



Last year, Mid-State Health Network suspended newsletters and some other organizational activities due to procurement-related issues. We are pleased to reinstate this every-other-month newsletter.

From the Chief Executive Officer's Desk

Joseph Sedlock

Many readers of this newsletter are aware that I have been on a medical leave of absence that began on July 6, 2026. I have been gone for three months, and I am pleased to report that I have returned to work and my roles – and that the medical care I went through has cured the condition treated. I will now enter a period of quarterly monitoring.

I'm grateful for medical science without which I likely wouldn't be here now. And I want to express my admiration and gratitude for our board officers, board members, our regional partners, our entire leadership team and staff, and especially Amanda Ittner. While she and I have always had a good and effective work partnership, she stepped in for me on short notice. While I was on leave, I didn't pay much (if any) attention to MSHN matters in part because of her, Leslie Thomas, and the entire MSHN Leadership Team and Staff. We have excellent people all of whom are committed to excellence...and it shows.

It's going to take me at least a few weeks to get fully back "up to speed" and absorb all the new information that three months away generates in order to re-establish some level of competence. I will collaborate with Amanda, our MSHN teams, and our regional partners through this transition.

Thank you all for your personal support of me. It is deeply appreciated.

For further information or questions, please contact Joe at Joseph.Sedlock@midstatehealthnetwork.org.

Organizational Updates

Amanda Ittner, MBA

Deputy Director

MSHN Staffing Updates

MSHN is pleased to announce the following staffing changes and new hires effective through October 2026. Please join me in congratulating our staff and welcoming our newest members to the MSHN team.

- Leah Hietala accepted the State Plan Coordinator position, effective September 7, 2026. Leah has been with MSHN since early 2024 as the Waiver Assistant.
- Jasmine Washington, currently under contract with Kelly Temp Services as MSHN's Access Screener has accepted the Waiver Assistant position, effective October 12, 2026.
- Kristi Drooger accepted the Substance Use Disorder (SUD) Treatment Administrator role, effective October 12, 2026. Kristi comes to MSHN with a MBA in Healthcare Management, MA in Community

Predictive Model (Michigan Health Endowment Fund)

Mid-State Health Network (MSHN) is implementing a **predictive modeling system** to identify Medicaid enrollees at elevated risk for psychiatric hospitalization, substance use disorder (SUD), and emerging depression/anxiety. The goal is to “*identify enrollees for intervention who otherwise may have gone unidentified*” and intervene earlier to improve outcomes while reducing costs.

MSHN partnered with Vital Data Technologies, funded by the Michigan Health Endowment Fund. The project uses extensive data sources—including claims, pharmacy, eligibility, provider files, and geocoded social determinants of health—to generate monthly automated risk scores and care recommendations for Community Mental Health Service Programs (CMHSPs).

Early analysis shows that many high-risk individuals already receive CMHSP services, informing workflow planning. Potential interventions include evidence-based screening tools, engagement strategies, harm reduction, education, multidisciplinary review, and care plan updates.

MSHN is formally launching the pilot in our data analytics platform, October 1, 2026, providing care alerts identifying high-risk individuals. Approximately 125 individuals per month will receive interventions through this pilot. Outcomes will be tracked and monitored throughout the year, providing feedback related to the success of the pilot.

Limited Licensed Social Work Supports (Rural Health Transformation Grant)

Mid-State Health Network (MSHN) was approved by Michigan Department of Health and Human Services (MDHHS) as a regional consortium to administer the Limited Licensed Master Social Work (**LLMSW**) **Supervision Stipend** Program from October 1, 2026, through September 30, 2027, funding supervised hours, training, and continuing education so LLMSWs across 20 rural Michigan counties can complete requirements for independent licensure. The program funds participating CMHSPs, who will recruit and train 36 LMSW supervisors, match them with 143 LLMSWs, and verify at least four hours of supervision per month under a shared eligibility and reporting framework. With a total budget of \$1,000,000, the initiative covers supervisor stipends at \$132/hour, National Association of Social Workers (NASW)-Michigan Core Supervision certification, and continuing education. Special thanks to Shiawassee Health & Wellness for supporting the grant application and reporting.

