Mid-State Health Network

Board of Directors Meeting ~ September 9, 2025
Immediately Following Public Hearing

Board Meeting Agenda

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

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

1. Call to Order

   Remind members of the Board Member Conduct Policy

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

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

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

2. Roll Call

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

   Motion to Approve the Agenda of the September 9, 2025 Meeting of the MSHN Board of Directors

4. Public Comment (3 minutes per speaker)

5. **ACTION ITEM:** Consideration of MSHN Fiscal Year 2025 Budget Amendment (*Page 7*)

   Motion to Approve the MSHN Fiscal Year 2025 Budget Amendment as presented

6. **ACTION ITEM:** Consideration of MSHN Regional Budget for Fiscal Year 2026 (*Page 9*)

   Motion to Approve the MSHN Fiscal Year 2026 Budget as presented

7. Nominating Committee Report

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Our Mission:

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

Our Vision:

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

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Board of Directors Meeting Materials:
Click **HERE**
or visit MSHN's website at:
https://midstatehealthnetwork.org/stakeholders-resources/board-councils/board-of-directors/fy2025-meetings

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Upcoming FY26 Board Meetings

Board Meetings convene at 5:00pm Unless otherwise notes

November 18, 2025
MyMichigan Medical Center
300 E. Warwick Drive
Alma, MI 48801

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

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

8. Special Order: Board Officer Elections *(Page 12)*

   ACTION ITEM: Election of Board Officers

   - Election of Chairperson
   - Election of Vice-Chairperson
   - Election of Secretary
   - Election of At Large Executive Committee Members

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

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

11. Chief Financial Officer's Report

    Financial Statements Review for Period Ended July 31, 2025 *(Page 28)*

    ACTION ITEM: Receive and File the Statement of Net Position and Statement of Activities for the Period ended July 31, 2025, as presented

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

    A. ACTION ITEM: FY25 Contract Listing for Consideration/Approval *(Page 38)*

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

    B. ACTION ITEM: FY26 Contract Listing for Consideration/Approval *(Page 40)*

    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

13. Executive Committee Report

    CEO Performance Evaluation postponement *(Page 45)*

    ACTION ITEM: The MSHN Board Executive Committee recommends the Chief Executive Officer performance review be suspended and revisited in March 2026.

14. Chairperson's Report

15. **ACTION ITEM:** Consent Agenda

    Motion to Approve the documents on the Consent Agenda

    15.1 Approval Board Meeting Minutes 07/01/2025 *(Page 46)* and Special Meeting Minutes 08/27/2025 *(Page 52)*

    15.2 Approve Special Meeting Closed Session Minutes 08/27/2025 (available for viewing upon request)

    15.3 Receive Board Executive Committee Minutes 08/15/2025 *(Page 55)* and 08/22/2025 *(Page 58)*

    15.4 Receive Nominating Committee Minutes 07/14/2025 *(Page 59)* and 08/01/2025 *(Page 60)*

    15.5 Receive SUD Oversight Policy Board Meeting Minutes 06/18/2025 *(Page 62)*

    15.6 Receive Policy Committee Meeting Minutes 08/05/2025 *(Page 66)*

15.7 Receive Operations Council Key Decisions 07/21/2025 *(Page 68)* and 08/18/2025 *(Page 70)*

15.8 Approve the following policies:

15.8.1 Employee Compensation *(Page 72)*

15.8.2 Transitions of Care *(Page 75)*

15.8.3 HCBS Compliance Monitoring *(Page 80)*

15.8.4 Service Philosophy & Treatment *(Page 83)*

15.8.5 CMHSP Application to MSHN Region *(Page 90)*

16. Other Business

17. Public Comment (3 minutes per speaker)

18. Adjourn

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FY25 MSHN Board Roster

Last Name	First Name	Email 1	Email 2	Phone 1	Phone 2	Appointing CMHSP	Term Expiration
Bock	Patty	pjb1873@gmail.com		989.975.1094		HBH	2026
Bohner	Brad	bbohner@tds.net		517.294.0009		LifeWays	2028
Brodeur	Greg	brodeurgreg@gmail.com		989.413.0621		Shia Health & Wellness	2027
Conley	Patrick	conleypat@gmail.com		585.734.6847		BABHA	2028
DeLaat	Ken	kend@nearnorthnow.com		231.414.4173		Newaygo County MH	2026
Garber	Cindy	cgarber@shiawassee.net		989.627.2035		Shia Health & Wellness	2027
Griesing	David	davidgriesing@yahoo.com		989.545.9556	989.823.2687	TBHS	2027
Grimshaw	Dan	midstatetitlesvcs@mstsinc.com		989.823.3391	989.823.2653	TBHS	2026
Hanna	Tim	thanna280@gmail.com		517.230.8773		CEI	2028
Hicks	Tina	tinamariemshn@outlook.com		989.576.4169		GIHN	2027
Johansen	John	j.m.johansen6@gmail.com		616.754.5375	616.835.5118	MCN	2027
McFarland	Pat	pjmcfarland52@gmail.com		989.225.2961		BABHA	2026
McPeek-McFadden	Deb	deb2mcmail@yahoo.com		616.794.0752	616.343.9096	The Right Door	2027
O'Boyle	Irene	irene.oboyle@cmich.edu		989.763.2880		GIHN	2026
Palmer	Paul	ppalmer471@ymail.com		517.256.7944		CEI	2025
Peasley	Kurt	peasleyhardware@gmail.com		989.560.7402	989.268.5202	MCN	2027
Phillips	Joe	joe44phillips@hotmail.com		989.386.9866	989.329.1928	CMH for Central	2026
Purcey	Linda	dpurcey1995@charter.net		616.443.9650		The Right Door	2028
Raquepaw	Tracey	tl.raquepaw@icloud.com	raquepawt@michigan.gov	989.737.0971		Saginaw County CMH	2028
Scanlon	Kerin	kscanlon@tm.net		502.594.2325		CMH for Central	2028
Schultz	Lori	ljodas63@gmail.com		616.293.8435		Newaygo County MH	2028
Swartzendruber	Richard	rswartzn@gmail.com		989.269.2928	989.315.1739	HBH	2026
Williams	Joanie	joanie.williams@leonagroupmw.com		989.860.6230		Saginaw County CMH	2026
Woods	Ed	ejw1755@yahoo.com		517.392.8457		LifeWays	2027

Administration:

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

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

ACA: Affordable Care Act

ACT: Assertive Community Treatment

ARPA: American Rescue Plan Act (COVID-Related)

ASAM: American Society of Addiction Medicine

ASAM CONTINUUM: Standardized assessment for adults with SUD needs

ASD: Autism Spectrum Disorder

BBA: Balanced Budget Act

BH: Behavioral Health

BHH: Behavioral Health Home

BPHASA – Behavioral and Physical Health and Aging Services Administration

BH-TEDS: Behavioral Health–Treatment Episode Data Set

CC360: CareConnect 360

CCBHC: Certified Community Behavioral Health Center

CAC: Certified Addictions Counselor
Consumer Advisory Council

CEO: Chief Executive Officer

CFO: Chief Financial Officer

CIO: Chief Information Officer

CCO: Chief Clinical Officer

CFR: Code of Federal Regulations

CFAP: Conflict Free Access and Planning (Replacing CFCM)

CLS: Community Living Services

CMH or CMHSP: Community Mental Health Service Program

CMHA: Community Mental Health Authority

CMHAM: Community Mental Health Association of Michigan

CMS: Centers for Medicare and Medicaid Services (federal)

COC: Continuum of Care

COD: Co-occurring Disorder

CON: Certificate of Need (Commission) – State

CPA: Certified Public Accountant

CPS: Children's Protective Services

CQS: – Comprehensive Quality Strategy

CRU: Crisis Residential Unit

CS: Customer Service

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

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

CW: Children's Waiver

DAB: Disabled and Blind

DEA: Drug Enforcement Agency

DECA: Devereux Early Childhood Assessment

DMC: Delegated Managed Care (site visits/reviews)

DRM: Disability Rights Michigan

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

D-SNP: Dual Eligible Special Needs Plan

EBP: Evidence-Based Practices

EEO: Equal Employment Opportunity

EMDR: Eye Movement & Desensitization Reprocessing therapy

EPSDT: Early and Periodic Screening, Diagnosis and Treatment

EQI: Encounter Quality Initiative

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

FC: Finance Council

FI: Fiscal Intermediary

FOIA: Freedom of Information Act

FSR: Financial Status Report

FTE: Full-time Equivalent

FQHC: Federally Qualified Health Centers

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

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

HB: House Bill

HCBS: Home and Community Based Services

HHP: Health Home Provider

HIPAA: Health Insurance Portability and Accountability Act

HITECH: Health Information Technology for Economic and Clinical Health Act

HMP: Healthy Michigan Program

HMO: Health Maintenance Organization

HRA: Hospital Rate Adjuster

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

HSW: Habilitation Supports Waiver

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

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

ICTS: Intensive Community Transitions Services

I/DD: Intellectual/Developmental Disabilities

IDDT: Integrated Dual Diagnosis Treatment

IOP: Intensive Outpatient Treatment

ISF: Internal Service Fund

IT/IS: Information Technology/Information Systems

KPI: Key Performance Indicator

LBSW: Licensed Baccalaureate Social Worker

LEP: Limited English Proficiency

LLMSW: Limited Licensed Masters Social Worker

LMSW: Licensed Masters Social Worker

LLPC: Limited Licensed Professional Counselor

LPC: Licensed Professional Counselor

LOCUS: Level of Care Utilization System

LTSS: Long Term Supports and Services

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

MAT: Medication Assisted Treatment (see MOUD)

MCBAP: Michigan Certification Board for Addiction Professionals

MCO: Managed Care Organization

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

MDHHS: Michigan Department of Health and Human Services

MDOC: Michigan Department of Corrections

MEV: Medicaid Event Verification

MHP: Medicaid Health Plan

MI: Mental Illness

Motivational Interviewing

MICAS: Michigan Intensive Child and Adolescent Services

MichiCANS: Michigan Child and Adolescent Needs and Strengths

MiHIA: Michigan Health Improvement Alliance

MiHIN: Michigan Health Information Network

MLR: Medical Loss Ratio

MMBPIS: Michigan Mission Based Performance Indicator System

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

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

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

MPHI: Michigan Public Health Institute

MRS: Michigan Rehabilitation Services

NAA:: Network Adequacy Assessment

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

NAMI: National Association of Mental Illness

NASMHPD: National Association of State Mental Health Program Directors

NCQA: National Committee for Quality Assurance

NCMW: National Council for Mental Wellbeing

OC: Operations Council

OHCA: Organized Health Care Arrangement

OIG: Office of Inspector General

OMT: Opioid Maintenance Treatment - Methadone

OP: Outpatient

OTP: Opioid Treatment Provider (formerly methadone clinic)

OWQP: Only Willing and Qualified Provider

PA: Public Act

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

PAC: Political Action Committee

PCP: Person-Centered Planning

Primary Care Physician

PEO: Professional Employer Organization

PEPM: Per Eligible Per Month (Medicaid funding formula)

PFS: Partnership for Success

PI: Performance Indicator

PIP: Performance Improvement Project

PIHP: Prepaid Inpatient Health Plan

PMV: Performance Measure Validation

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

PRTF: Psychiatric Residential Treatment Facility

PTSD: Post-Traumatic Stress Disorder

QAPIP: Quality Assessment and Performance Improvement Program

QAPI: - Quality Assessment Performance Improvement

QHP: Qualified Health Plan

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

QRT: Quick Response Team

RCAC: Regional Consumer Advisory Council

REMI: MSHN's Regional Electronic Medical Information software

RES: Residential Treatment Services

RFI: Request for Information

RFP: Request for Proposal

RFQ: Request for Quote

RHC: Rural Health Clinic

RR: Recipient Rights

RRA: Recipient Rights Advisor

RRO: Recipient Rights Office/Recipient Rights Officer

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

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

SARF: Screening, Assessment, Referral and Follow-up

SCA: Standard Cost Allocation

SDA: State Disability Assistance

SED: Serious Emotional Disturbance

SB: Senate Bill

SIM: State Innovation Model

SMI: Serious Mental Illness

SPMI: Severe & Persistent Mental Illness

SSDI: Social Security Disability Insurance

SSI: Supplemental Security Income (Social Security)

SSN: Social Security Number

SUD: Substance Use Disorder

SUDHH: Substance Use Disorder Health Home

SUD OPB: Substance Use Disorder Oversight Policy Board

SUGE: Bureau of Substance Use, Gambling and Epidemiology

TANF: Temporary Assistance to Needy Families

THC: Tribal Health Center

UR/UM: Utilization Review or Utilization Management

VA: Veterans Administration

VBP: Value Based Purchasing

WM: Withdrawal Management (formerly "detox")

WSA: Waiver Support Application

WSS: Women's Specialty Services

YTD: Year to Date

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

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Background

MSHN periodically updates its regional budget adjusting for revenue and expenditure variations throughout the fiscal year. The Fiscal Year (FY) 2025 Budget Amendment has been provided and presented for review and discussion. Please Note: MSHN's board approved the original FY 2025 budget in September 2024 and MDHHS final revenue figures were unknown at that time.

Recommended Motion:

Motion to approve the FY 2025 Budget Amendment as presented.

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FISCAL YEAR 2025 AMENDED BUDGET

DRAFT

	FY2025 Original Budget	FY2025 Amended Budget	FY2025 Budget Increase (Decrease)	Notes
REVENUES				
Prior Year Savings	$ -	$ -	$ -	
Medicaid Capitation SP/iSPA MH	453,745,946	465,706,129	11,960,183	Budget adjusted based on amended capitation rates
Healthy Michigan Plan Capitation MH	54,913,151	58,672,261	3,759,110	
Medicaid Waivers (HSW, SED, CWP)	132,323,679	139,254,365	6,930,686	
Medicaid Capitation Autism	71,076,093	95,167,957	24,091,863	
Medicaid Capitation SP/iSPA SUD	17,824,520	17,586,680	(237,840)	
Healthy Michigan Plan Capitation SUD	29,873,187	29,290,509	(582,678)	
CCBHC Supplemental Payments	87,161,564	65,031,690	(22,129,874)	Budget adjusted based on updated CCBHC PPS-1 rates
Medicaid Health Homes (Behavioral and Opioid)	5,111,655	3,153,396	(1,958,259)	Budget adjusted based on actual revenues
Community Grant and Other SUD Grants	13,268,684	14,965,902	1,697,218	Budget adjusted based on amended grants
PA2 Liquor Tax SUD	4,864,052	5,153,368	289,316	Budget adjusted based on OPB approved amounts
Hospital Rate Adjustor	44,346,616	41,200,000	(3,146,616)	Budget adjusted based on actual revenues
Performance Bonus Incentive Payment	6,390,223	6,553,972	163,749	Budget adjusted based on amended capitation rates
Medicaid DHS Incentive Payment	1,757,910	1,505,872	(252,038)	Budget adjusted based on actual revenues
Local Match Contribution	1,550,876	1,550,876	-	
Other Grants	280,000	639,542	359,542	Budget adjusted based on amended grants
Interest Income	2,500,000	1,100,000	(1,400,000)	Budget adjusted based on actual revenues
TOTAL REVENUE BUDGET	**$ 926,988,156**	**$ 946,532,519**	**$ 19,544,362**	
EXPENDITURES				
ADMINISTRATION:				
Salaries and Wages	$ 6,786,808	$ 6,473,114	$ (313,694)	Budget adjusted for budgeted vacancies
Employee Benefits	2,394,825	2,239,443	(155,383)	
Other Contractual Agreements	679,700	714,900	35,200	Budget adjusted based on actual costs
IT Subscriptions and Maintenance	1,076,330	1,386,450	310,120	Budget adjusted for grant funded project
Consulting Services	223,800	106,000	(117,800)	Budget adjusted based on actual costs
Conference and Training Expense	128,850	61,150	(67,700)	
Human Resources Fees	74,350	66,400	(7,950)	Budget adjusted for budgeted vacancies
Mileage Reimbursement	73,400	46,400	(27,000)	Budget adjusted based on actual costs
Other Expenses	232,700	140,610	(92,090)	
Building Rent Amortization	40,186	40,186	-	
Telephone Expense	148,950	152,350	3,400	Budget adjusted based on actual costs
Office Supplies	36,700	23,930	(12,770)	
Printing Expense	75,000	28,000	(47,000)	
Meeting Expense	28,250	26,300	(1,950)	
Liability Insurance	34,590	32,370	(2,220)	
Audit Services	41,000	35,000	(6,000)	
OPB and Council Per Diems	20,820	13,090	(7,730)	Budget adjusted based on meeting attendance
Dues and Memberships	11,793	8,603	(3,190)	Budget adjusted based on actual costs
Legal Services	10,000	8,000	(2,000)	
Internet Services	3,500	3,550	50	
Subtotal Administration	**$ 12,121,552**	**$ 11,605,846**	**$ (515,706)**	
CMHSP and SUD EXPENSES and TAXES:				
CMHSP Participant Medicaid, including CCBHC	$ 650,170,473	624,734,609	$ (25,435,864)	Budget adjusted based on FY2025 CMHSP projected expenses and updated CCBHC PPS-1 rates
CMHSP Participant Healthy Michigan Plan, including CCBHC	84,813,618	83,313,154	(1,500,464)	
CMHSP Participant Autism	80,400,874	94,918,772	14,517,898	
CMHSP Participant Other	6,308,628	6,599,223	290,595	
SUD Medicaid Contracts	17,300,000	15,200,000	(2,100,000)	Budget adjusted based on actual costs
SUD Healthy Michigan Plan Contracts	31,200,000	29,000,000	(2,200,000)	
Medicaid Health Homes (Behavioral and Opioid)	4,089,330	2,522,712	(1,566,618)	
Community Grant and Other SUD Grants	12,205,295	13,902,513	1,697,218	Budget adjusted based on amended grants
SUD PA2 Liquor Tax	4,864,052	5,153,368	289,316	Budget adjusted based on OPB approved amounts
Local Match Contribution	1,550,876	1,550,876	-	
Hospital Rate Adjustor	44,346,616	41,200,000	(3,146,616)	Budget adjusted based on actual costs
Insurance Provider Assessment	6,944,082	6,944,082	-	
Subtotal CMHSP and SUD Expenses and Taxes	**$ 944,193,845**	**$ 925,039,309**	**$ (19,154,536)**	
TOTAL EXPENDITURE BUDGET	**$ 956,315,397**	**$ 936,645,155**	**$ (19,670,242)**	
Revenue Over/(Under) Expenditures*	**$ (29,327,241)**	**$ 9,887,364**	**$ 39,214,604**	

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Background

The draft original budget for Fiscal Year (FY) 2026 was developed based on input from MSHN's leadership team and staff, Finance Council (Regional Chief Financial Officers) and the Operations Council (Regional Chief Executive Officers).

The FY 2026 budget includes projected revenues of $845,388,740 which has significantly decreased as the Certified Community Behavioral Health Centers (CCBHC) program is moving to direct Michigan Department of Health and Human Services (MDHHS) oversight. The change impacts Medicaid Capitation, CCBHC Supplemental Payment, and CMHSP expense budget line items. Participating Community Mental Health Service Programs (CMHSP) will receive fee-for-service payments from MDHHS for each daily visit. The budget also includes expenses of $844,049,799 which were reduced to remove any associated CCBHC costs previously covered with Medicaid Capitation. MSHN expects a slight surplus of $1,338,942 (revenue less expense).

MSHN's revenue estimates were based on MDHHS FY 2025 amended revenue rates and final FY 2026 rates will likely be received in September. PIHP administration expenses decreased by $88,693 from the FY 25 Amended Budget and is 1.36% of total FY 2026 regional expenses. Every year since its inception, MSHN has maintained an operations budget under 2%.

A public hearing on the FY 2025 budget was held on September 9, 2025.

MSHN is required to operate under a board approved budget.

Recommended Motion:

Motion to approve the FY 2026 Original Budget as presented.

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FISCAL YEAR 2026 ORIGINAL BUDGET

DRAFT

	FY2025 Amended Budget	FY2026 Original Budget	FY2026 Increase (Decrease) from Amended Budget	Notes
REVENUES				
Prior Year Savings	$ -	$ 9,887,364	$ 9,887,364	
Medicaid Capitation SP/iSPA MH	465,706,129	427,560,111	(38,146,019)	
Healthy Michigan Plan Capitation MH	58,672,261	50,962,404	(7,709,857)	Budget based on FY2025 capitation rates with adjustment for change in CCBHC process; FY2026 rates were not available at the time of budget development
Medicaid Waivers (HSW, SED, CWP)	139,254,365	139,254,365	-	
Medicaid Capitation Autism	95,167,957	95,167,957	-	
Medicaid Capitation SP/iSPA SUD	17,586,680	17,586,680	-	
Healthy Michigan Plan Capitation SUD	29,290,509	29,290,509	-	
CCBHC Supplemental Payments	65,031,690	-	(65,031,690)	Budget based on change in CCBHC process
Medicaid Health Homes (Behavioral and SUD)	3,153,396	4,964,076	1,810,680	Budget based on projected health home enrollment (500 BHH enrollees and 600 SUDHH enrollees)
Community Grant and Other SUD Grants	14,965,902	13,226,194	(1,739,708)	Budget based on MDHHS allocations
PA2 Liquor Tax SUD	5,153,368	4,991,869	(161,499)	Budget based on OPB approved amounts
Hospital Rate Adjustor	41,200,000	42,230,000	1,030,000	Budget based on potential inpatient utilization increase
Performance Bonus Incentive Payment	6,553,972	5,735,896	(818,076)	Budget based on percentage of projected revenues
Medicaid DHS Incentive Payment	1,505,872	1,505,872	-	
Local Match Contribution	1,550,876	1,550,876	-	Budget based on FY2025 amount; FY2026 amount not available at time of budget development
Other Grants	639,542	374,568	(264,974)	Budget includes Veteran Navigator and Clubhouse Engagement
Interest Income	1,100,000	1,100,000	-	
TOTAL REVENUE BUDGET	**$ 946,532,519**	**$ 845,388,740**	**$ (101,143,779)**	
EXPENDITURES				
ADMINISTRATION:				
Salaries and Wages	$ 6,473,114	$ 6,769,805	$ 296,691	
Employee Benefits	2,239,443	2,302,712	63,269	
Other Contractual Agreements	714,900	570,900	(144,000)	Includes contract costs such as, but not limited to, IT and access support services
IT Subscriptions and Maintenance	1,386,450	1,083,450	(303,000)	Includes software costs such as, but not limited to, care coordination, data analytics, document sharing, managed care, Microsoft Office, parity
Consulting Services	106,000	130,000	24,000	
Conference and Training Expense	61,150	43,500	(17,650)	
Human Resources Fees	66,400	66,400	-	
Mileage Reimbursement	46,400	43,500	(2,900)	
Other Expenses	140,610	140,000	(610)	
Building Rent Amortization	40,186	40,186	-	
Telephone Expense	152,350	144,800	(7,550)	
Office Supplies	23,930	14,000	(9,930)	
Printing Expense	28,000	35,000	7,000	
Meeting Expense	26,300	18,250	(8,050)	
Liability Insurance	32,370	30,000	(2,370)	
Audit Services	35,000	40,000	5,000	
OPB and Council Per Diems	13,090	20,820	7,730	
Dues and Memberships	8,603	12,280	3,677	
Legal Services	8,000	8,000	-	
Internet Services	3,550	3,550	-	
Subtotal Administration	**$ 11,605,846**	**$ 11,517,153**	**$ (88,693)**	
Percent Administration Expenses to Total Expenses	1.24%	1.36%		

	FY2025 Amended Budget	FY2026 Original Budget	FY2026 Increase (Decrease) from Amended Budget	Notes
CMHSP and SUD EXPENSES and TAXES:				
CMHSP Participant Medicaid	624,734,609	$ 560,272,199	$ (64,462,410)	Budget based on CMHSP FY2026 budgeted expenses with adjustment for change in CCBHC process
CMHSP Participant Healthy Michigan Plan	83,313,154	60,621,049	(22,692,105)	
CMHSP Participant Autism	94,918,772	86,573,965	(8,344,807)	
CMHSP Participant Other	6,599,223	6,790,972	191,749	Budget includes Performance Bonus Incentive Payments and Clubhouse Engagement grant
SUD Medicaid Contracts	15,200,000	16,200,000	1,000,000	
SUD Healthy Michigan Plan Contracts	29,000,000	30,000,000	1,000,000	
Medicaid Health Homes (Behavioral and Opioid)	2,522,712	4,233,696	1,710,984	Budget based on projected health home enrollment (500 BHH enrollees and 600 SUDHH enrollees)
Community Grant and Other SUD Grants	13,902,513	12,123,938	(1,778,575)	Budget based on MDHHS allocations
SUD PA2 Liquor Tax	5,153,368	4,991,869	(161,499)	Budget based on OPB approved amounts
Local Match Contribution	1,550,876	1,550,876	-	Budget based on FY2025 amount; FY2026 amount not available at time of budget development
Hospital Rate Adjustor	41,200,000	42,230,000	1,030,000	Budget based on potential inpatient utilization increase
Insurance Provider Assessment	6,944,082	6,944,082	-	Budget adjusted based on annual assessment
Subtotal CMHSP and SUD Expenses and Taxes	**$ 925,039,309**	**$ 832,532,646**	**$ (92,506,663)**	
TOTAL EXPENDITURE BUDGET	**$ 936,645,155**	**$ 844,049,799**	**$ (92,595,356)**	
Revenue Over/(Under) Expenditures	**$ 9,887,364**	**$ 1,338,942**	**$ (8,548,422)**	

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Community Mental Health Member Authorities

Bay-Arenac Behavioral Health

CMH of Clinton.Eaton.Ingham Counties

CMH for Central Michigan

Gratiot Integrated Health Network

Huron Behavioral Health

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

LifeWays

Montcalm Care Network

Newaygo County Mental Health Center

Saginaw County CMH

Shiawassee Health & Wellness

Tuscola Behavioral Health Systems

MEMO

To: MSHN Board Members

From: Kurt Peasley, Nominating Committee Chairperson

Date: September 9, 2025

Subject: Slate of Officers

On behalf of the Nominating Committee members, Tim Hanna and Tina Hicks, we present the following candidates for elected office for board consideration during the election to be held September 9, 2025. Nominations will also be taken from the floor:

Office	Candidate
Chairperson	Ed Woods
Vice-Chairperson	Irene O'Boyle
Secretary	Deb McPeek-McFadden
At Large Executive Committee Members (2 positions available)	Kurt Peasley David Griesing Ken DeLaat Kerin Scanlon

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ë
Tuscola Behavioral Health Systems

FY 2024 Board Officers

Ed Woods
Chairperson

Irene O'Boyle
Vice-Chairperson

Deb McPeek-McFadden
Secretary

REPORT OF THE MSHN CHIEF EXECUTIVE OFFICER
TO THE MSHN BOARD OF DIRECTORS
July/August 2025

PIHP/REGIONAL MATTERS

1. Competitive Procurement of Prepaid Inpatient Health Plans:

A special meeting of the MSHN Board of Directors was held on 08/27/25. The outcome of that meeting is well known to board members. My office will keep the board informed through regular direct communications channels. Please note that MSHN has discontinued its every-other month newsletter for the reasons as noted in my July board report.

