# Mid-State Health Network

## Board of Directors Meeting ~ January 6, 2026 ~ 5:00 p.m.

### Board Meeting Agenda

MyMichigan Medical Center
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

   Remind members of the Board Member Conduct Policy

   "B. On matters of general comment or comments of a personal nature, after being recognized by the Chairperson, each Board member may speak on items presently before the Board twice, for up to three (3) minutes each time. The Chairperson may extend an additional (3) minute speaking period at the request of the individual board member or if duly authorized by board action. Any member can make a motion to suspend the rule, which motion must be seconded. If the motion passes, the rule shall be suspended for the duration of consideration of the item before the Board.

   C. On matters involving questions about an item presently before the Board, there shall be no limit on board member questions or other inquiry.

   D. On matters of debate involving significant differences in views among board members about an item presently before the Board, the Board Chair may designate a timeframe within which the debate is to occur. The Board, by motion duly seconded and adopted, may extend the period for debate. Any member can motion to close debate, which motion must be seconded and is not debatable. If the motion passes, such debate shall terminate."

2. Roll Call

3. **ACTION ITEM:** Approval of the Agenda

   **Motion to Approve the Agenda of the November 18, 2025 Meeting of the MSHN Board of Directors**

4. Public Comment (3 minutes per speaker)

5. **ACTION ITEM:** FY2026 Quality Assessment and Performance Improvement Program (QAPIP) and the FY2025 Annual Effectiveness and Evaluation Report (*Page 6*)

   **Motion to approve the Quality Assessment and Performance Improvement Program (QAPIP) for October 1, 2025 through September 30, 2026 and the Annual Effectiveness and Evaluation Report for October 1, 2024 to September 30, 2025**

6. Chief Executive Officer's Report *(Page 13)*

7. Deputy Director's Report *(Page 25)*

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### 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/fy2026-meetings

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### Upcoming FY26 Board Meetings

Board Meetings convene at 5:00pm Unless otherwise notes

**March 3, 2026**
MyMichigan Medical Center
300 E. Warwick Drive
Alma, MI 48801

**May 5, 2026**
MyMichigan Medical Center
300 E. Warwick Drive
Alma, MI 48801

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

8. Chief Financial Officer's Report

   Financial Statements Review for Period Ended November 30, 2025 *(Page 28)*

   **ACTION ITEM: Receive and File the Preliminary Statement of Net Position and Statement of Activities for the Period ended November 30, 2025, as presented**

9. **ACTION ITEM:** Contracts for Consideration/Approval *(Page 36)*

   **The MSHN Board of Directors Approve and Authorizes the Chief Executive Officer to Sign and Fully Execute the FY 2026 Contracts, as presented on the FY 2026 Contract Listing**

10. Executive Committee Report

11. Chairperson's Report

12. **ACTION ITEM:** Consent Agenda

    **Motion to Approve the documents on the Consent Agenda**

    12.1 Approval Board Meeting Minutes 11/18/2025 *(Page 38)*
    12.2 Receive Board Executive Committee Minutes 12/19/2025 *(Page 42)*
    12.3 Receive Policy Committee Meeting Minutes 12/02/2025 *(Page 43)*
    12.4 Receive Operations Council Key Decisions 11/17/2025 *(Page 45)* and 12/15/2025 *(Page 46)*
    12.5 Approve the following policy:
    12.5.1 SUD Income Eligibility *(Page 48)*

13. Other Business

14. Public Comment (3 minutes per speaker)

15. Adjourn

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# FY26 MSHN Board Roster

| Last Name | First Name | Email 1 | Email 2 | Phone 1 | Phone 2 | Appointing CMHSP | Term Expiration |
|---|---|---|---|---|---|---|---|
| Bock | Patty | pjb1873@gmail.com | | 989.975.1094 | | HBH | 2026 |
| Bohner | Brad | bbohner@tds.net | | 517.294.0009 | | LifeWays | 2028 |
| Brodeur | Greg | brodeurgreg@gmail.com | | 989.413.0621 | | Shia Health & Wellness | 2027 |
| Conley | Patrick | conleypat@gmail.com | | 585.734.6847 | | BABHA | 2028 |
| DeLaat | Ken | kend@nearnorthnow.com | | 231.414.4173 | | Newaygo County MH | 2026 |
| Garber | Cindy | cgarber@shiawassee.net | | 989.627.2035 | | Shia Health & Wellness | 2027 |
| Griesing | David | davidgriesing@yahoo.com | | 989.545.9556 | 989.823.2687 | TBHS | 2027 |
| Grimshaw | Dan | midstatetitlesvcs@mstsinc.com | | 989.823.3391 | 989.823.2653 | TBHS | 2026 |
| Hanna | Tim | thanna280@gmail.com | | 517.230.8773 | | CEI | 2028 |
| Hicks | Tina | tinamariemshn@outlook.com | | 989.576.4169 | | GIHN | 2027 |
| Johansen | John | j.m.johansen6@gmail.com | | 616.754.5375 | 616.835.5118 | MCN | 2027 |
| 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 | 2027 |
| O'Boyle | Irene | irene.oboyle@cmich.edu | | 989.763.2880 | | GIHN | 2026 |
| Vacant | | | | | | CEI | 2025 |
| Peasley | Kurt | peasleyhardware@gmail.com | | 989.560.7402 | 989.268.5202 | MCN | 2027 |
| Phillips | Joe | joe44phillips@hotmail.com | | 989.386.9866 | 989.329.1928 | CMH for Central | 2026 |
| Purcey | Linda | dpurcey1995@charter.net | | 616.443.9650 | | The Right Door | 2028 |
| Raquepaw | Tracey | tl.raquepaw@icloud.com | raquepawt@michigan.gov | 989.737.0971 | | Saginaw County CMH | 2028 |
| Scanlon | Kerin | kscanlon@tm.net | | 502.594.2325 | | CMH for Central | 2028 |
| Schultz | Lori | ljodas63@gmail.com | | 616.293.8435 | | Newaygo County MH | 2028 |
| Swartzendruber | Richard | rswartzn@gmail.com | | 989.269.2928 | 989.315.1739 | HBH | 2026 |
| Williams | Joanie | joanie.williams1977@gmail.com | | 989.860.6230 | | Saginaw County CMH | 2026 |
| Woods | Ed | ejw1755@yahoo.com | | 517.392.8457 | | LifeWays | 2027 |

## Administration:

| | | | | | |
|---|---|---|---|---|---|
| Sedlock | Joe | joseph.sedlock@midstatehealthnetwork.org | 517.657.3036 | 989.529.9405 | |
| Ittner | Amanda | amanda.ittner@midstatehealthnetwork.org | 517.253.7551 | 989.670.8147 | |
| Thomas | Leslie | leslie.thomas@midstatehealthnetwork.org | 517.253.7546 | 989.293.8365 | |
| Kletke | Sherry | sheryl.kletke@midstatehealthnetwork.org | 517.253.8203 | 517.285.5320 | |

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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 Clinical Officer

**CFR:** Code of Federal Regulations

**CFAP:** Conflict Free Access and Planning (Replacing CFCM)

**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

**CPS:** Children's Protective Services

**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

**DECA:** Devereux Early Childhood Assessment

**DMC:** Delegated Managed Care (site visits/reviews)

**DRM:** Disability Rights Michigan

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

**D-SNP:** Dual Eligible Special Needs Plan

**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)

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

**HB:** House Bill

**HCBS:** Home and Community Based Services

**HHP:** Health Home Provider

**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)

**ICTS:** Intensive Community Transitions Services

**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

**MCO:** Managed Care Organization

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

**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

**MICAS:** Michigan Intensive Child and Adolescent Services

**MichiCANS:** Michigan Child and Adolescent Needs and Strengths

**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

**NAA::** Network Adequacy Assessment

**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

**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)

**OWQP:** Only Willing and Qualified Provider

**PA:** Public Act

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

**PAC:** Political Action Committee

**PCP:** Person-Centered Planning

Primary Care Physician

**PEO:** Professional Employer Organization

**PEPM:** Per Eligible Per Month (Medicaid funding formula)

**PFS:** Partnership for Success

**PI:** Performance Indicator

**PIP:** Performance Improvement Project

**PIHP:** Prepaid Inpatient Health Plan

**PMV:** Performance Measure Validation

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

**PRTF:** Psychiatric Residential Treatment Facility

**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

**RHC:** Rural Health Clinic

**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

**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

**SUDHH:** Substance Use Disorder Health Home

**SUD OPB:** Substance Use Disorder Oversight Policy Board

**SUGE:** Bureau of Substance Use, Gambling and Epidemiology

**TANF:** Temporary Assistance to Needy Families

**THC:** Tribal Health Center

**UR/UM:** Utilization Review or Utilization Management

**VA:** Veterans Administration

**VBP:** Value Based Purchasing

**WM:** Withdrawal Management (formerly "detox")

**WSA:** Waiver Support Application

**WSS:** Women's Specialty Services

**YTD:** Year to Date

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

**Background:**

FY 2026 Quality Assessment and Performance Improvement Program (QAPIP) Plan and FY2025 Annual Effectiveness and Evaluation Report:

To comply with the Medicaid Managed Specialty Supports and Services Contract, specifically as it relates to the description of the QAPIP and Annual Effectiveness and Evaluation:

> "The PIHP must have a written description of its QAPIP which specifies 1.) an adequate organizational structure which allows for clear and appropriate administration and evaluation of the QAPIP; 2.) the components and activities of the QAPIP including those as required below; 3.) the role for recipients of service in the QAPIP; and 4.) the mechanisms or procedures to be used for adopting and communicating process and outcome improvement."

And specifically, as it relates to the Governing Body Responsibilities:

> "The QAPIP must be accountable to a Governing Body that is a PIHP Regional Entity. Responsibilities of the Governing Body for monitoring, evaluating, and making improvements to care include:
>
> A. Oversight of QAPIP - There is documentation that the Governing Body has approved the overall QAPIP and an annual QI plan.
>
> B. QAPIP progress reports - The Governing Body routinely receives written reports from the QAPIP describing performance improvement projects undertaken, the actions taken and the results of those actions.
>
> C. Annual QAPIP review - The Governing Body formally reviews on a periodic basis (but no less frequently than annually) a written report on the operation of the QAPIP.
>
> D. The Governing Body submits the written annual report to MDHHS following its review. The report will include a list of the members of the Governing Body."

Please refer to the FY25 MSHN QAPIP Report Executive Summary for an overview and highlights from the full FY25 MSHN QAPIP Report and the FY26 MSHN QAPIP Plan Executive Summary for an overview and highlights from the full FY26 MSHN QAPIP Plan.

**Recommended Motion:**

The MSHN Board of Directors has reviewed and approves the Quality Assessment and Performance Improvement Program (QAPIP) Plan for the period of October 1, 2025– September 30, 2026, and the Annual Effectiveness and Evaluation Report for the period of October 1, 2024 - September 30, 2025.

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# 2026 QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PROGRAM (QAPIP) PLAN EXECUTIVE SUMMARY

# Executive Summary FY26 QAPIP Plan

## Purpose

The Fiscal Year (FY) 2026 QAPIP Plan outlines Mid-State Health Network's (MSHNs) ongoing strategy to monitor, assess, and continuously improve the quality of behavioral health and substance use disorder services provided throughout Region 5. This year's plan reflects alignment with the Michigan Department of Health and Human Services (MDHHS) 2023–2026 Comprehensive Quality Strategy (CQS), federal managed care regulations (42 CFR §438.330), and the organization's Strategic Plan and Quintuple Aim priorities (Better Health, Better Care, Better Value, Better Provider Systems, and Better Equity).

## Overview of FY26 Plan Revisions

Building upon the FY2025 QAPIP framework, the FY2026 QAPIP plan has been modernized, restructured, and expanded to enhance transparency, accountability, and data-driven performance management.