For further information or questions, please contact Amanda at Amanda.Iltner@midstatehealthnetwork.org.

Information Technology

Steve Grulke
Chief Information Officer

Artificial Intelligence (AI) Initiatives

The Information Technology (IT) team has been actively exploring the rapidly evolving field of Artificial Intelligence (AI). As part of this effort, we have reviewed numerous articles, journals, industry publications, and other resources to better understand AI technologies and their potential applications. We have also begun collaborating with third-party organizations to gain hands-on experience with several of the AI tools currently available.

One of the platforms we are evaluating is Microsoft Copilot. We are using this technology to help develop a repeatable risk assessment process. The tool gathers relevant requirements from federal and state regulations, the contract between MSHN and the Michigan Department of Health and Human Services (MDHHS), and the Michigan Mental Health Code. It then analyzes our policies, procedures, and internal documentation to determine how effectively we meet those requirements. The resulting report identifies areas where additional attention or improvement may be needed to maintain compliance and reduce risk.

In addition, we are utilizing OpenAI technology to create a self-service reporting environment that will enable MSHN staff to access information from approved data sources more efficiently. We are taking a measured approach to implementation to ensure that security, privacy, and data governance requirements are fully maintained. Our goal is to provide staff with a simple way to request information using plain English and receive reports within minutes, significantly reducing the time traditionally required for report development through IT resources.

It is clear that AI technologies will continue to play an important role in the future of business and healthcare operations. As an organization, it is important that we understand both the capabilities and limitations of these tools. With appropriate evaluation, governance, and safeguards in place, we believe AI can become a valuable resource for MSHN staff across a wide range of operational and administrative functions.

For further information or questions, please contact Steve at Steve.Grulke@midstatehealthnetwork.org.

Finance

Leslie Thomas, MBA, CPA
Chief Financial Officer

As mentioned in the September 2026 Board Meeting, FY 2027's original budget only included agreed to regional assumptions. After the board meeting, Michigan Department of Health and Human Services (MDHHS) issued draft rates and has allowed for a period for Pre-paid Inpatient Health Plan (PIHP) feedback. Draft rates were slightly higher in revenue however MSHN will make budget updates if there is a material update once MDHHS final rates are received. In addition, MDHHS' FY 2026 mid-year adjustment has not been completed and may impact the region's anticipated Savings Carryforward of about \$40M.

In addition to awaiting final FY 2027 revenue, the Finance Team is beginning close-out activities for Fiscal Year 2026.

FY 2026 – Close-out activities include the following:

- Processing and paying the remainder of claims for dates of service on or before September 30, 2026. Finalizing claims provides a more accurate picture of MSHN's substance use disorder (SUD) expense information included on preliminary fiscal year-end reporting.
- Finalizing Fiscal Monitoring and Oversight of providers – MSHN conducts abbreviated and full reviews for providers on an alternating fiscal year schedule.
 - Abbreviated Reviews - Providers not under a Corrective Action Plan has an abbreviated review every other year alternating with full reviews. This type of review includes an attestation from the provider affirming policies and procedures as well as its Certified Public Accountant (CPA) audit has been completed.
 - Full Reviews - As the name suggests, includes a comprehensive review of various fiscal areas to ensure MSHN contract compliance. Some items evaluated include policies and procedures, Provider board approved financials, and liability insurance confirmation. In the event discrepancies arise, providers may be subject to recoupments.
- MSHN Administrative Expense - in addition to item one above, MSHN engages with staff to ensure all administrative expenses such as travel vouchers (which include mileage, conference expense, etc.) have been processed and paid.
- MSHN Block Grant Expenses - Although other final fiscal year-end reporting occurs in February, Block Grant expenses are finalized in late October which allows MDHHS to meet federal reporting due dates.
- MSHN and Community Mental Health Service Program (CMHSP) Interim Cost Settlement - MSHN is obligated to cover allowable CMHSP Medicaid and Healthy Michigan Plan (HMP) expenses. Any dollars in excess of CMHSP expenses must be returned to MSHN. The region typically completes 85% of its preliminary cost settlement transactions in mid-November. If CMHSP expense exceeded revenue provided by MSHN, the PIHP is responsible for sending additional funds to cover the costs.
- MSHN and MDHHS Interim Reporting - November is the month MSHN also submits an interim Financial Status Report (FSR) to MDHHS. This report includes a breakdown of Medicaid and HMP expenses by CMHSP and MSHN. It outlines revenue, expenses, potential savings amounts, and Internal Service Fund (ISF) calculations.

