MSHN
Mid-State Health Network

Substance Use Disorder (SUD) Oversight Policy Board Meeting

October 15, 2025 ~ 4:00 p.m.

My Michigan Medical Center
Wilcox Room
300 E. Warwick Dr.
Alma, MI 48801

Members of the public and others unable to attend in person can participate in this meeting via Zoom Videoconference
Meeting URL: https://us02web.zoom.us/j/5624476175
and Teleconference
Call 1.312.626.6799 Meeting ID: 5624476175#

1) Call to Order
2) Roll Call
3) **ACTION ITEM:** Approval of the Agenda for October 15, 2025
4) **ACTION ITEM:** Approval of Minutes of August 20, 2025 *(Page 3)*
5) Public Comment
6) Board Chair Report
7) Deputy Director Report *(Page 7)*
8) Chief Financial Officer Report
   A. FY25 PA2 Funding & Expenditures by County *(Page 15)*
   B. FY25 PA2 Use of Funds by County and Provider *(Page 17)*
   C. FY25 SUD Financial Summary Report of August 2025 *(Page 19)*
   D. FY26 Budget Overview *(Page 23)*
9) **ACTION ITEM:** FY26 Substance Use Disorder PA2 Contract Listing *(Page 28)*
10) SUD Operating Update *(Page 31)*
11) Other Business
12) Public Comment
13) Board Member Comment
14) Adjournment

MSHN SUD Oversight Policy Board Officers

Chair: Bryan Kolk (Newaygo)
Vice-Chair: Irene Cahill (Ingham)
Secretary: Dwight Washington (Clinton)

MEETING LOCATION:
Community Mental Health Association of Michigan
507 S. Grand Ave.
Lansing, MI 48933

VIDEOCONFERENCE:
https://us02web.zoom.us/j/5624476175
Meeting ID: 5624476175

TELECONFERENCE:
Call 1.312.626.6799
Meeting ID: 5624476175#

Should special accommodations be necessary to allow participation, please contact MSHN Executive Support Specialist, Sherry Kletke, at 517.253.8203 as soon as possible.

UPCOMING FY26 SUD OVERSIGHT POLICY BOARD MEETINGS

December 17, 2025
CMHAM
507 S. Grand Ave
Lansing, MI 48933

February 18, 2026
CMHAM
507 S. Grand Ave
Lansing, MI 48933

All meetings will be held from 4:00-5:30 p.m.

MSHN Board Approved Policies May be Found at:
https://midstatehealthnetwork.org/provider-network-resources/provider-requirements/policies-procedures/policies

Please direct questions and/or concerns pertaining to MSHN's SUD Oversight Policy Advisory Board to Sherry Kletke, Executive Support Specialist, at 517.253.8203
Mid-State Health Network | 530 W. Ionia Street | Lansing, MI 48933

MSHN
Mid-State Health Network

FY26 MSHN SUD Oversight Policy Board Roster

Last Name	First Name	Address 1	Address 2	City	State	Zip	Email 1	Email 2	Phone 1	Phone 2	County	Term Expiration
Burke	Lori	3797 W. Boulder Lane		Perry	MI	48872	lori.burke@myconnectedhealth.com		989.217.0412		Shiawassee	2026
Cahill	Irene	657 Virginia Ave		East Lansing	MI	48823	icahill@ingham.org	irenecahill@icloud.com	517.488.1486		Ingham	2026
Caswell	Bruce	8940 E. Bacon Road		Hillsdale	MI	49242	bcaswell@frontier.com		517.425.5230	517.523.3067	Hillsdale	2026
Gambrell	Todd	1605 Ashman		Midland	MI	48640	todd@gambrelllaw.com		989.832.6387		Midland	2027
Gross	Jacob	8755 Hemlock Ave.		Farwell	MI	48622	grossj@clareco.net		989.506.2163		Clare	2027
Harrington	Christina	1600 N. Michigan Ave.		Saginaw	MI	48602	charrington@saginawcounty.com		989.758.3818		Saginaw	2028
Hemminger	Charlean	170 E. Garden St		Muir	MI	48860	chemminger@ioniacounty.org		989.855.5235		Ionia	2028
Hunter	John	Po Box 9		Caro	MI	48723	hunterjohn74@gmail.com		989.673.8223	989.551.2077	Tuscola	2028
Kolk	Bryan	5646 W. 72nd Street		Fremont	MI	49412	bryank@newaygocountymi.gov		616.780.5751		Newaygo	2027
Link	Karen	3459 Lakeshore		Deckerville	MI	48427	karenl@huroncmh.org		989.269.1109	989.269.9293	Huron	2026
Mahar	Charlie	Line Rd		Greenville	MI	48838	cmahar@greenridge.com		616.205.6435	616.302.6009	Montcalm	2027
Moreno	Jim	316 S. Arnold St		Mt. Pleasant	MI	48858	jmoreno@isabellacounty.org		989.954.5144		Isabella	2027
Rayburn	Emily	509 S. Main St		Ithaca	MI	48847	emily@childadvocacy.net		989.763.3436	989.463.1422	Gratiot	2028
Schumacher	Pamela	405 E. Munger Road		Munger	MI	48747	pschumacher82@gmail.com		989.415.9497		Bay	2028
Strong	Jerrilynn	1137 17 Mile Road		Remus	MI	49340	jeristrong64@gmail.com		989.382.5452		Mecosta	2027
Thalison	Kimberly	1771 S. Krepps Road		St. Johns	MI	48879	kthalison@eatonresa.org		517.541.8711		Eaton	2028
Turner	David	Po Box 236		Marion	MI	49665	davidturner49665@gmail.com		231.908.0501		Osceola	2027
Vallad	Rachel	5033 Lincoln Road		Standish	MI	48658	rachel.vallad87@gmail.com		989.798.4743		Arenac	2026
Visnaw	Mike										Gladwin	2028
Washington	Dwight	4600 Clark Road		Bath	MI	48808	washindwi@gmail.com		517.974.1658		Clinton	2026
Woods	Ed	724 17th Street		Jackson	MI	49203	ejw1755@yahoo.com		517.796.4501	517.392.8457	Jackson	2026
Alternates:												
Briggs	Margery	307 Kent St.		Portland	MI	48875	briggsmmb@sbcglobal.net		517.647.4747		Ionia-Alternate	2028
DeLaat	Ken	9082 Redwood Dr.		Newaygo	MI	49337	kend@nearnorthnow.com		231.414.4173		Newaygo-Alternate	2027
Fickes	Nicole	6340 Victoria Shore Dr		Laingsburg	MI	48848	fickesn@clinton-County.org		517.899.9307		Clinton - Alternate	2026
Howard	Linda	10235 75th Ave		Mecosta	MI	49332	lhoward8305@gmail.com		989.560.8305		Mecosta-Alternate	2027
Merritt	Christa	Mid-Michigan District Health Department	615 N. State St., Suite 2	Stanton	MI	48888	cmerritt@mmdhd.org		616.302.4379		Montcalm-Alternate	2027
Mott	Jim	929 Miller Hwy		Olivet	MI	49076	jmott@eatoncounty.org		517.749.4236		Eaton-Alternate	2025
Murphy	Joe	312 S. Huron Ave		Harbor Beach	MI	48441	jmurphy0504@comcast.net		989.670.1057		Huron-Alternate	2026
Pratt	Tanya	5524 Star Flower Dr.		Haslett	MI	48840	tpratt@ingham.org	tlpratt624@gmail.com	810.919.1542		Ingham-Alternate	2026
Smith	Alaynah	406 E. Grove St		Midland	MI	48640	asmith@co.midland.mi.us		989.832.6389		Midland-Alternate	2027
Thume	Melanie				MI		mthume@gladwincounty-mi.gov		989.426.4821		Gladwin-Alternate	2028
Administration:												
Ittner	Amanda	Deputy Director					amanda.ittner@midstatehealthnetwork.org		517.253.7551			
Sedlock	Joe	Chief Executive Officer					joseph.sedlock@midstatehealthnetwork.org		517.657.3036			
Thomas	Leslie	Chief Financial Officer					leslie.thomas@midstatehealthnetwork.org		517.253.7546			
Kletke	Sherry	Executive Assistant					sheryl.kletke@midstatehealthnetwork.org		517.253.8203			

