Mid-State Health Network

Board of Directors Meeting ~ November 18, 2025 ~ 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:** MSHN External Compliance Examination Report Presentation (*Page 6*)

   Motion to receive and file the Report on Compliance of Mid-State Health Network for the year ended September 30, 2024

6. Chief Executive Officer's Report *(Page 14)*

7. Deputy Director's Report *(Page 28)*

MSHN
Mid-State Health Network

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

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

****

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

****

Upcoming FY26 Board Meetings
Board Meetings convene at 5:00pm Unless otherwise notes

January 6, 2026
MyMichigan Medical Center
300 E. Warwick Drive
Alma, MI 48801

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

****

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 September 30, 2025 *(Page 32)*

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

9. **ACTION ITEM:** Contracts for Consideration/Approval

   A. ACTION ITEM: FY25 Contract Listing for Consideration/Approval *(Page 42)*

   The MSHN Board of Directors Approve and Authorizes the Chief Executive Officer to Sign and Fully Execute the FY 2025 Contracts, as presented on the FY 2025 Contract Listing

   B. ACTION ITEM: FY26 Contract Listing for Consideration/Approval *(Page 44)*

   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 09/09/2025 *(Page 46)*
    12.2 Approval Public Hearing Minutes 09/09/2025 *(Page 52)*
    12.3 Receive Board Executive Committee Minutes 10/17/2025 *(Page 54)*
    12.4 Receive SUD Oversight Policy Board Meeting Minutes 08/20/2025 *(Page 55)*
    12.5 Receive Operations Council Key Decisions 09/15/2025 *(Page 59)* and 10/20/2025 *(Page 61)*
    12.6 Receive bylaws revisions adopted by CMHSPs to address CMHSP Application to the MSHN Region *(Page 64) (Informational)*

13. Other Business

14. Public Comment (3 minutes per speaker)

15. Adjourn

MSHN
Mid-State Health Network

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	

MSHN
Mid-State Health Network

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

ACA: Affordable Care Act

ACT: Assertive Community Treatment

ARPA: American Rescue Plan Act (COVID-Related)

ASAM: American Society of Addiction Medicine

ASAM CONTINUUM: Standardized assessment for adults with SUD needs

ASD: Autism Spectrum Disorder

BBA: Balanced Budget Act

BH: Behavioral Health

BHH: Behavioral Health Home

BPHASA – Behavioral and Physical Health and Aging Services Administration

BH-TEDS: Behavioral Health–Treatment Episode Data Set

CC360: CareConnect 360

CCBHC: Certified Community Behavioral Health Center

CAC: Certified Addictions Counselor
Consumer Advisory Council

CEO: Chief Executive Officer

CFO: Chief Financial Officer

CIO: Chief Information Officer

CCO: Chief 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

MSHN
Mid-State Health Network

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

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)

MSHN
Mid-State Health Network

Background

The Compliance Examination was conducted by Roslund Prestage and Company (RPC) firm for the fiscal year ending September 30, 2024. The intent of the review is for auditors to express an opinion on the PIHP's compliance with the Medicaid Contract. In addition to the tests performed at the PIHP level, the process also includes incorporation of each CMHSP's Compliance Examination results. RPC's auditor presented the report results and allowed questions from board members. MSHN did receive minor findings and implemented corrective action to address issues.

Recommended Motion:

Motion to receive and file the "Report on Compliance" of Mid-State Health Network for the year ended September 30, 2024.

Report on Compliance

Mid-State Health Network

September 30, 2024

RPC
Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

525 WEST WARWICK DRIVE, SUITE A, ALMA, MICHIGAN 48801

RPC
Roslund Prestage & Company
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

Report On Compliance
We have examined Mid-State Health Network's (the PIHP) compliance with the compliance requirements described in the *Compliance Examination Guidelines* issued by Michigan Department of Health and Human Services that are applicable to the Medicaid Contract and/or General Fund (GF) Contract for the year ended September 30, 2024.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Medicaid Contract and/or GF Contract.

Independent Accountants' Responsibility
Our responsibility is to express an opinion on the PIHP's compliance with the Medicaid Contract and/or GF Contract based on our examination of the compliance requirements referred to above.

Our examination of compliance was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the PIHP complied, in all material respects, with the compliance requirements referred to above.

An examination involves performing procedures to obtain evidence about the PIHP's compliance with the specified compliance requirements referred to above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement of the compliance requirements described in the *Compliance Examination Guidelines* issued by the Michigan Department of Health and Human Services.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. However, our examination does not provide a legal determination of the PIHP's compliance.

Opinion on Each Program
In our opinion, the PIHP complied, in all material respects, with the specified compliance requirements referred to above that are applicable to the Medicaid Contract and/or GF Contract for the year ended September 30, 2024.

Other Matters
The results of our examination procedures disclosed instances of noncompliance, which are required to be reported in accordance with Compliance Examination Guidelines, and which are described in the accompanying Comments and Recommendations as item 2024-01. Our opinion is not modified with respect to these matters.

The PIHP's responses to the noncompliance findings identified in our examination are described in the accompanying Comments and Recommendations. The PIHP's responses were not subjected to the examination procedures applied in the examination of compliance and, accordingly, we express no opinion on the responses.

Purpose of this Report
This report is intended solely for the information and use of the Board and management of the PIHP and the Michigan Department of Health and Human Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Roslund, Prestage & Company, P.C.
Certified Public Accountants

July 23, 2025

Control deficiencies that are individually or cumulatively material weaknesses in internal control over the Medicaid Contract and/or General Fund Contract:

None

Material noncompliance with the provisions of laws, regulations, or contracts related to the Medicaid Contract and/or General Fund Contract:

None

Known fraud affecting the Medicaid Contract and/or General Fund Contract:

None

During our compliance audit, we may become aware of matters that are opportunities for strengthening internal controls, improving compliance, and increasing operating efficiency. Also, we may identify compliance matters that are expected to have an impact greater than $25,000 but are not individually or cumulatively considered to be material weaknesses in internal control over the Medicaid Contract and/or General Fund Contract. Furthermore, we consider these matters to be immaterial deficiencies, not findings. The following comments and recommendations are in regard to those matters.

2024-01 FSR Examination Adjustments

Criteria or specific requirements:
The Contractor must provide the financial reports to the State as listed in the Medicaid Contract. Forms, instructions and other reporting resources are posted to the MDHHS website. (Contract Schedule E)

Condition:
The PIHP is not in compliance with FSR instructions.

Examination adjustments:
Examination adjustments were made to sections of the FSR. See detailed descriptions of these examination adjustments in the Explanation of Examination Adjustments section of this report.

Context and perspective:
Context and perspective have been included in the description shown on the Explanation of Examination Adjustments page of this report.

Effect:
See detailed descriptions of these examination adjustments in the Explanation of Examination Adjustments section of this report.

Recommendations:
The PIHP should review its current policies and procedures regarding the preparation and review of the Financial Status Report to assure that all amounts are reported in compliance with the reporting instructions. Specifically, a review of the final draft should be performed by a knowledgeable person who is independent from the original preparation of the report(s).

Views of responsible officials:
Management is in agreement with our recommendation.

Planned corrective action:
Mid-State Health Network will continue to review instructions and verify reported information with each individual CMHSP prior to submission of the final Financial Status Report.

Responsible party:
Amy Keinath, Finance Manager

Anticipated completion date:
February 28, 2026

Reconcile to CMHSP Examined FSR

Examination adjustments were made to the CMHSP's examined FSRs as part of their compliance audits. The following examination adjustments were made to agree MSHN's examined FSR as a result:

- CCBHC FSR Row AC103 Medicaid CCBHC Base - Affiliate Contracts (Saginaw) was decreased from $13,578,242 to $12,354,853; a difference of $(1,223,389)
- CCBHC FSR Row AC105 Medicaid CCBHC Supplemental - Affiliate Contracts (Saginaw) was increased from $23,672,666 to $24,896,055; a difference of $1,223,389
- CCBHC FSR Row AC102 Medicaid CCBHC Base Capitation (MSHN) was decreased from $33,789,412 to $32,566,023; a difference of $(1,223,389)
- CCBHC FSR Row AC123 Healthy Michigan CCBHC Base Affiliate Contracts (Saginaw) was decreased from $2,370,471 to $1,990,387; a difference of $(380,084)
- CCBHC FSR Row AC125 Health Michigan CCBHC Supplemental – Affiliate Contracts (Saginaw) was increased from $4,079,868 to $4,459,953; a difference of $380,085
- CCBHC FSR Row AC122 Health Michigan CCBHC Base (MSHN) was decreased from $7,086,146 to $6,706,062; a difference of $(380,084)
- CCBHC FSR Row AC204 Surplus Funding Retained (Saginaw) was increased from $13,028,146 to $13,028,147; a difference of $1

PIHP Examination Adjustments

The following examination adjustments were made to agree amounts in MSHN's examined FSR to a CMHSP's examined FSR:

- CCBHC FSR Row AC201 Medicaid CCBHC Services (Lifeways) was decreased from $6,980,097 to $6,977,561; a difference of $(2,536)
- CCBHC FSR Row AC203 Healthy Michigan CCBHC Services (Lifeways) was decreased from $2,271,808 to $2,270,982; a difference of $(826)
- CCBHC FSR Row AC204 Surplus Funding Retained (Lifeways) was increased from $3,745,406 to $3,748,768; a difference of $3,362

The following examination adjustments were made to move the portion of Opiod Health Home expenses covered by prior year surplus funding retained from expenditures on the Opioid Health Home FSR to local only expenses on the All Non Medicaid FSR:

- Opioid Health Home Row AE202 Expenditure – Opioid Health Home Services (MSHN) was decreased from $901,293 to $813,626; a difference of $(87,667)
- Opioid Health Home Row AE332 FROM Local Funds – M301.3 was decreased from $87,667 to $0; a difference of $(87,667)
- All Non Medicaid FSR Row M209 Local Only Expenditures was increased from $884,090 to $971,757; a difference of $87,667

The following examination adjustments were made to report changes to MSHN's examined FSR due to MDHHS' CCBHC settlement:

- CCBHC FSR Part 2.d Supplemental Payment Funding after 9/30 - Medicaid was increased from $320,910 to $330,631; a difference of $9,721
- CCBHC FSR Part 2.d Supplemental Payment Funding after 9/30 - HMP was increased from $266,352 to $271,290; a difference of $4,938

Related Adjustments

Examination adjustments were made as a result of other examination adjustments noted above:

- Internal Service Fund Part 1.b. Specialty Managed Care – Current Period ISF Financing Medicaid (Risk) was decreased from $(16,808,710) to $(15,585,130); a difference of $1,223,580. PREPARER'S NOTE: This examination adjustment was not shown on the respective examined FSR because the cells were locked on the FSR Template that was provided.
- Internal Service Fund Part 1.c. Healthy Michigan Plan – Current Period ISF Financing HMP (Risk) was decreased from $(8,074,254) to $(7,694,073); a difference of $(380,181). PREPARER'S NOTE: This examination adjustment was not shown on the respective examined FSR because the cells were locked on the FSR Template that was provided.
- Shared Risk Calculation & Risk Financing Part 3.b. Total Disposition of MDHHS / Local Risk - Medicaid was decreased from $16,808,710 to $15,585,130; a difference of $(1,223,580). PREPARER'S NOTE: This examination adjustment was not shown on the respective examined FSR because the cells were locked on the FSR Template that was provided.
- Shared Risk Calculation & Risk Financing Part 3.b1. Total Disposition of MDHHS / Local Risk – Healthy Michigan Plan was decreased from $8,074,254 to $7,694,073; a difference of $(380,181). PREPARER'S NOTE: This examination adjustment was not shown on the respective examined FSR because the cells were locked on the FSR Template that was provided.

MSHN
Mid-State Health Network

REPORT OF THE MSHN CHIEF EXECUTIVE OFFICER
TO THE MSHN BOARD OF DIRECTORS
September/October 2025

- LifeWays Chief Executive Officer Maribeth Leonard was presented with the David LaLumia Outstanding Service Professional Award at the Fall Conference in Traverse City. This award is presented annually to the person who is (or has been) employed within the public mental health system and who has made, over time, an outstanding contribution to the public mental health system. Please join MSHN in congratulating Maribeth!
- The LifeWays Board of Directors is pleased to announce its unanimous selection of Cassandra Watson as the next Chief Executive Officer (CEO) of LifeWays after Maribeth Leonard retires in early 2026.

PIHP/REGIONAL MATTERS

1. Competitive Procurement of Prepaid Inpatient Health Plans:

Our office has sent several private communications to Mid-State Health Network (MSHN) Board Members, our regional Community Mental Health Services Program (CMHSP) Participants, and our staff on the lawsuit the board authorized against the State's procurement of Prepaid Inpatient Health Plan (PIHP) contracts beginning in FY 27. At a recent status conference with Judge Christopher Yates, an expedited discovery process, to include depositions, was arranged and briefs are to be filed in the matter. A Court of Claims hearing with Judge Yates presiding will be held on December 8, 2025 and decision(s) and order(s) should be released shortly thereafter. Our attorneys advised that the State of Michigan is continuing its evaluation of bidder responses received under the Request for Proposals (RFP) and intends to announce contract awards "mid-December."

MSHN submitted an on-time bid response to the RFP. Our bid response was "non-conforming" for several reasons, the most important of which is that MSHN, as a regional entity, is legally restricted to operations in its existing 21 county catchment area (the RFP required bidders to cover the entirety of three newly drawn regions). Other non-conforming responses were included in our bid response relating to delegation, board composition, both of which are related conflict of interest requirements in the RFP itself that are contrary to our existing structure. Because of its non-conforming nature, our bid response *may* not be considered.

As previously communicated, the Court has found that Michigan Department of Health and Human Services (MDHHS) has the authority to use a competitive procurement process for PIHP contracts and to reduce (or otherwise change) the number of PIHPs. There are remaining elements of the lawsuit that will be addressed in the hearing noted above. At this point, there are far too many variations in potential outcomes and far too many unknowns for MSHN to engage fully in contingency planning, but we are doing our best to plan for the future and to prepare our region for what comes next. What is abundantly clear is that big structural changes to the public behavioral health system are coming. Soon. Our office is aware that the bid responses (and/or a list) to the RFP have been requested under the Freedom of Information Act (FOIA).

Our office will continue to keep our board, regional partners, and staff informed as events warrant.

2. **Progress on Improving Penetration Rates in Substance Use Disorder Services for People of Color:**

Under the leadership of Dani Meier, MSHN Chief Clinical Officer, our Health Equity Learning Collaborative, which includes six providers, has demonstrated increased penetration rates for both new admissions and persons served. Most providers documented modest improvements in penetration rates from the baseline year (FY 2019) to last year (FY 2025). One provider, Cristo Rey, demonstrated a 28% increase. Along with the goal of reducing health disparities in overdose death rates, one of the goals of the learning collaborative is to identify successful strategies which can then be implemented region wide. These results are encouraging, especially after only one year of engagement in the learning collaborative!