For further information or questions, please contact Leslie at Leslie.Thomas@midstatehealthnetwork.org

Behavioral Health

Todd Lewicki, PhD, LMSW, MBA
Chief Behavioral Health Officer

Youth Behavioral Health: Addressing a Continuum of Care

For many years, behavioral health leaders have focused on expanding services for children and adolescents with serious emotional disturbance, autism spectrum disorder, intellectual and developmental disabilities, and co-occurring behavioral health conditions. Despite meaningful progress, many families are still at risk of experiencing challenges in consistently receiving the right service at the right time. The challenge is ensuring that the network is sufficiently developed so functions are available when needed and address that need at the right level of clinical focus. Increasingly, it is a question of how well-developed a complete continuum of care is to meet the diverse and changing needs of youth. Pre-paid inpatient health plans (PIHPs) are responsible for making sure that Michigan Medicaid beneficiaries have access to behavioral healthcare services when and where they are needed, including through Community Mental Health Service Programs (CMHSPs) and their network of behavioral health providers. The MSHN Assessment of Provider Network Adequacy is intended to support CMHSP and PIHP efforts by generating regional consumer demand and provider network profiles that may precipitate adjustments to local provider arrangements and address the behavioral health needs of the community. MSHN and its CMHSP partners act upon these opportunities as warranted. One such service receiving attention is youth crisis residential.

Typically, a continuum of care is focused on clinical intensity, designed to maximize stability and improve behavioral health outcomes for youth. The greatest focus at each level of the continuum is the measure of clinical support intensity needed to help youth and families achieve that stability. This process includes input from the youth and family through family-driven, youth guided practices intended to ensure that services are person- and family-centered. With clinical intensity in mind, a continuum of care, including crisis residential, would look like this (from lowest to highest):

Prevention
 ↓
 Outpatient
 ↓
 Intensive Community Supports/Enhanced Community-Based Services

- Wraparound
- Intensive Care Coordination
- Home-Based Services
- Family Support
- Respite

 ↓
 Community Crisis Response

- 988
- Mobile Crisis/Intensive Crisis Support Services

 ↓
 Crisis Stabilization
 ↓
 Crisis Residential
 ↓
 Psychiatric Residential Treatment Facility (PRTF)/Therapeutic Residential
 ↓
 Acute Psychiatric Hospitalization

The Medicaid Provider Manual notes that crisis residential services are intended to provide a short-term alternative to inpatient psychiatric services for beneficiaries experiencing an acute psychiatric crisis when clinically indicated. Services may only be used to avert an inpatient psychiatric admission, or to shorten the length of an inpatient stay. Typically, the length of stay is no longer than 14 days. Despite existing as a service on the continuum, the presence of youth crisis residential services has continued to decline in Michigan, with the last facility, Safehaus, located in Warren, MI. So, the question becomes one of whether the continuum of care and needs of the community are evolving to the point where other services are fulfilling a more impactful role.

MSHN will continue to make this a focus of its work related to network adequacy to ensure that youth continue to have available the most appropriate services and supports to meet the intensity of their behavioral health needs. The landscape of the Michigan behavioral health system is vibrant and reactive to the ongoing policy changes at the federal and state levels. Medicaid benefits such as the 1915(i) State Plan Amendment (SPA), 1915(c) waiver programs, and Medicaid State Plan services offer PIHPs and CMHSPs flexibility in ensuring that Medicaid behavioral health services are available for those who need them. However, service availability needs to mindfully be on the service continuum and be responsive to youth and families, and PIHP network adequacy assessments need to ensure that they are flexible to the immediate and changing needs of beneficiaries. MSHN continues its daily work with its CMHSPs and community partners to innovatively address systemic challenges to go beyond an adequate network to an optimal one.

