

# Mid-State Health Network

## Board of Directors Meeting ~ July 1, 2025 ~ 5:00 p.m.

### Board Meeting Agenda

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

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

Teleconference: (Call) 1.312.626.6799; Meeting ID: 3797965720

1. Call to Order

Remind members of the Board Member Conduct Policy – specifically to seek recognition from the chair before making remarks and to limit yourself to two three minute comments on each item.

2. Roll Call

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

**Motion to Approve the Agenda of the July 1, 2025 Meeting of the MSHN Board of Directors**

4. Public Comment (3 minutes per speaker)

5. **ACTION ITEM:** Substance Use Disorder Oversight Policy Board Bylaws (Page 9)

**Motion to Approve the revisions in the Substance Use Disorder Oversight Policy Board Bylaws**

6. **ACTION ITEM:** MSHN FY2025 Compliance Plan Revisions (Page 20)

**Motion to Approve the revisions in the FY2025 Compliance Plan as required by the Office of Inspector General**

7. **ACTION ITEM:** Fiscal Year 2026 Board Meeting Calendar (Page 52)

**Motion to Adopt the FY2026 Mid-State Health Network Board of Directors Meeting Calendar as presented**

8. Chief Executive Officer's Report (Page 53)

9. Deputy Director's Report (Page 66)

10. Chief Financial Officer's Report

Financial Statements Review for Period Ended May 31, 2025 (Page 73)

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

11. **ACTION ITEM:** Contracts for Consideration/Approval (Page 82)

**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**



### 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 FY25 Board Meetings

Board Meetings convene at 5:00pm unless otherwise noted

#### September 9, 2025

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

### Upcoming FY26 Board Meetings

#### \*pending board approval

Board Meetings convene at 5:00pm Unless otherwise notes

#### November 18, 2025

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>

12. Executive Committee Report

13. Chairperson's Report

Press Release on Pre-Paid Inpatient Health Plans Request for Proposal (Page 84)

14. **ACTION ITEM:** Consent Agenda

**Motion to Approve the documents on the Consent Agenda**

- 14.1 Approval Board Meeting Minutes 05/13/2025 (Page 86)
- 14.2 Receive Board Executive Committee Minutes 06/20/2025 (Page 91)
- 14.3 Receive SUD Oversight Policy Board Meeting Minutes 02/19/2025 (Page 93) and 04/16/2025 (Page 97)
- 14.4 Receive Policy Committee Meeting Minutes 06/03/2025 (Page 100)
- 14.5 Receive Operations Council Key Decisions 05/14/2025 (Page 102) and 06/16/2025 (Page 105)
- 14.6 Approve the following policies:
  - 14.6.1 Performance Evaluation (Page 109)
  - 14.6.2 Personnel Manual (Page 110)
  - 14.6.3 Position Management (Page 136)
  - 14.6.4 Public Health Emergency Notice (Page 138)
  - 14.6.5 Reimbursement Policy for Credentials, Licensure and Memberships (Page 140)
  - 14.6.6 Separation (Page 142)
  - 14.6.7 Succession Planning (Page 144)
  - 14.6.8 Credentialing/Re-Credentialing (Page 147)
  - 14.6.9 Disclosure of Ownership, Control and Criminal Convictions (Page 152)
  - 14.6.10 Person/Family Centered Plan of Service (Page 156)

15. Other Business

16. Public Comment (3 minutes per speaker)

17. CEO Contract Issue

18. Adjourn

## POLICIES AND PROCEDURES MANUAL

<b>Chapter:</b>	<b>General Management</b>		
<b>Title:</b>	<b>Board Member Conduct and Board Meetings</b>		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 3	<b>Review Cycle:</b> Biennial  <b>Author:</b> Chief Executive Officer	<b>Adopted Date:</b> 01.06.2015  <b>Review Date:</b> 09.10.2024	<b>Related Policies:</b> Compliance & Program Integrity Conflict of Interest Confidentiality and Notice of Privacy

### **Purpose**

The Mid-State Health Network (MSHN) Board exists to represent and make decisions in the best interest of the entire organization and its regional stakeholders. The Board is established to assure development and approval of effective policies that provide for compliance with the approved strategic direction, the MSHN Corporate Compliance Plan, the Board's fiduciary responsibility, approved policies, and authorized contracts.

Each Board Member is expected to adhere to a high standard of ethical conduct and to act in accordance with MSHN's Mission and Core Values. The good name of MSHN depends upon the way Board Members conduct business and the way the public perceives that conduct.

### **Policy**

A. MSHN Board members shall be guided by the following principles in carrying out their responsibilities:

**Loyalty:** Board members shall act so as to protect MSHN's interests and those of its employees, assets and legal rights, and Board Members shall serve the interests of MSHN, its beneficiaries, partner Community Mental Health Service Programs, contracted providers, and the consumers they serve. If an individual Board member disagrees with a decision made by the Board, he/she shall identify if speaking on the matter after the meeting that they are speaking as an individual and not for the Board.

**Care:** Board members shall apply themselves with seriousness and diligence to participating in the affairs of MSHN and shall act prudently in exercising governance oversight of the organization. Board Members are expected to be familiar with MSHN's business and the environment in which the organization operates, and understand MSHN's policies, strategies, and core values.

**Inquiry:** Board members shall take steps necessary to be sufficiently informed to make decisions on behalf of MSHN and to participate in an informed manner in Board activities.

**Compliance with Laws, Rules, and Regulations:** Board members shall comply with all laws, rules, policies (including Board-approved operational plans, such as but not limited to the Corporate Compliance Plan) and regulations applicable to MSHN.

**Observance of Ethical Standards:** Board members must adhere to the highest of ethical standards in the conduct of their duties. These include honesty, fairness, and integrity. Unethical actions, or the appearance of unethical actions, are not acceptable.

**Integrity of Records and Public Reporting:** Board members shall promote accurate and reliable preparation and maintenance of MSHN's financial and other records to assure full, fair, accurate, timely, understandable, open, and transparent disclosure.

**Conflicts of Interest:** Board members must act in accordance with the Conflicts of Interest Policy adopted by the MSHN Board, and as amended from time to time.

**Confidentiality:** Board members shall maintain the confidentiality of information entrusted to them by or about MSHN its business, consumers, or providers, contractors except when disclosure is authorized or legally mandated.

**Board Interaction with Payers, Regulators, the Community and Media:** The Board recognizes that payers/regulators, members of the media, MSHN’s stakeholder groups and the public at large have significant interests in the organization’s actions and governance, therefore the Board seeks to ensure appropriate communication, subject to concerns about confidentiality. The Board designates the Chief Executive Officer as the primary point of contact and spokesperson for MSHN.

- If comments from the MSHN Board are appropriate, they should be reviewed and discussed by the Board in advance, and, in most circumstances, come from the Chairperson of the Board.

- B. **Enforcement:** Board members will discuss with the Board Chairperson any questions or issues that may arise concerning compliance with this policy. Breaches of this policy, whether intentional or unintentional, shall be reviewed in accordance with the MSHN Operating Agreement (Article VIII - Section 8.1) “Dispute Resolution Process.” Action to remove a Board member shall occur in accordance with approved bylaws (Section 4.5) “Removal.”

**Board Meeting Procedures:**

- A. MSHN Board meetings shall be conducted in accordance with board bylaws and parliamentary procedures. Specifically, the process of decision and order of procedures shall occur as outlined in the bylaws, applicable policies, or established parliamentary procedures.
- 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.

**Applies to:**

- ☐ All Mid-State Health Network Staff
- ☒ Mid-State Health Network Board Members
- ☒ Selected MSHN Staff, as follows: Chief Executive Officer
- ☐ MSHN’s CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
- ☐ Other: Sub-contract Providers

**Definitions:**

**Boardsmanship:** Describes the competencies and skills necessary to be an effective Board member

**CEO:** Chief Executive Officer

**MSHN:** Mid-State Health Network

**MDHHS:** Michigan Department of Health and Human Services

**PIHP:** Pre-Paid Inpatient Health Plan

**Other Related Materials:**

MSHN Corporate Compliance Program  
MSHN Operating Agreement  
Board By-Laws  
SUD Intergovernmental Agreement

**References/Legal Authority:**

MSHN Operating Agreement  
MSHN Board Bylaws  
MDHHS-PIHP Contract section 29.0 Ethical Conduct; 30.0 Conflict of Interest

**Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
01.06.2015	New	Chief Executive Officer
11.2015	Annual Review	Chief Executive Officer
03.2017	Annual Review	Chief Executive Officer
11.2018	Follow-up Review	Chief Executive Officer
01.2019	Annual Review	Chief Executive Officer
07.2020	Biennial Review	Chief Executive Officer
07.2022	Biennial Review	Chief Executive Officer
07.2024	Biennial Review	Chief Executive Officer

## FY25 MSHN Board Roster

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

### Administration:

Sedlock	Joe	<a href="mailto:joseph.sedlock@midstatehealthnetwork.org">joseph.sedlock@midstatehealthnetwork.org</a>	517.657.3036	989.529.9405
Ittner	Amanda	<a href="mailto:amanda.ittner@midstatehealthnetwork.org">amanda.ittner@midstatehealthnetwork.org</a>	517.253.7551	989.670.8147
Thomas	Leslie	<a href="mailto:leslie.thomas@midstatehealthnetwork.org">leslie.thomas@midstatehealthnetwork.org</a>	517.253.7546	989.293.8365
Kletke	Sherry	<a href="mailto:sheryl.kletke@midstatehealthnetwork.org">sheryl.kletke@midstatehealthnetwork.org</a>	517.253.8203	517.285.5320



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

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

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

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



**SUBSTANCE USE DISORDER (SUD) OVERSIGHT POLICY BOARD (OPB) BYLAWS**

**Background**

SUD Oversight Policy Board members were asked to review and provide feedback on the Substance Use Disorder Oversight Policy Board Bylaws. The Bylaws were last reviewed and approved by the MSHN Board of Directors in May 2016.

The included changes ensure compliance with the Open Meetings Act, as it currently stands, which identifies the only legal basis for a member of a public body to participate in a meeting via telephonic or video conferencing as a member of the public body is if that member is absent due to military duty, disability, or health-related condition. The revised language identifies as “specifically permitted under the Open Meetings Act”, and then only if a quorum of the Board is physically present.

The board members also included language to allow for appointment by the Board of Commissioners for one (1) alternate, who has the right to vote only in the absence of the appointed voting member. The addition of an alternate has supported the board to obtain quorum and provides knowledge sharing for the missing member and to the county commissioners.

**Recommended Motion:**

The Substance Use Disorder (SUD) Oversight Policy Board (OPB) recommends to the MSHN Board of Directors approval of the revisions to the SUD OPB Bylaws.

July 1, 2025

**BYLAWS OF**  
**MID-STATE HEALTH NETWORK**  
**SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD**

**ARTICLE I**  
**NAME AND FORMATION**

**1.1 NAME**

The name of the entity is the Mid-State Health Network Substance Use Disorder Oversight Policy Board, referred to as the “Board” in these bylaws.

**1.2 LEGAL BASIS FOR FORMATION**

1.2.1 Mid-State Health Network (“MSHN”) is a community mental health regional entity formed under Section 204 the Michigan Mental Health Code (Public Act 258 of 1974, as amended the “Code”) which serves the following twenty-one (21) counties commonly referred to collectively as Region 5 by the Michigan Department of Community Health (MDCH): Arenac County, Bay County, Clare County, Clinton County, Eaton County, Gladwin County, Gratiot County, Hillsdale County, Huron County, Ingham County, Ionia County, Isabella County, Jackson County, Mecosta County, Midland County, Montcalm County, Newaygo County, Osceola County, Saginaw County, Shiawassee County and Tuscola County (referred to individually as a “County,” and collectively as the “Counties).

1.2.2 MSHN has qualified for status as a MDCH-designated community mental health entity authorized to coordinate the provision of substance use disorder services in Region 5.

1.2.3. The Board is formed pursuant to Section 287(5) of the Code which requires “A department-designated community mental health entity (designated as a Pre-Paid Inpatient Health Plan or PIHP) shall establish a Substance Use Disorder Oversight Policy Board through a contractual agreement between the department-designated community mental health entity and each of the counties served by the community mental health services program under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or other appropriate state law.” 1.2.4. As a designated community mental health entity, the Code requires MSHN to establish a substance use disorder oversight policy board through a written contractual agreement with the Counties

1.2.5. MSHN and the Counties entered into a written Intergovernmental Contract to establish the Board effective as indicated on the referenced documents (the “Intergovernmental Contract”).

1.2.6. These Bylaws were adopted by the SUD Oversight Policy Board and approved by the MSHN Board in accordance with the provisions of the Code and the Intergovernmental Contract.

## ARTICLE II PURPOSES

### 2.1 PURPOSES

In accordance with the Code and the Intergovernmental Contract, the purposes of the Board are as follows:

2.1.1 Approval of any portion of MSHN's budget that contains 1986 PA 2 (MCL 211.24e(11)) funds ("PA 2 Funds") or other local funds for the treatment or prevention of substance use disorders which shall be used only for substance use disorder treatment, intervention and prevention in the Counties from which the PA 2 Funds or other local funds originated;

2.1.2. Advise and make recommendations regarding MSHN's budgets for substance use disorder treatment or prevention using non-PA 2 Funds or other non-local funding sources; and

2.1.3 Advise and make recommendations regarding contracts with substance use disorder treatment or prevention providers.

2.1.4 Advise and make recommendations regarding any other matters as agreed to by the Counties and MSHN, and assigned to the Board by MSHN.

## ARTICLE III BOARD MEMBERSHIP

### 3.1 NUMBER AND SELECTION OF MEMBERS

3.1.1 The Board shall consist of twenty-one (21) members. ~~The Board of Commissioners of each of the Counties shall appoint one (1) voting member and one (1) alternate. The Board of Commissioners of each County shall appoint one (1) person to serve as a member of the Board.~~ Each County Board of Commissioners may appoint a county commissioners or others, as allowed by Michigan law, that it deems best represents the interests of the County. While the appointment decision is vested within the sole authority of the each County Board of Commissioners, the Board encourages appointments which represent the diversity and cultural diversity of the MSHN service area, appointments of persons in recovery from a substance use disorder, underserved population and other related constituencies such as education, health, and social services agencies; advocacy organizations; public or private substance abuse prevention, treatment or recovery providers; or, members of the general public, including civic organizations and the business community.

3.1.2 ~~Each Board member shall have the right to assign a designated alternate to appear on his or her behalf at Board meetings, and such~~The ~~-alternate shall carry the right to vote on behalf of the appointed Board member only in the absence of the Board appointed voting member. To exercise this option, the appointing County Board of Commissioner's must advise the Boards Chairperson in writing of the alternate's appointment. Unless such a written notification of appointment is on file with the Board, the Chairperson will not recognize the standing of the alternate at a Board meeting.~~

## **3.2 TERM, REMOVAL, AND RESIGANATION**

3.2.1 The members of the Board shall serve at the pleasure of the appointing Board for a term of membership of three (3) years, from September 1 of the year of appointment. Members may be reappointed to additional or successive terms in the discretion of the respective appointing Board of Commissioners.

3.2.1.1 For purposes of initial Board appointment, members shall establish a process to stagger terms to assure no more than one-third (1/3) of the members terms expire in any given year.

3.2.2 Each Board member may be removed from the Board, with or without cause, by a majority vote of the appointing County Board of Commissioners, The removal shall become effective upon receipt by the Board of a duly adopted written resolution of the appointing County. The Board Chairperson is responsible for informing the appointing County of any lack of participation or attendance by the County's appointed Board member(s).

3.2.3 A Board member may resign at any time by providing notification to the appointing County of Commissioners and the Board. The resignation will become effective upon receipt of notice by the appointing County Board of Commissioners or at a later time designated in the notice.

## **3.3 VACANCIES**

A vacancy on the Board may occur through death, removal or resignation of a Board member. A vacancy shall be filled for the unexpired term by the appointing County in the same manner as the original appointment. The County may notify the Board of its intent not to fill the vacant position.

# **ARTICLE IV BOARD ACTION**

## **4.1 PLACE OF MEETINGS**

All meetings of the Board shall be held at the principal office of MSHN or at such other place as shall be determined by the Board members and stated in the notice of meeting.

## **4.2 ORGANIZATIONAL MEETING**

The first meeting in each calendar year shall be the organizational meeting. At each such meeting, the previous Board Chairperson if he or she is still a member of the Board or another member if there is no former Chair shall initially preside ("Presiding Chair"). The organizational meeting shall be held within sixty (60) days of New Year's Day, at the call of the Presiding Chair. The first item of business shall be election of the Board Chairperson. The Presiding Chair shall call for nominations for the office of Chairperson and when nominations are closed by majority vote or no other nominations are forthcoming, the Presiding Chair shall call for a roll call vote. When one nominee receives a majority of the votes of the members elected and serving, the nominee shall be declared Board Chairperson. The newly elected Chairperson shall assume the role of Chairperson and proceed with the election to the Vice-chairperson and Secretary, which shall be conducted by roll call vote.

### 4.3 ANNUAL MEETING

The annual meeting of the Board for purposes of reviewing and approving the portions of the MSHN budget that contain PA 2 Funds, and such other business as may be come before the meeting, shall be held during the month of August each year after MSHN has prepared its budget.

### 4.4 SPECIAL MEETINGS

The Board may hold special meetings as needed in order to fulfill the purposes listed in Section 2.1. Special meetings of the Board may be called by the Chairperson, and shall be called by the Chairperson at the written request of two or more Board members. Notice shall be given as provided in Section 4.5 of these Bylaws.

### 4.5 NOTICE OF BOARD MEETINGS

Written notice of the time, place and purposes of each meeting of the members of the Board shall be given to each Board member and the public in accordance with the Michigan Open Meetings Act, 1976 PA 267, as amended. The attendance of a Board member at a Board meeting shall constitute a waiver of notice of the meeting, except for where a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. In addition, a Board member may submit a signed waiver of notice that shall constitute waiver of notice of the meeting.

### 4.6 QUORUM AND MEETING BY REMOTE COMMUNICATION

**4.6.1** A majority of members of the Board, appointed and serving shall constitute a quorum for the transaction of ordinary business of the Board. In the event the Board shall meet and a quorum is not present, the Board, with the approval of those present, may adjourn the meeting to a later day and time provided that proper notice to members and the public is given.

~~**4.6.2** A Board member may participate in a meeting by conference telephone or any other similar communication equipment through which all persons participating in the meeting can hear each other and can be heard by and hear the public; provided that a quorum exists as defined in Section 4.6.1 of Board members who are physically present at the meeting. Unless permitted by law, Board members who participate by remote communication will not be considered in determining the existence of a quorum. If a quorum is physically present, Board members who participate by telephone or other similar communication equipment satisfying this Article are eligible to vote in and otherwise participate in the business of the meeting.~~

4.6.2 Board members are considered present for the purposes of voting (a) if they are physically present during the meeting, or (b) if not physically present due to military duty, or as otherwise permitted under the Open Meetings Act, are present via telephone, teleconference, videoconference, or other similar means, through which all Board members participating can communicate with each other, for the entire duration of the discussion which is the subject of the motion and/or vote, subject to the following requirement:

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



#### **4.7 COMPENSATION AND EXPENSES**

Board members will be eligible for a per diem and mileage expenses as fixed by the MSHN Board. However, Board members will not be eligible for reimbursement of mileage expenses if employed by a public entity and to the extent the Board member receives reimbursement of mileage expenses from the Board member's employer. A Board member may not receive more than one per diem per day regardless of the number of meetings scheduled for the Board on that day.

#### **4.8 VOTING**

The Board members shall be entitled to one vote each. The alternate shall be a voting member only if representing in the absence of the appointed member. No member present shall abstain from voting yes or no unless he or she has received the unanimous permission of the Board members in attendance.

Approval of any portion of MSHN's budget that contains PA 2 Funds or matters of a non-advisory nature shall be decided by a majority of the members appointed and serving, not just those attending at any meeting. Procedural matters or advisory matters are decided by an affirmative vote of the majority of Board members present at a meeting where a quorum is present.

#### **4.9 AGENDA FOR MEETINGS**

The Board Chairperson, after first reviewing pending matters and requests, shall prepare a draft of the agenda of business for all Board meetings. Matters on the agenda and not yet acted upon at the time of adjournment will be placed on the agenda of the next regular meeting or special meeting if one is called. The Chairperson of the Board shall review and add or delete items, as he or she considers proper. Unanticipated agenda items that require discussion or decisions may be covered under the Other Business agenda reference. It is each Board members responsibility to attend the meeting to understand other business items that may be covered. Upon completion of the agenda for a regular Board meeting, the Board Chairperson shall have distributed to Board members copies of the agenda, together with copies of reports, explanations, etc. which shall relate to matters of business contained within the agenda. Unless extenuating circumstances arise, the agenda and related materials shall be sent to each Board member at the address each has provided, at least five (5) calendar days prior to any regular meeting.