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

Meeting Minutes

1. Call to Order

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

Board Member(s) Present: Bruce Caswell (Hillsdale), Jacob Gross (Clare), Charlean Hemminger (Ionia), John Hunter (Tuscola), Bryan Kolk (Newaygo), Karen Link (Huron), Jim Moreno (Isabella), Emily Rayburn (Gratiot), Jerrilynn Strong (Mecosta), Kim Thalison (Eaton), and Dwight Washington (Clinton), and Ed Woods (Jackson)

Board Member(s) Remote: None

Board Member(s) Absent: Lisa Ashley (Gladwin), Lori Burke (Shiawassee), Irene Cahill (Ingham), Todd Gambrell (Midland), Christina Harrington (Saginaw), Charlie Mahar (Montcalm), Justin Peters (Bay), David Turner (Osceola), and Rachel Vallad (Arenac)

Alternate Member(s) Present: Christa Merritt (Montcalm) and Tanya Pratt (Ingham)

Alternate Member(s) Remote: Margery Briggs (Ionia)-Portland, MI, Nicole Fickes (Clinton)-Laingsburg, MI, and Susan Svetcos (Gladwin)-Gladwin, MI-joined at 4:21 p.m.

Staff Members Present: Amanda Ittner (Deputy Director), Dr. Dani Meier (Chief Clinical Officer), Dr. Trisha Thrush (Director of Substance Use Disorder Services and Operations); Sarah Andreotti (Prevention Specialist), Cari Patrick (Prevention Specialist), Stacey Lehmann (Data and Grand Coordinator), and Sherry Kletke (Executive Support Specialist)

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

2. Roll Call

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

3. Approval of Agenda for August 20, 2025

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

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

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

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

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

5. Public Comment

There was no public comment

6. Board Chair Report

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

7. Deputy Director Report

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

Regional Matters:

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

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

8. Chief Financial Officer Report

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

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

9. Substance Use Disorder PA2 Contract Listing

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

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

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

10. SUD Operating Update

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

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

11. Other Business

There was no other business.

12 Public Comment

There was no public comment.

13. Board Member Comment

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

14. Adjournment

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

Meeting minutes submitted respectfully by:
MSHN Executive Support Specialist

REPORT OF THE MSHN DEPUTY DIRECTOR
TO THE MSHN SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD
(SUD OPB)
August/September

MSHN/REGIONAL MATTERS

SUD Oversight Policy Board Annual Report

The Substance Use Disorder Oversight Policy Board has responsibility to provide oversight and advisement for SUD treatment and prevention operations. Specifically, the approval of any portion of MSHN's budget containing local funding for SUD treatment or prevention, (i.e., PA2 funds) and an advisory role in making recommendations regarding SUD treatment and prevention in their respective counties when funded with non-PA2 dollars.

Annually, MSHN's Boards and Councils provide a report outlining the past year's accomplishments and upcoming goals for the new year. Attached to this report is a draft of the FY2025 SUD OPB Annual report. MSHN is seeking feedback regarding the content as well as recommendations for FY26 goals.

Please submit feedback to amanda.ittner@midstatehealthnetwork.org or sheryl.kletke@midstatehealth.org by October 31, 2025.

The final report will be included in the Agency's Quality Assurance and Performance Improvement Annual Effectiveness Report.

Michigan Department of Health and Human Services (MDHHS) Pre-paid Inpatient Health Plan (PIHP) Procurement Update

As discussed previously, the PIHP procurement request for proposal (RFP) was released late Monday, August 5, 2025, that clearly excluded the regional entity PIHPs as eligible bidders. On August 27, 2025, a subset of Community Mental Health Service Programs (CMHSPs) and PIHPs filed litigation against MDHHS in an effort to halt the procurement process. Plaintiffs include three PIHPs and three CMHSPs (Mid-State Health Network PIHP, Southwest MI Behavioral Health PIHP, Region 10 PIHP, Saginaw County CMH, Integrated Services of Kalamazoo, and St. Clair Co. CMH).

On October 9, 2025, a hearing in the Court of Claims will be held: 1) to respond to MDHHS's motion for summary disposition and 2) to address the plaintiffs' motion for preliminary injunction. The court is expected to issue a decision from the bench on Friday, October 10, 2025.

MSHN will distribute updated information to our Board of Directors and Substance Use Disorder Oversight Policy Board as soon as possible.

STATE OF MICHIGAN/STATEWIDE ACTIVITIES

Governor Whitmer Signs Continuation Budget to Continue Government Services for Michiganders as Legislature Finalizes Budget Bills

On October 1, 2025, Governor Gretchen Whitmer signed a continuation budget to keep the Michigan government open. Last week, the Michigan House and Senate made a bipartisan agreement to pass a full state budget. The administration and legislative leaders will continue meeting to finalize and pass the budget. The continuation budget ensures state government operations continue to run and Michiganders maintain access to services as the full year budget is finalized. "The Michigan state government will stay open," said Governor Whitmer. "We're on the verge of making huge progress to fix our state and local roads, feed our kids at school, cut taxes for seniors and working families, protect access to affordable health care, and keep Michiganders safe in their communities. In the meantime, state government will continue providing uninterrupted services and state employees will work today, getting things done for their fellow Michiganders."

Continuation Budget

The continuation budget keeps state government open as the budget is finalized and passed by the legislature, ensuring Michiganders have uninterrupted access to government services, and state employees continue to get paid. Specifically, the continuation budget allows the state to continue spending in the interim before the governor signs the full fiscal year budget into law. After the final pages of the full budget are typed, the legislature will vote. Then, legislative clerks will prepare it for transmittal to the governor for her final review and signature.

Legislature Finalizes the Budget Bills

The House and Senate passed a $52 million spending plan for state government late Thursday, October 2, 2025. The Community Mental Health Association provided a summary of the conference report included below.

Specific Mental Health/Substance Abuse Services Line items

	FY'25 (Final)	FY'26(Exec Rec)	FY'26(House)	FY'26 (Conference)
-CMH Non-Medicaid services	$125,578,200	$125,578,200	$125,578,200	$125,578,200
-Medicaid Mental Health Services	$3,387,066,600	$3,422,415,900	***$3,352,643,500***	$3,188,847,900
-Medicaid Substance Abuse services	$95,650,100	$98,752,100	***$88,323,300***	$96,323,300
-State disability assistance program	$2,018,800	$2,018,800	$2,018,800	$2,018,800
-Community substance abuse	$79,626,200	$80,207,900	$78,626,200	$79,207,900
-Health Homes Program	$53,418,500	$53,239,800	***$25,000,000***	$50,239,800
-Autism services	$329,620,000	$458,715,500	***$467,644,200***	$467,644,200
-Healthy MI Plan (Behavioral health)	$527,784,600	$535,508,300	***$531,044,900***	$438,267,500
-CCBHC	$525,913,900	$916,062,700	***$565,286,700***	$916,062,700
-Total Local Dollars	$10,190,500	$9,943,600	***$246,900***	$9,943,600

Other Highlights of the FY26 Final Budget (Conference Report):

- There is NO PIHP procurement language included – either to withdraw the RFP (as we pushed for) or the House language which allowed the RFP to move forward, the FY26 budget remains silent on the issue.
    - **Sec. 1009. Medicaid Behavioral Health RFP – NOT INCLUDED**
      House requires the Medicaid behavioral health RFP to include specific performance measures of improved behavioral health outcomes, conflict of interest provisions, uniform standards and reduced administrative costs; requires a report on the process and rationale DHHS used to award the new contracts. Conference does not include.