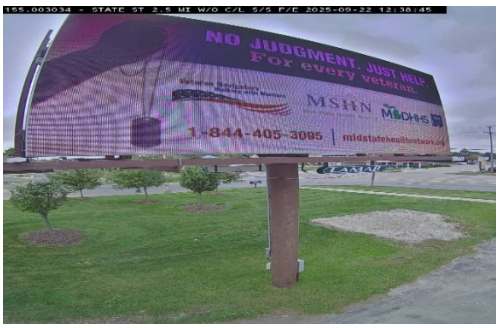
3. **Regional Anti-Stigma Media Campaigns:**

- **Veteran's Anti-Stigma Billboard Campaign:**
  From late September through late October, Mid-State Health Network implemented a Veteran-focused anti-stigma campaign throughout Region 5. The initiative aimed to encourage Veterans to seek support by contacting the MSHN Access Line or visiting the MSHN website. In collaboration with an advertising agency, two billboard designs were developed—one for static placements and one for digital displays—featuring the messages:

  "You Served with Honor. Get Support Without Stigma." and
  "No Judgment. Just Help. For Every Veteran."

  A total of **15 billboards were placed across 14 counties** to increase visibility and outreach to Veterans across the region. The counties included: **Ingham, Eaton, Clinton, Gratiot, Montcalm, Saginaw, Isabella, Midland, Bay, Tuscola, Huron, Clare, Gladwin, and Arenac.**

  MSHN Veteran Navigator information can be found at this link. Images below provide examples of the campaign in the field.



- **Celebrating Strength:** MSHN's anti-stigma campaign Celebrating Strength was launched in August and September of 2025. Its goal is to reduce stigma in communities of color by highlighting stories of local individuals in recovery In Saginaw, Jackson, Lansing and Mt. Pleasant. These stories, unlike previous anti-stigma campaigns by MDHHS, feature individuals in recovery speaking in their own words focusing on what gives them strength in their recovery. In addition to video PSAs that can be shared on social media, these video spots were aired on Hulu, Roku, etc. in the markets above and were accompanied by posters, billboards and radio spots. In FY26, a toolkit will continue to be available region-wide here.
- **Problem Gambling:** MSHN's Problem Gambling Prevention media campaign, which consists of two 15-second videos (Hard to Ignore and If You Gamble) were shown as "pre-roll" connected to videos watched on popular websites. The campaign ran as expected with no issues and performed as expected for completion rate and well above the average for clicks. For the entire campaign in FY25, we had 3,385,837 impressions, 1,352,937 completed video views, and 1,999 click throughs to the Michigan Gaming Control Board's Don't Regret the Bet webpage.
- **Vaping Prevention:** MSHN's Prevention Team has submitted a media request to MDHHS for approval of vaping prevention streaming media campaign to run during the month of March 2026 leading up to Take Down Tobacco Day on April 1. This will be funded with $4000 of MDHHS Tobacco Section funding given to each PIHP.

4. Opioid Settlement Activity in the MSHN Region:

Monitoring of Opioid Settlement Funds (OSF) allocated to regional SUD providers and transparency related to those allocations is required by the State of Michigan. All SUD provider projects (by county) for OSF can be found on the MSHN website at this link: Opioid Settlement Transparency & Accountability.

5. Regional Finances:

As you are aware, MSHN did not have benefit of revised rates when we presented our budget, including revenue projections, at the September board meeting. The original FY 26 revenue projections used existing FY 25 revised rates.

The new FY26 capitation rates were received on the last day of the fiscal year, 09/30/2025. MSHN recalculated our FY 26 revenue projections using the revised rates. In calculating our revised projections, no changes were made to CMHSP budgets or numbers of eligibles. While there were some significant changes to the methodology used by MDHHS to establish rate cells, note that this is the first

time we have received actuarially sound rates for the region (they were previously actuarially sound at the state level).

In sum, the region should *expect an increase in Medicaid/HMP funding of about $73M*. The graphic below (Revenue Change Summary) shows the net change in projected revenue by CMHSP for our region:

Revenue Budget Projection Increase / (Decrease)

	Medicaid	HSW	Autism	CWP	SEDW	HMP	Total	Percent Change
Bay Arenac	(1,228,438.48)	1,203,811.40	1,155,494.72	1,788.00	(1,962.72)	493,040.61	1,623,733.53	2.55%
CEI	7,956,821.90	2,453,714.64	3,718,912.29	5,662.00	(34,674.72)	4,018,284.05	18,118,720.16	11.21%
Central Michigan	(1,127,142.51)	3,844,794.08	2,650,202.19	3,576.00	(13,084.80)	1,128,051.21	6,486,396.17	4.53%
Gratiot	(492,193.11)	616,418.92	415,181.69	298.00	(654.24)	138,769.12	677,820.38	3.05%
Huron	(12,812.82)	245,486.72	144,093.17	-	(654.24)	114,894.86	491,007.69	3.95%
The Right Door	2,326,273.42	344,544.04	390,372.43	1,490.00	(2,616.96)	1,073,895.05	4,133,957.98	22.35%
LifeWays	5,983,087.91	1,739,238.64	2,153,115.19	2,384.00	(23,552.64)	2,900,193.74	12,754,466.84	14.21%
Montcalm	61,196.70	235,082.60	654,241.44	596.00	(8,505.12)	243,336.16	1,185,947.78	4.37%
Newaygo	478,448.35	263,451.04	341,575.76	298.00	(2,616.96)	218,976.27	1,300,132.46	6.12%
Saginaw	12,817,926.41	1,251,486.36	1,907,152.18	3,278.00	(7,196.64)	3,340,346.58	19,312,992.89	20.77%
Shiawassee	(303,751.99)	400,571.16	652,115.41	298.00	(2,616.96)	280,664.94	1,027,280.56	3.57%
Tuscola	(148,847.45)	562,884.84	411,631.12	-	(654.24)	225,277.71	1,050,291.98	4.07%
MSHN SUD	994,960.20	-	-	-	-	3,997,892.99	4,992,853.19	10.65%
Total	27,305,528.53	13,161,484.44	14,594,087.59	19,668.00	(98,790.24)	18,173,623.29	73,155,601.61	9.70%
Percent Change	6.19%	9.72%	15.34%	0.76%	-8.00%	23.11%	9.70%	

Finally some good news – if the assumptions and other variables upon which the projections are based hold true.

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

6. Mental Health Framework

MDHHS continues pursuit of new policies associated with what has been termed the "Mental Health Framework." MDHHS states that this framework is necessary to shift to a "more person-centered approach to serving Michiganders with mental health needs."

MDHHS states that "under the Mental Health Framework, an enrollee's level of mental health need, as determined through a State-identified standardized assessment tool, will more clearly determine which payer—the enrollee's Medicaid Health Plan (MHP) or PIHP—is responsible for their mental health coverage and care. Also, MHPs will begin covering some additional mental health services for enrollees with lower levels of mental health need, so MHPs are accountable for more of these enrollees' continuum of care. Beginning in October 2026:

- MHPs will cover most mental health services for Comprehensive Health Care Program (CHCP) enrollees with lower levels of mental health need, and
- PIHPs will cover all mental health services for CHCP enrollees with higher levels of mental health need.

Referrals for mental health care, including those across MHP and PIHP systems, will be standardized to facilitate enrollee access to needed care.

MDHHS has also announced that "beginning in October 2026, MHPs will begin covering additional mental health services—including inpatient psychiatric care, crisis residential services, partial hospitalization services, and targeted case management—for enrollees with lower levels of mental health need. Providers of these

services should prepare to contract with MHPs, as well as PIHPs, for coverage effective October 1, 2026. In the coming months, MDHHS will provide more detailed guidance to facilitate these efforts."

MSHN and our regional partners continue to have significant issues with and questions about this framework, which we believe is closely connected to the procurement of PIHP contracts. MDHHS maintains a web site on the Mental Health Framework, which contains important information for providers and the public, as well as a "Frequently Asked Questions" document.

7. Michigan Department of Education Issues New Guidance for School Mental Health Systems

From Gongwer News Service, 10/16/25: More than 50 educators, parents, medical experts and research professionals collaborated to produce the Department of Education's new set of school mental health support guidelines, which were released Thursday and focus on helping schools implement evidence-based practices to respond to the increasingly concerning state of children and teens' mental wellbeing.

Michigan's Guidance for a Comprehensive School Mental Health System of Supports, finalized at the beginning of the month, was created with the goal of providing a road map for local districts and Intermediate School Districts (ISDs) to "develop, implement and evaluate" mental health services for both staff and students. The endeavor was prompted in large part by the Legislature's establishment of 31n appropriations for children's mental health and safety in statewide K-12 budgets beginning with the 2019 fiscal year, before which Michigan had never seen specific funding for that area.

In 2025, MDE officials said the new guidance is more important than ever. According to the U.S. Centers for Disease Control and Prevention, up to one in six children ages 6 to 17 experience a mental health disorder each year, but only 20% of them receive care from a mental health provider.

"The importance of providing a physically and mentally safe learning environment has never been greater," Interim Superintendent of Public Instruction Sue Carnell said in a statement. "This guidance offers schools a roadmap for implementing integrated and equitable mental health supports in school settings and supports Goal 3 of Michigan's Top 10 Strategic Education Plan, to improve the health, safety, and wellness of all learners."

The guide, which totals about 50 pages, outlines eight core features of a comprehensive school mental health system of supports. They are, in no particular order, well trained educators and specialized instructional support personnel, family-school-community collaboration and teaming, needs assessments and resource mapping, multi-tiered system of supports, mental health screenings, evidence-based and emerging best practices, data and funding.

Most schools already have more than one of those features already available and thriving, the guidance said. The next step is identifying which features aren't there or might be insufficiently present and finding ways to develop them, which the guidance provides recommendations on. The document is broken down by each core feature and includes specific resources, summaries and directions to further information both within MDE and externally available that educators and administrators can seek to build out their school's support system.

"The guide is packed with best-practice resources that will guide meaningful discussions and help us, as adults, be intentional about changes that positively impact students," Glen Lake Middle School Principal Dina Rocheleau, who served on the work group which developed the guidelines, said in a statement. "One tool we're especially excited to explore is SHAPE – the School Health Assessment and Performance Evaluation

System – which provides a virtual workspace and resources for schools. We'll be following the continual improvement cycle outlined on page 40, using it to strengthen our approach over time."

Other educators and school mental health professionals who helped work on formulating the guidelines emphasized how having a framework making it easier to build up services can have positive downstream effects for students and staff. Officials cited U.S. Department of Education data which said students who have access to mental health services in school are six times more likely to receive the interventions they need to thrive. The data also shows when mental health struggles are unaddressed, it frequently leads to performance or safety-impacting issues such as concentration difficulties, decreased motivation, depression, substance abuse and absenteeism.

Schools still continue to face underfunding and staffing shortages, especially when it comes to mental health and safety matters, but MDE said having a plan and systems in place to foster a supportive environment can make a difference within the constraints of financial and personnel challenges often ruled by politics outside the district.

"To effectively address the mental health crisis, schools can implement evidence-based mental health programs, provide staff with training to identify and respond to mental health concerns, and build partnerships with mental health professionals and organizations," the guidance said. "Schools can also offer a more accessible and less stigmatizing setting than traditional community-based mental health settings. When staffing limitations prevent individual intervention for every student, adopting a comprehensive systems approach allows schools to promote mental well-being, identify student needs early, and provide the appropriate level of support."

8. MDHHS Director Elizabeth Hertel Appearance Before the House Oversight Committee:

MDHHS Director Elizabeth Hertel was subjected to questioning by the Michigan House Oversight Committee. The nearly two-hour hearing can be viewed at this link. The hearing covered a wide range of issues and includes some comments from members on the PIHP procurement.

FEDERAL/NATIONAL UPDATES AND ACTIVITIES

9. 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.

10. Substance Abuse and Mental Health Services Administration "Dismantling":

STAT+ reports that "the administration has dismantled large portions of the federal agency focused on mental health and addiction treatment, reducing its staff by more than half and alarming local governments, nonprofits, and behavioral health providers that rely on the office for funding and expertise. Since January, layoffs and funding cuts at the Substance Abuse and Mental Health Services Administration (SAMHSA) have ground much of the agency's work to a halt. The agency has terminated $1.7 billion in block grants for state health departments and cut roughly $350 million in addiction and overdose prevention funding. At the Center for Mental Health Services, more than half of its 130 employees have been let go, including all but one of those responsible for youth mental health programs. Overall, of the roughly 900 staff there in January, less than half remain, including just 5 of the agency's 17 most senior leaders. Perhaps most tellingly, the White House has not nominated an administrator to lead SAMHSA, instead installing a low-profile deputy who has been

powerless to protect the workforce. Remaining personnel are demoralized and fearful that the 33-year-old agency is on the brink of collapse."

11. Supplemental Nutritional Assistance Program (SNAP):

The Michigan Department of Health and Human Services (MDHHS) received communication from the federal government's Department of Agriculture (USDA) Food and Nutrition Service (FNS) indicating that due to the ongoing federal government funding lapse, there may be limited availability of funds to pay full November Supplemental Nutrition Assistance Program (SNAP) benefits for approximately 42 million individuals across the nation. FNS has unfortunately directed MDHHS to hold November SNAP issuance and ongoing benefits until further notice.

The federal government's delay of SNAP benefits will place Michiganders at risk of food insecurity and poverty. SNAP, a critical program for families and individuals across Michigan to access food, is the nation's largest food assistance program and one of the most effective tools to reduce food insecurity. Nearly 13% of Michigan households, approximately 1.4 million people, receive SNAP benefits. About 43% are families with children and 36% are families with members who are older adults or disabled.

Gongwer News Service reported on October 30, 2025, that the Michigan Senate has passed a supplemental appropriations bill that would provide $71M in emergency funding for SNAP beneficiaries in Michigan. The news release also indicated that the Michigan House will not be able to consider the bill until November 5 because of a 5-day rule.

Five MSHN providers have been approved by the State of Michigan to utilize the SNAP benefits of persons in residential care for food during their stay. Cessation of SNAP benefits may mean these providers may not be able to provide food or sufficient food for beneficiaries receiving treatment at their facilities. As of 10/30/25, MSHN had just over 100 beneficiaries in those settings.

MSHN is prepared to authorize a special stabilization payment to those five providers through the end of November if the Michigan legislature does not pass the "SNAP Supplemental." This a backup plan only. If/when it is determined that we should act, we will.

12. Medicaid Work Requirements:

The Georgetown University McCourt School of Public Policy' Center for Children and Families has released the results of its research entitled *Are States Ready to Implement HR 1 and Medicaid Work Reporting Requirements?* The key findings reported follow:

- State systems are unprepared for federal demands to implement a Medicaid work reporting requirement and other onerous changes. HR 1 (P.L. 119-21) requires states to implement complex work reporting and renewal policies just months after the Medicaid unwinding strained state eligibility systems. Warning signs – including long call center wait times, low rates of "ex parte" (automated) renewals, and long processing times for new applications – point to risks of widespread, avoidable coverage losses. *Based on an analysis of eight Medicaid performance indicators, states most at risk of poor implementation which may lead to inappropriate coverage loss include Illinois, Missouri, Montana, North Dakota, New Mexico, Utah, and Wisconsin*. More than half of states (29) have red flags for at least half of the eight metrics examined.
- Children will lose Medicaid and Children's Health Insurance Program (CHIP) coverage despite not being the primary target of policy changes. The bill cuts federal funding for Medicaid and CHIP by

nearly $1 trillion ($990 billion over 10 years). Since almost half of U.S. children are covered by Medicaid, states cannot shield them from harm. Child enrollment in Medicaid and CHIP grew from 35.2 million in February 2020 to a high of 42.3 million during the COVID-era enrollment protections but dropped to 37.3 million by April 2025. Enrollment declines for children are expected to continue for a variety of reasons, and pressure on state eligibility systems will make it slower and harder for eligible children to regain Medicaid coverage.