#### **4.10 Order of Business**

Generally, Board meetings should adhere to the following order of business, although the Board may deviate from this order if approved by a majority of the members attending a meeting:

- a. Call to Order
- b. Roll Call
- c. Approval of Agenda
- d. Approval of Previous Meeting Minutes
- e. Public Comment
- f. Board Chair Report
- g. Chief Executive Officer Report
- h. Action Items

- i. Adjournment

#### **4.11. CONDUCT OF MEETINGS**

**4.11.1. Chairperson.** The person elected Chairperson in the first meeting each year of the Board shall preside at all meetings of the Board. In the absence of the Chairperson, the person elected Vice-chairperson shall preside. If neither the Chairperson nor the Vice-chairperson is present, the Board members present shall elect a member to preside during the absence of the Chairperson or Vice-chairperson.

**4.11.2 Minutes Requirements.** All meetings shall be open to the public, with the exception of closed meetings as provided by the Open Meetings Act, 1976 PA 267. Minutes shall be kept on file in the office of MSHN.

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

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

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

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

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

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

**4.11.6 Division of Question.** Upon request by any member, any question before the Committee or Board may be divided and separated into more than one question; provided, however, that such may be done only when the original is of such a nature that upon division, each of the resulting questions is a complete question permitting independent consideration and action.

**4.11.7 Motion To Clear The Floor.** If, in the judgment of the Chairperson, there is a confusion of parliamentary procedure existing, the Chairperson shall have the right to request a "motion to clear the floor" which motion, if made and seconded, shall be undebatable, shall take precedence over all other motions, shall be forthwith put by the Chairperson, and, if carried, shall clear the floor completely and with the same effect as if all matters on the floor were withdrawn. The motion to clear the floor shall not be reconsidered; but its passage shall not limit the right of any member to move the reconsideration of any other matter in the same manner as, but for the passage of the motion to clear the floor, would be in accordance with these Rules.

**4.11.8 Appeal From A Decision Of Chairperson.** When an appeal is taken from the decision of the Chairperson, the member taking the appeal shall be allowed to state his/her reason for doing so. The question shall be then immediately put in the following form: "Shall the ruling of the Chairperson be sustained?" The question shall be determined by a majority vote of the members present, except the Chairperson, upon the request of any member, shall not preside over such a vote.

**4.11.9 Public Comment.** A public comment period will be provided at every Board meeting. The length of comment during this period will be limited to three (3) minutes per person, unless the Board authorizes additional time

**4.11.11 Procedures to Address the Board.** Any person who addresses the Board shall state their name for the record. When there are many people who desire to address the Board, the Chairperson may implement other reasonable rules for public participation.

**4.11.12 Parliamentary Authority.** Robert's Rules of Order (Newly Revised) shall govern all questions of procedure not otherwise provided by these Bylaws, the Intergovernmental Contract, or by state law.

**4.11.13 Temporary Suspension of the Rules.** The Board's parliamentary rules may be suspended temporarily at any time by vote of two-thirds (2/3's) of the members elected.

## **4.12. RECORD OF MEETINGS**

MSHN shall provide clerical support to take minutes as required by the Open Meetings Act, MCL 15.261, et seq. The Chairperson shall verify that such clerical support will be available prior to each meeting, and may appoint a member to prepare such minutes in the absence of such support being available. The minutes shall include all the actions and decisions of the Board. The minutes shall include the names of the movant and second on all motions and resolutions and the vote of the members thereon. The record shall also state whether the vote was by voice or by roll call; when by roll call, and the names of persons addressing the Board. Copies of each resolution or other matter acted upon by the Board, as well as the official minutes, shall be maintained in a location designated by the Board. Copies of the approved, affirmed minutes shall be provided to each County. The minutes shall not be required to include a written record or summary of the discussion or comments of the Board members, nor of the comments made by members of the public.

## **4.13 COMPLIANCE WITH LAWS**

The Board and its members shall fully comply with all applicable laws, regulations and rules applicable to its operation, including without limitation 1976 PA 267 (the “Open Meetings Act”), 1976 PA 422 (the “Freedom of Information Act”), 2012 PA 500, 2012 PA 501 and 1986 PA 2.

#### **4.14 CONFLICT OF INTEREST**

The Board shall adopt and adhere to a conflict of interest policy. Each member of the Board shall disclose any conflicts of interest while serving on the Board.

### **ARTICLE V OFFICERS**

#### **5.1 OFFICERS**

The officers shall be a Chairperson, Vice Chairperson and Secretary. Only Board members may serve as an officer.

#### **5.2 ELECTION AND TERM OF OFFICE**

Officers shall be elected from among the Board members for a term of one (2) year (or until their successors have been elected) by the Board at its [annual-organizational](#) meeting.

#### **5.3 REMOVAL OF BOARD OFFICERS**

Any officer of the Board may be removed from office with or without cause by the vote of a majority of the Board members elected and serving during a regular or special meeting of the Board.

#### **5.4 VACANCIES**

In the event of the death, resignation, removal or other inability to serve of any officer, the Board shall elect a successor who shall serve until the expiration of the normal term of such officer or until his or her successor has been elected.

### **ARTICLE VI COMMITTEES**

#### **6.1 COMMITTEES**

The Board may establish and define the responsibilities of such standing or special committees from time to time as it shall deem appropriate to fulfill the purposes of the Board set out in Section 2.1. The Chairperson shall, in consultation with the Board, select membership of any committee formed. Only Board members may serve as committee members.

**VII  
CONSTRUCTION AND AMENDMENTS**

**7.1. Interpretation**

Wherever possible, these Bylaws shall be construed in a manner consistent with Michigan law, the Code and the Intergovernmental Contract. Where there is a conflict with Michigan law, the Code or the Intergovernmental Contract, the conflicting terms of these Bylaws shall be null and void and considered severed from the remaining portions, which shall continue in full force and effect.

**7.2 Amendment**

These bylaws may be amended by the members of the Board acting in accordance with the voting requirements set forth in Section 4.8. The agenda of the meeting shall set forth a summary of the proposed amendment(s) at least fourteen (14) days prior to the date of the meeting. An affirmative vote to amend the Bylaws must be approved by the Board of Directors of MSHN. Any amendment of these bylaws must be consistent with the Michigan law, the Code and the Intergovernmental Contract

**ATTESTATION**

These Bylaws were revised by the Mid-State Health Network Substance Use Disorder Oversight Policy Board at a regularly scheduled meeting held on February 17, 2016.

\_\_\_\_\_, 2016  
Chairperson of Mid-State Health Network  
Substance Use Disorder Oversight Policy Board

These Bylaws were approved as revised by the Mid-State Health Network Board of Directors at a regularly scheduled meeting held on \_\_\_\_\_.

\_\_\_\_\_, 2016  
Chairperson of Mid-State Health Network  
Board of Directors

### Background

To comply with the PIHP/MDHHS Services Contract, specifically as it relates to the General Requirement Section: Program Integrity, which includes the following:

The Contractor must have a program integrity compliance program as defined in 42 CFR 438.608. The program integrity compliance program must include the following:

- i. Written policies and procedures that describe how the Contractor will comply with federal and State fraud, waste and abuse standards, and well publicized disciplinary standards for failure to comply.
- ii. The designation of a compliance officer who reports directly to the Chief Executive Officer and the Board of Directors, and a compliance committee, accountable to the senior management or Board of Directors, with effective lines of communication to the Contractor's employees.
- iii. Effective training and education for the compliance officer, senior management, and the Contractor's employees regarding fraud, waste and abuse, and the federal and State standards and requirements under this Contract. While the compliance officer may provide training to Contractor employees, "effective" training for the compliance officer means it cannot be conducted by the compliance officer himself/herself.
- iv. Provisions for internal monitoring and auditing. Audits must include post payment reviews of paid claims to verify that services were billed appropriately (e.g., correct procedure codes, modifiers, quantities, etc.). Acceptable audit methodology examples include:
  1. Record review, including statistically valid random sampling and extrapolation to identify and recover overpayments made to providers
  2. Beneficiary interviews to confirm services rendered
  3. Provider self-audit protocols
  4. The frequency and quantity of audits performed should be dependent on the number of fraud, waste and abuse complaints received as well as high risk activities identified through data mining and analysis of paid claims
- v. Provisions for the Contractor's prompt response to detected offenses and for the development of corrective action plans. "Prompt response" is defined as action taken within 15 business days of receipt by the Contractor of the information regarding a potential compliance problem.

The 2025 Corporate Compliance Plan was revised by the MSHN Compliance Committee, Regional Compliance Committee and the Operations Council with recommendation for approval to the MSHN Board of Directors. The revisions were based on required action identified by the Office of Inspector General after review of the MSHN Corporate Compliance Plan. The attached change log for the 2025 Revised Corporate Compliance Plan provides an overview of the recommended revisions to the plan. In addition, the Corporate Compliance Plan as proposed is in compliance with and supports the MSHN Policy: General Management - Compliance and Program Integrity.

### Recommended Motion:

The MSHN Board approves and acknowledges receipt of the Revised 2025 Corporate Compliance Plan.



## MSHN Compliance Related Updates

### Change Log

The following is a brief summary of the changes to the MSHN 2025 Compliance Plan. All revisions are based on findings made by the Office of Inspector General after review of our annual submission of Report 6.9. For complete information on the changes, please refer to the MSHN 2025 Compliance Plan.

Document	Change
<u><a href="#">2025 MSHN Compliance Plan</a></u>	
VI. Structure of the Compliance Program, A. General Structure	Added that the MSHN Board of Directors receives routine reports and recommendations made by the MSHN Compliant Committee.
IX. Training, A. MSHN Employees and Board Members	Added that Board members are required to sign certification of training.
X. Communication	Added that open lines of communication include MSHN staff
	Added that information will be shared that is related to procedure changes, regulatory changes and contractual changes
	Added that contact information will be shared with the subcontractors and network providers at least annually
XI. Monitoring and Auditing	Added language that this included other MDHHS requirements.
	Added that auditors must be independent from the department being audited, competent to complete the audits and that resources are available.
	Added that written reports will be provided to senior management with findings and recommendations.
	Added that periodic evaluations will be completed.
	Added that network providers need to be enrolled in the Michigan Medicaid Program via the State's Information System.
	Added that data mining activities will be performed at least annually
XII. Reporting and Investigations. A. Reporting of Suspected Violations and/or Misconduct	Added that the MSHN Compliance Officer will refer all potential fraud, waste and abuse through the FTP site

	Added that encounter claims will be recouped as authorized by the OIG within the required timeframes.
	Added that we need to ensure applicable appeal periods have been exhausted before adjusting encounter claims.
	Added that MSHN will provide an initial findings report to the OIG within the designated timeframe.
XIII. Corrective Actions/Prevention/Disciplinary Guidelines	Added that disciplinary action may be imposed for failure to detect noncompliance when routine observation should have provided adequate clues to put on notice.
	Added that violations such as misconduct or retaliation will carry more action.
	Added a list of what the disciplinary action will include.
XIV. Submission of Program Integrity Activities/report	Added information on pre-payment reviews.
	Added that MSHN can request a one-time extension in writing to extend a required due date.
Attachment D	Updated to include CMHSP addresses



## CORPORATE COMPLIANCE PLAN 2025

Mid-State Health Network, Corporate Compliance Committee: January 15, 2025, [May 21, 2025](#)  
Mid-State Health Network, Regional Compliance Committee: January 17, 2025, [May 30, 2025](#)  
Mid-State Health Network, Operations Council Approved: February 25, 2025, [June 16, 2025](#)  
Mid-State Health Network PIHP Board Adopted: March 07, 2025

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## **I. OVERVIEW/MISSION STATEMENT**

Mid-State Health Network (MSHN) is a regional entity, which was formed pursuant to 1974 P.A. 258, as amended, MCL §330.1204b, as a public governmental entity separate from the CMHSP Participants that established it. The CMHSP Participants formed Mid-State Health Network to serve as the prepaid inpatient health plan ("PIHP") for the twenty-one counties designated by the Michigan Department of Health and Human Services as Region 5, that includes services for behavioral health and substance use disorders. The CMHSP Participants include Bay-Arenac Behavioral Health, Clinton-Eaton-Ingham Community Mental Health Authority, Community Mental Health for Central Michigan, Gratiot Integrated Health Network, Huron County Community Mental Health Authority, LifeWays Community Mental Health Authority, Montcalm Care Network, Newaygo County Community Mental Health Authority, The Right Door for Hope, Recovery and Wellness (formerly Ionia County CMH), Saginaw County Community Mental Health Authority, Shiawassee Health and Wellness and Tuscola Behavioral Health Systems. In addition, MSHN also manages a network of substance use treatment, recovery, and prevention providers.

The mission of Mid-State Health Network is to ensure access to high-quality, locally delivered, effective and accountable public behavioral health and substance use disorder services provided by its participating members.

## **II. VALUE STATEMENT**

MSHN and its provider network are committed to consumers, employees, contractual providers, and the community to ensure business is conducted with integrity, in compliance with the requirements of applicable laws, regulations, contractual obligations, and sound business practices, and with the highest standards of excellence. MSHN has adopted a compliance model that provides for prevention, detection, investigation, and remediation.

## **III. SCOPE OF PLAN**

The MSHN Compliance Plan encompasses the activities (operational and administrative) of all MSHN board members, employees, and contractual providers. It is the expectation the Provider Network will follow the standards identified in the MSHN Compliance Plan or develop their own Compliance Plan that minimally meets the standards identified in the MSHN Compliance Plan and in accordance with the Code of Federal Regulations, Title 42, Part 438.608: Program Integrity Requirements.

All MSHN board members, employees and contractual providers are required to comply with all applicable laws, rules and regulations including those not specifically addressed in this Compliance Plan.

#### IV. DEFINITIONS

These terms have the following meaning throughout this Compliance Plan.

1. Abuse: Practices that are inconsistent with sound fiscal, business or medical practices and result in an unnecessary cost to the payor, or in reimbursement for services that are not medically necessary or failure to meet professionally recognized standards for healthcare.
2. Behavioral Health: Refers to individuals with a Mental Health, Intellectual Developmental Disability and/or Substance Use Disorder or children with Serious Emotional Disturbances.
3. CMHSP Participant: Refers to one of the Community Mental Health Services Program (CMHSP) participants in the Mid-State Health Network region.
4. Fraud: An intentional deception or misrepresentation by a person could result in unauthorized benefit to him/herself or some other person. Includes any act that constitutes fraud under applicable Federal or State laws.
5. Subcontractors: Refers to an individual or organization that is directly under contract with a CMHSP or Substance Use Provider to provide services and/or supports.
6. Contractual Provider: Refers to an individual or organization under contract with the MSHN Pre-Paid Inpatient Health Plan (PIHP) to provide administrative type services including CMHSP participants who hold retained functions contracts.
7. Employee: Refers to an individual who is employed by the MSHN PIHP.
8. Provider Network: Refers to a CMHSP Participant and all Behavioral Health Providers that are directly under contract with the MSHN PIHP to provide services and/or supports through direct operations or through the CMHSP's subcontractors.
9. Staff: Refers to an individual directly employed and/or contracted with a Community Mental Health Service Provider and/or Behavioral Health Provider.
10. Waste: Overutilization of services, or other practices that result in unnecessary costs. Generally, considered not caused by criminally negligent actions, but rather the misuse of resources

#### V. COMPLIANCE PROGRAM

##### A. Compliance Plan

The Compliance Plan is prepared as a good-faith effort to summarize MSHN's rules, policies and procedures. To the extent that the Plan conflicts with, or misstates any applicable law or regulation, the law takes precedence.

The purpose of the Compliance Plan is to provide the framework for MSHN to comply with applicable laws, regulations, and program requirements. The overall key principles of the Compliance Plan are to:

- Minimize organizational risk and improve compliance with billing requirements of Medicaid,

2025 Compliance Plan  
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and all other applicable federal health programs.

- Maintain adequate internal controls (paying special attention to identified areas of risk).
- Reduce the possibility of misconduct and violations through prevention and early detection.
- Being proactive in Compliance to reduce exposure to civil and criminal sanctions.
- Encourage the highest level of ethical and legal behavior from all employees, contractual providers, and board members.
- Educate employees, contractual providers, board members and stakeholders of their responsibilities and obligations to comply with applicable local, state, and federal laws and regulations.
- Promote a clear commitment to compliance by taking actions and showing good faith efforts to uphold such laws, regulations, and standards.

The following elements have been identified by the Medicaid Alliance for Program Safeguards and the Office of Inspector General as being essential to an effective compliance program for Managed Care Organizations and Prepaid (Inpatient) Health Plans (PIHP):

- *Standards of Conduct, Policies and Procedures* – the organization must have written policies, procedures, and standards of conduct that articulate the organization's commitment to comply with all applicable statutory, regulatory and Medicaid requirements.
- *High level oversight and delegation of authority* – the PIHP must designate a Compliance Officer and a Compliance Committee.
- *Training* – the PIHP must provide for effective training and education for the Board of Directors, Compliance Officer, and the organization's employees. The PIHP must assure adequate training is provided through the provider network. Training should be provided at hire and annually thereafter.
- *Communication* - Effective lines of communication must be established between the Compliance Officer and the organization's employees.
- *Monitoring and auditing* – The organization must take reasonable steps to achieve compliance with defined standards by utilizing reasonably designed monitoring and auditing systems and practices.
- *Enforcement and disciplinary mechanisms* – Standards must be enforced through well-publicized disciplinary guidelines.
- *Corrective actions and prevention* – After an offense (*non-compliance*) has been detected, the organization must take reasonable steps to respond appropriately and promptly to the offense and to develop corrective action initiatives and performance improvement. This includes follow-up monitoring and review to ensure the performance improvement plan is effective.

## **B. Compliance Policies and Procedures**

While the Compliance Plan provides the framework of the Compliance Program, the Compliance Policies and Procedures provide more specific guidance.

Written policies and procedures which direct the operation of the compliance program, include, at a minimum, the following elements:

- Duties and responsibilities of the compliance officer and Compliance Committees.
- How and when employees will be trained.
- How employee reports of noncompliance will be handled.
- Guidelines on how the compliance department will interact with the internal audit department.

- Guidelines on how the compliance department will interact with the legal department.
- Guidelines on how the compliance department will interact with the Human Resources department.
- Duties and responsibilities of management in promoting compliance among employees and responding to reports of non-compliance.
- Ensuring that prospective employees receive appropriate background screening and agree to abide by the Contractor's code of conduct.
- Conducting periodic reviews, at least annually, of the code of conduct and the compliance policies and procedures.
- Monitoring of compliance in Contractor and Subcontractor/Network Provider systems and processes.
- Monitoring of potential Fraud, Waste and Abuse in provider billings and beneficiary utilization.
- Performing an investigation of targets selected for audit, including triage and review processes.
- Confidentiality and non-retaliation.
- Appropriate disciplinary action for non-compliance with applicable statutory and Medicaid program requirements as well as failure to report actual or suspected non-compliance.
- Reasonable and prudent background investigations for current employees and employees of subcontractors/network providers.

Refer to **Attachment A** for a list of the Policy and Procedure categories that are part of the Compliance Program.

## VI. STRUCTURE OF THE COMPLIANCE PROGRAM

### A. General Structure

- **MSHN Board of Directors:** MSHN's Board of Directors is responsible for the review and approval of the Compliance Plan and Policies, ~~and review of the Annual Compliance Report.~~ The MSHN Board of Directors also routinely receives, and reviews -of matters- reports related to the Compliance Program based on recommendations from the MSHN Corporate Compliance Committee. The MSHN Board of Directors has the highest level of responsibility for the oversight of the Compliance Program. The Executive Committee of the Board shall review reports annually from the MSHN Compliance Officer (CO).
- **MSHN Corporate Compliance Committee:** The Corporate Compliance Committee provides guidance, supervision, and coordination for compliance efforts at MSHN. MSHN's Corporate Compliance Committee (CCC) is comprised of the Chief Executive Officer (CEO), Deputy Director, Chief Information Officer (CIO), Chief Finance Officer (CFO), and the Chief Compliance and Quality Officer (CCQO). The Medical Director and Compliance Counsel will be ad-hoc members of the CCC. In addition, Ex-officio members may be asked to attend as non-voting members to provide consultation on specific areas of expertise.
- **Compliance Officer:** The MSHN Compliance Officer has primary responsibility for ensuring that MSHN maintains a successful Compliance Program. In particular, the Compliance Officer oversees the implementation and effectiveness of the Compliance Plan and Compliance Policies, serves as the Chair of the Regional Compliance Committee and MSHN Corporate Compliance Committee, provides consultative support to the provider network and has responsibility for the day-to-day operations of the compliance program. The CEO, chief financial officer (CFO), and chief operating officer (COO), or any other individuals operating

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in these roles, may not operate in the capacity of the compliance officer.