PIHP Funding to One-Time Basis (NOT INLCUDED)
Conference report **did NOT** include the House proposal to transfer 6 Medicaid PIHP behavioral health services line items from the ongoing Behavioral Health Services unit to the One-Time Basis unit. Line items include: Autism Services, CCBHCs, Health Homes, Healthy Michigan Plan – Behavioral Health, Medicaid Mental Health Services, and Medicaid Substance Use Disorder Services.

Certified Community Behavioral Health Clinics (CCBHCs)
Conference report concurs with the Executive budget and adds $39.3 million Gross [$6.3 million General Fund/General Purpose (GF/GP)] for utilization and cost adjustments for the CCBHC demonstration program. Also includes a net $0 transfer of $350.8 million Gross ($75.7 million GF/GP) of base CCBHC payments currently within the Medicaid Mental Health and Healthy Michigan Plan – Behavioral Health lines into the supplemental payments CCBHC line.

- Budget does include language – **Sec. 1002 — CCBHC Demonstration**
  Department may not use funds to expand the CCBHC demonstration.

Medicaid Direct Care Agency Rate Reduction (NOT INCLUDED)
Conference report **did NOT** include the House proposal to reduce $215.8 million Gross ($74.9 million GF/GP) from reducing the direct care agency rates by $4.56 per hour. Rate reduction would have to come from agency overhead costs and not from direct care work wages paid through agencies.

Medicaid Methadone Rate Reduction (NOT INCLUDED)
Conference report **did NOT** include the House proposal to reduce $16.0 million Gross ($4.0 million GF/GP) to reduce the Medicaid methadone reimbursement rates from boilerplate section 965.

Medicaid Mental Health Local Match (NOT INCLUDED)
Conference report **did NOT** include the House proposal to remove $9.9 million of local funding, and associated federal reimbursement, used for Medicaid mental health services. Local funds were originally added to increase Medicaid mental health rates. Section 928 is related boilerplate.

Behavioral Health Lapse Savings
Conference report reduces a total of $4.0 million GF/GP from health homes ($3.0 million) and community substance use disorder($1.0 million).

Medicaid Pre-Release Services Demonstration (NOT INCLUDED)
Conference report **did NOT** include the Executive proposal to include $40.0 million Gross ($20.0 million GF/GP) for startup costs for correctional and other facilities, staffing, outreach, and IT costs of a new Medicaid demonstration program to provide 90 days of Medicaid covered pre-release services, including: case management, medication assisted treatment, pharmaceutical services, practitioner services, and diagnostics. Services that would begin in the following fiscal year.

Autism Benefit Managed Care Carve-Out (NOT INCLUDED)
Conference report **did NOT** include the Senate proposal to transfer $25.0 million Gross ($8.7 million GF/GP, which is a net GF/GP increase of $2.6 million GF/GP) from the CCBHC line for the department to make payments to PIHPs and CMHSPs for autism services outside of the managed care per-capita payment process.

BOILERPLATE SECTIONS
Sec. 902. Contracts Between DHHS and CMHSPs/PIHPs – RETAINED Requires final authorizations to CMHSPs or PIHPs be made upon the execution of contracts between DHHS and CMHSPs or PIHPs; requires DHHS to report if there are new contracts or amendments to contracts with CMHSPs or PIHPs that would affect rates or expenditures. (Document from the State Budget Office dated September 3 noted this section is unenforceable.)

Sec. 912. Salvation Army Harbor Light Program – RETAINED Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. (Document from the State Budget Office dated September 3 noted this section is unenforceable.)

Sec. 917. Michigan Opioid Healing and Recovery Fund and Report – REVISED Conference report revises by updating allocation to $55.0 million and outlines distributions. (Sec. 1930. outlines the distribution of the one-time portion.)

Sec. 920. Rate-Setting Process for PIHPs – RETAINED Requires the Medicaid rate-setting process for PIHPs include any state and federal wage and compensation increases.

Sec. 924. Autism Services Fee Schedule – RETAINED Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not less than $66.00 per hour. (Document from the State Budget Office dated September 3 noted this section is unenforceable.)

Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – NEW House requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law to not initiate an action which negatively impacts beneficiary safety; defines "national accrediting entity." Conference concurs with updated reporting dates.

Sec. 1002. CCBHC Organization Criteria – REVISED Language now states that Department may not use funds to expand the CCBHC demonstration.

Sec. 1003. Policies and Procedures for PIHPs or CMHSPs – RETAINED Requires DHHS to notify the Community Mental Health Association of Michigan when developing policies and procedures that will impact PIHPs or CMHSPs.

Sec. 1005. Health Home Programs – RETAINED Requires DHHS to maintain the number of behavioral health homes in PIHP regions and the number of opioid health homes in PIHP regions, and permits expansion into additional PIHP regions; requires a report. House revises to require any expansions to be made through the submission of a request to the legislature.

Sec. 1007. Autism Benefit Carve-Out – NOT INCLUDED Senate requires DHHS to make payments for autism services separate from per-capita payments to PIHPs and CMHSP.

Sec. 1009. Medicaid Behavioral Health RFP – NOT INCLUDED House requires the Medicaid behavioral health RFP to includes specific performance measures of improved behavioral health outcomes, conflict of interest provisions, uniform standards and reduced administrative costs; requires a report on the process and rationale DHHS used to award the new contracts.

Sec. 1034. PIHP Performance Incentives – NEW House conditions eligibility of PIHP performance incentives funded in part 1 on compliance with the provider rates for autism services and direct care in section 924 and 1031; requires the inspector general to audit claims and utilization data to verify compliance. Conference requires DHHS to seek Center for Medicare and Medicaid Services (CMS) approval to condition PIHP performance incentives on compliance with the provider rates for autism services and direct care in section 924 and 231.

Sec. 1051. Third-Party Payments and Revenue Recapture Project – RETAINED Requires DHHS to continue a revenue recapture project to generate additional third party revenue from cases that are closed or inactive.

FEDERAL/NATIONAL ACTIVITIES

Substance Abuse and Mental Health Services Administration (SAMHSA) Supplemental Funding (August 28, 2025)
SAMHSA is "awarding $19 million in new supplemental funding through the Community Mental Health Services Block Grant for efforts to address the intersection of homelessness and serious mental illness (SMI). This supplemental funding provides an opportunity for states to align public health, housing, and justice systems in order to reduce homelessness and improve outcomes for individuals with SMI. A key priority is building cross-system capacity to support individuals with a history of non-adherence to voluntary outpatient treatment and/or anosognosia – a disorder that prevents them from being aware of their mental illness -- through the use of tools such as Assisted Outpatient Treatment (AOT) programs. All 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and the six Pacific jurisdictions are eligible to receive this supplemental technical assistance funding, with individual awards ranging from $20,000 to $2.3 million."
Additional information is available at https://www.federalregister.gov/documents/2025/08/27/2025-16392/fiscal-year-fy-2025-notice-of-supplemental-funding-opportunity.