**1. Structural and Organizational Updates**

- Reorganized table of contents and formatting for clarity and consistency
- New separated sections for External Audits & Reviews, Financial Oversight, Long-Term Supports and Services (LTSS)/Home and Community Based Services (HCBS), Provider Qualifications, Cultural Competence, and Relevant Policies & Attachments were added
- Overall, strengthened alignment with the Michigan Department of Health and Human Services (MDHHS) QAPIP standards and Pre-Paid Inpatient Health Plan (PIHP) contractual obligations

**2. Organizational Structure and Leadership**

- Clarified Quality Improvement Council's (QICs) role as the coordinating body for all performance measurement and improvement activities
- Updated council/committee descriptions to emphasize collaboration, accountability, and stakeholder inclusion. FY26 introduces streamlined descriptions of councils, committees, and provider responsibilities, full descriptions of councils/committees were placed in an appendix to streamline the QAPIP plan itself
- Adds language clarifying provider accountability under 42 CFR 438.608 and reinforces use of formal charters aligned with the Strategic Plan

**3. Performance Management and Measurement**

- Expanded details on data governance and establishment of performance measures
- Integration of a Performance Management Process Map aligned with the Plan-Do-Study-Act (PDSA) model
- Wording alignment with Balanced Scorecard indicators and the MDHHS Behavioral Health Quality Program

**4. QAPIP Priorities**

- Overall, the QAPIP workplan has been brought in to each relevant QAPIP priority section to clearly delineate the goals and activities associated with each area rather than having two separate documents
- Language has been streamlined and updated in each QAPIP priority section to capture requirements while also outlining any significant changes for FY26

# Executive Summary FY26 QAPIP Plan

## Overview of FY26 Plan Revisions Continued

**4. QAPIP Priorities**

- Michigan Mission Based Performance Indicator System (MMBPIS): Changes primarily reflect MDHHS discontinuation of most MMBPIS indicators beginning FY2026 while retaining Indicator #2 (timeliness of biopsychosocial assessments) as mandated by MDHHS
- Performance Improvement Projects (PIPs): Continues existing PIPs on racial and ethnic disparity reduction, designated as Remeasurement Period 3 per MDHHS extension through FY2026
- Performance Based Incentive Payment Measures (PBIP): Expands PBIP details to specify Calendar Year (CY) 2026 metrics and validation requirements
- Stakeholder Experience of Care: Streamlined language to specify ongoing consumer satisfaction survey work within MSHN for FY26
- Adverse Events: Expanded definitions and restructured language was utilized for adverse event classification (Immediate Reportable, Sentinel, Critical, and Risk Events), consistent with MDHHS Critical Incident Reporting requirements
- Behavior Treatment: Added quarterly trend analysis language and expanded wording around oversight
- Utilization Management: Updated language and integrated the Utilization Management plan into the FY26 QAPIP plan for consistency in messaging within this area
- Integrated Care: Updated section on Integrated Care Initiatives, highlighting Behavioral Health Homes, SUD Health Homes, and population health into FY2026. Removed Certified Community Behavioral Health Clinic (CCBHC) areas due to changes effective FY26 with PIHP oversight
- Practice Guidelines: Enhanced focus on wording around evidence-based and trauma-informed practices with measurable fidelity tracking and delegated review expectations
- Long Term Supports and Services (LTSS)/Home and Community Based Services (HCBS): New dedicated section detailing integration of HCBS performance monitoring, quality indicators, and consumer experience results—supporting federal HCBS rule compliance
- Cultural Competence: Reinforced commitment to cultural competence with updated wording in this section linking the QAPIP to diversity initiatives
- Provider Network Oversight: Restructured sections allow for ease of end-reader through all of the provider network areas of oversight including provider qualifications/credentialing and provider monitoring and follow-up
- Financial Oversight: Updated wording in section describing fiscal accountability and QAPIP alignment with budgetary review processes


**5. Definitions/Acronyms:** Definitions not referenced within the FY26 QAPIP plan were removed and this section was streamlined to only definitions needed for this plan

**6. Relevant Resources:** All resources have been updated with most up-to-date documents and links

**7. Relevant Policies & Procedures:** Now cross-referenced directly within the QAPIP with direct links to MSHN website for transparency and ease of access

**8. Attachments:** Attachments were directly embedded within the QAPIP plan for ease of reader and reference

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# 2025 QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PROGRAM (QAPIP) REPORT EXECUTIVE SUMMARY

# Executive Summary FY25 QAPIP Report

## Overview

The Fiscal Year (FY) 2025 Quality Assessment and Performance Improvement Program (QAPIP) Report reflects MSHN's annual evaluation of the effectiveness of its system-wide quality initiatives across Region 5. The review demonstrates sustained progress in the delivery of high-quality, person-centered, and equitable behavioral health and substance use disorder (SUD) services, with measurable improvement in access, outcomes, and stakeholder satisfaction.

The FY25 measurement period (October 1, 2024 to September 30, 2025) includes all twelve Community Mental Health Services Program (CMHSP) participants, SUD providers, and affiliated networks within MSHN's 21-county service region. The report summarizes performance results, external review outcomes, and recommendations that inform the FY26 QAPIP Plan.

## QAPIP Report Highlights

MSHN maintains a robust, data-driven performance management system, integrating state and federal metrics, regional dashboards, and quality indicators across the domains of access, effectiveness, experience of care, and safety. Some key areas of highlight for the FY25 QAPIP Report include:

**Michigan Mission-Based Performance Indicator System (MMBPIS)**

- **Performance:** MSHN exceeded the state average on 9 of 18 indicators, maintaining strong outcomes in timeliness, follow-up, and engagement
- **Barriers Identified:** Ongoing workforce shortages, high rates of consumer no-shows, and inconsistent data interpretations between PIHPs
- **Next Steps (FY26):** Continue monitoring Indicators 1, 2, and 3, with Indicator #2 retained for Michigan Department of Health and Human Service (MDHHS) compliance, Indicator #1 for Network Adequacy, and Indicator #3 for the ongoing Performance Improvement Project (PIP)

**Priority Populations**

- **Performance:** Pregnant individuals experienced a marked improvement, from 35% compliance in FY23 to nearly 60% in FY25, with non-pregnant populations increasing from 80% to 87%
- **Effective Interventions:** Centralization of access for SUD withdrawal management and residential services led to improved timeliness of admission
- **Next Steps (FY26):** Continue targeted access initiatives to achieve full compliance with timeliness standards for all priority populations

**Performance-Based Incentive Program (PBIP)**

- **Performance/Status:** Partially met; MSHN continues to perform well in most metrics but noted variation in employment and follow-up measures
- **Next Steps (FY26):** Maintain ongoing improvement monitoring in FY26 to close gaps and reduce identified disparities consistent with MDHHS performance benchmarks

**Performance Improvement Projects (PIPs)**

- **Performance:** MSHN continued implementation of two long-term Performance Improvement Projects focused on reducing racial and ethnic disparities in access and penetration rates for behavioral health services:
  - **PIP #1: Access Disparity Reduction**
    - Statistically significant improvement- the disparity between Black/African American and White populations was statistically eliminated ($p > .05$) in FY25 Remeasurement 3 (CY2025 YTD)
    - Demonstrates sustained positive regional impact of interventions implemented across CMHSPs.
  - **PIP #2: Penetration Rate Disparity Reduction**
    - The disparity was reduced from 2.06% (CY21) to 1.51% (CY25 YTD), showing continuous narrowing of the gap, though not yet fully eliminated
- **Next Steps (FY26):** Continue current interventions through Remeasurement Period 3 (CY2025) and maintain focus on data-driven equity improvements in FY26

# Executive Summary FY25 QAPIP Report

## Overview of FY25 Report Continued

**Stakeholder Experience and Satisfaction**

- **Performance:** MSHN achieved consistently high satisfaction rates across all surveyed populations:
  - Adult Mental Health: 91%, Children/Family Services: 91%, SUD Services: 90%, Long-Term Supports & Services (LTSS): 91%
- **Next Steps (FY26):** Continue use of MHSIP and YSS surveys in FY26 and transition to the CAHPS Behavioral Health Survey in FY27 under MDHHS's new three-year Behavioral Health Quality Strategy

**Adverse Events and Behavior Treatment**

- **Performance:** MSHN met or partially met most objectives related to adverse event management
  - Improvement areas identified include timeliness of reporting and remediation documentation in the Critical Incident Reporting System (CIRS)
- **Next Steps (FY26):** Develop training tools on sentinel and critical incident classifications, continue quarterly data validation, reconciliation through CRM and regional dashboard enhancements in FY26

**Clinical Practice, Behavior Treatment, and Long-Term Supports and Services (LTSS)**

- **Performance:**
  - Adoption of 1915(i) State Plan Amendment (SPA) clinical guidelines and publication of all practice standards on the MSHN website for transparency
  - Enhanced Behavior Treatment Plan oversight and Assertive Community Treatment (ACT) fidelity monitoring
  - Ongoing improvement in oversight of vulnerable individuals through regular site reviews and utilization monitoring
- **Next Steps (FY26):** Maintain practice guideline dissemination, fidelity tracking, and regional utilization reviews for ACT and LTSS services. Continue integration of Home and Community Based Services (HCBS) and 1915(i) program oversight within the QAPIP framework

**Utilization Management (UM)**

- **Performance:**
  - Maintained >90% compliance with service authorization and ABD timeliness standards
  - Conducted regional analysis of service utilization and medical necessity; identified discrepancies between MichiCANS decision-support recommendations and service authorizations
- **Next Steps (FY26):** Continue regional UM improvement activities in FY26, focusing on cross-system consistency and integration with person-centered planning

**Integrated Care and Health Homes**

- **Performance:** Maintained active participation in Behavioral Health Homes (BHH), SUD Health Homes (SUDHH), and Certified Community Behavioral Health Clinics (CCBHCs) in FY25
  - Established regional dashboards for tracking performance metrics
  - Improvement noted in cross-sector coordination and health outcomes; however, CCBHC oversight transitions to MDHHS beginning FY26
- **Next Steps (FY26):** Maintain focus on BHH and SUDHH quality improvement programs and refine integrated care reporting structures

**Provider Monitoring and Oversight**

- **Performance:**
  - Participated in six external reviews (Health Services Advisory Group (HSAG) and MDHHS), achieving strong compliance ratings:
    - HSAG PMV: Validation confirmed data accuracy and quality improvement infrastructure
    - MDHHS 1915(c)/(i) Waiver Review: Compliant - No corrective actions required
- **Common Review Findings:** Credentialing documentation gaps, delayed grievance acknowledgment, and inconsistent tracking mechanisms
- **Next Steps (FY26):** Strengthen credentialing oversight under the new MDHHS Universal Credentialing System (implemented successfully in FY25). Continue corrective action plan monitoring and alignment with 42 CFR §438 requirements

**Council and Committee Effectiveness**

- **Performance:** All MSHN councils and committees demonstrated continued engagement and measurable progress in FY25

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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

Deb McPeek-McFadden
Secretary

**REPORT OF THE MSHN CHIEF EXECUTIVE OFFICER**
**TO THE MSHN BOARD OF DIRECTORS**
**November/December 2025**

# PIHP/REGIONAL MATTERS

## 1. Competitive Procurement of Prepaid Inpatient Health Plans:

Three days of evidentiary hearings were held by Judge Christopher Yates December 8th, 9th, and 10th, 2025. MSHN anticipated receipt of a ruling last week and, as of the date of this report (12/23/25), the judge has not issued his ruling. We anticipate that it will be released sometime prior to the Board Meeting. MSHN will communicate with our staff and board when that occurs and will be prepared for discussion at the Board Meeting.

Meanwhile, Michigan Department of Health and Human Services (MDHHS) has also not announced successful bidder awards. MSHN does not anticipate MDHHS doing so unless the lawsuit is ruled in their favors.

Finally, we are all awaiting next steps that are outside of our control and doing our best to plan for all contingencies. As noted, we will keep the board and our staff and region posted as developments occur.

# STATE OF MICHIGAN/STATEWIDE ACTIVITIES

## 2. Section 1115 Reentry Services Demonstration Withdrawn by MDHHS:

MDHHS announced on 12/18/2025 that "due to a lack of funding appropriations in the state's Fiscal Year 2026 Budget, the Michigan Department of Health and Human Services (MDHHS) is unable to move forward with waiver implementation. With approval from the Centers for Medicare & Medicaid Services, MDHHS has formally withdrawn the Section 1115 Reentry Services Demonstration."

This was the waiver that would have authorized the use of Medicaid funds up to 90 days before a prisoner is released from a carceral setting to begin behavioral and other health care transitions to community-based supports.

## 3. Municipal Employees Retirement System (MERS):

MSHN is aware that the Michigan Employee Retirement System (MERS) has been listed as part of a lawsuit. MERS is the entity that manages MSHN's retirement and health saving accounts. Deputy Director Amanda Ittner requested an official statement from the MSHN representative regarding any risk to employees and their investment accounts. The MERS response is included below.

"As part of our Private Market portfolio, MERS partnered with an investment manager, Domain Capital Advisors, to make an investment in Kona Hills, a coffee plantation in Hawaii. AgAmerica is a lending organization, which issued an agricultural loan directly to Kona Hills for the development of Kona Hills. Earlier this year, Kona Hills defaulted on the loans, leaving AgAmerica to foreclose on the property.

The lawsuit alleges that MERS, along with Domain Capital Advisors, and Kona Hills, conspired to commit fraudulent misrepresentation of Kona Hill's financial condition, providing inaccurate appraisals and financial projections. **MERS fully rejects the claims and bears no responsibility under the loan agreement between AgAmerica and Kona Hills.** It is clear that AgAmerica, and their hired public relations firm, are proactively attempting to spread misinformation about MERS, in order to force a settlement.