- **Regional Compliance Committee:** The Compliance Committee advises on matters involving compliance with contractual requirements and all related Federal and State laws and regulations, inclusive of the Office of Inspector General guidelines and the 42 CFR 438.608. The committee is comprised of the MSHN Chief Compliance and Quality Officer and the compliance officers of each CMHSP Participant.
- **Operations Council:** The Operations Council reviews reports concerning compliance matters as identified by the Regional Compliance Committee and reported by the MSHN Chief Executive Officer. The Operations Council shall be comprised of the Chief Executive Officers or Executive Directors of each CMHSP Participant and the MSHN Chief Executive Officer.
- See **Attachment B** – MSHN Compliance Process/Governance

#### **B. MSHN Compliance Officer**

MSHN designates the Chief Compliance and Quality Officer as the PIHP Compliance Officer, who will be given sufficient authority and control to oversee and monitor the Compliance Program related Policies and Procedures, including but not limited to the following:

- Oversight of internal (PIHP Audits) and external provider network audits (MDHHS Audit and EQR Audit) and monitoring activities outlined in the compliance plan.
- Directs and is accountable for the implementation and enforcement of the Compliance Plan.
- Serves as chair of the MSHN's Corporate Compliance Committee and Regional Compliance Committee
- Provides leadership to MSHN compliance activity and consultative support to CMHSP Participants/SUD Providers.
- Responsible for oversight of MSHN efforts to maintain compliance with federal and state regulations and contractual obligations.
- Serves as the Privacy Officer for MSHN.
- Ensures that effective systems are in place by which actual or suspected compliance violations are reported in a timely manner to appropriate governing bodies.
- Reviews all reports of actual or suspected compliance violations received by MSHN from any source and ensures that effective investigation and/or other action is taken.
- Completes investigations referred by, and under the direction of, the Office of Inspector General
- Monitors changes in federal and state health care laws and regulations applicable to MSHN operations and disseminate to the region.
- Works collaboratively with other MSHN employees and CMHSP Participants/SUD Providers to ensure that auditing and monitoring protocols are designed to detect and deter potential compliance violations.
- Coordinates compliance training and education efforts for all MSHN staff and Board Members
- Ensures that performance improvement plans are adequate to ensure compliance and assures effective implementation of corrective action occurs to reduce risk of future occurrences.
- Authority and independence to make reports directly to the board of directors and/or senior management concerning actual or potential cases of non-compliance.
- Reports compliance related matters to the Chief Executive Officer.

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- Prepares and submits the quarterly Office of Inspector General program integrity report
- Prepares and delivers an annual compliance report to the MSHN Board covering the fiscal year, including:
  - A summary of trends in the frequency, nature and severity of substantiated compliance violations;
  - A review of any changes to the Compliance Plan or program; and
  - An objective assessment of the effectiveness of the Compliance Plan and Program.

The authority given to the MSHN Compliance Officer will include the ability to review all documents and other information relevant to compliance activities, including, but not limited to, consumer records, billing records, employee records, and contracts and obligations of MSHN.

Each MSHN CMHSP Participant/SUD Provider shall designate a Compliance Officer who has the authority to perform the duties listed for the MSHN Compliance Officer at their respective organization, as appropriate.

### **C. Regional Compliance Committee**

The MSHN Regional Compliance Committee will consist of the MSHN Chief Compliance and Quality Officer, and the CMHSP Participants' Compliance Officers appointed by MSHN CMHSP Participant's. The Committee will meet at regular intervals and shall be responsible for the following:

- Advising the MSHN Compliance Officer and assisting with the development, implementation, operation, and distribution of the Compliance Plan and supporting MSHN policies and procedures.
- Reviewing and recommending changes/revisions to the Compliance Plan and related policies and procedures and developing new policies and procedures as needed.
- Evaluating the effectiveness of the Compliance Plan.
- Determining the appropriate strategy/approach to promote compliance with the Compliance Plan and detect potential violations and areas of risk as well as areas of focus.
- Recommending and monitoring the development of internal systems and controls to carry out the Compliance Plan and supporting policies as part of daily operations.
- Reviewing compliance related audit results and corrective action plans, making recommendations when appropriate.

### **D. MSHN Corporate Compliance Committee**

The MSHN Corporate Compliance Committee meets every other month and its responsibilities include:

- Reviewing the Compliance Plan and related policies to ensure they adequately address legal requirements and address identified risk areas
- Assisting the CO with developing policies and procedures to promote compliance with the Compliance Plan
- Analyze the effectiveness of the compliance program and make recommendations accordingly
- Assisting the CO in identifying potential risk areas and violations
- Advising and assisting the CO with compliance initiatives
- Receiving, interpreting, and acting upon reports and recommendations from the CO
- Providing a forum for the discussion of compliance related issues

## **VII. COMPLIANCE STANDARDS**

MSHN will ensure the development of written policies and procedures, standards, and documentation of practices that govern the PIHP's efforts to identify risk and areas of vulnerabilities and are in compliance with federal regulations and state contract requirements.

### **A. Standards of Conduct and Ethical Guidelines**

MSHN and its Provider Network are committed to conducting the delivery of services and business operations in an honest and lawful manner and consistent with its Vision, Mission, and Values. As such, MSHN minimally establishes the following Standards of Conduct to clearly delineate the philosophy and values concerning compliance with the laws, regulations, contractual obligations, government guidelines and ethical standards applicable to the delivery of behavioral health care. The standards of conduct will be distributed to all employees and all employees will be required to certify that they have read, understand, and agree to comply with the standards.

- Provide through its Provider Network, high quality services consistent with MSHN Vision, Mission, and Values;
- Dedicated to ensuring that equality in voice and governance exists, and that the benefit to the citizens meets Medicaid standards while being provided in ways that reflect the needs and resources of the communities in which each CMHSP Participants/SUD Providers operate;
- Shared operating structure, using a committee-based system that creates many venues, allowing voices from across the region to be heard;
- MSHN operations are for service to the CMHSP Participants/SUD Providers in achieving high levels of regulatory compliance, quality of service, and fiscal integrity;
- MSHN exists to serve in the best interest of and to the benefit of all CMHSP Participants/SUD Providers and their consumers;
- Foster each CMHSP Participants/SUD Providers integration activities and locally driven work.
- Conduct business in an honest, legal and competent manner to prevent fraud, abuse and waste;
- Perform all duties in good faith and refrain from knowingly participating in illegal activities;
- Report any actual or suspected violation of the Compliance Plan, Standards of Conduct, MSHN policies or procedures, contract requirements, state and federal regulations or other conduct that is known or suspected to be illegal;
- Provide accurate information to federal, state, and local authorities and regulatory agencies when applicable;
- Promote confidentiality and safeguard all confidential information according to policy;
- Practice ethical behavior regarding relationships with consumers, payers, and other health care providers;
- Protect through its Provider Network, the integrity of clinical decision-making, basing care on identified medical necessity;
- Seek to continually maintain and improve work-related knowledge, skills, and competence; and
- Actively support a safe work environment, free from harassment of any kind.

These Standards of Conduct provide guidance for MSHN Board members and employees, as well as the provider network in performing daily activities within appropriate ethical and legal standards and establish a workplace culture that promotes prevention, detection, and resolution

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of instances of conduct that do not conform with applicable laws and regulations. While the above standards are expected to be a framework for compliance, the issues addressed are not exhaustive. Therefore, MSHN Board Members, employees and its provider network staff are responsible for conducting themselves ethically in all aspects of business avoiding even the appearance of impropriety and in accordance with established policies and procedures.

## **B. Legal and Regulatory Standards**

It is the policy of MSHN to ensure compliance with all state and federal regulatory agency standards and applicable laws and regulations including, but not limited to, the following:

### State/Federal Laws and Rules

- Michigan Mental Health Code, Public Health Code and Administrative Rules
- Requirements as identified in the MDHHS contract
- Requirements as identified by the Office of Inspector General
- Technical Assistance Advisories, as required
- Medicaid State Plan
- Waiver Applications
- Medical Services Administration (MSA) Policy Bulletins
- Michigan Whistleblowers Act, Act 469 of 1980
- Home and Community Based Final Rules

### Federal Medicaid Law, Regulations and Related Items

- Social Security Act of 1964 (Medicare and Medicaid)
- Balanced Budget Act of 1997
- Deficit Reduction Act/Medicaid Integrity Program of 2005
- Anti-kickback Statute
- Code of Federal Regulations
- 42 CFR Part 2 Confidentiality of Alcohol and Drug Use Patient Records
- State Operations Manual
- Letters to State Medicaid Directors
- Technical Assistance Tools
- Quality Improvement Systems for Managed Care (QISMC)
- Guide to Encounter Data Systems
- Office of Management and Budget (OMB) Circulars
- Government Accounting Standards Board (GASB)
- Affordable Care Act

### Other Relevant Legislation

- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- False Claim Act (Federal and Michigan)
- Provisions from Public Act 368 of 1978 – revised – Article 6 Substance Abuse
- Office of Inspector General Annual Work Plan
- Stark Law
- HITECH Act
- American with Disabilities Act of 1990

## **C. Environmental Standards**

MSHN shall maintain a hazard-free environment in compliance with all environmental laws and regulations. MSHN shall operate with the necessary security systems, permits, approvals and controls. Maintenance of a safe environment is the responsibility of all employees and contractual providers. In order to maintain a safe environment, MSHN shall enforce policies and procedures (as needed) designed to protect consumers, employees, staff, providers, visitors, the

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environment, and the community.

#### **D. Workplace Standards of Conduct**

In order to safeguard the ethical and legal workplace standards of conduct, MSHN shall enforce policies and procedures, per the MSHN Personnel Manual, that address employee behaviors and activities within the workplace setting, including but not limited to the following:

1. Confidentiality: MSHN is committed to protect the privacy of its consumers. MSHN Board members, employees, and contractual providers are to comply with the Michigan Mental Health Code, Section, 330.1748, Code of Federal Regulations (CFR), Title 42 and all other privacy laws as specified under the Confidentiality section of this document.
2. Drug and Alcohol: MSHN is committed to maintain its property and to provide a drug-free work environment that is both safe for our employees and visitors, as well as conducive to efficient and productive work standards.
3. Harassment: MSHN is committed to maintaining a work environment free of harassment for Board members, employees, and contractual providers. MSHN will not tolerate harassment based on sex, race, color, religion, national origin, disability, citizenship, chronological age, sexual orientation, union activity, or any other condition, which adversely affects their work environment.
4. Conflict of Interest: MSHN Board members, employees, and contractual providers shall avoid any action that conflicts with the interest of the organization. All Board members, employees, and contractual providers must disclose any potential conflict of interest situations that may arise or exist in accordance with established policies and procedures.
5. Reporting Suspected Fraud: MSHN Board, employees, and contractual providers shall report any suspected or actual "fraud, abuse or waste" of any funds, including Medicaid funds, to the organization.
6. Solicitation and Acceptance of Gifts: MSHN Board members, employees and contractual providers shall not solicit gifts, gratuities or favors. MSHN Board members, employees and contractual providers will not accept gifts worth more than \$25, gratuities or favors of any kind from any individual, consumer, or organization doing business or seeking to do business with MSHN.
7. Workplace Bullying: MSHN defines bullying as "repeated" inappropriate behavior, either direct or indirect, whether verbal, physical, or otherwise, conducted by one or more persons against another or others, at the place of work and/or during the course of employment. Such behavior violates MSHN Code of Ethics, which clearly states that all employees will be treated with dignity and respect.
8. Workplace Violence and Weapons: MSHN takes violence and threats of violence extremely seriously. Any act or threat of violence by or against any employee, customer, supplier, partner, or visitor is strictly prohibited.
9. Political Contributions: MSHN shall not use agency funds or resources to contribute to political campaigns or activities of any political party.

#### **E. Contractual Relationships**

MSHN shall ensure that all contractual arrangements with providers are structured in accordance with federal and state laws and regulations and are in the best interest of the organization and the consumers served. In order to ethically and legally meet all standards, MSHN will strictly adhere to the following:

1. MSHN and its Provider Network shall not pay or accept payment of any tangible or intangible kind for referrals. Consumer referrals and intakes will be accepted based on the consumer's needs, eligibility, and the ability to provide the services needed. No organization, or employee, covered by this plan who is acting on behalf of the organization is permitted to solicit or receive anything of value, directly or indirectly, in exchange for the referral of consumers. Similarly, when making consumer referrals to another healthcare provider, MSHN and the Provider Network will not take into account the volume or value of referrals that the provider has made (or may make).
2. The Provider Network shall not enter into financial arrangements with physicians that are designed to provide inappropriate remuneration to the organization in return for the physician's ability to provide services to federal health care program beneficiaries at MSHN.
3. MSHN does not enter into contractual relationships with individuals or agents/agencies that have been convicted of a criminal offense related to health care or that are listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federal health care programs. Reasonable and prudent background investigations will be completed prior to entering into contractual relationships with all individuals and agents/agencies.
4. MSHN and its contractual providers, as well as the Provider Network and its contractors, are responsible for properly conducting credentialing and re-credentialing in accordance with State Policy and the MSHN policies and procedures. The Provider Network and contractual providers are responsible for reporting suspected fraud, abuse and licensing violations to MSHN as soon as suspected.
5. The Provider Network and its contractors shall be responsible, and held accountable, to provide accurate and truthful information in connection with treatment of consumers, documentation of services, and submission of claims.

#### **F. Purchasing and Supplies**

MSHN shall ensure that all rental, lease, and purchasing agreements are structured in accordance with applicable federal and state self-referral and anti-kickback regulations as well as federal guidelines regarding tax-exempt organizations. All agreements must be commensurate with the fair market value for equipment or space.

All contractor and supplier arrangements shall be managed in a fair and reasonable manner, consistent with all applicable laws and good business practices. Subcontractors, suppliers, and vendors shall be selected based on objective criteria including quality, technical excellence, price, delivery, and adherence to schedules, services and maintenance of adequate sources of supply.

#### **G. Marketing**

Marketing and advertising practices are defined as those activities used by MSHN to educate the public, provide information to the community, increase awareness of services, and recruit employees or contractual providers. MSHN will present only truthful, fully informative and non-deceptive information in any materials or announcements.

The federal Anti-Kickback Statute (section 1128B[b] of the Social Security Act) makes it a felony, punishable by criminal penalties, to offer, pay, solicit, or receive "remuneration" as an inducement to generate business compensated by Medicare or Medicaid programs.

#### **H. Financial Systems Reliability and Integrity**

MSHN shall ensure integrity of all financial transactions. Transactions shall be executed in accordance with established policies and procedures and with federal and state law and recorded in conformity with generally accepted accounting principles or any other applicable

criteria.

MSHN shall develop internal controls and obtain an annual independent audit of financial records and annual compliance examination; shall ensure that reimbursement for services billed is accurate, appropriate, and based on complete claims documentation; and shall maintain accountability of assets. The Federal Civil False Claims Act prohibits the knowing submission of false or fraudulent claims for payment to the federal or state government, the knowing use of a false record or statement to obtain payment on a false or fraudulent claim, or a conspiracy to defraud the federal or state government by having a false or fraudulent claim allowed or paid.

In accord with the 42 USC 139a(a); Section 1902(a) of the Social Security Act (AKA the Deficit Reduction Act of 2005) MSHN's fiscal processes shall monitor contractual providers of Medicaid services to assure appropriate documentation is available as needed to support claims payments and cost reimbursements.

#### **I. Information Systems Reliability and Integrity**

The MSHN Chief Information Officer shall serve as the Security Officer and shall ensure the reliability and integrity of the information systems utilized to support the effectiveness of the MSHN compliance program, including but not limited to the following:

- Maintaining security, assuring integrity, and protecting consumer confidentiality.
- Controlling access to computerized data.
- Assuring reliability, validity and accuracy of data.
- Following procedures that assure confidentiality of electronic information pursuant to HIPAA, the Michigan Mental Health Code and other applicable laws and regulations.

#### **J. Confidentiality and Privacy**

The MSHN Chief Compliance and Quality Officer serves as the Privacy Officer. MSHN is committed to protecting the privacy of its consumers and shall strictly govern the disclosure of any information to anyone other than those authorized in compliance with applicable privacy laws, regulations and contractual requirements. To ensure that all consumer information remains confidential, employees and contractual providers are required to comply with all confidentiality policies and procedures in effect, specifically to include the HIPAA Privacy Regulations, the Michigan Mental Health Code (PA 258 of 1974, as amended), the Michigan Public Health Code (PA 368 of 1978 as amended), and 42 C.F.R. Part 2, 45 C.F.R. Part 160 & 164 as outlined below:

- MSHN will follow the HIPAA requirements, as well as all applicable federal and state requirements, for the use of protected health data and information.
- MSHN will immediately report to the MDHHS any suspected or confirmed unauthorized use or disclosure of protected health data and information that falls under the HIPAA requirements.
- Any breach of protected health information shall result in notification of the affected individuals as well as the HHS Secretary and the media in cases where the breach affects more than 500 individuals.
- Privacy Notice - MSHN will have a notice of privacy practices.
- Authorization - If protected mental health information is shared to an entity outside of MSHN for any purpose other than coordination of care, treatment, or payment of services, a signed authorization will be obtained from the consumer prior to sharing information. If substance use treatment information is being shared, for any purpose, to an entity outside of MSHN, a signed authorization, by the consumer, will be obtained. The Michigan Behavioral Health Consent Form will be utilized for obtaining authorizations.
- MSHN will perform any necessary internal risk analysis or assessments to ensure

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compliance.

- Physical and electronic safeguards shall be in place for MSHN employees and premises, including, but not limited to, door locks, unique logins and secure passwords, firewall and virus protection, disaster recovery mechanisms, and secure email.
- Business Associate Agreement – MSHN will obtain assurances with all Business Associates that protected health care information shared with them, will be protected and appropriately safeguarded consistent with all applicable State and Federal laws and requirements.
- Qualified Service Organization Agreement (QSOA) - Third-party service providers must become qualified to service Part 2 Programs. This is achieved through the entity entering into a written agreement with the Part 2 Program in which it acknowledges that it is bound by the Part 2 confidentiality regulations and agrees to resist in judicial proceedings any efforts to obtain unauthorized access to patient identifying information related to substance use disorder diagnosis, treatment, or referral for treatment that may come into its possession.

## VIII. AREAS OF FOCUS

The MSHN Compliance Officer under the direction of the MSHN Board of Directors, MSHN Corporate Compliance Committee and the MSHN Regional Compliance Committee, will identify areas of focus developed from recommendations from the previous year compliance effectiveness review that will guide the direction of MSHN compliance activities (Attachment C).

## IX. TRAINING

### A. MSHN Employees and Board Members

All MSHN Employees and Board members shall receive a copy of the MSHN Compliance Plan and training on the MSHN Compliance Plan, Compliance Policies, Standards of Conduct and applicable Medicaid statutory, regulatory, and contractual requirements. Additional training may be required for employees involved in specific areas of risk or as new regulations are issued. Records shall be maintained on all formal training and educational activities. MSHN - and staff and Board members are required to sign certifications that they have completed the appropriate training. The Compliance Officer must receive training by an entity other than himself/herself.

**Commented [KZ2]:** Added in response to OIG required action for 03.B - Formal/Annual Training- 3 on the 6.9 annual report.

Training will be provided upon hire for new employees within 90 days of the date of hire and during orientation for new Board Members. All current staff and Board Members will receive annual training that re-emphasizes Medicaid statutory, regulatory, and contractual requirements and the Contractor's code of conduct. In addition, annual training will be provided to promote information sharing between departments and to enhance referrals regarding fraud, waste and abuse.

The Compliance Officer will provide ongoing information and education on matters related to health care fraud and abuse as disseminated by the Office of Inspector General, Department of Health and Human Services or other regulatory bodies.

It is the responsibility of MSHN staff to obtain training in order to maintain licensure and certifications that are specific to their job responsibilities.

Training is considered a condition of employment and failure to comply will result in disciplinary action up to and including termination.

## B. MSHN Provider Network

The MSHN Provider Network Committee will review and recommend a Regional Training Requirement to assure and provide consistent training requirements throughout the provider network. MSHN will monitor the provider network to ensure adherence to the identified training requirements. Where viable, MSHN will offer related compliance training and educational materials to the Provider Network. The Regional Training Requirements are available on MSHN's website.