SAMHSA has announced $43 million in new supplemental funding available to State Opioid Response (SOR) program grantees to expand recovery housing services for young adults, ages 18-24. "This one-year supplemental funding requires grant recipients to develop and/or expand recovery housing services for young adults with opioid or stimulant use disorders. States and territories that accept the supplemental funding will also be able to provide treatment, including family-based treatment, provide dedicated care coordinators to assist in navigating various service sectors, and provide individuals with a range of recovery support services such as coaching, vocational training, employment support, transportation, childcare and more. The current SOR formula will be used to calculate the award amounts for all 50 states, the District of Columbia and Puerto Rico with a minimum award of $500,000 to a planned maximum award amount of $2,961,809; an award amount of $100,000 will be offered to American Samoa, Guam, Micronesia, Northern Mariana Islands, Palau, and Virgin Islands."

SAMSHA Releases Strategic Priorities (September 24, 2025)
SAMHSA outlined its six priorities: preventing substance use, addressing serious mental illness, expanding crisis services, improving evidence-based treatment access, supporting long-term recovery and tracking emerging threats. The agency says it will emphasize data-driven and science-based approaches.

The National Council published summary of SAMHSA shutdown impact (October 1, 2025)
"Should shutdown occur, Health and Human Services (HHS) will furlough a large percentage of their staff. HHS staff who administer mandatory programs, including Medicare and Medicaid, will continue to work, and emergency surveillance operations will continue. As such, we anticipate Medicaid and Medicare reimbursements should continue uninterrupted during a shutdown. With staff furloughs, certain Medicaid operations will slow down, and Medicaid-related rulemaking, along with activity related to approval of Medicaid waivers, will be suspended for the length of the shutdown.

SAMHSA Contingency Staffing Plan includes retaining 98 staff (13% of its workforce) and the following activities:

- Core behavioral health programs will remain active, including:
  - The Disaster Behavioral Health response teams
  - The Disaster Distress Helpline (24/7/365 crisis counseling)
  - The 988 Suicide & Crisis Lifeline
- Previously funded operations will continue, using available balances. This includes, among others:
  - The Treatment Services Locator
  - The Treatment Referral Line
  - Staff will remain available to:
    - Route letters indicating suicidal ideation to local crisis services

Th Center for Medicare and Medicaid Services: Rural Health Transformation Program
The Center for Medicare and Medicaid Services (CMS) has "unveiled details on how states can apply to receive funding from the $50 billion *Rural Health Transformation Program* created under the Working Families Tax Cuts Act to strengthen health care across rural America. This investment is designed to empower states to transform the existing rural health care infrastructure and build sustainable health care systems that expand access, enhance quality of care, and improve outcomes for patients. The Rural Health Transformation Program invites all 50 states to apply for funding to address each state's specific rural health challenges. The Program enables states to reimagine care delivery and develop innovative, enduring, state-driven solutions to tackle the root causes of poor health outcomes specific to rural America. The Program has five strategic goals, grounded in the statutorily approved uses of funds: make rural America healthy again, sustainable access, workforce development, innovative care, and tech innovation. The $50 billion program funding will be allocated to approved states over five years, with $10 billion available each year beginning in federal fiscal year 2026. Half of the funding will be evenly distributed to all states with an approved application. The other half will be awarded to approved states based on individual state metrics and applications that reflect the greatest potential for and scale of impact on the health of rural communities. The deadline for states to apply is November 5, 2025. There is only one opportunity to apply for funding and one application period for this program. CMS will announce awardees by December 31, 2025, and will partner with states over the program period to ensure strong oversight and successful implementation of initiatives with lasting impact."
Additional information is available at https://www.cms.gov/priorities/rural-health-transformation-rht-program/rural-health-transformation-rht-program.

Submitted by:
Amanda L. Ittner

Finalized: 10.3.2025

Attachment: SUD Oversight Policy Board Annual Report

MSHN
Mid-State Health Network

ANNUAL REPORT

TEAM NAME: SUD Oversight Policy Board

TEAM LEADER: Chairman Bryan Kolk, SUD Board Member

REPORT PERIOD COVERED: 10.1.24 – 9.30.25

Purpose of the Board: The Mid-State Health Network (MSHN) Substance Use Disorder (SUD) Oversight Policy Board (OPB) was developed in accordance with Public Act 500 of 2012, Section 287 (5). This law obliged MSHN to "establish a substance use disorder oversight policy board through a contractual agreement between [MSHN] and each of the counties served by the community mental health services program." MSHN/s twenty-one (21) counties each have representation on the OPB, with a designee chosen from that county. The primary decision-making role for the OPB is as follows:

- Approval of any portion of MSHN's budget containing local funding for SUD treatment or prevention, i.e. PA2 funds
- Has an advisory role in making recommendations regarding SUD treatment and prevention in their respective counties when funded with non-PA2 dollars.

Annual Evaluation Process:

a. Past Year's Accomplishments:

- Received updates and presentations on the following:
  - MSHN SUD Strategic Plan
  - MSHN SUD Prevention & Treatment Services
- Approval of Public Act 2 Funding for FY24 & related contracts
- Approved use of PA2 funds for prevention and treatment services in each county
- Received presentation on FY25 Budget Overview
- Received a presentation on PA2 funds Overview
- Received PA2 Funding reports – receipts & expenditures by County
- Received Quarterly Reports on Prevention and Treatment Goals and Progress
- Received Financial Status Reports on all funding sources of SUD Revenue and Expenses
- Provided advisory input to the MSHN Board of Directors regarding the overall agency strategic plan and SUD budget
- Received written updates from Deputy Director including state and federal activities related to SUD
- Shared prevention and treatment strategies within region
- Approved changes to the SUD OPB bylaws to incorporate current Open Meetings language and to add language allowing counties to appoint an alternate and provides clarification on the voting rights of the alternate.
- Received information and education on opioid settlement and strategies
- Received information on Adopting Low-Barrier Access to Medication for Opioid Use Disorder (MOUD) Treatment to Reduce Overdose Deaths in Michigan
- Received information on the Impact of Cannabis Legalization on Youth Following Passage of Proposal 1 in 2018

b. Upcoming Goals for FY26 ending, September 30, 2026:

- Approve use of PA2 funds for prevention and treatment services in each county
- Improve communications with MSHN Leadership, Board Members and local coalitions
- Orient new SUD OPB members as reappointments occur
- Increase communication with local counties and coalitions regarding use of state and local opioid settlement funding
- Monitor SUD spending to ensure it occurs consistent with PA 500

Mid-State Health Network
FY2025 PA2 Funding Summary by County

County	Beginning PA2 Fund Balance	Total Amount Received	PA2 Balance Available for Expenses
Arenac	66,822	19,204	86,025
Bay	448,582	105,425	554,007
Clare	132,748	28,339	161,087
Clinton	537,626	67,203	604,829
Eaton	379,382	125,724	505,106
Gladwin	70,747	20,078	90,824
Gratiot	84,686	23,496	108,182
Hillsdale	167,062	31,116	198,178
Huron	126,776	37,020	163,796
Ingham	1,476,422	359,443	1,835,865
Ionia	270,289	39,760	310,049
Isabella	251,037	67,492	318,529
Jackson	572,863	176,732	749,595
Mecosta	182,023	46,098	228,121
Midland	353,997	88,240	442,238
Montcalm	246,452	52,324	298,776
Newaygo	135,379	43,806	179,184
Osceola	74,496	18,266	92,762
Saginaw	1,089,316	246,820	1,336,136
Shiawassee	224,413	52,838	277,251
Tuscola	99,317	29,749	129,066
	$ 6,990,434	$ 1,679,172	$ 8,669,606