For questions or more information, please contact Todd at Todd.Lewicki@midstatehealthnetwork.org.

Population Health and Integrated Care

Skye Pletcher-Negrón, LPC, CAADC, CCS
 Chief Population Health Officer

The MSHN Integrated Health Team is pleased to provide the following summary of health home activities, efforts, and achievements in FY26.

Substance Use Disorder Health Homes:

MSHN Substance Use Disorder (SUD) Health Home (HH) providers earned the full possible Pay for Performance (P4P) award for FY25 based on meeting or exceeding statewide benchmarks on three performance measures. MSHN would like to recognize and highlight outstanding regional performance on one metric in particular:

Individuals served by regional SUD Health Home providers had a 100% rate of follow up within 7 days following a hospital emergency room visit for alcohol or drug-related concerns compared to 26% rate of follow up for all Medicaid beneficiaries statewide.

Please join us in congratulating our regional SUD Health Home partners for the fantastic work they are doing to dramatically improve outcomes for individuals they serve. The total P4P award amount of \$95,689.02 was distributed proportionally among the regional SUD Health Home partners based on the number of individuals served by each location throughout FY25.

As a reminder, the following Community Mental Health Service Programs (CMHSPs) and contracted providers participate in the SUD HH initiative within the MSHN region: Isabella Citizens for Health, MidMichigan Health Services (Houghton Lake, Beaverton, and West Branch), Recovery Pathways (Midland, Bay City and Corunna), Sacred Heart (Bay City and Saginaw), Lifeways (Jackson and Hillsdale), Victory Clinical Services (Saginaw, Jackson and Lansing), Mid-Michigan Recovery Services, Cherry Health Services, Montcalm Care Network, and Shiawassee Health & Wellness.

Behavioral Health Homes:

MSHN Behavioral Health Home (BHH) providers earned the full possible P4P award for FY25 based on meeting or exceeding statewide benchmarks on three performance measures. Please join us in congratulating our regional Behavioral Health Home partners for the fantastic work they are doing to dramatically improve outcomes for individuals they serve. The total P4P award amount of \$102,502.87 was distributed proportionally among the regional BHH partners based on the number of individuals served by each location throughout FY25.

As a reminder, five (5) CMHSPs currently participate in the BHH initiative within the MSHN region: Saginaw County Community Mental Health Authority, Montcalm Care Network, Shiawassee Health & Wellness, Community Mental Health for Central Michigan, and Gratiot Integrated Health Network. During FY26 MSHN supported a Federally Qualified Health Center (FQHC), Mid-Michigan Community Health Services, to pursue BHH certification. They anticipate providing BHH services to approximately 80 adults who are currently being served in their outpatient psychiatry clinic. Additional CMHSPs and other providers may apply to join the BHH initiative at any time.

Contact Skye with questions, comments or concerns related to the above and/or MSHN Population Health & Utilization Management at Skye.Pletcher@midstatehealthnetwork.org