## X. COMMUNICATION

Open lines of communication between the MSHN Compliance Officer, MSHN Staff, the CMHSP Participant/SUD Provider Compliance Officer(s) and CMHSP Participant/SUD Provider staff within the region are essential to the successful implementation of the Compliance Plan and the reduction of any potential for fraud or abuse. Methods for maintaining open lines of communication may include, but not be limited to the following:

- There shall be access to the MSHN Compliance Officer for clarification on specific standards, policies, procedures, or other compliance related questions that may arise on a day-to-day basis.
- Access to a dedicated toll-free compliance line that allows for anonymous reporting
- Utilization of interpreter as needed/requested.
- Information will be shared regarding the results of internal and external audits, reviews, and site visits, utilization data, performance and quality data, and other information that may facilitate understanding of regulations, and the importance of compliance.
- Information related to procedure changes, regulatory changes and contractual changes may be communicated through a variety of methods such as formal trainings, e- mails, newsletters, intranet resource pages, or other methods identified that facilitate access to compliance related information as a preventative means to reduce the potential for fraud and abuse.
- The compliance contact information will be provided to MSHN's subcontractors, network providers, and members at least annually. This will be provided ~~Compliance contact information shall be available to stakeholders~~ through a variety of methods such as the MSHN & CMHSP Participants/SUD Provider customer service handbook, websites, posters, and/or other methods (or processes) identified consistent with standards associated with MSHN Policies.

**Commented [KZ3]:** Added in response to OIG required action for 04.C. On-going communication on the 6.9 annual report.

**Commented [KZ4]:** Added in response to OIG required action for 04.C. On-going communication on the 6.9 annual report.

**Commented [KZ5]:** Added in response to OIG required action for 03.E- Reporting on the 6.9 annual report.

## XI. MONITORING AND AUDITING

Monitoring and ~~auditing of auditing~~ MSHN's operations is key to ensuring compliance and adherence to policies and procedures, ~~and contractual requirements and other MDHHS requirements in critical operational areas. The internal auditors must be independent from the department under audit, competent to identify potential issues within the critical review areas and must have access to existing audit resources, relevant personnel, and all relevant operational areas. Monitoring and auditing can also identify areas of potential risk and those areas where additional education and training is required. Results of the below activities will~~ Written reports will be communicated ~~to the Compliance Officer, the Compliance Committee and appropriate senior management and will contain findings, recommendations, and proposed corrective action. - through the appropriate council/committee and summarized results will be provided to the Operations Council, MSHN Corporate Compliance Committee, MSHN Regional Compliance Committee and MSHN Board of Directors through the Annual Compliance Report.~~

The compliance program will ~~have periodic evaluations, -be evaluated, no less than annually, to determine for overall effectiveness. The evaluation may be performed internally, either by the Compliance Officer or other internal source, or by an external organization. The evaluation will be reported as part of the Annual Compliance Effectiveness Report to the MSHN Compliance~~

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Committee, Regional Compliance Committee, Operations Council and the Board of Directors.

MSHN shall assure the provision and adequacy of the following monitoring and auditing activities:

Financial and Billing Integrity

- An independent audit of financial records each year;
- An independent compliance examination in accordance with the MDHHS guidelines (if applicable);
- Contractual providers have signed contracts and adhere to the contract requirements;
- Fiscal Monitoring reviews for all SUD providers
- Explanation of benefits (annually to 5% of the consumers receiving services)
- Medicaid Event Verification Reviews

Information Systems Reliability and Integrity

- MSHN Information System employees and Provider Network staff monitor the reliability and integrity of the information system and data;
- Assure appropriate security and system backup and recovery processes are in place to address loss of information and that provide sufficient disaster recovery plans; and
- MSHN employees and Provider Network staff are trained on use of information systems and provided access based on role and job function.
- Network Providers, as required, are enrolled in the Michigan Medicaid Program via the State's Medicaid Management Information System

Clinical/Quality of Care

- Performance indicators are monitored and reviewed in an effort to continually improve timeliness and access to services;
- MSHN employees are evaluated in writing on their performance and are provided with detailed job descriptions;
- MSHN employees are hired through a detailed pre-employment screening and hiring process and complete a comprehensive orientation program;
- Assuring qualification and competency of organizational and practitioner credentialing and privileging directly operated by or under sub-contract with the Provider Network;

Consumer Rights and Protections

- Rights complaints and issues are reviewed and investigations are completed as required;
- MSHN shall ensure that the Provider Network has a designated individual (Recipient Rights Officer or Advisor) and that the responsibilities of the Recipient Rights Office are completed in accordance with state and federal requirements.
- Risk events and incident reports are completed, reported and follow up action is taken as needed
- A root cause analysis is completed on each sentinel event reported as defined in MDHHS contract.

Environmental Risks

- Comprehensive maintenance reviews of facilities and equipment are completed as required;
- Accommodations are provided in accordance with the Americans with Disabilities Act (ADA);
- Privacy reviews of facility/office are completed;
- Ensure appropriate environmental licensures; and
- Initial and ongoing education on health, safety, and emergency issues are provided.

Quality and Utilization Reviews

- Review of delegated managed care functions (as identified in the MSHN/CMHSP Medicaid Subcontract);

**Commented [KZ6]:** Added in response to OIG required action for 05.A. Compliance Auditing -1 on the 6.9 annual report.

**Commented [KZ7]:** Added in response to OIG required action for 12.B. Medicaid Enrollment Requirement on the 6.9 annual report.

- Review of SUD Provider Network in accordance with contracted functions
- Review of adherence and compliance with Quality Assessment and Performance Improvement Program (QAPIP) Plan; and
- Review of adherence and compliance with the Utilization Management (UM) Plan.

#### Additional Internal Monitoring and Auditing Activities

- Assessment of initial capacity and competency to perform delegated PIHP functions;
- Consumer Satisfaction Surveys;
- Review of MSHN contracts for administrative services;
- Contract Expense Monitoring;
- Monitor capacity and demand for services in the PIHP region through the Assuring Network Adequacy Report
- Review of Policies and Procedures for any needed revisions or development of new ones
- Questionnaires to poll staff and the provider network regarding compliance matters including effectiveness of training/education and related policies and procedures
- Questionnaire for exiting employee regarding any observed violations of the compliance program, including the code of conduct, as well as violations of applicable statutes, regulations, and Medicaid program requirements.

#### Additional External Monitoring and Auditing Activities:

- External Quality Reviews
- CMS Site Visits
- MDHHS Site Visits
- Accreditation Surveys

#### Data Mining Activities:

Methods may include, but not limited to, statistical models, complex algorithms, and pattern recognition programs to detect possible fraudulent or abusive practices. All data mining activities performed (including all program integrity cases opened as a result) within the previous quarter will be reported to MDHHS-OIG. Data mining will be performed at least annually.

**Commented [KZ8]:** Added in response to OIG required action for 07.C. Data Mining on the 6.9 annual report.

## **XII. REPORTING AND INVESTIGATIONS**

MSHN will have a distinct unit that has adequate staffing and resources to investigate incidents and develop and implement corrective action plans to assist in preventing and detecting potential fraud, waste and abuse activities.

### **A. Reporting of Suspected Violations and/or Misconduct**

MSHN shall maintain a reporting system that provides a clear process and guidelines for reporting potential offenses or issues.

MSHN board members, employees, contractual providers, consumers, and others are to report suspected violations or misconduct to the MSHN Compliance Officer or the appropriate CMHSP Participant/SUD Provider Compliance Officer and/or designee as outlined below. Suspected violations or misconduct may be reported by phone/voicemail, email, in person, or in writing (mail delivery). See **Attachment D** for contact information.

MSHN employees, consumers, contractual providers, and CMHSP Participant/SUD Provider staff who make good faith reports of violations of federal or state law are protected by state and federal whistleblower statutes, which includes protections from disciplinary actions such as demotions, suspension, threats, harassment or other discriminatory actions against the employee by the employer.



#### **Violations Involving Suspected Fraud, Waste or Abuse:**

- MSHN board members, employees, contractual providers and the provider network will report all suspected fraud, waste, and abuse to the MSHN Compliance Officer. The report will be submitted in writing utilizing the Office of Inspector General (OIG) Fraud Referral Form.
- The MSHN Compliance Officer will promptly complete a preliminary investigation, as needed, to determine if a suspicion of fraud exists. Questions regarding whether suspicions should be classified as fraud, waste or abuse will be directed to MDHHS-OIG prior to referral.
- If there is suspicion of fraud, and an overpayment of \$5,000 or greater is identified, the MSHN Compliance Officer will report the suspected fraud to the MDHHS Office of Inspector General and the Attorney General – Health Care Fraud Division (AG-HCFD) using the OIG Fraud Referral Form using the designated secure File Transfer Process (sFTP) for each entity.
- The MSHN Compliance Officer will inform the appropriate provider network member when a report is made to the MDHHS Office of Inspector General.
- MSHN Compliance Officer will refer all potential Enrollee Fraud, Waste or Abuse to MDHHS through <https://www.Michigan.gov/fraud> (File a Complaint - Medicaid Complaint Form) or via the local MDHHS office and report all fraud, waste and abuse referrals made to MDHHS on the quarterly submission.
- MSHN Compliance Officer and provider network member staff will present the fraud referral case to the OIG and the AG-HCFD.
- MSHN Compliance Officer will defend potential credible allegation of fraud in any appeal should the referral result in suspension issued by the MDHHS OIG.
- MSHN will cease all efforts to take adverse action against or collect overpayments from the provider until authorized by the MDHHS OIG and follow the guidance/direction provided by the MDHHS Office of Inspector General regarding investigation and/or other required follow up.
- To the extent consistent with applicable law, including but not limited to 42 CFR Part 2, HIPAA, and the Michigan Mental Health Code, MSHN and the provider network will cooperate fully with investigations or prosecution by any duly authorized government agency, whether administrative, civil, or criminal. Such cooperation must include providing, upon request, information, access to records, and access to interview employees and consultants, including but not limited to those with expertise in administration of the program and/or in medical or pharmaceutical questions or in any matter related to an investigation or prosecution. MSHN will follow the procedures and examples contained within the processes and associated guidance provided by MDHHS-OIG.
- Overpayments due to fraud, waste, or abuse must be reported to MDHHS-OIG.
  1. If MSHN identifies an overpayment involving a credible allegation of potential fraud prior to identification by MDHHS-OIG, the findings will be referred to MDHHS-OIG and MSHN will stand down and wait for further instruction from MDHHS-OIG prior to recovering the overpayment.
  2. If MSHN identifies an overpayment involving fraud, waste, or abuse prior to identification by MDHHS-OIG, MSHN will void or correct applicable encounters, recover the overpayment, and report the overpayment on the quarterly report to OIG. will adjust all associated encounter claims identified and authorized by the OIG for overpayment recoupment within the required timeframes.

**Commented [KZ9]:** Added in response to OIG required action for 07.B. FWA Preliminary Investigations on the 6.9 annual report.

**Commented [KZ10]:** Added in response to OIG required action for 08.A. Referral Processes - 3 on the 6.9 annual report.

**Commented [KZ11]:** Added in response to OIG required action for 08.A. Referral Processes - 2 on the 6.9 annual report.



- If MSHN's provider network identifies an overpayment, they will:
  1. Notify the contracted entity, in writing, of the reason for the overpayment and the date the overpayment was identified.
  2. Return the overpayment to the contracted entity within 60 days of the date the overpayment was identified.
  3. MSHN will include a provision in all contracts with subcontractors and/or network providers giving MSHN the right to recover overpayments directly from providers for the post payment evaluations initiated and performed. These overpayment provisions do not apply to any amount of a recovery to be retained under False Claims Act cases or through other investigations.
    - MSHN must specify:
      - The retention policies for the treatment of recoveries of all overpayments from the Contractor and/or Subcontractors to provider, including specifically the retention policies for the treatment of recoveries of overpayments due to fraud, waste, or abuse.
      - The process, timeframes, and documentation required for reporting the recovery of all overpayments.
      - The process, timeframes, and documentation required for payment of recoveries of overpayments to the state in situations where the Contractor and/or Subcontractor is not permitted to retain some or all recoveries of overpayments.
- Once all applicable appeal periods have been exhausted, The PIHP must adjust all associated encounter claims identified as part of their Program Integrity activities within 45 days. Failure to comply may result in a gross adjustment for the determined overpayment amount to be taken from the PIHP.
  1. Contractor must resolve outstanding encounter corrections in the timeframe designated in any authorization granted by MDHHS-OIG.
  - 4-2. All adjustments must be performed regardless of recovery from the Subcontractor and/or Network Provider.

#### **OIG Guidance for Violations over \$5,000.00**

When overpayments of \$5,000.00 or greater or identified involving a potential credible allegation of fraud, this must be promptly referred to MDHHS-OIG and the Attorney General's Health Care Fraud Division (AG-HCFD) using the MDHHS-OIG Fraud Referral Form. MSHN and the provider network will not take any of the following actions unless otherwise instructed by MDHHS-OIG.

- Contact the subject of the referral about any matters related to the referral.
- Enter into or attempt to negotiate any settlement or agreement regarding the referral with the subject of the referral; or
- Accept any monetary or other thing of valuable consideration offered by the subject of the referral in connection with the findings/overpayment.

If the State makes a recovery from an investigation and/or corresponding legal action where Contractor has sustained a documented loss, the State shall not be obligated to repay any monies recovered to the Contractor.

**Commented [KZ12]:** Added in response to OIG required action for 01.B - Overpayment Reporting - 1 on the 6.9 annual report

When MDHHS-OIG sanctions (suspends and/or terminates from the Medicaid Program) providers, including for credible allegations of fraud 42 CFR § 455.23, the Contractor must, at minimum, apply the same sanction to the provider upon receipt of written notification of the sanction from MDHHS-OIG. The Contractor may pursue additional measures/remedies independent of the State. If MDHHS OIG lifts a sanction, the Contractor may elect to do the same.

**Suspected Violations (NOT Involving Fraud, Waste, or Abuse) and/or Misconduct:**

- MSHN employees will report all suspected violations or misconduct (not involving suspected fraud or abuse) directly to the MSHN Compliance Officer for investigation. If the suspected violation involves the MSHN Compliance Officer, the report will be made to the MSHN Chief Executive Officer. Information provided shall at a minimum include the following:
  1. Provider Information, if applicable (Name, Address, Phone Number, NPI Number, Email)
  2. Complainant Information (Name, Address, Phone Number, NPI number [if applicable], Medicaid ID # [if applicable], Email)
  3. Consumer Information, if applicable (Name, Address, Phone Number, Email)
  4. Summary of the violation and/or misconduct
  5. Date(s) of the violation and/or misconduct
  6. Supporting documentation, if any (i.e. claims data, audit findings, etc.)
  7. Action, if any, taken prior to submitting the violation
- Any suspected violations regarding the MSHN Chief Executive Officer will be reported to the MSHN Compliance Officer and/or the MSHN Board Chairperson/Executive Committee for investigation.
- CMHSP Participant/SUD Provider staff with firsthand knowledge of activities or omissions that may violate applicable laws and regulations (not involving suspected fraud or abuse) are required to report such wrongdoing to the MSHN Compliance Officer or to the CMHSP Participant/SUD Provider Compliance Officer. The CMHSP Participant/SUD Provider Compliance Officer will review reported violations to determine the need to report to the MSHN Compliance Officer. The review will be based on but not limited to: external party involvement, Medicaid recipient services, practices and/or system-wide process applicability.
- The Provider Network (CEO)/Executive Director(ED) and/or designee, shall inform, in writing, the MSHN Chief Executive Officer (CEO) of any material notice to, inquiry from, or investigation by any Federal, State, or local human services, fiscal, regulatory, investigatory (excluding Recipient Rights related to non-PIHP activities), prosecutory, judicial, or law enforcement agency or protection and/or advocacy organization regarding the rights, safety, or care of a recipient of Medicaid services. The Provider Network CEO/ED shall inform, in writing, the MSHN CEO immediately of any subsequent findings, recommendations, and results of such notices, inquiries, or investigations.
- Reports of suspected violations or misconduct may be made on a confidential basis to the extent possible.

**B. Process for Investigation**

All reports involving suspected fraud, waste and abuse will follow the guidance/direction of the MDHHS Office of Inspector General for any required investigation. MSHN will respond to all MDHHS-OIG audit referrals with an initial findings report within the timeframe designated in the MDHHS-OIG referral and prior to the provider receiving a final notice with

appeal rights.

All reports of suspected wrongdoing shall be investigated promptly following the process outlined in the MSHN Compliance Investigation Procedure. "Prompt response" is defined as action taken within 15 business days of receipt by the PIHP of the information regarding a potential compliance problem.

The investigation process and outcome will be documented and will be reported on the OIG Quarterly Program Integrity Report.

In conducting the investigation, judgment shall be exercised, and consideration shall be given to the scope and materiality consistent with the nature of the concern. Each investigation must be carefully documented to include a report describing the disclosures, the investigative process, the conclusions reached and the recommended corrective action, when such is necessary. No one involved in the process of receiving and investigating reports shall communicate any information about a report or investigation, including the fact that a report has been received or an investigation is ongoing, to anyone within MSHN who is not involved in the investigation process or to anyone outside of MSHN without the prior approval of the MSHN Compliance Officer. All MSHN employees, Provider Network staff and subcontractors are expected to cooperate fully with investigation efforts.

The MSHN Compliance Officer and the CMHSP Participant/SUD Provider Compliance Officers must report any conflict of interest that may exist when investigating a report of suspected wrongdoing or misconduct. If a conflict of interest does exist, the MSHN Compliance Officer will be responsible for securing an appropriate source to complete the investigation, which may include utilizing the MSHN Compliance Officer, one of the Provider Network Compliance Officers or an external source if necessary.

**Commented [KZ13]:** Added in response to OIG required action for 07.A. FWA Auditing - 3 on the 6.9 annual report.

### XIII. Corrective Actions/Prevention/Disciplinary Guidelines

Where an internal investigation substantiates a reported violation, corrective action will be initiated as identified within MSHN policies and procedures and the MSHN subcontracts with the CMHSP Participant/SUD Providers including, as appropriate, making prompt restitution of any overpayment amounts, notifying the appropriate governmental agency, the provision of a corrective action plan ~~from the designated Provider Network member~~ (as necessary) including follow-up monitoring of adequate implementation, and implementing system changes to prevent a similar violation from recurring in the future. Disciplinary Action may be imposed for failure to report actual or suspected noncompliance as well as failure to detect noncompliance when routine observation or due diligence should have provided adequate clues or put one on notice.

**Commented [KZ14]:** Removed in response to OIG required action for 05.A - Consistent Enforcement - 1 on the 6.9 annual report - This applies to MSHN staff as well.

**Commented [KZ15]:** Added in response to OIG required action for 05.A - Consistent Enforcement - 1 on the 6.9 annual report

~~Corrective Action Plans should minimally include the following description:~~

- ~~• How the issue(s) identified will be immediately corrected, or the reason why it cannot be immediately corrected.~~
- ~~• Steps taken to prevent further occurrences~~
- ~~• Process for monitoring to ensure implementation and effectiveness of corrective action plan~~

In all cases, disciplinary action must be applied on a case-by-case basis and in a consistent manner. Violations such as misconduct or retaliation against an employee who reports a violation will carry more stringent disciplinary action.

**Commented [KZ16]:** Added in response to OIG required action for 05.A - Consistent Enforcement - 2 on the 6.9 annual report

Disciplinary Action will take into account the following:

- Degree of intent
- Amount of financial harm
- Whether the incident is a single incident or lasted over a long period of time.

Depending on the seriousness of the offense, the resulting action for MSHN staff could include additional training, verbal warning, written reprimand, suspension or termination of employment. The resulting action for the provider network would also depend on the seriousness of the offense and could include additional training, letter of contract non-compliance and termination of contract. Failure by Board Members to adhere to the requirements in the Compliance Plan will be addressed in accordance with the MSHN By-Laws.

**Commented [KZ17]:** Added in response to OIG required action for 05.A - Consistent Enforcement - 3 on the 6.9 annual report

Corrective Action Plans should minimally include the following description:

- How the issue(s) identified will be immediately corrected, or the reason why it cannot be immediately corrected.
- Steps taken to prevent further occurrences
- Process for monitoring to ensure implementation and effectiveness of corrective action plan

#### **XIV. Submission of Program Integrity Activities/Report**

The PIHP, and the provider network will log and track all program integrity activities performed. The provider network will utilize the MDHHS OIG Quarterly Program Integrity Report template to report quarterly to the PIHP. The PIHP will report the program integrity activities to the MDHHS Office of Inspector General, according to Schedule E requirements, using the provided template. If a provider is subject to a prepayment review, or any review requiring the provider to submit documentation to support a claim prior to being considered for payment, as a result of suspected fraud, waste and/or abuse, the MDHHS-OIG must be notified on the quarterly report.