**Here is our statement from our CEO, Kerrie Vanden Bosch:**
As fiduciary for the retirement plans of Michigan's public servants, we are committed to holding our investment managers to the highest standards of integrity and ensuring they act in the best interests of our participants. The claims in this lawsuit are baseless and without merit, and we fully reject these false allegations.

MERS invested less than 0.5% of the total portfolio in Kona Hills as part of our Private Market allocation. While this specific investment experienced a loss, it was more than offset by strong gains in other Private Market investments. Overall, the MERS Total Market portfolio has earned 15.04% year-to-date as of November 28. We are confident that the facts will come to light through the court process. We remain dedicated to our mission and to the long-term financial security of those who serve Michigan's communities."

4. **Michigan National Guard Bills Become Law:**

Governor Whitmer has signed into law SB 370 which would create and operate a Tricare premium reimbursement program in the Michigan Department of Military and Veteran Affairs for eligible members of the Michigan National Guard, SB 540 which would support the implementation of the "Michigan National Guard Child Care Assistance Act," and SB 542 which will assist in paying higher education costs for Guard members and their families.

5. **Michigan Supreme Court Renames Diversity, Equity and Inclusion (DEI) Commission:**

(Reprinted from Michigan's State Affairs, 12/01/2025)

**Key Points**

- **Michigan Judiciary's DEI commission renamed to Commission on Fairness and Public Trust**
- **Dissenting justice says the name change is performative**
- **Supporting justice says the new name reflects the commission's work without polarizing DEI label**

The Commission on Diversity, Equity and Inclusion in the Michigan Judiciary has been renamed the Commission on Fairness and Public Trust under an order from the Supreme Court.

DEI has become a polarizing term, with critics saying it promotes a person's race and other innate characteristics over their qualifications.

Issued Wednesday, the order drops language from the 2022 administrative order the court issued that discussed "exploring issues related to the demographics of the workforce that support our judiciary and training within the judicial branches."

The new order says the judiciary earns public trust "by faithfully performing its duties" and says "in order to increase and maintain public trust and to provide an experience that is accessible, fair and impartial for all court users, the judicial branch must ensure the one court of justice is fair to all."

The order changes the goals of the new commission to say it will "develop policies and standards to promote fairness and accountability within the judiciary." This is a change from developing "policies and standards to promote diversity, equity and inclusion."

The previous order said a goal of the commission was to "assist the judicial branch with elimination of disparities within the justice system." The goal was changed for the new commission to "ensure that all those served by the justice system are heard, valued and respected."

A previous goal of the commission was to "increase participation of members from under-represented communities in judicial branch leadership." Instead, the new commission will seek to "create pathways to build a judicial workforce possessing varied and transferable skillsets to help foster trust in the court system."

The commission was also previously tasked with assisting local courts with implementing "diversity, equity and inclusion plans and processes." Now, the commission will assist local courts with implementing plans and processes "that further fairness and public trust in the judiciary."

The commission will continue to consist of 25 members appointed by the Supreme Court, largely from the same various judge associations and organizations.

Members currently on the commission will remain through the end of their terms.

For future appointments, a requirement in the prior order to "ensure diversity of membership" was struck.

The court approved the order on a 6-1 vote.

Justice Brian Zahra, the court's lone member nominated by the Michigan Republican Party, suggested the change was one of window dressing, not function. The commission remains "a DEI Commission" no matter what the court's majority contends, he said.

"What does it say about our commitment to transparency that this Court is willing to scrape the name off its DEI Commission at a time when DEI just so happens to be losing its popularity among the people?" he wrote. "Is it transparent to alter the name of this Commission but leave its members and its powers unchanged? The majority may point out that the new amendment alters the language outlining the aims of this Commission, but these changes only serve to obscure the Commission's origins in DEI without any meaningful transformation."

Justice Elizabeth Welch, in a concurring opinion responding to Zahra's dissent, wrote that the term DEI "has become a political lightning rod." Although DEI may be polarizing, a commitment to "fairness, acceptance of others and equity is not," Welch wrote.

Further, she said the new commission's goals are "meritorious and worthwhile."

The new name accurately reflects the commission's work and "accords with universal values that are embraced in our state and federal Constitutions," Welch wrote.

6. **MDHHS Working with Direct Care Workers (DCW) and Employers to Professionalize DCW Workforce:**

MDHHS issued a press release (excerpted below) on November 19, 2025 on this topic.

**IMPART Alliance** is working with the Corporation for a Skilled Workforce (CSW), Global Skills Exchange (GSX), and dozens of direct care workers (DCWs) to create a new industry-recognized Certified Direct Care Worker

credential for direct care workers in Michigan. This work builds on Michigan's 15 DCW Core Competency Guidelines and marks a major step toward professional recognition and respect for this essential workforce.

We are now at the point where we are ready to pilot credentialing tests, which requires your expertise and help. Please consider joining DCWs all across the state by participating in this critical phase. And forward this email to as many DCWs as possible. It is an opportunity for all DCWs to work together to shape the future of direct care work.

Every DCW who completes this very brief Interest Form by December 1, 2025, and qualifies to pilot a credentialing test will be entered into a random drawing for a chance to receive one of fifty $100 gift cards. **Click here to complete the Interest Form.**

Please note that all responses will be kept confidential and stored securely following academic research standards.

**7. Michigan Health Policy Forum (Fall, 2025):**

Established in 1986, the Michigan Health Policy Forum is a series of seminars that provide nationally recognized speakers on current health policy topics and relate these issues to Michigan. The Forum was established by an informal group of policy stakeholders from the executive and legislative branches of government (bipartisan), health organizations from the community, and University health professions colleges. Michigan State University serves as convener and administrator of the Forum.

The fall 2025 Forum was on "Medicare, Medicaid, and Social Justice: Reflecting on the Ethical Implications of the Big, Beautiful Bill". This is the link to keynote and panelist presentations, including among others Maribeth Leonard (CEO, LifeWays), and Julia Rupp (CEO, West Michigan CMH). Please check it out.

# FEDERAL/NATIONAL UPDATES AND ACTIVITIES

**8. List of All Presidential Executive Orders to Date**

The Federal Register maintains a current and running list of all presential executive orders with links to the orders. Follow the link provided and navigate to those of interest.

**9. Ensuring Excellence in Mental Health Act:**

The National Council noted that the *Ensuring Excellence in Mental Health Act* has been introduced in the Senate. The press release of Senator Cornyn (R-TX) noted that the legislation "will expand access to lifesaving care at Certified Community Behavioral Health Clinics (CCBHCs) across the country. The CCBHC model has proven to expand the scope of mental health and substance use services in communities throughout the U.S., giving every American the opportunity to receive high-quality mental health and substance use care." The Ensuring Excellence in Mental Health Act's highlights include:

- Establishing the CCBHC prospective payment system as a sustainable option for states implementing the model under the state Medicaid option. This allows them to expand availability of evidence-based services, increase their workforce and integrate services with other providers in their communities.
- Advancing care integration by enabling CCBHCs to provide additional services, including primary care.
- Establishing CCBHCs as a provider type with prospective payment in Medicare, strengthening their ability to serve older adults."

**10. HR 1 ("Big, Beautiful, Bill") Implementation Resource:**

The National Council has released a *HR 1 Implementation Journey Map* "with clear, actionable information and guidance on the policy changes ahead, the roles of key stakeholders and the opportunities for engagement that matter most. As states move to implement the Medicaid provisions of H.R. 1, behavioral health providers will face both operational challenges and critical opportunities to shape the path forward."

**11. Federal Health Policy Tracker:**

The Kaiser Family Foundation (KFF) has developed a new resource tracking key HHS public health policy actions under the current administration. This resource lists and briefly describes key actions in the order in which they were first issued, reported or announced, with subsequent linked actions and related outcomes also included with each entry. As new policy changes occur, they will be added.

**12. Veteran's Health Care:**

The US General Accountability Office (GAO) has released the report entitled *VA Health Care: Status of Key Recommendations Related to Mental Health and Medication Management (GAO-26-108786)*. "We've previously made several recommendations to help Veterans Affairs (VA) strengthen its oversight of mental health treatment planning and services, and opioid safety. For example, we recommended that VA assess its mental health services for service members as they transition to civilian life. The VA has addressed some of our recommendations but still needs to address others. VA has implemented four key GAO recommendations to strengthen its oversight of mental health treatment plans and to help ensure its providers follow strategies for mitigating the risk of opioids.

- Mental health treatment plans. Veterans with mental health conditions may be offered various treatment options, including medication or therapy, or a combination of both. The Veterans Health Administration (VHA) requires specialty providers, such as psychiatrists, to document in mental health treatment plans that evidence-based treatment options were considered.
    - In June 2019, GAO found VHA did not have guidance for these requirements nor monitor whether the providers followed them. VA concurred with GAO's two recommendations to address these issues and, in 2020, implemented both. For example, VA initiated reviews of selected charts biannually to ensure providers meet mental health treatment planning expectations.
- Opioid safety risk mitigation strategies. In response to concerns about opioid use, VA launched its Opioid Safety Initiative in 2013 to help ensure veterans are prescribed and use opioids in a safe and effective manner. As part of this initiative, VHA developed risk mitigation strategies for providers to follow when prescribing opioids to veterans, such as conducting urine drug screening.

    - In May 2018, GAO found VHA providers at selected medical facilities did not consistently follow some risk mitigation strategies. Further, not all facilities had access to trained providers to educate other providers in ensuring opioid safety. GAO made two recommendations to address these issues. VA concurred and, in 2019 and 2020, implemented each recommendation. For example, VA created a planning tool that gives providers information on risk mitigation strategies, such as the patient's last urine screening.

VA has not addressed GAO's recommendation to the Department of Defense-VA Joint Executive Committee to assess the effectiveness of mental health services for transitioning service members and veterans. This Committee oversees the two departments' coordination for health care and benefits, including programs that may assist service members and veterans during the transition. In 2024, GAO found that the Committee had identified a number of mental health touchpoints for transitioning

service members. However, the Committee had not assessed the effectiveness of the departments' efforts in facilitating access to such mental health touchpoints and made a recommendation that it do so. VA concurred with this recommendation, but as of November 2025, this recommendation has not yet been implemented."

**13. National Opioid Settlement Funds Database:**

The Kaiser Family Foundation writes that "States and local governments are scheduled to receive more than $50 billion in opioid settlement funds in the coming years. A team at KFF Health News, the Johns Hopkins Bloomberg School of Public Health and Shatterproof, a national nonprofit focused on addiction, compiled a database of how some settlement funds have been spent thus far. States and local governments have spent a majority of the funding on treatment, overdose reversal medicines, and training, as well as housing programs for people with substance use disorders. Local officials have also directed settlement funding toward law enforcement activities, drawing criticism from some addiction experts."
Additional information, including a graphic showing how individual states, including Michigan ($116.68M), have spent their share of settlement funds, is available at this link.

**14. Behavioral Health Integration with Primary Care:**

The federal Agency for Healthcare Research and Quality (AHRQ) has announced *New Tools and Resources To Strengthen Behavioral Health Integration*.
"The AHRQ Academy for Integrating Behavioral Health and Primary Care has introduced three new tools to advance behavioral health integration:

- Behavioral Health Integration (BHI) Ecosystem Directory**:** An interactive, searchable directory of organizations—including federal agencies, academic centers, and nonprofits—that can help providers, policymakers, funders, researchers, and others find the right partners to support their organization's behavioral health integration goals.
- Updated Integrating Behavioral Health and Primary Care Playbook**:** Now redesigned for easier navigation, the Playbook features clearer guidance on financing and payment strategies, whole-person care, and community engagement. Access new content on electronic health record optimization, population health management, quality improvement, workforce solutions, and telehealth to enhance integration and reduce provider burnout.
- Emerging Best Practices for Addressing Suicidality in Primary Care**:** The latest topic brief helps primary care teams identify and respond to suicide risk through practical, scalable interventions such as safety planning, crisis response, motivational interviewing, Caring Contacts, and integrating the 988 Suicide & Crisis Lifeline into routine care."

**15. SUPPORT Act Signed Into Law:**

As reported by the National Council, "the President signed into law H.R.2483 — the *SUPPORT for Patients and Communities Reauthorization Act of 2025*. This legislation reauthorizes funding through the next five years for many crucial programs, including the Substance Use Disorder Treatment and Recovery (STAR) Loan Repayment Program, which helps bolster the workforce by providing loan repayment opportunities for substance use disorder treatment and recovery providers in the face of severe workforce shortages. It also supports critical recovery efforts achieved through the Building Communities of Recovery program and comprehensive opioid recovery centers. The bill also revises several programs. These revisions include:

- Expanding a program that supports resources for first responders to include the purchase of drugs or devices to treat non-opioid overdoses.
- Expanding a program that supports employment services for individuals in recovery.

