include the income of the consumer's spouse, if living in the same home. It would also include the income of a significant other, if that consumer is cohabitating with the consumer and is engaged in the consumer's treatment process. Income would be excluded for estranged or separated spouses, for parents of any college-age consumer or adults living with parents if the parents only provide room and board. Income would also be excluded for adult children living at home if the parent is in treatment. Consumers whose family income falls at or below the guidelines identified in the attached "Income Eligibility for MSHN Benefits are eligible for a benefit subsidy as identified. Exceptions for income requirements may be made for consumer safety issues, continuity of care issues, and other items as reviewed and approved by MSHN staff. All exclusions should be documented in the consumer chart. The provider retains the authority to grant waivers to this policies and related procedures. If a waiver of income eligibility and fees is granted it shall be documented in the fee section of the consumer record.

- Income Verification: An Income Verification/Fee Agreement is to be completed at admission for each MSHN consumer that is funded through Community Block Grant dollars and signed by the consumer. In addition, proof of income must be documented in the consumer file (i.e., current pay stub, latest income tax return). Income should represent only legally obtained income. Annual gross income can be used, however, the most recent ninety (90) day period prior to admission should be reviewed to include any changes in employment.

Failure to secure and retain these items in the consumer's file will be grounds for non-reimbursement of services. If a consumer reports no income but is physically able to work, employment should be addressed as a treatment issue in the consumer's treatment plan.

An individual will not be denied service because of an inability to pay for services.

Non-allowable uses Block Grant:

- Inpatient hospital services except under conditions specified in federal law
- Cash payments to intended recipients of services
- Purchase, improve, or build (as applicable):
  - Land
  - Buildings and other facilities
  - Major medical equipment
- Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of funds
- Pay the salary of an individual in excess of Level I of the Federal Executive Schedule

Applies to:

☐All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN CMHSP Participants: ☐Policy Only ☐ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions:

MDHHS: Michigan Department of Health & Human Services
MSHN: Mid-State Health Network
SUD: Substance Use Disorder

Other Related Materials:

- Financial Eligibility Worksheet
- MSHN Eligibility Procedure w. Attachment A (Income Verification Agreement)
- Financial Eligibility & Waiver Worksheet

References/Legal Authority:

- Michigan Mental Health Code
- Michigan Department of Health and Human Services Contract for Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s), the Healthy Michigan Program, and Substance Use Disorder Community Grant Programs

Change Log:

Date of Change	Description of Change	Responsible Party
08.2015	New Policy	Finance Manager
06.16.16	Policy Update	Chief Financial Officer
03.20.17	Policy Update	Chief Financial Officer
03.2018	Policy Update	Chief Financial Officer
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURES MANUAL

Chapter:	Finance		
Title:	Transfer of CMHSP Care Responsibility		
Policy:☒ Procedure ☐ Page: 1 of 2	Review Cycle: Biennial Author: Operations Council	Adopted Date: 03.07.2017 Review Date: ~~05.04.2021~~01.2023 ~~Revision Eff. Date:~~	Related Policies:

Purpose

Lack of statutory clarity with respect to establishing County of Financial Responsibility (COFR) has, in some cases, resulted in delays of appropriate services to consumers, protracted disputes and inconsistency of resolution across the state. This is particularly true for consumers who have never received services from a state operated facility and for whom financial responsibility is thus not addressed directly by Chapter 3 of the Mental Health Code. Community Mental Health Services Programs (CMHSPs) are statutorily responsible for serving persons 'located' in their jurisdiction even when responsibility for payment is in question.

In order to respect the residency preferences of persons served in the geographic area, offer seamless regional access to specialty mental health services and reduce administrative burden, the Mid-State Health Network (MSHN) Prepaid Inpatient Health Plan (PIHP) and its CMHSP Participants have agreed to a regional Transfer of Care Responsibility policy as a supplement to existing COFR practices for Medicaid and Healthy Michigan Plan (HMP) recipients.