Mid-State Health Network
FY2025 PA2 Expenditure Summary by County

County	PA2 Balance Available for Expenses	YTD Payments	Ending PA2 Fund Balance
Arenac	86,025	53,373	$ 32,652
Bay	554,007	291,142	$ 262,865
Clare	161,087	66,444	$ 94,643
Clinton	604,829	126,502	$ 478,327
Eaton	505,106	250,472	$ 254,634
Gladwin	90,824	37,989	$ 52,835
Gratiot	108,182	67,432	$ 40,750
Hillsdale	198,178	59,487	$ 138,691
Huron	163,796	92,711	$ 71,085
Ingham	1,835,865	849,984	$ 985,881
Ionia	310,049	106,733	$ 203,316
Isabella	318,529	156,408	$ 162,121
Jackson	749,595	289,608	$ 459,987
Mecosta	228,121	114,083	$ 114,038
Midland	442,238	280,354	$ 161,884
Montcalm	298,776	167,711	$ 131,065
Newaygo	179,184	91,758	$ 87,427
Osceola	92,762	52,513	$ 40,249
Saginaw	1,336,136	655,395	$ 680,741
Shiawassee	277,251	167,465	$ 109,786
Tuscola	129,066	87,075	$ 41,991
	$ 8,669,606	4,064,639	$ 4,604,967

Mid-State Health Network
FY2025 PA2 Funding Summary by County

County	Beginning PA2 Fund Balance	Payment Amount	Date Received	Payment Amount	Date Received	Payment Amount	Date Received	Total Amount Anticipated	Total Amount Received	PA2 Balance Available for Expenses
Arenac	66,822	2,128	02.18.25	17,076	05.12.25			44,780	19,204	86,025
Bay	448,582	11,682	02.13.25	93,743	05.09.25			232,767	105,425	554,007
Clare	132,748	3,140	02.20.25	25,199	05.15.25			64,373	28,339	161,087
Clinton	537,626	7,447	02.14.25	59,756	05.09.25			149,877	67,203	604,829
Eaton	379,382	13,931	02.24.25	111,793	06.02.25			276,447	125,724	505,106
Gladwin	70,747	2,225	02.18.25	17,853	06.02.25			43,802	20,078	90,824
Gratiot	84,686	2,604	02.07.25	20,893	05.02.25			54,584	23,496	108,182
Hillsdale	167,062	3,448	02.10.25	27,668	04.30.25			65,929	31,116	198,178
Huron	126,776	4,102	02.07.25	32,918	05.02.25			81,262	37,020	163,796
Ingham	1,476,422	39,830	02.18.25	319,614	06.02.25			804,327	359,443	1,835,865
Ionia	270,289	4,406	02.18.25	35,354	05.12.25			89,500	39,760	310,049
Isabella	251,037	7,479	02.18.25	60,013	05.12.25			148,318	67,492	318,529
Jackson	572,863	19,584	02.10.25	157,148	05.07.25			383,154	176,732	749,595
Mecosta	182,023	5,108	02.10.25	40,990	05.12.25			102,596	46,098	228,121
Midland	353,997	9,778	02.14.25	78,462	05.09.25			190,134	88,240	442,238
Montcalm	246,452	5,798	02.27.25	46,526	06.02.25			118,381	52,324	298,776
Newaygo	135,379	4,854	03.14.25	38,952	06.02.25			97,316	43,806	179,184
Osceola	74,496	2,024	02.10.25	16,242	05.12.25			39,687	18,266	92,762
Saginaw	1,089,316	27,350	02.27.25	219,470	05.13.25			552,253	246,820	1,336,136
Shiawassee	224,413	5,855	02.18.25	46,983	05.05.25			116,044	52,838	277,251
Tuscola	99,317	3,296	02.10.25	26,453				67,516	29,749	129,066
	$ 6,990,434	$ 186,068		$ 1,493,104		$ -		$ 3,723,047	$ 1,679,172	$ 8,669,606

Mid-State Health Network
FY2025 PA2 Expenditure Summary by County

County	PA2 Balance Available for Expenses	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	YTD Payments	Ending PA2 Fund Balance
Arenac	86,025	7,066	5,720	4,680	4,695	4,932	5,313	53,373	$ 32,652
Bay	554,007	15,123	21,988	35,662	51,069	34,724	52,953	291,142	$ 262,865
Clare	161,087	6,123	5,280	7,707	6,025	6,514	7,185	66,444	$ 94,643
Clinton	604,829	10,731	9,760	21,239	11,428	11,656	7,327	126,502	$ 478,327
Eaton	505,106	20,077	21,734	24,750	27,739	23,873	10,865	250,472	$ 254,634
Gladwin	90,824	2,951	3,381	3,975	3,326	3,479	3,632	37,989	$ 52,835
Gratiot	108,182	5,597	5,458	8,091	5,924	5,103	6,602	67,432	$ 40,750
Hillsdale	198,178	13,125	-	14,248	-	8,690	-	59,487	$ 138,691
Huron	163,796	5,639	6,780	5,855	5,838	13,798	25,822	92,711	$ 71,085
Ingham	1,835,865	79,828	77,921	79,407	101,577	85,201	60,656	849,984	$ 985,881
Ionia	310,049	10,520	7,272	8,268	16,576	3,902	12,133	106,733	$ 203,316
Isabella	318,529	14,328	14,455	14,705	13,543	13,436	16,126	156,408	$ 162,121
Jackson	749,595	15,518	23,390	32,872	25,473	25,933	27,481	289,608	$ 459,987
Mecosta	228,121	11,293	11,731	13,557	12,279	13,231	14,264	114,083	$ 114,038
Midland	442,238	19,762	29,503	29,239	26,285	30,315	28,638	280,354	$ 161,884
Montcalm	298,776	161,056	1,351	-	-	-	-	167,711	$ 131,065
Newaygo	179,184	7,683	9,868	9,345	19,722	-	16,353	91,758	$ 87,427
Osceola	92,762	4,481	4,486	6,504	5,209	4,967	4,412	52,513	$ 40,249
Saginaw	1,336,136	38,183	49,084	79,527	91,413	80,102	115,367	655,395	$ 680,741
Shiawassee	277,251	12,878	20,471	17,415	14,278	20,258	14,080	167,465	$ 109,786
Tuscola	129,066	10,025	6,191	4,357	4,343	4,551	5,722	87,075	$ 41,991
	$ 8,669,606	$ 471,989	$ 335,825	$ 421,402	$ 446,743	$ 394,665	$ 434,930	4,064,639	$ 4,604,967

Mid-State Health Network

Summary of PA2 Use of Funds by County and Provider

October 1, 2024 through August 31, 2025

County and Provider	Early Intervention	Prevention	Recovery Support	Grand Total
Arenac				
Peer 360 Recovery			18,228	18,228
Ten Sixteen Recovery		35,145		35,145
Arenac Total		**35,145**	**18,228**	**53,373**
Bay				
Boys and Girls Club Bay Region		56,732		56,732
McLaren Prevention Services		66,357		66,357
Peer 360 Recovery			55,291	55,291
Sacred Heart Rehabilitation		25,477		25,477
Ten Sixteen Recovery	4,551	39,555	43,179	87,285
Bay Total	**4,551**	**188,121**	**98,470**	**291,142**
Clare				
Ten Sixteen Recovery	13,659	52,785		66,444
Clare Total	**13,659**	**52,785**		**66,444**
Clinton				
Eaton Regional Education Service Agency		118,923		118,923
St. John's Police Department		7,579		7,579
Clinton Total		**126,502**		**126,502**
Eaton				
Eaton Regional Education Service Agency		187,620		187,620
Wellness, InX	28,955		33,897	62,852
Eaton Total	**28,955**	**187,620**	**33,897**	**250,472**
Gladwin				
Ten Sixteen Recovery	3,429	34,560		37,989
Gladwin Total	**3,429**	**34,560**		**37,989**
Gratiot				
Gratiot County Child Advocacy Association		61,225		61,225
Ten Sixteen Recovery	6,207			6,207
Gratiot Total	**6,207**	**61,225**		**67,432**
Hillsdale				
LifeWays Community Mental Health Authority		59,487		59,487
Hillsdale Total		**59,487**		**59,487**
Huron				
Huron County Health Department		25,813		25,813
Peer 360 Recovery			66,898	66,898
Huron Total		**25,813**	**66,898**	**92,711**
Ingham				
Child and Family Charities		91,184		91,184
Cristo Rey Community Center		89,076		89,076
Eaton Regional Education Service Agency		95,212		95,212
Ingham County Health Department		72,892		72,892
Lansing Syringe Access, Inc			94,787	94,787
Prevention Network		18,950		18,950
Punks With Lunch Lansing			46,000	46,000
Wellness, InX	210,257		131,626	341,883
Ingham Total	**210,257**	**367,315**	**272,413**	**849,984**

