

Mid-State Health Network

Board of Directors Meeting ~ May 5, 2026 ~ 5:00 p.m.

Board Meeting Agenda

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

MEMBERS OF THE PUBLIC AND OTHERS UNABLE TO ATTEND IN PERSON CAN PARTICIPATE IN THIS MEETING VIA TELECONFERENCE

Teleconference: (Call) 1.312.626.6799; Meeting ID: 3797965720

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 May 5, 2026 Meeting of the MSHN Board of Directors

4. Public Comment (3 minutes per speaker)

5. ACTION ITEM: FY2025 Audit Presentation (Page 6)

Motion to receive and file the FY2025 Audit Report of Mid-State Health Network completed by Roslund, Prestage and Company.

6. Chief Executive Officer's Report (Page 22)

7. Deputy Director's Report (Page 37)

- [Network Adequacy Assessment Presentation](#)



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](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

July 7, 2026

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

September 1, 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>

ACTION ITEM: Receive and File the FY2026 MSHN Quality Assessment and Performance Improvement Program (QAPIP) Workplan Status Update for the period ending April 30, 2026, as presented.

8. Chief Financial Officer's Report

Financial Statements Review for Period Ended March 31, 2026 (Page 42)

ACTION ITEM: Receive and File the Preliminary Statement of Net Position and Statement of Activities for the Period ended March 31, 2026, as presented

9. **ACTION ITEM:** Contracts for Consideration/Approval (Page 52)

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. Chairperson's Report

Board Member Ten Year Service Recognition

11. **ACTION ITEM:** Consent Agenda

Motion to Approve the documents on the Consent Agenda

11.1 Approval Board Meeting Minutes 03/03/2026 (Page 54)

11.2 Receive Board Executive Committee Minutes 02/20/2026 (Page 60)

11.3 Receive Board Officer Briefing Notes 04/17/2026 (Page 62)

11.4 Receive SUD Oversight Policy Board Meeting Minutes 02/18/2026 (Page 64)

11.5 Receive Operations Council Key Decisions 02/23/2026 (Page 68) and 04/20/2026 (Page 70)

12. Other Business

13. Public Comment (3 minutes per speaker)

14. Adjourn

FY26 MSHN Board Roster

Current as of 04/20/2026

Last Name	First Name	Email 1	Email 2	Phone 1	Phone 2	Appointing CMHSP	Term Expiration
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	2029
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	2029
Hicks	Tina	tmhicks64@gmail.com		989.576.4169		GIHN	2027
Johansen	John	j.m.johansen6@gmail.com		616.754.5375	616.835.5118	MCN	2027
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	2029
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	2029
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
Schumacher	Pam	pschumacher82@gmail.com		989.415.9497		BABHA	2029
Smith	Mike	tybacore@gmail.com		878.315.4115		HBH	2029
Stapleton	Jack			989.225.5566		HBH	2029
Vacant						LifeWays	2028
Washington	Dwight	washindwi@gmail.com		517.974.1658		CEI	2028
White	Jason	jasoncardellwhite@gmail.com		517.648.5638		CEI	2028
Williams	Joanie	joanie.williams1977@gmail.com		989.860.6230		Saginaw County CMH	2029
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		

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

ACA: Affordable Care Act	CQS: – Comprehensive Quality Strategy	HHP: Health Home Provider
ACT: Assertive Community Treatment	CRU: Crisis Residential Unit	HIPAA: Health Insurance Portability and Accountability Act
ARPA: American Rescue Plan Act (COVID-Related)	CS: Customer Service	HITECH: Health Information Technology for Economic and Clinical Health Act
ASAM: American Society of Addiction Medicine	CSAP: Center for Substance Abuse Prevention (federal agency/SAMHSA)	HMP: Healthy Michigan Program
ASAM CONTINUUM: Standardized assessment for adults with SUD needs	CSAT: Center for Substance Abuse Treatment (federal agency/SAMHSA)	HMO: Health Maintenance Organization
ASD: Autism Spectrum Disorder	CW: Children’s Waiver	HRA: Hospital Rate Adjuster
BBA: Balanced Budget Act	DAB: Disabled and Blind	HSAG: Health Services Advisory Group (contracted by state to conduct External Quality Review)
BH: Behavioral Health	DEA: Drug Enforcement Agency	HSW: Habilitation Supports Waiver
BHH: Behavioral Health Home	DECA: Devereux Early Childhood Assessment	ICD-10: International Classification of Diseases – 10 th Edition
BPHASA – Behavioral and Physical Health and Aging Services Administration	DMC: Delegated Managed Care (site visits/reviews)	ICO: Integrated Care Organization (a health plan contracted under the Medicaid/Medicare Dual eligible pilot project)
BH-TEDS: Behavioral Health–Treatment Episode Data Set	DRM: Disability Rights Michigan	ICTS: Intensive Community Transitions Services
CC360: CareConnect 360	DSM-5: Diagnostic and Statistical Manual of Mental Disorders, 5 th Edition	I/DD: Intellectual/Developmental Disabilities
CCBHC: Certified Community Behavioral Health Center	D-SNP: Dual Eligible Special Needs Plan	IDDT: Integrated Dual Diagnosis Treatment
CAC: Certified Addictions Counselor Consumer Advisory Council	EBP: Evidence-Based Practices	IOP: Intensive Outpatient Treatment
CEO: Chief Executive Officer	EEO: Equal Employment Opportunity	ISF: Internal Service Fund
CFO: Chief Financial Officer	EMDR: Eye Movement & Desensitization Reprocessing therapy	IT/IS: Information Technology/Information Systems
CIO: Chief Information Officer	EPSDT: Early and Periodic Screening, Diagnosis and Treatment	KPI: Key Performance Indicator
CCO: Chief Clinical Officer	EQI: Encounter Quality Initiative	LBSW: Licensed Baccalaureate Social Worker
CFR: Code of Federal Regulations	EQR: External Quality Review (federally mandated review of PIHPs to ensure compliance with BBA standards)	LEP: Limited English Proficiency
CFAP: Conflict Free Access and Planning (Replacing CFCM)	FC: Finance Council	LLMSW: Limited Licensed Masters Social Worker
CLS: Community Living Services	FI: Fiscal Intermediary	LMSW: Licensed Masters Social Worker
CMH or CMHSP: Community Mental Health Service Program	FOIA: Freedom of Information Act	LLPC: Limited Licensed Professional Counselor
CMHA: Community Mental Health Authority	FSR: Financial Status Report	LPC: Licensed Professional Counselor
CMHAM: Community Mental Health Association of Michigan	FTE: Full-time Equivalent	LOCUS: Level of Care Utilization System
CMS: Centers for Medicare and Medicaid Services (federal)	FQHC: Federally Qualified Health Centers	LTSS: Long Term Supports and Services
COC: Continuum of Care	FY: Fiscal Year (for MDHHS/CMHSP runs from October 1 through September 30)	MAHP: Michigan Association of Health Plans (Trade association for Michigan Medicaid Health Plans)
COD: Co-occurring Disorder	GF/GP: General Fund/General Purpose (state funding)	MAT: Medication Assisted Treatment (see MOUD)
CON: Certificate of Need (Commission) – State	HB: House Bill	MCBAP: Michigan Certification Board for Addiction Professionals
CPA: Certified Public Accountant	HCBS: Home and Community Based Services	MCO: Managed Care Organization
CPS: Children’s Protective Services		

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MDHHS: Michigan Department of Health and Human Services	OTP: Opioid Treatment Provider (formerly methadone clinic)	RRA: Recipient Rights Advisor
MDOC: Michigan Department of Corrections	OWQP: Only Willing and Qualified Provider	RRO: Recipient Rights Office/Recipient Rights Officer
MEV: Medicaid Event Verification	PA: Public Act	SAMHSA: Substance Abuse and Mental Health Services Administration (federal)
MHP: Medicaid Health Plan	PA2: Liquor Tax act (funding source for some MSHN funded services)	SAPT: Substance Abuse Prevention and Treatment (when it includes an “R”, means “Recovery”)
MI: Mental Illness Motivational Interviewing	PAC: Political Action Committee	SARF: Screening, Assessment, Referral and Follow-up
MICAS: Michigan Intensive Child and Adolescent Services	PCP: Person-Centered Planning Primary Care Physician	SCA: Standard Cost Allocation
MichiCANS: Michigan Child and Adolescent Needs and Strengths	PEO: Professional Employer Organization	SDA: State Disability Assistance
MiHIA: Michigan Health Improvement Alliance	PEPM: Per Eligible Per Month (Medicaid funding formula)	SED: Serious Emotional Disturbance
MiHIN: Michigan Health Information Network	PFS: Partnership for Success	SB: Senate Bill
MLR: Medical Loss Ratio	PI: Performance Indicator	SIM: State Innovation Model
MMBPIS: Michigan Mission Based Performance Indicator System	PIP: Performance Improvement Project	SMI: Serious Mental Illness
MOUD: Medication for Opioid Use Disorder (a sub-set of MAT)	PIHP: Prepaid Inpatient Health Plan	SPMI: Severe & Persistent Mental Illness
MP&A (MPAS): Michigan Protection and Advocacy Service	PMV: Performance Measure Validation	SSDI: Social Security Disability Insurance
MPCA: Michigan Primary Care Association (Trade association for FQHC’s)	Project ASSERT: Alcohol and Substance abuse Services and Educating providers to Refer patients to Treatment	SSI: Supplemental Security Income (Social Security)
MPHI: Michigan Public Health Institute	PRTF: Psychiatric Residential Treatment Facility	SSN: Social Security Number
MRS: Michigan Rehabilitation Services	PTSD: Post-Traumatic Stress Disorder	SUD: Substance Use Disorder
NAA:: Network Adequacy Assessment	QAPIP: Quality Assessment and Performance Improvement Program	SUDHH: Substance Use Disorder Health Home
NACBHDD: National Association of County Behavioral Health and Developmental Disabilities Directors	QAPI: - Quality Assessment Performance Improvement	SUD OPB: Substance Use Disorder Oversight Policy Board
NAMI: National Association of Mental Illness	QHP: Qualified Health Plan	SUGE: Bureau of Substance Use, Gambling and Epidemiology
NASMHPD: National Association of State Mental Health Program Directors	QM/QA/QI: Quality Management/Assurance/Improvement	TANF: Temporary Assistance to Needy Families
NCQA: National Committee for Quality Assurance	QRT: Quick Response Team	THC: Tribal Health Center
NCMW: National Council for Mental Wellbeing	RCAC: Regional Consumer Advisory Council	UR/UM: Utilization Review or Utilization Management
OC: Operations Council	REMI: MSHN’s Regional Electronic Medical Information software	VA: Veterans Administration
OHCA: Organized Health Care Arrangement	RES: Residential Treatment Services	VBP: Value Based Purchasing
OIG: Office of Inspector General	RFI: Request for Information	WM: Withdrawal Management (formerly “detox”)
OMT: Opioid Maintenance Treatment - Methadone	RFP: Request for Proposal	WSA: Waiver Support Application
OP: Outpatient	RFQ: Request for Quote	WSS: Women’s Specialty Services
	RHC: Rural Health Clinic	YTD: Year to Date
	RR: Recipient Rights	ZTS: Zenith Technology Systems (MSHN Analytics and Risk Management Software)

FY2025 FINANCIAL AUDIT REPORT

Background

Pre-Paid Inpatient Health Plans (PIHPs) must have an annual financial review by an independent auditing firm and must comply with the laws, regulations, and the contract provisions related to the Medicaid Contract. Examples of these would include, but not limited to: the Medicaid Contract, the Mental Health Code (Michigan Compiled Laws 330.1001 – 330.2106), applicable sections of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 CFR 200, the Medicaid Provider Manual, and Generally Accepted Accounting Principles (GAAP). The independent auditing firm is retained by and responsible to the Board of Directors. The auditing firm's responsibility is to express an opinion on whether MSHNs financial statements are free from material misstatement.

The Financial Audit was conducted in January 2026 for fiscal year 2025 by Roslund Prestage & Company. The report is due to MDHHS by March 31, 2026.

The opinion rendered by Roslund Prestage & Company, is that MSHNs financial statements present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the PIHP, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Recommended Motion:

The MSHN Board of Directors receives and files the Fiscal Year 2025 Financial Audit of Mid-State Health Network completed by Roslund, Prestage and Company.

Mid-State Health Network

Financial Statements

September 30, 2025





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Mid-State Health Network (the PIHP), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the PIHP's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the PIHP, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PIHP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PIHP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026, on our consideration of the PIHP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PIHP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PIHP's internal control over financial reporting and compliance.

Sincerely,



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

March 25, 2026

Mid-State Health Network
Statement of Net Position
September 30, 2025

	Enterprise Behavioral Health Operating	Internal Service Medicaid Risk Reserve	Total Proprietary Funds
Current assets			
Cash and cash equivalents - unrestricted	\$ 32,753,884	\$ -	\$ 32,753,884
Cash and cash equivalents - restricted	-	30,878,089	30,878,089
Investments - unrestricted	3,499,118	-	3,499,118
Investments - restricted	-	11,999,306	11,999,306
Due from affiliate partners and other agencies	29,639,034	-	29,639,034
Due from MDHHS	38,755,942	-	38,755,942
Due from other funds	7,279,203	-	7,279,203
Prepaid expenses	321,421	-	321,421
Total current assets	112,248,602	42,877,395	155,125,997
Noncurrent assets			
Capital asset being depreciated, net	39,819	-	39,819
Total noncurrent assets	39,819	-	39,819
Total assets	112,288,421	42,877,395	155,165,816
	PY Total assets		176,117,818
Current liabilities			
Accounts payable	26,181,034	-	26,181,034
Accrued wages and related liabilities	228,155	-	228,155
Due to affiliate partners	14,775,920	-	14,775,920
Due to MDHHS	34,336,998	-	34,336,998
Due to other funds	-	7,279,203	7,279,203
Unearned revenue	19,721,320	-	19,721,320
Long-term liabilities, due within one year	555,225	-	555,225
Total current liabilities	95,798,652	7,279,203	103,077,855
Total liabilities	95,798,652	7,279,203	103,077,855
	PY Total liabilities		126,350,584
Net position			
Restricted for risk management	-	35,598,192	35,598,192
Restricted local - PBIP	6,071,749	-	6,071,749
Restricted local - CCBHC QBP	6,030,596	-	6,030,596
Unrestricted	4,387,424	-	4,387,424
Total net position	\$ 16,489,769	\$ 35,598,192	\$ 52,087,961
PY Total net position		16,659,350	49,767,234

Mid-State Health Network
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2025

	Enterprise Behavioral Health Operating	Internal Service Medicaid Risk Reserve	Total Proprietary Funds
Operating revenues			
Medicaid capitation	\$ 640,197,174	\$ -	\$ 640,197,174
Healthy Michigan	104,716,975	-	104,716,975
Autism	94,060,309	-	94,060,309
PA2 revenues	4,595,230	-	4,595,230
DHS incentive	1,587,414	-	1,587,414
CCBHC	66,508,314	-	66,508,314
Behavioral health home	1,478,541	-	1,478,541
Opioid health home	1,823,858	-	1,823,858
State and federal grants	12,607,454	-	12,607,454
Incentive payments	13,522,799	-	13,522,799
Contributions - Local match drawdown	1,550,876	-	1,550,876
Total operating revenues	942,648,944	-	942,648,944
	PY Operating revenues		908,041,738
Operating expenses			
Contractual obligations			
Funding for affiliate partners	822,497,754	-	822,497,754
HRA and IPA taxes	48,110,710	-	48,110,710
Local match	1,550,876	-	1,550,876
Total contractual obligations	872,159,340	-	872,159,340
	PY Contractual obligations		854,688,474
Substance use services			
Prevention	5,009,435	-	5,009,435
Outpatient	8,649,122	-	8,649,122
Recovery Support	6,384,921	-	6,384,921
Medication-Assisted Treatment	8,539,342	-	8,539,342
Withdrawal management	2,452,988	-	2,452,988
Residential	19,621,028	-	19,621,028
Opioid health home	2,055,381	-	2,055,381
Women's Specialty	4,558,305	-	4,558,305
Other contractual agreements	2,164,126	-	2,164,126
Total substance use services	59,434,648	-	59,434,648
	PY Substance use services		62,666,240
Administrative expense			
Board per diem	27,860	-	27,860
Depreciation	37,792	-	37,792
Dues and memberships	9,114	-	9,114
Insurance	23,903	-	23,903
Professional contracts	1,203,115	-	1,203,115
Rent and utilities	3,508	-	3,508
Salaries and fringes	8,209,961	-	8,209,961
Software maintenance	1,385,421	-	1,385,421
Supplies	224,479	-	224,479
Travel and training	101,055	-	101,055
Total administrative expense	11,226,208	-	11,226,208
	PY Administrative expense		9,457,413
Total operating expenses	942,820,196	-	942,820,196
Operating income (loss)	(171,252)	-	(171,252)

Mid-State Health Network
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2025

	Enterprise Behavioral Health Operating	Internal Service Medicaid Risk Reserve	Total Proprietary Funds
Non-operating revenues (expenses)			
Interest income	\$ 2,108	\$ 886,547	\$ 888,655
Interest expense	(437)	-	(437)
Non-operating income (loss)	<u>1,671</u>	<u>886,547</u>	<u>888,218</u>
Change in net position	(169,581)	886,547	716,966
PY Change in net position	6,782,033	(22,832,533)	(16,050,500)
Net position, beginning of year			
Beginning, as previously presented	16,659,350	33,107,884	49,767,234
Adjustment to beginning net position	-	1,603,761	1,603,761
Beginning, as restated	<u>16,659,350</u>	<u>34,711,645</u>	<u>51,370,995</u>
Net position, end of year	<u>\$ 16,489,769</u>	<u>\$ 35,598,192</u>	<u>\$ 52,087,961</u>

Mid-State Health Network
Notes to the Financial Statements
September 30, 2025

Fair Value of Investments

The PIHP measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

At year-end, the PIHP had the following recurring fair value measurements.