- Reauthorizing the National Peer-run Training and Technical Assistance Center for Addiction Recovery Support and temporarily authorizing a regional technical assistance center to assist the national center.

Additionally, the bill establishes new requirements for Health and Human Services (HHS), including requirements related to:

- Establishing a Federal Interagency Work Group on Fentanyl Contamination of Drugs.
- Reviewing and potentially revising the scheduling of approved products that contain a combination of buprenorphine and naloxone under the Controlled Substances Act."

The Council's side-by-side summary is available at this link.

**16. Health Related Social Needs:**

The Milbank Memorial Fund has published an opinion piece entitled "Medicaid's Essential Role in Addressing Health-Related Social Needs." "Medicaid waivers to address health-related social needs (HRSN), including nutrition assistance and housing supports, are under threat due to federal spending cuts, guidance rescinding HRSN language, and executive orders criminalizing homelessness, according to [the author]. The author underscores Medicaid's essential role in addressing HRSN, highlighting several evidence-based supportive housing policies. He argues that effective policies will require sustained funding and collaboration between state Medicaid agencies and service providers. "Federal and state officials must collaborate to realize Medicaid's full potential…The program remains our most valuable tool to address basic needs among 70 million people who rely upon Medicaid every day across America."

**17. Rural Health Care:**

The National Institute for Health Care Management Foundation has released an infographic entitled *Rural Health Needs in America: Challenges & Solutions*. **"**Across the United States, one in five Americans resides in a rural area. Yet, a majority of this population remains medically underserved, facing greater health challenges, limited access to health care, and higher rates of chronic diseases and mortality. The recent federal initiative, the Rural Health Transformation Program, is focused on strengthening and modernizing rural health. NIHCM's latest infographic explores these topics, highlighting critical issues such as disparities in health outcomes, barriers to care, hospital closures, and strategies to support rural health."

Submitted By:

Joseph P. Sedlock, MSA
Chief Executive Officer
Finalized: 12/23/2025

**Attachments:**

- Michigan Legislation Tracker (expertly compiled and tracked by Sherry Kletke, MSHN Executive Support Specialist)

Compiled by Sherry Kletke, Executive Support Specialist

## Michigan Legislative Bill Tracking and Their Status

Legislative Bills Recently Signed into Law:

| BILL # | TITLE/INTRODUCER/DESCRIPTION | STATUS |
|---|---|---|
| HB 4962 (PA 31) | National Guard (Robinson)<br>Creates Michigan National Guard member benefit fund and provides for the administration of and distributions from the fund. | Signed by the Governor (11/4/2025; Signed: November 4, 2025, Effective: November 4, 2025) |
| SB 370 (PA 36) | Tricare (Singh)<br>Creates Tricare premium reimbursement program. | Signed by the Governor (12/9/2025; Signed: December 9, 2025, Effective: December 9, 2025) |
| SB 540 (PA 37) | Michigan National Guard (Hertel, K.)<br>Provides for child care reimbursement for Michigan National Guard members | Signed by the Governor (12/9/2025; Signed: December 9, 2025, Effective: December 9, 2025) |
| SB 542 (PA 38) | Michigan National Guard (Klinefelt)<br>Modifies tuition assistance for Michigan National Guard members. | Signed by the Governor (12/9/2025; Signed: December 9, 2025, Effective: December 9, 2025) |

Legislative Bills Pending Action and Their Status as of December 17, 2025:

| BILL # | TITLE/INTRODUCER/DESCRIPTION | STATUS |
|---|---|---|
| HB 4037 | Health Records (Rogers)<br>Establishes certain requirements to operate a health data utility. | Reported in House (5/21/2025; Substitute H-2 adopted; By Health Policy Committee) |
| HB 4255 | Controlled Substances (Lightner)<br>Modifies penalties for crime of manufacturing, delivering, or possession of with intent to deliver certain controlled substances. | Received in Senate (4/29/2025; To Civil Rights, Judiciary and Public Safety Committee) |
| HB 4256 | Controlled Substances (Bollin)<br>Amends sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver certain controlled substances. | Received in Senate (4/29/2025; To Civil Rights, Judiciary and Public Safety Committee) |
| HB 4279 | National Guard (Greene, J.)<br>Creates Michigan National Guard apprenticeship program. | Reported in House (9/4/2025; Substitute H-3 adopted; By Rules Committee) |
| HB 4280 | Occupations - Social Workers (Edwards)<br>Extends period for renewal for limited licenses for bachelor's social worker and master's social worker. | Introduced (3/20/2025; To Health Policy Committee) |
| HB 4413 | Outpatient Treatment (Tisdel)<br>Expands hospital evaluations for assisted outpatient treatment. | Committee Hearing in House Health Policy Committee (12/17/2025) |
| HB 4417 | Occupations - EMS (Mueller)<br>Provides access to opioid antagonists to life support agencies under certain circumstances. | Received in Senate (7/1/2025; To Health Policy Committee) |

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| BILL # | TITLE/INTRODUCER/DESCRIPTION | STATUS |
|---|---|---|
| HB 4423 | Veteran Services (Rogers)<br>Provides funding for the county veteran service fund emergency relief program. | Introduced (5/1/2025; To Appropriations Committee) |
| HB 4428 | Opioid Antagonists (St. Germaine)<br>Allows choice of formulation, dosage, and route of administration for opioid antagonists by certain persons and governmental entities if department of health and human services distributes opioid antagonists free of charge. | Introduced (5/6/2025; To Regulatory Reform Committee) |
| HB 4497 | Drug Paraphernalia (Rheingans)<br>Modifies definition of drug paraphernalia. | Introduced (5/15/2025; To Judiciary Committee) |
| HB 4498 | Drug Paraphernalia (Rheingans)<br>Provides syringe service programs. | Introduced (5/15/2025; To Health Policy Committee) |
| HB 4548 | Discrimination (Arbit)<br>Prohibits discrimination because of ethnicity, including discrimination because of Jewish heritage under the Elliott-Larsen civil rights act. | Introduced (6/4/2025; To Government Operations Committee) |
| HB 4683 | Health Benefits (McFall)<br>Modifies prior authorization requirements for mental health and substance use disorder. | Introduced (6/25/2025; To Insurance Committee) |
| HB 4685 | Health Insurers (McFall)<br>Provides collaborative care model for mental health care. | Introduced (6/25/2025; To Insurance Committee) |
| HB 4686 | Controlled Substances (McFall)<br>Allows creating, manufacturing, possessing, or using psilocybin or psilocin under certain circumstances. | Introduced (6/25/2025; To Families and Veterans Committee) |
| HB 4739 | Insurance Coverage (Snyder)<br>Requires coverage for diagnosis of autism spectrum disorders and treatment of autism spectrum disorders. | Introduced (7/15/2025; To Insurance Committee) |
| HB 4740 | Insurance Coverage (Snyder)<br>Modifies the required coverage for autism spectrum disorders. | Introduced (7/15/2025; To Insurance Committee) |
| HB 4751 | Discrimination (Schriver)<br>Removes sexual orientation and gender identity or expression as categories protected under the Elliott-Larsen civil rights act. | Introduced (7/29/2025; To Government Operations Committee) |
| HB 4777 | Discrimination (Paquette)<br>Removes gender identity or expression from categories protected under Elliott-Larsen civil rights act. | Introduced (8/20/2025; To Government Operations Committee) |
| HB 4953 | Child Care (Woolford)<br>Provides for child care reimbursement for National Guard members. | Introduced (9/16/2025; To Appropriations Committee) |

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| BILL # | TITLE/INTRODUCER/DESCRIPTION | STATUS |
|---|---|---|
| HB 4958 | Tuition Assistance (Schmaltz)<br>Modifies tuition assistance for national guard members. | Introduced (9/16/2025; To Appropriations Committee) |
| HB 5105 | Marijuana (Wendzel)<br>Modifies penalties regarding certain crimes involving marihuana. | Committee Hearing in House Regulatory Reform Committee (10/23/2025) |
| HB 5107 | Marijuana (Hoadley)<br>Modifies allowable amounts of marihuana for personal use and possession. | Committee Hearing in House Regulatory Reform Committee (10/23/2025) |
| HB 5196 | Prisoner Mental Health (Young)<br>Provides for screening and treatment for post traumatic prison disorder and requires certain other mental health screening, planning, and treatment of incarcerated individuals. | Introduced (10/30/2025; To Judiciary Committee) |
| HB 5302 | Substance Use (DeBoyer)<br>Modifies competitive grant program to provide grants for recovery community organizations. | Introduced (12/2/2025; To Health Policy Committee) |
| HB 5334 | Hospitals (Bierlein)<br>Requires assessment by preadmission screening unit of individual being considered for hospitalization within certain period after notification. | Introduced (12/2/2025; To Health Policy Committee) |
| SB 207 | Veterans (Hertel, K.)<br>Creates Michigan veterans coalition fund. | Received in House (6/3/2025; To Appropriations Committee)<br>Passed in Senate (6/3/2025; 37-0) |
| SB 208 | Veterans (Hauck)<br>Creates Michigan veterans coalition grant program. | Received in House (6/3/2025; To Appropriations Committee)<br>Passed in Senate (6/3/2025; 37-0) |
| SB 215 | Consumer Protections (Santana)<br>Amends Michigan consumer protection act to enhance protections for individuals applying for veterans benefits. | Received in House (6/3/2025; To Appropriations Committee)<br>Passed in Senate (6/3/2025; 37-0) |
| SB 219 | Hospitalization (Hertel, K.)<br>Revises person requiring treatment and modifies certain procedures for treatment. | Received in House (5/21/2025; To Health Policy Committee)<br>Passed in Senate (5/21/2025; 37-0) |
| SB 220 | Hospital Evaluations (Irwin)<br>Expands hospital evaluations for assisted outpatient treatment. | Received in House (5/21/2025; To Health Policy Committee)<br>Passed in Senate (5/21/2025; 37-0) |
| SB 221 | Mental Capacity (Santana)<br>Provides outpatient treatment for misdemeanor offenders with mental health issues. | Received in House (5/21/2025; To Health Policy Committee)<br>Passed in Senate (5/21/2025; 37-0) |
| SB 222 | Outpatient Treatment (Wojno)<br>Expands petition for access to assisted outpatient treatment to additional health providers. | Received in House (5/21/2025; To Health Policy Committee)<br>Passed in Senate (5/21/2025; 37-0) |

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| BILL # | TITLE/INTRODUCER/DESCRIPTION | STATUS |
|---|---|---|
| SB 237 | National Guard (Albert)<br>Creates Michigan National Guard apprenticeship program. | Introduced (4/22/2025; To Regulatory Affairs Committee) |
| SB 239 | Vietnam Veterans (Daley)<br>Creates Vietnam veteran era bonus extension act. | Introduced (4/22/2025; To Appropriations Committee) |
| SB 398 | Controlled Substances (Bellino)<br>Modifies substance use disorder services programs requirements and prohibits the promulgation of certain rules. | Passed in Senate (9/4/2025; 37-0, earlier advanced to third reading with S-1 floor substitute) |
| SB 399 | Drug Paraphernalia (Irwin)<br>Modifies definition of drug paraphernalia. | Received in House (7/1/2025; To Insurance Committee)<br>Passed in Senate (7/1/2025; 33-3; Earlier advanced to Third Reading. ) |
| SB 400 | Health Insurers (Hertel, K.)<br>Prohibits prior authorization for certain opioid use disorder and alcohol use disorder medications. | Received in House (7/1/2025; To Insurance Committee)<br>Passed in Senate (7/1/2025; 36-0; Earlier advanced to Third Reading.) |
| SB 401 | Pharmaceuticals (Santana)<br>Requires co-prescribing of naloxone with opioid drugs. | Received in House (7/1/2025; To Insurance Committee)<br>Passed in Senate (7/1/2025; 34-2; Earlier advanced to Third Reading with committee substitute S-1 adopted.) |
| SB 430 | Controlled Substances (Chang)<br>Modifies crime of manufacturing, delivering, or possession of with intent to deliver heroin or fentanyl to reflect changes in sentencing guidelines. | Advanced to Third Reading in Senate (10/29/2025) |
| SB 431 | Opioid Drugs (Anthony)<br>Amends sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver heroin or fentanyl. | Advanced to Third Reading in Senate (10/29/2025) |
| SB 432 | Controlled Substances (Victory)<br>Allows probation for certain major controlled substances offenses. | Reported in Senate (10/15/2025; By Civil Rights, Judiciary and Public Safety Committee) |
| SB 541 | Michigan National Guard (Hertel, K.)<br>Creates Michigan National Guard member benefit fund. | Received in House (9/25/2025)<br>Passed in Senate (9/25/2025; 30-6, earlier advanced to third reading, earlier discharged from Senate Appropriations Committee) |
| SB 555 | MiABLE Fund (Webber)<br>Provides for earmark to MiABLE Fund from the income tax. | Introduced (9/18/2025; To Housing and Human Services Committee) |
| SB 556 | MiABLE Fund (Webber)<br>Creates MiABLE Fund. | Introduced (9/18/2025; To Housing and Human Services Committee) |