Mid-State Health Network

Summary of PA2 Use of Funds by County and Provider

October 1, 2024 through August 31, 2025

County and Provider	Early Intervention	Prevention	Recovery Support	Grand Total
Ionia				
County of Ionia		106,733		106,733
Ionia Total		**106,733**		**106,733**
Isabella				
Peer 360 Recovery			39,289	39,289
Ten Sixteen Recovery	8,475	27,362	81,282	117,119
Isabella Total	**8,475**	**27,362**	**120,571**	**156,408**
Jackson				
Big Brothers Big Sisters of Jackson County, Inc		24,457		24,457
Family Service and Childrens Aid (Born Free)		215,520		215,520
Home of New Vision			49,632	49,632
Jackson Total		**239,977**	**49,632**	**289,608**
Mecosta				
Ten Sixteen Recovery	17,726	36,672	59,685	114,083
Mecosta Total	**17,726**	**36,672**	**59,685**	**114,083**
Midland				
Peer 360 Recovery			89,893	89,893
Ten Sixteen Recovery	35,042			35,042
The Legacy Center for Community Success		155,419		155,419
Midland Total	**35,042**	**155,419**	**89,893**	**280,354**
Montcalm				
Mid-Michigan District Health Department		142,430		142,430
Randy's House of Greenville, Inc.			25,281	25,281
Montcalm Total		**142,430**	**25,281**	**167,711**
Newaygo				
Arbor Circle		64,677		64,677
District Health Department No. 10		27,081		27,081
Newaygo Total		**91,758**		**91,758**
Osceola				
Ten Sixteen Recovery	15,819	36,694		52,513
Osceola Total	**15,819**	**36,694**		**52,513**
Saginaw				
Face Addiction Now			118,005	118,005
First Ward Community Service		93,739		93,739
Parishioners on Patrol		5,000		5,000
Peer 360 Recovery			136,228	136,228
Sacred Heart Rehabilitation		39,123		39,123
Saginaw County Youth Protection Council		133,365		133,365
Saginaw Police Department		20,928		20,928
Women of Colors		109,008		109,008
Saginaw Total		**401,162**	**254,233**	**655,395**
Shiawassee				
Catholic Charities of Shiawassee and Genesee		89,945		89,945
Peer 360 Recovery			61,348	61,348
Shiawassee County		16,172		16,172
Shiawassee Total		**106,117**	**61,348**	**167,465**

Mid-State Health Network

Summary of PA2 Use of Funds by County and Provider

October 1, 2024 through August 31, 2025

County and Provider	Early Intervention	Prevention	Recovery Support	Grand Total
Tuscola				
List Psychological Services		37,300		37,300
Peer 360 Recovery			49,775	49,775
Tuscola Total		**37,300**	**49,775**	**87,075**
Grand Total	**344,119**	**2,520,196**	**1,200,324**	**4,064,639**

Mid-State Health Network
Summary of SUD Revenue and Expenses as of August 2025 (91.7% of Budget)

	Year to Date Actual	Full Year Budget	Remaining Budget	% to Budget
Revenue				
Block Grant	8,127,078.44	9,876,315.00	1,749,236.56	82.29%
SOR and Other Grants	1,659,124.37	2,313,980.00	654,855.63	71.70%
Medicaid	17,023,920.44	19,668,781.00	2,644,860.56	86.55%
Healthy Michigan	25,406,062.99	30,488,957.00	5,082,894.01	83.33%
PA2	4,064,639.29	4,864,052.00	799,412.71	83.56%
Totals	56,280,825.53	67,212,085.00	10,931,259.47	83.74%
Direct Expenses				
Block Grant	8,127,078.44	9,876,315.00	1,749,236.56	82.29%
SOR and Other Grants	1,659,124.37	2,313,980.00	654,855.63	71.70%
Medicaid	14,010,886.87	19,049,480.00	5,038,593.13	73.55%
Healthy Michigan	25,285,762.17	31,200,000.00	5,914,237.83	81.04%
PA2	4,064,639.29	4,864,052.00	799,412.71	83.56%
Totals	53,147,491.14	67,303,827.00	14,156,335.86	78.97%
Surplus / (Deficit)	3,133,334.39			

Surplus / (Deficit) by Funding Source	
Block Grant	-
SOR Grants	-
Medicaid	3,013,033.57
Healthy Michigan	120,300.82
PA2	-
Totals	3,133,334.39

Actual revenue greater than budgeted revenue
Actual expenses greater than budgeted expenses

Surplus/(Deficit) by Funding Source - Please Note: A surplus or deficit listed above only relates to SUD. MSHN uses the amounts above in conjunction with behavioral health surpluses and deficits to determine a regional total. MSHN then applies MDHHS's set formula to calculate the portion of surplus dollars we can retain.

Fiscal Year (FY) 2026 Budget Presentation

Leslie Thomas, Certified Public Accountant (CPA)
Chief Financial Officer (CFO)
Mid-State Health Network
530 W. Ionia Ste F.
Lansing, MI 48933

Joseph Sedlock, Chief Executive Officer (CEO)
Amanda Ittner, Deputy Director (DD)

Budget Development

REVENUE ESTIMATES

- Michigan Department of Health and Human Services (MDHHS) along with Milliman its actuarial firm issued FY 26 changes to rate development however rate certification information was not available to produce revenue estimates. Key changes and unknown factors to FY 26 rates will include:
  - Certified Community Behavioral Health Clinic (CCBHC) Prospective Payment System (PPS-1) rates – Beginning 10.1.25, CCBHC will move to a fee-for-service arrangement with MDHHS for each daily visit provided. This funding will no longer flow through MSHN. As such, MDHHS will likely reduce MSHN's FY 26 capitation by about $49 M to support CCBHC PPS-1 payments, which is approximately the amount used to support FY 25 services. The CCBHC supplemental revenue which is cost settled with the Community Mental Health Service Programs (CMHSPs), will also be removed from MSHN's revenue. This removal has a net effect of zero as the supplemental payments were merely pass throughs to the participating CMHSPs. Lastly, **mid-year** CCBHC rate adjustments could negatively impact the Region's revenue as the planned reduction in capitation is an estimate. On the other hand, there is also the potential for an increased overall budget surplus if the mid-year calculations show capitation needed to support CCBHC services were overstated.
  - Prepaid Inpatient Health Plan (PIHP) Entity Specific Factors - Each PIHP will have its own entity factor which should be favorable to MSHN's future rates. This will allow MDHHS to evaluate expense and enrollment changes specific to MSHN's region and assign revenue rates accordingly.
  - The one unknown relates to a potential mandated increase by MDHHS in Community Living Supports (CLS) provider reimbursement rates. CMHSPs budgeted their current reimbursement rates.
- PIHP Finance Staff used FY 25 projected revenue as the basis for FY 26. The calculations were adjusted to remove CCBHC revenue. In addition, FY 25 projected enrollment figures were used.
- Medicaid Savings Carryforward – The amended FY 25 rates will result in MSHN having a projected carryforward into FY 26 of more than $9 M.
- As in previous FYs, MSHN will continue its review of revenue and expense estimates several times throughout the FY. Review processes ensure the region can identify anticipated cost overruns or projected surpluses and facilitates future fiscal planning.