2. MSHN Region's Behavioral Health Homes Earn Performance Awards:

It is our pleasure to share that the MSHN Region earned $102,487.89 in Behavioral Health Home (BHH) Pay for Performance awards for FY24. Congratulations on a successful BHH Measurement Year! Receiving these award funds is a direct reflection of all the hard work and dedication your staff put into supporting BHH beneficiaries. Please let them know we are thankful for all their hard work. The final P4P measure results were:

P4P Number	Metric	BHH Measure	Regional Measure	Statewide Measure	P4P Met?
1	FUH7	38.89	48.60	45.43	Y*
2	AAP	100.00	79.59	79.24	Y
3	CBP-HH	65.38	44.18	40.74	Y

*Approval granted for allocation of funds

The amount distributed between BHH partners was based on the number of case rates received from each partner. This was the same methodology used in FY23. Additionally, MSHN has agreed to distribute 100% of the funds to the BHH providers rather than retain any or all of the 5% which was offered as an option in the Handbook. It is highly encouraged that BHH partners utilize these funds to grow the BHH program and to provide additional supports to providers and beneficiaries of the BHH initiative.

3. MSHN State Opioid Response Grant:

Michigan Department of Health and Human Services (MDHHS) conducted a virtual site review of MSHN's compliance with State Opioid Response (SOR) Grant federal and state requirements on July 1, 2025. Prepaid Inpatient Health Plans (PIHPs) must utilize funds within programs for individuals with an Opioid Use Disorder (OUD) to fulfill federal and state funding requirements. SOR funds are distributed to increase the availability of prevention, treatment and recovery services designed for individuals with an OUD.

MDHHS confirmed that MSHN is in substantial compliance with Substance Abuse and Mental Health Services Administration (SAMHSA) requirements and the MDHHS contract and that MSHN has all the necessary tools in place to manage, maintain and report on the SOR activities and data from their provider network.

4. **Regional Anti-Stigma Campaign:**

As most of you know, our *Equity Upstream* initiative encompassed three primary parts: the 2023 Lecture Series, a Learning Collaborative pilot formed in 2024 (with seven (7) Substance Use Disorder (SUD) providers in our most diverse counties) and an anti-stigma media campaign ("Celebrating Strength") focused on Saginaw, Jackson, Lansing and Mt Pleasant.

The media campaign has been in development for over a year and is now close to launch. Thanks to input and guidance that the SUD Clinical Team provided to the media company we partnered with, we received *full MDHHS approval* in record time. It helped too, I think, that these moving videos focus on the strength(s) of people in recovery. They portray real people in recovery who live in our target communities and share their stories in their own voices. *In their own voices* is in contrast to previous MDHHS SUD media initiatives which visually portrayed diverse populations, but for audio had a generic white voice-over narrating.

For those interested, feel free to review the following previews:

Campaign Content:

1. Radio ad (30-second audio ad)
2. Compilation video – OTT/streaming commercial (30-second video on various Scripps streaming platforms such as Hulu, Roku, Tubi, Pluto TV, ESPN, and more.)
3. Microsite (Website featuring more information and testimonials)
4. Advocacy toolkit for partner organizations to spread the word, which includes:
    - Pre-written social media post captions
    - Social media graphics
    - Videos formatted for social media
5. Posters

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

5. **State to Centralize Payments and Oversight of CCBHCs within MDHHS:**

MDHHS announced several months ago, and has reiterated, that it intends to directly oversee and pay for Certified Community Behavioral Health Clinic (CCBHC) operations in Michigan. These (among other responsibilities that MDHHS intends to assume responsibility for) have been the responsibility of PIHPs. MDHHS has been meeting separately with PIHPs to learn what it can from us to help make a smooth transition, and separately with CCBHCs.

Following is excerpted from a memo to the field from MDHHS dated 08/21/2025: "As a general statement, the role of the PIHPs in the CCBHC demonstration from October 1, 2025, onward is to engage in care planning and transition of care activities in coordination with the CCBHCs for shared beneficiaries, either directly or through the provider network. The CCBHCs are no longer under the administrative purview of the PIHPs and the expectation of MDHHS is that the PIHPs are no longer required to perform activities regarding the CCBHC Oversight and Support, Enrollment and Assignment, Payment, Reporting, Grievance Monitoring, and Encounter Review and Submission. For beneficiaries receiving services through both a CCBHC and a PIHP, administrative responsibilities follow the service. For CCBHC services provided through a CCBHC, the CCBHC

takes administrative responsibility. For services provided through a PIHP, the PIHP takes administrative responsibility. The MDHHS does recognize that there are instances where a review of a beneficiary's entire service array will be required. The expectation is that care coordination between the two entities will be used to support such scenarios." A role-delineation table was also provided and is available on request from our office.

MSHN is very concerned about this from several perspectives, but most importantly, the impact on MSHN revenues and finances. Draft FY 26 rates appear to withhold much more funding from our regional capitation payments than has historically been spent. MSHN is engaged with MDHHS and its actuary Milliman to better understand and work to adjust downward capitation withdrawals in excess of reasonably anticipated funding requirements. This is in keeping with our goal to minimize the non-CCBHC Community Mental Health Service Programs (CMHSPs) in the region from bearing risk relating to CCBHC operations. Other operational details have not yet been fully conveyed. MSHN will cooperate with MDHHS in this required transition to the best of our ability.

6. Mental Health Framework

My previous board reports include additional details. By way of refreshing memories, note that MDHHS announced earlier this fiscal year its intention to implement what it calls the "Mental Health Framework (MHF)." Oversimplified, the MHF will require that Medicaid Health Plans (MHPs) take new roles and responsibilities (and funding from the specialty behavioral health system) for some services traditionally in the domain of the specialty behavioral health system for mild/moderate individuals that are the responsibility of the MHPs. MDHHS intends for some of the changes involved with the MHF to start 10/01/2025, and some payment responsibilities are set to go into effect 10/01/2026.

We are informed that some MHF requirements are in the FY 26 Medicaid Health Plan contracts, but will NOT be in the FY 26 PIHP contract. This will likely cause significant issues as these plans are implemented by MDHHS. We will continue reporting on this topic in future board reports and/or meetings.

7. Michigan Overdose Surveillance Report

The Michigan Department of Health and Human Services (MDHHS) is warning Michigan residents about carfentanil, a potent fentanyl alteration that is reemerging in the unregulated drug supply and contributing to overdose deaths.

Carfentanil is a synthetic opioid. It is approximately 10,000 times more potent than morphine and 100 times more potent than fentanyl. Carfentanil was developed for veterinary use with large animals and is not approved for use in humans.

"Carfentanil is an extremely potent and deadly drug," said Dr. Natasha Bagdasarian, chief medical executive. "We're urging people who use unregulated drugs – and their loved ones – to carry naloxone, an easy to administer nasal spray that can reverse opioid overdoses and save lives. Awareness and quick action can help save lives."

Between January and June 2025, 11 deaths involving carfentanil were identified. The deaths occurred in Ingham, Livingston, Eaton, Genesee, Oakland and Wayne counties. None of the deaths were positive for carfentanil alone; 10 individuals also tested positive for cocaine and fentanyl was found in eight cases.

Carfentanil was previously seen in Michigan in 2016 and 2017, contributing to 107 deaths in 2016 and 111 in 2017. Carfentanil-related deaths dropped to counts less than five in 2018, 2019, 2020, then zero in 2021 and 2022. Finalized data identified 14 deaths in late 2023 as involving carfentanil.

Analysis of recent provisional data from MDHHS indicates a 34% reduction in overdose deaths from 2,931 deaths in 2023 to a projected 1,927 in 2024. Carfentanil reemerging in the unregulated drug supply could impact future improvements and is concerning for these reasons:

- Its higher strength could lead to more overdoses and overdose-related deaths, even for people with a high tolerance for opioids.
- It quickly causes central nervous system depression, which can lead to rapid death.
- Its higher strength could require multiple doses of naloxone to be administered to reverse an overdose.
- It is increasingly found among overdose deaths that also include cocaine, methamphetamine and other stimulants. People may use these drugs and not be aware they could contain carfentanil.

MDHHS is urging the following actions:

- **Carry naloxone.**
  - Residents and organizations can request free naloxone through the **MDHHS naloxone request form** or through a pharmacy; **no prescription required**.
  - Contact a **harm reduction agency** for naloxone.
- **Use harm reduction strategies to lessen the risk of overdose.**
  - This includes using less and taking it more slowly, carrying naloxone, not using yourself and monitoring breathing.
- **Follow the overdose response guideline if you suspect someone is experiencing an opioid overdose:**
  - Evaluate for signs of **opioid overdose**.
    - Person is unconscious or unable to be awakened.
    - Slow or shallow breathing difficulty such as choking sounds or a gurgling noise from a person who cannot be awakened.
    - Fingernails or lips turning blue/purple/grey.
  - Call 911 for help.
  - Administer naloxone.
  - If possible, support the person's breathing through rescue breathing.
    - Get the person on their back, tip their head back to straighten the airway, pinch their nose, put your mouth over theirs and form a seal. Give one breath every five seconds. If you do not feel comfortable with this step, it is still important to call 911 and administer naloxone.
  - Monitor the person's response.

MDHHS will continue monitoring for carfentanil among overdose deaths and will share additional information as it becomes available. Agencies aware of any carfentanil-involved overdoses or exposures since January 2025, should provide this information to MDHHS.

For more information on Michigan harm reduction agencies, the life-saving services they provide and what strategies individuals can use to reduce the harms of drug use, visit **Harm Reduction and Syringe Service Programs**.

Our Chief Clinical Officer, Dr. Dani Meier, has alerted our region and is monitoring this across the region.

8. Federal Tax Law Changes to Impact Michigan

From Gongwer News Service, 07/23/25: The federal tax and spending changes signed into law this month will reduce state revenues by $677 million in the upcoming 2025-26 fiscal year, a report from the House Fiscal Agency said.

Other reductions due to federal changes are phased in and will not have an immediate significant impact on the state, the HFA analysis said.

The revenue impact from tax changes will decrease over time – $613 million in the 2026-27 fiscal year, $444 million in the 2027-28 fiscal year and then reduce to $46 million by the 2033-34 fiscal year.

The reduction results from how federal tax changes affect what businesses pay in Corporate Income Tax. The federal tax changes change firms' Michigan tax base. The biggest change comes from expensing domestic research and experimental expenditures.

The loss of $677 million for the upcoming fiscal year presents a significant new issue in finalizing the budget.

Other than tax changes, the legislation passed by Congress and signed by President Donald Trump makes changes to Medicaid. The HFA analysis said the specific state impacts won't be known until the federal Centers for Medicare and Medicaid Services provide implementation guidelines and rules.

Additionally, several provisions are delayed until future years.

Still, HFA estimates Medicaid costs for the state are projected to decline by $7.1 billion gross by the 2033-34 fiscal year.

The bill's changes to provider taxes and state directed payments could reduce annual Medicaid payments by $3.1 billion gross by 2033-34, HFA said.

There are four state health care provider taxes that are used to increase Medicaid provider rates for the applicable health care provider class through supplemental Medicaid payments and offset General Fund dollars that would otherwise be needed.

There are also four state directed payments, which are arrangements between the state and its contracted managed care organizations that require managed care organizations to pay providers at a specific or enhanced fee schedule.

The state will be required to implement work requirements for Healthy Michigan participants by January 1, 2027, and redeterminations will be required every six months. HFA said these requirements are expected to comprise approximately 25 percent of the overall funding impact to the state, about $1.9 billion gross by 2033-34.

One change in the bill could lead to Michigan receiving $250 million per fiscal year through 2029-30. The rural heath transformation program will distribute $50 billion as grants to states during the next five years.

Beginning October 1, 2027, the state could be responsible for potentially more substantial portion of the Supplemental Nutrition Assistance Program. The federal bill sets a state match based on the error rate in the state from either the 2024-25 fiscal year or the 2025-26 fiscal year.

Under the provision, Michigan could be on the hook for up to $600 million for SNAP. The 2023-24 SNAP error rate in the state was 9.87 percent, which would result in a 10 percent match requirement and increase costs to about $400 million.

There are also additional work requirements for adults on SNAP under the federal bill, including requiring able bodied adults to work until they are 64 years old, up from 54, and the age of dependent children is reduced to under 14 years old instead of 18.

The state will also take on 75 percent of administrative costs, up from 50 percent, beginning October 1, 2026. This would cost the state $84.8 million based on 2023-24 fiscal year numbers.

FEDERAL/NATIONAL UPDATES AND ACTIVITIES

9. List of All Presidential Executive Orders to Date

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

10. Fraud, Waste, and Abuse:

On July 10, at least two news stories were released on alleged fraud committed not by individuals on Medicaid or Medicare, but by the very entities charged with delivering healthcare services. See this link for a news item involving UnitedHealth and this link for a news item on CVS.

11. Department of Justice Guidance on "unlawful discrimination":

This week the Department of Justice released a memorandum relating to "unlawful discrimination" for recipients of federal funding. The memorandum offers fairly detailed examples of activities that would be considered as "unlawful discrimination" – geographic targeting, cultural competence requirements, segregation through program eligibility, etc. – and also lists best practices to avoid running afoul of the Administration's definition/interpretation.

This is the most thorough direction so far on what type of activities would fall into the administration's interpretation of Diversity, Equity and Inclusion (DEI). There are still questions to be answered, but National Council President and Chief Executive Officer (CEO) Chuck Ignoglia thinks this memorandum, perhaps for the first time, provides a list of examples that may be helpful as behavioral health organizations across the country are crafting policies and procedures going forward.

12. Wearable Technology (i.e., "Smart Watches"):

STAT Health Tech reports that "during a Senate Health, Education, Labor and Pensions (HELP) committee hearing on health care cybersecurity yesterday, expert witnesses were asked if anyone would object to medical information from wearables becoming covered under Health Insurance Portability and Accountability

Act (HIPAA), the federal law that protects health data privacy. The question follows the Health and Human Services (HHS) Secretary's suggestion that everyone in America ought to use a wearable to help manage their health. The representative of the Consumer Technology Association (CTA), voiced opposition, saying that HIPAA wasn't the appropriate vehicle to safeguard wearables data. "HIPAA is a health care law, for health care stakeholders," he said. The CTA instead supports the idea of a federal privacy law with "specific health provisions" that would cover the breadth of entities not currently covered by HIPAA for use cases beyond simply wearable data. Congress has tried and failed to pass a comprehensive privacy bill multiple times. Whether it's easier to amend HIPAA to cover non-health care companies that handle medical data, or pass a new privacy law, is yet to be seen."

13. Key Healthcare Provisions in the Federal Budget Package:

Consultants to the National Council, Thorn Run Partners, have developed a Special Report dated July 8 which provides a summary of Key Health Care Provisions in the Final Reconciliation Package. The report is available at this link.

14. 988 Suicide and Crisis Lifeline:

"On July 17, the 988 *Suicide & Crisis Lifeline* will no longer silo LGB+ youth services, also known as the "Press 3 option," to focus on serving *all* help seekers, including those previously served through the Press 3 option. The Press 3 option was established as a pilot program in Fiscal Year 2022 under a government agreement with a third party. The Fiscal Year 2023 Omnibus included a Congressional directive for $29.7 million to fund the specialized services. Federal funding in FY24 for the Press 3 services increased to $33 million. As of June 2025, more than $33 million in funds have been spent to support the subnetworks, fully expending the monies allocated for 988 Lifeline LGB+ subnetwork services."

15. Federal Medicaid Enrollment Changes:

The Chairman of the House Committee on Energy and Commerce "issued a statement after the Centers for Medicare and Medicaid Services (CMS) announced steps to remove 2.8 million duplicative enrollees in two or more Medicaid and/or Affordable Care Act (ACA) exchange plans. Background:

- According to CMS, a recent analysis of 2024 enrollment data identified 2.8 million Americans either enrolled in Medicaid or CHIP in multiple states or simultaneously enrolled in both Medicaid/CHIP and a subsidized Affordable Care Act (ACA) Exchange plan.
- Stopping duplicative enrollment in government health programs has the potential to save taxpayers approximately $14 billion annually.
- As a result of the *One Big Beautiful Bill Act*, CMS now has new tools to prevent future incidences like that leads to the federal government paying twice for the same person's care—saving billions and restoring integrity to the system."

The CMS press release is available at this link.

"CMS will partner with states to reduce duplicate enrollment through three initiatives:

- Individuals Enrolled in Two or More Medicaid Programs: CMS will provide states with a list of individuals who are enrolled in Medicaid or CHIP in two or more states and ask states to recheck Medicaid or Children's Health Insurance Program (CHIP) eligibility for these individuals. CMS will work with states to prevent individuals from losing coverage inappropriately.
- Individuals Enrolled in Medicaid or CHIP + a Subsidized Federally-facilitated Exchange (FFE) Plan**:** CMS notified individuals enrolled in both Medicaid or CHIP and an FFE plan with a subsidy. These individuals are asked to take one of the following actions:
    1) Disenroll from Medicaid or CHIP, if no longer eligible;

2) End their subsidy (with the option to end their coverage); or
3) Notify the Exchange that the data match is incorrect and submit supporting documentation to show they are not enrolled in both Medicaid/CHIP and subsidized Exchange coverage.

After 30 days, the FFE will end the subsidy for individuals who still appear to be enrolled in both Medicaid or CHIP and an Exchange plan with a subsidy.

- Individuals Enrolled in Medicaid or CHIP + a Subsidized State-based Exchange (SBE) Plan**:** CMS will provide SBEs with a list of individuals who are potentially enrolled in the state's Medicaid or CHIP and a subsidized Exchange plan and ask SBEs to determine whether these individuals are dually enrolled, and if so, to implement a process, similar to the federal Exchange, to recheck eligibility. CMS will work with states to prevent individuals from losing coverage inappropriately.

CMS will provide additional guidance to state Medicaid and CHIP agencies in early August with expectations for tackling concurrent enrollment. The agency will follow up with lists to each state of individuals concurrently enrolled in Medicaid or CHIP and ask states to make their best efforts to recheck eligibility by late fall. Going forward, CMS will continue to work with states to provide support for their existing Medicaid/CHIP and Exchange data matching processes and work to implement new requirements in the One Big Beautiful Bill Act designed to eliminate and prevent duplicate enrollment in Medicaid programs."

16. **Maximizing Benefits of Opioid Settlements:**

The Milbank Memorial Fund Quarterly Special Issue has an article entitled *Maximizing the Public Health Benefits of Opioid Settlements: Policy Recommendations for Equity, Sustainability, and Impact*. The article's policy points are:

- State and local governments are receiving over $50 billion in opioid settlement funds over 18 years to mitigate the harms from the opioid crisis. Lessons learned from the Tobacco Master Settlement of the 1990s can ensure that funds are administered according to best practices and are spent on evidence-based interventions.
- Recent efforts to track opioid settlement spending around the country shed light on encouraging trends such as overdose rate reductions, unmet challenges like reducing inequities, and areas in need of continued vigilance and improvement like transparency and evaluation."

17. **2024 National Survey on Drug Use and Health:**

SAMHSA has "released the results of the *2024 National Survey on Drug Use and Health (NSDUH)* which shows how people living in the United States reported their experiences with mental health conditions, substance use and pursuit of treatment. This year marks the first year since 2020 in which there are at least four years of comparable data for key NSDUH outcomes to enable reporting of trends."