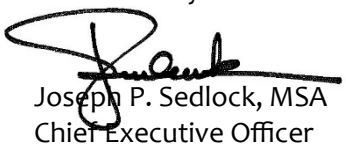
- When parents lose coverage, children are at greater risk. Many parents are enrolled through the Affordable Care Act's (ACA's) Medicaid adult expansion where eligibility thresholds are considerably higher (138% FPL or $36,777 for a family of three) than the restrictive limits of traditional parent coverage (37% FPL or $9,860). Congressional Budget Office (CBO) estimates that 6 million adults in the Medicaid expansion group will become uninsured as a result of work reporting requirements and more frequent renewals. Exemptions for parents of children under 14 may not work smoothly in practice, with as many 1.5 million children losing coverage either because of administrative errors or confusion over the changes. Additionally, families with uninsured parents face greater economic threats resulting from medical debt.

Marketplace changes will add red tape and increase costs for families. HR 1 shortens the open enrollment period, eliminates auto-renewals, and imposes new administrative hurdles to access subsidized coverage through federal and state marketplaces. Marketplace enrollment doubled after enhanced premium tax credits were introduced in 2021. Unless Congress extends those subsidies before December 2025, Marketplace enrollees will face steep premium hikes with CBO estimating that 4.2 million will become uninsured. The changes to Marketplace policies will be particularly acute in the 10 non-expansion states that have a higher share of parents and adults enrolled in Marketplace plans since Medicaid is not an option. While not a primary source of coverage for children, child enrollment in the Marketplace has grown considerably in the past few years, nearly doubling to 2.1 million. All of these changes will put more pressure on state Medicaid and CHIP eligibility systems as families explore all options for coverage."

13. **Rural Health Transformation Program:**

CMS has "unveiled details on how states can apply to receive funding from the $50 billion Rural Health Transformation Program created under the Working Families Tax Cuts Act to strengthen health care across rural America. This investment is designed to empower states to transform the existing rural health care infrastructure and build sustainable health care systems that expand access, enhance quality of care, and improve outcomes for patients. The Rural Health Transformation Program invites all 50 states to apply for funding to address each state's specific rural health challenges. The Program enables states to reimagine care delivery and develop innovative, enduring, state-driven solutions to tackle the root causes of poor health outcomes specific to rural America."

Submitted By:



Joseph P. Sedlock, MSA
Chief Executive Officer
Finalized: 11/05/2025

Attachments:

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

Mid-State Health Network

Compiled and tracked by Sherry Kletke

Below is a list of Legislative Bills MSHN is currently tracking and their status as of October 31, 2025:

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HB 4037	Health Records (Rogers) 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) 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) 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.) 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) 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) Expands hospital evaluations for assisted outpatient treatment.	Introduced (5/1/2025; To Health Policy Committee)
HB 4417	Occupations - EMS (Mueller) Provides access to opioid antagonists to life support agencies under certain circumstances.	Received in Senate (7/1/2025; To Health Policy Committee)
HB 4423	Veteran Services (Rogers) Provides funding for the county veteran service fund emergency relief program.	Introduced (5/1/2025; To Appropriations Committee)
HB 4428	Opioid Antagonists (St. Germaine) 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) Modifies definition of drug paraphernalia.	Introduced (5/15/2025; To Judiciary Committee)
HB 4498	Drug Paraphernalia (Rheingans) Provides syringe service programs.	Introduced (5/15/2025; To Health Policy Committee)
HB 4548	Discrimination (Arbit) 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)

MSHN
Mid-State Health Network

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HB 4683	Health Benefits (McFall) Modifies prior authorization requirements for mental health and substance use disorder.	Introduced (6/25/2025; To Insurance Committee)
HB 4685	Health Insurers (McFall) Provides collaborative care model for mental health care.	Introduced (6/25/2025; To Insurance Committee)
HB 4686	Controlled Substances (McFall) 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) 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) Modifies the required coverage for autism spectrum disorders.	Introduced (7/15/2025; To Insurance Committee)
HB 4751	Discrimination (Schriver) 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) Removes gender identity or expression from categories protected under Elliott-Larsen civil rights act.	Introduced (8/20/2025; To Government Operations Committee)
HB 4915	Implicit Bias Repeal (Maddock) Prohibits implicit bias training for health professionals.	Referred to Rules (10/30/2025; From Economic Competitiveness Committee)
HB 4953	Child Care (Woolford) Provides for child care reimbursement for National Guard members.	Introduced (9/16/2025; To Appropriations Committee)
HB 4958	Tuition Assistance (Schmaltz) Modifies tuition assistance for national guard members.	Introduced (9/16/2025; To Appropriations Committee)
HB 4962	National Guard (Robinson) Creates Michigan National Guard member benefit fund.	Presented in House (10/29/2025; Presented to Governor 10/29/2025)
HB 5105	Marijuana (Wendzel) Modifies penalties regarding certain crimes involving marihuana.	Committee Hearing in House Regulatory Reform Committee (10/23/2025)
HB 5107	Marijuana (Hoadley) 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) Provides for screening and treatment for post traumatic prison disorder and requires certain	Introduced (10/30/2025; to Judiciary Committee)

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
	other mental health screening, planning, and treatment for incarcerated individuals.	
SB 207	Veterans (Hertel, K.) Creates Michigan veterans coalition fund.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 208	Veterans (Hauck) Creates Michigan veterans coalition grant program.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 215	Consumer Protections (Santana)Amends Michigan consumer protection act to enhance protections for individuals applying for veterans benefits.	Received in House (6/3/2025; To Appropriations Committee)Passed in Senate (6/3/2025; 37-0)
SB 219	Hospitalization (Hertel, K.) Revises person requiring treatment and modifies certain procedures for treatment.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 220	Hospital Evaluations (Irwin) Expands hospital evaluations for assisted outpatient treatment.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 221	Mental Capacity (Santana) Provides outpatient treatment for misdemeanor offenders with mental health issues.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 222	Outpatient Treatment (Wojno) Expands petition for access to assisted outpatient treatment to additional health providers.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 237	National Guard (Albert) Creates Michigan National Guard apprenticeship program.	Introduced (4/22/2025; To Regulatory Affairs Committee)
SB 239	Vietnam Veterans (Daley) Creates Vietnam veteran era bonus extension act.	Introduced (4/22/2025; To Appropriations Committee)
SB 370	Tricare (Singh) Creates Tricare premium reimbursement program.	Received in House (10/8/2025; To Appropriations Committee) Passed in Senate (10/8/2025; 34-0; earlier discharged from the Veterans and Emergency Services Committee and advanced to Third Reading with floor substitute S-1 adopted)

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
SB 398	Controlled Substances (Bellino) 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) Modifies definition of drug paraphernalia.	Received in House (7/1/2025; To Insurance Committee) Passed in Senate (7/1/2025; 33-3; Earlier advanced to Third Reading.)
SB 400	Health Insurers (Hertel, K.) Prohibits prior authorization for certain opioid use disorder and alcohol use disorder medications.	Received in House (7/1/2025; To Insurance Committee) Passed in Senate (7/1/2025; 36-0; Earlier advanced to Third Reading.)
SB 401	Pharmaceuticals (Santana) Requires co-prescribing of naloxone with opioid drugs.	Received in House (7/1/2025; To Insurance Committee) Passed in Senate (7/1/2025; 34-2; Earlier advanced to Third Reading with committee substitute S-1 adopted.)
SB 430	Controlled Substances (Chang) 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) 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) Allows probation for certain major controlled substances offenses.	Reported in Senate (10/15/2025; By Civil Rights, Judiciary and Public Safety Committee)
SB 540	Michigan National Guard (Hertel, K.) Provides for child care reimbursement for Michigan National Guard members	Received in House (9/25/2025) Passed in Senate (9/25/2025; 30-6, earlier advanced to third reading, earlier discharged from Senate Appropriations Committee)
SB 541	Michigan National Guard (Hertel, K.) Creates Michigan National Guard member benefit fund.	Received in House (9/25/2025) Passed in Senate (9/25/2025; 30-6, earlier advanced to third reading, earlier discharged from Senate Appropriations Committee)

MSHN
Mid-State Health Network

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
SB 542	Michigan National Guard (Klinefelt) Modifies tuition assistance for Michigan National Guard members.	Received in House (9/25/2025) Passed in Senate (9/25/2025; 26-10, earlier advanced to third reading with S-1 floor substitute adopted, earlier discharged from Senate Appropriations Committee)
SB 555	MiABLE Fund (Webber) Provides for earmark to MiABLE Fund from the income tax.	Introduced (9/18/2025; To Housing and Human Services Committee)
SB 628	Medical Services (Bayer) Provides for coverage for syringe service programs.	Introduced (10/30/2025; To Housing and Human Services Committee)
SB 629	Controlled Substances (Bayer) Provides for syringe service programs.	Introduced (10/30/2025; To Housing and Human Services Committee)
SB 556	MiABLE Fund (Webber) Creates MiABLE Fund.	Introduced (9/18/2025; To Housing and Human Services Committee)
HR 115	Medicaid (Mentzer) 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) 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.) 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) 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	Reported in House (10/28/2025; By Families and Veterans Committee)

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
	provide an annual report and data to the Legislature and general public about progress in reducing ACEs in Michigan.	

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
September / October

NEW Quality Performance Snapshot

Michigan Mission Based Performance Indicator System (MMBPIS)

The most recent MMBPIS Report FY25Q3 indicates that MSHN demonstrated performance above the State of Michigan for nine of the twelve indicators. This is an increase from the previous quarter where MSHN performed above the State of Michigan in only five indicators. Of note, MMBPIS Indicator 2 will be the only MMBPIS indicator collected by Michigan Department of Health and Human Services (MDHHS) in FY26. All other MMBPIS indicators have been discontinued for reporting to the State, however, Indicators 1 and 3 will continue to be collected for other required projects (Indicator 1 for Network Adequacy and Indicator 3 for MSHN's Performance Improvement Project).

	Population	Standard	FY24Q1	FY24Q2	FY24Q3	FY24Q4	FY25Q1	FY25Q2	FY25Q3
Indicator 1: Percentage who received a Prescreen within 3 hours of request	Children	≥95%	98.58%	98.63%	*98.22%	*99.47%	98.09%	98.91%	*98.71%
	Adults	≥95%	*99.67%	*99.33%	*99.67%	*99.51%	*99.70%	*99.58%	*99.68%
Indicator 2: Percentage of new persons who have completed Bio-psychosocial Assessment within 14 Days	MI Child	No established standards for populations	*60.43%	*65.52%	*69.02%	*66.16%	*58.89%	59.19%	*61.92%
	MI Adults		*64.31%	*64.59%	*67.02%	*69.97%	59.26%	61.14%	62.54%
	DD Child		*43.51%	*56.63%	47.51%	52.78%	47.29%	44.38%	32.21%
	DD Adult		*67.83%	*73.33%	*65.09%	*57.69%	56.12%	56.14%	*50.46%
	Total	>62.3%	*61.79%	*64.60%	*66.21%	*67.27%	58.29%	59.01%	59.52%
Indicator 2e: Percentage of new persons receiving a face to face service for treatment or supports within 14 calendar days of a non-emergency request for service	SUD	>75.3%	*72.40%	*74.17%	*73.30%	*73.43%	*69.63%	*78.93%	*80.43%
Indicator 3: Percentage of new persons who had a medically necessary service within 14 days	MI Child	No established standards for populations	58.28%	58.59%	62.21%	61.60%	54.86%	58.27%	63.26%
	MI Adults		58.09%	67.71%	68.21%	67.95%	63.24%	68.68%	64.75%
	DD Child		*76.05%	*80.97%	*81.43%	*83.64%	78.31%	83.28%	72.20%
	DD Adult		65.74%	67.01%	70.71%	62.37%	67.47%	68.63%	67.42%
	Total	>72.9%	59.72%	65.56%	67.52%	67.19%	61.76%	66.62%	65.08%
Indicator 4: Percentage who had a Follow-Up within 7 Days of Discharge from a Psychiatric Unit/SUD Detox Unit	Children	≥95%	*94.67%	*97.37%	*100%	*99.24%	95.48%	*98.11%	*96.18%
	Adults	≥95%	*95.20%	*95.99%	*97.16%	*96.22%	95.61%	*95.81%	*96.15%
	MSHN SUD	≥95%	95.02%	*98.05%	91.91%	90.95%	95.27%	91.53%	93.83%
Indicator 10: Percentage who had a Re-admission to Psychiatric Unit within 30 Days	Children	≤15%	*9.36%	*8.84%	*6.38%	*8.95%	*8.56%	12.05%	*6.67%
	Adults	≤15%	*10.73%	*10.95%	*12.79%	*11.44%	*10.12%	*12.92%	*12.51%

Performance Improvement Projects (PIPs)

1. Assessment to First Medically Necessary Service - Reducing Disparity

MSHN did not eliminate the disparity between Black/African American and White population groups for Remeasurement 2 (CY24). The Community Mental Health Service Programs (CMHSPs)

within MSHN with the largest Black/African American populations—CEI, Saginaw, Lifeways, and CMHCM—remain the focus of targeted interventions to maximize regional impact on performance relating to this PIP. Efforts are ongoing to impact the rate of disparity for CY25.

Performance Improvement Projects	CY21 (Baseline)	CY23	CY24
Goal #1 Improving the rate of new persons who have received a medically necessary ongoing covered services within 14 days of completing a biopsychosocial assessment and reducing or eliminating the racial or ethnic disparities between the Black or African American population and the white population without reducing the white rate	N/A	Not Met	Not Met
Black or African American Rate	64.71%	60.01%	61.04%
White Rate	69.25%	62.99%	65.42%
Goal #2 The racial or ethnic disparities between the black or African American penetration rate and the index (white) penetration rate will be reduced or eliminated	N/A	Not Met	Not Met
Black or African American Rate	7.45%	7.35%	6.61%
White Rate	9.51%	9.06%	8.09%

2. Penetration Rate-Reducing Disparity

The disparity rate between Black/African American and White penetration rates has steadily declined since CY21. In CY21, the disparity rate was 2.06%, and then decreased to 1.80% in CY22, 1.71% in CY23 and further dropped to 1.45% in CY24. This trend suggests a gradual improvement in the access to services for Black/African American Medicaid enrollees relative to their White counterparts, however, disparity still exists between these two groups.

Measurement Period	Indicators-Race	# Total Medicaid Enrollees	# Medicaid Enrollees Served	Penetration Rate	Disparity Rate
CY21 (Baseline)	African American / Black	70,267	5,236	7.45%	2.06%
	White	373,783	35,532	9.51%	
CY22	African American / Black	72,377	5,241	7.24%	1.80%
	White	385,878	34,891	9.04%	
CY23	African American / Black	74,833	5,500	7.35%	1.71%
	White	391,423	35,448	9.06%	
CY24	African American / Black	71,678	5,762	8.04%	1.45%
	White	364,481	34,576	9.49%	

The snapshot also includes performance related to critical incidents and behavior treatment and presents a great summary of MSHN's monitoring and interventions.