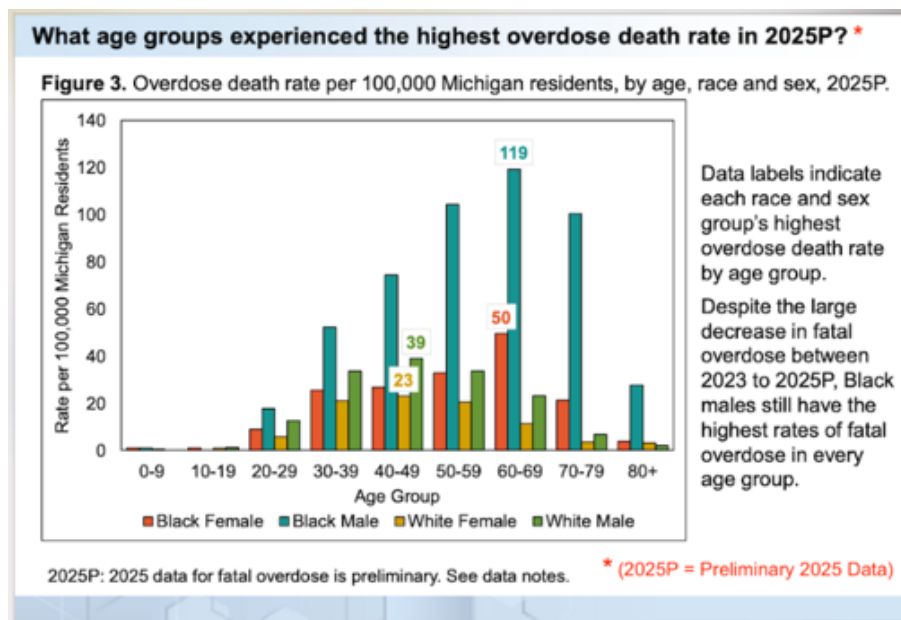
Substance Use Disorder Policy, Strategy and Equity

Dani Meier, PhD, LMSW, MA
Chief Clinical Officer

Overdose Deaths Decline, But Unevenly

There is positive news when scanning the landscape of overdose deaths in Michigan. The state has seen its overdose death rate drop by 47% since 2021, from 30.8 deaths per 100,000 down to 16.4 in 2025 (based on preliminary data), and from 3,096 deaths in 2021 to under 1,800 projected for 2025. In MSHN's 21 county region, that decline was the result of intentional work by hundreds of substance use disorder (SUD) prevention, treatment, harm reduction and recovery providers supported by MSHN in collaboration with dozens of regional stakeholders and community partnerships, which improved access to treatment via telehealth, expanded jail-based SUD treatment and opportunities to use recovery housing and accelerated harm reduction efforts. Statewide, more than 1.8 million naloxone kits were distributed contributing to 34,000 known reversals.

Beneath that promising decline in overall overdose deaths, however, the gap between who lives and who dies has gotten wider. In the July 2026 report, [Drug Overdoses Continue to Disproportionately Impact Black Men](#), Michigan Department of Health and Human Services (MDHHS) reported that Black Michigan residents have continued to die at a higher rate than White residents, a disparity that was amplified during COVID. By 2022, Black residents were dying at 57.7 per 100,000 compared to 25.4 for White Michiganders, and in 2025 those disparities have increased for Black males, as well as for females age 60 and older. Native American Michiganders are also more than twice as likely to die from an overdose as are their White neighbors. These disparities persist despite similar drug use patterns across populations.



Higher death rates in communities of color are linked to a familiar mix of systemic variables: higher poverty, higher levels of incarceration, diminished access to quality health care, stigma and mistrust of the healthcare system and SUD treatment in particular. Fentanyl, carfentanyl, xylazine and now cychlorphine (which can be up to 10 times stronger than fentanyl) make the street supply more lethal, and there are structurally-driven disparities in who gets naloxone (Narcan), who gets diverted from arrest and incarceration, and what medications for opioid use disorder (MOUD) are prescribed and to whom.

In the wake of similar racial disparities in COVID health outcomes, MSHN launched a series of intentional and parallel tracks to address health disparities and to strengthen its strategic priority of "better equity." These included the *Equity Upstream's* [spring lecture series](#), the [Celebrating Strength](#) anti-stigma campaign, and a learning

collaborative pilot of MSHN providers who, in FY25, successfully increased penetration rates for people of color in their respective communities (the March 2026 report on those efforts can be found [here](#)). The single greatest variable in establishing a successful recovery from a SUD is initiation and retention in treatment, so increasing underserved populations' engagement in treatment is a critical first step.

MSHN is committed in FY27 to building on the lessons learned from the FY25 pilot from four counties to all of the region. We understand, however, that each county's epidemiological profile is different, and that providers are at varying stages of readiness for organizational change that could catalyze improved penetration rates for all populations. Moreover, we recognize that providers have undergone multiple stressors in recent years with workforce shortages, funding reductions, changing Licensing and Regulatory Affairs (LARA) licensing rules and the general cloud of uncertainty that hangs over our economy and our public behavioral health system in particular.