Submitted By:

Joseph P. Sedlock, MSA
Chief Executive Officer
Finalized: 08/25/2025

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

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Compiled and tracked by Sherry Kletke

Below is a list of Legislative Bills MSHN is currently tracking and their status as of August 25, 2025:

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HB 4037	Health Records (Rogers) Establishes certain requirements to operate a health data utility.	Reported in House (5/21/2025; Substitute H-2 adopted; By Health Policy Committee)
HB 4255	Controlled Substances (Lightner) Modifies penalties for crime of manufacturing, delivering, or possession of with intent to deliver certain controlled substances.	Received in Senate (4/29/2025; To Civil Rights, Judiciary and Public Safety Committee)
HB 4256	Controlled Substances (Bollin) Amends sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver certain controlled substances.	Received in Senate (4/29/2025; To Civil Rights, Judiciary and Public Safety Committee)
HB 4279	National Guard (Greene, J.) Creates Michigan National Guard apprenticeship program.	Committee Hearing in House Rules Committee (8/21/2025)
HB 4280	Occupations - Social Workers (Edwards) Extends period for renewal for limited licenses for bachelor's social worker and master's social worker.	Introduced (3/20/2025; To Health Policy Committee)
HB 4413	Outpatient Treatment (Tisdel) Expands hospital evaluations for assisted outpatient treatment.	Introduced (5/1/2025; To Health Policy Committee)
HB 4417	Occupations - EMS (Mueller) Provides access to opioid antagonists to life support agencies under certain circumstances.	Received in Senate (7/1/2025; To Health Policy Committee)
HB 4423	Veteran Services (Rogers) Provides funding for the county veteran service fund emergency relief program.	Introduced (5/1/2025; To Appropriations Committee)
HB 4428	Opioid Antagonists (St. Germaine) Allows choice of formulation, dosage, and route of administration for opioid antagonists by certain persons and governmental entities if department of health and human services distributes opioid antagonists free of charge.	Introduced (5/6/2025; To Regulatory Reform Committee)
HB 4497	Drug Paraphernalia (Rheingans) Modifies definition of drug paraphernalia.	Introduced (5/15/2025; To Judiciary Committee)
HB 4498	Drug Paraphernalia (Rheingans) Provides syringe service programs.	Introduced (5/15/2025; To Health Policy Committee)
HB 4548	Discrimination (Arbit) Prohibits discrimination because of ethnicity, including discrimination because of Jewish heritage under the Elliott-Larsen civil rights act.	Introduced (6/4/2025; To Government Operations Committee)

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BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HB 4683	Health Benefits (McFall) Modifies prior authorization requirements for mental health and substance use disorder.	Introduced (6/25/2025; To Insurance Committee)
HB 4685	Health Insurers (McFall) Provides collaborative care model for mental health care.	Introduced (6/25/2025; To Insurance Committee)
HB 4686	Controlled Substances (McFall) Allows creating, manufacturing, possessing, or using psilocybin or psilocin under certain circumstances.	Introduced (6/25/2025; To Families and Veterans Committee)
HB 4739	Insurance Coverage (Snyder) Requires coverage for diagnosis of autism spectrum disorders and treatment of autism spectrum disorders.	Introduced (7/15/2025; To Insurance Committee)
HB 4740	Insurance Coverage (Snyder) Modifies the required coverage for autism spectrum disorders.	Introduced (7/15/2025; To Insurance Committee)
HB 4751	Discrimination (Schriver) Removes sexual orientation and gender identity or expression as categories protected under the Elliott-Larsen civil rights act.	Introduced (7/29/2025; To Government Operations Committee)
HB 4777	Discrimination (Paquette) Removes gender identity or expression from categories protected under Elliott-Larsen civil rights act.	Introduced (8/20/2025; To Government Operations Committee)
SB 207	Veterans (Hertel, K.) Creates Michigan veterans coalition fund.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 208	Veterans (Hauck) Creates Michigan veterans coalition grant program.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 215	Consumer Protections (Santana) Amends Michigan consumer protection act to enhance protections for individuals applying for veterans benefits.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 219	Hospitalization (Hertel, K.) Revises person requiring treatment and modifies certain procedures for treatment.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 220	Hospital Evaluations (Irwin) Expands hospital evaluations for assisted outpatient treatment.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)

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BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
SB 221	Mental Capacity (Santana) Provides outpatient treatment for misdemeanor offenders with mental health issues.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 222	Outpatient Treatment (Wojno) Expands petition for access to assisted outpatient treatment to additional health providers.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 237	National Guard (Albert) Creates Michigan National Guard apprenticeship program.	Introduced (4/22/2025; To Regulatory Affairs Committee)
SB 239	Vietnam Veterans (Daley) Creates Vietnam veteran era bonus extension act.	Introduced (4/22/2025; To Appropriations Committee)
SB 398	Controlled Substances (Bellino) Modifies substance use disorder services programs requirements and prohibits the promulgation of certain rules.	Reported in Senate (6/25/2025; By Health Policy Committee)
SB 399	Drug Paraphernalia (Irwin) Modifies definition of drug paraphernalia.	Received in House (7/1/2025; To Insurance Committee) Passed in Senate (7/1/2025; 33-3; Earlier advanced to Third Reading.)
SB 400	Health Insurers (Hertel, K.) Prohibits prior authorization for certain opioid use disorder and alcohol use disorder medications.	Received in House (7/1/2025; To Insurance Committee) Passed in Senate (7/1/2025; 36-0; Earlier advanced to Third Reading.)
SB 401	Pharmaceuticals (Santana) Requires co-prescribing of naloxone with opioid drugs.	Received in House (7/1/2025; To Insurance Committee) Passed in Senate (7/1/2025; 34-2; Earlier advanced to Third Reading with committee substitute S-1 adopted.)
SB 430	Controlled Substances (Chang) Modifies crime of manufacturing, delivering, or possession of with intent to deliver heroin or fentanyl to reflect changes in sentencing guidelines.	Introduced (6/17/2025; To Civil Rights, Judiciary and Public Safety Committee)
SB 431	Opioid Drugs (Anthony) Amends sentencing guidelines for delivering, manufacturing, or possessing with intent to deliver heroin or fentanyl.	Introduced (6/17/2025; To Civil Rights, Judiciary and Public Safety Committee)
SB 432	Controlled Substances (Victory) Allows probation for certain major controlled substances offenses.	Introduced (6/17/2025; To Civil Rights, Judiciary and Public Safety Committee)

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HR 115	Medicaid (Mentzer) A resolution to urge the President of the United States and the United States Congress to fully fund Medicaid and to reject any proposal that would strip access to those in need and shift costs onto states, health care providers, and vulnerable individuals.	Introduced (5/22/2025; To Government Operations Committee)
SR 3	102nd Legislature (Brinks) A resolution to authorize the Senate Majority Leader to commence legal action, on behalf of the Senate, to compel the House of Representatives to fulfill its constitutional duty to present to the Governor the nine remaining bills passed by both houses during the One Hundred Second Legislature.	Passed in Senate (1/22/2025; Voice Vote)
SR 50	Medicaid (Hertel, K.) A resolution to urge the President of the United States and the United States Congress to fully fund Medicaid and to reject any proposal that would strip access to those in need and shift costs onto states, health care providers, and vulnerable individuals.	Passed in Senate (5/20/2025; Voice Vote)

MSHN
Mid-State Health Network

Community Mental Health Member Authorities

Bay Arenac Behavioral Health
ë
CMH of Clinton. Eaton. Ingham Counties
ë
CMH for Central Michigan
ë
Gratiot Integrated Health Network
ë
Huron Behavioral Health
ë
The Right Door for Hope, Recovery and Wellness (Ionia County)
ë
LifeWays CMH
ë
Montcalm Care Center
ë
Newaygo County Mental Health Center
ë
Saginaw County CMH
ë
Shiawassee Health and Wellness
ë
Tuscola Behavioral Health Systems

REPORT OF THE MSHN DEPUTY DIRECTOR
to the Board of Directors
July / August

Performance Bonus Incentive Payment (PBIP) for Housing & Employment

The Michigan Department of Health and Human Services (MDHHS) contract with the Prepaid Inpatient Health Plan (PIHP) includes expectations within the Performance Bonus Incentive Program. Last year, a new measure was included to "Implement data driven outcomes measurement to address social determinants of health". This measure is worth 40% of the PIHP pay for performance withhold that if met, turns into local for the Community Mental Health Service Programs (CMHSPs). Specifically, PIHPs are required to analyze and monitor Behavioral Health – Treatment Episode Data Set (BH-TEDS) records to improve housing and employment outcomes for persons served. MSHN is required to submit a report of findings and project plans aimed at improving outcomes. This effort has been led by our Integrated Care Department with support from Quality and Information Technology. The results are summarized below.

Housing

All populations served experienced positive improvements in living conditions for individuals who were homeless at admission. Similar positive improvements were noted in FY23 for all populations, indicating a positive pattern of individuals moving from homelessness to stable living arrangements over a 2-year period in the MSHN region.

FY24 changes are summarized below:

- 25.00% movement for individuals with Intellectual/Developmental Disabilities (I/DD) Only (*Small population size, n = 10);
- 11.22% movement for individuals with Mental Illness (MI) Only;
- 12.00% movement for individuals with I/DD and MI; and
- 5.19% movement for individuals with Substance Use Disorder (SUD)

Employment

The employment rate increased for all populations served, however increases were less than expected for all populations.

- 1.49% increase for individuals with I/DD Only;
- 0.50% increase for individuals with MI Only;
- 0.88% increase for individuals with I/DD and MI; and
- 1.33% increase for individuals with SUD

All populations served experienced improvement in the percentage of individuals who were not in the labor force at admission and entered the labor force at most recent update record.

- 3.72% movement for individuals with I/DD Only;
- 4.25% movement for individuals with MI Only;
- 4.53% movement for individuals with I/DD and MI; and
- 10.23% movement for individuals with SUD

Addressing and improving Social Determinants of Health (SDOH) for all populations served is a high priority for MSHN. The current housing and employment outcomes analysis complements the activities MSHN is already engaged in, however, the report also summarizes quality improvement efforts as a result of the analysis.

For the full report on PBIP SDOH activities, see the link below **PBIP FY25 Housing and Employment.**

Utilization Management Plan

Utilization Management (UM) is a Managed Care requirement of the PIHP under Center for Medicaid and Medicare Services code of federal requirements section, ***438.210 Coverage and authorization of services***. MSHN delegates utilization management to the CMHSPs and retains some portions of the UM with the SUD provider network. Therefore, the plan defines specifics of regional requirements or expectations for CMHSP Participants and SUD Providers. Further elements are defined in regional UM Policy and associated service-related policies. Additionally, the UM Plan includes data collection strategies and identifies metrics which are used to monitor regional adherence to medical necessity standards and level of care criteria. The UM Plan also describes the intervention strategies used to address patterns of inconsistent utilization across the region or when adverse utilization trends are detected. The UM Plan is reviewed by the MSHN UM Committee on an annual basis and updated every two years with review and approval by the Regional Medical Directors Committee and the Operations Council.

This year only minor revisions were included to update statutory references and current regional UM practices, with the most notable being:

Page	Description of Change	Rationale
9	Updated list of services which require prior authorization	Added SUD Withdrawal Management, SUD Residential, SUD Recovery Housing, and Electro-Convulsive Therapy
12	Removed ADOS-2 and DD-CGAS as required standardized assessments for Autism Services; Removed SIS as required standardized assessment	Updates to the Medicaid Provider Manual to allow for expanded diagnostic testing for Autism Services; Discontinuation of SIS

The FY25 revised Utilization Management plan is now available and linked below, **Utilization Management Plan**.

Population Health Priority Measurement Portfolio

With input from our regional councils and committees, MSHN developed a few years ago a priority measure portfolio based on national healthcare industry standards. MSHN provides reports on these measures both as a region as well as performance of each CMHSP. MSHN councils and committees review status quarterly for ongoing input into performance improvement strategies. In addition, MSHN publishes the priority measures on the MSHN website: Priority Measures - (midstatehealthnetwork.org).

The FY25Q2 report is now available and linked below, **Priority Measures FY25**.

Credentialing Committee Updates

The Credentialing Committee was established to provide counsel and approval of MSHN's Provider Network. Typical activities include: 1) appointment to the MSHN provider network through review of organizational credentials, 2) review credentials of practitioners who do not meet the agency's criteria; 3) give thoughtful consideration to credentialing information; 4) take action on credentialing recommendations of MSHN credentialed staff; 3) granting of privileges, as applicable, to MSHN credentialed staff; 4) regular assessment of provider performance, as it relates to credentialing; 5) oversight and monitoring of delegated credentialing responsibilities, and 6) credentialing policy/procedure development.

In the MSHN region, credentialing/recredentialing is both a Prepaid Inpatient Health Plan function delegated to Community Mental Health Service Program (CMHSP) Participants and a function directly performed by MSHN staff for substance use disorder (SUD) Providers and MSHN employees. In August the Credentialing Committee, that includes the region's Medical Director, Chief Clinical Officer, Chief Behavioral Health Officer, Chief Quality and Compliance Officer,

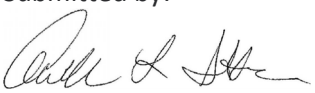
Chief Finance Officer, Compliance Administrator and Deputy Director, approved the following organization credentialing packets.

- ***12 CMHSPs received full credentialing***
- ***24 Substance Use Disorder Treatment Providers received full credentialing***
- ***7 Prevention Providers received full credentialing***
- ***3 Recovery Providers received full credentialing***

In addition, the committee reviewed and updated the charter and reviewed the CMH summary report related to credentialing.

To view more about the region's credentialing activities, see the link located on our website at: https://midstatehealthnetwork.org/stakeholders-resources/board-councils/councils-committees/credentialing-committee

Submitted by:



Amanda L. Ittner
Finalized: 08.28.25

Links
PBIP FY25 Housing and Employment
Utilization Management Plan
Priority Measures FY25

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Background:

In accordance with the MSHN Board of Directors to review financials, at a minimum quarterly, the Statement of Net Position and Statement of Activities for the Period Ending July 31, 2025, have been provided and presented for review and discussion.

Recommended Motion:

The MSHN Board of Directors receives and files the Statement of Net Position and Statement of Activities for the Period Ending July 31, 2025, as presented.

Mid-State Health Network
Statement of Activities
As of July 31, 2025

Rows Numbers		A	B	C	D	E (C - D)	F (C / B)	
			Budget Annual	Actual Year-to-Date	Budget Year-to-Date	Budget Difference	Actual % of Budget	
			FY25 Original Budget		FY25 Original Budget			
			83.33%					
1		Revenue:						
2		Grant and Other Funding	$ 280,000	545,061	233,333	311,727	194.66 %	1a
3		Prior FY Medicaid Carryforward	$ 0	0	0	0		1b
4		Medicaid Capitation	904,524,545	744,155,122	753,770,454	(9,615,331)	82.27%	1c
5		Local Contribution	1,550,876	1,268,734	1,292,397	(23,662)	81.81%	1d
6		Interest Income	2,500,000	860,175	2,083,333	(1,223,159)	34.41%	1e
7		Non Capitated Revenue	18,132,736	13,435,308	15,110,613	(1,675,305)	74.09%	1f
8		Total Revenue	926,988,157	760,264,400	772,490,130	(12,225,730)	82.01 %	
9		Expenses:						
10		PIHP Administration Expense:						
11		Compensation and Benefits	9,181,634	6,684,614	7,651,361	(966,749)	72.80 %	
12		Consulting Services	223,800	77,808	186,500	(108,691)	34.77 %	
13		Contracted Services	126,350	89,990	105,292	(15,302)	71.22 %	
14		Other Contractual Agreements	679,700	512,495	566,417	(53,922)	75.40 %	
15		Board Member Per Diems	20,820	10,010	17,350	(7,340)	48.08 %	
16		Meeting and Conference Expense	214,043	96,617	178,369	(81,752)	45.14 %	
17		Liability Insurance	34,590	32,369	28,825	3,544	93.58 %	
18		Facility Costs	192,636	171,951	160,530	11,421	89.26 %	
19		Supplies	371,650	160,169	309,709	(149,540)	43.10 %	
20		Other Expenses	1,076,330	1,298,262	896,941	401,320	120.62 %	
21		Subtotal PIHP Administration Expenses	12,121,553	9,134,285	10,101,294	(967,011)	75.36 %	2a
22		CMHSP and Tax Expense:						
23		CMHSP Participant Agreements	822,423,444	653,675,557	685,352,870	(31,677,312)	79.48 %	1b,1c,2b
24		SUD Provider Agreements	67,318,827	50,469,984	56,099,022	(5,629,038)	74.97 %	1c,1f,2c
25		Benefits Stabilization	1,610,000	11,458,127	1,341,667	10,116,460	711.68 %	2d
26		Tax - Local Section 928	1,550,876	1,268,734	1,292,397	(23,662)	81.81 %	1d
27		Taxes- IPA/HRA	51,290,698	39,612,587	42,742,248	(3,129,662)	77.23 %	2e
28		Subtotal CMHSP and Tax Expenses	944,193,845	756,484,989	786,828,204	(30,343,214)	80.12 %	
29		Total Expenses	956,315,398	765,619,274	796,929,498	(31,310,224)	80.06 %	
30		Excess of Revenues over Expenditures	$ (29,327,241)	$ (5,354,874)	$ (24,439,368)			

Mid-State Health Network
Preliminary Statement of Net Position by Fund
As of July 31, 2025

Row Numbers		Column Identifiers A	B	C	D B + C	
			Behavioral Health Operating	Medicaid Risk Reserve	Total Proprietary Funds	
1	**Assets**					
2	**Cash and Short-term Investments**					
3	Chase Checking Account		19,728,223	0	19,728,223	1a
4	Chase MM Savings		10,365,079	0	10,365,079	
5	Savings ISF Account		0	30,849,763	30,849,763	1b
6	Savings PA2 Account		3,559,993	0	3,559,993	1c
7	Investment PA2 Account		3,499,716	0	3,499,716	1c
8	Investment ISF Account		0	11,999,494	11,999,494	1b
9	Total Cash and Short-term Investments		$ 37,153,011	$ 42,849,257	$ 80,002,268	
10	**Accounts Receivable**					
11	Due from MDHHS		23,883,402	0	23,883,402	2a
12	Due from CMHSP Participants		30,307,661	0	30,307,661	2b
13	Due from Other Governments		26,453	0	26,453	2c
14	Due from Miscellaneous		363,420	0	363,420	2d
15	Due from Other Funds		7,279,203	0	7,279,203	2e
16	Total Accounts Receivable		61,860,139	0	61,860,139	
17	**Prepaid Expenses**					
18	Prepaid Expense Rent		4,529	0	4,529	2f
19	Prepaid Expense Other		30,289	0	30,289	2g
20	Total Prepaid Expenses		34,818	0	34,818	
21	**Fixed Assets**					
22	Fixed Assets - Computers		189,180	0	189,180	2h
23	Accumulated Depreciation - Computers		(189,180)	0	(189,180)	
24	Lease Assets		151,169	0	151,169	2i
25	Accumulated Amortization - Lease Asset		(144,871)	0	(144,871)	
26	Total Fixed Assets, Net		6,298	0	6,298	
27	**Total Assets**		**$ 99,054,266**	**$ 42,849,257**	**$ 141,903,523**	
28						
29	**Liabilities and Net Position**					
30	Liabilities					
31	Accounts Payable		$ 12,727,677	$ 0	$ 12,727,677	1a
32	Current Obligations (Due To Partners)					
33	Due to State		36,397,920	0	36,397,920	3a
34	Other Payable		5,213,876	0	5,213,876	3b
35	Due to Hospitals (HRA)		13,731,999	0	13,731,999	1a, 3c
36	Due to State-IPA Tax		84,476	0	84,476	3d
37	Due to State Local Obligation		105,577	0	105,577	3e
38	Due to CMHSP Participants		13,122,587	0	13,122,587	3f
39	Due to other funds		0	7,279,203	7,279,203	3g
40	Accrued PR Expense Wages		97,946	0	97,946	3h
41	Accrued Benefits PTO Payable		453,683	0	453,683	3i
42	Accrued Benefits Other		55,281	0	55,281	3j
43	Total Current Obligations (Due To Partners)		69,263,345	7,279,203	76,542,548	
44	Lease Liability		6,675	0	6,675	2j
45	Deferred Revenue		5,185,280	0	5,185,280	1b 1c
46	Total Liabilities		87,182,977	7,279,203	94,462,180	
47	Net Position					
48	Unrestricted		11,871,289	0	11,871,289	3k
49	Restricted for Risk Management		0	35,570,054	35,570,054	1b
50	Total Net Position		11,871,289	35,570,054	47,441,343	
51	**Total Liabilities and Net Position**		**$ 99,054,266**	**$ 42,849,257**	**$ 141,903,523**	

Mid-State Health Network
Financial Statement Notes
For the Ten-Month Period Ended,
July 31, 2025

Please note: The Statement of Net Position contains prorated Fiscal Year (FY) 2025 cost settlement figures between the PIHP and Michigan Department of Health Human Services (MDHHS) as well as each Community Mental Health Service Program (CMHSP) Participants. CMHSP cost settlement figures were extracted from the Projection MDHHS Financial Status Report (FSR) submitted in August 2025.

Preliminary Statement of Net Position:

1. Cash and Short-Term Investments
    a) The Cash Chase Checking and Chase Money Market Savings accounts are the cash line items available for operations.
    b) The Savings Internal Service Fund (ISF) and Investment ISF reflect designated accounts to hold the Medicaid ISF funds separate from all other funding per the MDHHS contract. MSHN holds nearly $12 M in investments, which is about 34% of the total ISF net position balance (row 50 col C). The investment portfolio has been temporarily reduced and moved to ISF Savings should the Region need to access funds for service delivery and other operational expenses. Internal Service Funds are used to cover the Region's risk exposure. In the event current Fiscal Year revenue is spent, and all prior year savings are exhausted, PIHPs can transfer ISF dollars and use them for remaining costs.
    c) The PA2 Savings PA2 and Investment accounts hold funds used to primarily cover Prevention services in MSHN's 21-county Region and is offset by the Deferred Revenue liability account.
2. Accounts Receivable
    a) April through July Hospital Rate Adjustor (HRA) amounts account for 57% of the balance. In addition, withholds are 24% of the total with miscellaneous amounts accounting for the remaining balance.
    b) Due From CMHSP Participants reflect FY 2025's prorated (through July) cost settlement activity. Final cost settlements generally occur in May after the fiscal year ends and once Compliance Examination are complete.

CMHSP	Cost Settlement	Payments/Offsets	Total
CEI	13,678,722.00	-	13,678,722.00
The Right Door	2,731,972.00	-	2,731,972.00
Saginaw	12,719,505.00	-	12,719,505.00
Tuscola	1,177,462.00	-	1,177,462.00
Total	**30,307,661.00**	**-**	**30,307,661.00**

    c) Due from other governments account consists of Public Act 2 amounts owed from one county counties for FY 25 quarter two liquor tax collections. PA2 funds are used primarily for Prevention Activities in MSHN's 21-county Region.
    d) The balance in Due From Miscellaneous is split 38% and 62% (respectively) for Medicaid Event Verification (MEV) findings and cash advances needed to cover operations for a small number of SUD providers.
    e) Due From Other Funds is the account used to manage anticipated ISF transfers. Approximately $24.9 M was needed to support FY 24 regional expenses in excess of revenue. This is a small improvement as the board approved FY 24 amended budget projected more than $27 M would be required to support FY 24 regional operations. MDHHS guidance allows PIHPs 7.5% retention of current FY revenue to manage risk.

This amount is in addition to the allowable 7.5% for Savings generated when Medicaid and Healthy Michigan revenue exceed expenses.

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

g) Prepaid Expense Other consists primarily of an advance payment for Zoom (phone/meeting system), Box (filing platform), and a small portion relating to FY 26's Relias balance.

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

i) The Lease Assets category is now displayed as an asset and liability based on a new Governmental Accounting Standards Board (GASB) requirement. The lease assets figure represents FY 2022 – 2025 contract amounts for MSHN's office space.

3. Liabilities

a) MSHN estimates FY 2022 and FY 2021 lapses totaling $13.5 M and $17.6 M to MDHHS, respectively. The lapse amounts indicate the ISF was fully funded for both fiscal years, and that savings fell within the second tier (above 5%). Per contractual guidelines MDHHS receives half of every dollar generated beyond this threshold until the PIHP's total savings reach the 7.5% maximum. MSHN also owes MDHHS $4.9 M for CCBHC supplemental over payments which primarily cover services for mild to moderate persons.

b) This amount is related to SUD provider payment estimates and is needed to offset the timing of payments.

c) HRA is a pass-through account for dollars sent from MDHHS to cover supplemental payments made to psychiatric hospitals. HRA payments are intended to encourage hospitals to have psychiatric beds available as needed. Total HRA payments are calculated based on the number of inpatient hospital services reported.

d) Due To State - IPA Tax contains funds held for tax payments associated with MDHHS Per Eligible Per Month (PEPM) funds. Insurance Plan Assessment taxes are applied to Medicaid and Healthy Michigan eligibles.

e) Two CMHSPs submitted early payments for the 4th quarter local obligations due to the State in August.

f) Due To CMHSP represents FY 25 prorated cost settlement figures based on the MDHHS Projection FSR. Final amounts will be paid during the region's final cost settlements, which generally occur in May or after Compliance Examinations are complete.