Description	Value as of Sept 30 th	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
U.S. treasuries	15,498,424	15,498,424	-	-

NOTE 3 - DUE FROM AFFILIATE PARTNERS AND OTHER AGENCIES

Due from affiliate partners and other agencies as of September 30th consists of the following:

Description	Amount
CMHA of Clinton, Eaton, and Ingham Counties	8,987,335
Community Mental Health for Central Michigan	534,723
Ionia County Community Mental Health	3,340,734
Saginaw County Mental Health Authority	13,039,296
Tuscola Behavioral Health Systems	1,452,074
Due from Counties	1,923,673
Other	361,199
Total	29,639,034

NOTE 4 - DUE FROM MDHHS

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

Description	Amount
FY2025 Withhold Payments	13,399,390
Hospital Rate Adjustment (HRA) Payments	9,959,961
Capitation Payments	10,593,045
DHHS Incentive Payments	834,478
Other MDHHS Contracts	3,969,068
Total	38,755,942

Mid-State Health Network
Notes to the Financial Statements
September 30, 2025

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivable and payable shown on the financial statements as of September 30th, are as follows:

Description	Purpose	Due from Other Funds	Due to Other Funds
Behavioral Health Operating	Cover overspending of Medicaid Managed Care Specialty Services Program Contract	7,279,203	-
Medicaid Risk Reserve		-	7,279,203

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Description	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depr/amort					
Computers and software	189,180	-	-	-	189,180
Right to use – Building (MOA Downstairs)	151,169	39,819	-	-	190,988
Total capital assets being depr/amort	340,349	39,819	-	-	380,168
Accumulated depr/amort					
Computers and software	(189,180)	-	-	-	(189,180)
Right to use – Building (MOA Downstairs)	(113,377)	(37,792)	-	-	(151,169)
Total accumulated depr/amort	(302,557)	(37,792)	-	-	(340,349)
Net capital assets being depr/amort	37,792	2,027	-	-	39,819
Net capital assets	37,792	2,027	-	-	39,819

NOTE 7 - DUE TO AFFILIATE PARTNERS

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

Description	Amount
Bay-Arenac Behavioral Health	6,359,086
Gratiot Integrated Health Network	2,294,964
Huron Behavioral Health	1,800,973
LifeWays Community Mental Health Authority	1,022,194
Montcalm Care Network	43,2441
Newaygo County Mental Health	322,636
Shiawassee Health and Wellness	2,543,626
Total	14,775,920

Mid-State Health Network
Notes to the Financial Statements
September 30, 2025

NOTE 8 - DUE TO MDHHS

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

Description	Amount
Insurance Provider Assessment (IPA)	1,736,021
CCBHC Payments	1,163,779
Prior Year Cost Settlements	31,437,198
Total	34,336,998

NOTE 9 - UNEARNED REVENUE

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

Description	Amount
Medicaid Savings Carryforward	12,116,116
PA2 Carryforward	6,165,323
Behavioral Health Operating - FY 2021 Cost Settlement	1,439,881
Total	19,721,320

NOTE 10 - LONG-TERM LIABILITIES

Summary of long-term debt

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

Description	Beginning Balance	Additions	(Deletions)	Ending Balance	Due within one year
Compensated absences	453,683	129,775	(68,052)	515,406	515,406
Leases (NOTE 11)	39,748	39,819	(39,748)	39,819	39,819
Total	493,431	169,594	(107,800)	555,225	555,225

NOTE 11 – LEASES

The PIHP is involved in an agreement as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. This agreement qualifies as an intangible, right-to-use asset and not a financed purchase, as the PIHP will not own the asset at the end of the contract term and the noncancelable terms of the agreement surpass one year.

The right-to-use asset and the related activity is included in the capital asset disclosure. The lease liability and related activity is presented in the changes in long-term debt table included in the LONG-TERM LIABILITIES disclosure.

Description	Issuance Date	Interest Rate	Original Amount	Ending Balance
Building lease (MOA Downstairs)	9/24/2025	2.00%	39,819	39,819

The requirements to pay principal and interest on the long-term lease arrangements outstanding at year-end, are shown below:

Year Ended September 30	Leases	
	Principal	Interest
2026	39,819	366

NOTE 16 – CONTINGENT LIABILITIES

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

NOTE 17 – ECONOMIC DEPENDENCE

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

NOTE 18 – ADJUSTMENTS TO BEGINNING NET POSITION

During the fiscal year, changes to beginning net position are as follows:

Description	Medicaid Risk Reserve Fund
Net position - beginning as previously presented	33,107,884
Increase in CCBHC Supplemental	1,603,761
Net position – beginning as restated	34,711,645

NOTE 19 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 103, *Financial Reporting Model Improvements*, was issued by the GASB in April of 2024 and will be effective for fiscal year 2026. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- a. Management’s discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

Mid-State Health Network
Notes to the Financial Statements
September 30, 2025

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, was issued by the GASB in September 2024 and will be effective for the fiscal year 2026. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Mid-State Health Network (the PIHP), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the PIHP’s basic financial statements, and have issued our report thereon dated March 25, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the PIHP’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PIHP’s internal control. Accordingly, we do not express an opinion on the effectiveness of the PIHP’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the PIHP’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PIHP’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PIHP’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PIHP’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Roslund, Prestage & Company, P.C.

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

March 25, 2026



Communication with Those Charged with Governance at the Conclusion of the Audit

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

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Mid-State Health Network (the PIHP), for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you during planning. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the PIHP are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the PIHP during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the PIHP's financial statements were:

Management's estimate of the payout of employee compensated absences is based on expected payout. We evaluated the key factors and assumptions used to develop the balance of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimated lives of capital assets are based on the expected life of the asset. We evaluated the key factors and assumptions used to develop the estimated lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimated incremental borrowing rate used to discount future lease payments under GASB 87 is based on the PIHP's current borrowing rate. We evaluated the key factors and assumptions used to develop the estimated intrinsic borrowing rate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the PIHP's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the PIHP's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board and management of the PIHP 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

REPORT OF THE MSHN CHIEF EXECUTIVE OFFICER TO THE MSHN BOARD OF DIRECTORS March/April 2026

Announcements:

Mid-State Health Network celebrates the ten-year service anniversary of Board Members Tina Hicks, Kerin Scanlon, and Joe Phillips. A short ceremony will take place during this board meeting to honor and thank them for their years of service.

Mid-State Health Network also welcomes two new board members appointed by Huron Behavioral Health (HBH), Mike Smith and Jack Stapleton, and two new board members appointed by Community Mental Health of Clinton-Eaton-Ingham Counties (CMH-CEI), Dwight Washington and Jason White.

Board Chair Ed Woods has been nominated for election as First Vice President of the Community Mental Health Association of Michigan. Election will be held at the Summer Conference in June.

Early in the new fiscal year that starts October 1, 2026, HBH Chief Executive Officer (CEO) Tracey Dore and CMH-CEI CEO Sara Lurie will be retiring. We will celebrate those regional leaders as their retirement dates draw nearer.

Judge Christopher Yates, the presiding judge in the lawsuit in which MSHN was a plaintiff, announced in early March that he would leave the Court “in a couple of months.”

PIHP/REGIONAL MATTERS

1. Competitive Procurement of Prepaid Inpatient Health Plans (PIHPs):

Mid-State Health Network (MSHN) has received confirmation that the Michigan Department of Health and Human Services (MDHHS) is developing a new Request For Proposals (RFP). This was revealed by an Assistant Attorney General in open court (please see the next item of this report). There has been no confirmation of any release date or of any other elements within the new RFP – literally just that it is being worked on.

2. PIHP Competitive Procurement Lawsuit Updates

2.1 Ruling on Motion to Reconsider

You will recall that Plaintiffs (Region 10, Southwest Michigan Behavioral Health (SWMBH), MSHN, St. Clair CMH, Saginaw CMH, and Kalamazoo CMH) filed a motion for Judge Yates to reconsider his 10/14/25 order. That order established that the State has the legal authority to use competitive procurement and it can legally reduce the number of regions. Our motion for reconsideration focused only on the lawfulness of the State establishing regional entity geographic boundaries. Our position was that geographic composition of regional entities are the exclusive purview of the Community Mental Health Services Programs (CMHSPs) that create them.

- 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

In an order dated April 9, 2026, Plaintiffs’ motion for reconsideration was denied by Judge Yates. The order largely *sidesteps the authority of the state to determine the composition or configuration of regional entities* essentially restating that the state has the (legal) “ability to determine the number and the geographic locations of the regions.”

This is not the ruling we had hoped for, but it was not unexpected. Together with co-plaintiffs, MSHN is considering next steps, if any, on this ruling which is also closely tied to the following item.

2.2 Ruling on Defendant’s (State of Michigan) motion to Dismiss due to Mootness:

On Monday, April 13, 2026, Judge Christopher Yates held court to hear oral arguments relating to the State’s motion to dismiss the PIHP/CMHSP Procurement-Related lawsuit. The State filed this motion on the day that it rescinded the original RFP claiming that because it rescinded the original RFP, the lawsuit is now moot. MSHN and Saginaw CMHA are two of six plaintiffs. You can view the roughly [60-minute hearing at this link](#).

There was no ruling from the bench, but a few things of importance occurred:

- The Judge stated his inclination to dismiss the lawsuit as moot now that the State has rescinded the original RFP – but he harbors concerns about doing so. He stated *the lawsuit will be dismissed next week* but the question of whether with or without prejudice is to yet be decided.
- The State’s argument includes “dismissal with prejudice” which our side opposes. My layperson’s understanding of a lawsuit dismissed with prejudice is that is the same as a final, permanent judgment, meaning the case is closed and cannot be refiled. The plaintiff is barred from suing the defendant again on the same issue. Judge Yates stated he is leaning toward dismissal without prejudice.
 - Importantly, Judge Yates accepted our recommendation that the parties prepare written briefs only on the question of “with/without prejudice.” Those are due in seven days (Monday, April 20). He stated that he will dismiss the suit after those briefs (and his own legal research) are concluded.
 - Judge Yates is being very careful to preserve the appeal rights of each side.
- We received public confirmation that a new RFP is in development. The State Assistant Attorney General stated “all I am authorized to say today is that there is an RFP under development.” She revealed no other details, dates, etc. The attorney for the CMHSP plaintiffs, Neil Marchand, said “we hear it will be released May 1.” That was never responded to and is STILL an unconfirmed rumor.
 - There was some discussion in the court about the impending 10/01/26 lapse date of contracts for four PIHPs that are operating under transition to termination clauses. It is true that something needs to happen. But, importantly, nothing today has changed this – at all. Those four PIHPs are in an unchanged position. The other six PIHPs, including MSHN, are also in an unchanged position.

On April 23, 2026, the Court entered a final order dismissing the PIHP Procurement lawsuit as moot *without prejudice* (i.e., the way we asked). A lawsuit dismissed on mootness, as noted in the order, is not an adjudication of our claims on the merits. Thus, although this order terminates the lawsuit, we now have an order guaranteeing our right to re-file this suit or bring a new lawsuit based on the same claims. This final order (meaning this lawsuit is over) was completely expected. The parties have until May 14, 2026 to appeal, which is under consideration.

3. PIHP Lawsuit – FY 25 Contract:

Four PIHPs (NorthCare, Northern Michigan Regional Entity, CMH Partnership of Southeast Michigan, and Region 10 PIHP), signed a “red-lined” version of the FY 25 PIHP contract offered by MDHHS. “Red-lined” essentially means that certain objectionable provisions were crossed out, signed, and returned to the State. The State refused to sign those contracts and instead invoked the two-year “transition to termination” clause in the last fully executed contract (FY 24). If there is no action by MDHHS to extend it, the two-year transition period ends 09/30/2026.

Four PIHPs listed above filed suit in the Court of Claims against the state on December 10, 2024. MSHN does not have benefit of the filings as a non-party to the litigation. There had been no substantive action on this lawsuit following a February 6, 2026 scheduling order. On April 9, 2026, Judge Sima Patel (Michigan Court of Claims) held a hearing to consider oral arguments on these matters. The hearing was not streamed, so based on a report from one of the litigating PIHPs, the hearing ended with Judge Patel stating she would make a ruling at some point in the future.

4. MSHN SUD Network Reimbursement Rate Increase

MSHN consistently reviews available resources to ensure that our entire region, including the substance use disorder prevention, treatment, and recovery services provider network managed directly by MSHN, have sufficient resources. MSHN has recently concluded an analysis of our regional Substance Use Disorder (SUD) service reimbursement rates and has determined that a temporary 2.5% rate increase can be delivered to our providers for most service codes. A major factor that has prevented MSHN from providing a higher (or more frequent) rate adjustment is that federal SUD Block Grant funding has decreased over the last several fiscal years but has, at least for now, stabilized. It is important to note that MSHN cannot reimburse different rates for the same service based on funding source. This rate increase will be implemented for services delivered on and after May 1, 2026 through the end of this fiscal year, at which time MSHN will evaluate regional resource availability and either extend or otherwise adjust the rates into FY 27.

5. Performance Bonus Incentive

MSHN has earned most of the Performance Bonus Incentive Pool (PBIP) funds that are withheld from our actuarially sound payments each month. About \$5.2M was earned by the region. A significant sum was unearned in some health disparities areas. PBIP funds become local funds and per the requirements of our region’s operating agreement are distributed to our CMHSP Participants. None is retained by MSHN. The earning of this performance bonus speaks well to our regional partnerships and collaboration. Thank you to each of our partner organizations for consistently excellent services to beneficiaries. The following are the CMHSP Participant PBIP distribution amounts:

CMHSP	PBIP (\$)
Bay Arenac	438,365.57
CEI	1,222,971.98
Central	1,010,969.87
Gratiot	153,348.61
Huron	88,988.47
The Right Door	154,685.66

Lifeways	671,281.49
Montcalm	183,348.20
Newaygo	152,762.32
Saginaw	754,045.82
Shiawassee	192,338.33
Tuscola	181,626.21
TOTAL	\$5,204,732.53

6. Pharmacy Pilot

MSHN has been asked by the MDHHS Substance Use, Gambling, and Epidemiology (SUGE) Section to consider a pilot project to support access to Medication Assisted Treatment/Medication for Opioid Use Disorders for individuals that contact the state warmline. Our team has developed a proposal to operate a small pilot in partnership with a commercial pharmacy and a provider in an urban center in our region and is awaiting a response from MDHHS/SUGE.