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| BILL # | TITLE/INTRODUCER/DESCRIPTION | STATUS |
|---|---|---|
| SB 628 | Medical Services (Bayer)<br>Provides for coverage for syringe service programs. | Introduced (10/30/2025; To Housing and Human Services Committee) |
| SB 629 | Controlled Substances (Bayer)<br>Provides for syringe service programs. | Introduced (10/30/2025; To Housing and Human Services Committee) |
| HR 115 | Medicaid (Mentzer)<br>A resolution to urge the President of the United States and the United States Congress to fully fund Medicaid and to reject any proposal that would strip access to those in need and shift costs onto states, health care providers, and vulnerable individuals. | Introduced (5/22/2025; To Government Operations Committee) |
| SR 3 | 102nd Legislature (Brinks)<br>A resolution to authorize the Senate Majority Leader to commence legal action, on behalf of the Senate, to compel the House of Representatives to fulfill its constitutional duty to present to the Governor the nine remaining bills passed by both houses during the One Hundred Second Legislature. | Passed in Senate (1/22/2025; Voice Vote) |
| SR 50 | Medicaid (Hertel, K.)<br>A resolution to urge the President of the United States and the United States Congress to fully fund Medicaid and to reject any proposal that would strip access to those in need and shift costs onto states, health care providers, and vulnerable individuals. | Passed in Senate (5/20/2025; Voice Vote) |
| HCR 1 | Adverse Childhood Experiences (Wozniak)<br>A concurrent resolution to urge the Governor of Michigan to issue an executive directive that would require administrating agencies to assess if the implementation of their programs reduce Adverse Childhood Experiences (ACEs) and provide an annual report and data to the Legislature and general public about progress in reducing ACEs in Michigan. | Reported in House (10/28/2025; By Families and Veterans Committee) |

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

Deb McPeek-McFadden
Secretary

# REPORT OF THE MSHN DEPUTY DIRECTOR
# to the Board of Directors
# November / December

## Performance Bonus Incentive Pool Report

Per Michigan Department of Health and Human Services (MDHHS) requirements, MSHN must submit an annual report on the joint metrics and activities related to integration of behavioral health and physical health. Pre-paid Inpatient Health Plans (PIHPs) must provide a narrative related to five (5) areas of performance: 1. Comprehensive Care, 2. Patient-Centered, 3. Coordinated Care, 4. Accessible Services, and 5. Quality and Safety. Attached via the link below, includes the report submitted on November 15, 2025. The report provides updates to each one of the identified areas related to MSHN direct provided efforts as well as the integration of services across the region by our affiliate community mental health partners.

MSHN expects to receive 100% of the bonus incentive again this year, estimated at $5million, that will be distributed to our CMHSPs as earned local funds. Highlights from the report include:

- MSHN and its regional partners (CEI, LifeWays, Saginaw and The Right Door) continued to expand services through Certified Community Behavioral Health Clinics (CCBHCs) providing services and support to ***20,940 Medicaid beneficiaries and 4,374 non-Medicaid beneficiaries in the MSHN region were enrolled in CCBHC services by the end of FY25.***
- MSHN and its regional partners expanded the number of enrollees participating in Behavioral Health Homes (BHH) provided by Gratiot Integrated Health Network, Saginaw CMH, CMHCM, Montcalm Care Network, Newaygo CMH and Shiawassee Health and Wellness. ***Combined, the region served 344 individuals during FY25.***
- MSHN continued expansion of Substance Use Disorder Health Homes (SUDHH) initiative adding four (4) more locations late in FY25, serving Bay, Hillsdale, Isabella, Saginaw, Jackson and Shiawassee counties. ***There were 526 beneficiaries enrolled in SUDHH by the end of FY25.***
- As of 9/30/2025, MSHN had open integrated care plans for 125 individuals in partnership with 8 Medicaid Health Plans (Blue Cross Complete, Meridian Health Plan, Molina, United Health Care, Aetna, Priority Health, HAP Empowered, and McLaren). ***Sixty-five percent (65%) of individuals experienced a reduction in Emergency Department (ED) utilization as compared to the 12-month period prior to being opened for care coordination.***
- MSHN-funded peer recovery coaches trained in Project ASSERT are embedded in hospital emergency departments in 13 counties in the region. As a result, ***968 individuals received screening and follow-up support from Project ASSERT coaches in response to a substance-related hospital ED visit during FY25, an increase of 54% over FY24.***

For the full report, see the link below: **Performance Bonus Incentive Report FY25**.

## Balanced Scorecard

MSHN departments along with Community Mental Health Service Program (CMHSP) and Substance Use Disorder (SUD) providers have been working to close out the fiscal year and report final figures to the Board of Directors. The Balanced Scorecard metrics report for FY25 preliminary results are ready for Board review and included as an update on the agency's strategic plan. I'd like to congratulate the region on outstanding performance for fiscal year end September 30, 2025 and the ongoing commitment to quality services, monitoring performance through identified metrics and continuous improvement demonstrated through positive

outcomes. While I only highlighted a few metrics below, I encourage all board members to review the full report and join me in recognizing what was and continues to be a challenging year for all, yet our staff and partners continue to support quality services.

| Key Performance Areas | Key Performance Indicators | Aligns with | Actual Value (%) as of December 2024 | Actual Value (%) as of March 2025 | Actual Value (%) as of June 2025 | Actual Value (%) as of September 2025 | Target Value | Performance Level | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BETTER HEALTH | Adherence to Antipsychotics for Individuals with Schizophrenia (SAA-AD) MSHN Ages 19-64 | MDHHS PIHP Contract: Performance Bonus Measure | 67% | 66.95%% | 68% | 68% | >=75% | | 75-100% | 66-74% | <65% |
| | Percent of individuals who receive follow up care within 30 days after an emergency department visit for alcohol or drug use. (FUA) | MDHHS PIHP Contract: Performance Bonus Incentive Program | 39% | 39% | 38% | Not Available | >=28% | | >=28% | 24%-27% | <=23% |
| | The percentage of members 18–64 years of age with schizophrenia or schizoaffective disorder and cardiovascular disease, who had an LDL-C test during the measurement year. (Rolling 12 months) | Aligns with strategic plan goal improve population health and integrated care activities. | 71% | 72% | 65% | 65% | Michigan 2023: 70.31% | | 70-100% | 60-69% | <59% |
| | The percentage of discharges for children who were hospitalized for treatment of selected mental illness or intentional self harm diagnosis and who had a follow up visit with a mental health provider within 30 days of discharge.(FUH) | HEDIS-NCQA | 87% | 89% | 89% | Not Available | 70% | | >=70% | 0 | <70% |

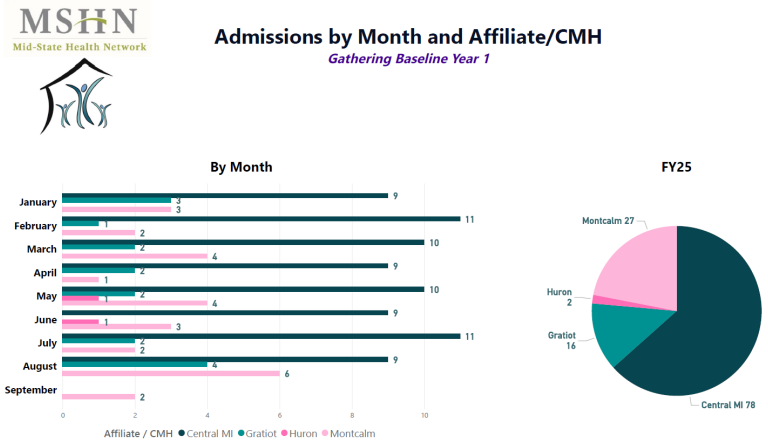
For the full report, see the link below: **Balanced Scorecard FY25**.

## Health Insurance Update

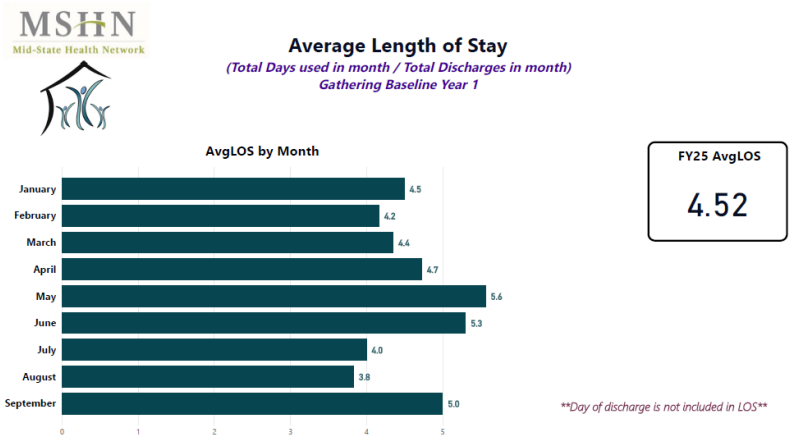
MSHN received significant increases (13-14%) in our medical insurance renewal while the public cap on the employer paid portion only slightly increased (2.9%) for 2026. Due to this, all three plans are now over the public cap limits. MSHN obtained quotes from other plans (e.g. Priority) and other options from Blue Care Network/Blue Cross Blue Shield (BCN/BCBS) in an effort to ensure effective rates, coverage and low employee premiums. After reviewing all options, MSHN will continue to offer the current (3) three plans with Blue Cross Blue Shield PPO, Blue Care Network Platinum and Blue Care Network Gold. However, the Blue Care Network Gold plan is moving from an HMO $500 deductible /20% coinsurance to HMO $1,500 deductible /20% coinsurance. MSHN's goal was to provide employees with optimal coverage while keeping premiums as close to free as possible. Based on the selected plan, MSHN employee premiums range from $11 - $514 (single/family) per pay period.

## Crisis Residential Regional Contract Update

The MSHN Board of Directors approved a regional contract for crisis residential services back in 2024. Healthy Transitions (HT) was selected and approved by MDHHS to begin crisis residential services in June 2024. MSHN worked with the provider through 2025 to ensure appropriate utilization and quality treatment services. HT reports that their daily census fluctuates but has been trending lower over the last quarter. There has been broad outreach from MSHN and HT on sharing the availability of services from the organization, with other PIHPs and CMHSPs in the state of Michigan. A snapshot of attendance through August is included below.



MSHN monitors HT through contractual oversight and review of key performance measures. These include average length of stay, denials, development of the Individual Plan of Service (IPOS) within 48 hours of admission, percent of adults discharged in 14 calendar days or less, count of monthly admissions, average daily census, count of discharges by month, total individuals with greater than or equal to three discharges during the previous 90 days, total planned discharges, recidivism within 30 days of discharge, completed consumer surveys, and surveys indicating satisfaction with services.




For more information on other measure results see link below, ***Healthy Transitions August 2025 Report.***

Submitted by:

Amanda L. Ittner
Finalized: 12.23.25

**Links**

Performance Bonus Incentive Report FY25
Balanced Scorecard FY2025
Healthy Transitions August 2025

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 November 30, 2025, 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 November 30, 2025, as presented.