CMHSP	Cost Settlement	Payments/Offsets	Total
Bay	3,583,582.00	-	3,583,582.00
Central	1,590,722.00	-	1,590,722.00
Gratiot	1,542,254.00	-	1,542,254.00
Huron	1,860,316.00	-	1,860,316.00
Lifeways	2,116,341.00	-	2,116,341.00
Montcalm	316,322.00	-	316,322.00
Newaygo	894,505.00	-	894,505.00
Shiawassee	1,218,545.00	-	1,218,545.00
Total	**13,122,587.00**	**-**	**13,122,587.00**

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

h) Accrued Payroll Expense Wages represent expenses incurred in July and paid in August.

i) Accrued Benefits PTO (Paid Time Off) is the required liability account set up to reflect paid time off balances for employees.

j) Accrued Benefits Other represents retirement benefit expenses incurred in July and paid in August.
k) The Unrestricted Net Position represents the difference between total assets, total liabilities, and the restricted for risk management figure.

Statement of Activities – Column F calculates the actual revenue and expenses compared to the full year's original budget. Revenue accounts whose Column F percent is less than 83.33% translate to MSHN receiving less revenue than anticipated/budgeted. Expense accounts with Column F amounts greater than 83.33% 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. In addition, MSHN received a special grant totaling $300k to work with a predictive analytics vendor. The unplanned grant is responsible for the variance in this account.
    b) MSHN did not have an FY 24 carryforward/savings. As a reminder, Medicaid Savings are generated when the prior year revenue exceeds expenses for the same period.
    c) Medicaid Capitation – There is a negative variance in this account which indicates actual FY 25 revenue is lagging behind anticipated amounts. The negative variance will likely be eliminated by the end of this fiscal year. MDHHS issued a mid-year rate adjustment in June and the estimate for additional regional revenue is approximately $35 M. About $16 M of this revenue has been received through July. If MSHN does receive the anticipated $35 M, the region will maintain the $35.6 M ISF balance and end the Fiscal Year with a surplus. Please note, Medicaid Capitation payment files are calculated and disbursed to CMHSPs based on a per eligible per month (PEPM) methodology and paid to SUD providers based on service delivery.
    d) Local Contribution is flow-through dollars from CMHSPs to MDHHS. Typically, revenue equals the expense side of this activity under Tax Local Section 928. Local Contributions were scheduled to reduce over the next few fiscal years until completely phased out. FY 2025 amounts are the same as FY 2024.
    e) Interest income is earned from investments and changes in principle for investments purchased at discounts or premiums. The amount earned is lower than budget as the investment totals have been reduced to ensure sufficient cash on hand for ongoing operations. (Please see Statement of Net Position 1b.)
    f) This account tracks non-capitated revenue for SUD services which include Community Grant and PA2 funds. There is a large variance in this account because the budget amount represents the full MDHHS allocation amount regardless of planned spending.
2. Expense
    a) Total PIHP Administration Expense is slightly under budget. The are two areas with significant variances. Compensation and Benefits is the first and will be adjusted to reflect actual expense during the budget amendment process occurring in September. The other line item is Other Expenses. Charges contributing to the Other Expenses' variance are MiHIN (technology - data exchange) and MCHE (technology provider – Level of Care Determination – acute care) as both FY 25 invoices were paid in full in October.
    b) CMHSP participant Agreement shows a large variance when comparing actual to budget. The variance is related to the notes in item 1c above. MSHN funds CMHSPs based on per eligible per month (PEPM) payment files. The files contain CMHSP county codes which designate where the payments should be sent. MSHN sends the full payment less taxes and affiliation fees which support PIHP operations.
    c) SUD provider payments are less than anticipated and paid based on need. (Please see Statement of Activities 1c and 1f.)
    d) Benefit stabilization amounts are paid to CMHSPs for SUD access activities and assist with cash flow needs. Actual is over budget because three CMHSPs have received extra cash flow to cover operational expenditures in excess of their PEPM.
    e) IPA/HRA actual tax expenses are lower than the budget. IPA estimates are impacted by variability in the number of Medicaid and Healthy Michigan eligibles. HRA figures will

also vary throughout the fiscal year based on inpatient psychiatric utilization and contribute to the variance. (Please see Statement of Net Position 3c and 3d). Please note, revenue for this line item is included in the Medicaid capitation line and is equal to the expense.

MID-STATE HEALTH NETWORK
SCHEDULE OF INTERNAL SERVICE FUND INVESTMENTS
As of July 31, 2025

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY	Chase Savings Interest	Total Chase Balance
UNITED STATES TREASURY BILL	912797MA2	7.9.24	7.11.24	11.5.24		29,999,379.63	30,505,000.00			
UNITED STATES TREASURY BILL	912797MA2						(30,505,000.00)			
UNITED STATES TREASURY BILL	912797KZ9	8.26.24	8.27.24	11.21.24		1,999,307.58	2,023,000.00			
UNITED STATES TREASURY BILL	912797KZ9						(2,023,000.00)			
UNITED STATES TREASURY BILL	912797NK9	11.4.24	11.5.24	3.4.25		9,999,247.63	10,143,000.00			
UNITED STATES TREASURY BILL	912797NK9						(10,143,000.00)			
UNITED STATES TREASURY BILL	912797KA4	11.19.24	11.21.24	2.20.25		1,998,981.77	2,021,000.00			
UNITED STATES TREASURY BILL	912797KA4						(2,021,000.00)			
UNITED STATES TREASURY BILL	912797NM5	2.18.25	2.20.25	5.22.25		1,999,952.41	2,021,000.00			
UNITED STATES TREASURY BILL	912797NM5	2.18.25	2.20.25	5.22.25			(2,021,000.00)			
UNITED STATES TREASURY BILL	912797PU5	3.3.25	3.4.25	7.1.25		9,999,732.77	10,137,000.00			
UNITED STATES TREASURY BILL	912797PU5	3.3.25	3.4.25	7.1.25			(10,137,000.00)			
UNITED STATES TREASURY BILL	912797QU4	5.20.25	5.22.25	9.16.25		1,999,878.23	1,999,878.23			
UNITED STATES TREASURY BILL	912797RE9	6.30.25	7.1.25	10.28.25		9,999,615.49	9,999,615.49			
JP MORGAN INVESTMENTS							11,999,493.72			11,999,493.72
JP MORGAN CHASE SAVINGS							30,597,284.94	0.020%	252,478.15	30,849,763.09
							$ 42,596,778.66		$ 252,478.15	$ 42,849,256.81

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

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

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

MID-STATE HEALTH NETWORK
SCHEDULE OF PA2 SAVINGS INVESTMENTS
As of July 31, 2025

DESCRIPTION	CUSIP	TRADE DATE	SETTLEMENT DATE	MATURITY DATE	CALLABLE	AMOUNT DISBURSED	PRINCIPAL	AVERAGE ANNUAL YIELD TO MATURITY	Chase Savings Interest	Total Chase Balance
UNITED STATES TREASURY BILL	9127979LK1	6.3.24	6.4.24	10.1.24		3,499,660.72	3,560,000.00			
UNITED STATES TREASURY BILL	9127979LK1	6.3.24	6.4.24	10.1.24			(3,560,000.00)			
UNITED STATES TREASURY BILL	912796ZV4	9.30.24	10.1.24	12.26.24		3,499,843.32	3,537,000.00			
UNITED STATES TREASURY BILL	912796ZV4	9.30.24	10.1.24	12.26.24			(3,537,000.00)			
UNITED STATES TREASURY BILL	912797PA9	12.23.24	12.26.24	4.22.25		3,499,402.50	3,547,000.00			
UNITED STATES TREASURY BILL	912797PA9	12.23.24	12.26.24	4.22.25			(3,547,000.00)			
UNITED STATES TREASURY BILL	912797QK6	4.21.25	4.22.25	8.19.25		3,499,715.37	3,499,715.37			
JP MORGAN INVESTMENTS							3,499,715.37			3,499,715.37
JP MORGAN CHASE SAVINGS							3,556,822.26	0.010%	3,170.76	3,559,993.02
							$ 7,056,537.63		$ 3,170.76	$ 7,059,708.39

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

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

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

MSHN
Mid-State Health Network

Background

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

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

Therefore, MSHN presents the attached FY25 Contract Listing for Board approval and authorization of the Chief Executive Officer to sign.

Recommended Motion:

The MSHN Board authorizes its Chief Executive Officer to sign and fully execute the contracts as presented and listed on the FY25 contract listing.

MID-STATE HEALTH NETWORK					
FISCAL YEAR 2025 CONTRACT AMENDMENT					
September 2025					
CONTRACTING ENTITY	**PROVIDERS COST REIMBURSEMENT PROJECTS/PROGRAM DESCRIPTION**	**CONTRACT TERM**	**CURRENT FY25 CONTRACT AMOUNT**	**FY25 TOTAL CONTRACT AMOUNT**	**FY25 INCREASE/ (DECREASE)**
PIHP ADMINISTRATIVE FUNCTION CONTRACTS					
TBD Solutions, LLC, Ada Michigan	Ongoing Consultative Support ("Open"); per hour rate ($205 + expenses)	10.1.24 - 9.30.25	60,000	**100,000**	**40,000**
			$ 60,000	**$ 100,000**	**$ 40,000**

MSHN
Mid-State Health Network

Background

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

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

Therefore, MSHN presents the attached FY26 Contract Listing for Board approval and authorization of the Chief Executive Officer to sign.

Recommended Motion:

The MSHN Board authorizes its Chief Executive Officer to sign and fully execute the contracts as presented and listed on the FY26 contract listing.

MID-STATE HEALTH NETWORK
FISCAL YEAR 2026 NEW AND RENEWING CONTRACTS
September 2025

	CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION	CONTRACT TERM	FY2026 CONTRACT AMOUNT	FY2025 CONTRACT AMOUNT	INCREASE/ (DECREASE)
	PIHP RETAINED FUNCTION CONTRACTS					
1	**CEI Community Mental Health Authority**	File Management, Historical data Repository & Data Exchange Processing	10.1.26 - 9.30.26	**$ 125,000**	$ 175,000	**(50,000)**
2	**Dr. Zakia Alavi, MD**	Chief Medical Officer	10.1.26 - 9.30.26	**$ -**	$ -	-
				$ 125,000	$ 175,000	**$ (50,000)**
	CONTRACTING ENTITY	**CONTRACT SERVICE DESCRIPTION**	**CONTRACT TERM**	**FY2026 CONTRACT AMOUNT**	**FY2025 CONTRACT AMOUNT**	**INCREASE/ (DECREASE)**
	PIHP ADMINISTRATIVE FUNCTION CONTRACTS					
3	**Addis Enterprises (AE Design)**	Website Design and Development	10.1.25 - 9.30.26	**$ 23,000**	$ 23,000	-
4	**BOX**	Box Consulting Project/Document Storage Enterprise Licenses	2.6.24 - 2.6.27	**$ 29,520**	$ 29,520	-
5	**CoStaff**	PEO Services	10.1.25 - 9.30.26	**$ 65,000**	$ 60,040	**4,960**
6	**EAP Amendment (New Directions)**	Employee Assistance Program (Renewal)	10.1.25 - 3.31.26	**$ 3,350**	$ 3,350	-
7	**DocuSign**	Electronic Document Signature	1.24.25 - 1.23.26	**$ 3,879**	$ 3,879	**(0)**
8	**Greyhound (Flixbus)**	Bus Transportation Tickets	10.1.24 - Open			
9	**GVSU**	Affiliation Agreement	4.15.25 - 12.31.25	**$ 17,920**	$ 17,920	-
10	**Healthicity**	Compliance Software	1.31.25 - 1.31.28	**$ 19,696**	$ 22,587	**(2,891)**
11	**Holland Litho Printing Service**	Consumer Handbooks	10.1.25 - 9.30.26	**35,000**	-	
12	**Kelly Services, Inc.**	Temporary Staffing	10.1.25 - 9.30.26	**140,000**	**140,000**	-
13	**Linda Fletcher, MS, CPNP**	PDN Services	10.1.25 - 9.30.26	**$ 2,640**	$ 2,640	-
	Maner Costerisan, East Lansing, Michigan	Accounting and Financial Management System Support	10.1.25 - 9.30.26	**$ 73,500**	$ 71,700	**1,800**
14						
15	**Michigan Consortium of Healthcare Excellence (MCHE)**	MCG Parity Software	10.1.24 - 10.1.27	**$ 84,600**		**84,600**
16	**Michigan Optometric Association**	Facilities Rental (Yr. 3 of 3 lower ste.'s)	10.1.25 - 9.30.26	**$ 40,185**	$ 40,185	-
17	**Microsoft AZURE**	Subcription Service	10.1.25 - 9.30.26	**$ 72,000**	$ 72,000	-
18	**MiHIN**	Use Case & SOW and MIDIGATE	10.1.25 - 9.30.26	**$ 104,000**	$ 104,000	-
19	**Milliman**	DRIVE License Agreement; 1k per user	10.1.25 - 9.30.26	**$ 2,000**	$ 2,000	-
20	**Open Beds, Inc.**	IPHU Bed Registry	10.6.21 - Open	**$ -**	$ -	-
21	**PCE Systems**	MCIS System	10.1.25 - 9.30.26	**$ 345,200**	$ 345,200	-
22	**PEC Technologies**	Web Development/Random Sampling	10.1.25 - 9.30.26	**$ 5,000**	$ 5,000	-
23	**Protocall**	After Hours Centralized Access Phone Support	11.1.24 - 9.30.25	**$ 162,000**	**189,700**	**(27,700)**
24	**Providence Consulting Company, Lansing, Michigan**	Computer Help Desk Support and Security	10.1.25 - 9.30.26	**$ 134,185**	$ 134,185	-
	GreatAmerica Financial Services Corp.	Subscription Service Re Laptops (3 yr. Term)	10.1.24 - 9.30.27	**$ 7,000**	$ 16,336	**(9,336)**
	GreatAmerica Financial Services Corp.	Subscription Service Re Laptops (3 yr. Term)	5.1.23 - 4.30.26	**$ 41,000**	$ 125,000	**(84,000)**
25	**Relias Learning, LLC**	On-Line Training Services Package (60 mos. Full term)	11.1.25 - 10.31.26	**$ 446,714**	$ 437,955	**8,759**
26	**Roslund Prestage & Company, Alma, Michigan**	Single, Financial and Compliance Audits	10.1.25 - 9.30.26	**$ 32,100**	$ 32,100	-
27	**TBD Solutions, LLC, Ada Michigan**	Ongoing Consultative Support ("Open"); per hour rate ($205 + expenses)	10.1.25 - 9.30.26	**$ 100,000**	$ 100,000	-
	TBD Solutions, LLC, Ada Michigan	Data Analysis and Knowledge Services ($205 per hour rate)	10.1.25 - 9.30.26	**$ 49,200**	$ 163,800	**(114,600)**
28						
29	**Zenith Technology Solutions (ZTS)**	Metrics, Data Analysis, Outcome Measures, Monitoring	10.1.25 - 9.30.26	**$ 280,000**	$ 280,000	-
				$ 2,318,689	**$ 2,422,097**	**$ (138,408)**
	CONTRACTING ENTITY	**CMHSP SERVICE AREA**	**CONTRACT TERM**	**FY2026 CONTRACT AMOUNT**	**FY2025 CONTRACT AMOUNT**	**INCREASE/ (DECREASE)**
	PIHP/CMHSP GRANTS					
30	Bay-Arenac Behavioral Health	Clubhouse Spenddown MOU	10.1.25 - 9.30.26	**$ 10,000**	20,000	**(10,000)**
31	CEI Community Mental Health Authority	Clubhouse Spenddown MOU	10.1.25 - 9.30.26	**$ 60,000**	108,805	**(48,805)**
32	Community Mental Health of Central Michigan	Clubhouse Spenddown MOU	10.1.25 - 9.30.26	**$ 88,000**	126,935	**(38,935)**
33	LifeWays	Clubhouse Spenddown MOU	10.1.25 - 9.30.26	**$ 29,000**	52,590	**(23,590)**
34	Montcalm Care Network	Clubhouse Spenddown MOU	10.1.25 - 9.30.26	**$ 50,000**	54,400	**(4,400)**
				$ 237,000	$ 362,730	**$ (125,730)**

	CONTRACTING ENTITY	SUD PROVIDERS PROJECTS/PROGRAM DESCRIPTION	CONTRACT TERM	FY2026 CONTRACT AMOUNT	FY2025 CONTRACT AMOUNT	INCREASE/ (DECREASE)
	SUD SERVICE PROVIDER CONTRACTS (Cost Reimbursement/Fee For Services) NOTE: Fee for Service contracts show "-" amount					
35	Arbor Circle	Treatment and Prevention	10.1.25 - 9.30.26	$ 446,150	388,747	57,403
36	Bear River Health	Treatment	10.1.25 - 9.30.26	$ -	1,175	(1,175)
37	Behavioral Health Group (BHG)(f.k.a. MTC)	Treatment	10.1.25 - 9.30.26	$ -	11,183	(11,183)
38	Big Brothers/Big Sisters of Jackson	Prevention	10.1.25 - 9.30.26	$ 58,851	54,056	4,795
39	Boys and Girls Club of Great Lakes Bay Region	Prevention	10.1.25 - 9.30.26	$ 287,010	299,508	(12,498)
40	Catholic Charities of Shiawassee & Genesee Counties	Prevention	10.1.25 - 9.30.26	$ 145,453	153,553	(8,100)
41	Catholic Human Services	Treatment	10.1.25 - 9.30.26	$ -	-	-
42	Cherry Street (Health) Services	Treatment	10.1.25 - 9.30.26	$ -	-	-
43	Child & Family Charities	Prevention	10.1.25 - 9.30.26	$ 176,019	126,182	49,837
44	CMH for CEI - CMHSP	Treatment	10.1.25 - 9.30.26	$ 795,798	834,466	(38,668)
45	Community Program, Inc. (dba Meridian Health Services)	Treatment	10.1.25 - 9.30.26	$ -	-	-
46	Cristo Rey Community Center	Treatment and Prevention	10.1.25 - 9.30.26	$ 317,114	445,952	(128,838)
47	District Health Department #10	Prevention	10.1.25 - 9.30.26	$ 150,000	101,940	48,060
48	DOT Caring Centers, Inc./ Saginaw Valley Centers, Inc.	Treatment	10.1.25 - 9.30.26	$ -	-	-
49	Eaton Regional Education Service Agency (RESA)	Prevention	10.1.25 - 9.30.26	$ 664,497	660,276	4,221
50	Family Service & Children's Aid	Treatment and Prevention	10.1.25 - 9.30.26	$ 681,988	867,587	(185,599)
51	First Ward Community Center	Prevention	10.1.25 - 9.30.26	$ 277,883	271,677	6,206
52	Flint Odyssey House, Inc.	Treatment	10.1.25 - 9.30.26	$ -	-	-
53	Gratiot County Child Advocacy Association	Prevention	10.1.25 - 9.30.26	$ 236,000	256,900	(20,900)
54	Great Lakes Recovery Center	Treatment	10.1.25 - 9.30.26	$ -	-	-
55	Harbor Hall, Inc.	Treatment	10.1.25 - 9.30.26	$ -	-	-
56	HealthSource Saginaw, Pathways Chemical Dependency Center	Treatment	10.1.25 - 9.30.26	$ -	1,175	(1,175)
57	Home of New Vision (HNV)	Treatment/ Prevention	10.1.25 - 9.30.26	$ 460,875	617,409	(156,534)
58	Huron County Health Department	Prevention	10.1.25 - 9.30.26	$ 198,018	194,898	3,120
59	Ingham County Health Department	Treatment (PORT)/Prevention	10.1.25 - 9.30.26	$ 344,980	339,306	5,674
60	Ionia County Health Department	Prevention	10.1.25 - 9.30.26	$ 147,050	240,881	(93,831)
61	Isabella Citizens for Health	Treatment (SUDHH Only)	12.1.24 - 9.30.25	$ -	-	-
62	Kalamazoo Probation Enahncement Program (KPEP)	Treatment	10.1.25 - 9.30.26	$ -	-	-
63	Lansing Syringe Service	LOA/Harm Reduction	10.1.25 - 9.30.26	$ 95,116	109,161	(14,045)
64	LifeWays Community Mental Health Authority	Treatment and Prevention	10.1.25 - 9.30.26	$ 96,700	208,124	(111,424)
65	List Psychological Services, Inc.	Treatment and Prevention	10.1.25 - 9.30.26	$ 90,912	115,855	(24,943)
66	McCullough, Vargas & Associates	Treatment	10.1.25 - 9.30.26	$ -	14,875	(14,875)
67	McLaren Bay Region (McLaren Prevention Services)	Prevention	10.1.25 - 9.30.26	$ 198,225	212,046	(13,821)
68	Mid-Michigan District Health Department	Prevention	10.1.25 - 9.30.26	$ 267,599	324,552	(56,953)
69	Mid-Michigan Comm Health Services	Treatment (OHH Only)	10.1.25 - 9.30.26		-	-
70	Mid-Michigan Recovery Services (f.k.a. NCALRA)	Treatment/Recovery	10.1.25 - 9.30.26	$ 271,448	417,586	(146,138)
71	New Paths	Treatment	10.1.25 - 9.30.26	$ -	-	-
72	North Kent Guidance Services, LLC	Treatment	10.1.25 - 9.30.26	$ -	-	-
73	Our Hope Association (Women Only)	Treatment	10.1.25 - 9.30.26	$ -	-	-
74	Peer 360	Prevention	10.1.25 - 9.30.26	$ 1,300,000	1,358,091	(58,091)
75	Pinnacle Recovery Services	Recovery	10.1.25 - 9.30.26	$ -	3,900	(3,900)
76	Professional Psychological & Psychiatric Services (PPPS)	Treatment	10.1.25 - 9.30.26	$ -	17,500	(17,500)
77	Punks w/ Lunch	Harm Reduction (LOA)	10.1.25 - 9.30.26	$ 60,000	80,203	(20,203)
78	Randy's House	Recovery	10.1.25 - 9.30.26	$ 100,000	143,117	(43,117)
79	Recovery Pathways, LLC	Treatment	10.1.25 - 9.30.26	$ 375,060	417,947	(42,887)
80	Sacred Heart Rehabilitation Center	Treatment and Prevention	10.1.25 - 9.30.26	$ 160,308	127,062	33,246
81	Saginaw County Health Dept.	Harm Reduction Syringe Services (LOA)	10.1.25 - 9.30.26	$ 5,000	5,000	-
82	Saginaw Odyssey House	Treatment/Recovery	10.1.25 - 9.30.26	$ -	6,250	(6,250)
83	Saginaw Youth Protection Council	Prevention	10.1.25 - 9.30.26	$ 240,659	246,323	(5,664)
84	Samaritas	Treatment	10.1.25 - 9.30.26	$ -	25,500	(25,500)
85	Shiawassee County Circuit Court - Family Division	Prevention	10.1.25 - 9.30.26	$ 24,000	17,255	(17,255)
86	Sunrise Centre	Treatment	10.1.25 - 9.30.26	$ -	-	-
87	Ten Sixteen Recovery Network	Treatment/Prevention/Recovery	10.1.25 - 9.30.26	$ 1,795,699	2,965,429	(1,169,730)
88	The Legacy Center - Midland Area Partnership	Prevention	10.1.25 - 9.30.26	$ 185,000	203,860	(18,860)
89	Victory Clinical Services	Treatment	10.1.25 - 9.30.26		-	-
90	VCS Battle Creek		10.1.25 - 9.30.26	$ -	-	-
91	VCS III - Jackson		10.1.25 - 9.30.26	$ -	5,640	(5,640)
92	VCS IV - Saginaw		10.1.25 - 9.30.26	$ -	25,525	(25,525)
93	VCS Lansing		10.1.25 - 9.30.26	$ -	118,550	(118,550)
94	W.A. Foote Memorial Hospital (dba Henry Ford Allegiance Health)	Treatment and Prevention	10.1.25 - 9.30.26	$ 120,226	130,401	(10,175)
95	WAI-IAM (Rise Transitional Housing)	Recovery	10.1.25 - 9.30.26	$ -	-	-
96	Wellness, Inx	Treatment and Prevention	10.1.25 - 9.30.26	$ 732,768	777,546	(44,778)
97	Women of Colors	Prevention	10.1.25 - 9.30.26	$ 206,250	168,175	38,075
				$ 11,712,656	$ 14,112,343	$ (2,423,687)

	CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION (Revenue Contract)	CONTRACT TERM	FY2026 CONTRACT AMOUNT	FY2025 CONTRACT AMOUNT	INCREASE/ (DECREASE)
		PIHP REVENUE CONTRACTS				
98	**Michigan Department of Health & Human Services (EGrAMS)**	Alcohol Use Disorder Treatment	10.1.25 - 9.30.26	$ **420,000**	420,000	-
99		Clubhouse Engagement	10.1.25 - 9.30.26	$ **237,000**	379,000	**(142,000)**
100		Healing & Recovery Community Engagement & Infrastructure	10.1.25 - 9.30.26	$ **150,000**	1,000,000	**(850,000)**
101		Treatment & Access Management	10.1.25 - 9.30.26	$ **6,416,823**	6,481,639	**(64,816)**
102		Prevention	10.1.25 - 9.30.26	$ **2,190,162**	2,190,162	-
103		State Disability Assistance	10.1.25 - 9.30.26	$ **295,155**	295,155	-
104		State Opioid Response III	10.1.25 - 9.30.26	$ **2,000,000**	2,000,000	-
105		SUD - Administration	10.1.25 - 9.30.26	$ **720,182**	720,182	-
106		SUD Services - Tobacco II	10.1.25 - 9.30.26	$ **4,000**	4,000	-
107		SUD Services - Women's Specialty Services	10.1.25 - 9.30.26	$ **929,872**	929,872	-
108		Veteran's Systems Navigator	10.1.25 - 9.30.26	$ **137,568**	110,000	**27,568**
109		Recovery Incentives Infrastructure	10.1.25 - 9.30.26	$ **100,000**	574,680	**(474,680)**
110		Michigan Gambling Disorder Prevention Project	10.1.25 - 9.30.26	$ **200,000**	189,074	**10,926**
111	**Michigan Department of Health & Human Services**	Medicaid Managed Specialty Supports and Services Program(s), the Healthy Michigan Program and Substance Use Disorder Community Grant Programs (FY26)	10.1.25 - 9.30.26	$ -	-	-
				$ **13,800,762**	$ 15,293,764	$ **(1,493,002)**

MID-STATE HEALTH NETWORK
FISCAL YEAR 2026 CMHSP MEDICAID SUBCONTRACTS
September 2025

CONTRACTING ENTITY	CMHSP SERVICE AREA	CONTRACT TERM	FY2026 CONTRACT AMOUNT	FY2025 CONTRACT AMOUNT	INCREASE/ (DECREASE)	FY 2026 REVENUE PROJECTION	REVENUE OVER/(UNDER) EXPENSE	REVENUE % DEFICIT
PIHP/CMHSP MEDICAID SUBCONTRACTS								
Bay-Arenac Behavioral Health	Bay & Arenac	10.1.25 - 9.30.26	**69,160,329**	68,802,315	358,014	63,464,544	(5,695,785)	-8.97%
CEI Community Mental Health Authority	Clinton, Eaton & Ingham	10.1.25 - 9.30.26	**142,503,363**	185,240,111	(42,736,748)	160,641,882	18,138,519	
Community Mental Health of Central Michigan	Clare, Gladwin, Isabella, Mecosta, Midland, Osceola	10.1.25 - 9.30.26	**143,840,307**	146,277,792	(2,437,485)	142,486,900	(1,353,407)	-0.95%
Community Mental Health Authority Gratiot County	Gratiot	10.1.25 - 9.30.26	**23,536,041**	22,430,273	1,105,769	22,077,202	(1,458,839)	-6.61%
Huron County Community Mental Health Authority	Huron	10.1.25 - 9.30.26	**13,926,632**	16,907,275	(2,980,643)	12,339,291	(1,587,341)	-12.86%
The Right Door for Hope, Recovery & Wellness	Ionia	10.1.25 - 9.30.26	**16,801,425**	24,823,678	(8,022,253)	18,505,437	1,704,012	
LifeWays Community Mental Health Authority	Jackson & Hillsdale	10.1.25 - 9.30.26	**93,510,247**	115,644,832	(22,134,585)	89,058,512	(4,451,735)	-5.00%
Montcalm Care Network	Montcalm	10.1.25 - 9.30.26	**28,855,700**	29,960,000	(1,104,300)	26,966,640	(1,889,060)	-7.01%
Newaygo County Community Mental Health Authority	Newaygo	10.1.25 - 9.30.26	**21,116,036**	19,258,236	1,857,800	21,117,195	1,159	0.01%
Saginaw County Community Mental Health Authority	Saginaw	10.1.25 - 9.30.26	**95,742,131**	134,273,926	(38,531,795)	92,648,540	(3,093,591)	-3.34%
Shiawassee County Community Mental Health Authority	Shiawassee	10.1.25 - 9.30.26	**32,786,805**	26,851,480	5,935,325	28,562,619	(4,224,186)	-14.79%
Community Mental Health Authority Tuscola County	Tuscola	10.1.25 - 9.30.26	**25,688,197**	24,915,048	773,149	25,688,206	9	0.00%
			707,467,213	815,384,966	(107,917,753)	703,556,968	(3,910,244)	

MSHN
Mid-State Health Network

Chief Executive Officer Performance Evaluation Postponement

Background

The Chief Executive Officer Performance Review cycle typically begins at the September board meeting and continues through the January board meeting.

In light of the Michigan Department of Health and Human Services Prepaid Inpatient Health Plan procurement matters before the agency, the Executive Committee recommends the performance review for this cycle be suspended until March 2026.

The Committee notes there is not a contract renewal due at this time and the current employment contract expires on 1/31/2027.

Recommended Motion:

The MSHN Board Executive Committee recommends the Chief Executive Officer performance review for this cycle be suspended and revisited in March 2026.

September 9, 2025

Mid-State Health Network (MSHN) Board of Directors Meeting
Tuesday, July 1, 2025
MyMichigan Medical Center
Meeting Minutes

1. Call to Order

Chairperson Ed Woods called this meeting of the Mid-State Health Network Board of Directors to order at 5:01 p.m. Mr. Woods reminded members that those participating by phone may not vote on matters before the board unless absent due to military duty, disability, or health-related condition and the Board Member Conduct Policy, emphasizing that members seek recognition from the chair and honor time limits. Mr. Woods introduced new board member, Lori Schultz, appointed from Newaygo County Mental Health. Mr. Woods also welcomed the Chief Executive Officers of the Community Mental Health Service Programs that were present and allowed them to introduce themselves. Ms. Amanda Ittner introduced MSHN staff members Kim Zimmerman, Chief Compliance and Quality Officer and Dan Dedloff, Customer Service and Rights Manager. Ms. Ittner also introduced Heather Nichols, Chair of the Regional Consumer Advisory Council.

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), Cindy Garber (Shiawassee), David Griesing (Tuscola), Dan Grimshaw (Tuscola), Tim Hanna (CEI), Tina Hicks (Gratiot), John Johansen (Montcalm), Pat McFarland (BABH), Deb McPeek-McFadden (The Right Door), Irene O'Boyle (Gratiot), Paul Palmer (CEI), Kurt Peasley (Montcalm), Joe Phillips (CMH for Central Michigan), Linda Purcey (The Right Door), Kerin Scanlon (CMH for Central Michigan)-joined at 5:20 p.m., Richard Swartzendruber (Huron), and Ed Woods (LifeWays)

Board Member(s) Remote: Patty Bock (Huron)-Bad Axe, MI, Ken DeLaat (Newaygo)-Newaygo, MI-joined at 5:12 p.m., and Lori Schultz (Newaygo)-Newaygo, MI

Board Member(s) Absent: Brad Bohner (LifeWays), Tracey Raquepaw (Saginaw), and Joanie Williams (Saginaw)

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

Dedloff (Customer Service & Rights Manager), and Sherry Kletke (Executive Support Specialist).

Public Present: Bryan Krogman (Chief Executive Officer, Community Mental Health for Central Michigan), Sara Lurie (Chief Executive Officer, Community Mental Health Authority of Clinton, Eaton and Ingham Counties), Ryan Painter (Chief Executive Officer, Shiawassee Health & Wellness), Michelle Stillwagon (Chief Executive Officer, Gratiot Integrated Health Network), and Heather Nichols (Regional Consumer Advisory Council Chair)

3. Approval of Agenda for July 1, 2025

Board approval was requested for the Agenda of the July 1, 2025, Regular Business Meeting.

MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY KURT PEASLEY, FOR APPROVAL OF THE AGENDA OF JULY 1, 2025 REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Public Comment

There was no public comment.

5. Substance Use Disorder Oversight Policy Board Bylaws

Ms. Amanda Ittner informed board members that the Substance Use Disorder Oversight Policy Board (OPB) approved the revisions to the OPB bylaws to ensure compliance with the Open Meetings Act and also includes language which allows each county Board of Commissioners to appoint an alternate, who has the right to vote only in the absence of the appointed voting member.

MOTION BY TINA HICKS, SUPPORTED BY JOHN JOHANSEN, TO APPROVE THE REVISIONS TO THE SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD BYLAWS. MOTION CARRIED UNANIMOUSLY.

6. FY2025 MSHN Corporate Compliance Plan Revisions

Ms. Kim Zimmerman presented an overview of revisions to the FY2025 Corporate Compliance Plan based on required action identified by the Office of Inspector General after review of the previously board approved Corporate Compliance Plan. Board members are required to annually sign a certification form acknowledging Compliance Plan training. New board members currently receive compliance plan training during orientation and they will be asked to sign the certification form following orientation.

MOTION BY RICH SWARTZENDRUBER, SUPPORTED BY KURT PEASLEY, TO ACKNOWLEDGE RECEIPT OF AND APPROVE THE REVISED MSHN FY2025 CORPORATE COMPLIANCE PLAN. MOTION CARRIED UNANIMOUSLY.

7. FY2026 Board Meeting Calendar

Board approval was requested for the Fiscal Year 2026 Board Meeting Calendar as presented.

MOTION BY IRENE O'BOYLE, SUPPORTED BY JOHN JOHANSEN TO ADOPT THE FISCAL YEAR 2026 MSHN BOARD OF DIRECTORS MEETING CALENDAR, AS PRESENTED. 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
  - Regional Financial Situation Update
  - FY21 MDHHS/MSHN Cost Settlement – MSHN Administration seeks board support for MSHN to hold on paying the final cost settlement amount due to MDHHS and request that MDHHS delay finalizing the cost settlement until the directly related matter being litigated is resolved.

    MOTION BY KURT PEASLEY, SUPPORTED BY TINA HICKS FOR MSHN TO HOLD ON PAYING THE FINAL COST SETTLEMENT AMOUNT DUE TO MDHHS AND REQUEST THAT MDHHS DELAY FINALIZING THE COST SETTLEMENT UNTIL THE DIRECTLY RELATED MATTER BEING LITIGATED IS RESOLVED. MOTION CARRIED WITH 1-NAY.
  - Competitive Procurement of PIHPs – Resolution against MDHHS plans to competitively procure Michigan's PIHPs

    MOTION BY KURT PEASLEY, SUPPORTED BY TINA HICKS, TO ADOPT THE RESOLUTION OPPOSING MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES TO COMPETITIVELY PROCURE MICHIGAN'S PRE-PAID INPATIENT HEALTH PLANS. ROLL CALL VOTE: GREG BRODEUR, PATRICK CONLEY, CINDY GARBER, DAVID GRIESING, DAN GRIMSHAW, TIM HANNA, TINA HICKS, JOHN JOHANSEN, PAT McFARLAND, DEB McPEEK-McFADDEN, IRENE O'BOYLE, PAUL PALMER, KURT PEASLEY, JOE PHILLIPS, LINDA PURCEY, KERIN SCANLON, RICH SWARTZENDRUBER, ED WOODS. VOTING IN OPPOSITION: NONE. MOTION CARRIED UNANIMOUSLY.
- State of Michigan/Statewide Activities – See written report for details.
  - State to Centralize Payments and Oversight of CCBHCs within MDHHS

9. Deputy Director's Report

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

- Office of Inspector General Required Compliance Plan Acknowledgement Form
- Performance Improvement Project Summary
- Regional Consumer Advisory Council Summary Report
- MDHHS Mental Health Parity Assessment
- Provider Network Adequacy Assessment – FY24

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 May 31, 2025.

MOTION BY TINA HICKS, SUPPORTED BY DAVID GRIESING, TO RECEIVE AND FILE THE PRELIMINARY STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDED MAY 31, 2025, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

11. Contracts for Consideration/Approval

Ms. Leslie Thomas provided an overview of the FY2025 contract listing provided in the board 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 PAUL PALMER, SUPPORTED BY PATRICK CONLEY, TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SIGN AND FULLY EXECUTE THE CONTRACTS AS PRESENTED AND LISTED ON THE FY25 CONTRACT LISTING. MOTION CARRIED UNANIMOUSLY.

12. Executive Committee Report

MS. Irene O'Boyle informed board members the Executive Committee met on June 20, 2025, and reviewed the following:

- September Election of Officers – volunteers are needed for the Nominating Committee. Tim Hanna, Tina Hicks and Kurt Peasley will participate on the Nominating Committee. Kurt Peasley will be the Committee Chairperson.
- FY26 Tentative Board Meeting Calendar
- MDHHS Competitive Procurement of PIHPs – Update
- MSHN Developed Concept Paper
- MSHN All-Staff Meeting held on June 12, 2025

- MSHN Revised Retention/Severance Plan
- Conflict of Interest
- Conflict Free Access and Planning

13. Chairperson's Report

Mr. Ed Woods discussed the press release regarding the Request for Proposal for Pre-Paid Inpatient Health Plans he wrote about and is included in the board meeting packet.

14. Approval of Consent Agenda

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

A board member requested MSHN administration review the edits to the Drugs and Alcohol section of the personnel manual.

MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY TINA HICKS, TO APPROVE THE FOLLOWING DOCUMENTS ON THE CONSENT AGENDA: APPROVE MINUTES OF THE MAY 13, 2025 BOARD OF DIRECTORS MEETING; RECEIVE BOARD EXECUTIVE COMMITTEE MEETING MINUTES OF JUNE 20, 2025; RECEIVE SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD MEETING MINUTES OF FEBRUARY 19, 2025 AND APRIL 16, 2025; RECEIVE POLICY COMMITTEE MEETING MINUTES OF JUNE 3, 2025; RECEIVE OPERATIONS COUNCIL KEY DECISIONS OF MAY 14, 2025 AND JUNE 16, 2025; AND TO APPROVE ALL THE FOLLOWING POLICIES: PERFORMANCE EVALUATION, PERSONNEL MANUAL, POSITION MANAGEMENT, PUBLIC HEALTH EMERGENCY NOTICE, REIMBURSEMENT POLICY FOR CREDENTIALS, LICENSURE AND MEMBERSHIPS, SEPARATION, SUCCESSION PLANNING, CREDENTIALING/RE-CREDENTIALING, DISCLOSURE OF OWNERSHIP, CONTROL AND CRIMINAL CONVICTIONS, AND PERSON/FAMILY CENTERED PLAN OF SERVICE. MOTION CARRIED UNANIMOUSLY.

15. Other Business

There was no other business.

16. Public Comment

A board member requested future consideration of the disposition of assets in the event of dissolution of MSHN due to the Competitive Procurement outcome. A board member wished to remind all board members about the Board Member Conduct and Board Meetings Policy that is included in meeting packets.

17. Chief Executive Officer Contract Issue

Mr. Joe Sedlock was recognized and requested the board consider a closed session to discuss an employment contract issue.

MOTION BY TINA HICKS, SUPPORTED BY DAN GRIMSHAW, TO ENTER INTO CLOSED EXECUTIVE SESSION TO CONSIDER THE CHIEF EXECUTIVE OFFICER CONTRACT ISSUE.

ROLL CALL VOTING IN FAVOR: GREG BRODEUR, PATRICK CONLEY, CINDY GARBER, DAVID GRIESING, DAN GRIMSHAW, TIM HANNA, TINA HICKS, JOHN JOHANSEN, PAT McFARLAND, DEB McPEEK-McFADDEN, IRENE O'BOYLE, PAUL PALMER, KURT PEASLEY, JOE PHILLIPS, LINDA PURCEY, KERIN SCANLON, RICH SWARTZENDRUBER, ED WOODS. VOTING IN OPPOSITION: NONE. MOTION CARRIED UNANIMOUSLY.

MOTION BY JOHN JOHANSEN, SUPPORTED BY KURT PEASLEY, TO ADJOURN THE CLOSED SESSION AND RECONVENE THE BOARD OF DIRECTORS REGULAR BUSINESS MEETING. MOTION CARRIED UNANIMOUSLY.

MOTION BY TINA HICKS, SUPPORTED BY PATRICK CONLEY, THE MSHN BOARD WAIVES THE ACTUAL, OR APPEARANCE OF, CONFLICT OF INTEREST OF ITS CHIEF EXECUTIVE OFFICER IN RELATION TO IDENTIFYING, INITIATING, PURSUING, DEVELOPING, COLLABORATING, PROMOTING OR OTHERWISE ACTING TO PRESERVE PUBLIC MANAGEMENT OF THE BEHAVIORAL HEALTH SYSTEM BY PUBLC ENTITIES IN THE PIHP PROCUREMENT PROCESS AND REQUESTS THE CHIEF EXECUTIVE OFFICER TO PROVIDE REGULAR UPDATES. MOTION CARRIED UNANIMOUSLY.

18. Adjournment

The MSHN Board of Directors Regular Business Meeting adjourned at 7:07 p.m.

Mid-State Health Network (MSHN)
Special Board of Directors Meeting
Wednesday, August 27, 2025
MyMichigan Medical Center
Meeting Minutes

1. Call to Order

Chairperson Ed Woods called this special meeting of the Mid-State Health Network Board of Directors to order at 5:03 p.m. Mr. Woods asked for a moment of silence to honor those affected by the school shooting in Minneapolis earlier today. 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, emphasizing that there shall be no limit on board member questions or other inquiry on matters presently before the board. Mr. Woods welcomed four Chief Executive Officers of the Community Mental Health Service Programs that were present and asked them to introduce themselves.

2. Roll Call

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

Board Member(s) Present: Patrick Conley (BABH), Ken DeLaat (Newaygo), Cindy Garber (Shiawassee), David Griesing (Tuscola), Dan Grimshaw (Tuscola), Tina Hicks (Gratiot), John Johansen (Montcalm), Pat McFarland (BABH), Deb McPeek-McFadden (The Right Door), Irene O'Boyle (Gratiot), Kurt Peasley (Montcalm), Linda Purcey (The Right Door), Kerin Scanlon (CMH for Central Michigan), Richard Swartzendruber (Huron), Joanie Williams (Saginaw), and Ed Woods (LifeWays)

Board Member(s) Remote: Patty Bock (Huron)-Bad Axe, MI; Tim Hanna (CEI)-Charlevoix, MI; Tracey Raquepaw (Saginaw)-Saginaw, MI; and Lori Schultz (Newaygo)-Newaygo, MI

Board Member(s) Absent: Brad Bohner (LifeWays), Greg Brodeur (Shiawassee), Paul Palmer (CEI), and Joe Phillips (CMH for Central Michigan)

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

Public Present: Neil Marchand (Attorney, Miller Johnson), Michelle Stillwagon (Chief Executive Officer, Gratiot Integrated Health Network), Tammy Warner (Chief Executive Officer,

Montcalm Care Network), Carol Mills (Chief Executive Officer, Newaygo County Mental Health Center), and Chris Pinter (Chief Executive Officer, Bay-Arenac Behavioral Health)

3. Approval of Agenda for August 27, 2025

Board approval was requested for the Agenda of the August 27, 2025, Special Meeting.

MOTION BY KEN DeLAAT, SUPPORTED BY DAVID GRIESING, FOR APPROVAL OF THE AGENDA OF AUGUST 27, 2025 SPECIAL MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Public Comment

Members of the public expressed support for litigation against the Michigan Department of Health and Human Services and the Michigan Department of Technology, Management, and Budget specifically relating to the recently released Request for Proposal of Prepaid Inpatient Health Plan contracts.

5. PIHP Procurement and Related Legal Matters

MOTION BY KURT PEASLEY SUPPORTED BY TINA HICKS, TO MEET IN CLOSED SESSION UNDER SECTION 8(j) OF THE OPEN MEETINGS ACT, FOR PURPOSES OF DISCUSSING A WRITTEN ATTORNEY CLIENT PRIVILEGE AND COMMON INTEREST PRIVILEGE WITH THE COMMUNITY MENTAL HEALTH SERVICE PROGRAMS. ROLL CALL VOTE IN FAVOR: PATRICK CONLEY, KEN DELAAT, CINDY GARBER, DAVID GRIESING, DAN GRIMSHAW, TINA HICKS, JOHN JOHANSEN, PAT MCFARLAND, DEB MCPEEK-MCFADDEN, IRENE O'BOYLE, KURT PEASLEY, LINDA PURCEY, KERIN SCANLON, RICHARD SWARTZENDRUBER, JOANIE WILLIAMS, AND ED WOODS. NAYS: NONE. MOTION CARRIED.

MOTION BY KURT PEASLEY, SUPPORTED BY TINA HICKS, TO END CLOSED SESSION FOR THE PURPOSE OF AMENDING THE MOTION TO ENTER CLOSED SESSION TO INCLUDE THE ATTORNEY'S NAME PRESENT FOR DISCUSSION. MOTION CARRIED.

MOTION BY KURT PEASLEY, SUPPORTED BY PATRICK CONLEY, TO MEET IN CLOSED SESSION UNDER SECTION 8(j) OF THE OPEN MEETINGS ACT, FOR PURPOSES OF DISCUSSING A WRITTEN ATTORNEY CLIENT PRIVILEGE AND COMMON INTEREST PRIVILEGE WITH THE COMMUNITY MENTAL HEALTH SERVICE PROGRAMS TO INCLUDE MILLER JOHNSON ATTORNEY NEIL MARCHAND. ROLL CALL VOTE IN FAVOR: PATRICK CONLEY, KEN DELAAT, CINDY GARBER, DAVID GRIESING, DAN GRIMSHAW, TINA HICKS, JOHN JOHANSEN, PAT MCFARLAND, DEB MCPEEK-MCFADDEN, IRENE O'BOYLE, KURT PEASLEY, LINDA PURCEY, KERIN SCANLON, RICHARD SWARTZENDRUBER, JOANIE WILLIAMS, AND ED WOODS. NAYS: NONE. MOTION CARRIED.

MOTION BY JOHN JOHANSEN, SUPPORTED BY TINA HICKS, TO END CLOSED SESSION. MOTION CARRIED UNANIMOUSLY.

The Board of Directors meeting reconvened in open session at 6:18 p.m.

MOTION BY KURT PEASLEY, SUPPORTED BY TINA HICKS, TO ADOPT THE RESOLUTION PRESENTED BY ADMINSTRATION DATED AUGUST 27, 2025. ROLL CALL VOTE IN FAVOR: PATRICK CONLEY, KEN DELAAT, CINDY GARBER, DAVID GRIESING, TINA HICKS, JOHN JOHANSEN, PAT MCFARLAND, DEB MCPEEK-MCFADDEN, IRENE O'BOYLE, KURT PEASLEY, LINDA PURCEY, KERIN SCANLON, RICHARD SWARTZENDRUBER, JOANIE WILLIAMS, AND ED WOODS. NAYS: DAN GRIMSHAW. MOTION CARRIED.

6. **Other Business**

   There was no other business.

7. **Public Comment**

   A member of the public expressed appreciation to the board for adopting the resolution.

8. **Adjournment**

   The MSHN Board of Directors Regular Business Meeting adjourned at 6:27 p.m.