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

7. Mental Health Framework

From a 04/08/2026 email from Kristen Morningstar to PIHP and CMHSP Directors: As you know, MDHHS is working to improve Michigan's mental health system for all Medicaid beneficiaries so people can access coordinated, person-centered care without getting lost between providers, plans, and referral processes. The Mental Health Framework responds to feedback from nearly 10,000 residents who said the current system is fragmented and difficult to navigate.

Key upgrades include standardized assessments to speed access to care, a new referral process between Medicaid Health Plans (MHPs) and PIHPs, expanded joint care planning, new quality measures for follow-up care, and a new benefit plan for higher-need beneficiaries to ensure clear coverage responsibility for mental health services.

The Framework keeps the behavioral health carve-out intact while strengthening communication, consistency, and accountability so Michiganders receive timely, appropriate mental health support.

As part of this effort, MDHHS is exploring a policy to assign mental health coverage based on need:

1. MHPs would cover the continuum of mental health services for enrollees with lower levels of need, with some exceptions.
2. PIHPs would cover the full array of mental health services for enrollees with higher levels of need.

Given the importance of this policy and the operational considerations involved, MDHHS plans to share a **confidential draft** of the policy in advance with PIHPs, CMHSPs, and Medicaid health plans. This early review opportunity is being offered outside the standard policy promulgation process to gather feedback on operations and service delivery before formal promulgation begins.

From the 04/13/2026 transmittal of the drafts: The Michigan Department of Health and Human Services (MDHHS) is working to implement a new mental health services benefit plan (BH-COVER), which will be assigned to Medicaid beneficiaries enrolled in a Medicaid Health Plan (MHP) who meet specified clinical criteria. Within this draft, beneficiaries assigned to the BH-COVER benefit plan will have all medically necessary mental health services covered by their Prepaid Inpatient Health Plan (PIHP), including outpatient mental health services delivered outside of the Community Mental Health Services Program (CMHSP) network. Additionally, this draft establishes MHP coverage of inpatient psychiatric hospital admissions, outpatient partial hospitalization, and crisis residential services delivered to MHP beneficiaries who are not assigned to the BH-COVER benefit plan. The proposed effective date for this work is October 1, 2026.

The Community Mental Health Association of Michigan (CMHAM), with the overwhelming support of CMHSPs and PIHPs statewide, has taken the position that “the proposed Mental Health Framework (MHF clearly outlines a system which privatizes the management of a large segment of Michigan’s Medicaid behavioral health system. While the MHF is presented as a mechanism to improve coordination and access, the framework introduces significant risks to clinical integrity, beneficiary rights, continuity of care, due process protections, and fiscal sustainability.”

“The concerns we have outlined numerous times reflect a clear structural misalignment between the framework and the state’s nationally recognized public—**not privatized**—mental health system, as well as existing Michigan law. Again, what is clear is that the MDHHS proposed Mental Health Framework represents a fundamental shift toward privatization of a large portion of the Medicaid behavioral health system.”

“Additionally, we have learned that the Michigan Association of Health Plans has already begun outreach to legislators seeking changes to the Mental Health Code to make the MHF more favorable to private health plans. This development is particularly concerning, as it signals efforts to advance statutory changes before there has been full transparency, stakeholder alignment, or a comprehensive evaluation of the proposal’s impact on the people we serve.”

Talk of a lawsuit challenging the legality of some elements in the Mental Health Framework is beginning. The CMHAM has issued an [action alert on this topic that can be acted upon by following this link](#).

8. House Panel Adopts Behavioral Health Report

From Gongwer/State Affairs, 04/14/2026: A House committee adopted a [report on findings and recommendations on behavioral health](#) Tuesday.

The House Oversight Public Health and Food Security Subcommittee met briefly on Tuesday to adopt its Behavioral Health Report.

The report was based on the testimony of 16 presenters across the state during six different subcommittee hearings over two months. The subcommittee found the health system was currently burdened by ridged administrative requirements, such as PIHPs and Certificate of Need, workplace shortages and insufficient inpatient capacity.

The report went on to say these limitations are driving the lack of access to care and intensifying the behavioral health crisis across the state.

To address these problems, the report recommends several policy changes, including amending PIHP policy requirements to allow greater flexibility in treating severe behavioral health issues and authorizing community mental health providers with flexibility to reallocate and reorganize bed capacity within the current Certificate of Need Program.

The report also recommends increasing local control and flexibility in behavioral health business decisions. Another goal is to create a Northern Michigan Behavioral Health Campus to treat all populations and address the gap in service.

Another policy goal is to target state funding toward staff training, safety and educational initiatives to grow and retain behavioral health professionals in the state. Finally, the report recommends the state invest in

Electronic Health Record systems so hospitals across Michigan can modernize their systems and better share data.

Rep. Matt Bierlein, R-Vassar, who chairs the subcommittee, said legislation was already in the works for some of the policy recommendations, acknowledging that some of the goals, like changing regulations, would be easier to achieve than others, like creating a Northern Michigan Behavioral Health Campus.

“One in five adults across the United States experiences a mental illness every year and over 1.4 million Michiganders report a mental health condition of some kind. This is something that impacts our families and people throughout our communities,” he said in a statement. “The Michigan Constitution deems public health of primary public concern. From there, it’s about how we carry out administering care and delivering an effective system. The state of behavioral health care in Michigan is far past a crisis point. Our investigation and report illuminate ways where the state has fallen short and left providers in a tough spot. Our priority should be delivering better health outcomes for people in need and some of our most vulnerable citizens.”

9. State MDHHS Budget Update

Excerpted from Gongwer/State Affairs, 03/17/26: Department of Health and Human Services (DHHS) officials said additional staff will be needed to process paperwork for individuals’ Medicaid coverage as well as food assistance, saying more staff would help ensure those eligible keep their benefits and coverage while helping the state realize savings.

The Senate Appropriations Health and Human Services Subcommittee heard testimony on Tuesday over the DHHS budget. It is the largest budget in the state and facing significant fiscal pressures over federal law changes governing Medicaid and the Supplemental Nutrition Assistance Program (SNAP).

DHHS Chief Operating Officer David Knezek outlined how key recommendations in the DHHS budget include \$94.3 million General Fund to offset a reduction of the same amount in federal funds for SNAP administrative costs and \$80.3 million (\$54.2 million General Fund) to add 589 full-time equivalent employees to address workload increases resulting from the federal law changes.

“If the proposed staffing level is not funded, the quality of those reviews will suffer,” Knezek said.

He added it could lead to increased error rates for SNAP and further increase the state’s cost share for the program.

Projected savings can be achieved if there are appropriate resources in place to process applications from recipients, he said.

These savings were projected to be \$418.6 million, of which \$346 million would be for Medicaid and \$72 million for SNAP.

The assumptions are also based on about 200,000 people losing Medicaid coverage and about 100,000 losing SNAP benefits, Knezek said.

“We’re committed to making sure that individuals have access to those services when they are eligible and to do so as cost-effectively as possible,” Knezek said.

Sen. Mark Huizenga, R-Walker, asked what the state is doing to address error rates for SNAP, which is a requirement under the federal law changes.

Knezek said a priority is ensuring people provide more information and report and update their information on the front end in the application process, which can help make it more efficient and accurate.

He said another change within the department is the use of an artificial intelligence case reading tool to help with the certification process to make it more efficient.

Knezek also outlined the taxes the governor recommended in the budget to generate about \$800 million to help fund Medicaid, including a tobacco tax increase, a new vaping tax, sports wagering-related taxes and a new digital advertising tax. Republicans have rejected the proposal out of hand.

“This will also reduce the future burden on general taxpayers,” Knezek said.

Sen. Lana Theis, R-Brighton, asked about how the department monitors against fraud within government programs, asking specifically about nonprofits.

“How are those audited?”

DHHS Senior Deputy Director for the Financial Operations Administration Amy Epkey said the department’s internal audit staff reviews the financials of grantees, especially new grantees.

Theis asked if the reviews are also looking at whether the funds are being used for the specified purposes under which the grants were awarded. Epkey said yes, saying program outcomes and financial aspects are monitored.

“We do have a program manager assigned to each grantee, and they are responsible for those to make sure that the scope that’s identified is met, and the requirements are met as well, too,” Epkey said.

Sen. Sylvia Santana, D-Detroit, the subcommittee chair, said there will be difficult choices to make with the next budget.

“We have a lot of budget constraints,” Santana said. “We do have a lot to take into consideration as we continue to deliberate on the Department Health and Human Services budget, but I know that we are all equipped to make some sound decisions.”

FEDERAL/NATIONAL UPDATES AND ACTIVITIES

10. List of All Presidential Executive Orders to Date

The Federal Register maintains a current and [running list of all presidential executive orders](#) with links to the orders. Follow the link provided and navigate to those of interest.

11. Shift in SAMHSA Strategic Priorities

Health Affairs has published an article entitled *Re-Centering Rights, Recovery, And Evidence In US Mental Health Policy*. “On September 10, 2025, SAMHSA released strategic priorities that represent a significant shift in federal mental health policy. The agency’s plan emphasizes “lasting recovery” through “gold-standard

science” and promotes the expanded use of court-ordered psychiatric hospitalization (civil commitment) and court-ordered community treatment (assisted outpatient treatment or AOT) as mechanisms for “ending crime and disorder on America’s streets.”

- SAMHSA’s approach relies on unsupported claims to expand coercive measures at the expense of interventions with established evidence bases, such as voluntary community-based services.
- It also risks reductively attributing complex social problems like homelessness, crime, and violence to serious mental illness (SMI)—a subset of diagnosable mental disorders such as schizophrenia, bipolar disorder, and major depressive disorder—thereby oversimplifying their multifaceted causes.
- Moreover, such framing deflects attention from the social determinants of health that cause poor outcomes, such as economic insecurity, housing instability, and limited health care access, as well as the policy changes needed to address them.

We propose an alternative framework: a rights-based, recovery-oriented approach that both protects civil liberties and invests in the structural supports necessary for recovery.

What “Gold-Standard Science” Actually Shows

The US mental health system faces significant challenges in delivering quality care to individuals with SMI. Despite high per-capita spending relative to other high-income countries, a considerable share of the population receives fragmented care. As a result, individuals with SMI die 10 to 20 years earlier than the general population, mainly from cardiovascular disease and other preventable conditions.

- Civil commitment and AOT are often justified on the grounds that individuals with SMI are unable to care for themselves, thereby presuming that involuntary intervention can stabilize them and facilitate recovery. Yet the empirical case for the efficacy of civil commitment is unclear, as ethical and practical constraints preclude randomized controlled trials comparing involuntary psychiatric hospitalization with voluntary alternatives.
- Research likewise fails to demonstrate that court-ordered community treatment outperforms care provided on a voluntary basis.

Importantly, care perceived as coercive by patients has been associated with significant harms, including increased suicide risk post-discharge, avoidance of mental health services, and subjective experiences of dehumanization and isolation. Thus, the current evidence base does not support SAMHSA’s expansion of civil commitment and AOT as recovery-promoting interventions. Rather, these approaches lack demonstrated superiority over voluntary alternatives and carry documented risks of harm.

Conclusion

SAMHSA’s 2025 strategic priorities represent a concerning departure from decades of progress toward community integration and rights protection in federal mental health policy. Correcting course requires investing in structural supports for recovery and recognizing access to voluntary community-based services as both a sound public health strategy and a matter of right. The current federal mental health policy environment under the President’s second administration makes top-down rights-based reform unlikely, yet meaningful change remains achievable through state-level innovations and by capitalizing on rising public demand and bipartisan support for improving mental health care access. This will require policymakers to prioritize long-term, evidence-based interventions that protect civil liberties, even when doing so may yield fewer immediate or politically visible results than coercive alternatives.”

The article is available at <https://www.healthaffairs.org/content/forefront/re-centering-rights-recovery-and-evidence-us-mental-health-policy>.

12. Rural Health Needs

The JAMA Network (“Journal of the American Medical Association”) has published a research letter entitled [Rural Health Transformation Program Allocations and Rural Health Needs in the US](#). “The Rural Health Transformation Program (RHTP) was created in July 2025 under the One Big Beautiful Bill Act to help offset reductions in federal Medicaid spending, address financial challenges for rural health care, and improve rural health. This program allocates \$10 billion annually from 2026 to 2030, half of which is distributed equally across states as baseline funding (\$100 million per state per year, regardless of rural population size) and the other half allocated as variable workload funding, distributed across states based on state characteristics (25%) and proposals (25%). Whether RHTP funding allocations reflect states’ rural health needs based on their clinical, access, and financial challenges is unknown. This study examined associations between state-level RHTP funding and measures of rural health, access, and projected reductions in Medicaid spending.”

13. Federal Budget

The NY Times reports “With the United States at war with Iran and embroiled in conflicts around the world, the White House said on Friday it would ask Congress to approve roughly \$1.5 trillion for defense in the 2027 fiscal year. If enacted, that amount would set military spending at its highest level in modern history. The request, which arrived on Friday as part of President Trump’s new budget, would amount to a roughly 40 percent bump from what the U.S. spent on the Pentagon this fiscal year. The administration said it would couple the proposed boost with a call for \$73 billion in cuts across many domestic agencies, including the elimination of some climate, housing and education programs.”

The [OMB website](#) offers the following fact sheets to explain the high level FY2027 budget request. Additional information is expected later this month.

- Fiscal Year Topline Fact Sheet
- Rebuilding Our Military Fact Sheet
- Stopping the Invasion and Violent Crime Fact Sheet
- Ending Weaponization of the Federal Government Fact Sheet
- Cuts to Woke Programs Fact Sheet
- Ending the Green New Scam Fact Sheet

The Fiscal Year Topline Fact Sheet includes the following:

“Address Drug Abuse and Mental Health. The Administration is committed to combatting the scourge of deadly drugs that have ravaged American communities. The Budget prioritizes Drug Enforcement Administration (DEA) resources on traffickers of fentanyl and other dangerous drugs that are driving America’s overdose crisis. The Budget also proposes to refocus activities that were formerly part of the Substance Abuse and Mental Health Services Administration, by eliminating funding for programs that duplicate block grant funding, or are too small to have a national impact.”

The National Council has published the following summary of programmatic impact. “Details of funding proposed in the congressional justification for AHA include:

- Certified Community Behavioral Health Clinics: \$385.5 million
- 988 Suicide & Crisis Lifeline: \$534.6 million
- Project AWARE: \$120.5 million
- Comprehensive Opioid Recovery Centers: \$7 million
- Building Communities of Recovery: \$17 million
- Peer Support Technical Assistance Center: \$2 million

- Behavioral Health Innovation Block Grant: \$4.5 billion

Combines the Community Mental Health Services Block Grant, Substance Use Prevention, Treatment and Recovery Support Services Block Grant, and State Opioid Response into a single grant. Similar to the proposal in FY26 that was not finalized

Details of programs proposed for elimination include:

- Mental health awareness training
- Primary and behavioral health care integration grants and technical assistance
- Sober Truth on Underage Drinking program
- Minority Fellowship Program

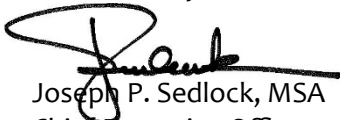
What the President's Budget means:

As with all presidential budget proposals, the president's budget is nonbinding and largely serves as a messaging document for the president's priorities. Congressional appropriators take the request into consideration when negotiating funding levels for federal agencies and programs, but are not obligated to enact its recommendations."

14. Social Drivers of Health

Health Affairs has released a policy brief entitled [Addressing Health-Related Social Needs Through Medicaid Section 1115 Waivers: Challenges And Opportunities](#) with a bottom line that "Although there are myriad policy and technical challenges, evidence-based Section 1115 waiver social needs demonstrations have the potential to effectively and efficiently improve health in the Medicaid population."