Policy

1. As a general rule, MSHN and its CMHSP Participants will abide by the County of Financial Responsibility Technical Requirement for CMHSPs of the Michigan Department of Health and Human Services/CMHSP Managed Mental Health Supports and Services Contract. This document is incorporated to this policy by reference and will be applied to all existing service arrangements and new service requests received by CMHSPs in the MSHN region.
2. MSHN and its CMHSP Participants will consider exceptions to the general COFR rule in section II.A of the County of Financial Responsibility Technical Requirement for CMHSPs regarding change in residency of persons that have an established COFR in the 21 county MSHN PIHP geographic area, provided all of the following requirements are met:
    a. Person requesting the change is an adult and has a personal or familial interest in the residency change that is unrelated to specialty mental health services and supports.
    b. Person is presumed competent or if not, the change is authorized by a duly established legal guardian or representative.
    c. Person is seeking a change in residency to another county within the MSHN region.
    d. Person intends to reside in the county permanently or indefinitely.
3. CMHSP Participants that have persons in service that meet exception requirements to the general COFR rule will discuss the potential change in care responsibility during the contract negotiation process with the destination CMHSP in the MSHN region. CMHSP Participants will work collaboratively to obtain a consensus that supports the person's change in residency and ensures a seamless transition of services.
4. The CMHSP Participants will establish a mutually agreeable timeline for permanent change in the CMHSP care and financial responsibility that honors the person's desired timeline for change in residency but will not exceed 6 months.

CMHSP Participants that are unable to reach mutual agreement regarding permanent transfer of COFR within the MSHN region may pursue remedy through the Dispute Resolution Process as outlined in the MSHN Operating Agreement, Article VIII.

Applies to:
☒All Mid-State Health Network Staff
☐Selected MSHN Staff, as follows:
☒ MSHN CMHSP Participants: ☐Policy Only ☒ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:
CMHSP: Community Mental Health Services Program; A program operated under Chapter 2 of the Michigan Mental Health Code-Act 258 of 1974 as amended.
COFR: County of Financial Responsibility; As defined in Section 1306 of the Mental Health Code, the county of financial responsibility is the county in which the individual maintained his or her primary place of residence at the time he or she entered 1 of the following: (a) A dependent living setting, (b) A boarding school or (c) A facility.
MSHN: Mid-State Health Network; A regional entity formed for the purpose of carrying out the provisions of Section 1204b of the Mental Health Code relative to serving as the prepaid inpatient health plan to manage Medicaid specialty supports and services.
PIHP: Pre-paid Inpatient Health Plan; An organization that manages Medicaid specialty services under the state's approved Concurrent 1915(b)/1915(c) Waiver Program, on a prepaid, shared-risk basis, consistent with the requirements of 42 CFR part 401, as amended, regarding Medicaid managed care.

Other Related Materials:
"County of Financial Responsibility Technical Requirement for CMHSPs", of the Michigan Department of Health and Human Services/Community Mental Health Services Program Managed Mental Health Supports and Services Contract

References/Legal Authority:
1. The Social Welfare Act, Act 280 of 1939, MCL 400.32(2), "resident of state" defined.
2. Michigan Mental Health Code, Act 258 of 1974, MCL 330.1306 (1), "determining individual's county of residence".

Change Log:

Date of Change	Description of Change	Responsible Party
August 2016	New Policy	Operations Council
03.2018	Annual Review	Operations Council
03.2019	Policy Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	Finance		
Section:	Travel		
Policy: ☒ Procedure: ☐ Page: 1 of 3	Review Cycle: Biennial Author: Chief Financial Officer	Adopted Date: 02.04.2014 Review Date: ~~05.04.2021~~01.2023 ~~Revision Eff. Date: 07.07.2020~~	Related Policies: Financial Management

Purpose

Mid-State Health Network (MSHN) recognizes that employees, students, volunteers and Board members may be required to travel on behalf of MSHN. It is the intent of MSHN to provide for the reasonable expenses associated with that travel.