Budget Development

EXPENSE FIGURES

- Community Mental Health Services Programs (CMHSPs) – Expense numbers submitted by eight of twelve CMHSPs exceed projected revenue. MSHN's region still reports the following cost drivers:
  - Significant Utilization Increases [Inpatient, Autism, Community Living Supports (CLS)]
  - Increased Provider Network Reimbursement Rates
  - Staff Retention/Staff Attraction
- Substance Abuse Prevention and Treatment (SAPT) providers – Expense amounts are based on prior year utilization trended or negotiated contract/cost reimbursement funding levels. While MSHN's SAPT service line is experiencing some of the same concerns noted above for CMHSPs, SAPT revenue is sufficient to cover projected expenses. MSHN is not offering an increase in Fee-For-Service rates as those reimbursements were increased by 10% in FY 24 and are competitive when compared to other PIHPs.

FY 2026 Regional Budget Summary

CATEGORY	SAPT REVENUE		SAPT EXPENSE		SURPLUS/DEFICIT
Medicaid	17,586,680	27.02%	16,200,000	25.59%	1,386,680
Healthy	29,290,509	45.00%	30,000,000	47.38%	(709,491)
Community Grant and	13,226,194	20.32%	12,123,938	19.15%	1,102,256
PA2 Liquor Tax	4,991,869	7.67%	4,991,869	7.88%	-
Total	65,095,252	100.00%	63,315,807	100.00%	1,779,445

FY 26 Rev over Exp is $1,338,942; FY 25's Internal Service Fund (ISF) Beginning Balance equals $35,570,054. Pending final FY 26 rates and other factors previously mentioned in this presentation, a portion of the ISF may be used to cover expenses exceeding total revenue.

FY 2025 to FY 2026 FISCAL COMPARISON

REVENUE COMPARISON			
Category	FY 25	FY 26	FY 26 Inc/(Decr)
Medicaid	17,824,520	17,586,680	(237,840)
HMP	29,873,187	29,290,509	(582,678)
BG	13,268,684	13,226,194	(42,490)
PA2	4,864,052	4,991,869	127,817
	65,830,443	65,095,252	(735,191)

EXPENSE COMPARISON			
Category	FY 25	FY 26	FY 26 Inc/(Decr)
Medicaid	17,300,000	16,200,000	(1,100,000)
HMP	31,200,000	30,000,000	(1,200,000)
BG	12,205,295	12,123,938	(81,357)
PA2	4,864,052	4,991,869	127,817
	65,569,347	63,315,807	(2,253,540)

Mid-State Health Network
FY2026 PA2 Funding Recommendations by Provider
October 2025 Oversight Policy Board

Provider	Provider Funding Total Requested	MSHN Funding Recommended	PA2 Amount Recommended*
Arbor Circle			
Big Brothers Big Sisters of Jackson			
Boys and Girls Club of Bay County			
Catholic Charities of Shiawassee and Genesee Counties			
Child Advocacy Center			
Child and Family Charities			
Cristo Rey Community Center			
District Health Department #10			
Eaton Regional Education Service Agency (RESA)			
Families Against Narcotics (FAN)	180,348	180,348	180,348
Family Services and Children's Aid			
First Ward Community Center			
Henry Ford Allegiance Health			
Home of New Vision			
Huron County Health Department			
Ingham County Health Department			
Ionia County Health Department			
Lansing Syringe Services			
LifeWays			
List Psychological Services			
McLaren Prevention Services			
Mid-Michigan District Health Department			
Peer 360 Recovery			
Punks with Lunch			
Randy's House			
Sacred Heart Rehabilitation Center			
Saginaw County Health Department			
Saginaw Youth Protection Council			
Shiawassee County Court			
Ten Sixteen Recovery Network			
The Legacy Center			
Wellness, Inx			
Women of Colors			
GRAND TOTAL	**180,348**	**180,348**	**180,348**

*Refer to *Comparison by County and Provider* report for details by county

Mid-State Health Network
FY2026 PA2 Funding Recommendations by County

County	Projected Beginning Reserve Balance	Projected FY2026 Treasury Revenue*	OPB Approved PA2 Provider Funding	MSHN Funding Recommendations August	Projected Ending Reserve Balance
Arenac	41,877	44,780	56,776		29,881
Bay	251,612	232,767	330,694		153,685
Clare	87,137	64,373	99,675		51,835
Clinton	480,461	149,877	134,185		496,153
Eaton	425,118	276,447	385,377		316,188
Gladwin	59,949	43,802	70,101		33,650
Gratiot	57,005	54,584	74,300		37,289
Hillsdale	78,183	65,929	70,000		74,112
Huron	90,287	81,262	112,205		59,344
Ingham	1,081,716	804,327	1,136,223		749,820
Ionia	122,538	89,500	132,050		79,988
Isabella	198,158	148,318	225,305		121,171
Jackson	391,627	383,154	462,792		311,989
Mecosta	117,164	102,596	144,700		75,060
Midland	226,719	190,134	292,323		124,530
Montcalm	120,126	118,381	142,599		95,908
Newaygo	97,211	97,316	130,135		64,392
Osceola	45,902	39,687	56,400		29,189
Saginaw	566,182	552,253	668,107	180,348	269,980
Shiawassee	133,535	116,044	170,093		79,486
Tuscola	74,644	67,516	97,829		44,331
Total	$ 4,747,151	$ 3,723,047	$ 4,991,869	$ 180,348	$ 3,297,981

*FY2026 projected Treasury revenue to counties not available at the time of this report; used FY2025 projected revenue

Mid-State Health Network
Comparison of FY2025 and FY2026 PA2 by County and Provider

County	Provider		FY2025 OPB Approved PA2 Provider Funding	FY2026 MSHN Funding Recommendations August	New Provider / Renewal Contract*	Coalition Reviewed; New Providers (Yes/No)	Detail of Services Provided for FY2026 Requests
Saginaw							
	Face Addiction Now (FAN)				Renewal		Harm Reduction: Funds to support street outreach in Saginaw County.
		PA2	144,809	180,348			
		Grants	-	-			
		Total	**144,809**	**180,348**			
Grand Total			**144,809**	**180,348**			

*New Provider / Renewal Contract:
New Provider could also indicate that provider did not receive PA2 funds from the identified county in FY2025

Grants refers to Community Grant and State Opioid Response Grant

Coalition does not review annual plans and budgets. Coalition reviews new providers only.

MSHN
Mid-State Health Network

OPB Operational Report
October 2025

Several Clinical Team functions and activities are ongoing year-round while others are specific to requirements of that quarter's place in the fiscal year cycle or situation-specific demands prompted by new federal, state, or local mandates or regulations, shifts in epidemiological trends, etc. The activities below are separated accordingly.