Submitted By:



Joseph P. Sedlock, MSA
Chief Executive Officer
Finalized: 04/23/2026

Attachments:

- Michigan Legislation Tracker

Michigan Legislative Bill Tracking Update for Board of Directors



[All bills in this compilation can be searched on the Michigan Legislature website by clicking here](#)

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Bill Number	Title	Sponsors	Latest Action	Last Action Date
House Bills				
HB4037	Records: health; health information exchange; establish certain requirements to operate a health data utility. Amends secs. 2501 & 2505 of 1978 PA 368 (MCL 333.2501 & 333.2505) & adds sec. 2508.	Julie Rogers (D)	Reported With Recommendation With Substitute (h-2)	May 21, 2025
HB4255	Crimes: controlled substances; crime of manufacturing, delivering, or possession of with intent to deliver certain controlled substances; modify penalties. Amends secs. 7401, 7410 & 7417 of 1978 PA 368 (MCL 333.7401 et seq.) & adds secs. 7410b & 7417a.	Sarah Lightner (R)	Referred To Committee On Civil Rights, Judiciary, And Public Safety	Apr. 29, 2025
HB4256	Criminal procedure: sentencing guidelines; sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver certain controlled substances; amend. Amends sec. 13m, ch. XVII of 1927 PA 175 (MCL 777.13m). TIE BAR WITH: HB 4255'25	Ann Bollin (R)	Referred To Committee On Civil Rights, Judiciary, And Public Safety	Apr. 29, 2025
HB4279	National Guard; creates Michigan National Guard Apprenticeship Program	Jaime Greene (R)	Received in the Regulatory Affairs Committee	Feb. 24, 2026
HB4280	Health occupations: social workers; limited licenses for bachelor's social worker and master's social worker; extend period for renewal. Amends sec. 18509 of 1978 PA 368 (MCL 333.18509).	Kimberly Edwards (D)	Referred To Committee On Health Policy	Mar. 20, 2025
HB4412	Hospitalization: Revises person requiring treatment and modifies certain procedures for treatment	Donni Steele (R)	Received: Health Policy Committee	Mar. 24, 2026
HB4413	Outpatient Treatment: Expands hospital evaluations for assisted outpatient treatment	Mark Tisdell (R)	Received: Health Policy Committee	Mar. 24, 2026
HB4414	Outpatient Treatment: Provides outpatient treatment for misdemeanor offenders with mental health issues	Thomas Kuhn (R)	Received: Health Policy Committee	Mar. 24, 2026
HB4417	Health occupations: emergency medical services personnel; access to opioid antagonists; provide to life support agencies under certain circumstances. Amends 1978 PA 368 (MCL 333.1101 - 333.25211) by adding sec. 20911.	Mike Mueller (R)	Referred To Committee On Health Policy	Jul. 01, 2025
HB4423	Appropriations: supplemental; funding for the county veteran service fund emergency relief program; provide for. Creates appropriation act.	Julie Rogers (D)	Referred To Committee On Appropriations	May 01, 2025
HB4428	Health: pharmaceuticals; 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; allow. Creates new act.	Alicia St. Germaine (R)	Referred To Committee On Regulatory Reform	May 06, 2025
HB4497	Controlled substances: drug paraphernalia; definition of drug paraphernalia; modify. Amends sec. 7451 of 1978 PA 368 (MCL 333.7451).	Carrie Rheingans (D)	Referred To Committee On Judiciary	May 15, 2025
HB4498	Health: other; syringe service programs; provide for. Amends secs. 7401, 7403, 7453 & 7457 of 1978 PA 368 (MCL 333.7401 et seq.) & adds sec. 5137.	Carrie Rheingans (D)	Referred To Committee On Health Policy	May 15, 2025
HB4548	Civil rights: general discrimination; discrimination because of ethnicity, including discrimination because of Jewish heritage; prohibit under the Elliot-Larsen civil rights act. Amends title & secs. 102, 103, 202, 203, 204, 205, 206, 207, 209, 210, 301, 302, 302a, 402, 502, 504, 505, 506 & 507 of 1976 PA 453 (MCL 37.2102 et seq.).	Noah Arbit (D)	Referred To Committee On Government Operations	Jun. 04, 2025
HB4683	Insurance: health insurers; prior authorization requirements for mental health and substance use disorder; modify. Amends sec. 3425 of 1956 PA 218 (MCL 500.3425).	Mike McFall (D)	Referred To Committee On Insurance	Jun. 25, 2025
HB4685	Insurance: health insurers; collaborative care model for mental health care; provide for. Amends 1956 PA 218 (MCL 500.100 - 500.8302) by adding sec. 3406uu.	Mike McFall (D)	Referred To Committee On Insurance	Jun. 25, 2025
HB4686	Crimes: controlled substances; creating, manufacturing, possessing, or using psilocybin or psilocin; allow under certain circumstances. Amends 1978 PA 368 (MCL 333.1101 - 333.25211) by adding sec. 7404a.	Mike McFall (D)	Referred To Committee On Families And Veterans	Jun. 25, 2025

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HB4739	Human services: medical services; coverage for diagnosis of autism spectrum disorders and treatment of autism spectrum disorders; require. Amends 1939 PA 280 (MCL 400.1 - 400.119b) by adding sec. 109u.	Will Snyder (D)	Referred To Committee On Insurance	Jul. 15, 2025
HB4740	Insurance: health insurers; required coverage for autism spectrum disorders; modify. Amends sec. 3406s of 1956 PA 218 (MCL 500.3406s).	Will Snyder (D)	Referred To Committee On Insurance	Jul. 15, 2025
HB4751	Civil rights: general discrimination; sexual orientation and gender identity or expression; remove as categories protected under the Elliott-Larsen civil rights act. Amends title & secs. 102, 103, 202, 203, 204, 205, 206, 207, 209, 302, 302a, 402, 502, 504, 505 & 506 of 1976 PA 453 (MCL 37.2102 et seq.).	Josh Schriver (R)	Referred To Committee On Government Operations	Jul. 29, 2025
HB4777	Civil rights: general discrimination; gender identity or expression; remove from categories protected under Elliott-Larsen civil rights act. Amends title & secs. 102, 103, 202, 203, 204, 205, 206, 207, 209, 302, 302a, 402, 502, 504, 505 & 506 of 1976 PA 453 (MCL 37.2102 et seq.).	Brad Paquette (R)	Referred To Committee On Government Operations	Aug. 20, 2025
HB4915	Health occupations: health professionals; implicit bias training; prohibit. Amends 1978 PA 368 (MCL 333.1101 - 333.25211) by adding sec. 16149.	Matt Maddock (R)	Referred To Committee On Regulatory Affairs	Dec. 16, 2025
HB4953	Military affairs: other; child care reimbursement for National Guard members; provide for. Creates new act. TIE BAR WITH: HB 4958'25, HB 4962'25	Jason Woolford (R)	Referred To Committee On Appropriations	Sep. 16, 2025
HB4958	Military affairs: other; tuition assistance for national guard members; modify. Amends secs. 3 & 4 of 2014 PA 259 (MCL 32.433 & 32.434). TIE BAR WITH: HB 4953'25	Kathy Schmaltz (R)	Referred To Committee On Appropriations	Sep. 16, 2025
HB5105	Crimes: penalties; penalties regarding certain crimes involving marihuana; modify. Amends sec. 7401 of 1978 PA 368 (MCL 333.7401). TIE BAR WITH: HB 5107'25	Pauline Wendzel (R)	Referred To Committee On Regulatory Reform	Oct. 22, 2025
HB5107	Marihuana: penalties and remedies; marihuana for personal use and possession; modify allowable amounts of. Amends secs. 5 & 15 of 2018 IL 1 (MCL 333.27955 & 333.27965). TIE BAR WITH: HB 5105'25	Mike Hoadley (R)	Referred To Committee On Regulatory Reform	Oct. 22, 2025
HB5196	Corrections: other; screening and treatment for post traumatic prison disorder; provide for and require certain other mental health screening, planning, and treatment of incarcerated individuals. Amends sec. 67 of 1953 PA 232 (MCL 791.267) & adds secs. 34e, 67c & 67d.	Stephanie Young (D)	Referred To Committee On Judiciary	Oct. 30, 2025
HB5302	Health: substance use disorder prevention; competitive grant program to provide grants for recovery community organizations; modify. Amends sec. 273b of 1974 PA 258 (MCL 330.1273b).	Jay DeBoyer (R)	Referred To Committee On Health Policy	Dec. 02, 2025
HB5334	Health facilities: hospitals; assessment by preadmission screening unit of individual being considered for hospitalization within certain period after notification; require. Amends secs. 409 & 972 of 1974 PA 258 (MCL 330.1409 & 330.1972).	Matt Bierlein (R)	Referred To Committee On Health Policy	Dec. 02, 2025
HB5387	Veterans: Includes missing veterans at risk in the missing senior or vulnerable adult alert	Cameron Cavitt (R)	Received: Veterans and Emergency Services Committee	Mar. 24, 2026
HB5407	Property tax: exemptions; exemption for the surviving spouse of a disabled veteran; modify. Amends sec. 7b of 1893 PA 206 (MCL 211.7b).	William Bruck (R)	Referred To Committee On Government Operations	Dec. 18, 2025
HB5453	Criminal procedure: other; prison diversion program for individuals in the possession of controlled substances; create. Amends 1927 PA 175 (MCL 760.1 - 777.69) by adding sec. 21c to ch. XVI.	Sarah Lightner (R)	Referred To Committee On Judiciary	Jan. 15, 2026
HB5456	Military affairs: other; hyperbaric oxygen treatment pilot program; establish. Creates new act. TIE BAR WITH: HB 5457'26	Kathy Schmaltz (R)	Referred To Committee On Families And Veterans	Jan. 15, 2026
HB5457	Military affairs: other; hyperbaric oxygen therapy pilot program; establish. Creates new act. TIE BAR WITH: HB 5456'26	Kathy Schmaltz (R)	Referred To Committee On Families And Veterans	Jan. 15, 2026

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HB5537	Kratom	Cameron Cavitt (R)	Received: Government Operations Committee	Mar. 24, 2026
HB5728	Health: licensing; references to licenses for certain substance use disorder services programs in the prudent purchaser act; modify to include those exempt from licensure. Amends sec. 2 of 1984 PA 233 (MCL 550.52). TIE BAR WITH: HB 5729'26	Bill Schuette (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5729	Health: substance use disorder; persons required to hold a substance use disorder services program license; modify and require uniform rules as is reasonable. Amends secs. 6230, 6233, 6234 & 6238 of 1978 PA 368 (MCL 333.6230 et seq.).	Kathy Schmaltz (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5730	Health: licensing; references to licenses for certain substance use disorder services programs in the municipal health facilities corporations act; modify to include those exempt from licensure. Amends sec. 103 of 1987 PA 230 (MCL 331.1103). TIE BAR WITH: HB 5729'26	Steve Frisbie (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5731	Health facilities: licensing; exemptions from the substance use disorder license requirement; include crisis stabilization units. Amends secs. 100a & 260 of 1974 PA 258 (MCL 330.1100a & 330.1260) & repeals sec. 973 of 1974 PA 258 (MCL 330.1973). TIE BAR WITH: HB 5729'26	Mark Tisdell (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5732	Health: licensing; references to licenses for certain substance use disorder services programs in the Michigan zoning enabling act; modify to include those exempt from licensure. Amends sec. 206 of 2006 PA 110 (MCL 125.3206). TIE BAR WITH: HB 5729'26	Luke Meerman (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5733	Health: licensing; references to licenses for certain substance use disorder services programs in the motor vehicle code; modify to include those exempt from licensure. Amends sec. 625b of 1949 PA 300 (MCL 257.625b). TIE BAR WITH: HB 5729'26	Curtis VanderWall (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5734	Health: licensing; references to licenses for certain substance use disorder services programs in the nonprofit health care corporation reform act; modify to include those exempt from licensure. Amends sec. 414a of 1980 PA 350 (MCL 550.1414a). TIE BAR WITH: HB 5729'26	Nancy DeBoer (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5735	Health: licensing; references to licenses for certain substance use disorder services programs in the overdose fatality review act; modify to include those exempt from licensure. Amends sec. 3 of 2023 PA 313 (MCL 330.3023). TIE BAR WITH: HB 5729'26	Jamie Thompson (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5736	Health: licensing; references to licenses for certain substance use disorder services programs in the patient's right to independent review act; modify to include those exempt from licensure. Amends sec. 3 of 2000 PA 251 (MCL 550.1903). TIE BAR WITH: HB 5729'26	Alicia St. Germaine (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5737	Health: licensing; references to licenses for certain substance use disorder services programs in the social welfare act; modify to include those exempt from licensure. Amends sec. 109 of 1939 PA 280 (MCL 400.109). TIE BAR WITH: HB 5729'26	Mike Harris (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HB5738	Health: licensing; references to licenses for certain substance use disorder services programs in the adult foster care facility licensing act; modify to include those exempt from licensure. Amends secs. 3 & 26a of 1979 PA 218 (MCL 400.703 & 400.726a). TIE BAR WITH: HB 5729'26	Karl Bohnak (R)	Referred To Committee On Health Policy	Mar. 18, 2026
HR115	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.	Denise Mentzer (D)	Referred To Committee On Government Operations	May 22, 2025
HCR1	A concurrent resolution to urge the Governor of Michigan to issue an executive directive that would require administrating agencies to assess if the implementation of their programs reduce Adverse Childhood Experiences (ACEs) and provide an annual report and data to the Legislature and general public about progress in reducing ACEs in Michigan.	Douglas Wozniak (R)	Reported With Recommendation Without Amendment	Oct. 28, 2025

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Senate Bills				
SB207	Veterans: other; Michigan veterans coalition fund; create. Creates new act. TIE BAR WITH: SB 208'25	Kevin Hertel (D)	Referred To Committee On Appropriations	Jun. 03, 2025
SB208	Veterans: other; Michigan veterans coalition grant program; create. Creates new act. TIE BAR WITH: SB 207'25	Roger Hauck (R)	Referred To Committee On Appropriations	Jun. 03, 2025
SB215	Veterans: benefits; Michigan consumer protection act; amend to enhance protections for individuals applying for veterans benefits. Amends sec. 3k of 1976 PA 331 (MCL 445.903k).	Sylvia Santana (D)	Referred To Committee On Appropriations	Jun. 03, 2025
SB219	Mental health: hospitalization; person requiring treatment; revise, and modify certain procedures for treatment. Amends secs. 401, 427, 430, 461, 468, 472a & 475 of 1974 PA 258 (MCL 330.1401 et seq.).	Kevin Hertel (D)	Referred To Committee On Health Policy	May 21, 2025
SB220	Mental health: other; hospital evaluations for assisted outpatient treatment; expand. Amends secs. 206a & 429 of 1974 PA 258 (MCL 330.1206a & 330.1429).	Jeff Irwin (D)	Referred To Committee On Health Policy	May 21, 2025
SB221	Criminal procedure: mental capacity; outpatient treatment for misdemeanor offenders with mental health issues; provide for. Amends 1974 PA 258 (MCL 330.1001 - 330.2106) by adding sec. 1021 & ch. 10A. TIE BAR WITH: SB 219'25	Sylvia Santana (D)	Referred To Committee On Health Policy	May 21, 2025
SB222	Mental health: other; petition for access to assisted outpatient treatment; expand to additional health providers. Amends sec. 473 of 1974 PA 258 (MCL 330.1473).	Paul Wojno (D)	Referred To Committee On Health Policy	May 21, 2025
SB237	Military affairs: other; Michigan National Guard apprenticeship program; create. Creates new act.	Thomas Albert (R)	Referred To Committee On Regulatory Affairs	Apr. 22, 2025
SB239	Veterans: other; Vietnam veteran era bonus extension act; create. Creates new act.	Kevin Daley (R)	Referred To Committee On Appropriations	Apr. 22, 2025
SB398	Health: substance use disorder treatment; substance use disorder services programs requirements; modify, and prohibit the promulgation of certain rules. Amends secs. 6230 & 6234 of 1978 PA 368 (MCL 333.6230 & 333.6234).	Joseph Bellino (R)	Referred by the Health Policy Committee to the Rules Committee	Mar. 11, 2026
SB399	Controlled substances: drug paraphernalia; definition of drug paraphernalia; modify. Amends sec. 7451 of 1978 PA 368 (MCL 333.7451).	Jeff Irwin (D)	Referred To Committee On Insurance	Jul. 01, 2025
SB400	Insurance: health insurers; prior authorization for certain opioid use disorder and alcohol use disorder medications; prohibit. Amends 1956 PA 218 (MCL 500.100 - 500.8302) by adding sec. 3406ww.	Kevin Hertel (D)	Referred To Committee On Insurance	Jul. 01, 2025
SB401	Health: pharmaceuticals; co-prescribing of naloxone with opioid drugs; require. Amends sec. 17744b of 1978 PA 368 (MCL 333.17744b).	Sylvia Santana (D)	Referred To Committee On Insurance	Jul. 01, 2025
SB430	Crimes: controlled substances; crime of manufacturing, delivering, or possession of with intent to deliver heroin or fentanyl; modify to reflect changes in sentencing guidelines. Amends sec. 7401 of 1978 PA 368 (MCL 333.7401).	Stephanie Chang (D)	Placed On Order Of Third Reading	Oct. 29, 2025
SB431	Criminal procedure: sentencing guidelines; sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver heroin or fentanyl; amend. Amends sec. 13m, ch. XVII of 1927 PA 175 (MCL 777.13m). TIE BAR WITH: SB 0430'25	Sarah Anthony (D)	Placed On Order Of Third Reading	Oct. 29, 2025
SB432	Criminal procedure: probation; probation for certain major controlled substances offenses; allow. Amends sec. 1, ch. XI of 1927 PA 175 (MCL 771.1). TIE BAR WITH: SB 0430'25	Roger Victory (R)	Placed On Order Of Third Reading	Nov. 05, 2025
SB462	Tobacco: licenses; nicotine or tobacco products; require license to sell at retail. Amends title & secs. 1, 4 & 5 of 1915 PA 31 (MCL 722.641 et seq.) & adds secs. 1a, 1c, 1e, 1g, 1i, 1k & 1o. TIE BAR WITH: SB 0465'25	Sam Singh (D)	Referred To Committee On Regulatory Reform	Dec. 18, 2025