MSHN
Mid-State Health Network

Mid-State Health Network Board of Directors
Executive Committee Meeting Minutes
Friday, August 15, 2025 - 9:00 a.m.
ZOOM VIDEO CONFERENCE

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

Members Absent: None

Others Present: Ken DeLaat, Board Member; Rich Swartzendruber, Board Member; Amanda Ittner, Deputy Director; Joseph Sedlock, Chief Executive Officer

1. **Call to order:** Chairperson Woods called this meeting of the Mid-State Health Network Board Executive Committee to order at 9:02 a.m.

2. **Adjustments to and Approval of Agenda**: _No adjustments were noted. Motion by K. Peasley supported by D. Griesing to approve the agenda as presented. Motion carried.

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

4. **Board Matters**

4.1 Draft September 2025 Budget Public Hearing and Regular Board Meeting Agendas: The September 2025 Budget Public Hearing agenda was reviewed. No changes were recommended. The September 2025 Regular Board Meeting Agenda was reviewed. Significant discussion took place as detailed below. No other changes were recommended for the board meeting agenda, which is not final until adopted by the board at the time of the meeting.

MSHN General Management, Board Member Conduct and Board Meetings policy
The Committee discussed the applicability of this policy in recognition of the very complex situation that MSHN is in relative to the MDHHS procurement of PIHP contracts and the potential for significant differences in board member views. The Executive Committee noted that the current policy differentiates between personal comments and those relating to a matter before the board. The current policy states as follows:

> "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."

Chairperson Woods will provide background and read these provisions to the full board at the onset of the September meeting. The board may choose to suspend any rule as noted in the policy on affirmative vote on a motion duly made and seconded.

Attorney-Client Privilege – Closed Session
Mr. Sedlock provided an attorney-client privilege letter from MSHNs law firm that indicates that the Board may enter into closed session to discuss attorney-client privileged options for competitive procurement. A copy of the letter will be provided to all board members in their on-site meeting folders. A specific motion to do so must be made and seconded followed by a vote of the board to enter into closed session under attorney-client privileged materials.

CEO Contract Issue
At the July Board Meeting, in a closed session, the MSHN Board considered a request from Mr. Sedlock for the board to waive actual or appearance of conflict of interest pertaining to actions to preserve public management of the behavioral health system. Chairperson Woods determined that the vote to grant the waiver should have been by roll call. Chairperson Woods was also asked by a few board members to seek legal counsel to help guide the decision of the board. An opinion from the MSHN attorney was provided to the Executive Committee, which noted that there appears to be no conflict of interest and that there are no legal issues preventing the board from granting Mr. Sedlock's request. A copy of the letter will be placed in each board member's on-site meeting folder. Because this is an employment matter, the MSHN board can deliberate the letter in closed session and take whatever action it determines best by roll call on the public record.

4.2 **FY 26 Executive Committee Meeting Schedule**: The committee reviewed the draft FY 26 Executive Committee meeting schedule, noting it may be necessary to meet on dates not in the draft calendar as needed. The Executive Committee adopted the proposed meeting schedule.

4.3 **Nominating Committee Update:** K. Peasley, Nominating Committee Chairperson, provided an update on Nominating Committee recommendations. The Nominating Committee will recommend to the full board a slate of officers and at large members for board consideration. Recognizing the need for board leadership stability in the current environment, the Nominating Committee will recommend re-electing the existing officers and will put forth a slate of four executive committee members at-large for the two at-large seats for board consideration.

4.4 **2025 CEO Performance Review**: The CEO Performance Review cycle typically begins at the September board meeting and continues through the January board meeting. In light of the procurement matters before the agency, the Executive Committee will recommend to the full board that the performance review for this cycle be suspended until March 2026. The Committee noted that there is no contract renewal due at this time (current employment contract expires 01/31/2027).

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

5. Administration Matters

5.1 MDHHS Competitive Procurement of PIHPs – Updates: Mr. Sedlock and Ms. Ittner provided a high-level overview of the MDHHS request for proposals and the general strategy and actions by MSHN to date. This week, legal strategies were also raised by the region's CMHSP CEOs and the Community Mental Health Association. The executive committee held significant discussion on the strategies and positions that MSHN is considering and/or pursuing. The options under consideration, including legal options, should be more fully discussed in a closed session of the board as noted under 4.1 above. The Executive Committee asked administration to procure an attorney opinion on a few questions that would be helpful to include for board discussion.

5.2 Employee Compensation Policy – Policy Committee Update: A. Ittner briefed the Executive Committee on the Policy Committee stance to support the recommended changes proposed by administration as detailed in the tracked changes version of the policy provided to the Executive Committee. Previous recommendations that the Policy Committee did not support were removed. The revised policy will be included on the Consent Agenda for full board consideration at the September board meeting.

5.3 MSHN Office Lease: The lease on two suites that MSHN occupies in downtown Lansing expires on September 30, 2025. Administration preliminarily worked out a one year, no lease cost increase, extension with the landlord. The Executive Committee supports a one-year extension of the lease. If MSHN status changes anytime during the year, administration may approach the landlord to negotiate any adjustments that may be warranted.

5.4 Other (if any): None

6. **Other**

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

6.2 Ad Hoc Meeting Scheduled: The Committee would like to meet on Friday, August 22, 2025 at 9:00 a.m. for updates on procurement-related matters. The Committee may schedule additional committee meetings as the procurement process moves ahead.

7. **Guest MSHN Board Member Comments**: One guest member commented that the meeting was informative and helpful.

8. **Adjourn:** This meeting of the MSHN Board Executive Committee was adjourned at 10:10 a.m.

MSHN
Mid-State Health Network

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

Friday, August 22, 2025 - 9:00 a.m.

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

Others Present: Ken DeLaat, Board Member and Tim Hanna, Board Member

Staff Present: Amanda Ittner, Deputy Director and Joe Sedlock, Chief Executive Officer

1. Call to order: Chairperson Woods called this meeting of the Mid-State Health Network Board Executive Committee to order at 9:01 a.m.

2. Adjustments to and Approval of Agenda: Motion by I. O'Boyle, supported by D. McPeek-McFadden to approve the agenda. Motion carried.

3. Guest MSHN Board Member Comments: None

4. Administration Matters
   - 4.1 MDHHS Competitive Procurement of PIHPs – Updates: J. Sedlock and A. Ittner gave detailed updates on regional discussions relating to the MDHHS procurement of PIHPs, which was discussed in detail by the Committee.
   - 4.2 Other (if any): None

5. Board Matters
   - 5.1 Board Meeting(s) considerations: Chairperson Woods, supported by the Executive Committee, will call a special meeting of the MSHN Board to consider procurement-related matters as soon as it can be scheduled with attorneys present and within notice requirements.
   - 5.2 Other (if any): None

6. Other
   - 6.1 Any other business to come before the Executive Committee: None
   - 6.2 Next scheduled Executive Committee Meeting: 10/17/2025, 9:00 a.m.

7. Guest MSHN Board Member Comments: Support for special meeting was expressed.

8. Adjourn: This meeting was adjourned at 9:43 a.m.

MSHN
Mid-State Health Network

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

Monday, July 14, 2025 – 9:30 AM

Members Present: Kurt Peasley, Chairperson; Tim Hanna; Tina Hicks

Staff Present: Joseph Sedlock, Chief Executive Officer; Sherry Kletke, Executive Support Specialist

1. **Call to order:** This meeting of the MSHN Board of Directors Nominating Committee was called at 9:31 AM.

2. **Review of MSHN Bylaws and MSHN Policy and Procedure:** The Committee reviewed the Board Nominations and Election Procedure, Board Governance Policy and Articles 6.1 and 6.2 of the MSHN Bylaws all of which are applicable to the committee's work.

3. **Review of Proposed Timeline:** The Nominating Committee reviewed the proposed timeline and requested to move up the dates on the timeline since the committee had the first meeting earlier than listed.

4. **Review/Approval of Draft Board Survey:** The Committee reviewed and approved the survey that was used for the last MSHN officer election process to ask seated board members of their interest in or nominees for officer positions. The survey will be distributed electronically to board members on Monday, July 14, 2025, for completion by Friday, July 25, 2025.

   MOTION BY TIM HANNA, SUPPORTED BY TINA HICKS, TO APPROVE THE 2025 BOARD OFFICER NOMINATION SURVEY. Motion carried unanimously.

5. **New Business:** None

6. **Next Meeting:** The next meeting of the Nominating Committee will be on Friday, August 1, 2025 at 9:30 a.m. via zoom.

7. **Adjournment**: This meeting was adjourned at 9:56 a.m.

MSHN
Mid-State Health Network

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

Friday, August 1, 2025 – 9:30 AM

Members Present: Kurt Peasley, Chairperson; Tim Hanna

Members Absent: Tina Hicks

Staff Present: Joseph Sedlock, Chief Executive Officer; Sherry Kletke, Executive Support Specialist

1. **Call to order:** This meeting of the MSHN Board of Directors Nominating Committee was called at 9:31 AM.

2. **Review of MSHN Board Officer Interest/Nomination Survey Results:** The committee reviewed the results of the Board Officer Interest/Nomination Survey summarizing the seven responses received. One individual expressed interest in the Board Chair and received four nominations. One individual expressed interest in Vice-Chair and received three nominations. One individual expressed interest in Secretary and received one nomination. Three responded they would be interested in the Member At Large Position and there was one additional individual nominated.

3. **Considerations for Putting Forward a Slate of Officers Candidates:** The Nominating Committee discussed the slate of officer candidates and will present the following slate for election in September 2025.

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

4. **Board Officer Candidate Nominee Information Disclosure Form:** The Nominating Committee reviewed and accepted the Board Officer Candidate Nominee Information Disclosure Form that will be used for the September 2025 elections, which is based on bylaws conditions for office holders and other information requested of candidates in the past. Only the candidates will be asked to complete the Nominee Information Form. MSHN Executive Support Specialist, Sherry Kletke, will send the form in advance of the September 2025 elections to each of the candidates for all positions and ask to complete and return the form if they are still interested.

5. **Board Executive Committee Ballots:** The Nominating Committee reviewed and accepted the Ballot Form that will be used for the September 2025 elections as presented. Nominations for each position will be listed on each applicable ballot. In the case of the Member at Large position, all nominations will be listed on one ballot and members will be asked to circle two candidates. In the case of a run-off, MSHN Administration will also be prepared with blank ballots.

6. **Board Officer Election Procedures for September Elections:** Being only one nomination for the positions of Chair, Vice Chair and Secretary, the Nominating Committee can call for all three positions at once if no other nominations are received from the floor. An election will need to take place for the Member At Large positions due to multiple nominees. The Chairperson of the Nominating Committee will allow those expressing interest to speak prior to the vote. The Chairperson of the Nominating Committee and the MSHN Executive Support Specialist will count the ballots in a location visible to the board members.

The Nominating Committee was in agreement to have the Nominating Committee Chairperson run the elections though the chairperson is nominated for a Member At Large position. Joseph Sedlock will discuss the voting process with Board Chair, Ed Woods, to allow Nominating Committee Chairperson, Kurt Peasley, to run the elections in September, since he will be standing for election.

7. **Other Business:** There was no other business.

8. **Adjournment**: This meeting was adjourned at 9:45 a.m.

Mid-State Health Network SUD Oversight Policy Advisory Board
Wednesday, June 18, 2025, 4:00 p.m.
CMH Association of Michigan (CMHAM)
507 S. Grand Ave
Lansing, MI 48933

Meeting Minutes

1. Call to Order

Chairperson Bryan Kolk called the MSHN SUD Regional Oversight Policy Board (OPB) of Directors Meeting to order at 4:00 p.m. Mr. Kolk reminded members participating virtually may not participate in or vote on matters before the board unless absent due to military duty, disability, or health-related condition. Mr. Dani Meier introduced Ms. MarChare Canada, MSHN Treatment Specialist.

Board Member(s) Present:	Lori Burke (Shiawassee), Irene Cahill (Ingham), Jacob Gross (Clare), Charlean Hemminger (Ionia), John Hunter (Tuscola), Bryan Kolk (Newaygo), John Kroneck (Montcalm), Karen Link (Huron), Jim Moreno (Isabella), Jerrilynn Strong (Mecosta), Kim Thalison (Eaton), and Dwight Washington (Clinton)
Board Member(s) Remote:	Bruce Caswell (Hillsdale)–Munising, MI and Emily Rayburn (Gratiot)–Ithaca, MI
Board Member(s) Absent:	Lisa Ashley (Gladwin), Todd Gambrell (Midland), Christina Harrington (Saginaw), Justin Peters (Bay), David Turner (Osceola), and Rachel Vallad (Arenac), and Ed Woods (Jackson)
Alternate Member(s) Present:	Nicole Fickes (Clinton), Charlie Mahar (Montcalm)-joined at 4:07 p.m., and Tanya Pratt (Ingham)
Alternate Member(s) Remote:	Margery Briggs (Ionia)-Portland, MI
Staff Members Present:	Amanda Ittner (Deputy Director), Leslie Thomas (Chief Financial Officer), Dr. Dani Meier (Chief Clinical Officer), Dr. Trisha Thrush (Director of Substance Use Disorder Services and Operations); Sarah Andreotti (Prevention Specialist), Sherry Kletke (Executive Support Specialist), and MarChare Canada (Treatment Specialist)

Staff Members Remote: Sherrie Donnelly (Treatment and Recovery Specialist), Cari Patrick (Prevention Specialist), Joe Sedlock (Chief Executive Officer), and Sarah Surna (Prevention Specialist)

Public Present: Christa Merritt (Montcalm)

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.

   Mr. John Kroneck informed the board that he will be stepping down and Mr. Charlie Mahar will be the appointed replacement and Ms. Christa Merritt will be the alternate for Montcalm County.

3. Approval of Agenda for June 18, 2025

   Board approval was requested for the Agenda of the June 18, 2025 Regular Business Meeting, as presented.

   MOTION BY JOHN HUNTER, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE JUNE 18, 2025 REGULAR BUSINESS MEETING AGENDA, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

4. Approval of Minutes from the February 19, 2025 Regular Business Meeting and the April 16, 2025 Regular Business Meeting

   Board approval was requested for the draft meeting minutes of the February 19, 2025 Regular Business Meeting.

   MOTION BY CHARLEAN HEMMINGER, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE MINUTES OF THE FEBRUARY 19, 2025, MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

   Board approval was requested for the draft meeting minutes of the April 16, 2025 Regular Business Meeting.

   MOTION BY JOHN HUNTER, SUPPORTED BY JOHN KRONECK, FOR APPROVAL OF THE MINUTES OF THE APRIL 16, 2025, MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

5. Public Comment

   There was no public comment

6. Board Chair Report

   Mr. Bryan Kolk called for discussion and approval of the Fiscal Year 2026 Oversight Policy Board meeting calendar as presented.

   MSHN Administration may recommend a reduction to the number of meetings in fiscal year 2026 due to the lack of action items related to the PIHP Procurement and will bring forth any calendar changes to a future board meeting. Board members requested to receive the utilization reports in

the absence of the board meeting packet. Administration supported continuation of the county utilization/data reports.

MOTION BY JIM MORENO, SUPPORTED BY IRENE CAHILL, FOR APPROVAL OF THE FISCAL YEAR 2026 SUD OVERSIGHT POLICY BOARD MEETING CALENDAR, AS PRESENTED. MOTION CARRIED: UNANIMOUSLY.

7. Deputy Director Report

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

Regional Matters:

- SUD Oversight Policy Board Bylaws Review
- Michigan Department of Health and Human Services (MDHHS) Bidder Qualifications Announced-related to the PIHP Procurement News Release, reviewing the steps MSHN has undertaken to ensure continued public management, consumer voice, county connections and provided details on why MSHN (in its current form) doesn't qualify as a bidder. Board members discussed the efforts they can take to support public management. Administration agreed to distribute the Community Mental Health Association's action alert for OPB members action, noting that the alert was also included in the weekly constant contact.
- Annual Disclosure of Ownership, Controlling Interest, and Criminal Convictions
- Provider Network Adequacy Assessment (NAA)-FY24
- 26th Annual Substance Use and Co-Occurring Disorder Hybrid Conference

8. Substance Use Disorder Oversight Policy Board Bylaws

Board approval was requested for the revisions included in the Substance Use Disorder Oversight Policy Board Bylaws as provided in board meeting packets.

MOTION BY KIM THALISON, SUPPORTED BY DWIGHT WASHINGTON, FOR APPROVAL OF THE REVISIONS TO THE SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD BYLAWS, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

9. Chief Financial Officer Report

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

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

10. Substance Use Disorder PA2 Contract Listing

Ms. Leslie Thomas provided an overview and information on the FY25 Substance Use Disorder (SUD) PA2 Contract Listing as provided in the packet.

MOTION BY JOHN HUNTER, SUPPORTED BY IRENE CAHILL, FOR APPROVAL OF THE FY25 SUBSTANCE USE DISORDER (SUD) PA2 CONTRACT LISTING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.

11. SUD Operating Update

Dr. Dani Meier provided an overview of the written SUD Operations Report and the FY25 Q2 SUD County reports included in the board meeting packet, highlighting the below.

- Annual MSHN Region Prevention Conference
- Coordination with Dorothy Johnson Center (GVSU) in evaluation of Learning Collaborative activities and progress.
- Supporting providers during the PIHP procurement process
- Centers for Disease Control (CDC) reports show an uptick in overdose deaths in most recent 12 month reporting period

12. Other Business

There was no other business.

13 Public Comment

There was no public comment.

14. Board Member Comment

There were no further board member comments.

15. Adjournment

Chairperson Bryan Kolk adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 4:47 p.m.

Meeting minutes submitted respectfully by:
MSHN Executive Support Specialist

MID-STATE HEALTH NETWORK

BOARD POLICY COMMITTEE MEETING MINUTES
TUESDAY, AUGUST 5, 2025 (VIDEO CONFERENCE)

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

Members Absent: Tina Hicks

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

1. CALL TO ORDER

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

2. APPROVAL OF THE AGENDA

MOTION by Irene O'Boyle, supported by Kurt Peasley, to approve the August 5, 2025, Board Policy Committee Meeting Agenda as presented. Motion Carried: 4-0.

3. POLICIES UNDER DISCUSSION

The Employee Compensation Policy from the Human Resources chapter was brought back to the Policy Committee for further discussion following the June policy committee recommendations clarifying oversight and transparency under the Special Circumstances and Severance sections.

MOTION by David Griesing, supported by Kurt Peasley, to approve and recommend the Employee Compensation policy under discussion. Motion carried: 4-0.

4. POLICIES UNER REVIEW

Mr. John Johansen invited Ms. Amanda Ittner to provide a review of the substantive changes within the policies listed below. Ms. Ittner provided an overview of the substantive changes within the policies. The Transitions of Care policy is a new policy created to cover the transitions of care process removed from the Service Philosophy and Treatment policy. The Home and Community Based Services Compliance Monitoring policy was reviewed in response to Michigan Department of Health and Human Services updated requirements. The Service Philosophy & Treatment policy was reviewed in preparation for the Health Services Advisory Group (HSAG) review to simplify and break out the transitions of care process. All policies were also reviewed and supported by the Operations Council.

CHAPTER: POPULATION HEALTH

1. TRANSITION OF CARE (NEW)

CHAPTER: SERVICE DELIVERY

1. HCBS COMPLIANCE MONITORING POLICY
2. SERVICE PHILOSOPHY & TREATMENT

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

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

5. NEW BUSINESS

The policy committee discussed the FY2026 meeting calendar. Amanda Ittner informed the policy committee based upon the Prepaid Inpatient Health Plan (PIHP) procurement RFP, MSHN Administration has reviewed a list of projects to put on hold, which includes the biennial chapter policy reviews. Based on the chapter reviews being placed on hold, there won't be biennial policies to review and only policies needing to be updated based on contract updates will be presented as needed. This could impact the frequency of the FY2026 meetings, and some meetings may be cancelled. Policy Committee members will receive notification of any meeting cancellations.

MOTION by David Griesing, supported by Irene O'Boyle, to approve the FY2026 meeting calendar as presented. Motion carried: 4-0.

6. ADJOURN

Mr. John Johansen adjourned the Board Policy Committee Meeting at 10:15 a.m.

Meeting Minutes respectfully submitted by:
MSHN Executive Support Specialist

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

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REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: 07/21/2025

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

Agenda Item	Action Required				
CONSENT AGENDA	No items removed for discussion				
	Received and acknowledged	By Who	N/A	By When	N/A
FY 2025-05 MSHN REGIONAL SAVINGS ESTIMATES • **FY25 CMHSP BUDGETS WITH FY25 AMENDED RATES**	Leslie reviewed the Savings Estimate for May 2025. 23m in savings for FY25, Leslie recommends leaving as savings and not contributing to the ISF. Medicaid expenditures are coming in 30m less than budget. HMP expenses are coming in close. Autism expenses are coming in 13 more than budgeted. CCBHC – MDHHS proposes to take 97m from base capitation, which is significantly higher than MSHN would expect based on historical usage (46m/yr for MSHN). MDHHS is reconsidering. ESTA and Min Wage – MDHHS sent request to legislature but waiting there. Anticipate inclusion in FY 26 but do not expect legislative action for FY 25.				
	Informational and discussion	By Who	N/A	By When	N/A
FY21 COST SETTLEMENT REQUEST/MDHHS RESPONSE	We sent in the MDHHS request to cost settlement requesting forgiveness and/or hold until the lawsuit is resolved. Ops requested we respond with MDHHS return the funds if the lawsuit is settled in favor of PIHPs. Informal MDHHS response is that it will not be allowed. Awaiting formal response from MDHHS.				
	MSHN will follow up as requested – Anticipate that MDHHS response will be as informally communicated – MDHHS will pay the obligation with the footnote that if PIHPs prevail in suit, MSHN expects return of these funds.	By Who	J. Sedlock	By When	8.31.25
FY25/26 UTILIZATION MANAGEMENT PLAN	Skye Pletcher reviewed the UM Plan changes which were minimal due to the upcoming procurement. The change log on pg 46 includes the minor updates.				
	Ops Council was supportive of the UM Plan, which will move forward for finalization.	By Who	S. Pletcher	By When	8.31.25
FY26 OPERATIONS COUNCIL MEETING CALENDAR • **RECONSIDER AUGUST 2025 IN-**	Joe reviewed the calendar and purpose of August in-person was to conduct strategic planning. Convert to video meeting for August. FY26 Calendar same as typical with some moves due to holidays.				

Agenda Item	Action Required				
PERSON MEETING (?)					
	Calendar approved as presented; August virtual meeting	By Who	J. Sedlock	By When	8.1.25
FY24 MDHHS FINDINGS: MSHN NETWORK ADEQUACY ASSESSMENT	Amanda reviewed the MDHHS NAA Summary results. MDHHS has not requested a CAP at this time. MSHN requested CMHs review their areas of deficiencies and work to address the gaps.				
	MSHN will follow up as needed with CMHs based on the gaps.	By Who	A.Ittner	By When	9.1.25
2025-07 PIHP OPERATIONS MEETING SUMMARY	Amanda reviewed the internal notes from the PIHP Operations meeting.				
	MSHN will send out the internal notes and slides presented.	By Who	A.Ittner	By When	9.1.25
PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY) • **MSHN OPERATIONS, PROJECT REVIEWS**	Joe provided an update from his email communication sent out last week. James (SE) is working on scheduling a meeting with the association including all the central region to review the proposals as we know now. Joe and Amanda met with Molina, per their request. Joe heard there is something the advocates are preparing for a design proposal. CMHs – Haven't heard anything more. CMHA – Heard Governor and Liz Hertel reached out for a meeting. Projects Review: Concern regarding HCBS provider reviews – Amanda will follow up with the team (Todd, Kara)				
	Discussion; MSHN will follow up with Leads regarding projects.	By Who	Amanda/Joe	By When	7.31.25
AUTISM REGIONAL PAYMENTS	Leslie reviewed the current Autism payment schedule based on autism enrollees which are received from CMHSPs (since MSHN no longer has WSA counts) to our Chief Behavioral Health Officer. That is then reviewed by Leslie for distribution. Most CMHs in the Finance Council did not want to change the distribution and keep the smoothing plan that goes through 2028.				
	Ops Council supported to leave it in place and continue with the 40/60 split and revisit after regional PIHP rates.	By Who	L. Thomas	By When	N/A

MSHN
Mid-State Health Network

REGIONAL OPERATIONS COUNCIL/CEO MEETING
Key Decisions and Required Action
Date: 08/18/2025

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

Agenda Item	Action Required				
CONSENT AGENDA					
	Consent agenda reviewed, no items pulled for discussion	By Who	N/A	By When	N/A
REGIONAL INPATIENT CONTRACT	L. Thomas reviewed the change log for the contracts.				
	No concerns noted – approved for use – communication with be shared with PNC for use.	By Who	N/A	By When	N/A
REGIONAL ABA CONTRACT	L. Thomas reviewed the change log for the contracts. ABA has some changes, from 2-3 year credentialing, add MHP role for NEMT, added definitions				
	No concerns noted – approved for use – communication with be shared with PNC for use.	By Who	N/A	By When	N/A
MEDICAID SUBCONTRACT AMENDMENT-CONTINUATION FOR FY26	L. Thomas reviewed the change log for the contracts. Continuation from FY25, 2-page amendment due to HSAG findings, added DUA, might need to clarify BHH case rate of 90%, also sending a disclosure form to be completed. Updated funding exhibit will also be sent.				
	No concerns noted – approved for use – MSHN will send out amendments after Board approval	By Who	L. Thomas	By When	9.10.25
REGIONAL FMS CONTRACT	L. Thomas reviewed the change log for the contracts.				
	No concerns noted – approved for use – communication with be shared with PNC for use.	By Who	N/A	By When	N/A
TRAINING GRID	L. Thomas reviewed the change log for the training grid Change in freq. for some trainings.				