# Mid-State Health Network
## Statement of Activities
## As of November 30, 2025

| 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 | |
| | | FY26 Original Budget | | FY26 Original Budget | | | |
| | | 16.67% | | | | | |
| 1 | Revenue: | | | | | | |
| 2 | Grant and Other Funding | $ 374,568 | 22,153 | 62,428 | (40,275) | 5.91 % | 1a |
| 3 | Prior FY Medicaid Carryforward | $ 9,887,364 | 12,223,430 | 1,647,894 | 10,575,536 | | 1b |
| 4 | Medicaid Capitation | 814,257,869 | 137,845,129 | 135,709,645 | 2,135,484 | 16.93% | 1c |
| 5 | Local Contribution | 1,550,876 | 371,086 | 258,479 | 112,607 | 23.93% | 1d |
| 6 | Interest Income | 1,100,000 | 138,442 | 183,334 | (44,891) | 12.59% | 1e |
| 7 | Non Capitated Revenue | 18,218,063 | 2,359,695 | 3,036,343 | (676,650) | 12.95% | 1f |
| 8 | Total Revenue | 845,388,740 | 152,959,935 | 140,898,123 | 12,061,811 | 18.09 % | |
| 9 | Expenses: | | | | | | |
| 10 | PIHP Administration Expense: | | | | | | |
| 11 | Compensation and Benefits | 9,072,517 | 1,421,759 | 1,512,086 | (90,327) | 15.67 % | |
| 12 | Consulting Services | 130,000 | 6,033 | 21,667 | (15,634) | 4.64 % | |
| 13 | Contracted Services | 114,400 | 14,552 | 19,066 | (4,515) | 12.72 % | |
| 14 | Other Contractual Agreements | 570,900 | 100,887 | 95,150 | 5,738 | 17.67 % | |
| 15 | Board Member Per Diems | 20,820 | 2,030 | 3,470 | (1,440) | 9.75 % | |
| 16 | Meeting and Conference Expense | 99,280 | 14,333 | 16,547 | (2,214) | 14.44 % | |
| 17 | Liability Insurance | 30,000 | 24,715 | 5,000 | 19,715 | 82.38 % | |
| 18 | Facility Costs | 188,536 | 67,817 | 31,423 | 36,394 | 35.97 % | |
| 19 | Supplies | 207,250 | 32,946 | 34,541 | (1,596) | 15.90 % | |
| 20 | Other Expenses | 1,083,450 | 369,195 | 180,575 | 188,620 | 34.08 % | |
| 21 | Subtotal PIHP Administration Expenses | 11,517,153 | 2,054,267 | 1,919,525 | 134,741 | 17.84 % | 2a |
| 22 | CMHSP and Tax Expense: | | | | | | |
| 23 | CMHSP Participant Agreements | 715,270,064 | 120,999,064 | 119,211,678 | 1,787,387 | 16.92 % | 1b,1c,2b |
| 24 | SUD Provider Agreements | 65,677,623 | 10,402,720 | 10,946,270 | (543,551) | 15.84 % | 1c,1f,2c |
| 25 | Benefits Stabilization | 860,000 | 143,333 | 143,334 | 0 | 16.67 % | 2d |
| 26 | Tax - Local Section 928 | 1,550,876 | 371,086 | 258,479 | 112,607 | 23.93 % | 1d |
| 27 | Taxes- IPA/HRA | 49,174,082 | 7,797,321 | 8,195,680 | (398,360) | 15.86 % | 2e |
| 28 | Subtotal CMHSP and Tax Expenses | 832,532,645 | 139,713,524 | 138,755,441 | 958,083 | 16.78 % | |
| 29 | Total Expenses | 844,049,798 | 141,767,791 | 140,674,966 | 1,092,825 | 16.80 % | |
| 30 | Excess of Revenues over Expenditures | $ 1,338,942 | $ 11,192,144 | $ 223,157 | | | |

# Mid-State Health Network
## Preliminary Statement of Net Position by Fund
## As of November 30, 2025

| Row Numbers | | Column Identifiers A | B | C | D B + C | |
|---|---|---|---|---|---|---|
| 1 | **Assets** | | **Behavioral Health Operating** | **Medicaid Risk Reserve** | **Total Proprietary Funds** | |
| 2 | **Cash and Short-term Investments** | | | | | |
| 3 | Chase Checking Account | | 15,960,706 | 0 | 15,960,706 | 1a |
| 4 | Chase MM Savings | | 13,275,073 | 0 | 13,275,073 | |
| 5 | Savings ISF Account | | 0 | 13,737,144 | 13,737,144 | 1b |
| 6 | Savings PA2 Account | | 3,012,814 | 0 | 3,012,814 | 1c |
| 7 | Investment PA2 Account | | 3,499,172 | 0 | 3,499,172 | 1c |
| 8 | Investment ISF Account | | 0 | 21,999,041 | 21,999,041 | 1b |
| 9 | Total Cash and Short-term Investments | | $ 35,747,765 | $ 35,736,185 | $ 71,483,950 | |
| 10 | **Accounts Receivable** | | | | | |
| 11 | Due from MDHHS | | 23,291,555 | 0 | 23,291,555 | 2a |
| 12 | Due from CMHSP Participants | | 35,576,245 | 0 | 35,576,245 | 2b |
| 13 | Due from CMHSP - Non-Service Related | | 188,931 | 0 | 188,931 | 2c |
| 14 | Due from Other Governments | | 878,507 | 0 | 878,507 | 2d |
| 15 | Due from Miscellaneous | | 361,199 | 0 | 361,199 | 2e |
| 16 | Total Accounts Receivable | | 60,296,437 | 0 | 60,296,437 | |
| 17 | **Prepaid Expenses** | | | | | |
| 18 | Prepaid Expense Rent | | 4,529 | 0 | 4,529 | 2f |
| 19 | Prepaid Expense Other | | 909 | 0 | 909 | 2g |
| 20 | Total Prepaid Expenses | | 5,438 | 0 | 5,438 | |
| 21 | **Fixed Assets** | | | | | |
| 22 | Fixed Assets - Computers | | 189,180 | 0 | 189,180 | 2h |
| 23 | Accumulated Depreciation - Computers | | (189,180) | 0 | (189,180) | |
| 24 | Lease Assets | | 190,989 | 0 | 190,989 | 2i |
| 25 | Accumulated Amortization - Lease Asset | | (157,806) | 0 | (157,806) | |
| 26 | Total Fixed Assets, Net | | 33,183 | 0 | 33,183 | |
| 27 | **Total Assets** | | **$ 96,082,823** | **$ 35,736,185** | **$ 131,819,008** | |
| 28 | | | | | | |
| 29 | **Liabilities and Net Position** | | | | | |
| 30 | Liabilities | | | | | |
| 31 | Accounts Payable | | $ 10,316,216 | $ 0 | $ 10,316,216 | 1a |
| 32 | Current Obligations (Due To Partners) | | | | | |
| 33 | Due to State | | 36,219,732 | 0 | 36,219,732 | 3a |
| 34 | Other Payable | | 4,765,249 | 0 | 4,765,249 | 3b |
| 35 | Due to Hospitals (HRA) | | 6,639,974 | 0 | 6,639,974 | 1a, 3c |
| 36 | Due to State-IPA Tax | | 1,157,347 | 0 | 1,157,347 | 3d |
| 37 | Due to State Local Obligation | | (16,633) | 0 | (16,633) | 3e |
| 38 | Due to CMHSP Participants | | 1,956,538 | 0 | 1,956,538 | 3f |
| 39 | Accrued PR Expense Wages | | 213,206 | 0 | 213,206 | 3g |
| 40 | Accrued Benefits PTO Payable | | 515,406 | 0 | 515,406 | 3h |
| 41 | Accrued Benefits Other | | 61,455 | 0 | 61,455 | 3i |
| 42 | Total Current Obligations (Due To Partners) | | 51,512,274 | 0 | 51,512,274 | |
| 43 | Lease Liability | | 33,182 | 0 | 33,182 | 2i |
| 44 | Deferred Revenue | | 5,572,004 | 0 | 5,572,004 | 1b 1c |
| 45 | Total Liabilities | | 67,433,676 | 0 | 67,433,676 | |
| 46 | Net Position | | | | | |
| 47 | Unrestricted | | 28,649,147 | 0 | 28,649,147 | 3j |
| 48 | Restricted for Risk Management | | 0 | 35,736,185 | 35,736,185 | 1b |
| 49 | Total Net Position | | 28,649,147 | 35,736,185 | 64,385,332 | |
| 50 | **Total Liabilities and Net Position** | | **$ 96,082,823** | **$ 35,736,185** | **$ 131,819,008** | |

# Mid-State Health Network
# Financial Statement Notes
# For the Two-Month Period Ended,
# November 30, 2025

**Please note: The Statement of Net Position contains preliminary Fiscal Year (FY) 2025 cost settlement figures between the Pre-Paid Inpatient Health Plan (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 the Interim MDHHS Financial Status Report (FSR) submitted in November 2025.**

**Preliminary Statement of Net Position:**

1. Cash and Short-Term Investments
    a) The Cash Chase Checking and Chase Money Market Savings accounts are the cash line items available for operations.
    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 nearly $21.9 M in investments, which is about 62% of the total ISF net position balance (row 50 col C). The investment portfolio has been temporarily reduced and moved to ISF Savings should the Region need to access funds for service delivery and other operational expenses. 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 can transfer ISF dollars and use them for remaining costs.
    c) The PA2 Savings PA2 and Investment accounts hold funds used to primarily cover Prevention services in MSHN's 21-county Region and is offset by the Deferred Revenue liability account.
2. Accounts Receivable
    a) Fiscal Year 2026 October and November Hospital Rate Adjustor (HRA) amounts account for 33% of the balance. HRAs are Stated Directed Payments and contractually required by MDHHS. In addition, withholds are 57% of the total with miscellaneous amounts accounting for the remaining balance.
    b) Due From CMHSP Participants reflect FY 2025 projected cost settlement activity. Final cost settlements generally occur in May after the fiscal year ends and once Compliance Examination are complete.

| CMHSP | Cost Settlement | BHH Settlement | Payments/Offsets | Total |
|---|---|---|---|---|
| CEI | 14,958,116.00 | - | - | 14,958,116.00 |
| Central | 946,545.00 | 5,615.64 | - | 952,160.64 |
| The Right Door | 3,489,905.00 | - | - | 3,489,905.00 |
| Lifeways | 1,174,467.00 | - | - | 1,174,467.00 |
| Saginaw | 13,478,281.00 | 15,287.02 | - | 13,493,568.02 |
| Tuscola | 1,508,028.00 | - | - | 1,508,028.00 |
| **Total** | **35,555,342.00** | | **-** | **35,576,244.66** |

    c) Due from CMHSP Other consists of four CMHSPs owing for Relias services which is the regions training platform.
    d) Due from other governments account consists of Public Act 2 amounts owed from 11 counties for FY 25 quarter four liquor tax collections. PA2 funds are used primarily for Prevention Activities in MSHN's 21-county Region.
    e) The balance in Due From Miscellaneous is split 37% and 63% (respectively) for Medicaid Event Verification (MEV) findings and cash advances needed to cover operations for few SUD providers.
    f) Prepaid Expense Rent balance consists of security deposits for MSHN office suites.

g) Prepaid Expense Other has a small balance for FY 2026 Relias payments.
h) Total Fixed Assets - Computers represent the value of MSHN's capital asset net of accumulated depreciation.
i) The Lease Assets category is now displayed as an asset and liability based on a new Governmental Accounting Standards Board (GASB) Number 87 requirement. The lease assets figure represents FY 2022 – 2026 contract amounts for MSHN's office space.

3. Liabilities

a) MSHN estimates FY 2022 and FY 2021 lapses totaling $13.5 M and $17.6 M to MDHHS, respectively. The lapse amounts indicate the ISF was fully funded for both fiscal years, and that savings fell 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. MSHN also owes MDHHS $4.7 M for CCBHC supplemental over payments which primarily cover services for mild to moderate persons.
b) This amount is related to SUD provider payment estimates and is needed to offset the timing of payments.
c) HRA is a pass-through account for dollars sent from MDHHS to cover supplemental payments made to psychiatric hospitals. HRA payments are intended to encourage hospitals to have psychiatric beds available as needed. Total HRA payments are calculated based on the number of inpatient hospital services reported.
d) Due To State – Insurance Plan Assessments Tax contains funds held for payments associated with MDHHS Per Eligible Per Month (PEPM) funds. IPA taxes are applied to Medicaid and Healthy Michigan eligibles.
e) Due To State Local Obligation contains a negative balance as one CMHSP still owes for FY 2026 quarter one.
f) Due To CMHSP represents FY 2025 projected cost settlement figures. Final amounts will be paid during the region's final cost settlements, which generally occur in May or after Compliance Examinations are complete.

| CMHSP | Cost Settlement | BHH Settlement | Payments/Offsets | Total |
|---|---|---|---|---|
| Bay | 5,413,517.00 | - | 4,662,967.00 | 750,550.00 |
| Gratiot | 2,204,991.00 | - | 1,874,242.00 | 330,749.00 |
| Huron | 1,521,614.00 | - | 1,293,372.00 | 228,242.00 |
| Montcalm | 779,963.00 | (311.98) | 662,968.00 | 116,683.02 |
| Newaygo | 444,829.00 | - | 378,105.00 | 66,724.00 |
| Shiawassee | 3,117,644.00 | (4,055.74) | 2,649,998.00 | 463,590.26 |
| **Total** | **13,482,558.00** | **(4,367.72)** | **11,521,652.00** | **1,956,538.28** |

g) Accrued Payroll Expense Wages represent expenses incurred in November and paid in December.
h) Accrued Benefits PTO (Paid Time Off) is the required liability account set up to reflect paid time off balances for employees.
i) Accrued Benefits Other represents retirement benefit expenses incurred in November and paid in December.
j) The Unrestricted Net Position represents the difference between total assets, total liabilities, and the restricted for risk management figure.