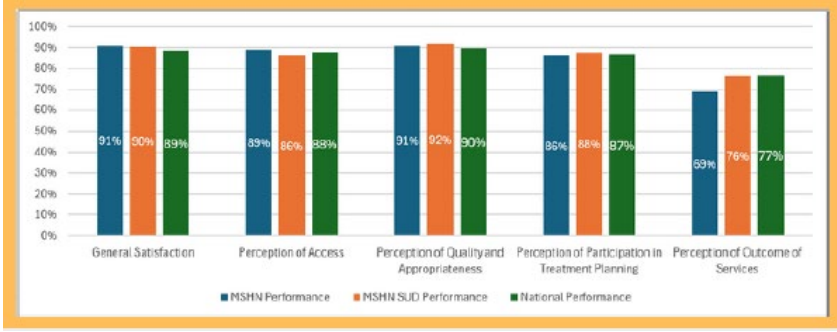
For the full report, see the link below: **FY25Q3 Quality Performance Report**.

2025 Satisfaction Survey Results

The Mid-State Health Network (MSHN) network annually administers a survey to individuals served as required by Michigan Department of Health and Human Services (MDHHS). MSHN, in collaboration with the Community Mental Health Services Program (CMHSP) and their contracted providers, and the Substance Use Disorder (SUD) Treatment Providers utilized the Mental Health Statistics Improvement Program (MHSIP) and the Youth Satisfaction Survey (YSS) survey tool to obtain feedback related to the perception of care for a representative sample of all served within the MSHN region.

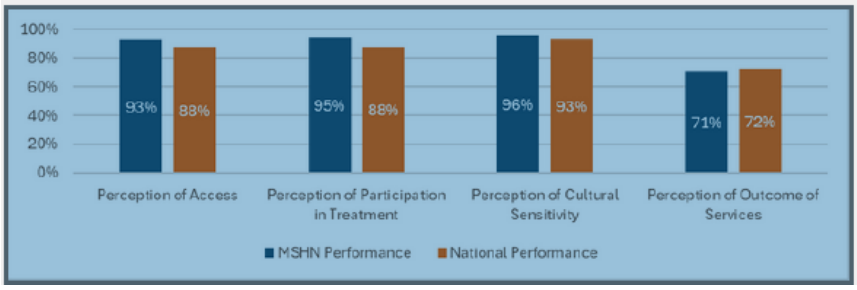
In FY2025, CMHSP participants collected 2,650 MHSIP surveys resulting in an approximate average response rate of 23 percent and a distribution rate of 76 percent (the number of surveys distributed/number of consumers served). CMHSP participants also collected 1,018 YSS surveys resulting in an approximate average response rate of 28 percent and a distribution rate of 77 percent. SUD providers collected 1,996 surveys resulting in an average approximate response rate of 52 percent.

Figure 1: MSHN MHSIP Performance Compared to National Average



Compared to national averages (SAMHSA, 2023), MSHN performed at or above benchmark levels in General Satisfaction, Access, and Quality/Appropriateness in the MHSIP survey, reflecting consistently strong consumer experiences with service delivery.

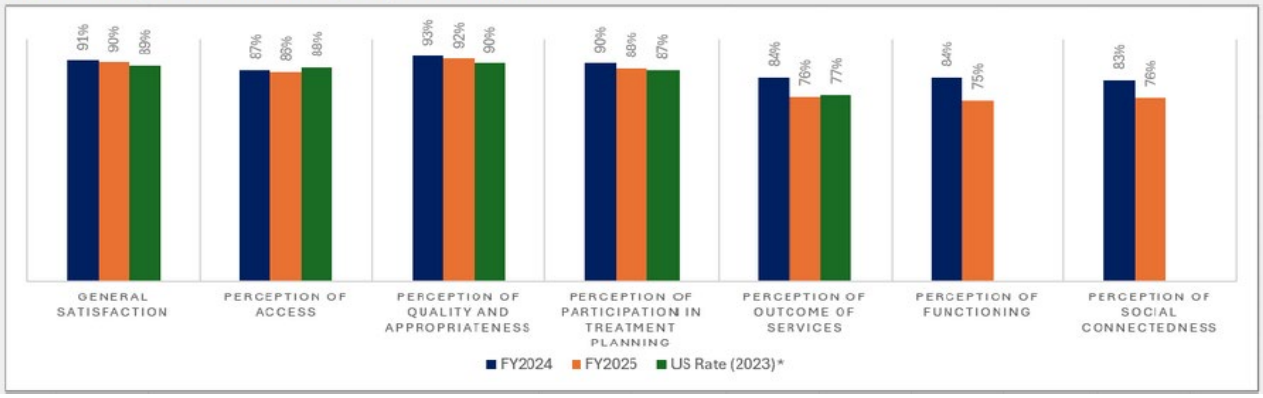
Figure 2: MSHN YSS Performance Compared to National Average



Compared to national averages of the YSS survey (SAMHSA, 2023), MSHN outperformed national averages in Access, Participation in Treatment, and Cultural Sensitivity, reflecting strong family engagement and respect across the system.

In FY25, the SUD Provider MHSIP survey achieved 1,996 total respondents, marking the highest participation since FY22 and a notable increase from 1,619 respondents in FY24.

Figure 4: Longitudinal Percentages by Domain by FY



FY25 Survey Recommendations/Follow-up:

The Satisfaction Survey report was distributed in October through provider workgroups, committees and councils for development of local improvement plans, identification of local and regional barriers, and development of interventions for the domains of Social Functioning, Outcome of Services, and Social Connectedness. These interventions will then be compiled and monitored through region-wide goals established in the FY26 QAPIP plan for ongoing quarterly monitoring of initiatives and strategies.

For more detailed information, see the **2025 Satisfaction Survey link below**.

Innovation In Behavioral Health

The Innovation in Behavioral Health Model (IBH), started January 1, 2025, in Michigan along with South Carolina, Oklahoma, and New York. Michigan Department of Health and Human Services (MDHHS) has a Cooperative Agreement with Centers for Medicare & Medicaid Services. The IBH model focuses on integrating physical and behavioral healthcare and improving the quality of care for adults enrolled in Medicaid and/or Medicare that have been diagnosed with a Moderate to Severe Behavioral Health (MSBH) condition and substance use disorder (SUD). The model also is intended to bridge the gap between physical and behavioral health and align payment between Medicaid and Medicare for integrated services.

Mid-State Health Network along with Medicaid Health Plans (MHPs), Federally Qualified Health Centers (FQHCs), Community Mental Health Service Programs (CMHSPs) and Certified Community Behavioral Health Centers (CCBHCs) participate in quarterly meetings to provide input into the IBH Convening Structure. The Convening Structure serves as a platform to identify IBH Model objectives, develop the IBH model delivery approach, aid in practice participant selection, plan Medicaid and Medicare payment methodology and quality incentive payments, enhance health information technology opportunities, engage in planning with federal partners, and develop effective implementation strategies.

The grant is a 3-year planning grant (2025 -2027) with a 5-year implementation period (2028-2032).

Pre-Implementation Period (Years 1-3)

- Develop Convening Structure Charter (Year 1)
- Identify Practice Participants (Year 1)
- Identify IT Systems and/or Enhancements (Year 1)
- Develop Medicaid Payment Approach (Year 2 and 3)
- Develop Care Delivery Framework (Year 2 and 3)
- Select State Specific Metrics (Year 2 and 3)

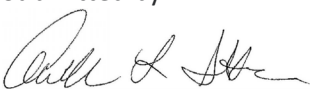
The next meeting is scheduled for January with objectives of discussing the Physical Health Metrics and Cancer Screening materials. MSHN staff are working internally along with the CMHSPs to review the measures, specifically to recommend one of the preventive measures below.

- Colorectal Cancer Screening (COL-AD)
- Breast Cancer Screening (BCS-AD)

Both measures use National Committee for Quality Assurance/Healthcare Effectiveness Data and Information Set (NCQA/HEDIS) logic as adapted for the Medicaid Adult Core Set.

For information on the IBH Model**:** **Innovation in Behavioral Health (IBH) Model | CMS**

Submitted by:



Amanda L. Ittner
Finalized: 11.5.25

Links

FY25Q3 Quality Performance Report
2025 Satisfaction Survey Results

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 September 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 September 30, 2025, as presented.

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

Rows Numbers		Columns Identifiers 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	
			FY25 Amended Budget		FY25 Amended Budget			
			100.00%					
1	Revenue:							
2		Grant and Other Funding	$ 639,542	623,376	639,542	(16,166)	97.47 %	1a
3		Prior FY Medicaid Carryforward	$ 0	0	0	0		1b
4		Medicaid Capitation	923,122,831	919,522,419	923,122,831	(3,600,412)	99.61%	1c
5		Local Contribution	1,550,876	1,550,876	1,550,876	0	100.00%	1d
6		Interest Income	1,100,000	888,654	1,100,000	(211,346)	80.79%	1e
7		Non Capitated Revenue	20,119,270	16,382,908	20,119,270	(3,736,362)	81.43%	1f
8	Total Revenue		946,532,519	938,968,233	946,532,519	(7,564,286)	99.20 %	
9	Expenses:							
10		PIHP Administration Expense:						
11		Compensation and Benefits	8,712,557	8,213,701	8,712,557	(498,857)	94.27 %	
12		Consulting Services	106,000	174,138	106,000	68,139	164.28 %	
13		Contracted Services	110,010	124,299	110,010	14,289	112.99 %	
14		Other Contractual Agreements	714,900	610,263	714,900	(104,637)	85.36 %	
15		Board Member Per Diems	13,090	12,040	13,090	(1,050)	91.98 %	
16		Meeting and Conference Expense	116,153	109,568	116,153	(6,585)	94.33 %	
17		Liability Insurance	32,370	23,903	32,370	(8,467)	73.84 %	
18		Facility Costs	196,086	193,991	196,086	(2,095)	98.93 %	
19		Supplies	218,230	194,185	218,230	(24,045)	88.98 %	
20		Other Expenses	1,386,450	1,385,401	1,386,450	(1,049)	99.92 %	
21		Subtotal PIHP Administration Expenses	11,605,846	11,041,489	11,605,846	(564,357)	95.14 %	2a
22		CMHSP and Tax Expense:						
23		CMHSP Participant Agreements	798,962,426	791,579,858	798,962,426	(7,382,569)	99.08 %	1b,1c,2b
24		SUD Provider Agreements	64,655,465	59,086,181	64,655,465	(5,569,283)	91.39 %	1c,1f,2c
25		Benefits Stabilization	11,726,460	11,726,460	11,726,460	0	100.00 %	2d
26		Tax - Local Section 928	1,550,876	1,550,876	1,550,876	0	100.00 %	1d
27		Taxes- IPA/HRA	48,144,082	48,650,748	48,144,082	506,666	101.05 %	2e
28		Subtotal CMHSP and Tax Expenses	925,039,309	912,594,123	925,039,309	(12,445,186)	98.65 %	
29	Total Expenses		936,645,155	923,635,612	936,645,155	(13,009,543)	98.61 %	
30	Excess of Revenues over Expenditures		$ 9,887,364	$ 15,332,621	$ 9,887,364			

Mid-State Health Network
Preliminary Statement of Net Position by Fund
As of September 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		18,779,529	0	18,779,529	1a
4	Chase MM Savings		10,365,421	0	10,365,421	
5	Savings ISF Account		0	30,878,089	30,878,089	1b
6	Savings PA2 Account		3,608,934	0	3,608,934	1c
7	Investment PA2 Account		3,499,118	0	3,499,118	1c
8	Investment ISF Account		0	11,999,306	11,999,306	1b
9	Total Cash and Short-term Investments		$ 36,253,002	$ 42,877,395	$ 79,130,397	
10	**Accounts Receivable**					
11	Due from MDHHS		26,794,446	0	26,794,446	2a
12	Due from CMHSP Participants		42,093,013	0	42,093,013	2b
13	Due from Other Governments		26,453	0	26,453	2c
14	Due from Miscellaneous		361,198	0	361,198	2d
15	Due from Other Funds		7,279,203	0	7,279,203	2e
16	Total Accounts Receivable		76,554,313	0	76,554,313	
17	**Prepaid Expenses**					
18	Prepaid Expense Insurance		75,318	0	75,318	2f
19	Prepaid Expense Rent		4,529	0	4,529	2g
20	Prepaid Expense Other		241,574	0	241,574	2h
21	Total Prepaid Expenses		321,421	0	321,421	
22	**Fixed Assets**					
23	Fixed Assets - Computers		189,180	0	189,180	2i
24	Accumulated Depreciation - Computers		(189,180)	0	(189,180)	
25	Lease Assets		151,169	0	151,169	2j
26	Accumulated Amortization - Lease Asset		(151,169)	0	(151,169)	
27	Total Fixed Assets, Net		0	0	0	
28	**Total Assets**		**$ 113,128,736**	**$ 42,877,395**	**$ 156,006,131**	
29						
30	**Liabilities and Net Position**					
31	Liabilities					
32	Accounts Payable		$ 14,025,869	$ 0	$ 14,025,869	1a
33	Current Obligations (Due To Partners)					
34	Due to State		37,209,404	0	37,209,404	3a
35	Other Payable		929,681	0	929,681	3b
36	Due to Hospitals (HRA)		10,500,001	0	10,500,001	1a, 3c
37	Due to State-IPA Tax		1,736,020	0	1,736,020	3d
38	Due to CMHSP Participants		11,067,314	0	11,067,314	3e
39	Due to other funds		0	7,279,203	7,279,203	3f
40	Accrued PR Expense Wages		161,095	0	161,095	3g
41	Accrued Benefits PTO Payable		515,407	0	515,407	3h
42	Accrued Benefits Other		54,979	0	54,979	3i
43	Total Current Obligations (Due To Partners)		62,173,901	7,279,203	69,453,104	
44	Deferred Revenue		4,398,319	0	4,398,319	1b 1c
45	Total Liabilities		80,598,089	7,279,203	87,877,292	
46	Net Position					
47	Unrestricted		32,530,647	0	32,530,647	3j
48	Restricted for Risk Management		0	35,598,192	35,598,192	1b
49	Total Net Position		32,530,647	35,598,192	68,128,839	
50	**Total Liabilities and Net Position**		**$ 113,128,736**	**$ 42,877,395**	**$ 156,006,131**	

Mid-State Health Network
Financial Statement Notes
For the Twelve-Month Period Ended,
September 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 Projection MDHHS Financial Status Report (FSR) submitted in August 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 $12 M in investments, which is about 34% of the total ISF net position balance (row 48 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 2025 quarter four Hospital Rate Adjustor (HRA) amounts account for 39% of the balance. HRAs are Stated Directed Payments and contractually required by MDHHS. In addition, withholds are 45% 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	Payments/Offsets	Total
CEI	19,887,500.00	-	19,887,500.00
The Right Door	3,624,889.00	-	3,624,889.00
Saginaw	16,993,286.00	-	16,993,286.00
Tuscola	1,587,338.00	-	1,587,338.00
Total	**42,093,013.00**	**-**	**42,093,013.00**

    c) Due from other governments account consists of Public Act 2 amounts owed from one county's FY 25 quarter two liquor tax collections. PA2 funds are used primarily for Prevention Activities in MSHN's 21-county Region.
    d) 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.
    e) Due From Other Funds is the account used to manage anticipated ISF transfers. Approximately $24.9 M was needed to support FY 2024 regional expenses in excess of revenue. This is a small improvement as the board approved FY 2024 amended budget projected more than $27 M would be required to support FY 2024 regional operations.