Agenda Item	Action Required				
	No concerns noted – approved for use – communication with be shared with PNC for use.	By Who	N/A	By When	N/A
PIHP PROCUREMENT RFP	MSHN and the regional CMHSPs had lengthy discussion legal matters and strategy on the MDHHS Procurement of PIHP contracts				
	MSHN will schedule time needed follow-ups for Wednesday at noon or otherwise as soon as possible. Full support to submit a bid from MSHN. Tammy will send out invites for Wednesday meetings with CMHC CEOs.	By Who	J. Sedlock T.Warner	By When	8.18.25
FY26 BUDGET	MSHN does not have rates yet for FY26, plan is to discuss with Ops in September. MSHN will be presenting a board budget without final revenue figures from MDHHS, using FY25 rates as the original budget and will plan to submit an amendment. Earned sick time and min wage has not been approved yet by legislature for a supplemental. CMHs in Finance Council decided to use FY25 rates as starting point until FY26 rates are received. FY26 rate setting meeting this week.				

POLICIES AND PROCEDURE MANUAL

Chapter:	Human Resources		
Title:	Employee Compensation Policy		
Policy: ☒ Procedure: ☐ Page: 1 of 2	Review Cycle: Biennial Author: Deputy Director	Adopted Date: 11.04.2014 Review Date: 07.11.2023	Related Policies: Personnel Manual Position Management

Purpose

This policy is established to provide guidelines for compensating all Mid-State Health Network (MSHN) direct employed positions.

Policy: The MSHN Chief Executive Officer is the Board-designated individual with the authority and responsibility to oversee MSHN's compensation and human resources administration systems, to approve any changes to the agency compensation program, to ensure compensation is within board approved budgets, to make exceptions or to otherwise implement the agency compensation program in line with the following MSHN policies and applicable regulations and statutes.

A. Objective: It is a MSHN objective to have a total compensation program that enables the organization to attract, retain, and motivate the number of high-caliber employees needed to achieve the organization's objectives as cost effectively as possible. Thus, the total compensation is intended to:
    a. Provide for equitable treatment of all employees;
    b. Be efficient to administer;
    c. Be easy to understand and communicate; and
    d. Comply with all applicable laws and regulations.
B. Strategy: To accomplish its objective, MSHN has adopted specific compensation program goals to:
    1. Provide base compensation at or near the market median;
    2. Provide a total compensation program (including pay and benefits) that attracts and retains the qualified staff needed to accomplish our mission;
    3. Provide suitable working conditions that promotes high degree of morale and job satisfaction. (including in office items such as coffee/tea/bottled water/snack items) MSHN will also supply a refrigerator, microwave and paper/plastic goods for employee use during break and meal periods while in office.
C. Position Descriptions: MSHN maintains a job description for each of its employed positions.
D. Position Titles: The Deputy Director will work with the Chief Executive Officer (CEO) to develop the appropriate job title for a new or changed position. Effort shall be made to assure position titles and descriptions are comparative to industry norms so compensation levels can be reasonably compared.
E. Position Evaluations: Position evaluation is the process by which MSHN determines the relative value to be placed on various jobs within the organization through their placement within the pay structure.
F. Salary Grade Assignments:
    1. The Deputy Director shall evaluate any newly created job before the recruitment process begins.
    2. The CEO shall review and approve all grade assignments. New employees may be placed in a salary grade at the discretion of the CEO commensurate with their level of education and experience.

G. Pay Increases: Pay increases are intended to keep pay levels competitive to the marketplace. To do so, employees may receive ~~two~~ three (~~2~~3) types of pay increases depending on their pay rate, the competitive market conditions, and the availability of resources. A market increase may be granted when pay ranges are adjusted to keep them competitive with the market. A cost-of-living increase may be granted to ensure salaries are updated with cost-of-living factors. The other type of pay increase is a "step" increase, that is based on the length of time an employee is in a job classification.

~~G.~~H. Special Circumstances: MSHN operations are often impacted by internal and/or external events that require management action relating to compensation of MSHN employees. ~~From time-to-time, the MSHN Board of Directors may approve cost of living or other compensation program adjustments which will apply to all personnel, unless otherwise indicated in the board action. In the sole discretion of the~~The MSHN CEO~~, MSHN~~ may ~~also~~ develop special compensation arrangements (such as but not limited to project pay, retention incentives, severance programs) ~~to respond to those conditions.~~as needed. Special compensation arrangements will be reported to the Board Executive Committee to ensure transparency and accountability.

~~H.~~I. Communication: All employees will receive general information regarding the administration of the compensation program, and will be informed of changes to program components, as appropriate.

J. Periodic Review: Mid-State Health Network shall procure a market salary study not less than once every three years and will adjust salary scales based on the evidence accumulated in the market salary study for all positions.

~~I~~K. Severance Pay: Severance pay is typically not offered to employees exiting employment but depending on circumstances and agency needs, may be authorized in the judgment and at the discretion of the CEO and is typically, but not always, reserved for mass severance circumstances not caused by employee or MSHN actions such as permanent contractual responsibility reductions, permanent loss of funding, loss of contracts, and similar events.

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

Definitions:
CEO: Chief Executive Officer
MSHN: Mid-State Health Network

Other Related Materials:
Human Resources: Employee Compensation Procedure

References/Legal Authority:
Fair Labor Standards Act

Change Log:

Date of Change	Description of Change	Responsible Party
09.2014	New Policy	Chief Finance Officer
11.2015	Annual Review/Update	Deputy Director
06.2017	Annual Review	Deputy Director
05.2018	Annual Review	Deputy Director

05.2019	Annual Review	Deputy Director
02.2021	Biennial Review	Deputy Director
02.2023	Biennial Review	Deputy Director
03.2025	Biennial Review	Deputy Director

POLICIES AND PROCEDURE MANUAL

Chapter:	**Population Health**		
Title:	**Care Management & Transition of Care Policy**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 5	**Review Cycle:** **Author:** Chief Population Health Officer	**Adopted Date: TBD** **Review Date:**	**Related Policies:** **Behavioral Health Service Philosophy & Treatment Policy**

DO NOT WRITE IN SHADED AREA ABOVE

Purpose

Mid-State Health Network (MSHN) and its provider network adhere to all practice guidelines established by the Michigan Department of Health and Human Services (MDHHS). In accordance with MDHHS, "Medicaid services must be provided without delay to any Medicaid enrollee of a Prepaid Inpatient Health Plan (PIHP) for any and all reasons other than ineligibility for Medicaid [42 CFR 438.62(a)]." Care Management and Transition of Care processes aim to improve the quality of care, enhance outcomes, and control costs with entities working together to develop plans for beneficiaries that eliminate service barriers. A solid foundation for an effective transition of care plan includes open and timely communication of information between the Transferring Entity and the Receiving Entity. A transition of care plan must be developed between providers when a beneficiary is transitioning from one care setting to another.

The MSHN Care Management & Transition of Care Policy ensures continued access to services during a transition from fee-for-service (FFS) to a Managed Care Organization (MCO), PIHP, Prepaid Ambulatory Health Plan (PAHP), Primary Care Case Management (PCCM), or PCCM entity or transition from one MCO, PIHP, PAHP, PCCM, or PCCM entity to another when an beneficiary, in the absence of continued services, would suffer serious detriment to their health or be at risk of hospitalization or institutionalization.

Policy

1. MSHN and its provider network will coordinate services and transitions of care with other behavioral and physical health care providers. Providers will work collaboratively to improve functioning and promote recovery and resiliency.
    i. MSHN and its provider network will implement practices to encourage all beneficiaries eligible for mental health, substance use, and/or co-occurring services to receive a physical health assessment including identification of the primary health care home/provider, medication history, identification of current and past physical health care and referrals for appropriate services. The physical health assessment will be coordinated through the beneficiary's Medicaid Health Plan.
    ii. MSHN and its provider network will ensure that basic health care screening is performed on beneficiaries who have not visited a primary care physician, even after encouragement, for more than 12 months. Health conditions identified through screening should be brought to the attention of the beneficiary along with information about the need for intervention and how to obtain it.
2. A good faith effort must be made to ensure that a Transition of Care Plan is developed and put into place or that accurate information is available to support medical decisions by beneficiaries and providers, thoroughly documenting any denial of participation and the reason.
    i. The plan must be created with the beneficiary, family members and/or guardians, and other appropriate providers, with follow-up to communicate the transition of care plan to all involved.

ii. The coordination of a timely "warm handoff" for effective knowledge transfer and to ensure beneficiary continuity of care. The "warm handoff" also applies to minors, with clear coordination and explanations of changes that occur when a youth turns 18 and transitions to the adult mental health care system.

3. During a transition of care, beneficiaries will have access to services consistent with the services previously had and are permitted to retain their current provider for a minimum of 90 days if the beneficiary's current provider is not in the Receiving Entities network. The Receiving Entity must assist the beneficiary in referring and selecting an in-network provider. Ninety (90) days is the minimum timeframe required, and the PIHP has the option to extend the time period at its discretion [42 CFR 438.62(b)(1)(i)(ii)].
    i. The Transferring Entity previously serving a beneficiary must, within 14 calendar days, provide all requested historical utilization, data, medical records, and other documentation as appropriate to the beneficiary's newly Receiving Entity, or requests from MDHHS.
4. Consideration should be given to system-wide, cost-effective interventions and supports that produce the highest level of outcomes.
5. MSHN shall have written agreements with the Medicaid Health Plans in the service area.
6. Interagency agreements shall meet the requirements in 42 CFR Part 2.
7. Outcomes that represent improvements in significant aspects of clinical services and supports will be shared among health care providers to assist in identifying over and underutilization and patterns of service delivery.
8. Health information exchange shall be supported using technology to assure timely and accurate access to pertinent clinical information consistent with related rules and regulations for protected health information and confidentiality per 45 CFR 170.213.
    i. With the approval and/or at the direction of a current or former beneficiary or a beneficiary's personal representative, MSHN will:
        a. Receive all such data for a current beneficiary from any other payer that has provided coverage to the beneficiary within the preceding five (5) years.
        b. At any time, while the beneficiary is open for services with the PIHP and up to five (5) years after closure of services, send all such data to any other payer that covers the beneficiary or a payer that the beneficiary or the beneficiary's personal representative specifically requests receive the data; and
        c. Send data received from another payer in the electronic form and format it was received (42 CFR 438.62(b)(1)(vi)).
        d. With respect to any data protected by 42 CFR Part 2, attempts must be made in good faith and with due diligence to obtain appropriate consent from the beneficiary (or other individual legally authorized to consent under 42 CFR Part 2) to release the beneficiary's information for the purposes generally required within this technical requirement. If such consent is not obtained, data protected by 42 CFR Part 2 is not required to be shared when there is not another legally permissible basis for disclosure.
        e. MSHN will ensure that in the process of coordinating care, each beneficiary's privacy is protected in accordance with the privacy requirements in 45 CFR part 160, subparts A and E and 45 CFR part 164, subparts A and E, to the extent that they are applicable.
    ii. As authorized by the beneficiary, MSHN provider network members will include the results of any physical health care findings that relate to the delivery of specialty mental health services and supports in the person-centered plan.

iii. Information sharing across the provider network will focus on essential aspects of the provision of health care and will assist with population health management as well as the coordination of individual care in accordance with requirements for confidentiality and protection of health information.
iv. Information received by the Receiving Entity must be incorporated into the records of the beneficiary.

9. Staff training on transition of care standards is the promotion of proactive communication by the Transferring Entity with the Receiving Entity prior to transition to coordinate the transfer of care.
    i. MSHN provider network members shall establish protocols to follow-up by communicating with the Receiving Entity within 14 calendar days after the beneficiary's transition to confirm receipt of transferred information and to talk through any challenges that may have occurred during the transition.
    ii. The Receiving Entity shall adherence to population-specific care management protocols to ensure continuity of care during the disenrollment and enrollment processes. This can include, but is not limited to, care management protocols surrounding movement of beneficiaries into and out of waiver services, of youth to adult services from children's services, transitions of children to and from Child Caring Institutions, transitions of children and/or adults to and from Foster Care, transitions of beneficiaries involved with the court system, transitions of beneficiaries from inpatient care to outpatient care, and transitions from incarceration to community. Special attention must be paid to medication continuity during movement and transitions of beneficiaries from one setting of care to another to reduce the frequency of medication disruption in all beneficiaries, but especially in youth and children. This is not an exhaustive list and should not be interpreted as the only population-specific care management protocols needed to ensure continuity of care during the disenrollment and enrollment processes.
    iii. The Receiving Entity shall ensure coordination with appropriate assessment entities (as applicable), to ensure no disruption in the beneficiary's services.
10. The Transferring Entity and the Receiving Entity will hold the beneficiary harmless for any costs associated with the transition of care between providers. (42 CFR 438.106, 42 CFR 438.206).
11. When necessary, written coordination agreements will be in place between entities.
12. Beneficiaries must be provided appropriate service without delay resulting from issues of financial responsibility. MSHN and/or Community Mental Health Service Programs (CMHSPs) will act ethically to provide services to beneficiaries when financial responsibility is disputed.
13. MSHN shall ensure that each beneficiary has an ongoing source of care appropriate to the beneficiary's needs and a person or entity formally designated as primarily responsible for coordinating the services accessed by the beneficiary.
    i. The beneficiary must be provided information on how to contact their designated person and/or entity.
14. MSHN must coordinate the services the PIHP furnishes to the beneficiary:
    i. Between settings of care, including appropriate discharge planning between short-term and long-term hospital and institutional stays.
    ii. With the services the beneficiary receives from any other PIHP.
    iii. With the services the beneficiary receives in FFS Medicaid.
    iv. With the services the beneficiary receives from community and social support providers.
15. MSHN will make a best effort to conduct an initial screening of each beneficiary's needs, within 90 days of the effective date of enrollment for all new beneficiaries. MSHN will must make subsequent attempts to conduct an initial screening of each beneficiary's needs if the initial attempt to contact the beneficiary is unsuccessful. Since the PIHP is not an enrollment model, screening once an individual presents for services would meet this agreement.

16. MSHN will share with the State and/or other PIHPs results of any identification and assessment of the beneficiary's needs to prevent duplication of those activities.
17. MSHN will ensure that transition of care plans, processes, and procedures are in compliance with these requirements by performing regular (no less than annual) oversight and monitoring activities.

Applies to

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

Definitions

Beneficiary: Refers to those individuals who are eligible to receive specialty mental health and substance use disorder services, as well as those currently receiving such services and their families/guardians.
CMHSP: Community Mental Health Service Programs
Continuity of Care: The quality of care over time, including both the enrollee's experience of a "continuous caring relationship" with an identified health care professional and the delivery of a "seamless service" through integration, coordination, and the sharing of information across different providers/care settings.
Care Coordination/Coordination of Care: The organization of an enrollee's care across multiple health care providers.
FFS: Fee-for-Service
Managed Care Entity: 42 CFR 438 recognizes a Prepaid Inpatient Health Plan (PIHP) as a managed care entity. A PIHP is responsible for management of specialty services related to mental health, developmental disability services, and certain Substance Use Disorder (SUD) services to Michigan residents enrolled in Medicaid
MCO: Managed Care Organization
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PAHP: Prepaid Ambulatory Health Plan
PCCM: Primary Care Case Management
PIHP: Prepaid Inpatient Health Plan
Receiving Entity: The PIHP that is opening for services the transitioning enrollee and receiving the enrollee's information.
Setting of Care: Generally, a place where an enrollee is provided mental health and/or SUD services, including the diagnosis, treatment, and assessment of emotional and mental health disorders and issues. This can include inpatient and outpatient facilities, in-home care, adult care homes, and more.
Transition of Care: The movement of an enrollee from one setting of care to another.
Transferring Entity: The PIHP that is closing for services the transitioning enrollee and transferring the enrollee's information.
Warm Handoff: Time-sensitive, enrollee-specific planning identified by either the Transferring Entity or the Receiving Entity to ensure continuity of care during transition from one setting of care to another. Warm handoffs require collaborative planning between both entities and when at all possible, collaborative planning should occur prior to the transition.

References/Legal Authority

1. Medicaid Provider Manual
2. MDHHS PIHP Contract
3. MDHHS Transition of Care Technical Requirement
4. 42 CFR 438.62 – Continued Services to Enrollees
5. 42 CFR 438.208 – Coordination and Continuity of Care

Change Log:

Date Of Change	Description of Change	Responsible Party
6/26/2025	New Policy - Reviewed and approved by Clinical Leadership Committee and Utilization Management Committee	Chief Population Health Officer

MSHN

POLICIES AND PROCEDURE MANUAL

Chapter:	Service Delivery System		
Title:	Home and Community Based Services (HCBS) Compliance Monitoring		
Policy: ☒ Procedure: ☐ Page: 1 of 1	Review Cycle: Biennial Author: HCBS Waiver ~~Manager~~ Administrator (Adults)	Adopted Date: 07.10.2018 Review Date: 11.12.2024	Related Policies:

Purpose:
To ensure that the Mid-State Health Network (MSHN) conducts monitoring and coordination of oversight of the Provider Network with the Community Mental Health Services Program (CMHSP), specifically Home and Community Based Services (HCBS) Program Rule compliance with federal and state regulations through a collaborative, standardized procedure for conducting reviews.

Policy:
MSHN will ensure that its member CMHSPs and their contractual providers of HCBS services, including residential and nonresidential home and community-based services are compliant with the Federal HCBS Final Rule, the Person-Centered Planning Policy and Practice Guideline, -and the Medicaid Provider Manual HCBS chapter updates to the -Person-Centered Planning requirements.

The person-centered planning process must:

- Reflect the services and supports that are important for the individual to meet the needs identified through an assessment of functional need;
- Include what is important to the individual regarding their preferences for the delivery of the services and supports;
- Reflect that the individual has chosen the setting in which they reside, also including nondisability specific settings;
- Reflect the individual's strengths and preferences;
- Reflect the clinical and support needs as identified through an assessment of functional need;
- Include individually identified goals and desired outcomes;
- Reflect services and supports that will assist the individual to achieve the identified goals, and identify the providers of those services and supports;
- Reflect risk factors and measures in place to minimize them, including backup plans and strategies;
- Identify the person or entity responsible for monitoring the plan;
- Be finalized and agreed to with the informed consent of the individual;
- Include self-directed services;
- Prevent the provision of unnecessary or inappropriate services and supports

Home and Community Based settings where individuals live and/or receive Medicaid paid supports must have the following characteristics to the same extent as those individuals not receiving Medicaid home and community-based services:

- Be integrated in, and support full access to the greater community including opportunities to seek competitive and integrated employment, control of personal resources, and access to community services;
- Be selected by the individual from among a variety of settings, which are clearly documented by name in the individual's plan of service;
- Ensure individuals have the right to privacy, including uniquely keyed or coded bedroom doors with only appropriate staff having access to keys/codes, and space to store personal items;
- Access to food at any time, including items that the individual likes to eat;

- The ability to have visitors at any time, and in an area private and away from staff and peers;
- Freedom to furnish and decorate their room;
- Ability to control schedule, including ability to decline participation in any activity without negative repercussions;
- Meaningful community activities must be offered no less than twice weekly and clearly documented on outings logs. Outing logs will reflect the activity, date, choice of participation, and signature of individual on a minimum monthly basis. Documentation in the IPOS must include individual's preferences for community outings that align with their interests and how they will ensure participation in these activities;
- Individuals must be able to move freely in the setting, without physical barriers including locked doors or areas of the setting;
- House rules and setting-wide restrictions are not permissible.

Modifications or restrictions of an individual's rights must be based upon health or safety risks to the individual and clearly documented in the IPOS. Approved health and safety needs are the only acceptable justifications for restrictions on rights and freedoms, and the IPOS should contain clear steps to taper and fade the modification or restriction. To modify or restrict, the following eight elements must be clearly identified and included in the IPOS:

- Identify the specific assessed need(s);
- Document the positive interventions and supports used previously;
- Document less intrusive methods that were tried and did not work, including how and why they did not work;
- Include a clear description of the condition that is directly proportionate to the assessed need;
- Include regular collection and review of data to measure the effectiveness of the modification;
- Include established time limits for periodic reviews of the modification;
- Include informed consent of the individual;
- Include assurances that the modifications will cause no harm to the individual

Applies to:

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

Definitions:

CMHSP: Community Mental Health Services Program
HCBS: Home and Community Based Services
MSHN: Mid-State Health Network
Provider: A provider, internal or external to the MSHN region, who has a current contractual agreement to provide Medicaid services to individuals the CMHSP supports.

Other Related Materials:

N/A

References/Legal Authority:

- The Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s)
- Michigan Medicaid Provider Manual, Home and Community Based Services Chapter
- MSHN Procedure–MSHN HCBS Monitoring Procedure
- MSHN Policy-Person/Family Centered Plan of Service

Change Log:

Date of Change	Description of Change	Responsible Party
03.2018	New Policy	Waiver Coordinator
02.2019	Annual Review	Waiver Coordinator
08.2020	Annual Review	HCBS Manager
07.2022	Biennial Review	HCBS Manager
06.2024	Biennial Review	Chief Behavioral Health Officer
03.2025	~~Required~~ MDHHS R~~eview~~equired ~~and~~ Updates	Waiver Administrator (Adults)

MID-STATE HEALTH NETWORK
POLICIES MANUAL

Chapter:	**Service Delivery System**		
Title:	**Service Philosophy & Treatment: Behavioral Health**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 6	**Review Cycle:** Biennial **Author:** Clinical Leadership and Utilization Management Committee	**Adopted Date:** 12.03.2013 **Review Date:** ~~11.01.2022~~06.2024	**Related Policies:**

Purpose

Mid-State Health Network (MSHN) and its provider network adhere to all practice guidelines established by the Michigan Department of Health and Human Services (MDHHS). To ensure that MSHN ~~Mid-State Health Network (MSHN)~~ and its Community Mental Health Service Program (CMHSP) ~~Participants~~ participants have a consistent service philosophy across its network of care related to person-centered planning, integrated care, housing, employment, ~~and~~ self-determination, and cultural competence. MSHN promotes a person-centered approach to all service planning and delivery of supports and services in the community, consistent with Michigan Department of Health and Human Services (MDHHS) policy direction.