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[All bills in this compilation can be searched on the Michigan Legislature website by clicking here](#)

Compiled by Sherry Kletke, Executive Support Specialist as of April 13, 2026

Bill Number	Title	Sponsors	Latest Action	Last Action Date
SB465	Tobacco: licenses; requirement that a person hold a license to sell a nicotine or tobacco product at retail; create certain temporary exemptions to. Amends 1915 PA 31 (MCL 722.641 - 722.645) by adding sec. 1m. TIE BAR WITH: SB 0462'25	Joseph Bellino (R)	Referred To Committee On Regulatory Reform	Dec. 18, 2025
SB555	Individual income tax: revenue distributions; earmark for MiAble fund; provide for. Amends sec. 51 of 1967 PA 281 (MCL 206.51). TIE BAR WITH: SB 556'25	Michael Webber (R)	Referred To Committee On Housing And Human Services	Sep. 18, 2025
SB556	Individual income tax: other; MiAble fund; create. Amends 2015 PA 160 (MCL 206.981 - 206.997) by adding sec. 3a. TIE BAR WITH: SB 555'25	Michael Webber (R)	Referred To Committee On Housing And Human Services	Sep. 18, 2025
SB628	Human services: medical services; coverage for syringe service programs; provide for. Amends 1939 PA 280 (MCL 400.1 - 400.119b) by adding sec. 109t.	Rosemary Bayer (D)	Referred To Committee On Housing And Human Services	Oct. 30, 2025
SB629	Health: other; syringe service programs; provide for. Amends secs. 7401, 7403, 7453 & 7457 of 1978 PA 368 (MCL 333.7401 et seq.) & adds sec. 5137.	Rosemary Bayer (D)	Referred To Committee On Housing And Human Services	Oct. 30, 2025
SB799	Mental health: facilities; licensure for adult residential psychiatric programs; provide for. Creates new act.	Rosemary Bayer (D)	Referred To Committee On Housing And Human Services	Feb. 26, 2026
SB800	Criminal procedure: sentencing guidelines; sentencing guideline for facility that receives or maintains an adult who requires residential psychiatric care when the facility's license has been revoked or suspended or it has refused to renew its license; enact. Amends sec. 13j, ch. XVII of 1927 PA 175 (MCL 777.13j). TIE BAR WITH: SB 0799'26	Sylvia Santana (D)	Referred To Committee On Housing And Human Services	Feb. 26, 2026
SB845	Health occupations: social workers; social work licensure; modify. Amends secs. 18506 & 18509 of 1978 PA 368 (MCL 333.18506 & 333.18509) & adds sec. 18509a.	Stephanie Chang (D)	Referred To Committee On Housing And Human Services	Mar. 18, 2026
SB846	Health occupations: social workers; social worker scholarship fund; create. Creates new act.	Rosemary Bayer (D)	Referred To Committee On Housing And Human Services	Mar. 18, 2026
SR3	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.	Winnie Brinks (D)	Adopted	Jan. 22, 2025
SR50	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.	Kevin Hertel (D)	Adopted	May 20, 2025

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 McPeck-McFadden
Secretary

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

MSHN Board Committee Meetings Update

At the March 2026 Board of Directors meeting, MSHN proposed and the board approved changes to the board’s committee meeting schedule to ensure compliance with the Open Meetings Act.

The MSHN Board has the following committees:

- Policy Committee (meets 6x a year on the off months of board meeting)
- Executive Committee (meets 6x a year on the off months of board meeting)
- Nominating Committee (meets three to six months before officer elections are held every two years)

The MSHN Bylaws indicate under section: 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.

Effective April 1, 2026, all committee meetings will now be:

- posted publicly via [website](#) and notice posted at MSHN’s physical address
- provide for public access via zoom link
- provide opportunities for public comments

Policy Committee reviews and provides feedback on policies. Since discussion occurs and recommended edits are included prior to Board approval, The Policy Committee will now meet in person prior to board meetings at 4:00 p.m. Decisions by the Policy Committee will be presented to the Board of Directors at the next board meeting.

Executive Committee receives updates from administration and provides feedback to the Chief Executive Officer and Deputy Director on federal, state and operational items, including review of the draft board agenda. This meeting will continue but change to informational updates only by administration with no voting. All updates will be included in the notes and provided in the board packet. The committee’s name will now be presented as “Board Officer Briefing”.

Nominating Committee oversees the nomination process and determines voting procedures for officers, the committee will meet in person prior to board meetings.

Board member feedback on this new process is welcome and any changes to improve compliance and communication to the board is appreciated.

Annual Disclosure of Ownership, Controlling Interest, and Criminal Convictions

MSHN is contractually responsible for monitoring ownership and control interests within its provider network and disclosing criminal convictions of any staff member, director, or manager of MSHN, any individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with MSHN. Therefore, Board of Directors must complete an annual disclosure statement that ensures MSHNs compliance with the

contractual and federal regulations to obtain, maintain, disclose, and furnish required information about ownership and control interests, business transactions, and criminal convictions.

Included in the Board Members folders are the disclosure forms required to be filled out, signed, and returned. For Board Members not in attendance, the form will be emailed/mailed directly to the member. Common questions that arise when completing the form:

- ***Do I have to provide my social security number?*** 42 CFR § 455.104 requires names, address, DOB, and Social Security numbers in the case of an individual.
- ***How will my information be kept confidential and secure?*** MSHN maintains policies and practices that protect the confidentiality of personal information, including Social Security numbers, obtained from its providers and associates in the course of its regular business functions. MSHN is committed to protecting information about its providers and associates, especially the confidential nature of their personal information. Access to this, and other confidential documentation, is limited to MSHN staff who need to access information in order to perform their duties, relative to monitoring disclosures.
- ***What does MSHN do with the information it obtains through disclosure statements?*** MSHN is required to ensure it does not have a 'relationship' with an 'excluded' individual and must search the Office of Inspector General's (OIG) exclusions database to ensure that the provider entity, and any individuals with ownership or control interests in the provider entity (direct or indirect ownership of five percent or more or a managing employee), have not been excluded from participating in federal health care programs. MSHN must search the OIG exclusions database monthly to capture exclusions and reinstatements that have occurred since the last search, or at any time new disclosure information is provided.

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

Quality Assessment and Performance Improvement Plan (QAPIP)

The Michigan Department of Health and Human Services/Pre-paid Inpatient Health Plan (MDHHS/PIHP) contract outlines expectations of the PIHPs Quality Assessment and Performance Improvement Program (QAPIP). One section of the QAPIP directly relates to the Governing Board responsibilities. The QAPIP must be accountable to a PIHP Governing Body. Responsibilities of the Governing Body for monitoring, evaluating, and making improvements to care include:

- A. Oversight of QAPIP – There is documentation that the Governing Body has approved the overall QAPIP and an annual Quality Improvement (QI) plan.
- B. QAPIP progress reports – The Governing Body routinely receives written reports from the QAPIP describing performance improvement projects undertaken, the actions taken, and the results of those actions.
- C. Annual QAPIP review – The Governing Body formally reviews on a periodic basis (but no less frequently than annually) a written report on the operation of the QAPIP.

MDHHS contracts with the Health Services Advisory Group (HSAG) to conduct external quality reviews of the PIHPs inclusive of the QAPIP standards noted above. HSAG also requires PIHPs to submit proof documents that the Governing Body is in compliance of the standards. The HSAG Compliance review in 2022 and 2025 included a recommendation for MSHN to enhance its meeting minutes to capture Governing Board discussion and feedback on the QAPIP description, work plan activities, evaluation and progress reports.

To address the recommendation, board members will receive routine summary progress reports with links to the detailed workplan as attached to my report. MSHN administration will now be requesting a motion to receive and file the QAPIP progress reports. In addition, board member feedback on the QAPIP, annual reports and progress updates will be documented in future progress reports.

Innovations in Behavioral Health Update

The Innovation in Behavioral Health Model (IBH), started January 1, 2025, in Michigan along with South Carolina, Oklahoma, and New York. 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)

MSHN continues to participate in the quarterly meetings with the latest focus on Quality Measures, inclusive of the following:

Physical Health Integration

CBP-AD – Blood pressure is controlled
TCS – Tobacco use screening and cessation support
GSD-AD – Diabetes is monitored and controlled
SSD-AD- Diabetes screening for individuals on antipsychotic medications
EDU- Emergency department utilization
AHU- Acute hospital utilization

Persons Served Voice

SDOH – Screening for social needs
PROM- Patient-reported outcomes (symptoms, functioning, experience)

Utilization & Cost

TCC- Total cost of care
EDU**- Emergency department utilization
AHU**- Acute hospital utilization

Behavioral Health Follow-up

FUH-AD- Follow-up after hospitalization for MH
FUM-AD- Follow-up after ED for visit for MH
FUA-AD- Follow-up after ED visit for substance use

Submitted by:



Amanda L. Ittner

Finalized: 4.23.26

Attached:

FY26 QAPIP Summary Report

QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PLAN WORKPLAN STATUS

Background

To comply with the Medicaid Managed Specialty Supports and Services Contract, specifically as it relates to the description of the Quality Assessment and Performance Improvement Program (QAPIP):

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

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

“The QAPIP must be accountable to a Governing Body that is a Pre-paid Inpatient Health Plan (PIHP) Regional Entity. Responsibilities of the Governing Body for monitoring, evaluating, and making improvements to care include:

- A. Oversight of QAPIP - There is documentation that the Governing Body has approved the overall QAPIP and an annual Quality Improvement (QI) plan.
- B. QAPIP progress reports - The Governing Body routinely receives written reports from the QAPIP describing performance improvement projects undertaken, the actions taken and the results of those actions.
- C. Annual QAPIP review - The Governing Body formally reviews on a periodic basis (but no less frequently than annually) a written report on the operation of the QAPIP.

In accordance with the MSHN Board of Directors to review the QAPIP written reports, the FY2026 MSHN QAPIP Workplan Status Update as of April 2026 has been provided and presented for review and discussion.

Recommended Motion:

The MSHN Board of Directors receives and files the FY2026 MSHN QAPIP Workplan Status Update for the period ending April 30, 2026, as presented.

May 5, 2026

FY26 QAPIP PLAN PERFORMANCE REPORT

October 2025 - April 2026

QAPIP Workplan Task Progress:

Completed



In Progress

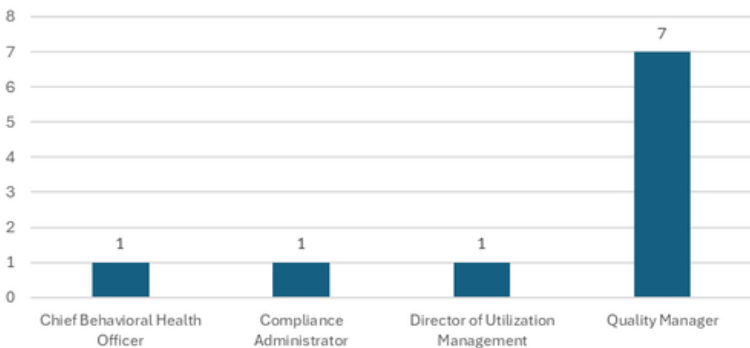


Not Yet Started

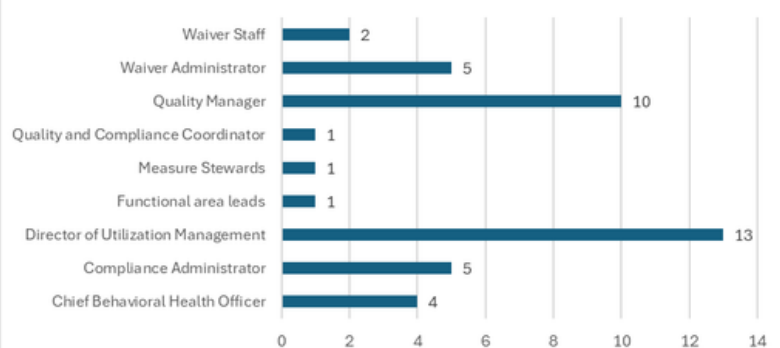


The FY26 QAPIP was implemented on October 1st, 2025 and submitted to MDHHS on March 4th, 2026. The QAPIP plan is supported/actioned through tasks identified through the QAPIP workplan. In FY26, there are a total of sixty-four (64) improvement areas identified. As of April 10th, 2026, ten (10) tasks have been completed, forty-two (42) are in progress, and twelve (12) have not yet been started. A full list of QAPIP tasks, due dates, task leads, and completion status can be found under the [FY26 QAPIP Workplan Task Tracker](#) document.

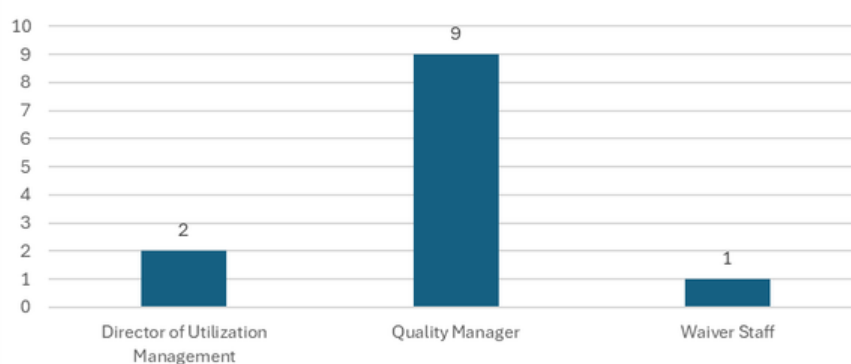
QAPIP Workplan Tasks- Completed (By Lead)



QAPIP Workplan Tasks - In Progress (By Lead)



QAPIP Workplan Tasks - Not Yet Started (By Lead)



Background:

In accordance with the MSHN Board of Directors to review financials, at a minimum quarterly, the Preliminary Statement of Net Position and Statement of Activities for the Period Ending March 31, 2026, have been provided and presented for review and discussion.

Recommended Motion:

The MSHN Board of Directors receives and files the Preliminary Statement of Net Position and Statement of Activities for the Period Ending March 31, 2026, as presented.