FY27, therefore, will be a development year in which providers across the MSHN region will do an organizational self-assessment survey to establish a baseline which will inform provider-specific action planning to reduce health disparities in FY28. MSHN will also provide multiple "Lunch & Learn" trainings in FY27 for all SUD provider staff so that internal agency awareness, understanding and capacity for growth offers a foundation for improvement in reducing health disparities in the overdose epidemic across the region.

Contact Dani with questions, comments or concerns related to the above and/or MSHN SUD Treatment and Prevention at Dani.Meier@midstatehealthnetwork.org.

Quality, Compliance & Customer Service

Kim Zimmerman, MBA-HC, LBSW, CHC
Chief Compliance and Quality Officer

Kara Laferty, LMSW, QIDP, QMHP
Quality Manager

Performance Improvement Project (PIP) Summary for CY2021–CY2025

The Balanced Budget Act of 1997 (BBA), Public Law 105-33, requires Pre-Paid Inpatient Health Plans (PIHPs) to conduct and submit annual Performance Improvement Projects (PIPs). The Health Services Advisory Group (HSAG) conducts an external quality review that includes the analysis and evaluation of healthcare quality, timeliness, and access.

MSHN's validated Performance Improvement Project for Calendar Years 2021–2025 focused on two key goals: improving timely access to medically necessary services following a biopsychosocial assessment and reducing racial disparities between Black/African American and White individuals entering services.

HSAG validated MSHN's PIP through all nine CMS-required steps and awarded the project a "High Confidence" rating. During the Design and Implementation phases and all remeasurement periods, 100% of evaluation elements and 100% of critical elements met requirements. HSAG specifically recognized MSHN for developing a scientifically sound quality-improvement project, conducting robust causal and barrier analyses using established quality-improvement methods, implementing interventions linked to identified barriers, and continuously evaluating the effectiveness of those interventions.

Project Results

The PIP demonstrated meaningful progress in reducing disparities. Across the remeasurement periods, the gap between the Black/African American and White populations narrowed.

The results did not meet the state-specific goal for statistically significant improvement in the Black/African American population while also maintaining performance in the White population without decline. However, the findings demonstrated a measurable reduction in the disparity between the two groups.

The interventions focused on barriers that disproportionately affect minority populations, including access to culturally competent providers, appointment adherence, and awareness of available services within communities of color. These efforts contributed to measurable progress toward reducing inequities and advancing equitable access to behavioral health services.

Remeasurement 3 was directly affected by the removal of Certified Community Behavioral Health Clinic (CCBHC)-only individuals from the dataset effective October 1, 2025. This change resulted in a reduction in the denominator numbers.

Although the project did not meet all state-defined statistical criteria, MSHN successfully implemented a rigorous quality-improvement process, identified and addressed key barriers to care, and reduced disparities. These results provide a strong foundation for continued improvement and reinforce MSHN's commitment to advancing equitable access to behavioral health services.

Upcoming Performance Improvement Projects

The PIPs for the upcoming three-year measurement period will focus on depression screening and follow-up planning for adults receiving behavioral health services:

Clinical PIP:

Improving Depression Screening and Follow-Up Plan Completion for Adults Receiving Behavioral Health Services, as identified by the HEDIS CDF-AD measure (Screening for Depression and Follow-up Plan—Adult).

Non-Clinical PIP:

Improving Operational Processes Supporting Depression Screening and Follow-Up Plan Completion for Adults Receiving Behavioral Health Services, using the HEDIS CDF-AD measure.

The full report is available on the MSHN website: [FY2026 PIP Validation Report](#).

Contact Kim with any questions, comments or concerns related to MSHN Quality, Compliance and Customer Service at Kim.Zimmerman@midstatehealthnetwork.org.

Our Mission:

To ensure access to high-quality, locally-delivered, effective and accountable public behavioral health & 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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