Policy

It is the policy of Mid-State Health Network (MSHN) that all reasonable expenses for official travel will be reimbursed in accordance with State and Federal laws and the guidelines set forth below. It is recognized that exceptions are on occasion, necessary. Such exceptions shall be approved, in advance, when possible, by the Chief Executive Officer (CEO).

A. All individuals are required to drive their own automobile in the course of their employment. Employees will be reimbursed at IRS Mileage Rate. Mileage will generally be computed from the employee's "official station" (OS) if within the State of Michigan and shall be based on MapQuest calculations. ~~No transportation cost will be allowed between an employee's residence and the OS. When an employee originates work at a location other than their OS, mileage shall be reimbursed if the difference to the destination is greater than the distance to the OS. Reimbursement shall be based on the "lesser rule" in calculating the difference from travel to the OS.~~ If the OS is outside of the State of Michigan, the MSHN Office is designated as the OS for purposes of calculating business mileage. In addition employees will be reimbursed for mileage to MSHN's office or other company designated locations for internal meetings and internal trainings. The OS of a Board member or volunteer is determined to be their home (provided it is in the State of Michigan) and reimbursement shall be calculated ~~form~~ from that starting location.

B. Should employees/Board members/volunteers attend pre-authorized meetings, conference, conventions, or seminars on behalf of MSHN, the following shall apply:

   1. Travel by private automobile shall be reimbursed at the IRS mileage rate, provided reimbursement shall not exceed tourist air fare, plus an allowance to and from the airport.
   2. ~~If~~Any business travel outside of the State of Michigan requires prior CEO or Deputy Director approval. Travel within the State of Michigan for paid conferences, conventions, or seminars must be approved by the Director or Chief within the employees's reporting line. Administrators may approve travel vouchers. If travel is by common carrier, tourist fare will be reimbursed if receipts have been retained and submitted with the expense report~~.~~
   3. Reimbursement for meals plus tip will be allowed while traveling out-of-town to/ from or at the place of any meeting, conference, seminar, or convention not to exceed the daily amount established the Internal Revenue Service (IRS). Meals for internal departmental meetings are not covered unless prior approval is given by the CEO. Such allowance shall be on a "per meal" basis and are not to exceed three in one day. Detailed receipts are required to be reimbursed (Credit slips not detailing items purchased are not acceptable). Claims for reimbursement of conference expenses (other than mileage and meals) must be supported with adequate documentation (receipts) for reimbursement to be made. Documentation must include proof of payment: detailed credit card statement;

original receipt from conference stating amount paid; or copy of personal check with registration documentation.

4. Tolls and telephone expense will be reimbursed when it is necessary as part of the trip on behalf of MSHN; taxi fare (or available alternatives, such as Lyft or Uber) is reimbursable only if the trip was made ~~by common carrier~~for business purposes.
5. Parking fees during the conference, convention, seminar, or meeting will be reimbursed if receipts are retained and submitted with the expense report.

~~6.~~ Lodging costs and incidental expenses for overnight stays ~~in the Greater Lansing Area are not~~ are permitted ~~unless an exception is authorized by the Chief Executive Officer or designee. However, employees who have a good reason for an exception are encouraged to seek initial approval from their immediate supervisor, who will then forward the request to the CEO (or designee) indicating their rationale for support for an exception~~ for external conferences and trainings that are at least two consecutive days. ~~.~~

C. Expense reports shall be submitted to the Chief Financial Officer (CFO) for payment after the appropriate Supervisor approvals and following the convention, conference, seminar, or meeting attended by the employee. A short explanation of each expense must accompany the expense report, along with receipts.

D. Expense Not Reimbursed: MSHN does not reimburse expenses which are not pertinent to required travel unless specific advanced approval has been obtained in writing from the CEO and may include but is not limited to.