**Commented [KZ18]:** Added in response to OIG required action for 07.E FWA Prepayment on the 6.9 annual report.

The PIHP will submit to MDHHS-OIG an annual Program Integrity Report containing details of the improper payments identified, overpayments recovered, and costs avoided for the program integrity activities conducted by the Contractor for the preceding year. The report will also address the plan of activities for the current and upcoming fiscal year and all provider and service-specific program integrity activities. The report will include an attestation confirming compliance with the requirements found in 42 CFR 438.608 and 42 CFR 438.610.

The PIHP will submit to MDHHS-OIG an annual Compliance Program Crosswalk which includes completion of the MDHHS-OIG report template in addition to policies, procedures, and other documentation related to the standards on the report template.

If MSHN is unable to provide requested information within a designated timeframe, a one-time extension in writing (email) no less than two business days prior to the due date, must be submitted to the MDHHS-OIG along with a status update and estimated date of completion.

**Commented [KZ19]:** Added in response to OIG required action for 07.A. FWA Auditing- 3 on the 6.9 annual report.

#### **XV. Communication of Requirements**

The PIHP will issue a contract, Provider Manual, Bulletins, and/or other means of communication to the provider network regarding services covered under contract. This communication will serve as a source of information for providers regarding Medicaid covered services, policies and procedures, statutes, regulations, and special requirements.

The communication will provide all Providers with, at a minimum, the following information:

- Description of the Michigan Medicaid managed care program and covered populations;
- Scope of Benefits;
- Covered Services;
- Emergency services responsibilities;

- Grievance/appeal procedures for both Enrollee and Provider;
- Medical necessity standards and clinical practice guidelines;
- Policies and procedures including, at a minimum, the following information:
  - Policies regarding provider enrollment and participation;
  - Policies detailing coverage and limits for all covered services;
  - Policies and instructions for billing and reimbursement for all covered services;
  - Policies regarding record retention;
  - Policies regarding Fraud, Waste and Abuse;
  - Policies and instructions regarding how to verify beneficiary eligibility;
- Primary Care Physician responsibilities;
- Requirements regarding background checks;
- Other Subcontractors'/Network Providers' responsibilities;
- Prior authorization and referral procedures;
- Claims submission protocols and standards, including instructions and all information necessary for a clean claim;
- Medical records standards;
- Payment policies;
- Enrollee rights and responsibilities.
- Self-reporting mechanisms and policies.

The Provider Manual, Bulletins and all Provider policies and procedures will be reviewed at least annually to ensure that current practices and contract requirements are reflected in the written policies and procedures.

## **XVI. References, Legal Authority and Supporting Documents**

1. Guidelines for Constructing a Compliance Program for Medicaid Managed Care Organizations and Prepaid Health Plans, Medicaid Alliance for Program Safeguards, May 2002 .  
<https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforProfs/Downloads/mccomplan.pdf>
2. Anti-kickback Statute (section 1128B[b] of the Social Security Act)  
[http://www.ssa.gov/OP\\_Home/ssact/title11/1128B.htm](http://www.ssa.gov/OP_Home/ssact/title11/1128B.htm)  
<https://oig.hhs.gov/compliance/safe-harbor-regulations>  
<https://oig.hhs.gov/compliance/physician-education/fraud-abuse-laws/>
3. False Claims Act  
<https://oig.hhs.gov/fraud>  
<http://www.legislature.mi.gov>  
<https://www.justice.gov/civil/false-claims-act>
4. 42 USC 139a(a); Section 1902(a) of the Social Security Act (AKA the Deficit Reduction Act of 2005)  
<https://www.cms.gov/regulations-and-guidance/legislation/deficitreductionact/downloads/guide.pdf>
5. Michigan Mental Health Code .  
[http://www.legislature.mi.gov/\(S\(alilhmd3eeaucuk5s0ey4hu\)\)/mileg.aspx?page=GetObject&objectname=mcl-Act-258-of-1974](http://www.legislature.mi.gov/(S(alilhmd3eeaucuk5s0ey4hu))/mileg.aspx?page=GetObject&objectname=mcl-Act-258-of-1974)
6. Department of Health and Human Services, Office of Inspector General  
<https://oig.hhs.gov>
7. Michigan Public Health Code  
<http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-368-of-1978.pdf>
8. Code of Federal Regulations (Title 42, Part 2 and Title 45, Part 160 & 164)  
<http://www.ecfr.gov/cgi-bin/ECFR?page=browse>

## **ATTACHMENT A**

**MSHN's Policies and Procedures can be found at the following link:**

<https://midstatehealthnetwork.org/provider-network-resources/provider-requirements/policies-procedures/policies>

### **Policy and Procedure Categories Include:**

**Compliance**

**Customer Service**

**Finance**

**General Management**

**Human Resources**

**Information Technology**

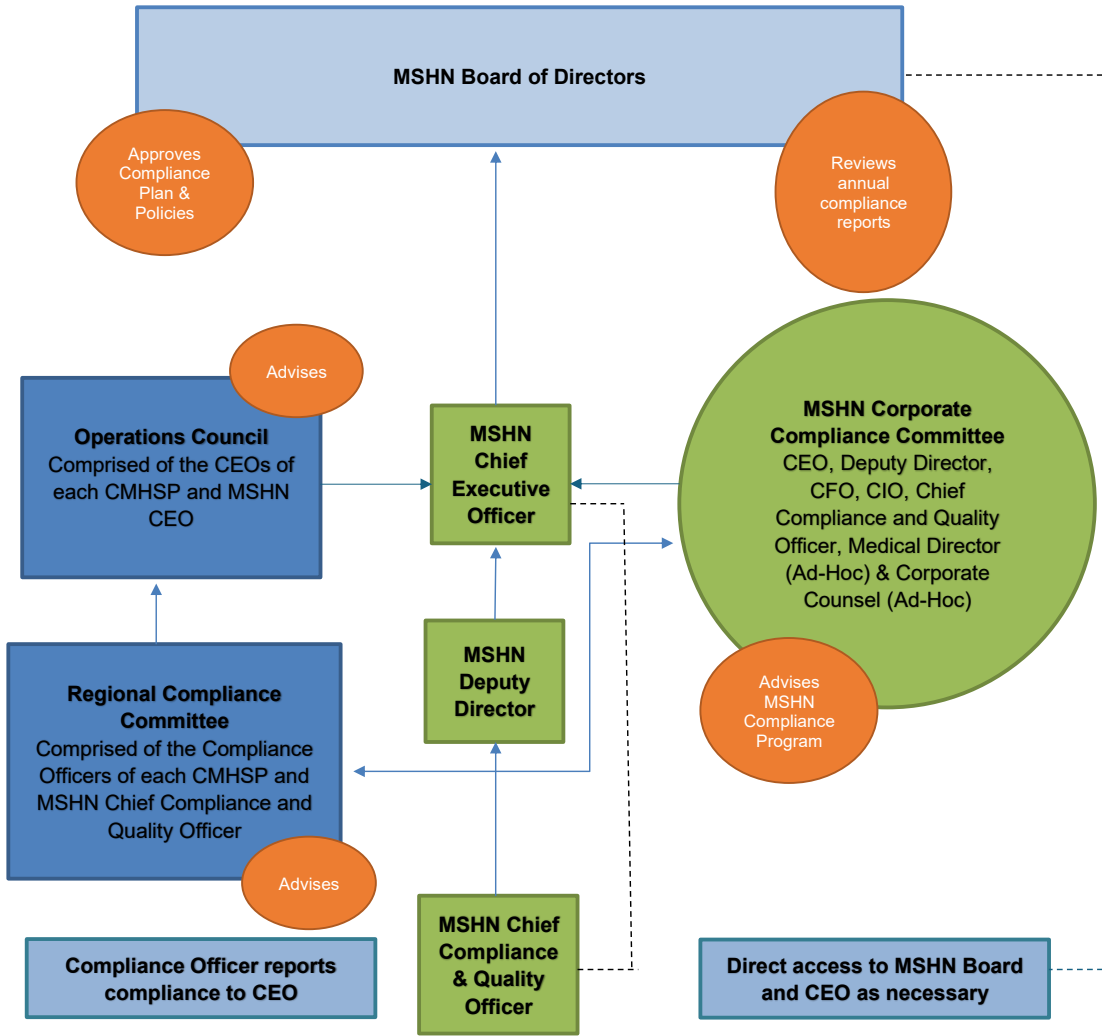
**Provider Network**

**Quality**

**Service Delivery System**

**Utilization Management**

Mid-State Health Network Compliance Process/Governance





## ATTACHMENT C

MSHN Compliance Officer in coordination with the MSHN Corporate Compliance Committee and the Regional Compliance Committee shall focus its efforts on overseeing compliance in the below key areas as identified and prioritized:

Area of Focus	Task
Compliance with established Compliance and Program Integrity related standards.	1) Review methods of assessing risks and findings for detection of fraud and abuse for potential improvements and efficiencies region wide. 2) Identify additional region wide data mining activities to detect possible deficiencies and/or non-compliance with established standards. 3) Develop training opportunities to promote compliance with state and federal requirements.
Delegated Managed Care Reviews	1) CMHSP standards: MSHN Behavioral Health team, and the corresponding workgroups, will address and identify ways in which the region can improve compliance in areas that are continually below the established standards or expectations  2) SUD Standards: MSHN will incorporate training topics into the Lunch and Learn training series provided quarterly to the provider network and focus on areas that fall below 80% compliance. This will be coordinated with the MSHN SUD Treatment team as they facilitate the trainings.
Compliance with external quality review requirements (Health Services Advisory Group (HSAG) – Performance Measure Validation Review)	1) MSHN will perform additional spot checks prior to submitting data to HSAG to ensure that the cases meet eligibility requirements. 2) A causal/barrier analysis will be completed annually to ensure the barriers identified are reduced or eliminated, and to identify if any new barriers exist that require the development of interventions for both subgroups. The effectiveness of each intervention will be evaluated to determine if the interventions will continue, be revised, or discontinued based on the data reviewed.
Substance Use Disorder (SUD) Access Department Implementation	New initiative – Monitor to ensure effectiveness and compliance with identified standards.

ATTACHMENT D

MID-STATE HEALTH NETWORK

COMPLIANCE OFFICER CONTACT INFORMATION

**Commented [KZ20]:** Added addresses in response to OIG required action for 03.E- Reporting on the 6.9 annual report.

Agency Name	Compliance Officer	Phone Number	Email	Agency Address
<u>Mid-State Health Network</u>	<u>Kim Zimmerman</u>	<u>517-657-3018</u>	<u>Kim.zimmerman@midstatehealthnetwork.org</u>	<u>530 W. Ionia St., Lansing, MI 48933</u>
<u>Bay Arenac Behavioral Health</u>	<u>Karen Amon</u>	<u>989-895-2214</u>	<u>kamon@babha.org</u>	<u>1010 N. Madison Ave., Bay City, MI 48708</u>
<u>Community Mental Health for Central Michigan</u>	<u>Renee Raushi</u>	<u>989-772-5938</u>	<u>rraushi@cmhcm.org</u>	<u>301 South Crapo St., Suite 100, Mt. Pleasant, MI 48858</u>
<u>Clinton-Eaton-Ingham Community Mental Health</u>	<u>Emily Ryan</u>	<u>517-346-8193</u>	<u>ryane@ceicmh.org</u>	<u>812 E. Jolly Rd., Lansing, MI 48910</u>
<u>Gratiot Integrated Health Network</u>	<u>Pam Fachting</u>	<u>989-466-4143</u>	<u>pfachting@gihn-mi.org</u>	<u>608 Wriqth Ave., Alma, MI 48801</u>
<u>Huron Behavioral Health</u>	<u>Levi Zagorski</u>	<u>989-269-9293</u>	<u>levi@huroncmh.org</u>	<u>1375 R. Dale Wertz Dr., Bad Axe, MI 48413</u>
<u>LifeWays Community Mental Health</u>	<u>Ken Berger</u>	<u>517-796-4526</u>	<u>Ken.berger@LifeWaysMI.org</u>	<u>1200 N. W. Ave., Jackson, MI 49202</u>
<u>Montcalm Care Network</u>	<u>Sally Culey</u>	<u>989-831-7523</u>	<u>sculey@montcalmcare.net</u>	<u>611 N. State St., Stanton, MI 48888</u>
<u>Newaygo Community Mental Health</u>	<u>Andrea Fletcher</u>	<u>231-689-7542</u>	<u>afletcher@newaygocmh.org</u>	<u>1049 Newell St., White Cloud, MI 49349</u>
<u>The Right Door for Hope, Recovery and Welness</u>	<u>Susan Richards</u>	<u>616-527-1790</u>	<u>srichards@rightdoor.org</u>	<u>375 Apple Tree Dr., Ionia, MI 48846</u>
<u>Saginaw Community Mental Health</u>	<u>AmyLou Douglas</u>	<u>989-797-3506</u>	<u>Amylou.douglas@sccmha.org</u>	<u>500 Hancock St., Saginaw, MI 48602</u>
<u>Shiawassee Health and Wellness</u>	<u>Vickey Hoffman</u>	<u>989-723-0757</u>	<u>vhoffman@shiabewell.org</u>	<u>1555 Industrial Dr., Owosso, MI 48867</u>
<u>Tuscola Behavioral Health Systems</u>	<u>Julie Majeske</u>	<u>989-673-6191</u>	<u>jmajeske@tbhs.net</u>	<u>323 North State Street, Caro, MI 48723</u>

PIHP Compliance Officer:

Mid-State Health Network ————— Kim Zimmerman, 517-657-3018,  
kim.zimmerman@midstatehealthnetwork.org

CMHSP Compliance Officers (or designee):

Bay Arenac Behavioral Health, ————— Karen Amon, 989-895-2214, kamon@babha.org  
 CMH for Central Michigan, ————— Renee Raushi, 989-772-5938, rraushi@CMHCM.org  
 Clinton, Eaton, Ingham CMH, ————— Emily Ryan, 517-346-8193, ryane@ceicmh.org  
 Gratiot County CMH, ————— Pam Fachting, 989-466-4143, pfachting@gihn-mi.gov  
 Huron Behavioral Health, ————— Levi Zagorski, 989-269-9293, levi@huroncmh.org  
 The Right Door, ————— Susan Richards, 616-527-1790, srichards@rightdoor.org  
 LifeWays CMH, ————— Ken Berger, 517-789-2526, ken.berger@LifeWayscmh.org  
 Montcalm Care Network ————— Sally Culey, 989-831-7523, sculey@montcalmcare.net  
 Newaygo CMH, ————— Andrea Fletcher, 231-689-7542, afletcher@newaygocmh.org  
 Saginaw County CMH, ————— AmyLou Douglas, 989-797-3506, amyLou.douglas@sccmha.org  
 Shiawassee County CMH, ————— Vickey Hoffman, 989-723-0757, vhoffman@shiabewell.org  
 Tuscola Behavioral Health Systems ————— Julie Majeske, 989-673-6191, jmajeske@tbhs.net

2025 Compliance Plan  
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A complete listing of SUD Providers, with contact information, is located on the MSHN website at the following link:  
<https://midstatehealthnetwork.org/provider-network-resources/provider-information/directory>

MSHN Compliance Line: 1-844-793-1288  
MDHHS **OIG** Medicaid Fraud Hotline: 1.855.MI.FRAUD (643.7283)  
HHS/OIG Hotline: 1.800.HHS.TIPS (447.8477)

**Commented [KZ21]:** Added in response to OIG required action for 03.E- Reporting on the 6.9 annual report.



**TENTATIVE**

## FY2026 MID-STATE HEALTH NETWORK REGIONAL BOARD OF DIRECTORS MEETING CALENDAR

(All meetings are scheduled to convene at 5:00 p.m. unless otherwise noted)

Meeting Date	Meeting Location
November 18, 2025 <i>(adjusted due to Election Day and Veteran's Day)</i>	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
January 6, 2026	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
March 3, 2026	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
May 5, 2026	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
July 7, 2026	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
<b>PUBLIC HEARING:</b> September 1, 2026	MyMichigan Medical Center 300 E. Warwick Dr. Alma, MI 48801
<b>BOARD MEETING:</b> September 1, 2026	

*Calendar is tentative until Board approved*

Mid-State Health Network | 530 W. Ionia Street, Suite F | Lansing, MI 48933 | 517.253.7525

[www.midstatehealthnetwork.org](http://www.midstatehealthnetwork.org)

Please contact Sherry Kletke, Executive Assistant, with questions related to the MSHN Board of Directors at [sheryl.kletke@midstatehealthnetwork.org](mailto:sheryl.kletke@midstatehealthnetwork.org)

**REPORT OF THE MSHN CHIEF EXECUTIVE OFFICER  
TO THE MSHN BOARD OF DIRECTORS  
May/June 2025**

**PIHP/REGIONAL MATTERS**

**1. Regional Financial Situation Update:**

Michigan Department of Health and Human Services (MDHHS) held a rate adjustment meeting with Pre-Paid Inpatient Health Plans (PIHPs) on May 29, and the following day MSHN received the region-specific information we needed to make calculations and projections related to the statewide increase in Medicaid and Healthy Michigan Plan rates paid to PIHPs and the impact on the MSHN region.

Shortly thereafter, MSHN completed its revenue adjustment calculations and announced the following details:

- According to MDHHS and its actuary, Milliman, the rate increase statewide is about \$160M for the current fiscal year only.
- Based on MDHHS approved new rates and our calculations of revenue changes, MSHN projects approximately a \$35M increase in current year revenues.
  - Note that actual revenue received before year end may vary depending on regional Medicaid and Healthy Michigan Program enrollments, disenrollments, etc. (called “Churn”).
- As of the end of period 6 (March 2025), MSHN projected a current year use of the MSHN Internal Service Fund (ISF) of about \$23M.
  - Taking the new revenue projection into account, the region is projected to end this fiscal year with approximately an \$11.5M surplus (revenue over expenses), assuming all trends and projections hold.
  - At 09/30/24 (the end of FY 24), the MSHN region used about \$23M from its ISF to cover regional Community Mental Health Service Programs (CMHSP) deficits.
  - Assuming projections hold true and nothing else arises, this should mean that the region has about \$11.5M available to either replenish some of the ISF used in FY 24 or to start the new year with those savings as first dollars out to the provider system. MSHN will make a decision on this in the fall after actual results of operations are known.
- We anticipate another rate adjustment yet this year for MDHHS to push out funds to cover minimum wage increases, the cost of implementing the Michigan Earned Sick Time Act, and a Certified Community Behavioral Health Center (CCBHC) rate adjustment. MDHHS has stated it has submitted a supplemental appropriation request to the Legislature to fund these adjustments.

This is very good news for our region, and a relief to all of us. I want to acknowledge Leslie Thomas and Amanda Ittner and our whole team for consistently and effectively conveying the driving factors behind this region's fiscal situation. As our team has been saying for almost two years now, the financial situation in this region is the result of two key factors – insufficient revenue and increased demand (especially in high cost services

such as Autism services, Inpatient Psychiatric Services, and Community Living Supports). The revenue part of that has mostly been addressed for the current year.

## **2. FY 21 MDHHS/MSHN Cost Settlement:**

MDHHS has issued a final cost settlement notice between MDHHS and MSHN for FY 2021. As the regional MSHN Board of Directors and our CMHSP partners know well, results of operations in that year resulted in excess revenue that exceeded savings retention thresholds. This means that excess revenue above the maximum retention threshold must be returned to MDHHS (the term “lapse” is used to characterize these funds). The amount due to MDHHS is \$17,647,292. MSHN has the funds on hand to retire this liability in full.

MSHN has long recognized this liability in our accounting and financial statements presentations provided to the MSHN Board of Directors. While not a party to the litigation initiated by four other PIHPs against MDHHS, this very topic is one key component of that litigation.

The competitive procurement of PIHPs (discussed in more detail below) creates great fiscal uncertainty over the remainder of this fiscal year and the next. Also, because this very topic is being litigated [again, even though MSHN is not a party], MSHN administration seeks board support for the following position:

*MSHN 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.*

MDHHS may not agree with our request, may demand we remit the final cost settlement amount, or may withhold up to the cost settlement amount from our monthly revenue, or some other similar action. MSHN administration believes that it is reasonable to request this accommodation, and if not granted, to resolve the matter amicably.