MDHHS guidance allows PIHPs 7.5% retention of current FY revenue to manage risk. This amount is in addition to the allowable 7.5% for Savings generated when Medicaid and Healthy Michigan revenue exceed expenses.

f) Prepaid Expense Insurance shows MSHN's October 2025 health insurance premiums paid in September.

g) Prepaid Expense Rent balance consists of security deposits for MSHN office suites.

h) Prepaid Expense Other consists primarily of advance payments for the following
   - Michigan Health Information Network Shared Services (MiHIN) – Technology Data Exchange
   - Zenith Technology Solutions
   - Other technical platforms such as Zoom (phone/meeting system), Box (filing platform), and other miscellaneous items.

i) Total Fixed Assets - Computers represent the value of MSHN's capital asset net of accumulated depreciation.

j) 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 – 2025 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 $5.7 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 CMHSP represents FY 2025 projected cost settlement figures based on the MDHHS Projection FSR. 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	Payments/Offsets	Total
Bay	4,602,059.00	-	4,602,059.00
Central	151,250.00	-	151,250.00
Gratiot	1,615,736.00	-	1,615,736.00
Huron	2,107,183.00	-	2,107,183.00
Lifeways	794,076.00	-	794,076.00
Montcalm	438,531.00	-	438,531.00
Newaygo	682,912.00	-	682,912.00
Shiawassee	1,475,567.00	800,000.00	675,567.00
Total	**11,867,314.00**	**800,000.00**	**11,067,314.00**

f) This liability represents the anticipated remaining ISF transfer that will be made from the Medicaid Risk Reserve fund into Behavioral Health Operations. Please see Statement of Net Position 2e for more details.

g) Accrued Payroll Expense Wages represent expenses incurred in September and paid in October.
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 September and paid in October.
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 100% translate to MSHN receiving less revenue than anticipated/budgeted. Expense accounts with Column F amounts greater than 100% show MSHN's spending is trending higher than expected.

Please Note: The Statement of Activities contains FY 2025 amended budget figures in Column B and was approved during September's board meeting. The goal of the amended budget is to align budget projections with actual revenue and expenses.

1. Revenue
    a) This account tracks Veterans Navigator (VN) activity and CMHSP Clubhouse Grant payments used to assist those served with their Medicaid deductibles. In addition, MSHN received a special grant totaling $300k to work with a predictive analytics vendor.
    b) MSHN did not have an FY 2024 carryforward/savings. As a reminder, Medicaid Savings are generated when the prior year revenue exceeds expenses for the same period.
    c) Medicaid Capitation – There is a negative variance in this account which indicates revenue included in the amended budget was overstated however actual revenue is yielding a significant regional surplus of more than $15 M. This surplus may decrease since actual CMHSP expenses may vary at fiscal year-end. As a reminder, MDHHS issued a mid-year rate adjustment in June and the estimate for additional regional revenue is approximately $35 M. In addition, the FY 2025 surplus may be used as FY 2026 savings carryforward in conjunction with existing Internal Service Funds (ISF) of more than $35.6 M for FY 2026 risk management purposes. 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 under Tax Local Section 928. Local Contributions were scheduled to reduce over the next few fiscal years until completely phased out. FY 2025 amounts are the same as FY 2024.
    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 under budget. The are two areas with significant variances. Compensation and Benefits line item is the first and shows the amended budget projections were slightly overstated. In addition, Other Contractual Agreements has an overstated amended 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. 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 less than anticipated 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 needs to cover operational expenditures in excess of their PEPMs.

e) IPA/HRA actual tax expenses are lower than the budget. IPA estimates are impacted by variability in the number of Medicaid and Healthy Michigan eligibles. HRA figures will also vary throughout the fiscal year based on inpatient psychiatric utilization and contribute to the variance. (Please see Statement of Net Position 3c and 3d). Please note, revenue for this line item is included in the Medicaid capitation line and is equal to the expense.

MID-STATE HEALTH NETWORK
SCHEDULE OF INTERNAL SERVICE FUND INVESTMENTS
As of September 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	912797MA2	7.9.24	7.11.24	11.5.24		29,999,379.63	30,505,000.00			
UNITED STATES TREASURY BILL	912797MA2						(30,505,000.00)			
UNITED STATES TREASURY BILL	912797KZ9	8.26.24	8.27.24	11.21.24		1,999,307.58	2,023,000.00			
UNITED STATES TREASURY BILL	912797KZ9						(2,023,000.00)			
UNITED STATES TREASURY BILL	912797NK9	11.4.24	11.5.24	3.4.25		9,999,247.63	10,143,000.00			
UNITED STATES TREASURY BILL	912797NK9						(10,143,000.00)			
UNITED STATES TREASURY BILL	912797KA4	11.19.24	11.21.24	2.20.25		1,998,981.77	2,021,000.00			
UNITED STATES TREASURY BILL	912797KA4						(2,021,000.00)			
UNITED STATES TREASURY BILL	912797NM5	2.18.25	2.20.25	5.22.25		1,999,952.41	2,021,000.00			
UNITED STATES TREASURY BILL	912797NM5	2.18.25	2.20.25	5.22.25			(2,021,000.00)			
UNITED STATES TREASURY BILL	912797PU5	3.3.25	3.4.25	7.1.25		9,999,732.77	10,137,000.00			
UNITED STATES TREASURY BILL	912797PU5	3.3.25	3.4.25	7.1.25			(10,137,000.00)			
UNITED STATES TREASURY BILL	912797QU4	5.20.25	5.22.25	9.16.25		1,999,878.23	2,027,000.00			
UNITED STATES TREASURY BILL	912797QU4						(2,027,000.00)			
UNITED STATES TREASURY BILL	912797RE9	6.30.25	7.1.25	10.28.25		9,999,615.49	9,999,615.49			
UNITED STATES TREASURY BILL	912797QY6	9.16.25	9.16.25	12.11.25		1,999,690.69	1,999,690.69			
JP MORGAN INVESTMENTS							11,999,306.18			11,999,306.18
JP MORGAN CHASE SAVINGS							30,624,594.25	0.020%	253,494.57	30,878,088.82
							$ 42,623,900.43		$ 253,494.57	$ 42,877,395.00

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 September 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	9127979LK1	6.3.24	6.4.24	10.1.24		3,499,660.72	3,560,000.00			
UNITED STATES TREASURY BILL	9127979LK1	6.3.24	6.4.24	10.1.24			(3,560,000.00)			
UNITED STATES TREASURY BILL	912796ZV4	9.30.24	10.1.24	12.26.24		3,499,843.32	3,537,000.00			
UNITED STATES TREASURY BILL	912796ZV4	9.30.24	10.1.24	12.26.24			(3,537,000.00)			
UNITED STATES TREASURY BILL	912797PA9	12.23.24	12.26.24	4.22.25		3,499,402.50	3,547,000.00			
UNITED STATES TREASURY BILL	912797PA9	12.23.24	12.26.24	4.22.25			(3,547,000.00)			
UNITED STATES TREASURY BILL	912797QK6	4.21.25	4.22.25	8.19.25		3,499,715.37	3,548,000.00			
UNITED STATES TREASURY BILL	912797QK7						(3,548,000.00)			
UNITED STATES TREASURY BILL	912797QQ3	8.15.25	8.19.25	11.13.25		3,499,118.27	3,499,118.27			
JP MORGAN INVESTMENTS							3,499,118.27			3,499,118.27
JP MORGAN CHASE SAVINGS							3,605,703.99	0.010%	3,229.96	3,608,933.95
							$ 7,104,822.26		$ 3,229.96	$ 7,108,052.22

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 FY25 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 FY25 contract listing.

MID-STATE HEALTH NETWORK
FISCAL YEAR 2025 AMENDMENTS
November 2025

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	CURRENT FY 2025 CONTRACT AMOUNT	FY 2025 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
PIHP MEDICAID SUBCONTRACTS					
CEI Community Mental Health Authority	Clinton, Eaton, & Ingham (CCBHC General Fund)	10.1.24 - 9.30.25	**$ 185,705,539**	$ 185,300,111	**405,428**
Lifeways	Jackson & Hillsdale (CCBHC General Fund)	10.1.24 - 9.30.25	**$ 115,943,279**	$ 115,673,832	**269,447**
Saginaw County Community Mental Health Authority	Saginaw (CCBHC Gneral Fund)	10.1.24 - 9.30.25	**$ 134,355,740**	$ 134,290,196	**65,544**
The Right Door for Hope, Recovery, and Wellness	Ionia (CCBHC General Fund)	10.1.24 - 9.30.25	**$ 24,939,068**	$ 24,823,678	**115,390**
			$ 460,943,626	$ 460,087,817	**$ 855,809**

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
November 2025

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	FY 2025 CONTRACT AMOUNT	FY 2026 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
PIHP ADMINISTRATIVE FUNCTION CONTRACTS					
Zoom Video Communications	Video/Phone Meetings - contract term extended from 4.13.26 - CEO executed as the increase is within signing authority	10.1.25 - 9.30.26	**$ 31,660**	$ 40,000	**8,340**
Vital Data Technology	Predictive Analytics Project - FY 25 Project originally funded by Michigan Health Endowment Fund	11.13.25 - 9.30.26	**$ 300,000**	$ 55,000	**(245,000)**
			$ 331,660	**$ 95,000**	**$ (236,660)**

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	CURRENT FY 2026 CONTRACT AMOUNT	FY 2026 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
SUD SERVICE PROVIDER CONTRACTS (Cost Reimbursement/Fee for Service) NOTE: Fee for Service contracts show "-" amount					
Face Addiction Now (FAN)	Overdose Prevention Street Outreach - Saginaw	10.1.25 - 9.30.26	**$ -**	$ 180,348	**180,348**
Montcalm Care Network	Peer Recovery Coach for Jail-Based SUD Program Support	10.1.25 - 9.30.26	**$ -**	$ 50,000	**50,000**
Eaton Regional Education Service Agency (RESA)	Overdose Prevention Supplies	11.1.25 - 6.30.26	**$ 664,497**	$ 696,573	**32,076**
McLaren Bay Region (McLaren Prevention Services)	Community Anti-Drug Coalitions of America (CADCA) Leadership Forum	10.1.25 - 6.30.26	**$ 198,225**	$ 250,725	**52,500**
Ten Sixteen Recovery Network	Overdose Prevention Supplies	11.1.25 - 6.30.26	**$ 1,795,699**	$ 1,833,420	**37,721**
			$ 2,658,421	**$ 3,011,066**	**$ 352,645**

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	CURRENT FY 2026 CONTRACT AMOUNT	FY 2026 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
Michigan Department of Health & Human Services	Medicaid Managed Specialty Supports and Services Program(s), the Healthy Michigan Program and Substance Use Disorder Community Grant Programs (FY26) - Change Notice #1	10.1.25 - 9.30.26	**$ -**	-	-
			$ -	**$ -**	**$ -**

Mid-State Health Network (MSHN) Board of Directors Meeting
Tuesday, September 9, 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 5:22 p.m.

2. Roll Call

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

Board Member(s) Present: Brad Bohner (LifeWays), Patrick Conley (BABH), Ken DeLaat (Newaygo), David Griesing (Tuscola), Dan Grimshaw (Tuscola), Tim Hanna (CEI), Tina Hicks (Gratiot), John Johansen (Montcalm), Deb McPeek-McFadden (The Right Door), Irene O'Boyle (Gratiot), Kurt Peasley (Montcalm), Joe Phillips (CMH for Central Michigan), Linda Purcey (The Right Door), Tracey Raquepaw (Saginaw), Kerin Scanlon (CMH for Central Michigan), Lori Schultz (Newaygo), Richard Swartzendruber (Huron), Joanie Williams (Saginaw), and Ed Woods (LifeWays)

Board Member(s) Remote: Patty Bock (Huron)-Bad Axe, MI

Board Member(s) Absent: Greg Brodeur (Shiawassee), Cindy Garber (Shiawassee), Pat McFarland (BABH), and Paul Palmer (CEI)

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

Public Present: Michelle Stillwagon (Chief Executive Officer, Gratiot Integrated Health Network) and Tammy Warner (Executive Director, Montcalm Care Network)

Public Remote: Christa Merritt, Mid-Michigan District Health Department

3. Approval of Agenda for September 9, 2025

Board approval was requested for the Agenda of the September 9, 2025, Regular Business Meeting.

MOTION BY KEN DeLAAT, SUPPORTED BY RICH SWARTZENDRUBER, FOR APPROVAL OF THE AGENDA OF SEPTEMBER 9, 2025 REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Public Comment

Ms. Tammy Warner and Ms. Michelle Stillwagon each expressed thanks to the board for all their support of the MSHN region.

5. Consideration of MSHN Fiscal Year 2025 Budget Amendment

Ms. Leslie Thomas provided an overview and information on the Fiscal Year 2025 Budget Amendment report and recommended board approval as presented. Mr. Joe Sedlock wished to express appreciation to the Community Mental Health Service Programs and the substance use disorder providers for their hard work on the cost containment strategies implemented in fiscal year 2025.

MOTION BY KURT PEASLEY, SUPPORTED BY JOHN JOHANSEN, FOR APPROVAL OF THE MSHN FISCAL YEAR 2025 BUDGET AMENDMENT, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

6. Consideration of MSHN Regional Budget for Fiscal Year 2026

Board approval was requested for the MSHN Fiscal Year 2026 Budget as presented during the Public Hearing.

MOTION BY IRENE O'BOYLE, SUPPORTED BY DAVID GRIESING, FOR APPROVAL OF THE MSHN FISCAL YEAR 2026 BUDGET, AS PRESENTED DURING THE PUBLIC HEARING. MOTION CARRIED UNANIMOUSLY.

7. Nominating Committee Report

Mr. Kurt Peasley provided board members with an update from the August 2025 Nominating Committee meeting sharing results from the Board Officer Interest/Nomination Survey. The Nominating Committee presented the following slate for election.

• Board Chairperson:	Ed Woods
• Board Vice Chairperson:	Irene O'Boyle
• Board Secretary:	Deb McPeek-McFadden
• Members at Large (Two Positions):	Ken DeLaat
	Kerin Scanlon
	Kurt Peasley
	David Griesing

8. Special Order: Board Officer Election

Mr. Kurt Peasley asked for nominations from the floor for the position of Chair. No further nominations were brought forth.

MOTION BY IRENE O'BOYLE, SUPPORTED BY TINA HICKS TO CLOSE NOMINATIONS FOR THE POSITION OF CHAIR AND ACCEPT THE UNANIMOUS BALLOT FOR MR. ED WOODS. MOTION CARRIED UNANIMOUSLY.

Mr. Peasley asked for nominations from the floor for the position of Vice-Chair. No further nominations were brought forth.

MOTION BY JOHN JOHANSEN, SUPPORTED BY DEB McPEEK-McFADDEN TO CLOSE NOMINATIONS FOR THE POSITION OF VICE-CHAIR AND ACCEPT THE UNANIMOUS BALLOT FOR MS. IRENE O'BOYLE. MOTION CARRIED UNANIMOUSLY.

Mr. Peasley asked for nominations from the floor for the position of Secretary. No further nominations were brought forth.

MOTION BY KEN DeLAAT, SUPPORTED BY DAVID GRIESING TO CLOSE NOMINATIONS FOR THE POSITION OF SECRETARY AND ACCEPT THE UNANIMOUS BALLOT FOR MS. DEB McPEEK-McFADDEN. MOTION CARRIED UNANIMOUSLY.

Mr. Peasley called for nominations from the floor for the two Member- At-Large positions. No further nominations were brought forth. Mr. Ken DeLaat and Ms. Kerin Scanlon both withdrew their nominations, leaving only two nominations for Mr. Kurt Peasley and Mr. David Griesing.