1. Expenses associated with the spouse or family member who may be travelling with the MSHN representative.~~Mileage from the employee's home to and from work.~~
2. Expenses associated with speeding or parking violations.
3. Alcoholic beverages.
~~3.~~4. State tax (where MSHN is exempt from tax)

E. Expense submitted greater than 60 days: All reimbursement requests must be submitted within 60 days of the travel expense being incurred. Per the IRS Publication 463, "Travel, Entertainment, Gift, and Car Expenses," employees must adequately account to MSHN for travel expenses within a reasonable period of time or the amount may become taxable. A reasonable period of time is defined as adequately accounting for your expenses within 60 days of them being incurred. Any reimbursement requests submitted after 60 days require approval of the Chief Executive Officer.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☐ MSHN's CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
☐ Other: Sub-contract Providers

Definitions:

CEO: Chief Executive Officer
CFO: Chief Financial Officer
CMHSP: Community Mental Health Service Program
IRS: Internal Revenue Service
MSHN: Mid-State Health Network
~~Lesser Rule: When travel from an employee's home to an alternate work location, or from an alternate location to home, transportation expenses must be reimbursed at the current mileage rate using the lesser of:~~

~~1) Mileage between the employee's home and the alternate work location, or~~
~~2) Mileage between the Eemployee's official station and the alternate work location.~~

Official Station (OS): An employee's "official station" is ~~the MSHN office located in Lansing, MI~~deemed their home address (as noted in most recent Remote Agreement) in the State of Michigan ~~.~~unless otherwise mandated by the CEO- ~~–~~Employees with official residences in other States will not be reimbursed for expenses associated with travel to and from Michigan. All other guidelines in this policy apply for expense reimbursement. Some employees, with variable assignments, may have a daily OS assignment, which is defined based on their established work schedule. For the purpose of this policy, the OS for Board members or volunteers is the address provided on their employment forms (or home).

References/Legal Authority

IRS Mileage Rates: http://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates

Change Log:

Date of Change	Description of Change	Responsible Party
02.04.2014	New policy	Chief Financial Officer
11.06.2015	Policy update	Chief Financial Officer
03.20.17	Policy update	Chief Financial Officer
03.2018	Policy update	Chief Financial Officer
03.2019	Annual Review	Chief Financial Officer
02.2020	Added Lansing Area Lodging	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Policy Update	Chief Financial Officer

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POLICIES AND PROCEDURE MANUAL

Chapter:	**General Management**		
Title:	**CCBHC Recipient Eligibility**		
Policy: ☒ **Procedure:**☐ **Page:** 1 of 3	**Review Cycle:** Biennial **Author:** Chief Behavioral Health Officer	**Adopted Date:** **Review Date**	**Related Policies:** General Management: Care Coordination Planning, Population Health & Integrated Care; Utilization Management: Population Health & Integrated Care, Utilization Management

Purpose

Mid-State Health Network (MSHN) must adhere to the Certified Community Behavioral Health Clinic (CCBHC) contractual and policy requirements with the Michigan Department of Health and Human Services (MDHHS). MSHN shares responsibility for ensuring continued access to CCBHC services and is responsible for meeting minimum requirements and coordinating care for eligible CCBHC recipients.

Policy

MSHN Utilization Management (UM) functions are performed in accordance with approved MSHN policies, procedures, and standards. MSHN has delegated determination of CCBHC recipient eligibility to its provider network. This includes monitoring of prospective, concurrent, and retrospective reviews of UM decisions regarding CCBHC eligibility. MSHN provides delegated managed care oversight and monitoring relative to access and eligibility of Medicaid and Non-Medicaid recipients recommended for enrollment in one of its CCBHCs.

CCBHC Recipient Eligibility:

Any individual with a mental health or substance use disorder (SUD) diagnosis code from the 10th revision of the International Statistical Classification of Disease and Related Health Problems (ICD-10) as cited in Appendix B of the Michigan CCBHC Demonstration Handbook, is eligible for CCBHC services. The mental health or SUD diagnosis does not need to be the primary diagnosis if an individual has more than one diagnosis. Individuals with diagnosis of intellectual/developmental disability are eligible for CCBHC services if a mental illness and/or SUD diagnosis is present as well.