## **3. Competitive Procurement of PIHPs:**

As you know, on 02/28/25 MDHHS announced its intention to subject PIHPs to a new competitive procurement process via press release. On 05/23/25, also via press release, MDHHS announced “[Anticipated Contract Requirements for PIHP Procurement](#),” a new [Regional Map of the state](#), and several other related materials. MDHHS intends to award new PIHP contracts for operations beginning 10/01/2026. Our office sent the press release to our board members shortly after it was received to immediately inform you that existing regional entities/Pre-Paid Inpatient Health Plans as currently configured are not qualified bidders under the bidder qualifications released. We also confirmed this with a MDHHS official in a private communication and have sought official confirmation through formal channels. No responses have been received. In fact, there have been no direct communications that in any way relate to procurement, transition, planning, and all the related issues – AT ALL.

I want to convey what we know, what we don’t know, what we think, and what we plan. Doing so in this board report, which is a public document, posted to our website, and more broadly available, would be very lengthy and complex and potentially expose private entities (i.e., potential competitors) to our thinking and plans. Rather than go into the details in this report, I plan to provide extended remarks at the board meeting so that questions and comments can be immediately responded to.

However, there are a few key points to be made here. First, we've often been asked to explain why current regional entities operating as PIHPs, like MSHN, as currently configured, are not eligible to bid. In response, the "Anticipated Contract Requirements" linked above state:

- Contractors may not delegate managed care functions to contracted provider entities; and
- Contractors must establish and maintain governance for the payor entity [the PIHP] that is fully independent of and distinct from any providers with which they contract..." and
- Contractors must have a separate and distinct board structure that is not shared with any contracted provider entity.
- Bidders must submit proposals by region as defined in the RFP, not by individual counties.

The Mid-State Health Network Bylaws guarantee two board seats for each of the twelve CMHSPs that constitute the MSHN region. The Mid-State Health Network Regional Operating Agreement requires MSHN to delegate many managed care functions to the twelve CMHSPs that constitute the MSHN region. As a creation of the twelve CMHSPs in this 21-county region, MSHN is legally required to operate only within the 21-county catchment area of its CMHSP Participants. Even if MSHN wanted to (and we do) bid on a larger geographic service area, we could not legally do so and thus could not comply with this minimum bid qualification requirements. Emphasizing the current configuration of the MSHN Regional Entity that includes these features makes MSHN ineligible on its face to be a qualified bidder in the procurement process.

Second, I have intentionally used the phrase "as currently configured." The current configuration was a choice when this regional entity was created in 2013-2014. The statute that authorized the creation of regional entities [MCL 300.1204(b)] does not require CMHSP governance roles, only that if there is to be a governance role, that it is spelled out in the bylaws. Changing the governance of MSHN is a choice now, too. Given the limitations to the geographic catchment area of its CMHSP Participants, changing these features of MSHN would likely not put it in a position to bid on the whole new 44 County, 33 CMHSP central region.

Third, the regional entity portion of the mental health code [MCL 300.1204(b)] doesn't restrict CMHSPs from creating *another* regional entity that could be bid qualified. This would be a very heavy lift involving all 33 CMHSPs in the new Central Region agreeing on and adopting bid-qualified bylaws for the new regional entity. Amanda Ittner, MSHN Deputy Director, and I have developed a concept paper that describes this path as the most viable path to retain entity public management of the behavioral health system. It is an idea. It details one way to do it, and there are improvements that can be made along the way. The concept paper was distributed to our CMHSP Participant Chief Executive Officers (CEOs), to the Chief Executives of the other four PIHPs in the new Central Region, then to all PIHP CEOs and to the CMH Association of Michigan. The Concept Paper was included in the Executive Committee packet that was distributed to all board members. If you want a copy, please contact our office and we'll provide it for your use.

Fourth, we have ruled out a number of pathways to successful participation in the procurement process, and a few are under consideration. We believe strongly that the behavioral health system should remain publicly managed, by public entities. We have invested time and effort into finding a path that honors that core value.

Finally, we have been focused almost exclusively on the procurement issue hanging over our heads and the heads of our staff. We have emphasized with our personnel that nothing about this procurement process is imminent. As long as MSHN has a contract to fulfill, we have a legal obligation to do so. MSHN has a current year contract and anticipates a FY 26 contract (or extension, or continuation) through the end of the procurement period, i.e., new PIHP contract award is awarded and is operational. Based on feedback from some board members and our region, I revised the staff retention plan I announced in my last report to remove compensation adjustments and retain severance. I have announced the revised severance/retention



plan to MSHN staff. The plan will be reviewed periodically for adjustments as the procurement process continues along with other variables, such as our staffing experience. We have also created an internal “[PIHP Procurement Questions](#)” mailbox and a Question/Answer document for our staff to stay up to date and well-informed. Board members may use the [link to the mailbox](#) to submit their questions as well.

As I noted above, it is my intention, along with Amanda Ittner, to provide a very detailed briefing and discussion for the MSHN Board at the July 2025 board meeting. We look forward to that discussion and your comments, questions and concerns. We anticipate a formal Request for Proposal (RFP) to be released by the end of July (according to MDHHS published timelines). Meanwhile, a few internal shifts to note, follow:

**a. Initiatives, Projects and Operations Reviews:**

Occasioned by the procurement announcements, MSHN Leadership is undertaking a “top to bottom” review of current and planned initiatives and projects, and some operations. The goal is to acknowledge that we are likely in a wind-down and to minimize or avoid any new investments of money, time, and talent, minimize or avoid maintaining cumbersome processes that add burden to our provider network (especially if we won’t exist to follow-up on or see them through), to help prepare our region for a new PIHP in every way we can, and similar goals. To date, we have a list of nearly 300 items, many of which we will continue as required under our contract, but perhaps with modifications to reduce burden and expense.

**b. Newsletter:**

MSHN plans to stop publication of our every-other-month board newsletter beginning in October 2025. By then, MSHN should know whether it can participate in the bid process and how. While feedback on these newsletters has been positive, note that these newsletters are distributed to a much broader audience (including MDHHS officials, private persons, and is also posted to our website). To minimize leakage of information to our providers, regional partners, potential competitors and/or decision-makers, we will replace our newsletter with a direct email from my office to MSHN Board members conveying pertinent information between MSHN board meetings. MSHN will maintain our weekly updates to our providers and other stakeholders.

**4. Conflict Free Access and Planning Update:**

My previous board reports detail anticipated requirements. It has been over one year since MDHHS announced that it will require system compliance with separating service planning from service delivery. There has been a recent update that MDHHS intends to “synchronize” requirements to implement conflict free access and planning with the PIHP procurement activities. MSHN takes this to mean that MDHHS will not require implementation of the separation of service planning from service delivery by two different organizations until new PIHPs are in place beginning in FY 27. Meanwhile, our region should be preparing for the eventual implementation requirements as previously announced by MDHHS and included in Centers for Medicare and Medicaid Services (CMS) approved Michigan waivers.

## **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. These are managed care functions that will presumably be reserved to the State via the planned procurement of PIHPs. MDHHS intends to carry out its plan over the objections of PIHPs and some CCBHCs.

MSHN is very concerned about this from several perspectives, but most importantly, the impact on MSHN revenues and finances. MDHHS has not explained details on how, using what formula, and with what frequency MDHHS will “take” money from existing PIHP capitation payments to directly pay CCBHC sites. PIHPs will continue to be responsible for the straight Medicaid and Healthy Michigan Plan funding to CMHSPs that are also CCBHCs. There are also scant details on how CCBHC eligible beneficiaries will be directly enrolled in CCBHCs by MDHHS, how services will be authorized, and a lot of other unanswered questions. MSHN continues to cooperate with the State to achieve this transition. One goal we must keep in the forefront is to prevent the non-CCBHC CMHSPs in the region from risk, in particular having to subsidize CCBHC operations (which are supposed to be sustainably funded through other means). It is also unclear how MDHHS will have capacity to carry out these functions and what plans it has to appropriately staff to carry out these newly centralized responsibilities. MDHHS intends to implement its plans 10/01/25, just a few short months away.

## **6. Mental Health Framework**

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 (consistent with the “go-live” date for the new PIHP contracts).

Among other elements, MDHHS will require that providers in the MHP networks use the same standardized assessment tools used in the public behavioral health system, provide a way through the state Medicaid information system (CHAMPS) for MHPs, PIHPs, CMHSPs to determine which individuals they are financially responsible for, standardize utilization management and medical necessity criteria across the systems, and other policy changes.

Beginning 10/01/26, MHPs will, however, be required to cover such things as crisis stabilization, partial hospitalization, inpatient psychiatric care, and targeted case management for individuals that are experiencing mild/moderate illnesses. Providers of these services, including CMHSPs, are being asked to prepare for contracting with both MHPs and PIHPs. These services have historically been the exclusive responsibility of the CMHSP safety net system. No details on how these new responsibilities will be funded have been released, including the formula for extracting these historically PIHP costs from our rates and capitation. While MSHN certainly applauds policy initiatives to improve MHP behavioral health services to their enrollees, this is more problematic than other proposals and potentially another threat to MSHN regional funding.

## **7. Mental Health Services Officials Say They Need Support in Inpatient Care:**

From Gongwer News Service, 06/04/25: The Department of Health and Human Services and community mental health facilities officials spoke at the House Oversight Public Health and Food Security Subcommittee on Tuesday to explain their needs as they face hardships in inpatient care systems and space for psychiatric visits.

In fiscal year 2023-24, the department served 290,000 individuals through prepaid inpatient health plans, including 217,000 adults and 71,000 children. This includes their residential treatment facilities or community transition services, which are short-term stays of 90-180 days of care, and crisis stabilization units, which provide a stay of less than 72 hours to those in immediate crisis with no barriers to access.

There are two stabilization units, which have served 2,900 people in the past fiscal year, in Kent County and Wayne County, and four state-owned hospitals, which each see around an average of 100 patients, with the outlier being the Center for Forensic Psychiatry in Saline, which focuses on criminal responsibility, that sees 240 patients.

The department proposed an investment of \$15.2 million in supporting a transition from one of the state hospitals, Walter P. Reuther Psychiatric Hospital in Westland, to the new Southeast Michigan Psychiatric Hospital in Northville Township.

This transition will provide 264 beds including 72 pediatric beds and 192 beds. Walter Reuther could only serve 94 adult and 23 youth patients. The staff will also increase by almost 150 members.

The department said with investment would make the hospital operational and occupied by next October and bring a general increase in availability of behavioral health services in the state.

The department said in their presentation that waitlists for psychiatry beds have decreased, but Dr. George Mellos, deputy director of state hospitals administration, said they only operate 660 psychiatric beds in the state, and tend to serve people with the most severe behaviors that are not served in any private hospitals across the state.

Committee Chair Rep. Matt Bierlein (R-Vassar) said that he hears from sheriffs and hospitals in his community that there is a need for more beds and wondered when it is the state's role to provide that help. But Meghan Groen, senior chief deputy director of health services in the department, said their efforts are focused on deciding if individuals really do need inpatient care or different social determinants of health instead to only offer inpatient care to those who need it most.

When asked about any policy opportunities in the future, Groen said she would want to see a Medicaid benefit for those with intellectual and developmental disabilities, which is something the department has heard from their hospitals. To make it a benefit, Groen said they would need to put it in a state plan and then receive an appropriation.

In the community mental health space, Rick Compton, CEO of the Riverwood Center in Berrien County, explained it isn't a lack of psychiatric beds, but a lack of hospitals taking severe cases of behavior and the changing criteria of admitting those with intellectual disabilities to state hospitals, instead moving them to the smaller community.

"In possible steps towards improvement, there's no one solution," Compton said. "This is a big problem."

Compton said some of these solutions look like improving the psychiatric bed registration to know how many beds there are open in the state, more stabilization units, removing "bureaucratic challenges" in sharing the harder cases of behavioral health, reducing medical inflation and reducing waitlist times and coordination of care since the pandemic disrupted the system.

Chris Pinter, CEO of Bay-Arenac Behavioral Health, said private hospitals don't have the same obligations to the community that they do as a county agency, including accountability to their elected representatives and "moral accountability."

"The hospital says, 'I don't care how much you give me, I'm not admitting him because he might hurt somebody, and we don't want that cost benefit on us,'" Pinter said. "And I say, 'Great, as long as he's in the community, somebody's gonna get hurt,' so I gotta get him somewhere before my sheriff comes in and puts me in jail or the guy ended up in jail because we didn't get him a hospital bed."

## **FEDERAL/NATIONAL UPDATES AND ACTIVITIES**

### **8. List of All Presidential Executive Orders to Date**

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

### **9. Senate Finance Committee Markup of House Budget Bill:**

Federal budget proposals continue in Washington. The Senate is now considering the House's Reconciliation Bill. As of this writing, the process is at least a few weeks from completion. MSHN wanted to provide you with the most current information by which has been compiled by the Kaiser Family Foundation. [This link is to a tracker](#) that summarizes and compares the health care provisions included in the Senate and House versions of the reconciliation bills to current law, making it a bit easier to follow what's being proposed and what would change if enacted.

### **10. Strengthening Mobile Crisis Teams:**

The [Milbank Quarterly](#) reports that "Mobile crisis teams (MCT) are multidisciplinary teams of behavioral health professionals and peer-support specialists that provide behavioral health crisis services. In a new Milbank Quarterly Opinion, (the authors) discuss the variation in funding and access to MCTs due to different financing mechanisms and variations in crisis service definitions, provider qualification criteria, and state-specific Medicaid billing policies. The authors offer several recommendations to strengthen crisis response care, including standardizing Medicaid reimbursement for MCTs, allowing states to extend their state plan amendments to increase the Medicaid match, and tracking demographic characteristics of both recipients and providers to monitor disparities in access to MCTs."

### **11. New Substance Abuse and Mental Health Services Administration (SAMHSA) Publications:**

The following publications were released in early June 2025 by SAMHSA. Links are provided

- Advisory: [Expanding Access to Methadone Treatment in Hospital Settings](#).
- [Guidelines for Implementing Medications for Opioid Use Disorder Treatment in State Prisons](#).
- [Naloxone Saturation Policy Academy Retrospective Report](#).
- Advisory: [Clinical Considerations for Methadone Treatment of Opioid Use Disorder in Correctional Facilities](#).

### **12. National Decrease in Drug Overdose Deaths:**

The Journal of the American Medical Association (JAMA) Network reports that "[drug overdose deaths decreased almost 27%](#) in the US, from approximately 110,000 deaths in 2023 to 80,400 in 2024, according to provisional data from CDC. Almost all states experienced declines, the National Center for Health Statistics reported, excluding South Dakota and Nevada. Deaths from opioids decreased substantially during the same

period, from about 83,100 to 54,700. Overdose deaths involving cocaine and psychostimulants such as methamphetamine also dropped. Increased distribution of naloxone and better access to treatment for substance use disorders, among other factors, have contributed to the recent declines, [the CDC said in February](#). Another [recent CDC report](#) found that nonfatal overdoses suspected to involve fentanyl also have decreased. The analysis of emergency department visits found that fentanyl-involved nonfatal overdoses trended downward by 11% per quarter through the beginning of 2024 after increasing by about 9% every 3 months from the end of 2020 through mid-2023.”

### **13. Michigan Decrease in Opioid Overdose Deaths:**

Excerpted from a 06/05/25 Press Release from Attorney General Nessel’s Office:

#### **Michigan Projects Third Consecutive Year of Decline in Opioid Overdose Deaths**

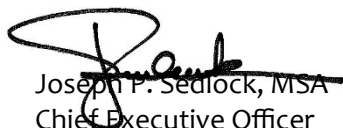
LANSING – In a sign of continued progress, Michigan overdose deaths are projected to decline in 2024 for the third consecutive year – an encouraging sign that the state’s comprehensive response to the opioid crisis is saving lives.

Analysis of provisional data from the Michigan Department of Health and Human Services (MDHHS) indicates a 34% reduction in overdose deaths between 2023 and 2024 – about 1,000 deaths. This continued progress reflects the impact of sustained, strategic investment in prevention, treatment, recovery, and harm-reduction efforts – many of which are made possible through additional funding received as a result of Michigan’s participation in the national opioid settlements.

“The progress we are seeing in combatting the opioid epidemic proves what is possible when real investments are made in treatment and prevention,” Nessel said. “My office will continue working to hold those responsible for this crisis accountable to ensure the health and well-being of residents are put ahead of corporate greed and help support long-term recovery efforts for Michigan families.”

Michigan’s [Overdose Data Dashboard is available at this link](#).

Submitted By:



Joseph P. Sedlock, MSA  
Chief Executive Officer

Finalized: 06/20/2025

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

Below is a list of Legislative Bills MSHN is currently tracking and their status as of June 16, 2025:

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
HB 4001	Minimum Wage (Roth) Modifies minimum hourly wage rate.	Received in Senate (2/4/2025; To Regulatory Affairs Committee)
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 4253	Accrued Leave (Paiz) Requires an employer to pay to an employee certain types of accrued leave when employment is terminated.	Introduced (3/18/2025; To Economic Competitiveness 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.	Referred to Rules (5/20/2025)
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 (Tisdell) Expands hospital evaluations for assisted outpatient treatment.	Introduced (5/1/2025; 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,	Introduced (6/4/2025; To Government Operations Committee)

BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
	including discrimination because of Jewish heritage under the Elliott-Larsen civil rights act.	
SB 207	Veterans (Hertel, K.) Creates Michigan veterans coalition fund.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 208	Veterans (Hauck) Creates Michigan veterans coalition grant program.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 215	Consumer Protections (Santana) Amends Michigan consumer protection act to enhance protections for individuals applying for veterans benefits.	Received in House (6/3/2025; To Appropriations Committee) Passed in Senate (6/3/2025; 37-0)
SB 219	Hospitalization (Hertel, K.) Revises person requiring treatment and modifies certain procedures for treatment.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 220	Hospital Evaluations (Irwin) Expands hospital evaluations for assisted outpatient treatment.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 221	Mental Capacity (Santana) Provides outpatient treatment for misdemeanor offenders with mental health issues.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 222	Outpatient Treatment (Wojno) Expands petition for access to assisted outpatient treatment to additional health providers.	Received in House (5/21/2025; To Health Policy Committee) Passed in Senate (5/21/2025; 37-0)
SB 237	National Guard (Albert) Creates Michigan National Guard apprenticeship program.	Introduced (4/22/2025; To Regulatory Affairs Committee)
SB 239	Vietnam Veterans (Daley) Creates Vietnam veteran era bonus extension act.	Introduced (4/22/2025; To Appropriations Committee)
SB 398	Controlled Substances (Bellino) Modifies substance use disorder services programs requirements and prohibits the promulgation of certain rules.	Introduced (6/11/2025; To Health Policy Committee)
SB 399	Drug Paraphernalia (Irwin) Modifies definition of drug paraphernalia.	Introduced (6/11/2025; To Health Policy Committee)
SB 400	Health Insurers (Hertel, K.) Prohibits prior authorization for certain opioid use disorder and alcohol use disorder medications.	Introduced (6/11/2025; To Health Policy Committee)



BILL #	TITLE/INTRODUCER/DESCRIPTION	STATUS
SB 401	Pharmaceuticals (Santana) Requires co-prescribing of naloxone with opioid drugs.	Introduced (6/11/2025; To Health Policy Committee)
HR 115	Medicaid (Mentzer) A resolution to urge the President of the United States and the United States Congress to fully fund Medicaid and to reject any proposal that would strip access to those in need and shift costs onto states, health care providers, and vulnerable individuals.	Introduced (5/22/2025; To Government Operations Committee)
SR 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)

## 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

## Board Officers

Edward Woods  
Chairperson

Irene O'Boyle  
Vice-Chairperson

Deb McPeek-McFadden  
Secretary

## RESOLUTION OF THE MID-STATE HEALTH NETWORK BOARD OF DIRECTORS AGAINST MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES PLANS TO COMPETITIVELY PROCURE MICHIGAN'S PRE-PAID INPATIENT HEALTH PLANS

**WHEREAS**, the State of Michigan currently operates a publicly managed and community-based system for the delivery of specialty behavioral health services through ten Pre-Paid Inpatient Health Plans (PIHPs), which are responsible for managing Medicaid and Healthy Michigan Plan funded mental health, developmental disability, and substance use disorder services in their catchment areas; and

**WHEREAS**, the current PIHP system has consistently demonstrated value, local accountability, and community engagement, while successfully managing costs and improving health outcomes for vulnerable populations in their regions; and

**WHEREAS**, public management of the Michigan behavioral health system has been a core and fundamental value upon which this system has been built and operated for decades; and

**WHEREAS**, as public entities, current PIHPs ensure beneficiary involvement in governance and operations of the system, local accountability, efficiency, and public transparency; and

**WHEREAS**, the Michigan Department of Health and Human Services (MDHHS) recently announced plans to initiate a competitive procurement process for PIHP functions, which as currently structured excludes current PIHPs from participating in the competitive procurement process and clearly promotes and favors private, non-profit health plans or Managed Care Organizations (MCOs) over public entities in assuming control over specialty behavioral health supports and services; and

**WHEREAS**, such privatization could disrupt longstanding relationships between local mental health agencies/authorities, providers, and the communities they serve, and jeopardize the person-centered, recovery-oriented approach that has been cultivated under the public system; and

**WHEREAS**, many stakeholders, including individuals receiving services, advocates, local officials, and providers have expressed significant concerns about the potential impact of a competitive procurement process and potential for privatization on care quality, access, beneficiary engagement at the governance level, local control, and transparency; and



**WHEREAS**, the Michigan public specialty behavioral health system is established as a partnership between the State and Counties, and counties across Michigan have historically played a vital role in the governance, funding, and oversight of the public behavioral health system, and any change to that structure without meaningful county involvement undermines the principle of local governance; and

**WHEREAS**, maintaining a publicly accountable and locally governed behavioral health system is essential to ensuring that individuals with mental health, substance use needs, and intellectual and developmental disabilities receive timely, appropriate, and high-quality care.