**Mid-State Health Network
Statement of Activities
As of March 31, 2026**

		Columns Identifiers					
		A	B	C	D	E (C - D)	
Rows Numbers		Budget Annual	Actual Year-to-Date	Budget Year-to-Date	Budget Difference	Actual % of Budget	
		FY26 Original Budget		FY26 Original Budget			
1	Revenue:						
2	Grant and Other Funding	\$ 374,568	151,834	187,284	(35,450)	40.54 %	1a
3	Prior FY Medicaid Carryforward	\$ 9,887,364	13,555,997	4,943,682	8,612,315		1b
4	Medicaid Capitation	814,257,869	426,034,625	407,128,935	18,905,690	52.32%	1c
5	Local Contribution	1,550,876	775,438	775,438	0	50.00%	1d
6	Interest Income	1,100,000	334,713	550,000	(215,287)	30.43%	1e
7	Non Capitated Revenue	18,218,063	7,519,288	9,109,031	(1,589,743)	41.27%	1f
8	Total Revenue	845,388,740	448,371,895	422,694,370	25,677,525	53.04 %	
9	Expenses:						
10	PIHP Administration Expense:						
11	Compensation and Benefits	9,072,517	4,166,873	4,536,259	(369,386)	45.93 %	
12	Consulting Services	130,000	5,720	65,000	(59,280)	4.40 %	
13	Contracted Services	114,400	45,582	57,200	(11,618)	39.84 %	
14	Other Contractual Agreements	570,900	287,801	285,450	2,351	50.41 %	
15	Board Member Per Diems	20,820	5,670	10,410	(4,740)	27.23 %	
16	Meeting and Conference Expense	99,280	29,997	49,640	(19,643)	30.21 %	
17	Liability Insurance	30,000	32,953	15,000	17,953	109.84 %	
18	Facility Costs	188,536	116,663	94,268	22,395	61.88 %	
19	Supplies	207,250	80,449	103,625	(23,176)	38.82 %	
20	Other Expenses	1,083,450	766,377	541,725	224,651	70.73 %	
21	Subtotal PIHP Administration Expenses	11,517,153	5,538,085	5,758,577	(220,493)	48.09 %	2a
22	CMHSP and Tax Expense:						
23	CMHSP Participant Agreements	715,270,064	372,239,498	357,635,032	14,604,466	52.04 %	1b,1c,2b
24	SUD Provider Agreements	65,677,623	29,756,583	32,838,812	(3,082,228)	45.31 %	1c,1f,2c
25	Benefits Stabilization	860,000	7,930,000	430,000	7,500,000	922.09 %	2d
26	Tax - Local Section 928	1,550,876	775,438	775,438	0	50.00 %	1d
27	Taxes- IPA/HRA	49,174,082	26,218,385	24,587,041	1,631,344	53.32 %	2e
28	Subtotal CMHSP and Tax Expenses	832,532,645	436,919,904	416,266,323	20,653,582	52.48 %	
29	Total Expenses	844,049,798	442,457,989	422,024,900	20,433,089	52.42 %	
30	Excess of Revenues over Expenditures	\$ 1,338,942	\$ 5,913,906	\$ 669,470			

Mid-State Health Network
Preliminary Statement of Net Position by Fund
As of March 31, 2026

Column Identifiers			
A	B	C	D B + C

Row Numbers		Behavioral Health Operating	Medicaid Risk Reserve	Total Proprietary Funds	
1	Assets				
2	Cash and Short-term Investments				
3	Chase Checking Account	14,622,372	0	14,622,372	1a
4	Chase MM Savings	13,276,952	0	13,276,952	
5	Savings ISF Account	0	13,432,914	13,432,914	1b
6	Savings PA2 Account	3,044,978	0	3,044,978	1c
7	Investment General Savings Account	29,999,542	0	29,999,542	1a
8	Investment PA2 Account	3,499,937	0	3,499,937	1c
9	Investment ISF Account	0	22,498,121	22,498,121	1b
10	Total Cash and Short-term Investments	\$ 64,443,781	\$ 35,931,035	\$ 100,374,816	
11	Accounts Receivable				
12	Due from MDHHS	40,757,596	0	40,757,596	2a
13	Due from CMHSP Participants	(1,869,583)	0	(1,869,583)	2b
14	Due from Other Governments	59,698	0	59,698	2c
15	Due from Miscellaneous	362,485	0	362,485	2d
16	Total Accounts Receivable	39,310,196	0	39,310,196	
17	Prepaid Expenses				
18	Prepaid Expense Rent	4,529	0	4,529	2e
19	Prepaid Expense Other	12,553	0	12,553	2f
20	Total Prepaid Expenses	17,082	0	17,082	
21	Fixed Assets				
22	Fixed Assets - Computers	189,180	0	189,180	2g
23	Accumulated Depreciation - Computers	(189,180)	0	(189,180)	
24	Lease Assets	190,989	0	190,989	2h
25	Accumulated Amortization - Lease Asset	(171,079)	0	(171,079)	
26	Total Fixed Assets, Net	19,910	0	19,910	
27	Total Assets	\$ 103,790,969	\$ 35,931,035	\$ 139,722,004	
28					
29	Liabilities and Net Position				
30	Liabilities				
31	Accounts Payable	\$ 21,066,451	\$ 0	\$ 21,066,451	1a
32	Current Obligations (Due To Partners)				
33	Due to State	32,634,494	0	32,634,494	3a
34	Other Payable	4,768,874	0	4,768,874	3b
35	Due to Hospitals (HRA)	11,373,170	0	11,373,170	1a, 3c
36	Due to State-IPA Tax	1,736,020	0	1,736,020	3d
37	Due to CMHSP Participants	5,052,565	0	5,052,565	3e
38	Accrued PR Expense Wages	163,991	0	163,991	3f
39	Accrued Benefits PTO Payable	515,407	0	515,407	3g
40	Accrued Benefits Other	213,639	0	213,639	3h
41	Total Current Obligations (Due To Partners)	56,458,160	0	56,458,160	
42	Lease Liability	19,976	0	19,976	2h
43	Deferred Revenue	4,175,551	0	4,175,551	1b 1c
44	Total Liabilities	81,720,138	0	81,720,138	
45	Net Position				
46	Unrestricted	22,070,831	0	22,070,831	3i
47	Restricted for Risk Management	0	35,931,035	35,931,035	1b
48	Total Net Position	22,070,831	35,931,035	58,001,866	
49	Total Liabilities and Net Position	\$ 103,790,969	\$ 35,931,035	\$ 139,722,004	

Mid-State Health Network Financial Statement Notes For the Six-Month Period Ended, March 31, 2026

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 Final MDHHS Financial Status Report (FSR) submitted in February 2026.

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. MSHN recently acquired investments using more than \$29 M from funds in the savings account.
 - 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 \$22.5 M in investments, which is about 63% of the total ISF net position balance (row 49 col C). The investment portfolio has been temporarily reduced and moved to ISF Savings should the Region need to access funds for service delivery and other operational expenses. Internal Service Funds are used to cover the Region's risk exposure. In the event current Fiscal Year revenue is spent, and all prior year savings are exhausted, PIHPs can transfer ISF dollars and use them for remaining costs.
 - c) The PA2 Savings PA2 and Investment accounts hold funds used to primarily cover Prevention services in MSHN's 21-county Region and is offset by the Deferred Revenue liability account.
2. Accounts Receivable
 - a) Fiscal Year 2026 October through March Hospital Rate Adjustor (HRA) amounts account for 56% of the balance. HRAs are State Directed Payments and contractually required by MDHHS. In addition, withholds are also 32% of the total with miscellaneous amounts accounting for the remaining balance.
 - b) Due From CMHSP Participants reflect FY 2025 projected cost settlement activity. Final cost settlements generally occur in May after the fiscal year ends and once Compliance Examination are complete.

CMHSP	Cost Settlement	BHH Settlement	Payments/Offsets	Total
CEI	8,987,334.62	-	12,714,398.00	(3,727,063.38)
Central	529,107.44	5,615.64	804,564.00	(269,840.92)
The Right Door	3,340,734.35	-	2,966,420.00	374,314.35
Saginaw	13,024,009.05	15,287.02	11,456,539.00	1,582,757.07
Tuscola	1,452,073.95	-	1,281,824.00	170,249.95
Total	27,333,259.41		29,223,745.00	(1,869,582.93)

- c) Due from other governments account consists of Public Act 2 amounts owed from one county for FY 25 quarter four 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 38% and 62% (respectively) for Medicaid Event Verification (MEV) findings and cash advances needed to cover operations for few SUD providers.
- e) Prepaid Expense Rent balance consists of security deposits for MSHN office suites.
- f) Prepaid Expense Other has a small balance for FY 2027 Relias payments with a larger portion related to Box (MSHN's filing system).

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

3. Liabilities

- a) MSHN estimates FY 2022 and FY 2021 lapses totaling \$13.5 M and \$17.6 M to MDHHS, respectively. The lapse amounts indicate the ISF was fully funded for both fiscal years, and that savings fell within the second tier (above 5%). Per contractual guidelines MDHHS receives half of every dollar generated beyond this threshold until the PIHP's total savings reach the 7.5% maximum. MSHN also owes MDHHS \$1.2 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. In addition, the total is the amount owed to the hospitals for quarter two.
- d) Due To State – Insurance Plan Assessments Tax are now paid by MDHHS as gross adjustments and no longer based on monthly Per Eligible Per Month (PEPM) funds. The State owes MSHN approximately \$1.7 M for further disbursement to Michigan's Treasury Department.
- e) Due To CMHSP represents FY 2025 projected cost settlement figures. Final amounts will be paid during the region's final cost settlements, which generally occur in May or after Compliance Examinations are complete.

CMHSP	Cost Settlement	BHH Settlement	Payments/Offsets	Total
Bay	6,359,085.88	-	4,662,967.00	1,696,118.88
Gratiot	2,295,587.84	(623.96)	1,874,242.00	420,721.88
Huron	1,800,973.45	-	1,293,372.00	507,601.45
Lifeways	1,022,193.84	-	(998,297.00)	2,020,490.84
Montcalm	432,752.69	(311.98)	662,968.00	(230,527.29)
Newaygo	322,636.24	-	378,105.00	(55,468.76)
Shiawassee	3,347,681.39	(4,055.74)	2,649,998.00	693,627.65
Total	15,580,911.33	(4,991.68)	10,523,355.00	5,052,564.65

- f) Accrued Payroll Expense Wages represent expenses incurred in March and paid in April.
- g) Accrued Benefits PTO (Paid Time Off) is the required liability account set up to reflect paid time off balances for employees.
- h) Accrued Benefits Other represents retirement benefit expenses incurred in for the second pay-period in February (Empower conversion) and March then paid in April.
- i) The Unrestricted Net Position represents the difference between total assets, total liabilities, and the restricted for risk management figure.

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

1. Revenue

- a) This account tracks Veterans Navigator (VN) activity and CMHSP Clubhouse Grant payments used to assist those served with their Medicaid deductibles.
- b) Medicaid Savings are generated when the prior year revenue exceeds expenses for the same period. PIHPs may retain up to 7.5% of savings using a tiered formulary.
- c) Medicaid Capitation – There is a positive variance in this account which shows actual revenue is trending higher than budgeted. The original FY 2026 budget submitted to the board in September contained revenue estimates from MDHHS’s draft rate certification data however the final document calculated revenue significantly higher than anticipated. Please note, Medicaid Capitation payment files are calculated and disbursed to CMHSPs based on a per eligible per month (PEPM) methodology and paid to SUD providers based on service delivery.
- d) Local Contribution is flow-through dollars from CMHSPs to MDHHS. Typically, revenue equals the expense side of this activity. Local Contributions were scheduled to reduce over the next few fiscal years until completely phased out. FY 2026 amounts are the same as FY 2025.
- e) Interest income is earned from investments and changes in principle for investments purchased at discounts or premiums. The amount earned is slightly lower than the budget, however this variance should lessen over the fiscal year as capitation revenue is trending sufficiently to cover ongoing operations and allows for additional investments purchases with available funding. (Please see Statement of Net Position 1a and 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. There are two items containing significant variances:
 - o Compensation and benefits line is significantly under budget. MSHN is currently evaluating staffing levels to ensure they are appropriate to conduct MDHHS contractual obligations.
 - o The other expenses line includes several vendor expenses. MiHIN (data exchange technology) is one such vendor and the FY 2026 invoice was paid in full which is the primary cause for being over budget.
- b) CMHSP participant Agreement shows a large variance when comparing actual to budget. The variance is related to the notes in item 1c above as more revenue is received, more is expensed to the CMHSPs. MSHN funds CMHSPs based on per eligible per month (PEPM) payment files. The files contain CMHSP county codes which designate where the payments should be sent. MSHN sends the full payment less affiliation fees which support PIHP operations.
- c) SUD provider payments are trending under budget and paid based on need. (Please see Statement of Activities 1c and 1f.)
- d) Benefit stabilization amounts are paid to CMHSPs for SUD access activities and assistance with cash flow if needed to cover operational expenditures in excess of their PEPMs. Currently two CMHSPs have received \$7.5 M.
- e) IPA/HRA actual tax expenses are higher than the budget through March. Beginning in FY 2026, Insurance Plan Assessment (IPA) dollars will be based on Michigan’s Treasury assessment member months and paid by MDHHS in a quarterly lump sum. In prior fiscal years, the payment was included in capitation. HRA figures will also vary

throughout the fiscal year based on inpatient psychiatric utilization and contribute to the variance. (Please see Statement of Net Position 3c and 3d).

MID-STATE HEALTH NETWORK
 SCHEDULE OF GENERAL SAVINGS INVESTMENTS
 As of March 31, 2026

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY	Change in market value	Chase Savings Interest	Interest - Accrued	Prior period interest - (Info Only added to col H total)	Interest Earnings (Information Only)	Total Chase Balance
UNITED STATES TREASURY BILL	912797TZ0	2.10.26	2.11.26	6.9.26		29,999,542.58	29,999,542.58							
JP MORGAN INVESTMENTS						29,999,542.58			-		-			29,999,542.58
JP MORGAN CHASE SAVINGS						13,276,370.01		0.050%		581.36				13,276,951.37
						<u>\$ 43,275,912.59</u>			<u>\$ -</u>	<u>\$ 581.36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,276,493.95</u>

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 INTERNAL SERVICE FUND INVESTMENTS
As of March 31, 2026

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY	Chase Savings Interest	Total Chase Balance
UNITED STATES TREASURY BILL	912797RE9	6.30.25	7.1.25	10.28.25		9,999,615.49	10,137,000.00			
UNITED STATES TREASURY BILL	912797RE9						(10,137,000.00)			
UNITED STATES TREASURY BILL	912797QY6	9.16.25	9.16.25	12.11.25		1,999,690.69	2,018,000.00			
UNITED STATES TREASURY BILL	912797QY6						(2,018,000.00)			
UNITED STATES TREASURY BILL	912797TG2	12.9.25	12.11.25	4.7.26		2,499,120.76	2,499,120.76			
UNITED STATES TREASURY BILL	912797PD3	10.27.25	10.28.25	1.22.26		19,999,350.29	20,175,000.00			
UNITED STATES TREASURY BILL	912797PD3						(20,175,000.00)			
UNITED STATES TREASURY BILL	912797SM0	1.21.26	1.22.26	4.23.26		19,998,999.63	19,998,999.63			
JP MORGAN INVESTMENTS							22,498,120.39			22,498,120.39
JP MORGAN CHASE SAVINGS							13,177,920.57	0.020%	254,993.70	13,432,914.27
							<u>\$ 35,676,040.96</u>		<u>\$ 254,993.70</u>	<u>\$ 35,931,034.66</u>

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**

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MID-STATE HEALTH NETWORK
SCHEDULE OF PA2 SAVINGS INVESTMENTS
As of March 31, 2026

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY	Chase Savings Interest	Total Chase Balance
UNITED STATES TREASURY BILL	912797QQ3	8.15.25	8.19.25	11.13.25		3,499,118.27	3,533,000.00			
UNITED STATES TREASURY BILL	912797QQ3						(3,533,000.00)			
UNITED STATES TREASURY BILL	912797RT6	11.12.25	11.13.25	2.12.26		3,499,171.34	3,532,000.00			
UNITED STATES TREASURY BILL	912797RT6						(3,532,000.00)			
UNITED STATES TREASURY BILL	912797TZ0	2.10.26	2.12.26	6.9.26		3,499,937.29	3,499,937.29			

JP MORGAN INVESTMENTS						3,499,937.29				3,499,937.29
JP MORGAN CHASE SAVINGS						3,041,595.36	0.010%	3,382.46		3,044,977.82
						<u>\$ 6,541,532.65</u>		<u>\$ 3,382.46</u>		<u>\$ 6,544,915.11</u>

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.