MOTION BY JOHN JOHANSEN, SUPPORTED BY TINA HICKS TO CLOSE NOMINATIONS FOR THE TWO MEMBER-AT-LARGE POSITIONS AND ACCEPT THE UNANIMOUS BALLOT FOR MR. KURT PEASLEY AND MR. DAVID GRIESING. MOTION CARRIED UNANIMOUSLY.

Mr. Woods thanked Mr. Peasley for his work as chair of the Nominating Committee.

9. 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
  - CMHSP Application to MSHN Region policy in Consent Agenda
  - Competitive Procurement of Prepaid Inpatient Health Plans
  - Regional Anti-Stigma Campaign

- State of Michigan/Statewide Activities – See written report for details.
  - State to Centralize Payments and Oversight of CCBHCs within MDHHS
  - Michigan Overdose Surveillance Report
  - Federal Tax Law Changes to Impact Michigan
- Federal/National Updates and Activities
  - Maximizing Benefits of Opioid Settlements

10. Deputy Director's Report

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

- Performance Bonus Incentive Payment for Housing & Employment
- Utilization Management Plan
- Population Health Priority Measurement Portfolio
- Credentialing Committee Updates

11. Chief Financial Officer's Report

Ms. Leslie Thomas provided an overview of the financial statements included within board meeting packets for the period ended July 31, 2025.

MOTION BY PATRICK CONLEY, SUPPORTED BY RICH SWARTZENDRUBER, TO RECEIVE AND FILE THE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDED JULY 31, 2025, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

12. Contracts for Consideration/Approval

Ms. Leslie Thomas provided an overview of the amended FY2025 contract listing provided in board member folders noting the addition of $100,000 to TBD Solutions and requested the board authorize MSHN's CEO to sign and fully execute the contracts listed on the amended FY2025 contract listing.

MOTION BY KURT PEASLEY, SUPPORTED BY JOHN JOHANSEN, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS AMENDED AND PROVIDED IN BOARD MEMBER FOLDERS ON THE FY25 CONTRACT LISTING. MOTION CARRIED UNANIMOUSLY.

Ms. Leslie Thomas provided an overview of the amended FY2026 contract listing provided in board member folders noting date corrections, and requested the board authorize MSHN's CEO to sign and fully execute the contracts as amended and provided in board member folders on the FY2026 contract listing.

MOTION BY TINA HICKS, SUPPORTED BY DAVID GRIESING, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS AMENDED AND PROVIDED IN BOARD MEMBER FOLDERS ON THE FY26 CONTRACT LISTING. MOTION CARRIED UNANIMOUSLY.

13. Executive Committee Report

Mr. Ed Woods informed board members the Executive Committee met on August 15, 2025 and August 22, 2025, and reviewed the following:

- Board Member Conduct and Board Meetings policy
- Attorney-Client Privilege Discussions
- CEO Contract Issue
- Nominating Committee Update
- MDHHS Competitive Procurement of PIHPs – Update
- Employee Compensation Policy
- MSHN Office Lease
- Special Board Meeting Scheduled on 8/27/2025
- 2025 CEO Performance Review Recommendation to Suspend and Revisit in March 2026.

MOTION BY KEN DeLAAT, SUPPORTED BY TINA HICKS, TO APPROVE THE EXECUTIVE COMMITTEE RECOMMENDATION TO SUSPEND THE CHIEF EXECUTIVE OFFICER PERFORMANCE REVIEW FOR NOVEMBER 2025 AND REVISIT IN MARCH 2026. MOTION CARRIED UNANIMOUSLY.

14. Chairperson's Report

Mr. Ed Woods informed members the Community Mental Health Association Fall Conference is scheduled for the end of October.

15. Approval of Consent Agenda

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

MOTION BY JOHN JOHANSEN, SUPPORTED BY DEB McPEEK-McFADDEN, TO APPROVE THE FOLLOWING DOCUMENTS ON THE CONSENT AGENDA: APPROVE MINUTES OF THE JULY 1, 2025 BOARD OF DIRECTORS MEETING; APPROVE MINUTES OF THE AUGUST 27, 2025 SPECIAL BOARD OF DIRECTORS MEETING; APPROVE MINUTES OF THE AUGUST 27,

2025 CLOSED SESSION SPECIAL BOARD OF DIRECTORS MEETING; RECEIVE BOARD EXECUTIVE COMMITTEE MEETING MINUTES OF AUGUST 15, 2025 AND AUGUST 22, 2025; RECEIVE NOMINATING COMMITTEE MINUTES OF JULY 14, 2025 AND AUGUST 1, 2025; RECEIVE SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD MEETING MINUTES OF JUNE 18, 2025; RECEIVE POLICY COMMITTEE MEETING MINUTES OF AUGUST 5, 2025; RECEIVE OPERATIONS COUNCIL KEY DECISIONS OF JULY 21, 2025 AND AUGUST 18, 2025; AND TO APPROVE ALL THE FOLLOWING POLICIES: EMPLOYEE COMPENSATION, TRANSITIONS OF CARE, HCBS COMPLIANCE MONITORING, SERVICE PHILOSOPHY & TREATMENT, AND CMHSP APPLICATION TO MSHN REGION. MOTION CARRIED UNANIMOUSLY.

16. **Other Business**

    There was no other business.

17. **Public Comment**

    There was no public comment.

18. **Adjournment**

    The MSHN Board of Directors Regular Business Meeting adjourned at 6:22 p.m.

Mid-State Health Network (MSHN) Board of Directors Public Hearing

Tuesday, September 9, 2025

MyMichigan Medical Center

Meeting Minutes

1. Call to Order

Chairperson Ed Woods called this Public Hearing of the Mid-State Health Network Board of Directors to order at 5:01 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 welcomed Ms. Michelle Stillwagon, Chief Executive Officer of Gratiot Integrated Health Network and Ms. Tammy Warner, Executive Director of Montcalm Care Network that were present.

2. Roll Call

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

Board Member(s) Present: Brad Bohner (LifeWays), Patrick Conley (BABH), Ken DeLaat (Newaygo), David Griesing (Tuscola), Dan Grimshaw (Tuscola), Tim Hanna (CEI), Tina Hicks (Gratiot), John Johansen (Montcalm), Deb McPeek-McFadden (The Right Door), Irene O'Boyle (Gratiot), Kurt Peasley (Montcalm), Joe Phillips (CMH for Central Michigan), Linda Purcey (The Right Door), Tracey Raquepaw (Saginaw), Kerin Scanlon (CMH for Central Michigan), Lori Schultz (Newaygo), Richard Swartzendruber (Huron), Joanie Williams (Saginaw), and Ed Woods (LifeWays)

Board Member(s) Remote: Patty Bock (Huron)-Bad Axe, MI

Board Member(s) Absent: Greg Brodeur (Shiawassee), Cindy Garber (Shiawassee), Pat McFarland (BABH), and Paul Palmer (CEI)

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

Public Present: Michelle Stillwagon (Chief Executive Officer, Gratiot Integrated Health Network) and Tammy Warner (Executive Director, Montcalm Care Network)

Public Remote: Christa Merritt, Mid-Michigan District Health Department

3. Approval of Agenda for September 9, 2025

Board approval was requested for the Agenda of the September 9, 2025, Public Hearing.

MOTION BY TINA HICKS, SUPPORTED BY DAVID GRIESING FOR APPROVAL OF THE AGENDA OF SEPTEMBER 9, 2025, PUBLIC HEARING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Fiscal Year 2026 Budget Presentation

Ms. Leslie Thomas presented the FY2026 MSHN Regional Budget as distributed at the time of the meeting and answered questions posed by board members.

5. Public Comment

There was no public comment.

6. Board Comment

Board members recall last year approving a deficit budget and wish to acknowledge all the efforts of the cost containment strategies that were put in place.

7. Adjournment

The MSHN Public Hearing adjourned at 5:22 p.m.

MOTION BY DAVID GRIESING, SUPPORTED BY PATRICK CONLEY TO ADJOURN THE PUBLIC HEARING MEETING. MOTION CARRIED UNANIMOUSLY.

MSHN
Mid-State Health Network

Mid-State Health Network Board of Directors
Executive Committee Meeting Minutes

Friday, October 17, 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: Ken DeLaat
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 November 18, 2025 Regular Board Meeting Agenda: Executive Committee reviewed the draft board meeting agenda noting it is not final until approved by the full board at its November meeting. Mr. Woods plans to ask the board to recognize Paul Palmer's service to the regional board. Administration will add this to the annotated agenda for Mr. Woods to introduce at the November board meeting.
   - 4.2 Other (if any): None

5. **Administration Matters**
   - 5.1 MDHHS Competitive Procurement of PIHPs – Updates: MSHN submitted a comprehensive but non-conforming bid response to the MDHHS Request for Proposal. Non-conforming means that we have submitted a proposal for our existing 21-county region only, offered to negotiate delegation of managed care functions, and expressed a willingness to consider different board configuration options. Our positions in these areas are non-conforming to the published bid specifications. If the MDHHS doesn't withdraw the RFP or the lawsuit fails to stop it, and if MDHHS holds to its original timeline, bid awards should be announced in December 2025.
   - 5.2 Lawsuit Update: MSHN Administration sent an update to all board members via email. These rulings were discussed by the Executive Committee, noting that Mr. Sedlock and Ms. Ittner are meeting with MSHN attorneys later today. Executive Committee member questions were addressed.
   - 5.3 Contingency Planning: MSHN is continuing its contingency planning activities, now that the bid response has been submitted, with renewed focus. Contingencies include a successful/unsuccessful bid award, rulings in or not in favor of MSHN's position in its lawsuit, positioning for future potentials relating to operating under a new regional entity and/or new PIHP, and more. What is clear is that no matter these contingencies, the region must be prepared for whatever comes next.
   - 5.4 Other (if any): Clarification was provided that CEO contract is not due for renewal until January 2027.

6. **Other**
   - 6.1 Any other business to come before the Executive Committee: None
   - 6.2 Next scheduled Executive Committee Meeting: 12/19/2025, 9:00 a.m.

7. **Guest MSHN Board Member Comments:** Appreciation expressed for MSHN on their excellence in performance and consistent attention to the procurement, lawsuit, and operational matters – but especially serving the region's beneficiaries and providers.

8. **Adjourn**: This meeting of the MSHN Executive Committee was adjourned at 9:29 a.m.

Mid-State Health Network SUD Oversight Policy Advisory Board
Wednesday, August 20, 2025, 4:00 p.m.
CMH Association of Michigan (CMHAM)
507 S. Grand Ave
Lansing, MI 48933

Meeting Minutes

1. Call to Order

Chairperson Bryan Kolk called the MSHN SUD Regional Oversight Policy Board (OPB) of Directors Meeting to order at 4:00 p.m. Mr. Kolk reminded members participating virtually may not participate in or vote on matters before the board unless absent due to military duty, disability, or health-related condition. Mr. Kolk introduced Christa Merritt, alternate member appointed by Montcalm County.

Board Member(s) Present:	Bruce Caswell (Hillsdale), Jacob Gross (Clare), Charlean Hemminger (Ionia), John Hunter (Tuscola), Bryan Kolk (Newaygo), Karen Link (Huron), Jim Moreno (Isabella), Emily Rayburn (Gratiot), Jerrilynn Strong (Mecosta), Kim Thalison (Eaton), and Dwight Washington (Clinton), and Ed Woods (Jackson)
Board Member(s) Remote:	None
Board Member(s) Absent:	Lisa Ashley (Gladwin), Lori Burke (Shiawassee), Irene Cahill (Ingham), Todd Gambrell (Midland), Christina Harrington (Saginaw), Charlie Mahar (Montcalm), Justin Peters (Bay), David Turner (Osceola), and Rachel Vallad (Arenac)
Alternate Member(s) Present:	Christa Merritt (Montcalm) and Tanya Pratt (Ingham)
Alternate Member(s) Remote:	Margery Briggs (Ionia)-Portland, MI, Nicole Fickes (Clinton)-Laingsburg, MI, and Susan Svetcos (Gladwin)-Gladwin, MI-joined at 4:21 p.m.
Staff Members Present:	Amanda Ittner (Deputy Director), Dr. Dani Meier (Chief Clinical Officer), Dr. Trisha Thrush (Director of Substance Use Disorder Services and Operations); Sarah Andreotti (Prevention Specialist), Cari Patrick (Prevention Specialist), Stacey Lehmann (Data and Grand Coordinator), and Sherry Kletke (Executive Support Specialist)

Staff Members Remote: Leslie Thomas (Chief Financial Officer)-joined at 4:40 p.m., Joe Sedlock (Chief Executive Officer)-joined at 4:40 p.m., Sarah Surna (Prevention Specialist), and Jodie Smith (Treatment Specialist)

2. Roll Call

   Mr. Dwight Washington provided the Roll Call for Board Attendance and informed the Board Chair, Bryan Kolk, that a quorum was present for board meeting business.

3. Approval of Agenda for August 20, 2025

   Board approval was requested for the Agenda of the August 20, 2025 Regular Business Meeting, as presented.

   MOTION BY JOHN HUNTER, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE AUGUST 20, 2025 REGULAR BUSINESS MEETING AGENDA, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Approval of Minutes from the June 18, 2025 Regular Business Meeting

   Board approval was requested for the draft meeting minutes of the June 18, 2025 Regular Business Meeting.

   MOTION BY JOHN HUNTER, SUPPORTED BY JERRILYNN STRONG, FOR APPROVAL OF THE MINUTES OF THE JUNE 18, 2025, MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

5. Public Comment

   There was no public comment

6. Board Chair Report

   Mr. Bryan Kolk again welcomed Christa Merritt to the board and thanked her for attending the new member orientation prior to the board meeting.

7. Deputy Director Report

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

   <u>Regional Matters</u>:

   - SUD Oversight Policy Board Bylaws Update
   - Michigan Department of Health and Human Services (MDHHS) Prepaid Inpatient Health Plan (PIHP) Procurement Update
     - Board members requested talking points for their use in advocacy efforts
   - MSHN SUD Site Visit Results
   - Reminder: 26th Annual Substance Use and Co-Occurring Disorder Hybrid Conference

- Reminder-Board Annual Disclosure of Ownership, Controlling Interest, and Criminal Convictions DUE

8. Chief Financial Officer Report

Ms. Leslie Thomas provided an overview of the financial reports included in board meeting packets and the addition of the PA2 Funding and Expenditures by County summary provided in board member folders:

- FY2025 PA2 Funding and Expenditures by County
- FY2025 PA2 Use of Funds by County and Provider
- FY2025 Substance Use Disorder (SUD) Financial Summary Report as of June 2025

9. Substance Use Disorder PA2 Contract Listing

Ms. Leslie Thomas provided an overview and information on the FY26 Substance Use Disorder (SUD) PA2 Contract Listing as provided in the packet.

MOTION BY BRUCE CASWELL, SUPPORTED BY ED WOODS, TO AMEND THE MOTION TO EDIT HILLSDALE COUNTY FY2026 PA2 FUNDING RECOMMENDATION REDUCING FROM $101,366 TO $70,000. ROLL CALL VOTING IN FAVOR: BRUCE CASWELL, JACOB GROSS, JOHN HUNTER, BRYAN KOLK, KAREN LINK, JIM MORENO, JERRILYNN STRONG, DWIGHT WASHINGTON, ED WOODS, TANYA PRATT. ABSTAINED: CHARLEAN HEMMINGER, EMILY RAYBURN, KIM THALISON, CHRISTA MERRITT. MOTION CARRIED.