Eligibility review should align with assessment and diagnosis and take place as frequently as clinically appropriate. If an individual continues to have a behavioral health and/or substance use diagnosis, they are eligible for CCBHC services.

CCBHC Enrollment/Disenrollment and Recommendation in the Waiver Support Application (WSA):

The CCBHC shall be engaged in the following functions related to recipient eligibility:

1) Recommend MSHN to complete an action on CCBHC recipient assignment.
2) Adhere to all applicable privacy, consent, and data security statutes.
3) Practice in accordance with accepted standards and guidelines and comply with all applicable policies published in the Michigan Medicaid Provider Manual.
4) Utilize the waiver support application (WSA) to develop a recipient roster, review reports, recommend individual assignment to the CCBHC, and view data for assigned recipients.
5) Attest to diagnostic criteria for recipients.
6) Recommend recipient disenrollment, as appropriate, to MSHN via the WSA.

7) Recipients can change CCBHC providers, if feasible. The current CCBHC and the future CCBHC need to coordinate and communicate transition options to the recipient.

CCBHC Enrollment/Disenrollment and Assignment in the Waiver Support Application (WSA):
MSHN will use the WSA for CCBHC assignment activities, including assignment management and report generation. Assignment management includes the following:

1) MSHN shall work with the CCBHCs in its region to assign eligible recipients in the WSA.
2) Review CCBHC WSA-uploaded information on CCBHC recipients for the Medicaid and non-Medicaid population.
3) Assign CCBHC recipient to the appropriate CCBHC.
4) MSHN will engage in oversight and review activity to confirm the presence of appropriate diagnosis/diagnoses as well as consent, as a part of regular delegated managed care activity and utilization management reports.
5) Disenroll recipient from the WSA, as appropriate.
6) Facilitate transfer from CCBHC to CCBHC as appropriate.

Applies to:

☒ All Mid-State Health Network Staff
☐ Selected MSHN Staff, as follows:
☒ MSHN's CCBHC Affiliates: ☐ Policy Only ☒ Policy and Procedure
☒ Other: Sub-contract Providers

Definitions/Acronyms:

Assigned: Medicaid or non-Medicaid CCBHC recipient assigned to a CCBHC in the WSA. This action is completed by the PIHP.
CCBHC: Certified Community Behavioral Health Clinic.
CHAMPS: Community Health Automated Medicaid Processing System
CMHSP: Community Mental Health Service Provider
DCO: Designated Collaborating Organization. An entity not under direct supervision of the CCBHC but is in a formal relationship with the CCBHC and delivers services under the same requirements as the CCBHC.
Disenrolled: Medicaid or non-Medicaid recipient disenrolled from the CCBHC.
Eligible: Medicaid or non-Medicaid person who is eligible for CCBHC services. These individuals are not yet assigned to a CCBHC in the WSA.
Enrolled: Medicaid beneficiary who is enrolled in the CCBHC benefit plan in CHAMPS.
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network.
PIHP: Prepaid Inpatient Health Plan.
Recommended: Medicaid or non-Medicaid eligible recipient recommended by a CCBHC for assignment by the PIHP.
Subcontractors: refers to an individual or organization that is directly under contract with CMHSP and/or MSHN to provide behavioral health services and/or supports.
Provider Network: refers to MSHN CMHSP Participants and SUD providers directly under contract with MSHN to provide/arrange for behavioral health services and/or supports. CCBHC services and supports may be provided through direct operations or through the DCO arrangements.
SUD: Substance Use Disorder
Transfer: an option the recipient can utilize to change CCBHC providers. It is recommended that the recipient establish a lasting relationship with their chosen CCBHC.
UM: Utilization Management
WSA: Wavier Support Application

Related Materials:
N/A

References/Legal Authority:

1. MDHHS Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program
2. Michigan Medicaid Provider Manual, (current edition).
3. Michigan Certified Community Behavioral Health Clinic (CCBHC) Handbook, Version 1.3

Change Log:

Date of Change	Description of Change	Responsible Party
3/22/2022	New MSHN policy	Director of Utilization and Care Management