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
May 2026

CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	FY 2025 CONTRACT AMOUNT	FY 2026 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
PIHP ADMINISTRATIVE FUNCTION CONTRACTS					
RedHead Creative Consultancy	Expansion of Previously Approved Media Campaign to Reduce SUD Stigma (\$61,764 approved in March 2026)	5.1.26 - 9.30.26	\$ 99,000	150,764	\$ 51,764
MacDonald Garber Broadcasting	Overdose Prevention and Naloxone Education (OEND) Media Campaign	5.1.26 - 9.30.26	\$ 100,000	325,000	\$ 225,000
			\$ 199,000	\$ 475,764	\$ 276,764
CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	FY 2026 ORIGINAL AMOUNT	FY 2026 TOTAL CONTRACT AMOUNT	INCREASE/ (DECREASE)
SUD SERVICE PROVIDER CONTRACTS (Cost Reimbursement/Fee for Service) NOTE: Fee for Service contracts show "-" amount					
Home of New Vision	Jackson County - Engagement Center	4.1.26 - 9.30.26	\$ 527,434	647,204	119,770
			\$ 527,434	647,204	119,770

Mid-State Health Network (MSHN) Board of Directors Meeting
Tuesday, March 3, 2026
MyMichigan Medical Center
Meeting Minutes

Mr. John Johansen requested a moment of silence in honor of Ed Woods' son, Ryan and Lori Schultz's mother who both passed away recently.

1. Call to Order

Chairperson Ed Woods called this meeting of the Mid-State Health Network Board of Directors to order at 5:03 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 the Board Member Conduct Policy noted on the agenda. Mr. Woods welcomed Pam Schumacher to the board who has been appointed by Bay-Arenac Behavioral Health and also welcomed Michelle Stillwagon, Chief Executive Officer of Gratiot Integrated Health Network and Tammy Warner, Executive Director of Montcalm Care Network.

2. Roll Call

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

Board Member(s) Present: Greg Brodeur (Shiawassee), Patrick Conley (BABH), David Griesing (Tuscola), Dan Grimshaw (Tuscola)-joined at 5:10 p.m., Tim Hanna (CEI), Tina Hicks (Gratiot), John Johansen (Montcalm), Deb McPeek-McFadden (The Right Door), Joe Phillips (CMH for Central Michigan), Linda Purcey (The Right Door), Tracey Raquepaw (Saginaw), Kerin Scanlon (CMH for Central Michigan)-arrived at 5:07 p.m., Pam Schumacher (BABH), Richard Swartzendruber (Huron), Joanie Williams (Saginaw), and Ed Woods (LifeWays)

Board Member(s) Remote: Patty Bock (Huron)-Bad Axe, MI; Brad Bohner (LifeWays)-Osseo, MI; Ken DeLaat (Newaygo)-Homosassa, FL; Irene O'Boyle (Gratiot)-Zapata, TX; and Kurt Peasley (Montcalm)-Covington, LA

Board Member(s) Absent: Cindy Garber (Shiawassee) and Lori Schultz (Newaygo)

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

Public Present:

Tammy Warner, Executive Director of Montcalm Care Network

Public Remote:

Michelle Stillwagon, Chief Executive Officer of Gratiot Integrated Health Network

3. Approval of Agenda for March 3, 2026

Board approval was requested for the Agenda of the March 3, 2026, Regular Business Meeting.

MOTION BY GREG BRODEUR, SUPPORTED BY DAVID GRIESING, FOR APPROVAL OF THE AGENDA OF MARCH 3, 2026 REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Public Comment

There was no public comment.

5. FY2026 Quality Assessment and Performance Improvement Program (QAPIP) and the FY2025 Annual Effectiveness and Evaluation Report

Ms. Kim Zimmerman presented an overview of the FY2026 QAPIP and the FY2025 Annual Effectiveness and Evaluation report summarized within the board meeting packet and presented to the board at the January 2026 meeting but due to a lack of quorum, action was postponed and brought to today's meeting. Links to the full documents were included on the motion sheet and a copy of the full documents were available in the meeting room for board member review.

MOTION BY RICH SWARTZENDRUBER, SUPPORTED BY TIM HANNA, FOR APPROVAL OF THE QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PROGRAM (QAPIP) FOR OCTOBER 1, 2025 TO SEPTEMBER 30, 2026 AND THE ANNUAL EFFECTIVENESS AND EVALUATION REPORT FOR OCTOBER 1, 2024 TO SEPTEMBER 30, 2025. MOTION CARRIED UNANIMOUSLY.

6. FY2025 Annual Compliance Summary Report

Ms. Kim Zimmerman presented an overview of the FY2025 Annual Compliance Summary Report included within the board meeting packet and recommend for board approval. Mr. Joe Sedlock expressed appreciation to Ms. Zimmerman and the Compliance Department for their work in keeping the agency and the region in Compliance.

MOTION BY TINA HICKS, SUPPORTED BY JOHN JOHANSEN, TO APPROVE AND ACKNOWLEDGE RECEIPT OF THE FY2025 ANNUAL COMPLIANCE SUMMARY REPORT. MOTION CARRIED UNANIMOUSLY.

7. FY2025 Board Self-Assessment

Ms. Irene O’Boyle summarized the FY2025 Board Self-Assessment results detailed in the board self-assessment trending report from FY2021 through FY2025 included in the board meeting packet. It should be noted that only fourteen (14) of the currently seated twenty-three (23) members completed the evaluation. Mr. Ed Woods expressed his appreciation to Ms. O’Boyle for taking the lead on the Board Self-Assessment project.

MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY DAVID GRIESING, TO RECEIVE AND FILE THE FY2025 BOARD SELF-ASSESSMENT REPORT. MOTION CARRIED UNANIMOUSLY.

8. Chief Executive Officer’s Report

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

- PIHP/Regional Matters
 - Competitive Procurement of Prepaid Inpatient Health Plans
 - Freedom of Information Act Filing
 - Protect MI Care Coalition – Advocacy Update and Action Items
- State of Michigan/Statewide Activities
 - 1915 (c) Habilitation Supports Waiver Amendment Submission Announced
 - Conflict Free Access and Planning
- Federal/National Updates and Activities
 - HR 1 (“One Big, Beautiful, Bill”) Resources
 - HR 1 (“One Big, Beautiful, Bill”) Medicaid Specifics

9. Deputy Director’s Report

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

- Provider Network Adequacy Assessment – FY25
- Michigan Health Endowment Fund
- Utilization Management and Access Department Update
- FY25 Integrated Health Initiatives Updates

10. Chief Financial Officer’s Report

Ms. Leslie Thomas provided an overview of the financial statements included within board meeting packets for the period ended January 31, 2026.

MOTION BY TINA HICKS, SUPPORTED BY PATRICK CONLEY, TO RECEIVE AND FILE THE PRELIMINARY STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDED JANUARY 31, 2026, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

11. Contracts for Consideration/Approval

A. FY25 Contract Listing for Consideration/Approval

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

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

B. FY26 Contract Listing for Consideration/Approval

Ms. Leslie Thomas provided an overview of the revised FY2026 contract listing provided in board member folders removing \$64,507 for Randy's House and requested the board authorize MSHN's CEO to sign and fully execute the contracts listed on the revised FY2026 contract listing.

MOTION BY DAVID GRIESING, SUPPORTED BY RICHARD SWARTZENDRUBER, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED AND LISTED ON THE REVISED FY2026 CONTRACT LISTING. MOTION CARRIED UNANIMOUSLY.

12. Executive Committee Report

Mr. Ed Woods informed board members the Executive Committee met on February 20, 2026, and reviewed the following:

- Chief Executive Officer Performance Review – The 2025 Chief Executive Officer performance review was delayed due to the PIHP Procurement. After discussion, the Board consensus is to waive the November 2025 delayed Chief Executive Officer performance review and convene the regular process in November 2026.
- Board Committee Meetings – Mr. Woods called on Ms. Amanda Ittner to discuss meeting requirements under the Open Meetings Act specific to subcommittees of the board (Policy, Nominating, and Executive) and related legal counsel review. MSHN Administration recommends the following changes to Committees, effective April 1, 2026:

All Committee meetings will now be:

- posted publicly via website and notice posted at MSHN's physical address
- provide for public access via zoom link

- provide opportunities for public comments

Policy Committee reviews and provides feedback on policies. Since discussion occurs and recommended edits are included prior to Board approval, recommend the Policy Committee move to in person prior to board meetings. (note: this may require new appointments to ensure a quorum of the committee).

Executive Committee receives updates from administration and provides feedback to the CEO and Deputy Director on federal, state and operational items, including review of the draft board agenda. This meeting can continue and ensure it is informational only with no voting. All discussions will be noted in the minutes and provided in the board packet.

Nominating Committee – As this committee oversees the nomination process and determines voting procedures for officers, recommend the committee meet in person prior to board meetings. (note: this may require new appointments to ensure a quorum of the committee).

Board member discussion occurred on the recommendation presented.

Ms. Tina Hicks left the meeting.

Mr. Tim Hanna left the meeting.

MOTION BY JOHN JOHANSEN, SUPPORTED BY DAVID GRIESING, TO ACCEPT MSHN ADMINISTRATION RECOMMENDATION FOR CHANGES TO THE COMMITTEE MEETING STRUCTURE BEGINNING APRIL 1, 2026. MOTION CARRIED, WITH ONE NAY.

13. Chairperson's Report

There was no Chairperson's report.

14. 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 RICHARD SWARTZENDRUBER, SUPPORTED BY PATRICK CONLEY, TO APPROVE THE FOLLOWING DOCUMENTS ON THE CONSENT AGENDA: APPROVE MINUTES OF THE NOVEMBER 18, 2025 BOARD OF DIRECTORS MEETING; RECEIVE NOTES OF THE JANUARY 6, 2026 BOARD OF DIRECTORS MEETING; RECEIVE BOARD EXECUTIVE COMMITTEE MEETING MINUTES OF DECEMBER 19, 2025; RECEIVE POLICY COMMITTEE MEETING MINUTES OF DECEMBER 2, 2025 AND FEBRUARY 3, 2026; RECEIVE SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD MEETING MINUTES OF OCTOBER 15 20, 2025; RECEIVE OPERATIONS COUNCIL KEY DECISIONS OF NOVEMBER 17, 2025 AND DECEMBER 15, 2025 AND JANUARY 26, 2026; RECEIVE PRELIMINARY STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDED NOVEMBER 30, 2025; AND TO

APPROVE ALL THE FOLLOWING POLICIES: SUD INCOME ELIGIBILITY AND NEW CMHSP PARTICIPATION IN THE MSHN REGION. MOTION CARRIED UNANIMOUSLY.

15. Other Business

There was no other business.

16. Public Comment

Mr. Ed Woods expressed his appreciation to everyone that shared expressions of sympathy to him and his family during the recent passing of his son.

17. Adjournment

The MSHN Board of Directors Regular Business Meeting adjourned at 6:52 p.m.

**Mid-State Health Network Board of Directors
Executive Committee Meeting Minutes**
Friday, February 20, 2026 - 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: 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 9:01 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 March 03, 2026 Regular Board Meeting Agenda:** The draft board meeting agenda was reviewed noting that there will be a presentation of the FY 26 Quality Assessment and Performance Improvement Program Plan and the FY 25 Effectiveness Report. This was scheduled for the January meeting but could not be done due to lack of quorum. There will also be a presentation on the FY25 Compliance Program Annual Effectiveness and Summary Report. The committee noted that the board agenda is not final until approved by the board at the March 3, 2026 meeting.
 - 4.2 **2025 Board Self-Assessment Summary Report:** Board Self-Assessment Survey results were compiled by Sherry Kletke, MSHN Executive Support Specialist, and were reviewed by the Committee. Board response rate was 61% (14/23). The Committee noted areas where feedback from board members was lower and higher than the last self-assessment compilation. The Committee also reviewed board member comments. The 2025 Board Self Assessment Summary Report will be included in the March 3, 2026 Board Meeting Packet. I. O’Boyle will present the report at the board meeting.
 - 4.3 **Board Committee Meetings:** Deputy Director Amanda Ittner prepared a background and recommendations document for the Committee on the applicability of the Open Meetings Act to meetings of MSHN Board Committees. She has also been working with the MSHN Policy Committee on this matter. The document summarizing pertinent background, legal consultation, and recommendations by administration for board consideration were reviewed by the Committee. Discussion of the various recommendations and options took place. A. Ittner will present information on these matters at the Board Meeting for the full board to make a decision on how to move ahead.
 - 4.4 **Performance Review of the Chief Executive Officer – Follow-up:** This item was deferred to March 2026 due to matters involving MDHHS procurement of PIHP contracts, legal matters, and operational considerations. A flow diagram of the process was reviewed by the Committee. The Executive Committee concluded that it would present the options of whether to initiate the performance review process now, conduct an abbreviated process (such as a three question survey to board members) or forgo the current review and instead begin the performance review process per usual in November 2026. The committee will recommend that the delayed performance review be waived and the regular process convene in November 2026.
 - 4.5 **Other:** None.
5. **ADMINISTRATION MATTERS**
 - 5.1 **MDHHS Competitive Procurement of PIHPs – Updates:** MDHHS has remained silent on

procurement matters, although rumors abound about a new request for proposals (RFP) to be released this spring. Our attorneys have submitted a freedom of information act to MDHHS for the bids collected in response to the now rescinded RFP. MSHN will study those when received. MSHN remains in a state of significant uncertainty, especially since MDHHS seemingly refuses to communicate about even operational matters. For example, on January 30, the day after MDHHS rescinded the RFP, the MSHN CEO sent an email to the Specialty Behavioral Health Bureau Director requesting a renewal of communications and collaboration – especially around significant operational matters (such as conflict free access and planning, Waskul Settlement implementation, rural health initiatives, and others). To date, there has been no response or acknowledgment of that message.

- 5.2 Lawsuit(s) Update: The State filed a motion to dismiss this lawsuit on the basis that since the State cancelled the RFP, the PIHP/CMHSP lawsuit is moot. Plaintiff attorneys filed a brief opposing the State’s motion on February 13, 2026. The State response to Plaintiff’s response was filed on 02/17/26. The matter is set for hearing on April 13, 2026 at 1:00 p.m. at the Hall of Justice in Lansing. Timing on a court ruling on this development is unknown and could occur quickly or weeks or even months from now. Plaintiffs still have an unresolved motion for reconsideration on the question of whether MDHHS possesses the legal authority to define regional entity composition and boundaries. (Note that the Court has already ruled that the State can reduce the number of regions). J. Sedlock also provided an update that a hearing is scheduled for March 24 on the PIHP lawsuit (that does not involve MSHN) involving four PIHPs that signed a red-lined FY 25 contract which MDHHS would not sign.
- 5.3 Other: None.

6. GUEST BOARD MEMBER COMMENTS: Comments were offered on the procurement

7. OTHER:

- 7.1 Any other business to come before the Executive Committee: None.
- 7.2 Next scheduled Executive Committee Meeting: 04/17/2026, 9:00 a.m.

8. ADJOURN: This meeting of the MSHN Board Executive Committee was adjourned at 9:44 a.m.

Mid-State Health Network Board Officer Briefing by Executive Leadership Notes

Friday, April 17, 2026 - 9:00 a.m.