MOTION BY JIM MORENO SUPPORTED BY JOHN HUNTER, FOR APPROVAL OF THE FY26 SUBSTANCE USE DISORDER (SUD) PA2 CONTRACT LISTING, AS AMENDED. ROLL CALL VOTING IN FAVOR: BRUCE CASWELL, JACOB GROSS, JOHN HUNTER, BRYAN KOLK, KAREN LINK, JIM MORENO, JERRILYNN STRONG, DWIGHT WASHINGTON, ED WOODS, TANYA PRATT. ABSTAINED: CHARLEAN HEMMINGER, EMILY RAYBURN, KIM THALISON, CHRISTA MERRITT. MOTION CARRIED.

10. SUD Operating Update

Dr. Dani Meier introduced Ms. Cari Patrick, MSHN SUD Prevention Specialist and Ms. Stacey Lehmann, MSHN Data and Grant Coordinator. Dr. Meier provided an overview of the written SUD Operations Report and the FY25 Q3 SUD County reports included in the board meeting packet, highlighting the below:

- State Opioid Response Site Visit
- CelebratingStrength.com – media campaign focused on reducing stigma
- Monitoring of MSHN roll out of Opioid Settlement Funds allocated to PIHPs from MDHHS for FY25
- Appointment to the Governor's Mental Health Diversion Council

11. Other Business

There was no other business.

12 Public Comment

There was no public comment.

13. Board Member Comment

A board member expressed concern regarding how the block grant allocation will be determined with the MDHHS proposed Central Region that includes 44 counties. Administration plans to document the current process and postpone any policy development work till after December when the RFP bid awardee(s) are known.

14. Adjournment

Chairperson Bryan Kolk adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 5:14 p.m.

Meeting minutes submitted respectfully by:
MSHN Executive Support Specialist

MSHN
Mid-State Health Network

REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: 09/15/2025

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

Agenda Item	Action Required				
CONSENT AGENDA					
	Passed without comment.	By Who	N/A	By When	NA
FY2025 MSHN REGIONAL SAVINGS ESTIMATES BASED ON PROJECTION FSR	J. Sedlock reviewed regional savings estimates for the current year based on FSR projections. The region should begin the new fiscal year with about a $9.8M carryforward				
	J. Sedlock to follow-up with L. Thomas on MSHN Administration showing deficits	By Who	J. Sedlock	By When	10/20/25
FY26 ORIGINAL BUDGET - DRAFT	J. Sedlock reviewed FY 26 original budget. FY 26 revenues projected using FY 25 amended rates because FY 26 rates have not yet been finalized.				
	No follow-up	By Who	N/A	By When	N/A
MSHN RFP BIDG RESPONSE – SUBGROUP REPORTS: • **DELEGATION & LETTERS OF COMMITMENT** • **BOARD AND GOVERNANCE** • **ACCREDITATION, CLAIMS, ADMIN** • **STATEMENT OF WORK RED-LINES**	J. Sedlock reviewed the summary of Operations Council subgroup input that was distributed by email late last week. All content reviewed had been previously discussed. MDHHS/DTMB released answers to bidder questions late Friday 09/12. MSHN distributed pertinent materials today with MSHN notations. Operations Council agrees that nothing in the MDHHS answers to bid questions should change our regional bid response. Noted that original bylaws forming MSHN may need to be attached – Carol and Bryan provided original documents to MSHN for inclusion.				
	No specific follow-up	By Who	N/A	By When	N/A
PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY) • **PROCESS FOR DRAFT REVIEW** • **OTHER**	MSHN should have a review ready draft (without attachments) by next Monday, 0922/25. Assuming this target date is met, MSHN will distribute the draft, which will be reviewed by Operations Council on Wednesday, 0924 at noon (previously scheduled). MSHN does not anticipate any content areas that the region would find a problem with as the current draft mostly describes current operations and/or includes items that have already been discussed as a region (see above subgroup reports). Next steps after regional review: Legal review; bid formatting and assembly with attachments; hold until 'last minute' per legal counsel.				

Agenda Item	Action Required				
	MSHN to distribute reviewable draft bid response if available by Monday, 09/22. If not available on that date, MSHN to inform region of a new draft target date and schedule review as needed.	By Who	J. Sedlock	By When	09/22/25
REGIONAL CONTRACT TEMPLATES	Clarified that the MSHN region has only three regional contract templates: Psychiatric Inpatient, Fiscal Management Services (formerly Fiscal Intermediary), and ABA/Autism.				
	N/A	By Who	N/A	By When	N/A
WEEKLY CEO MEETINGS	09/17 meeting will be for CMHSP CEOs only (with Richard Carpenter); on advice of counsel, MSHN CMHSP Participants will only support the MSHN bid response. This meeting with Mr. Carpenter will reiterate that. MSHN not to attend. 09/24 meeting will focus on MSHN draft bid response review/discussion. 09/26 – MSHN CMNSP Participants meeting with legislators (MSHN not to attend).				
	Tammy will send adjusted invitations	By Who	T. Warner	By When	09/1625

MSHN
Mid-State Health Network

REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: 10/20/2025

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

Agenda Item	Action Required				
CONSENT AGENDA	No items removed for further discussion.				
	Received	By Who	N/A	By When	N/A
FY26 RATES (FOLLOW UP FROM CEO MEETING REGARDING WASKUL, ESTA, MIN. WAGE)	Leslie reviewed the rates and MSHN's calculations based on the regional rate applied to FY25 enrollees. Medicaid only seems to favor the CCBHCs, but that is the main concern from Leslie in that MDHHS might pull that back during rebasing April/May timeframe expected. Whether, and if so what amount of funding will be reallocated mid-year is unknown. ISF has $35m balance. Finance will be monitoring the rates closer as they come in. Waskul, ESTA and Min Wage: FY25 adjustment for ESTA and Min Wage will be forthcoming. FY26 Min Wage: L letter has been confusing with min wage and DCW. Concern with Co-employment requiring providers to pay a certain amount. FY26 ESTA and Waskul: Leslie has requested CMHs to identify the expenditures related to these areas, due by Friday. $2.5m for the region received for Waskul. CMHCM indicated $2.5 expenditures alone for their counties. The intent is that MSHN will send in feedback to MDHHS on our expenditures vs revenue. FY26 Min Wage: the roll up for overtime is included again, no concerns on the roll up and auditing but just questioning if any person working for a provider should be making $17 or more. Some CMHs requiring attestation be signed by providers. Lelsie will discuss the items above with Provider Network Committee on Wednesday. Saginaw indicated other items included in the rate setting that is new and additional cost under Waskul settlement that are not directly related to specific provider rate increases and recommends a regional workgroup to work through. The next PIHP CEO meeting is Nov 4th of which Joe will discuss with other PIHPs their process for addressing the Waskul settlement.				

Agenda Item	Action Required				
	Leslie will follow up with CFO's and PNMC, review the appendixes. Joe will follow up with the PIHP CEOs.	By Who	L. Thomas J. Sedlock	By When	10.25.25 11.4.25
MENTAL HEALTH FRAMEWORK	Skye reviewed the Mental Health Framework FY26 Referrals recommendation, along with the slide deck that was included in the packet. PIHP staff do have the ability to act on CMH referrals in Cc360 or CMH staff can access it directly. There were many questions during the MDHHS webinar held and no policy guidance has been received yet. Discussion regarding the regions position and participation as well as MSHN's role.				
	Skye will discuss with CLC/UM sharing the support for the MSHN's centralized process.	By Who	S. Pletcher	By When	11.1.25
LIMITED LICENSE MPM UPDATE	Kim reviewed the Limited License requirements under the MPM revisions. MSHN has found findings under the MEV for a few CMHs. Bria reached out to MDHHS, and they confirmed LL must bill under fully licensed NPI#. The MPM has this clarification under the physical health, so MSHN reached out for clarification and MDHHS indicated they are trying to align the BH MPM with physical health. There is a question on being able to bill under the organization, so MSHN will seek clarification. HBH only has two licensed staff and is unable to bill serviced under them. Proposed standardization on how we respond to this change, providing a summary and letting CMHA know, add topic to Directors Forum.				
	Kim will follow up on the ability to bill under the organization's NPI, escalate to MDHHS manager, and provide a summary after a response.	By Who	K. Zimmerman	By When	11.1.25
PIHP OPERATIONS MEETING	Amanda reviewed the internal notes of the PIHP Operations Meeting held on October 16th and will distribute to Operations Council. No formal minutes are provided however any presentation materials are shared after the meeting and will be distributed to Ops Council as well. (12) FY2026 | Powered by Box				
	Amanda will follow up with MDHHS on the crisis survey due date, requesting an extension due to the volume of questions during the meeting and lack of clarity.	By Who	A. Ittner	By When	10.23.25
FY25 OPERATIONS COUNCIL ANNUAL REPORT-DRAFT	Joe reviewed the annual report requesting any feedback. The report will be included in the QAPIP. No feedback provided at this time.				
	CMHs support but if any feedback later send on to Joe.	By Who	J. Sedlock	By When	10.30.25
PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY)	Joe provided an update on MSHN's meeting with the PIHP Attorney.				

Agenda Item	Action Required				
• **LAWSUIT UPDATES** • **FINAL RFP SUBMISSION** • **OTHER**	RFP was submitted as provided via email update.				
	Confidential Discussion	By Who	N/A	By When	N/A
BOARD CONFIGURATION	Tammy discussed timing for improving and addressing some of the criticisms of the system. • Multiple contracts – one provider • Governance Structure • CMHs to build another RE • Delegation • Addressing beneficiaries/advocates items There are some concerns and caution about changes prior to knowing the outcome, movement of the current process.				
	Discussed and will add topic to weekly meetings	By Who	T. Warner	By When	11.1.25

MID-STATE HEALTH NETWORK BYLAWS

ARTICLE I
FORMATION

Preamble. The Entity is formed for the purpose of carrying out the provisions of the Mental Health Code as set forth in these Bylaws and the Operating Agreement, relative to serving as a prepaid inpatient health plan, as defined in 42 CFR 438.2 ("PIHP"), to manage the Medicaid Specialty Support and Services Concurrent 1915(b)/(c) Waiver Programs ("Medicaid"); ensuring a comprehensive array of services and supports as provided in the PIHP Medicaid Contract with MDCH; and exercising the powers and authority set forth in these Bylaws and the Operating Agreement. The Entity's primary mission is to organize its actions in a manner that preserves the local public community mental health safety net, ensure access to Medicaid services for all citizens, and support the delivery of locally accountable health care services by the participating members. The Operating Agreement is incorporated by reference herein and attached hereto as Attachment 1.

Definitions.

The definitions contained in the Operating Agreement shall be incorporated by referenced here.

ARTICLE II
THE CMHSP PARTICIPANTS

2.1 **CMHSP Participants**. The CMHSP Participants of the Entity shall be community mental health services programs, organized and operated as a community mental health authority, county community mental health agency or community mental health organization, whose designated service areas are within the Service Area and who have entered into the Operating Agreement.

2.2 **CMHSP Participant Vote**. The CMHSP Participants of the Entity will each have one (1) vote on those matters reserved to the CMHSP Participants in Section 2.3. The CMHSP Participant's vote shall be conveyed in the form of duly adopted written resolutions of the governing body of each of the CMHSP Participants.

2.3 **CMHSP Participant Reserved Powers.** Each CMHSP Participant shall possess the powers and rights retained and reserved to the CMHSP Participants under these Bylaws which shall include the power to approve the following:

2.3.1 All amendments, restatements or adoption of new bylaws;

2.3.2 The Operating Agreement, any amendment thereto and its termination;

2.3.3 Any proposal of the Entity related to merger, consolidation, joint venture or formation of a new organization;

2.3.4 The termination of the Entity and distribution of assets and liabilities, if any;

2.3.5 The issuance of debt which exceeds certain threshold amounts established for the Entity by the CMHSP Participants in the Operating Agreement;

2.3.6 Secured borrowings and unsecured borrowings in excess of amounts established in the Operating Agreement by the CMHSP Participants; and

2.3.7 The sale, transfer or other disposition of substantially all of the assets of the Entity.

2.4 **New CMHSP Participants**. New CMHSP Participants may jointo the Entity upon written approval of may be added pending written support from the State for purposes of preserving the community mental health system. If addition of these new CMHSP Participants to the Entity is not required by the State, it is seen as within the sole discretion of the existing CMHSP Participants. Thus when not required by the State, the addition of new CMHSP Participants to the Entity requires the approval of two-thirds (2/3) of the governing bodies of the existing CMHSP Participants at the time of the admission request., conveyed via a duly adopted written resolution of these governing bodies. The entity is prohibited from pursuing any actions to add CMHSP Participants or operate outside of the existing geographic area other than the process noted above. New CMHSP Participants added to the Entity will be entitled to any membership or governance rights in the same manner as the existing CMHSP Participants. Any new CMHSP Participants added under this section will forward any claims to existing Medicaid risk reserves to the Entity on a pro-rated basis upon date of admission as negotiated with MDCHMDHHS.

ARTICLE III
POWERS

3.1 **Powers**. Except as otherwise stated in these Bylaws, the Entity's powers are limited to the following, all of which are provided under MCL 330.1204b(2):

3.1.1 The power to contract with the State to serve as the Medicaid specialty service prepaid inpatient health plan and as the Department-designated community mental health entity for substance use disorder services for the Service Area including the responsibility and authority to ensure compliance with related federal and State contract requirements;

3.1.2 The power to accept funds, grants, gifts, or services from the federal government or a federal agency, the State or a State department, agency, instrumentality, or political subdivision, or any other governmental unit whether or

not that governmental unit participates in the Entity, and from a private or civic source;

3.1.3 The power to enter into contracts with a CMHSP Participant for any service to be performed for, by, or from the CMHSP Participant;

3.1.4 The power to create a risk pool and take other actions as necessary to reduce the risk that the CMHSP Participants otherwise bear individually;

3.1.5 The power to review, alter and approve annual capital and operating budgets and strategic plans of the Entity; and

3.1.6 The power to appoint and remove the Chief Executive Officer of the Entity.

3.2 **Entity Actions**. The manner by which the Entity's purposes will be accomplished and powers will be exercised shall be through the actions of the CMHSP Participants as provided in Article II and through the actions of the Board as set forth in these Bylaws or as delegated by the Board to officers, committees or other agents.

3.3 **CMHSP Participant Retained Powers**. CMHSP Participants shall retain all powers, rights and authority afforded community mental health services programs, organized and operated as county mental health authorities, agencies or organizations under the Mental Health Code. Only the powers and authority specifically delegated to the Entity under these Bylaws and as further defined under an Operating Agreement to be entered into by the CMHSP Participants are transferred to the Entity.

ARTICLE IV
ENTITY BOARD OF DIRECTORS

4.1 **General Powers**. The business, property, and affairs of the Entity shall be managed by the Board.

4.2 **Number**. There will be twenty-four (24) Entity Board members.

4.3 **Appointment.** The CMHSP Participants shall appoint members of the Entity Board. Each CMHSP Participant will appoint two (2) members to the Entity Board. The appointment becomes effective upon receipt by the Entity Board of a duly adopted written resolution of the CMHSP Participant's governing body.