**Statement of Activities – Column F calculates the actual revenue and expenses compared to the full year's original budget. Revenue accounts whose Column F percent is less than 16.67% translate to MSHN receiving less revenue than anticipated/budgeted. Expense accounts with Column F amounts greater than 16.67% show MSHN's spending is trending higher than expected.**

1. Revenue
    a) This account tracks Veterans Navigator (VN) activity and CMHSP Clubhouse Grant payments used to assist those served with their Medicaid deductibles.
    b) Medicaid Savings are generated when the prior year revenue exceeds expenses for the same period. PIHPs may retain up to 7.5% of savings using a tiered formulary.
    c) Medicaid Capitation – There is a positive variance in this account which shows actual revenue is trending higher than budgeted. The original FY 2026 budget submitted to the board in September contained revenue estimates from MDHHS's draft rate certification data however the final document calculated revenue significantly higher than anticipated. Please note, Medicaid Capitation payment files are calculated and disbursed to CMHSPs based on a per eligible per month (PEPM) methodology 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. Local Contributions were scheduled to reduce over the next few fiscal years until completely phased out. FY 2026 amounts are the same as FY 2025.
    e) Interest income is earned from investments and changes in principle for investments purchased at discounts or premiums. The amount earned is lower than budget as the investment totals have been reduced to ensure sufficient cash on hand for ongoing operations. (Please see Statement of Net Position 1b.)
    f) This account tracks non-capitated revenue for SUD services which include Community Grant and PA2 funds. There is a large variance in this account because the budget amount represents the full MDHHS allocation amount regardless of planned spending.
2. Expense
    a) Total PIHP Administration Expense is slightly over budget. The other expenses line includes several vendor expenses. MiHIN (data exchange technology) is one such vendor and the FY 2026 invoice was paid in full which is the primary cause for being over budget.
    b) CMHSP participant Agreement shows a large variance when comparing actual to budget. The variance is related to the notes in item 1c above as more revenue is received, more is expensed to the CMHSPs. MSHN funds CMHSPs based on per eligible per month (PEPM) payment files. The files contain CMHSP county codes which designate where the payments should be sent. MSHN sends the full payment less taxes and affiliation fees which support PIHP operations.
    c) SUD provider payments are trending under budget and paid based on need. (Please see Statement of Activities 1c and 1f.)
    d) Benefit stabilization amounts are paid to CMHSPs for SUD access activities and assistance with cash flow if needed to cover operational expenditures in excess of their PEPMs.
    e) IPA/HRA actual tax expenses are lower than the budget. Beginning in FY 2026, Insurance Plan Assessment (IPA) dollars will be based on Michigan's Treasury assessment member months and paid in a quarterly lump sum. In prior fiscal years, the payment was included in capitation. 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 November 30, 2025

| DESCRIPTION | CUSIP | TRADE DATE | SETTLEMENT DATE | MATURITY DATE | CALLABLE | AMOUNT DISBURSED | PRINCIPAL | AVERAGE ANNUAL YIELD TO MATURITY | Chase Savings Interest | Total Chase Balance |
|---|---|---|---|---|---|---|---|---|---|---|
| UNITED STATES TREASURY BILL | 912797RE9 | 6.30.25 | 7.1.25 | 10.28.25 | | 9,999,615.49 | 10,137,000.00 | | | |
| UNITED STATES TREASURY BILL | 912797RE9 | | | | | | (10,137,000.00) | | | |
| UNITED STATES TREASURY BILL | 912797QY6 | 9.16.25 | 9.16.25 | 12.11.25 | | 1,999,690.69 | 1,999,690.69 | | | |
| UNITED STATES TREASURY BILL | 912797PD3 | 10.27.25 | 10.28.25 | 1.22.26 | | 19,999,350.29 | 19,999,350.29 | | | |
| | | | | | | | | | | |
| JP MORGAN INVESTMENTS | | | | | | | 21,999,040.98 | | | 21,999,040.98 |
| JP MORGAN CHASE SAVINGS | | | | | | | 13,483,040.96 | 0.020% | 254,103.53 | 13,737,144.49 |
| | | | | | | | $ 35,482,081.94 | | $ 254,103.53 | $ 35,736,185.47 |

**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.

MID-STATE HEALTH NETWORK
SCHEDULE OF PA2 SAVINGS INVESTMENTS
As of November 30, 2025

| DESCRIPTION | CUSIP | TRADE DATE | SETTLEMENT DATE | MATURITY DATE | CALLABLE | AMOUNT DISBURSED | PRINCIPAL | AVERAGE ANNUAL YIELD TO MATURITY | Chase Savings Interest | Total Chase Balance |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| UNITED STATES TREASURY BILL | 912797QQ3 | 8.15.25 | 8.19.25 | 11.13.25 | | 3,499,118.27 | 3,533,000.00 | | | |
| UNITED STATES TREASURY BILL | 912797QQ3 | | | | | | (3,533,000.00) | | | |
| UNITED STATES TREASURY BILL | 912797RT6 | 11.12.25 | 11.13.25 | 2.12.26 | | 3,499,171.34 | 3,499,171.34 | | | |
| | | | | | | | | | | |
| JP MORGAN INVESTMENTS | | | | | | | 3,499,171.34 | | | 3,499,171.34 |
| JP MORGAN CHASE SAVINGS | | | | | | | 3,009,532.65 | 0.010% | 3,281.99 | 3,012,814.64 |
| | | | | | | | $ 6,508,703.99 | | $ 3,281.99 | $ 6,511,985.98 |

**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 FY26 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 FY26 contract listing.

**MID-STATE HEALTH NETWORK**
**FISCAL YEAR 2026**
**January 2026**

| CONTRACTING ENTITY | CONTRACT SERVICE DESCRIPTION | CONTRACT TERM | FY 2025 CONTRACT AMOUNT | FY 2026 TOTAL CONTRACT AMOUNT | INCREASE/ (DECREASE) |
|---|---|---|---|---|---|
| **PIHP ADMINISTRATVE FUNCTION CONTRACTS** | | | | | |
| **RedHead Creative Consultancy** | Media Campaign to Reduce SUD Stigma | 1.1.26 - 9.30.26 | **$ 99,000** | **61,764** | **$ (37,236)** |
| | | | **$ 99,000** | **$ 61,764** | **$ (37,236)** |
| **SUD SERVICE PROVIDER CONTRACTS (Cost Reimbursement/Fee for Service) NOTE: Fee for Service contracts show "-" amount** | | | | | |
| **Addiction Treatment Services** | Treatment Contract | 10.1.25 - 9.30.26 | **$ -** | **-** | **-** |
| **Cherry Health Services** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |
| **MidMichigan Community Services** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |
| **Mid-Michigan Recovery Services** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |
| **Montcalm Care Network** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |
| **Professional Psychological & Psychiatric Services** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |
| **Recovery Pathways** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |
| **Shiawassee Health and Wellness** | Substance Use Disorder Health Home (SUD HH) | 2.1.26 - 9.30.26 | **$ -** | **-** | **-** |

# Mid-State Health Network (MSHN) Board of Directors Meeting
## Tuesday, November 18, 2025
**MyMichigan Medical Center**
## Meeting Minutes

### 1. Call to Order

Chairperson Ed Woods called this meeting of the Mid-State Health Network Board of Directors to order at 5:00 p.m. Mr. Woods reminded members that those participating by phone may not vote on matters before the board unless absent due to military duty, disability, or health-related condition and will relax the Board Member Conduct Policy due to the current volatile environment with the PIHP Procurement matters. Mr. Woods informed the Board that Paul Palmer's service to the MSHN and CEI board has ended due to his moving away. Mr. Woods attended a CEI meeting to recognize Mr. Palmer's contributions to the MSHN regional board. Mr. Woods informed board members the November per diem and mileage payments for members will be processed in December. Mr. Woods called for a moment of silence to honor and remember two board members from the Community Mental Health Authority for Clinton, Eaton, and Ingham Counties who passed away in recent weeks.

### 2. Roll Call

Secretary Deb McPeek-McFadden provided the roll call for Board Members in attendance.

**Board Member(s) Present:** Patty Bock (Huron), Patrick Conley (BABH), Ken DeLaat (Newaygo), David Griesing (Tuscola), Dan Grimshaw (Tuscola), Tim Hanna (CEI), Tina Hicks (Gratiot), John Johansen (Montcalm), Pat McFarland (BABH), Deb McPeek-McFadden (The Right Door), Irene O'Boyle (Gratiot), Joe Phillips (CMH for Central Michigan), Linda Purcey (The Right Door), Tracey Raquepaw (Saginaw), Kerin Scanlon (CMH for Central Michigan)-arrived at 5:09 p.m., Richard Swartzendruber (Huron), Joanie Williams (Saginaw), and Ed Woods (LifeWays)

**Board Member(s) Remote:** Kurt Peasley (Montcalm)-Covington, LA and Lori Schultz (Newaygo)-Newaygo, MI

**Board Member(s) Absent:** Brad Bohner (LifeWays), Greg Brodeur (Shiawassee), and Cindy Garber (Shiawassee)

**Staff Member(s) Present:** Joseph Sedlock (Chief Executive Officer), Amanda Ittner (Deputy Director), and Leslie Thomas (Chief Financial Officer)

**3. Approval of Agenda for November 18, 2025**

Board approval was requested for the Agenda of the November 18, 2025, Regular Business Meeting.

**MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY DAVID GRIESING, FOR APPROVAL OF THE AGENDA OF NOVEMBER 18, 2025 REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.**

**4. Public Comment**

There was no public comment.

**5. MSHN External Compliance Examination Report Presentation**

Ms. Christina Schaub, Auditor from Roslund, Prestage and Company, presented the report on compliance and highlighted key information included in the MSHN Fiscal Year 2024 Compliance Examination conducted by the firm and provided within board member packets. The audit found MSHN complied in all material respects with the specified requirements; that no control deficiencies were found; no material non-compliance with laws, regulations, or contracts were identified; and no fraud was found.

**MOTION BY TINA HICKS, SUPPORTED BY KEN DeLATT, TO RECEIVE AND FILE THE REPORT ON COMPLIANCE OF MID-STATE HEALTH NETWORK FOR THE YEAR ENDED SEPTEMBER 30, 2024. MOTION CARRIED UNANIMOUSLY.**

**6. Chief Executive Officer's Report**

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

- PIHP/Regional Matters
  - Competitive Procurement of Prepaid Inpatient Health Plans
  - Progress on Improving Penetration Rates in Substance Use Disorder Services for People of Color
  - Regional Anti-Stigma Campaigns
  - Regional Finances
- State of Michigan/Statewide Activities – See written report for details.
- Federal/National Updates and Activities
  - Supplemental Nutritional Assistance Program (SNAP)

**7. Deputy Director's Report**

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

- Michigan Mission Based Performance Indicator System (MMBPIS)
- Performance Improvement Projects (PIPs)
- 2025 Satisfaction Survey Results
- Innovation in Behavioral Health

**8. Chief Financial Officer's Report**

Ms. Leslie Thomas provided an overview of the financial statements included within board meeting packets for the period ended September 30, 2025.

**MOTION BY TIM HANNA, SUPPORTED BY PATRICK CONLEY, TO RECEIVE AND FILE THE PRELIMINARY STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDED SEPTEMBER 30, 2025, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.**

**9. Contracts for Consideration/Approval**

A. FY25 Contract Listing for Consideration/Approval

Ms. Leslie Thomas provided an overview of the FY2025 contract listing provided in the meeting packet and requested the board authorize MSHN's CEO to sign and fully execute the contracts listed on the FY2025 contract listing.

**MOTION BY JOHN JOHANSEN , SUPPORTED BY RICH SWARTZENDRUBER, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED AND LISTED ON THE FY2025 CONTRACT LISTING. MOTION CARRIED UNANIMOUSLY.**

B. FY26 Contract Listing for Consideration/Approval

Ms. Leslie Thomas provided an overview of the FY2026 contract listing provided in the meeting packet and requested the board authorize MSHN's CEO to sign and fully execute the contracts listed on the FY2026 contract listing.

**MOTION BY TRACEY RAQUEPAW, SUPPORTED BY IRENE O'BOYLE, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED AND LISTED ON THE FY2026 CONTRACT LISTING. MOTION CARRIED UNANIMOUSLY.**

**10. Executive Committee Report**

Mr. Ed Woods informed board members the Executive Committee met on October 17, 2025, and reviewed the following:

- Contingency Planning

**11. Chairperson's Report**

- Mr. Woods reported that he is meeting weekly with the Deputy Director and Chief Executive Officer.