**NOW, THEREFORE, BE IT RESOLVED**, that the Mid-State Health Network Board of Directors formally opposes the Michigan Department of Health and Human Services' (MDHHS') plan to implement a competitive procurement process for Pre-Paid Inpatient Health Plans (PIHPs);

**BE IT FURTHER RESOLVED**, that the twenty-four members of the Mid-State Health Network Board of Directors strongly urges Governor Whitmer, the Michigan Department of Health and Human Services (MDHHS), and its Director, Elizabeth Hertel, and the Michigan Legislature to halt any plans for privatization and instead work collaboratively with counties, PIHPs, Community Mental Health Services Programs (CMHSPs), service users, and other stakeholders to strengthen and improve the public behavioral health system, by only allowing public organizations with experience in managing Michigan's public mental health system to be part of any bid process should one occur; and

**BE IT FURTHER RESOLVED** that a copy of this resolution be transmitted to Governor Gretchen Whitmer, MDHHS Director Elizabeth Hertel, County Commissions and County Executives in the twenty-one county region of Mid-State Health Network, members of the Michigan Legislature representing Counties of Arenac, Bay, Clare, Clinton, Eaton, Gladwin, Gratiot, Hillsdale, Huron, Ingham, Ionia, Isabella, Jackson, Mecosta, Midland, Montcalm, Newaygo, Osceola, Saginaw, Shiawassee, Tuscola, and the Michigan Association of Counties (MAC).

**Adopted by the Mid-State Health Network Board of Directors this July 1, 2025.**

**Ed Woods**, Chairperson, Mid-State Health Network Board of Directors

Community Mental Health  
Member Authorities

Bay Arenac  
Behavioral Health

•

CMH of  
Clinton, Eaton, Ingham  
Counties

•

CMH for Central Michigan

•

Gratiot Integrated Health  
Network

•

Huron Behavioral Health

•

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

•

LifeWays CMH

•

Montcalm Care Center

•

Newaygo County  
Mental Health Center

•

Saginaw County CMH

•

Shiawassee Health and  
Wellness

•

Tuscola Behavioral  
Health Systems

**Board Officers**

Ed Woods  
Chairperson

Irene O'Boyle  
Vice-Chairperson

Deb McPeck-McFadden  
Secretary

**REPORT OF THE MSHN DEPUTY DIRECTOR  
to the Board of Directors  
May / June**

**Substance Use Disorder (SUD) Oversight Policy Board (OPB) Bylaws Review**

SUD Oversight Policy Board members were asked to review and provide feedback on the Substance Use Disorder Oversight Policy Board Bylaws. The Bylaws were last reviewed and approved by the MSHN Board of Directors in May 2016.

The included changes ensure compliance with the Open Meetings Act, as it currently stands, which identifies the only legal basis for a member of a public body to participate in a meeting via telephonic or video conferencing as a member of the public body is if that member is absent due to military duty, disability, or health-related condition. The revised language identifies as “specifically permitted under the Open Meetings Act”, and then only if a quorum of the Board is physically present.

The board members also included language to allow for appointment by the Board of Commissioners for one (1) alternate, who has the right to vote only in the absence of the appointed voting member. The addition of an alternate has supported the board to obtain quorum and provides knowledge sharing for the missing member and to the county commissioners.

The SUD OPB recommends to the MSHN Board of Directors approval of the SUD OPB Bylaws as indicated in red.

**Office of Inspector General required Compliance Plan Acknowledgement Form**

As noted in the draft changes presented in the Compliance Plan, the Office of Inspector General is requiring the MSHN Board of Directors to sign an acknowledgement form attesting to the receipt of MSHN’s Compliance Plan and understanding of the Board’s responsibility in the plan. Included in the board members’ meeting folder is the acknowledgement form for board members’ signature and return. Ongoing for new board members, MSHN will include the form in the Board Member Orientation Packet after the Compliance Plan review.

**Performance Improvement Project Summary**

As identified in the Michigan Department of Health and Human Services (MDHHS) contract, Pre-Paid Inpatient Health Plans (PIHPs) are required to select two Performance Improvement Projects (PIP). MSHN’s two PIPs include: 1) Assessment to First Medically Necessary Service – Reducing Disparity, to improve timely access to medically necessary services and identifying any disparities within target populations and 2) Penetration Rate – Reducing Disparity, to ensure equitable access to mental and physical health services by identifying and addressing barriers. The calendar year (CY) 2024 was MSHN’s third year with the selected PIPs.

In summary for PIP 1) MSHN did not eliminate the disparity between Black/African American and White population groups for CY24. The rate of access to services for the White population declined from the baseline year (CY2021), reaching its lowest point in CY23 before improving in CY24. Similarly, the Black/African American rate decreased from baseline in CY23 but demonstrated a significant increase in CY24. Despite this improvement, the Black/African American rate remains below the baseline. The Community Mental Health Service Programs (CMHSPs) within MSHN with the largest Black/African American populations—CEI, Saginaw, Lifeways, and CMCMDH—should remain the focus of targeted interventions to maximize regional impact on performance relating to this PIP.

For PIP 2) The disparity rate between Black/African American and White penetration rates has steadily declined. In CY21, the disparity rate was 2.06%, and then decreased to 1.80% in CY22, 1.71% in CY23, and further dropped to 1.45% in CY24. This trend suggests a gradual improvement in the access to services for Black/African American Medicaid enrollees relative to their White counterparts.

For detailed information, see link: [PIP Disparity Summary CY21-24](#)

#### **Regional Consumer Advisory Council Summary Report**

As part of an increased effort to ensure board members understand and directly hear from individuals served within the region, a summary report is provided by the Regional Consumer Advisory Council (RCAC) as attached. The RCAC is facilitated by MSHN's Customer Service and Rights Manager, Dan Dedloff. Members are appointed by the twelve Community Mental Health Service Programs within the region from their local consumer advisory committees who are or have been engaged in services and those who are parents or guardians. They appoint officers to lead the bimonthly meetings which provide a consumer's perspective and valuable input into many areas of the PIHP's responsibilities. MSHN would like to thank the RCAC Chair, Heather Nichols, for her summary report and for her dedication and commitment throughout the year. **For more detailed information on the RCAC, see the attached RCAC Summary Report.**

#### **MDHHS Mental Health Parity Assessment**

The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) requires group health plans and health insurance issuers to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical/surgical benefits. MDHHS is conducting a new parity assessment to update the results of the previous 2017 parity assessment.

The survey explores these various limits through these activities categories:

- Service Authorization
- Progressive Therapy/Step Therapy
- Provider Network, Credentialing and Contracting
- Medication Prescribing and Monitoring
- Financial Requirements
- Disclosure Requirements

MSHN staff are working with CMHSPs to complete the survey and provide the required supporting documentation (e.g. policy and procedures).

### Provider Network Adequacy Assessment – FY24

During the May Board Meeting, the regional Network Adequacy Assessment results were presented. As part of the requirements for FY24, MDHHS conducted an analysis of the standards for time and distance and the enrollee to provider ratios. MSHN received the preliminary results on June 16, 2025, which indicate capacity via “MET” for Adult Services. For Pediatric services, MSHN is under the requirement for Crisis Residential. Our region has been working to add capacity to this area, with expansion anticipated for the eastern part of the region, adding 30+ pediatrics beds. As noted below, timeliness to services is below the standard for many CMHSPs. As a region, we have been in compliance due to the larger CMHs performance impacting the regional rates. Lastly, for American Society of Addiction Medicine (ASAM) SUD service providers, MSHN has been developing and working with providers to bring needed Level of Care’s (LOC’s) in-region. Once the final report from MDHHS has been received, the MSHN Board of Directors will receive a copy.

#### Adult Services

Service	Time/Distance Percentage Rate		Provider to Enrollee Ratio Met or Unmet
Assertive Community Treatment (1:30,000)			Met (1:19,006)
Crisis Residential Programs (16 Beds Per 500,000 Total Population)	96.1%	87.9%	Met (127:1,643,130)
Opioid Treatment Programs (1:35,000)	100%	99.5%	Met (1:12,008)
Psychosocial Rehabilitation Programs (1:45,000)	99.3%	93.8%	Met (1:38,011)
Inpatient Psychiatric Services	99.6%	94.9%	

#### Pediatric Services

Service	Time/Distance Percentage Rate		Provider to Enrollee Ratio Met or Unmet	Baseline Data Results
Inpatient Psychiatric Services	86.1%	66%		
Crisis Residential Programs (8-12 Beds Per 500,000 Total Population)	50%	33%	Met (30:1,643,130)	
Home-Based Services (1:2,000)			Met (1:1,214)	
Wraparound (1:5,000)			Met (1:4,673)	
Intensive Crisis Stabilization				1:7,711
Respite Services				DCW Ratio 1:707 Beds 1:12,852
Parent Support Partner Services				1:10,281
Youth Peer Support Services				1:25,703

**American Society Addiction Medicine (ASAM) Level of Care (LOC) – Gaps in Network**

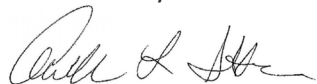
Outpatient ASAM LOC	Residential ASAM LOC	Withdrawal Management ASAM LOC
2.5 (Only available outside of catchment area)	3.3 (Only available outside of catchment area)	1.0 WM
	3.7 (Only available outside of catchment area)	2.0 WM

**Timeliness For Average Percentage of Enrollees starting service within 14 days of Assessment**

Service	Aggregate Average Percentage of enrollees starting services within 14 calendar days of assessment.	CMHSPs under 90%
Assertive Community Treatment	81.75%	BABH (57%) GIHN (not providing services) LifeWays (57%) MCN (not providing services) NCCMH (not providing services) SCCMH (50%) TRD (not providing services)
Home-Based Services	75%	BABH (61%) CMHCM (81%) CMHCEI (61%) GIHN (82%) HBH (70%) LifeWays (54%) MCN (78%) NCCMH (85%) SCCMH (80%) SHW (75%) TRD (80%)
Wraparound	77.5%	BABH (75%) CMHCM (77%) CMHCEI (64%) GIHN (67%) LifeWays (21%) NCCMH (75%) SCCMH (87%) TRD (64%)

\*Average percentages in red did not meet the 90% benchmark 42 CFR 438.68(e)(2)

Submitted by:



Amanda L. Ittner

Finalized: 06.20.25

**Attached**

RCAC Summary Report

## **MSHN Regional Consumer Advisory Council Summary**

The Mid-State Health Network (MSHN) Regional Consumer Advisory Council (RCAC) serves as the primary source of consumer input to facilitate meaningful, region-wide consumer involvement in its policy development, service development, service delivery, service evaluation, and quality improvement activities. The MSHN RCAC also focuses on region-wide advocacy issues and stigma reduction related to regional mental health and substance use disorder (SUD) systems of care.

The RCAC is comprised of individuals who are or have been engaged in services (primary consumers) and those who are parents or guardians (secondary consumers). Its diverse membership represents adults with mental illness, adults with intellectual and developmental disabilities, children with mental illness, children with intellectual and developmental disabilities, and individuals with substance use disorders. RCAC members are supported by Community Mental Health Services Programs (CMHSP) staff liaisons who help promote a connection to local CMHSP consumer advisory councils (CAC).

The RCAC meets bimonthly, and MSHN content experts provided the following information during FY24 to present for member review and feedback:

- Amanda Ittner reviewed the MSHN Network Adequacy Assessment (NAA) consisting of standards for adult and youth populations that focus on services for adults (Assertive Community Treatment, Crisis Residential Programs, Inpatient Psychiatric, Opioid Treatment Programs, and Psychosocial Rehabilitation Programs (Clubhouses), services for children (Crisis Residential Programs, Home-Based, Inpatient Psychiatric, and Wraparound Services), and Time/Distance standards for member knowledge and feedback.
- Dr. Todd Lewicki provided an overview of the Conflict Free Access and Planning (CFAP) requirement and how the CFAP standard could be implemented. Members expressed their viewpoint and provided feedback regarding the need to implement CFAP.
- Sandra Gettel reviewed MSHN Quality items that included performance indicators, performance improvement projects, consumer satisfaction survey results, and the Quality Assessment and Performance Improvement Plan (QAPIP) and received feedback from members regarding practices to improve performance and consumer satisfaction.
- Joseph Wager demonstrated the MSHN Client Portal, discussed plans to implement it to benefit individuals receiving substance use disorder treatment, and received feedback from members on possible documents to include through the portal.



- Brie Elsasser presented information on the 1915(i) State Plan Amendment, spoke about how eligibility is determined through an evaluation and person-centered planning process by the CMHSP, that the population served are individuals with an intellectual or developmental disability, serious emotional disturbance, or serious mental illness, that eligibility is needs-based and involves a substantial functional limitation in self-care, communication, learning, mobility, self-direction, capacity for independent living, or economic self-sufficiency, and members asked questions on eligibility and the differences between the 1915(i)SPA services and waiver services.
- Dan Dedloff reviewed the content of the fiscal year (FY) 2024 Guide to Services Handbook, noted the changes, and members provided feedback on the Handbook content.
- Dan Dedloff reviewed quarterly reporting from the Michigan Department of Health and Human Services (MDHHS) Appeals and Grievances reporting, highlighted trends, and received member feedback regarding the presented report data.
- Dan Dedloff reviewed the RCAC member orientation training developed to help new members understand the role of the MSHN RCAC and how members contribute to the region through their RCAC participation. Members reviewed and approved the training content for use.
- Kara Hart & Evan Godfrey reviewed updates for Home and Community Based Services (HCBS), reviewed a MSHN developed survey tool intended to assess the individual's satisfaction with HCBS services and their service provider. Members provided feedback on the draft survey tool and expressed their support for surveying individuals to receive feedback on their satisfaction with HCBS services and their service providers.
- Dan Dedloff reviewed the updated MSHN website, members reported liking how bright and clean the website looked, that the homepage was simple and clear, it seemed less complicated, and provided feedback to ensure CMHSP website links are easy to find, that the provider directory search fields along the right side of the page should be moved to the left, and to clarify what help 988 offers.
- Rusmira Bektas reported on changes within MSHN regarding SUD Access. She spoke about how MSHN will manage referrals through an access department for withdrawal management, residential SUD treatment, and recovery housing. The changes will help to eliminate duplicate screenings for individuals seeking services, ensure individuals are referred to the most appropriate level of care for their needs, support member choice of providers, and improve the tracking of service utilization.

Members asked questions and encouraged the changes to assist individuals seeking SUD services.

- Kim Zimmerman led a review of the FY2026 – FY2027 MSHN Strategic Plan. She highlighted items relevant to RCAC members. Members asked questions, provided feedback, and supported the direction of the MSHN Strategic Plan.
- Dan Dedloff reviewed recommendations from the 2024 Health Services Advisory Group (HSAG) Compliance review regarding the Adverse Benefit Determination (ABD) Notice process. He spoke of simplifying how services are listed on the ABD, improving the citations used to support the ABD decision, and ensuring the ABD content meets plain language and grade-level requirements. Members supported the enhancements as ways to help individuals better understand ABD Notices.
- Sherrie Donnelly provided an overview of the Michigan Medicaid Recovery Incentive (RI) Pilot. The primary goal of the RI Pilot is to improve health outcomes for beneficiaries struggling with stimulant use disorder and/or opioid use disorder. Members were interested in the program information, asked questions, and supported the initiative.

Members have helped the MSHN region by enhancing awareness of the vital role of stakeholder feedback in strategic planning, advocacy, and service implementation throughout the region through their participation, interest, questions, and feedback. Members represent the voices of individuals served by contributing their valuable experiences to MSHN operations.



**Background:**

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

**Recommended Motion:**

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

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

Columns Identifiers						
A	B	C	D	E	F	
				(C - D)	(C / B)	
	Budget Annual	Actual Year-to-Date	Budget Year-to-Date	Budget Difference	Actual % of Budget	
Rows Numbers	FY25 Original Budget		FY25 Original Budget			
1	66.67%					
2	Revenue:					
3	Grant and Other Funding	\$ 280,000	469,753	186,667	283,086	167.77 %
4	Prior FY Medicaid Carryforward	\$ 0	0	0	0	
5	Medicaid Capitation	904,524,545	584,038,233	603,016,363	(18,978,130)	64.57%
6	Local Contribution	1,550,876	1,163,157	1,033,917	129,240	75.00%
7	Interest Income	2,500,000	721,530	1,666,667	(945,136)	28.86%
8	Non Capitated Revenue	18,132,736	10,260,494	12,088,490	(1,827,998)	56.59%
9	Total Revenue	926,988,157	596,653,167	617,992,104	(21,338,938)	64.36 %
10	Expenses:					
11	PIHP Administration Expense:					
12	Compensation and Benefits	9,181,634	5,257,764	6,121,089	(863,325)	57.26 %
13	Consulting Services	223,800	61,690	149,200	(87,510)	27.56 %
14	Contracted Services	126,350	76,698	84,233	(7,535)	60.70 %
15	Other Contractual Agreements	679,700	389,256	453,134	(63,878)	57.27 %
16	Board Member Per Diems	20,820	7,700	13,880	(6,180)	36.98 %
17	Meeting and Conference Expense	214,043	85,756	142,695	(56,939)	40.06 %
18	Liability Insurance	34,590	32,369	23,060	9,309	93.58 %
19	Facility Costs	192,636	123,127	128,424	(5,297)	63.92 %
20	Supplies	371,650	133,060	247,767	(114,708)	35.80 %
21	Other Expenses	1,076,330	953,141	717,553	235,589	88.55 %
22	Subtotal PIHP Administration Expenses	12,121,553	7,120,561	8,081,035	(960,474)	58.74 %
23	CMHSP and Tax Expense:					
24	CMHSP Participant Agreements	822,423,444	521,666,966	548,282,296	(26,615,330)	63.43 %
25	SUD Provider Agreements	67,318,827	38,997,553	44,879,218	(5,881,665)	57.93 %
26	Benefits Stabilization	1,610,000	7,289,794	1,073,333	6,216,460	452.78 %
27	Tax - Local Section 928	1,550,876	1,163,157	1,033,918	129,240	75.00 %
28	Taxes- IPA/HRA	51,290,698	32,527,926	34,193,798	(1,665,872)	63.42 %
29	Subtotal CMHSP and Tax Expenses	944,193,845	601,645,396	629,462,563	(27,817,167)	63.72 %
30	Total Expenses	956,315,398	608,765,957	637,543,598	(28,777,641)	63.66 %
	Excess of Revenues over Expenditures	\$ (29,327,241)	\$ (12,112,790)	\$ (19,551,494)		

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

Column Identifiers					
A	B	C	D	B + C	
Row Numbers		Behavioral Health Operating	Medicaid Risk Reserve	Total Proprietary Funds	
1	Assets				
2	Cash and Short-term Investments				
3	Chase Checking Account	9,196,762	0	9,196,762	1a
4	Chase MM Savings	10,364,732	0	10,364,732	
5	Savings ISF Account	0	30,711,348	30,711,348	1b
6	Savings PA2 Account	3,559,933	0	3,559,933	1c
7	Investment PA2 Account	3,499,716	0	3,499,716	1c
8	Investment ISF Account	0	11,999,611	11,999,611	1b
9	Total Cash and Short-term Investments	\$ 26,621,143	\$ 42,710,959	\$ 69,332,102	
10	Accounts Receivable				
11	Due from MDHHS	56,489,195	0	56,489,195	2a
12	Due from CMHSP Participants	4,733,699	0	4,733,699	2b
13	Due from Other Governments	561,189	0	561,189	2c
14	Due from Miscellaneous	369,105	0	369,105	2d
15	Due from Other Funds	7,279,203	0	7,279,203	2e
16	Total Accounts Receivable	69,432,391	0	69,432,391	
17	Prepaid Expenses				
18	Prepaid Expense Rent	4,529	0	4,529	2f
19	Prepaid Expense Other	12,262	0	12,262	2g
20	Total Prepaid Expenses	16,791	0	16,791	
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	(138,572)	0	(138,572)	
26	Total Fixed Assets, Net	12,597	0	12,597	
27	Total Assets	\$ 96,082,922	\$ 42,710,959	\$ 138,793,881	
28					
29	Liabilities and Net Position				
30	Liabilities				
31	Accounts Payable	\$ 6,808,306	\$ 0	\$ 6,808,306	1a
32	Current Obligations (Due To Partners)				
33	Due to State	31,437,199	0	31,437,199	3a
34	Other Payable	5,189,676	0	5,189,676	3b
35	Due to Hospitals (HRA)	28,133,675	0	28,133,675	1a, 3c
36	Due to State-IPA Tax	922,211	0	922,211	3d
37	Due to CMHSP Participants	11,531,184	0	11,531,184	3e
38	Due to other funds	0	7,279,203	7,279,203	3f
39	Accrued PR Expense Wages	207,947	0	207,947	3g
40	Accrued Benefits PTO Payable	453,683	0	453,683	3h
41	Accrued Benefits Other	24,134	0	24,134	3i
42	Total Current Obligations (Due To Partners)	77,899,709	7,279,203	85,178,912	
43	Lease Liability	13,334	0	13,334	2j
44	Deferred Revenue	6,109,902	0	6,109,902	1b 1c
45	Total Liabilities	90,831,251	7,279,203	98,110,454	
46	Net Position				
47	Unrestricted	5,251,671	0	5,251,671	3j
48	Restricted for Risk Management	0	35,431,756	35,431,756	1b
49	Total Net Position	5,251,671	35,431,756	40,683,427	
50	Total Liabilities and Net Position	\$ 96,082,922	\$ 42,710,959	\$ 138,793,881	

# Mid-State Health Network

## Financial Statement Notes

### For the Eight-Month Period Ended, May 31, 2025

**Please note: The Preliminary Statement of Net Position contains Fiscal Year (FY) 2024 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 final MDHHS Financial Status Report (FSR) submitted in February 2025. The Statement of Net Position will be final after MSHN's Compliance Examination is completed as the report will also include CMHSP adjustments.**

#### **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 49 col C). The investment portfolio has been temporarily reduced and moved to ISF Savings should the Region need to access funds for service delivery and other operational expenses. Internal Service Funds are used to cover the Region's risk exposure. In the event current Fiscal Year revenue is spent, and all prior year savings are exhausted, PIHPs can transfer ISF dollars and use them for remaining costs.
- c) The Savings PA2 account holds PA2 funds and is also offset by the Deferred Revenue liability account and investments exceeding \$3.49 M.