4.3.1 A Board member shall have his or her primary place of residence in the CMHSP Participant's Service Area;

4.3.2 A Board member shall not be an employee of the Department of Community Health or a community mental health services program;

4.3.3 A Board member shall not be a party to a contract with a community mental health program or administering or benefitting financially from a contract with a community mental health services program;

4.3.4 A Board member shall not serve in a policy making position with an agency under contract with a community mental health services program;

4.3.5 At least one (1) board member from each CMHSP Participant shall be a primary consumer or family member of a primary consumer as defined in the Michigan Mental Health Code;

4.3.6 If the Entity is a Department-Designated Community Mental Health Entity, as defined in Section 100a(22) of 2012 P.A. 500, the Board shall also consist of representatives of mental health, developmental or intellectual disabilities and substance use disorder services as required under Section 287 of 2012 P.A. 500; and

4.3.7 Notwithstanding anything to the contrary in these Bylaws, any board member of the CMHSP Participants may also serve on the Entity Board.

4.4 **Term**. The term of office for an Entity Board member shall be three (3) years from May 1st of the year of appointment. The initial Entity Board appointments will be staggered into one (1) year, two (2) year and three (3) year terms.

4.5 **Removal.** At any time a CMHSP Participant may appoint, remove, or replace its appointees to the Entity Board without cause. The removal becomes effective upon receipt by the Entity Board of a duly adopted written resolution of the CMHSP Participant's governing body.

4.6 **Resignation**. An Entity Board member may resign at any time by providing notification to the appointing CMHSP Participant. The resignation will be effective upon receipt of the notice by the CMHSP Participant or at a later time as designated in the notice.

4.7 **Board Vacancies**. A vacancy on the Entity Board may occur through death, removal or resignation of the Board member. A vacancy shall be filled for an unexpired term by the CMHSP Participant in the same manner as the original appointment.

4.8 **Annual Meeting**. An annual meeting of the Entity Board of Directors will be held each year at such time and place as designated by the Board.

4.9 **Regular Meetings**. The Entity Board of Directors will hold regular meetings on at least a quarterly basis at a time and location as determined by the Board. Notice in writing of each meeting shall be given to each Entity Board member by email or U.S. Mail at least five (5) days prior to each meeting and include the date, time and place of such meeting.

Proper notice shall be given to the public pursuant to the Open Meetings Act, 1976 P.A. 267, as amended.

4.10 **Special Meetings**. Special Meetings of the Entity Board of Directors may be held at the discretion of the Chairperson or Vice Chairperson in the Chairperson's absence. Notice in writing of each special meeting shall be given to each Board member by email, fax, or U.S. Mail at least 48 hours prior to each meeting and include the date, time, agenda topics and place of such meeting. The MSHN Executive Assistant shall post at least 18 hours before the special meeting a public notice, as required by 1976 P.A. 267.

4.11 **Waiver of Notice**. The attendance of an Entity Board member at a Board meeting shall constitute a waiver of notice of the meeting, except where a Board member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. In addition, the Entity Board member may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.

4.12 **Quorum and Voting**. The presence of thirteen (13) members of the Board of Directors shall constitute a quorum for the transaction of business by the Entity Board. Actions voted on by a majority of Entity Board members present at a meeting where a quorum is present shall constitute authorized actions of the Board, excepting, however, to adopt a budget, to hire/fire/discipline the CEO or to recommend changes to the Bylaws or Operating Agreement, it shall require thirteen (13) votes. Board members are considered present for the purposes of voting (a) if they are physically present during the meeting, or (b) if not physically present due to military duty, or as otherwise permitted under the Open Meetings Act, are present via telephone, teleconference, videoconference, or other similar means, through which all Board members participating can communicate with each other, for the entire duration of the discussion which is the subject of the motion and/or vote, subject to the following requirement:

A. Physical Presence. A Board member may not participate in a Board meeting without being physically present except as specifically permitted under the Open Meetings Act, and then only if a quorum of the Board of Directors is physically present at a duly constituted Board meeting.

4.13 **Compensation and Expenses.** Entity Board members shall be paid per diem and mileage expenses as fixed by the Entity Board.

4.14 **Conflict of Interest Policy**. The Entity Board of Directors shall adopt and adhere to a conflict of interest policy which shall require, among other things, the disclosure to the Board Chairperson and any committee chairperson any actual or possible conflicts of interest. All Board members will annually disclose any conflicts of interest while serving on the Board.

4.15 **Compliance with Laws**. The Entity and its CMHSP Participants, Board, officers and staff shall fully comply with all applicable laws, regulations and rules, including without limitation 1976 P.A. 267, as amended (the "Open Meetings Act"), 1976 P.A. 422, as amended (the "Freedom of Information Act"), 1976 P.A. 453, as amended (the "Elliott-Larsen Civil Rights Act"), and 1976 P.A. 220, as amended (the "Persons With Disabilities Civil Rights Act"). The Entity shall develop compliance policies and procedures. In the event that any noncompliance is found, immediate corrective action, as defined in the Operating Agreement, shall be taken by the appropriate source to ensure compliance.

ARTICLE V
COMMITTEES

5.1 **Powers**. The Entity Board of Directors, by resolution adopted by vote of the majority, may designate one (1) or more committees, each committee shall consist of one (1) or more Board members and other appointed members. A committee designated by the Entity Board of Directors will be given proper instructions necessary to discharge the committee's responsibilities. All committees will forward any recommendations to the full Board for consideration.

5.2 **Type of Committees.** All committees authorized by the Entity Board of Directors will be considered Ad Hoc and time-limited to discharge the identified responsibilities. The Chairperson of the Entity Board will designate individual appointments to committees and membership may include any interested individuals considered necessary to fulfill the responsibilities of the committee.

5.3 **Meetings**. Committees shall meet as directed by the Entity Board and meetings shall be governed by the same rules of order and documentation requirements as the Board of Directors. Minutes shall be recorded at each committee meeting and shall be presented to the Entity Board of Directors.

5.4 **Parliamentary Authority**. Robert's Rules of Order, shall govern all questions of procedures which are not otherwise provided by these Bylaws, or by State law.

5.5 **Convening Of Committees And Minutes Requirements.** Meetings of a committee, sub-committee or special committee (hereinafter referred to as "committee") may be convened by its chairperson or by a majority of its members at any time upon reasonable notice to its members (but not less than 48 hours prior notice given to each member by personal delivery, email, mail or fax) and to the chairperson of the Board, provided said notice complies with the requirements of the Open Meetings Act, 1976 P.A. 267. All committee meetings shall be open to the public, with the exception of closed meetings as provided by the Open Meetings Act, 1976 P.A. 267. Each committee shall prepare an agenda.

Minutes shall be kept on file in the office of MSHN. Every committee shall provide an opportunity for the public to be heard at the beginning and end of the agenda. Members

of the public may address the Board or Committee for up to three (3) minutes. Individuals desiring to speak shall be required to identify themselves.

5.6 **Order of Precedence of Motions.** When a motion is seconded and before the Board and/or a Committee, no other motion shall be received except the following:

a. To fix the time to which to adjourn
b. To adjourn
c. For the previous question
d. To lay on the table
e. To postpone indefinitely
f. To postpone to a date certain
g. To refer
h. To amend

These motions shall have precedence in the order as above named.

5.7 **Motions to Adjourn.** A motion to adjourn shall always be in order except while a vote is being taken on any other motion already before the Committee or Board, or when a member has the floor; provided, that there shall be other intervening business or a change in the circumstances between the two motions to adjourn.

5.8 **Motions to Reconsider.** A motion for the reconsideration of any question shall be in order if made on the same day or at the Committee or Board meeting next succeeding that on which the decision proposed to be reconsidered was made; providing, however, that a second reconsideration of any question or a reconsideration at a later date may be had with the consent of two-thirds (2/3) of the members elected and serving, but in such event the moving member shall file written notice of his/her intention to move for a reconsideration in the office of the MSHN at least one day before making such a motion.

5.9 **Reports and Motions Requiring Signatures.** All reports of Committees shall be in writing and the names of the members of such Committees concurring in such reports shall be noted thereon. Every written resolution or motion shall have noted the name of the member or members introducing the same.

ARTICLE VI
OFFICERS

6.1 **Officers**. The officers of the Entity shall be elected by the Board of Directors and shall also be members of the Board. The initial officers shall be a Chairperson, Vice Chairperson, and a Secretary. Officers will be annually elected by authorized vote of the Board of Directors. The Entity Board may choose to elect other officers as the Board deems appropriate and necessary to complete the business of the Board. At any given

time, either the Chairperson or Vice Chairperson of the Entity Board shall be a primary consumer or family member of a primary consumer as defined in the Michigan Mental Health Code.

6.2 **Appointment.** The election of officers of the Entity will occur during the annual meeting of the Board of Directors. The Entity Board will appoint a nominating committee for the annual meeting for the purpose of recommending officer candidates to the full Board to serve during the next twenty-four (24) month period.

6.3 **Term of Office**. The term of office of all officers will commence upon their election and continue for a two (2) year term without limitation on an officer's possible re-election to office. An officer may resign at any time upon written notice to the Entity Board of Directors. Notice of resignation is effective on receipt or at a time designated in the notice.

6.4 **Vacancies**. A vacancy in any office for any reason may be filled by the Entity Board of Directors. The acting officer shall fill the unexpired term of the vacancy until the next annual meeting of the Entity Board.

6.5 **Removal**. An officer elected by the Entity Board of Directors may be removed from office prior to completion of the annual term with cause by two-thirds (2/3) majority vote of the Entity Board.

6.6 **Chair**. The Chairperson shall preside at all Entity Board meetings. The Chairperson shall have the power to perform duties incident to the office.

6.7 **Vice Chair**. The Vice Chairperson shall have the power to perform duties of the Chair if the Chairperson is absent or unable to perform his or her duties until otherwise directed by the Entity Board.

6.8 **Secretary**. The Secretary shall ensure completion of minutes of the Entity Board meetings, ensure that the notice of meetings is given to Board members as required by law or these Bylaws, ensure the safe storage of Entity records, ensure the maintenance of a register of names and addresses of all Board members and ensure the completion of all required administrative filings as required by the Entity's legal structure, including compliance with the Open Meetings Act.

6.9 **Other Officer Employment and Positions**. An officer of the Board elected by the Board of Directors may concurrently hold another office with a CMHSP Participant's governing body. An officer of the Board may not hold more than one (1) office with the Entity at any time.

ARTICLE VII
STAFF POSITIONS

7.1 **Chief Executive Officer**. The Chief Executive Officer of the Entity will have full managerial and operational authority of the Entity as delegated to that position by the Entity Board of Directors. The Chief Executive Officer will be appointed by the Board of Directors and may be a paid employee of the Entity. The Chief Executive Officer shall have the power to perform duties incident to the office as may be assigned by the Entity Board.

7.2 **Chief Financial Officer**. The Chief Financial Officer of the Entity shall serve as the fiscal officer as defined in MCL 330.1204b. The Chief Financial Officer shall have charge and custody over Entity funds and securities, maintain accurate records of Entity receipts and disbursements, deposit all moneys and securities received by the Entity at such depositories in the Entity's name that may be designated by the Board and perform all duties incident to the office and as assigned by the Chief Executive Officer. The Chief Financial Officer has the responsibilities set forth in MCL 330.1204b and will be responsible for receiving, depositing, investing and disbursing the Entity's funds in the manner authorized by these Bylaws and Board of Directors in accordance with the Entity's Operating Agreement.

7.3 **Other Positions as Approved by the Board**. The Chief Executive Officer will recommend other staff positions for the Entity as necessary to fulfill the managerial responsibilities of the Entity. The Board of Directors will retain the authority to approve or disapprove any positions recommended by the Chief Executive Officer which are not budgeted.

7.4 **Restrictions.** While serving as the Entity's Chief Executive Officer or the Chief Financial Officer (or the Chief Operating Officer or Chief Information Officer if any), those individuals shall not hold any position with any CMHSP Participants.

7.5 **Other Administration Activities**. The Entity Board and/or its designee will, on an ongoing basis, consider possible administrative efficiencies where appropriate.

ARTICLE VIII
REPORTS/CONTRACTS

8.1 **Authority for Entity Documents.** All entity documents (including agreements, insurance and annuity contracts, qualified and nonqualified deferred compensation plans, checks, notes, disbursements, loans and other debt obligations) shall not be signed by any employee, contractual staff, officer, designated agent or attorney-in-fact unless authorized by the Entity Board of Directors, adopted policies and procedures or these Bylaws. When the execution of any contract or other instrument has been authorized by the Board without specification of an executing officer, the Chairperson, Secretary or Chief Executive Officer may execute the same on behalf of the Entity. The Entity Board shall have the authority to designate other officers and agents who will have authority to execute any instrument or document on behalf of the Entity. The entity documents referenced in this section include, but are not limited to, a 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.

8.2 **Financial Accountability**. On an annual basis, after the completion of each fiscal year, the Entity Board will engage an independent public accounting firm to conduct an independent audit of all of the Entity's receipts and disbursements.

8.3 **Reports**. All reports included in these Bylaws or otherwise required by the Board from time to time will be presented to the Board by delivery of same to the Chief Executive Officer, who shall be responsible for distributing such reports to the Board of Directors. Each report will be presented by the Chairperson to the Entity Board of Directors at a meeting of the Board for discussion and approval or other actions as may be required. In addition, the Chief Executive Officer of the Entity on behalf of the Board will provide an annual report of its activities to each CMHSP Participant.

ARTICLE IX
IMMUNITY/LIABILITY/INSURANCE

9.1 **Governmental Immunity**. All the privileges and immunities from liability and exemptions from laws, ordinances, and rules provided under MCL 330.1205(3)(b) of the Mental Health Code to county community mental health services programs and their Board members, officers, and administrators, and county elected officials and employees of county government are retained by the Entity and the Entity's Board members, officers, agents, and employees, as provided in MCL 330.1204b(4).

9.2 **Liability.** Liability insurance shall be maintained at all times to cover the Board of Directors, the organization, its employees, and its officers. Such coverage shall be in an amount acceptable to the Board.

9.2.1 Each CMHSP Participant and the Regional Entity will obtain its own legal counsel and will bear its own costs including judgments in any litigation which may arise out of its activities to be carried out pursuant to its obligations under these Bylaws or any agreement between the CMHSP Participants or the CMHSP Participants and the Entity. It is specifically understood that no indemnification will be provided in such litigation.

9.3 **Insurance.** The Entity may purchase and maintain insurance on behalf of any person who is or was an Entity Board member, officer, employee or representative of the Entity, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Entity would have power to indemnify the person against such liability under these Bylaws or the laws of the State of Michigan.

ARTICLE X
FISCAL YEAR

The fiscal year of the Entity shall be from October 1 through September 30.

ARTICLE XI
AMENDMENTS

Any action by the CMHSP Participants to amend or repeal these Bylaws, or adopt new Bylaws will require approval by two-thirds (2/3) vote of the existing CMHSP Participants in the form of duly adopted written resolutions from their respective governing bodies, to be binding upon the Entity. Notice setting forth the terms of the proposed amendment or repeal shall be given in accordance with any notice requirement for a meeting of the Entity Board of Directors. No amendment to these Bylaws shall be effective until filed as provided in Article XII.

ARTICLE XII
FILING BYLAWS

These Bylaws, including any amendment, shall be effective only after being duly adopted in accordance with MCL 330.1204b(1) and subsequently filed with the clerk of each county in which the CMHSP Participants are located and with the Michigan Secretary of State.