**12. 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 JOHN JOHANSEN, TO APPROVE THE FOLLOWING DOCUMENTS ON THE CONSENT AGENDA: APPROVE MINUTES OF THE SEPTEMBER 9, 2025 BOARD OF DIRECTORS MEETING; APPROVE MINUTES OF THE SEPTEMBER 9, 2025 PUBLIC HEARING; RECEIVE BOARD EXECUTIVE COMMITTEE MEETING MINUTES OF OCTOBER 17, 2025; RECEIVE SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD MEETING MINUTES OF AUGUST 20, 2025; RECEIVE OPERATIONS COUNCIL KEY DECISIONS OF SEPTEMBER 15, 2025 AND OCTOBER 20, 2025. MOTION CARRIED UNANIMOUSLY.**

**13. Other Business**

There was no other business.

**14. Public Comment**

There was no public comment.

**15. Adjournment**

The MSHN Board of Directors Regular Business Meeting adjourned at 5:51 p.m.

**Mid-State Health Network Board of Directors**
**Executive Committee Meeting Minutes**
Friday, December 19, 2025 - 9:00 a.m.

**Members Present:** Ed Woods, Chairperson; Irene O'Boyle, Vice Chairperson; Deb McPeek-McFadden, Secretary; Kurt Peasley, Member at Large; David Griesing, Member at Large
**Others Present:** John Johansen
**Staff Present:** Amanda Ittner, Deputy Director; Joseph Sedlock, Chief Executive Officer

1. **Call to order:** This meeting of the MSHN Board Executive Committee was called to order by Chairperson Woods at 9:00 a.m.

2. **Adjustments to and Approval of Agenda**: Motion by D. McPeek-McFadden, supported by D. Griesing to approve the agenda for this meeting as presented. Motion carried.

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

4. **Board Matters:**
   - 4.1 Draft January 6, 2026 Regular Board Meeting Agenda: The draft board meeting agenda was reviewed noting that there will be a presentation of the FY 26 Quality Assessment and Performance Improvement Program Plan and the FY 25 effectiveness report. One table copy of each of these reports will be available (and noted on the annotated agenda for Chairperson Woods to announce). Also noted that there may be extended conversation on legal and/or procurement related matters. The board agenda is not final until approved by the board at the January 6, 2026 meeting.
   - 4.2 2025 Board Self-Assessment: J. Sedlock noted that the board self-assessment is normally completed in January for review by the Executive Committee in February and full board in March. This meeting packet contained the board self-assessment survey we have used for many years. Administration will distribute the survey by online means after I. O'Boyle prompts members to complete it at the January 2026 board meeting.
   - 4.3 Committee Meetings under Open Meetings Act: A. Ittner led a discussion of committee meeting requirements under the open meeting act. Executive Committee discussed options. Administration will propose several process changes that were discussed today.
   - 4.4 Other: None

5. **Administration Matters**
   - 5.1 MDHHS Competitive Procurement of PIHPs – Updates: MDHHS has not released any information publicly relating to the procurement of PIHP contracts.
   - 5.2 Lawsuit Update: Three days of evidentiary hearings concluded December 10, 2025. We are awaiting a ruling in the case and will provide detailed information and our best analysis of what it means for the system, MSHN, and our region as soon as we can after receipt of the ruling. The committee discussed details of several aspects of the lawsuit.
   - 5.3 Contingency Planning: J. Sedlock and A. Ittner discussed a chart they developed to help stakeholders understand several potential future contingencies that could be pursued depending on related decisions that are not within our control. A. Ittner noted that at our all-staff meeting held 12/11/25 there was appreciation for the transparency and planning of agency leadership.
   - 5.4 Other: None

6. **Other**
   - 6.1 Any other business to come before the Executive Committee: None
   - 6.2 Next scheduled Executive Committee Meeting: 02/20/2026, 9:00 a.m.

7. **Guest MSHN Board Member Comments**: J. Johansen commented on the committee meeting item above.

8. **Adjourn:** The meeting was adjourned at 9:36 a.m.

# MID-STATE HEALTH NETWORK

BOARD POLICY COMMITTEE MEETING MINUTES
TUESDAY, DECEMBER 2, 2025 (VIDEO CONFERENCE)

***Members Present**:* John Johansen, Kurt Peasley, and David Griesing

***Members Absent:*** Tina Hicks and Irene O'Boyle

***Staff Present***: Amanda Ittner (Deputy Director) and Sherry Kletke (Executive Support Specialist)

## 1. CALL TO ORDER

Mr. John Johansen called the Board Policy Committee meeting to order at 10:00 a.m.

## 2. APPROVAL OF THE AGENDA

**MOTION** by David Griesing, supported by Kurt Peasley, to approve the December 2, 2025, Board Policy Committee Meeting Agenda as presented. Motion Carried: 3-0.

## 3. POLICIES UNDER DISCUSSION

There were no policies under discussion.

## 4. POLICIES UNER REVIEW

Mr. John Johansen invited Ms. Amanda Ittner to provide a review of the substantive changes within the SUD Income Eligibility policy under the Finance Chapter. Ms. Ittner informed policy committee members the addition of excluded purchases allowed using block grant funds are based upon changes in the contract language from Michigan Department of Health and Human Services.

**MOTION** by Kurt Peasley, supported by David Griesing, to approve and recommend the policies under review to the Board of Directors. Motion carried: 3-0.

## 5. NEW BUSINESS

Voting by Email Discussion: Ms. Amanda Ittner informed members the MSHN bylaws state committees shall meet as directed by the Entity Board and follow the same rules of order and documentation as the Board. MSHN Administration also reviewed the Open Meetings Act and the only reference to committees is under the definition of a public body. MSHN Administration notes that board committees are typically only voting to recommend action to the full Board and the committees don't constitute a quorum of board (i.e., less than 13 members) and have been operating under the guidelines that committees can carry out business in any venue the committee determines. MSHN Administration has contacted legal counsel to clarify the ability of committees to vote remotely and indicated the preference of continuing to meet remotely. Administration recommends we wait until legal clarification is received and then a recommendation will be presented to the board and policy committee as appropriate. Members supported the continuation of video committee meetings as they are open to the public and allow for discussion and only object to email voting which doesn't allow opportunities for discussion.



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

**6. ADJOURN**

Mr. John Johansen adjourned the Board Policy Committee Meeting at 10:14 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**

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**REGIONAL OPERATIONS COUNCIL/CEO MEETING**
Key Decisions and Required Action
Date: 11/17/2025

**Members Present:** Chris Pinter; Ryan Painter; Maribeth Leonard; Carol Mills; Julie Majeske; Tracey Dore; Tammy Warner; Kerry Possehn; Michelle Stillwagon; Bryan Krogman; Sandy Lindsey; Jeff Labun, Cassie Watson
**Members Absent**: Sara Lurie
**MSHN Staff Present:** Joseph Sedlock; Amanda Ittner; for applicable area Leslie Thomas

| Agenda Item | Action Required | | | | |
|---|---|---|---|---|---|
| **CONSENT AGENDA** | No items removed from the consent agenda for further discussion. | | | | |
| | Informational Only | By Who | N/A | By When | N/A |
| **2025-09 YEAR END SAVINGS ESTIMATES REVIEW** | L. Thomas provided an overview of the FY25 Year-End Savings Estimate.<br>Based on interim FY25 FSR submitted to MDHHS in November.<br>Projections for FY25 include $12.2m for ISF contribution ($41.5m Medicaid, $11.5 funding for $24/7cash flow & $18m deficit HMP)<br>BHH deficit in one CMH, overall surplus in BHH of 474k<br>Estimating 4.5% ISF balance<br>Earned Sick Time Act, Min Wage and Waskul questions still outstanding for FY26 implementation and reporting | | | | |
| | Discussion and informational only | By Who | N/A | By When | N/A |
| **PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY)**<br>• **Lawsuit Updates**<br>• **Contingency Planning – CMHSP Led Regional Entity Creation-Process Considerations**<br>• **Other** | Verbal updates provided. | | | | |
| | Internal Discussion Only | By Who | N/A | By When | N/A |

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**REGIONAL OPERATIONS COUNCIL/CEO MEETING**
Key Decisions and Required Action
Date: 12/15/2025

**Members Present:** Chris Pinter; Ryan Painter; Maribeth Leonard; Carol Mills; Tracey Dore; Tammy Warner; Sandy Lindsey; Sara Lurie, Jeff Labun, Cassie Watson; Julie Majeske; Bryan Krogman
**Members Absent**: Michelle Stillwagon; Kerry Possehn;
**MSHN Staff Present:** Joseph Sedlock; Amanda Ittner; and Kim Zimmerman (for applicable area)

| Agenda Item | Action Required | | | | |
|---|---|---|---|---|---|
| **CONSENT AGENDA** | No items removed for discussion | | | | |
| | Acknowledged receipt | By Who | N/A | By When | N/A |
| **FY25 QAPIP REPORT** | Kim reported on FY25 QAPIP Executive Summary | | | | |
| | Operations Council support to move forward with Board approval. Feedback due by Friday, 12/19. | By Who | K. Zimmerman | By When | 12.20.25 |
| **FY26 QAPIP PLAN** | Kim reported on the FY26 QAPIP Plan | | | | |
| | Operations Council support to move forward with Board approval. Feedback due by Friday, 12/19. | By Who | K. Zimmerman | By When | 12.20.25 |
| **PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY)**<br>• **LAWSUIT UPDATES (VERBAL)**<br>• **PROCUREMENT UPDATES (VERBAL)**<br>• **CONTINGENCY PLANNING (ATTACHMENT)**<br>• **POLICY DRAFT-CMHSP PARTICIPATION IN THE MSHN REGION** | Operations Council debriefed on the hearing from last week and awaiting the lawsuit results expected yet this week.<br><br>Joe reviewed the Procurement Outcome Pathways diagram MSHN will utilize in planning for multiple outcomes.<br><br>MSHN reviewed the CMHSP application to the MSHN region policy with the recommended edits related to more welcoming language. | | | | |
| | MSHN requests review and feedback by January 9th to allow for second review at the January Operations Council meeting. | By Who | CMHSP | By When | 1.9.26 |
| **LIMITED LICENSE UPDATE** | MSHN provided a summary of the issue and related communications with MDHHS in the November operations packet. The concern was then brought to the association for advocacy with MDHHS and coordination across CMHSPs in the state to support and recommend changes. | | | | |

| Agenda Item | Action Required | | | | |
|---|---|---|---|---|---|
| | Still awaiting MDHHS response to the board association action. MEV process will continue but MSHN will accept a corrective action plan that indicates any systemic change will be on hold until a response is received. | | | | |
| | Ops Council supported a hold on any systemic changes with billing for LL. MSHN will review our process and clarify with Ops Council any future MEV changes. | By Who | K. Zimmerman | By When | 12.20.25 |
| **ICSS 24/7** | Narrative application for 24/7 ICSS model as we don't have the ICSS handbook yet.<br>Now required to have 24/7 mobile crisis. Some CMHs don't have this especially the rural counties.<br>Discussion that Krista indicated zoom/video is acceptable. | | | | |
| | CMHs will do their best to comply with the requirement. | By Who | CMHs | By When | 12.20.25 |
| **MichiCANS 18-21** | Sara indicated at the Children's issue workgroup, Phil indicated MichiCANS 18-21 comprehensive will be required as it's part of the state settlement. The workgroup said this issue should be brought to the PIHP CEO group with the multiple concerns and/or contract negotiations. The timeline for compliance is unknown, but MDHHS indicated they are currently not incompliance with the lawsuit. | | | | |
| | Informational as this is coming forward from MDHHS. | By Who | N/A | By When | N/A |

MSHN
Mid-State Health Network

# POLICIES AND PROCEDURE MANUAL

| | | | |
|---|---|---|---|
| **Chapter:** | **Finance** | | |
| **Title:** | **Substance Use Disorder Treatment – Income Eligibility & Fees** | | |
| **Policy:** X<br>**Procedure:** ☐<br>**Page:** 1 of 2 | **Review Cycle:** Biennial<br><br>**Author:** Chief Financial Officer and Finance Manager | **Adopted Date: 11.2015**<br><br>**Review Date:** 05.13.2025 | **Related Policies:**<br>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
- Funds shall not be used to purchase promotional items, including but not limited to clothing, commemorative items such as pens, mugs/cups, folders/folios, lanyards, and conference bags.

**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 |
| 12.2024 | Biennial Review | Chief Financial Officer |
| 10.2025 | Policy Update | Chief Financial Officer |