Purpose: *The purpose of this meeting is for MSHN Executive Leaders to brief the MSHN Board Officers on recent events, current operations, and future plans.*

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

Others Present: Ken DeLaat, Board Member; Colette Scrimger, Catholic Charities

Staff Present: Amanda Ittner, Deputy Director

Staff Absent: Joseph Sedlock, Chief Executive Officer

1. **Welcome and Introductions:** Chairperson Woods welcomed everyone to this Executive Leadership briefing, which began at 9:00 a.m.
2. **Public Comments:** None
3. **MSHN Executive Leadership Briefing Topics:**
 - 3.1. Planned Order of Business, May 5, 2026, Board Meeting: A. Ittner reviewed the draft board meeting agenda noting two new board members appointed by Huron Behavioral Health, presentations on the FY 25 Financial Audit and Network Adequacy Assessment, 10-year service recognition and review of board member comments from the self-assessment. Chairperson Woods requested feedback related to any other accommodation for board members wishing to attend in person. D. McPeek-McFadden indicated she received positive feedback related to the board member orientation provided to new board members.
 - 3.2. Board Member Attendance Report Review: A. Ittner reviewed the board member attendance report noting Chairperson Woods will contact members with low attendance.
 - 3.3. Committee Structure and Operations: A. Ittner updated members on the new structure for Policy Committee (meeting in-person at 4:00 p.m. prior to the Board of Directors Meeting), Nominating Committee (to be held in-person, date to be determined by the committee members appointed) and the change with the previous Executive Committee relabeled as Board Officer Briefing, noting the removal of voting, updates by administration only and posting publicly.
 - 3.4. MDHHS Competitive Procurement of PIHPs: MSHN has not heard any updates directly from MDHHS related to the procurement. At the April 13, 2026 hearing on the dismissal due to mootness, MDHHS' attorney general confirmed the state is working on a new RFP. J. Sedlock and A. Ittner are meeting with the CMH CEOs on Wednesday to discuss the outcome of the hearing and readiness for a new RFP. Internally, MSHN leadership is reviewing projects placed on hold last year to ensure compliance with the PIHP/MDHHS contract standards (e.g. provider quality and compliance site reviews) through FY27. Of note, MSHN received an additional resignation this week, which now totals three staffing vacancies due to procurement, one due to FMLA and one resignation for other reasons. K. Peasley discussed efforts related to education with the candidates for Governor which is being planned by the Community Mental Health Association.

- 3.5. **Litigation Update(s):** A. Ittner referenced the communication distributed by J. Sedlock providing an update from the hearing on April 13, 2026. Nothing new to report outside of the Attorneys for both the plaintiff and defendants are reviewing and prepping for the briefing on “without prejudice” that is due on April 20th. MSHN’s attorney along with the other plaintiff’s attorneys are reviewing options for appeal which was apparent that Judge Yates was ensuring his ruling would allow for that option. The attorneys are also ready to review the upcoming RFP.
- 3.6. **Other:** Chairperson Woods requested an update on rebasing. A. Ittner indicated MSHN is expecting MDHHS rebasing in May, with an update to the board in July. While MSHN’s financial position is positive for FY26 rebasing for the changes in CCBHC, minimum wage and earned sick time could have a negative effect on the financial status. Chairperson Woods mentioned the implications for FY27 and beyond related to HR1. A. Ittner reviewed that MSHN will be working closely with the CMHSP CEOs to review FY27 budget implications, including HR1 and reduced enrollment trends.
4. **Public Comments:** Ken DaLaat mentioned the challenges with Gubernatorial candidates that receive significant private sector contributions supporting their campaign. CMHA will be reviewing candidate contributions, expecting to provide updates to the members.
5. **Concluding Comments:** Chairperson Woods reminded officers that the next scheduled Board Officer Briefing Meeting will be 06/12/2026, 9:00 a.m. and thanked MSHN Leadership and Board Officers for attending this briefing meeting, which ended at 9:32 a.m.

Mid-State Health Network SUD Oversight Policy Advisory Board

Wednesday, February 18, 2026, 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 asked for a moment of silence in honor of former member, Robert "Bob" Luce who served on the OPB from 2018-2024 and Ed Woods' son, Ryan, who both recently passed away. Mr. Kolk introduced and welcomed new member Mike Visnaw, appointed from Gladwin County.

Board Member(s) Present: Irene Cahill (Ingham)-joined at 4:36 p.m., Bruce Caswell (Hillsdale), Jacob Gross (Clare), Charlean Hemminger (Ionia), John Hunter (Tuscola), Bryan Kolk (Newaygo), Charlie Mahar (Montcalm), Jim Moreno (Isabella), Pamela Schumacher (Bay), Kim Thalison (Eaton), Mike Visnaw (Gladwin), Dwight Washington (Clinton), and Ed Woods (Jackson)

Board Member(s) Remote: Emily Rayburn (Gratiot)-Ithaca, MI and Rachel Vallad (Arenac)-Standish, MI

Board Member(s) Absent: Todd Gambrell (Midland), Christina Harrington (Saginaw), Karen Link (Huron), Jerrilynn Strong (Mecosta), and David Turner (Osceola)

Alternate Member(s) Present: Linda Howard (Mecosta) and Tanya Pratt (Ingham)

Alternate Member(s) Remote: Nicole Fickes (Clinton)-Laingsburg, MI and Christa Merritt (Montcalm)-Stanton, MI

Staff Members Present: Amanda Ittner (Deputy Director), Leslie Thomas (Chief Financial Officer), Dr. Dani Meier (Chief Clinical Officer), Sarah Andreotti (Prevention Administrator), Skye Pletcher (Chief Population Health Officer); Liz Philpott (Integrated Health Administrator); and Sherry Kletke (Executive Support Specialist)

Staff Members Remote: Joe Sedlock (Chief Executive Officer), Dr. Trisha Thrush (Director of Substance Use Disorder Services and Operations), Cari Patrick (Prevention Specialist), Sarah Surna (Prevention Specialist), Sherrie Donnelly (Treatment & Recovery Specialist); and Kate Flavin (Treatment Administrator)

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 February 18, 2026

Board approval was requested for the Agenda of the February 18, 2026 Regular Business Meeting, as presented.

MOTION BY DWIGHT WASHINGTON, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE FEBRUARY 18, 2026 REGULAR BUSINESS MEETING AGENDA, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Approval of Minutes from the October 15, 2025 Regular Business Meeting

Board approval was requested for the draft meeting minutes of the October 15, 2025 Regular Business Meeting.

MOTION BY PAM SCHUMACHER, SUPPORTED BY TANYA PRATT, FOR APPROVAL OF THE MINUTES OF THE OCTOBER 15, 2025, MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

5. Public Comment

There was no public comment.

6. Board Chair Report

Mr. Bryan Kolk reviewed the FY2025 board member meeting attendance included in the board meeting packet.

7. Deputy Director Report

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

Regional Matters:

- Michigan Department of Health and Human Services (MDHHS) Prepaid Inpatient Health Plan (PIHP) Procurement Update
- Michigan Health Endowment Fund
- Consumer Satisfaction Survey Results 2025

BOARD APPROVED APRIL 15, 2026

State of Michigan/Statewide Activities

- MDHHS Issues Grant Funding Opportunity for Recovery Support Services

8. Chief Financial Officer Report

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

- FY2025 Substance Use Disorder (SUD) Financial Summary Report of September 2025
- FY2026 PA2 Funding and Expenditures by County
- FY2026 PA2 Use of Funds by County and Provider
- FY2026 Substance Use Disorder (SUD) Financial Summary Report of December 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.

Administration will update the Beginning Reserve Balance column on the PA2 Funding Recommendation by County report in the contract listing to reflect the actual balance instead of a projected balance.

MOTION BY JOHN HUNTER, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE FY26 SUBSTANCE USE DISORDER (SUD) PA2 CONTRACT LISTING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

10. SUD Operating Update

Dr. Dani Meier provided an overview of additional activities the SUD Treatment and Prevention team are involved with in addition to the Operations Report included in the board meeting packet, highlighting the below:

- Learning Collaborative data reflecting a decline in underserved populations
- Department of Education Proposed Rule Public Comment Opportunity

Ms. Tanya Pratt left the meeting.

11. Other Business

Ms. Amanda Ittner introduced Ms. Skye Pletcher and Ms. Liz Philpott who provided members with a presentation on Substance Use Disorder Health Homes.

12. Public Comment

There was no public comment.

13. Board Member Comment

There was no board member comment.

BOARD APPROVED APRIL 15, 2026

14. Adjournment

Chairperson Bryan Kolk adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 5:05 p.m.

*Meeting minutes submitted respectfully by:
MSHN Executive Support Specialist*

REGIONAL OPERATIONS COUNCIL/CEO MEETING

Key Decisions and Required Action

Date: 02/23/2026

Members Present: Ryan Painter; Cassie Watson; Carol Mills; Julie Majeske; Tracey Dore; Tammy Warner; Kerry Possehn; Michelle Stillwagon; Bryan Krogman; Sara Lurie, Jeff Labun

Members Absent: Chris Pinter; Sandy Lindsey;

MSHN Staff Present: Joseph Sedlock (For Assigned Portions: Leslie Thomas, Kim Zimmerman, Skye Pletcher)

Agenda Item		Action Required			
CONSENT AGENDA	Reviewed				
	No discussion; support moving these documents to next applicable stage	By Who	N/A	By When	N/A
FY26 SAVINGS ESTIMATES (THROUGH 12/31/25)	L. Thomas reviewed the FY 26 Savings Estimates through December 2025 (FY 26 Q1). Projecting surplus to year end, however, enrollments are declining, CCBHC capitation withdrawal to MDHHS (rebasing) is pending, both of which could impact projections significantly. Caution is recommended as this is only one quarter and noting the factors above.				
	No follow-up	By Who	N/A	By When	N/A
FY25 COMPLIANCE PLAN: <ul style="list-style-type: none"> EXECUTIVE SUMMARY LINK TO FULL FY25 COMPLIANCE SUMMARY REPORT 	K. Zimmerman reviewed the FY 25 Compliance Summary Annual Plan noting several significant accomplishments in FY 25 and recommendations that will be addressed in FY 26.				
	Operations Council supports moving this to the next approval stage	By Who	K. Zimmerman	By When	03/30/26
2026 DRAFT PRIVACY NOTICE	K. Zimmerman reviewed changes to the regional privacy notices				
	Support for changes; final version will be distributed by the end of this week.	By Who	K/ Zimmerman	By When	02/28/2026
MENTAL HEALTH FRAMEWORK (Q&A)	S. Pletcher reviewed the ongoing advocacy efforts of the region and our PIHP colleagues across the state. There is very little communication from policy makers at the State and serious questions and concerns that have to be overcome. The State has not articulated even a draft funding model. MSHN and our regional CMHSPs remain opposed to the implementation of the mental health framework as we currently understand it and see it as another brick in the state effort to privatize the public behavioral health system.				
	Continue advocacy at the local, regional, and statewide levels	By Who	PIHPs and CMHSPs	By When	Ongoing
NETWORK ADEQUACY ASSESSMENT PROCEDURE	J. Sedlock reviewed the network adequacy assessment procedure noting changes and that MSHN is working with the Provider Network Management and Clinical Leadership Committees to populate needed information.				

Agenda Item	Action Required				
	Support for moving forward	By Who	A. Ittner	By When	Ongoing
PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY) <ul style="list-style-type: none"> • LAWSUIT/RULING UPDATES/DISCUSSION, IF ANY • PROCUREMENT UPDATES/DISCUSSION, IF ANY • FUTURE PLANNING DISCUSSION, IF ANY 	Discussed necessity of compliance with our contracts and responsibilities. Some complaints coming from MDHHS on self-determination (Waskul) implementation issues; DCW implementation, and a few others. Relating to Waskul, our region (and all regions) has taken a standby position until we get the answers we need to implement correctly from MDHHS. J. Sedlock summarized communications outreach to MDHHS from MSHN to engage in dialog, so far with minimal response and no effective engagement. Discussed formation of the CMHAM-Sponsored “Guidance Group” and its membership, as well as a newly formed CMHAM-sponsored “Inpatient/Pre-Admission Screening” group that is likely tied to Mental Health Framework.				
	No follow-up	By Who	N/A	By When	N/A
WEDNESDAY CMHSP MEETING	This meeting will take place as usual, but MSHN may be excused when CMHSPs wish to engage in financial or programmatic solution finding to address funding issues.				
	No follow-up	By Who	N/a	By When	N/A

REGIONAL OPERATIONS COUNCIL/CEO MEETING

Key Decisions and Required Action

Date: 04/20/2026

Members Present: Chris Pinter; Ryan Painter; Carol Mills; Julie Majeske; Tammy Warner; Kerry Possehn; Michelle Stillwagon; Bryan Krogman; Sandy Lindsey; Sara Lurie, Jeff Labun, Cassie Watson

Members Absent: Tracey Dore

MSHN Staff Present: Amanda Ittner

MSHN Staff Absent: Joseph Sedlock

Agenda Item	Action Required				
CONSENT AGENDA	Reviewed consent agenda. Nothing further discussed.				
	No follow up, questions, or discussion. Accepted as drafted.	By Who	N/A	By When	N/A
NETWORK ADEQUACY PRESENTATION • Fy25 NETWORK ADEQUACY REPORT	A. Ittner presented the FY25 Network Adequacy results and the FY25 Network Adequacy report. Findings have not changed since FY24. No large concerns outside of pediatric crisis residential. Sharing results with Board in May. Autism services are in excessive demand.				
	Operations Council members suggested update to language on ACT Exemptions and review of autism services capacity based on timeliness.	By Who	A. Ittner/T. Lewicki	By When	4/24/2026 5/31/2026
MHEF PREDICTIVE MODELING PRESENTATION	A. Ittner shared the MHEF Predictive Modeling presentation. The predictive model provides three risk stratifications: 1) psych inpatient, 2) SUD, and 3) depression/anxiety, while prioritizing youth and foster care. Models are updated monthly with new data provided by MSHN. In process of automating results into ICDP for care alerts. Next step to pilot workflows on top 10 highest risk. Seeking to finalize workflow and fully operationalize by October 1, 2026. Ops council supported the project, but request MSHN review to not add more burden but combine with care coordination processes that exist. Next step is to gather feedback from regional councils/committees to develop workflow and process.				
	Newygo requested if MSHN could review a path for any CMHSPs to be providers of SUD?				
	Schedule a mtg w Carol/Newygo to discuss SUD question. Operations Council supports sending to CLC/UMC.	By Who	A.Ittner CLC/UMC	By When	4/23/2026
04/26 PIHP/MDHHS OPERATIONS MEETING, CONFLICT FREE ACCESS AND PLANNING	A. Ittner shared the 4/26 PIHP/MDHHS Operations meeting content and discussion on Conflict Free Access & Planning. State said UM cannot be delegated which was reiterated by CMS. MSHN region & PIHPs concerned and identified the need for clear definitions from MDHHS. CMHs also need clarification on the definition of “no willing and qualified provider.” MSHN continues to pursue clarification on relevant CFA&P questions.				
	MSHN will keep Operations Council updated for additional discussion.	By Who	N/A	By When	As appropriate

Agenda Item	Action Required				
<p>PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY)</p> <ul style="list-style-type: none"> • LAWSUIT/RULING UPDATES/DISCUSSION (IF ANY) • PROCUREMENT UPDATES/DISCUSSION (IF ANY) • FUTURE PLANNING DISCUSSION (IF ANY) 	<p>A. Ittner offered further discussion on matters related to PIHP procurement, lawsuit ruling updates, and any future planning discussion. Received response from attorneys regarding briefings due to Judge Yates today. Expecting Judge opinion yet this week. Next steps to review appeal options.</p>				
	Information Only	By Who	N/A	By When	N/A
<p>FY27 BUDGET DISCUSSION</p>	<p>How is planning for reductions being addressed based on House budget reductions and HR1? Broadly discussed concerns and issues. FY27 rate setting set to begin in next month or two.</p> <p>T.Warner requested information on next steps if deficits are expected after savings are depleted. Cost containment plans would be developed if expected to use any ISF based on projections.</p> <p>Budget issues and MHF will affect the CMHSPs providing services consistently. General Fund (GF) is extremely vulnerable if individuals lose their Medicaid (not meeting work requirements), are not working, and are now not covered for care. This threatens to push more individuals to GF.</p> <p>CMHSPs are looking at cost containment, including scenario planning for reductions. MSHN will be doing so as well.</p>				
	MSHN to develop scenarios for the region based on expected revenue reductions to be developed during budgeting process in FY27.	By Who	L. Thomas	By When	6/1/26
<p>Mental Health Framework (MHF)</p>	<p>CMHs shared their concerns related to MHF. This appears to violate the Social Welfare Act. Inpatient and crisis homes are of great concern, including room and board. Population concerns about mild to moderate (M2M) who need inpatient. The state advocacy group should have a strong opinion on MHF.</p> <p>MSHN indicated it's important for our region, T. Lewicki/S. Pletcher put a MSHN document together sharing feedback and concerns on the two MHF documents. How will admissions be addressed that are involuntary? Issues with CCBHCs as well.</p>				
	A. Ittner to share the MHF document with the Operations Council. Feedback due by COB Thursday from CMHs.	By Who	CMHSPs	By When	4/23/26