Policy

A. Person-Centered/~~Family-Centered~~Family-Driven, Youth-Guided Planning
   1. MSHN shall be committed to ensuring that all individuals have the freedom and right to create an Individual Plan of Service (IPOS) that is developed through a person-centered planning process without regard to age, disability or residential setting, as required in the Michigan Mental Health Code and defined in the MDHHS Person Centered/~~Family-Centered~~Family-Driven, Youth-Guided Planning Policy and Practice Guideline.
   2. Standards
      i. CMHSP ~~Participants~~participants shall support person-centered/~~family-centered~~family-driven, youth-guided planning in the creation, development, and implementation of all ~~consumer~~beneficiary services.
      ii. MSHN shall ensure that CMHSP ~~Participants~~participants provide comprehensive information to ~~consumers~~beneficiaries about the risks and benefits of services including their freedom or right to participate in decision-making regarding their health, treatment options, and services that will be provided.
      iii. MSHN shall monitor the implementation of person-centered planning for adults and ~~family-centered~~family-driven, youth-guided planning for minor children and families through an annual on-site audit of each CMHSP ~~Participant~~ participant and through consumer satisfaction surveys.

B. Integrated Care
   1. MSHN shall utilize a coordinated, person-centered/~~family-centered~~family-driven, youth-guided system of care that allows for comprehensive care from primary care, mental health and substance use disorder providers.
   2. MSHN shall make a coordinated approach to service delivery available to its ~~consumer~~beneficiarys. This is an essential element of treatment and supports and produces the best outcomes for people with multiple and complex healthcare needs.
   3. ~~Standards see MSHN Service Delivery Policy, Integrated Health Service Philosophy & Treatment~~MSHN shall ensure compliance with the integrated care standards as identified in the MSHN Service Delivery Policy and the Integrated Health Service Philosophy and Treatment.
      ~~i. Coordination shall include health care providers who shall work collaboratively to improve functioning and promote recovery and resiliency.~~

- ~~The MSHN provider network will implement practices to encourage all consumerbeneficiarys eligible for specialty mental health services to receive a physical health assessment including identification of the primary health care home/provider, medication history, identification of current and past physical health care and referrals for appropriate services. The physical health assessment will be coordinated through the consumerbeneficiary's Medicaid Health Plan.~~

- ~~The MSHN provider network will ensure that a basic health care screening, including height, weight, blood pressure, and blood glucose levels is performed on individuals who have not visited a primary care physician, even after encouragement, for more than 12 months. Health conditions identified through screening should be brought to the attention of the individual along with information about the need for intervention and how to obtain it.~~

~~ii. Consideration shall be given to system-wide, cost-effective interventions and supports that produce the highest level of outcomes.~~

~~iii. MSHN shall have written agreements with the Medicaid Health Plans in the service area.~~

~~iv. Interagency agreements shall meet the requirements in 42 CFR Part 2.~~

~~v. Outcomes that represent improvements in significant aspects of clinical services and supports will be shared among health care providers to assist in identifying over and underutilization and patterns of service delivery.~~

~~vi. Health information exchange shall be supported through the use of technology to assure timely and accurate access to pertinent clinical information consistent with related rules and regulations for protected health information and confidentiality.~~

- ~~As authorized by the consumerbeneficiary, MSHN provider network members will include the results of any physical health care findings that relate to the delivery of specialty mental health services and supports in the person-centered plan.~~
- ~~Information sharing across the provider network will focus on essential aspects of the provision of health care and will assist with population health management as well as the coordination of individual care in accordance with requirements for confidentiality and protection of health information.~~

C. Collaboration with Community Agencies

1. MSHN through its CMHSP provider network must work closely with local public and private community-based organizations and providers to address prevalent human conditions and issues that relate to a shared customer base to provide a more holistic health care experience for the ~~consumer~~beneficiary. Such agencies and organizations may include local health departments, local Department of Health and Human Service, Federally Qualified Health Centers (FQHC), Rural Health Centers (RHC), community and migrant health centers, nursing homes, Area Agency and Commissions on Aging, Medicaid Waiver agents for the Home Community Based Waiver (HCBW) program, school systems, ~~and~~ Michigan Rehabilitation Services (MRS), Indian Health Service, Tribal Operated Facility Organization/Program/Urban Indian Clinic (I/T/U), and Certified Community Behavioral Health Clinics (CCBHC). ~~-~~ Local coordination and collaboration with these entities will make a wider range of essential supports and services available to the Prepaid Inpatient Health Plan (PIHP) beneficiaries. PIHPs through the region's CMHSPs will coordinate with these entities through participation in multi-purpose human services collaborative bodies, and other similar community groups.

2. ~~The~~ MSHN, through its CMHSP provider network, shall have written coordination agreements with each of the pertinent agencies noted above describing the coordination arrangements agreed to and how disputes between the agencies will be resolved. To ensure that the services provided

by these agencies are available to all PIHP eligible ~~consumers~~beneficiaries, an individual contractor shall not require an exclusive contract as a condition of participation with the PIHP.

3. Agreements shall assure that coordination regarding mutual recipients is occurring between the PIHP and/or its provider network, and primary care physicians. This policy shall minimally address all recipients of PIHP services for whom services or supports are expected to be provided for extended periods of time (e.g., people receiving case management or supports coordination) and/or those receiving psychotropic medications.

D. Housing
   1. MSHN's provider network shall assist ~~consumers~~beneficiaries/guardians with decisions about the most appropriate residential option for persons with disabilities.
   2. CMHSP ~~Participants~~participants within MSHN will maintain an established plan to work with community housing partners to promote desirable housing and residential options for persons with disabilities.
   3. Standards:
      i. An array of housing choices and related resources and supports shall be made available to persons served in their local communities and, whenever possible, shall allow for the individual to integrate into his/her home and community of choice.
      ii. Each CMHSP ~~Participant~~ participant shall demonstrate leadership in suggesting, developing and refining local housing options to meet ~~consumer~~beneficiary needs and choices in their local communities.
      iii. The residential option selected shall be based upon the needs and desires of the individual as part of the individual's person-centered plan.
      iv. Housing options shall be based on the least restrictive setting that will best meet the needs of the individual.
      v. CMHSP ~~Participants~~participants will include cultural considerations when assisting ~~consumers~~beneficiaries and guardians with residential options.
      vi. ~~Consumers~~Beneficiaries and guardians shall be offered comparative information about housing providers whenever available.
      vii. Housing options shall support ~~consumers~~beneficiaries' plans and goals, and shall also promote overall wellness, health, safety, quality of life, meaningful community activities, and the highest possible level of independence, including within supervised settings.
      viii. Respect for personal privacy for ~~consumers~~beneficiaries shall be a priority in all housing settings.
      ix. Housing settings shall be safe, habitable and affordable. Home settings of individuals served shall be monitored, by the contracting organization, on a regular basis for the purpose of ~~consumer~~beneficiary welfare, regardless of whether PIHP or CMHSP funds pay for the costs of the housing.
      x. CMHSP ~~Participants~~participants shall offer mandatory and elective training on a regular basis to support housing providers and staff.
      xi. CMHSPs shall maintain collaborative agreements and communications with housing providers and resources in their communities, including participation in local planning groups or coalitions.
      xii. Each CMHSP participant shall have and make available written policies and procedures regarding housing assistance, supports, and resources for ~~consumer~~beneficiary and guardian decision-making, including the on-going assessment needs in ~~consumer~~beneficiary housing.

E. Self Determination

1. MSHN shall ensure that all individuals served through Community Mental Health Programs are given the freedom to pursue Self Determination (SD) arrangements that provide the individual the ability to guide and direct the services and supports they receive.
2. Standards
    i. A Person/~~Family-Centered~~Family-Driven, Youth-Guided Planning Process will be used to identify supports and services and provide information on how to participate in SD arrangements.
    ii. Participation in SD arrangements shall be voluntary and shall be made available in accordance with established MDHHS best practice guidelines and state and federal regulations.

F. Employment
1. MSHN recognizes that employment is an essential element of the quality of life for most people. CMHSP ~~Participants~~participants shall work together to achieve consistency across the region in providing competitive integrated employment services.
2. Standards
    i. MSHN will assure that all recipients, including those who have advocates or guardians, have genuine opportunities for freedom of choice and self-representation.
    ii. MSHN shall promote community inclusion and participation, independence and productivity throughout its provider network.
    iii. Service providers within MSHN shall identify outcomes based on the individual's life goals, interests, strengths, abilities, desires, and preferences.
    iv. Service providers within MSHN shall explore in the pre-planning meeting the person's options for work that include competitive employment, community group employment, self-employment, transitional employment, volunteering, education/training, and internships as a means to future competitive employment.
    v. CMHSP ~~Participants~~participants shall promote the use of best employment practices including the MDHHS adopted evidence-based practice Individual Placement and Support for employment goals for persons with mental illness.
    vi. CMSHP ~~Participants~~participants shall share and reinforce the MDHHS Employment Works! Policy across it service delivery network.
    vii. Each CMHSP Participant shall designate a local staff member who will provide leadership in employment initiatives and services and shall designate at least one staff who has expertise in benefits planning or the capacity to access the information in a timely manner.
    viii. CMHSP ~~Participants~~participants shall share local best employment practices across MSHN.
    ix. MSHN shall collect accurate employment outcome data and submit the data to MDHHS for review in a timely manner.
    x. CMHSP ~~Participants~~participants shall establish strategies and partnerships with Michigan Rehabilitation Services (MRS) and the Michigan Commission for the Blind (MCB) where indicated to improve consistency of MRS/MCB supports for ~~consumer~~beneficiaries~~s~~.

G. Transitions from Institutional Care (Behavioral Health Psychiatric Care)
1. MSHN shall promote and support a smooth and safe transition for each individual who is released from an institution into the community.
2. CMHSP ~~Participants~~participants shall ensure that each individual will obtain placement appropriate to the individual's needs and will have a provider that is able to provide supports and services that enable the individual to live successfully in the community.

3. When a continuing stay review has determined that an individual no longer meets the medical necessity criteria for the institutional placement, CMHSP ~~Participants~~participants shall seek other alternatives in the community that are available to meet the individual's treatment needs. In seeking other alternatives, the CMHSP ~~Participant~~ participant shall make every effort to ensure that the following standards have been considered.
4. Standards:
    i. An individualized discharge/transition plan shall be completed utilizing the person-centered planning process, incorporating the individual's strengths, needs, abilities, and preferences.
    ii. The discharge/transition plan shall have input and participation from the individual, family, authorized representatives, treatment team, and other community resources or supports as applicable.
    iii. The discharge/transition plan should include needed support systems and types of services that will allow for successful transition and integration into the community.
    iv. The individual and/or support people shall be educated on all options available for community support services and types of services needed for a successful transition into the community.
    v. The discharge/transition plan should address any barriers that may interfere with a successful transition. The placement should allow for freedom of choice while ensuring that resources are in place to meet the individual's basic needs and ensure that the needs of the individual are met safely.
    vi. Communication and coordination should occur for all services in the community prior to release. This includes but is not limited to coordination for continuity of medications and follow-up appointments for continuity of medical and behavioral health treatment.
    vii. Referral information and appointments scheduled should be documented and given to the individual and/or authorized representative.
    viii. Discharge/transition planning will follow the standards that are included in the Housing Practice Guidelines, Person Centered Planning Policy and Practice Guideline, ~~Consumer~~Consumerism Practice Guidelines, and the Inclusion Practice Guideline.

H. Cultural Competence
    1. MSHN and its CMHSP participants shall demonstrate an ongoing commitment to linguistic and cultural competence to ensure meaningful participation for beneficiaries served by the region.
    2. MSHN and its CMHSP participants shall operate consistent with the MSHN Service Delivery System Policy; "Cultural Competency Policy."

Applies to

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

Definitions/Acronyms:

Beneficiary: Refers to those individuals who are eligible to receive specialty mental health and substance use disorder services, as well as those currently receiving such services and their families/guardians.
CCBHC: Certified Community Behavioral Health Center
CMHSP: Community Mental Health Service Programs
~~Consumer~~Consumerism: ——— Means active promotion of the interests, service needs, and rights of ~~consumers~~consumers receiving mental health and/or substance use disorder services.

Cultural Competence: a general awareness of the cultural diversity of the service area including race, culture, religious beliefs, regional influences in addition to the more typical social factors such as gender, gender identification, sexual orientation, marital status, education, employment and economic factors, etc.
~~Customers/Consumers: Refers to those individuals who are eligible to receive specialty mental health and substance use disorder services, as well as those currently receiving such services and their families/guardians. For the purpose of MSHN policy, these terms are used interchangeably.~~
FQHC: Federally Qualified Health Centers
HCBW: Home Community Based Waiver
IPOS: Individual Plan of Service
I/T/U: Indian Health Service, Tribal Operated Facility Organization/Program/Urban Indian Clinic
MCB: Michigan Commission for the Blind
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
MRS: Michigan Rehabilitation Services
PIHP: Prepaid Inpatient Health Plan
RHC: Rural Health Centers
SD: Self Determination Arrangement

References/Legal Authority

1. Medicaid Provider Manual
2. Balanced Budget Act of 1997
3. MDHHS PIHP Contract – Person-Centered Planning; Cultural Competence;
4. Out of Network Responsibility; ~~Consumer~~Consumerism Practice Guideline; and Inclusion Practice Guideline
5. MDHHS CMHSP Contract – Recovery Policy & Practice Advisory; Self Determination Practice & Fiscal Intermediary Guideline; QI Programs for CMHSPs; Housing Practice Guideline
6. MDHHS/PIHP Contract: Attachment 3.4.4 (The Self Determination Policy and Practice Guidelines, March 18, 2012)
7. Inclusion Practice Guideline C6.9.3.2
8. Employment Works! C6.9.8.1
9. MDHHS –PIHP Contract Collaboration with Community Agencies 7.2
10. MDHHS-PIHP Contract Integrated Physical and Behavioral health 7.4
11. Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program
12. Housing Practice Guidelines (Attachment P 6.8.2.2)
13. Person Centered Planning Policy and Practice Guideline (Attachment P 3.4.1.1)
14. ~~Consumer~~Consumerism Practice Guidelines (Attachment P 6.8.2.3)
15. Inclusion Practice Guideline (Attachment P 6.8.2.1)
16. 2017 Behavioral Health Standards Manual, Commission on Accreditation of the Rehabilitation Facilities (69-75), 2017.
17. Quality Improvement Data (Attachment P 6.5.1.1)
18. 42 CFR Part 2 – Confidentiality of Alcohol and Drug Abuse Patient Records

Change Log:

Date of Change	Description of Change	Responsible Party
12.03.2013	New policy	Customer Service Committee
04.2015	Annual review, format consistency	CEO, Utilization Management Committee and Clinical Leadership Committee

07.2015	Added Community Collaboration section to address MDHHS requirements; added integrated healthcare standards	Chief Executive Officer
03.2017	Annual Review	Chief Executive Officer
02.2018	Annual Review	Chief Clinical Officer
01.2019	Annual Review	Chief Behavioral Health Officer
08.2020	Annual	Chief Behavioral Health Officer
09.2022	Biennial Review	Chief Behavioral Health Officer
~~06~~11.2024	Biennial Review	Chief Behavioral Health Officer

MSHN
Mid-State Health Network

POLICIES AND PROCEDURE MANUAL

Chapter	General Management		
Title:	**CMHSP Application ~~or MDHHS Assignment~~ to the MSHN Region**		
Policy: ☒ **Procedure:** ☐ **Page:** 1 of 4	**Review Cycle:** Biennial **Author:** Chief Executive Officer	**Adopted Date: 05.07.2019** **Review Date:** 09.10.2024	**Related Policies:**

Purpose

The purpose of this policy is to establish the general criteria and specific processes to be used in evaluating potential Community Mental Health Services Program (CMHSP) requests to become a part of the Mid-State Health Network region. ~~or to evaluate Michigan Department of Health and Human Services (MDHHS) initiated assignment of a Community Mental Health Services Program to the Mid-State Health Network (MSHN) region.~~

Background

Section 2.4 of the Bylaws of Mid-State Health Network provides:

> "~~New CMHSP Participants to the Entity may be added pending written support from the State for purposes of preserving the community mental health system. If addition of these new CMHSP Participants to the Entity is not required by the State, it is seen as within the sole discretion of the existing CMHSP Participants. Thus when not required by the State, the~~The addition of new CMHSP Participants to the Entity requires the approval of two-thirds (2/3) of the governing bodies of the existing CMHSP Participants, conveyed via a duly adopted written resolution of these governing bodies. New CMHSP Participants added to the Entity will be entitled to any membership or governance rights in the same manner as the existing CMHSP Participants. Any new CMHSP Participants added under this section will forward any claims to existing Medicaid risk reserves to the Entity on a pro-rated basis upon date of admission as negotiated with ~~Michigan Department of Community Health (MDCH)." (MDCH no longer exists and has been succeeded by~~ Michigan Department of Health and Human Services~~)~~.

Policies

1) It is the policy of Mid-State Health Network to conduct due diligence activities as detailed in this policy and any related procedures in the event that~~:~~
   a. a~~A~~ Community Mental Health Services Program (CMHSP) requests participation in the Mid-State Health Network Regional Entity~~; and/or~~.
   b. ~~The Michigan Department of Health and Human Services proposes to assign a CMHSP to the Mid-State Health Network Regional Entity~~.

2) It is the policy of Mid-State Health Network that the due diligence activities required under this policy are carried out by the MSHN Chief Executive Officer assisted by the MSHN Chief Financial Officer, MSHN Deputy Director and other MSHN executive management personnel pertinent to the subject matter being evaluated. The MSHN Operations Council shall appoint two representatives to consult, assist and advise in these due diligence activities. For the purposes of this policy only, this group hereinafter is called the Due Diligence Workgroup. This Due Diligence Workgroup shall report monthly (and more often if needed) to the MSHN Operations Council and MSHN Executive Committee (or a special MSHN Board-Appointed committee, if so constituted), and to the MSHN Board at its regular meetings. Other sub-workgroups may be established by the Due Diligence Workgroup as needed to fulfill related due diligence activities. Requirements of the MSHN General Management, Appointed Councils, Committees, and Workgroups policy shall apply.

3) It is the policy of Mid-State Health Network for the Due Diligence Workgroup to request and evaluate any available information from the CMHSP, the current PIHP associated with the CMHSP, and/or MDHHS in order to evaluate and analyze CMHSP historical, current and future financial, operational, programmatic performance and functional status, to assess the CMHSPs ability to perform to established standards in the MSHN region ,and to assess the impact of inclusion of the CMHSP on the existing CMHSP Participants, the MSHN Pre-Paid Inpatient Health Plan (PIHP) and the MSHN region. The Due Diligence Workgroup, at a minimum, shall request and evaluate the following:

    a. A written, detailed rationale for the request to be a member of the MSHN Regional Entity including identification of historical and current precipitating factors.
    b. A detailed written disclosure of all matters where any aspect of the CMHSPs operations do not meet established standards. This includes full disclosure of all matters involving finances, financial operations, short and long-term liabilities; full disclosure of pending and current legal matters, full disclosure of compliance matters, full disclosure of pending sanctions of any kind; and any other disclosure that may be requested by the Due Diligence Workgroup.
    c. The most recent five years of audited financial statements and internal budget documents demonstrating the historical ability of the CMHSP to operate within its established revenue and within its established budget.
        1. CMHSP demonstrates at least 2 years of revenue and expense trends that would be consistent with projected future geographic factors.
        2. CMHSP is not under corrective action with the Michigan Department of Treasury
    d. There shall be no uncorrected material findings in the most recent two years of financial and compliance audits of the CMHSP.
    e. The incoming CMHSP's Information Technology System must be validated by MSHN (or its designee) as fully operational/functional and interoperable with MSHN systems
    f. Current status on all performance metrics, performance improvement projects and external entity reviews
    g. Current copy of the most recent provider network adequacy assessment and any status updates
    h. Current status of all consumer affairs, including grievances and appeals, sentinel events, and all related quality information.
    i. CMHSP demonstrates current service penetration and program unit costs that equal or exceed aggregate regional performance.
    j. The historical geographic factor (and/or other factors used in rate setting) associated with the incoming CMHSP equals or exceeds the existing MSHN geographic factor.
    k. Acceptable performance upon review of a pre-contract and/or pre-delegation site review(s) conducted by MSHN with participation from current MSHN CMHSP Participants. This may result in non-delegation of some or all managed care functions and may result in different delegations than the rest of the region in the sole discretion of the MSHN region.

4) It is the policy of Mid-State Health Network to establish certain stipulations that the incoming CMHSP and/or MDHHS must agree to. At a minimum, these stipulations are:

    a. CMHSP commits to adoption of the existing MSHN Bylaws, Operating Agreement and established policies/procedures without qualification.
    b. CMHSP has full certification from MDHHS including a fully compliant Recipient Rights Program

c. CMHSP holds current accreditation from a nationally-recognized entity compatible with the delivery of Medicaid specialty supports and services
d. Incoming CMHSP must have a balanced budget and at least one year of demonstrated ability to operate within provided revenue [Per Eligible Per Month (PEPM)]. Depending on historical and current operational circumstances, if this criterion cannot be met, the incoming CMHSP must provide an acceptable cost containment plan.
e. Incoming CMHSP must bring with it, from its current PIHP or MDHHS, if assigned, a fully funded Internal Service Fund (ISF) equal to the MDHHS-established maximum for PIHP ISFs (currently 7.5% of revenue).
f. The incoming CMHSP must have retired any outstanding liabilities to the MDHHS and/or the prior PIHP, if any.
g. The incoming CMHSP must not be a party to current litigation against the MDHHS.
h. The Incoming CMHSP must agree to a regional monitoring plan and sanctions for substandard fiscal, programmatic or other operational performance.
i. Negative financial impacts caused by rate misalignments of the incoming CMHSP, if any, must be supported by state funding to smooth this negative impact over an agreeable period of time.
j. The incoming CMHSP must adopt the MSHN region's costing, cost allocation and cost reporting principles, policies and procedures.
k. If the Information Technology System of the incoming CMHSP is not validated as fully functional/operational and cross functional with existing MSHN systems, the incoming CMHSP, at its own expense, must correct that condition.
l. Incoming CMHSP (or MDHHS, if assigned) bears the costs of the MSHN region for confirming conditions and integrating it into the region (prior to application of regional administration fees)
m. MSHN may contractually obligate the incoming CMHSP to additional participant requirements during the transition process as a result of due diligence activities, which will be detailed in writing and adopted by the MSHN Board, which may continue until certain milestones to be detailed as a result of that process are met.

In the event that the CMHSP ~~and/or MDHHS~~ is unwilling or unable to accept MSHN stipulations after negotiations with the Due Diligence Workgroup, the appropriate party should provide a written proposal which must be presented to the MSHN Operations Council for consideration, and from the Operations Council to the MSHN Board of Directors.

~~a.~~ Where the applicant is the CMHSP, the MSHN Board may forward the proposal with a recommendation to the Boards of Directors of the current MSHN CMHSP Participants, which must act to accept or reject the applicant CMHSP as stipulated in the MSHN Bylaws.

~~b. Where the State is the initiating party requiring the MSHN Regional Entity to accept the CMHSP, the MSHN Board shall make a decision that will mitigate the additional service, financial and legal risks to the region and the CMHSP Participants consistent with the established Bylaws and Operating Agreement.~~

5) It is the policy of Mid-State Health Network to reserve the right to identify additional considerations, stipulations or criteria depending upon the situation at the time of the request of a CMHSP or MDHHS for inclusion of a CMHSP in the MSHN region.

Applies to

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

Definitions
Terms used in this policy have the meaning defined in the MSHN Bylaws and/or the MSHN Operating Agreement.
CMHSP: Community Mental Health Service Program
ISF: Internal Service Fund
MDCH: Michigan Department of Community Health
MDHHS: Michigan Department of Health and Human Services
MSHN: Mid-State Health Network
PEPM: Per Eligible Per Month
PIHP: Pre-Paid Inpatient Health Plan
Other Related Materials

References/Legal Authority
Mid-State Health Network Bylaws, Section 2.4
MSHN Operating Agreement

Change Log:

Date of Change	Description of Change	Responsible Party
03.31.2019	New Policy	Chief Executive Officer
07.21.2020	Biennial Review	Chief Executive Officer
06.03.2022	Biennial Review	Chief Executive Officer
07.2024	Biennial Review	Chief Executive Officer
08.2025	Removal of appointed CMHSP by MDHHS	Chief Executive Officer