Prevention

- Problem Gambling Prevention media campaign continues through September. The campaign consists of two 15-second videos that will be shown as "pre-roll" connected to videos watched on popular websites.
- Submitted media request to MDHHS for approval of vaping prevention streaming media campaign to run during the month of March 2026 leading up to Take Down Tobacco Day on April 1. This will be funded with $4000 of MDHHS Tobacco Section funding given to each PIHP.
- MSHN Prevention team attended the 26th Annual MDHHS SUD and Co-Occurring Conference that was held September 7-9, 2025.
- Updated End of Year Outcomes reporting template that providers submit to report on FY25 work.
- Worked on data collection plans for beginning of FY26 while MPDS continues to be in development by MDHHS. Anticipating new MDPS to be up and running in early FY26.
- Continued completing FY25 Desk Audits with Prevention and Community Recovery Providers.
- DYTURs submitted FY25 Youth Access to Tobacco Report to summarize their FY25 Synar-related work.
- 3 county's DYTURs participated in the Synar Coverage Study to verify accuracy of Master Retailer Lists in specific communities chosen by MDHHS (Bad Axe, Jackson, Owosso). The Synar Coverage Study is conducted every three years.
- Continued working with coalitions and providers to offer technical assistance for overdose prevention activities, while encouraging engagement with county Opioid Settlement committees.
- Held September Quarterly SUD Provider meeting including the Prevention and Community Recovery breakout.
- Continued participation in the MDHHS Older Adult Prevention workgroup.
- Inter-regional coordination ongoing through Prevention Coordinators around the state.
- Review of prevention providers' entries into MPDS (Michigan Prevention Data System) where prevention providers log their activities, persons served, etc.
- Provision of technical assistance and training to existing providers on best practices for prevention and on how to document those in MPDS/tracking sheets.
- Attending coalition meetings across Region 5's 21 counties.
- Continued implementation of FY24-26 SUD Strategic Plan.

Treatment

- Successfully supported the FY25 MDHHS SOR – 4 Site Review and received an outcome of full compliance.
- Supported FY26 budget reviews, contract recommendations, and outcome reporting.
- Supported 177 providers from the MSHN region in attending the 2025 SUD Co-Occurring Conference September 8-9, 2025.
- Continuation of implementation of the MDHHS Recovery Incentive Pilot for FY25. Onboarded FSCA as a new provider who began their pilot in August 2025.

- Trained 160 treatment provider staff in ASAM Criteria 4 with Train for Change from May – August 2025. Trainees were provided with an ASAM Criteria 4 manual upon completion.
- Continued technical assistance for implementation of services with Bear River Health in Mt. Pleasant, which opened at the end of June 2025. Program is supporting residential ASAM levels of care for 3.1, 3.3, and 3.5.
- Monitoring of Opioid Settlement Funds allocated to regional SUD providers. All SUD provider projects (by county) for OSF can be found on the MSHN website at this link: Opioid Settlement Transparency & Accountability.
- Completed pre-contract review to add 3.7 withdrawal management services with a current contracted provider. This would provide a full continuum of care for services in one location.
- Held quarterly SUD Provider Meeting on Thursday, 9-18-25 from 12-2p. Next meeting is scheduled for 12-18-25 from 12-2p.
- MSHN has a total of ***560 beneficiaries*** enrolled in 7 unique SUD Health Home locations. Three others have been selected and are preparing to enroll new beneficiaries (LifeWays CMH – Jackson & Hillsdale, Sacred Heart - Bay City, and Sacred Heart - Saginaw). Currently, the SUD Health Home locations in the MSHN region have the following enrolled in Health Home services:
    - Isabella Citizens for Health – Mt. Pleasant: 5
    - LifeWays CMH – Jackson: 0
    - Lifeways CMH – Hillsdale: 0
    - MidMichigan Community Health Services: 33
    - Recovery Pathways – Bay City: 62
    - Recovery Pathways – Corunna: 24
    - Sacred Heart - Bay City: 0
    - Sacred Heart - Saginaw: 0
    - VCS – Saginaw: 206
    - VCS – Jackson: 110
    - VCS – Lansing: 110
- Participation in the MDHHS 1115 Reentry Initiative Implementor Advisory Group to support planning for services for incarcerated settings (i.e., MDOC, County Jails, and Juvenile Detention Facilities). Implementation planned for FY26.
- Planning for ASAM Criteria 4th Edition transition in MSHN region in FY26.
- Coordinate and support monthly Lunch & Learn series to support SUD provider network in calendar year 2025 with sessions provided by SUD Clinical, Utilization Management, Access, QAPI, Finance, Quality, Customer Service & Recipient Rights, and Veteran Navigator. Schedule, topics, and links to sessions available in the weekly constant contact newsletter. Sessions that were recorded can also be found on the MSHN website: Lunch and Learn Series.
- Ongoing support of Equity Upstream Learning Collaborative partners with action plan to reduce health disparities' implementation and monitoring in FY25.
- Continued support for value-based pilot for Project ASSERT with two regional providers.
- Ongoing support of technical assistance needs with SUD treatment providers.

- Continued Treatment Team attendance at prevention community coalition meetings.

- Ongoing evaluation of opportunities to expand services for specialty populations of older adults, adolescents, veterans, and military families.
- Coordinate and facilitate regional workgroups for Recovery, ROSC (Northwest, South, & East), Outpatient/MAT, WSS, and WM/residential.

Additional Activities August - September:

- The Governor's Mental Health Diversion Council met in September. This was the Chief Clinical Officer's first meeting since his July appointment to the MHDC which is charged with reducing the number of people with mental illness or intellectual or developmental disabilities (including comorbid substance addiction) from entering the corrections system, while maintaining public safety.
- The Opioid Task Force's Treatment Subcommittee on which MSHN's CCO (Dani) sits is developing priority area recommendations to the full task force which then also informs recommendations to MDHHS.
- Ongoing leadership and coordination with statewide SUDS Directors. Consensus-building remains strained and complicated in context of PIHP disruptions despite our being SUD subject matter experts whose collective voices matter (e.g., in responding to state and federal changes that are harmful). Two SUD Directors have resigned since we last met in a sign of growing uncertainty in our system.
- With the end of FY25's Q4 on September 30th, MSHN's Equity Upstream Learning Collaborative pilot completed their first year of action plan implementation to reduce health disparities. The Dorothy Johnson Center (GVSU) will be analyzing Q4 reports for MSHN's pilot Learning Collaborative's activities and progress and generating a report in October or November.
- Federal actions—legislation and Executive Orders—continue to pull back from established best practices for highly vulnerable Americans living with SUD and/or mental illness.
- Equity Upstream's anti-stigma media campaign Celebrating Strength was launched August 1 and had radio and streaming PSAs that ran through September, billboards, posters, and videos tailored for social media. There's a Celebrating Strength toolkit that anyone can access to download posters, videos, etc.
- IDEA Lunch & Learns for internal MSHN team have offered excellent training opportunities for MSHN staff.
- The SUD Clinical Team has worked with the rest of MSHN staff to develop an organizationally powerful and cohesive proposal response to the MDHHS Procurement RFP. Key dates this month in relation to the RFP: Court ruling on MSHN's lawsuit: 10/9 and submission of MSHN proposal (if court ruling isn't in our favor) on 10/11.
- Work on utilization of MSHN's new mobile methadone provider which can offer the full array of MOUD to rural counties that have never had it. First stop: Newaygo County.
- Dani presented on 10/2 to the Ingham Opioid Awareness Prevention Initiative (IOAPI). They request this yearly.
- MSHN's Director of SUD Services & Operations (Dr. Trisha Thrush) will be providing a presentation to a group of Midland stakeholders (SUD treatment and recovery court judges and team members, Community Corrections, MDHHS Family Preservation, MDHHS – SUGE, Ten16, Recovery Pathways, Peer 360, Wellspring, NLA, Legacy Center, etc.) about the services and supports available within the Michigan public behavioral health system and how they can be utilized within Midland County on October 15th.