##### **2. Accounts Receivable**

- a) Approximately 35% of the balance results from Certified Community Behavioral Health Centers' (CCBHC) supplemental funding which covers all mild to moderate recipients. Supplemental funding also covers a portion of the Prospective Payment System (PPS-1) for individuals with Severe Mental Impairments (SMI)/Severe Emotional Disturbance (SED)/Substance Use Disorder (SUD). In addition, more than 50% of the balance results October through May Hospital Rate Adjustor (HRA) amounts. Lastly, the remaining balance stems from miscellaneous items.
- b) Due From CMHSP Participants reflect FY 2024 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	4,718,564.99	-	4,718,564.99
Tuscola	15,133.46	-	15,133.46
<b>Total</b>	<b>4,733,698.45</b>	<b>-</b>	<b>4,733,698.45</b>

- c) Due from other governments account consists of Public Act 2 amounts owed from six counties for FY 25 quarter two liquor tax collections.
- d) The balance in Due From Miscellaneous is split 39% and 61% (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 is 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 MSHN's filing platform Box with 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.
- 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) Due To CMHSP represents FY 24 cost settlement figures based on the MDHHS Final FSR. These amounts will be paid during the region's final cost settlements, which generally occur in May or after Compliance Examinations are complete.

CMHSP	Cost Settlement	BHH Settlement	Payments/Offsets	Total
Central	6,202,179.56	(2,495.84)	5,397,005.00	802,678.72
Gratiot	2,453,101.64	(311.98)	1,851,292.00	601,497.66
Huron	2,578,086.91	-	2,222,821.00	355,265.91
The Right Door	763,957.29	-	-	763,957.29
Lifeways	10,283,756.93	-	8,002,409.00	2,281,347.93
Montcalm	187,616.19	(1,559.90)	423,939.00	(237,882.71)
Newaygo	1,531,762.19	-	1,231,576.00	300,186.19
Saginaw	6,837,281.68	(173,148.90)	-	6,664,132.78
<b>Total</b>	<b>39,040,022.00</b>	<b>(13,975.48)</b>	<b>27,494,862.75</b>	<b>11,531,183.77</b>

- f) This liability represents the anticipated remaining ISF transfer that will be made from the Medicaid Risk Reserve fund into Behavioral Health Operations. Please see Statement of Net Position 2e for more details.
- g) Accrued Payroll Expense Wages represent expenses incurred in May and paid in June.
- h) Accrued Benefits PTO (Paid Time Off) is the required liability account set up to reflect paid time off balances for employees.
- i) Accrued Benefits Other represents retirement benefit expenses incurred in May and paid in June.
- j) The Unrestricted Net Position represents the difference between total assets, total liabilities, and the restricted for risk management figure.

**Statement of Activities – Column F calculates the actual revenue and expenses compared to the full year’s original budget. Revenue accounts whose Column F percent is less than 66.67% translate to MSHN receiving less revenue than anticipated/budgeted. Expense accounts with Column F amounts greater than 66.67% 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 will 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. While capitation dollars are less than projected, MDHHS issued a mid-year rate adjustment in June and the estimate for additional regional revenue is approximately \$35 M. The adjusted revenue implies the advocacy efforts performed by MSHN were compelling. If MSHN does receive the anticipated \$35 M, the region will maintain the ISF balance of \$34 M and will end the Fiscal Year with 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. There are two areas with significant variances. Compensation and Benefits is the first and this variance should decrease throughout the fiscal year as budgeted positions are filled. 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. In addition, benefit stabilization amounts are paid to CMHSP for SUD access activities and assist with cash flow needs. Three CMHSPs have received extra cash flow to cover operational expenditures in excess of their PEPM.
- c) SUD provider payments are less than anticipated and paid based on need. (Please see Statement of Activities 1c and 1f.)
- d) 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 May 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	9,999,732.77			
UNITED STATES TREASURY BILL	912797QU4	5.20.25	5.22.25	9.16.25		1,999,878.23	1,999,878.23			
JP MORGAN INVESTMENTS							11,999,611.00			11,999,611.00
JP MORGAN CHASE SAVINGS							30,459,900.43	0.020%	251,447.62	30,711,348.05
							<u>\$ 42,459,511.43</u>		<u>\$ 251,447.62</u>	<u>\$ 42,710,959.05</u>

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

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

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



MID-STATE HEALTH NETWORK  
SCHEDULE OF PA2 SAVINGS INVESTMENTS  
As of May 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%	3,111.16	3,559,933.42
							<u>\$ 7,056,537.63</u>		<u>\$ 3,111.16</u>	<u>\$ 7,059,648.79</u>

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

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

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

**Background**

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

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

Therefore, MSHN presents the attached 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 NEW AND RENEWING CONTRACTS					
July 2025					
CONTRACTING ENTITY	PROVIDERS	CONTRACT TERM	CURRENT FY25 COST	FY25 TOTAL COST	FY25
	COST REIMBURSEMENT PROJECTS/PROGRAM DESCRIPTION		REIMBURSEMENT CONTRACT AMOUNT	REIMBURSEMENT CONTRACT AMOUNT	INCREASE/ (DECREASE)
PIHP ADMINISTRATIVE FUNCTION CONTRACTS					
Hazelton Publishing	SUD Provider EBP Supplies & Materials	7.1.25 - 9.29.25	85,000	201,247	116,247
			\$ 85,000	\$ 201,247	\$ 116,247
CONTRACTING ENTITY	CONTRACT SERVICE DESCRIPTION (Revenue Contract)	CONTRACT TERM	CURRENT FY25	FY25 TOTAL	FY25
			CONTRACT AMOUNT	CONTRACT AMOUNT	INCREASE/ (DECREASE)
Michigan Department of Health & Human Services (EGRAMS)	Veteran's Systems Navigator	10.1.24 - 9.30.25	\$ 110,000	130,542	20,542
	Treatment & Access Management	10.1.24 - 9.30.25	\$ 6,481,639	6,631,639	150,000
	Prevention	10.1.24 - 9.30.25	\$ 2,190,162	2,345,162	155,000
	SUD - Administration	10.1.24 - 9.30.25	\$ 720,182	565,182	(155,000)
	SUD Services - Women's Specialty Services	10.1.24 - 9.30.25	\$ 929,872	779,872	(150,000)
			\$ 10,431,855	\$ 10,452,397	\$ 20,542

**Jackson, MI** - Recently, the Michigan Department of Health and Human Services (MDHHS) announced that it would issue a request for proposals (RFP) for Pre-Paid Inpatient Health Plans (PIHPs). Michigan's 10 PIHPs provide managed care functions for services and supports provided by behavioral healthcare providers, including Community Mental Health Service Providers.

At the time of this press release, MDHHS plans to structure the RFP in a way that renders current PIHPs ineligible to bid, essentially eliminating the PIHPs and their publicly appointed consumer-driven boards. While this action may have been well-intended, it will silence the voice of consumers.

Michigan has a long history of supporting consumer choice, including requiring consumers and family members to be CMHSP and PIHP board members. Consumers are proud to be full participants in the administration of the network and have served the citizens of Michigan with distinction. They attend committee and board meetings every week, providing a clear and transparent voice on how mental health policies and procedures directly affect their treatment plans and quality of life. Nowhere else in private industry or governmental agencies do consumers have such a large and powerful platform to be seen and heard.

If this RFP process goes forward, consumers will be devastated, and we, as board members, if we do nothing, will be responsible for the destruction of our public consumer-driven mental health system. Ask yourself, who speaks for us, the consumer? Currently, board members speak for us, and it's time to speak up. We should be working together – all of us – existing PIHPs and CMHSPs to find a way or to create an entity that would be eligible to bid—an entity with a public consumer-driven board and leadership vetted and hired by a publicly appointed, consumer-driven board. It's time to block out the noise around lawsuits and legality; it's time for ideas and strategies – and mostly actions – that will preserve our public system; the board association (CMHA) will lead resistance efforts and will work to change or defeat this initiative. Meanwhile, we need to open another front in this battle for consumer voice.

It's time to exercise your authority as a duly appointed board member and demand accountability from leadership and ourselves. We cannot stand by and watch the consumer voice be crushed without providing an alternative to the current narrative around who can bid on these new regions. We should have no preference on which PIHP or individual leads this effort; we just need our fellow board members to agree to come up with a plan. After all, this is the only action which we, as board members, have total control.

Use your voice and demand a plan of action that gives us a chance to bid on these new regions. If we continue to stand around and wait for someone to save us, we

will certainly lose. Our voice will be headquartered in another state, and the loss of local control and choice will only be the beginning of a complete takeover of our beloved public mental health system. If we continue down this path of waiting and seeing happens, we will be responsible for the shameful dismantling of a system that has, without hesitation, promoted and listened to consumers as equals instead of as numbers on a spreadsheet.

I have been a CMHSP Board member for over 35 years, it has been my honor to serve the men and woman in this state suffering from mental illness and substance use disorder. I watched my brother deal with his schizophrenia every day by fighting through obstacles and barriers until his death 2 years ago. He fought back against his illness without hesitation every day. Don't we owe this system and our consumers our best effort, or do we just wait and see what happens?

Mid-State Health Network (MSHN) Board of Directors Meeting  
Tuesday, May 13, 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 5:03 p.m. Mr. Woods reminded members that those participating by phone may not vote on matters before the board unless absent due to military duty, disability, or health-related condition and the Board Member Conduct Policy, emphasizing that members seek recognition from the chair and honor time limits. Mr. Woods introduced new board members: Patrick Conley, appointed from Bay-Arenac Behavioral Health; and Tim Hanna, appointed from Community Mental Health Authority of Clinton, Eaton and Ingham Counties. Ms. Amanda Ittner introduced MSHN's newest staff members: Cathy Todd, Database and Report Coordinator; Christina Romero, SUD Care Navigator; and MarChare Canada, Treatment Specialist along with current staff members: Steve Grulke, Chief Information Officer and Cammie Myers, Utilization Management Administrator. Mr. Woods also welcomed Ms. Sara Lurie, Chief Executive Officer of Community Mental Health Authority of Clinton, Eaton and Ingham Counties.

**2. Board Member Ten Year Service Recognitions**

Chairperson Woods, Ms. Amanda Ittner, and Mr. Joe Sedlock expressed gratitude to board members that have served on the board for ten consecutive years, and each were presented with a plaque in acknowledgement of appreciation from MSHN. The board members recognized were David Griesing and Deb McPeek-McFadden.

**3. Roll Call**

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

**Board Member(s) Present:** Greg Brodeur (Shiawassee), Patrick Conley (BABH), David Griesing (Tuscola), Dan Grimshaw (Tuscola), 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), Tracey Raquepaw (Saginaw), Kerin Scanlon (CMH for Central Michigan)-joined at 5:15 p.m., Richard Swartzendruber (Huron), Joanie Williams (Saginaw), and Ed Woods (LifeWays)

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

**Board Member(s) Absent:** Brad Bohner (LifeWays), Ken DeLaat (Newaygo), Cindy Garber (Shiawassee), and Lori Schultz (Newaygo)

**Staff Member(s) Present:** Joseph Sedlock (Chief Executive Officer), Amanda Ittner (Deputy Director), Leslie Thomas (Chief Financial Officer), Sherry Kletke (Executive Support Specialist), Steve Grulke (Chief Information Officer), Cathy Todd (Database and Report Coordinator), Cammie Myers (Utilization Management Administrator), Christina Romero (SUD Care Navigator), and MarChare Canada (Treatment Specialist)

#### 4. Approval of Agenda for May 13, 2025

Board approval was requested for the Agenda of the May 13, 2025, Regular Business Meeting.

**MOTION BY DEB McPEEK-McFADDEN, SUPPORTED BY KURT PEASLEY, FOR APPROVAL OF THE AGENDA OF MAY 13, 2025 REGULAR BUSINESS MEETING, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.**

#### 5. Public Comment

There was no public comment.

#### 6. FY2024 Audit Presentation

Ms. Christina Schaub, from Roslund, Prestage and Company presented the financial audit of MSHN for fiscal year 2024. The opinion rendered by Roslund, Prestage and Company is that MSHNs financial statements present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Pre-paid Inpatient Health Plan (PIHP), as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. This opinion is the highest level available. Mr. Ed Woods thanked Ms. Schaub and the team at Roslund, Prestage and Company for their ongoing assistance with MSHN financial audits. Mr. Woods also wished to thank Ms. Leslie Thomas for her work in ongoing integrity in leading the financial management of MSHN. Ms. Schaub expressed appreciation on behalf of Roslund, Prestage and Company to Ms. Leslie Thomas and the Finance team for being well prepared for the audit every year. Mr. Joe Sedlock also acknowledged Leslie Thomas and the team for their daily work attending to the financial details and integrity of the organization.

**MOTION BY PAUL PALMER, SUPPORTED BY TINA HICKS, TO RECEIVE AND FILE THE FY2024 AUDIT REPORT OF MID-STATE HEALTH NETWORK COMPLETED BY ROSLUND, PRESTAGE AND COMPANY. MOTION CARRIED UNANIMOUSLY.**

## **7. 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
  - Federal Action Eliminates about \$350,000 from MSHN Grant
  - Statewide PIHP Financial Information
  - Conflict Free Access and Planning Update
  - Competitive Procurement of PIHPs
  - MSHN Staff Retention Strategy
- State of Michigan/Statewide Activities – See written report for details.
  - KB Lawsuit Update
- Federal/National Updates and Activities
  - Health and Human Services (HHS), Substance Abuse and Mental Health Services Administration (SAMHSA), Certified Community Behavioral Health Clinics (CCBHCs)
  - Federal Poverty Guidelines
  - Key Facts About Medicaid Integrity (Fraud, Waste, Abuse)

## **8. Deputy Director's Report**

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

- Staffing Update
- Substance Use Disorder Oversight Policy Board Members Receive Ten Year Awards
- Annual Disclosure of Ownership, Controlling Interest, and Criminal Convictions
- Provider Network Adequacy Assessment (NAA) – FY2024
- Balanced Scorecard for FY2025

Ms. Ittner presented an overview of the FY2024 Network Adequacy Assessment included within the board meeting packet to board members. Mr. Sedlock acknowledged Ms. Ittner and all others involved in compiling this very complex information. Mr. Woods asked Mr. Sedlock to pass along appreciation on behalf of the board to the Community Mental Health Service Programs for all their work in providing the services to the beneficiaries.



## **9. Chief Financial Officer's Report**

Ms. Leslie Thomas provided an overview of the FY2025 Financial Analysis and financial statements included within board meeting packets for the period ended March 31, 2025.

**MOTION BY JOHN JOHANSEN, SUPPORTED BY PAUL PALMER, TO RECEIVE AND FILE THE PRELIMINARY STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES FOR THE PERIOD ENDED MARCH 31, 2025, AS PRESENTED. MOTION CARRIED UNANIMOUSLY.**

Ms. Tina Hicks left the meeting at 6:41 p.m.

## **10. 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 DAN GRIMSHAW, SUPPORTED BY JOHN JOHANSEN TO AMEND MOTION TO RESCIND CONTRACT WITH MILLIMAN. MOTION CARRIED UNANIMOUSLY.**

**MOTION BY PAUL PALMER, SUPPORTED BY KURT PEASLEY, 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.**

## **11. Executive Committee Report**

Mr. Ed Woods informed board members the Executive Committee met on April 18, 2025, and the committee reviewed the list of board members that have completed, or are in the process of, the BoardWorks training offered by the Community Mental Health Association of Michigan (CMHA). The Executive Committee encourages full certification for all board members. Other material reviewed has been discussed earlier in this meeting and the notes from the Executive Committee meeting are found under the Consent Agenda item in the packet.

## **12. Chairperson's Report**

Mr. Ed Woods called on Mr. David Griesing for a report following his attendance at the National Council on Mental Wellbeing Annual Conference that took place on May 5-7, 2025.

Mr. Woods asked for volunteer(s) to act as voting delegates for the CMHA Member Assembly Meeting coming up at the Summer Conference on June 9, 2025, in Traverse City. Mr. David Griesing will be the delegate for MSHN. MSHN Administration will provide Mr. Griesing's name to CMHA.

## **13. Approval of Consent Agenda**

Board approval was requested for items on the consent agenda as listed in the motion below, and as presented with a correction to the PA2 Fund Use Policy to correct two 50% figures to 40% to reflect the updated 40% distribution ratio of the PA2 funds from the

counties to MSHN for use in substance abuse treatment programs within the county that generated the revenue.

**MOTION BY JOHN JOHANSEN, SUPPORTED BY PAUL PALMER, TO APPROVE THE FOLLOWING DOCUMENTS ON THE CONSENT AGENDA: APPROVE MINUTES OF THE MARCH 4, 2025 BOARD OF DIRECTORS MEETING; RECEIVE BOARD EXECUTIVE COMMITTEE MEETING MINUTES OF APRIL 18, 2025; RECEIVE POLICY COMMITTEE MEETING MINUTES OF APRIL 1, 2025; RECEIVE OPERATIONS COUNCIL KEY DECISIONS OF FEBRUARY 25, 2025, MARCH 17, 2025, AND APRIL 21, 2025; AND TO APPROVE ALL THE FOLLOWING POLICIES WITH THE CORRECTION TO THE PA2 FUND USE POLICY: APPOINTED MEMBER COMPENSATION, CASH MANAGEMENT, CASH MANAGEMENT-ADVANCES, CASH MANAGEMENT-BUDGET & OVERSIGHT, CASH MANAGEMENT-COST SETTLEMENT, COSTING POLICY, FINANCIAL MANAGEMENT, FIXED ASSET DEPRECIATION, FOOD EXPENSE, INVESTMENT, PA2 FUND USE, PA2 INTEREST ALLOCATION, PROCUREMENT, RISK MANAGEMENT-INTERNAL SERVICE FUND, SUD-TREATMENT-INCOME ELIGIBILITY & FEES, TRAVEL, AND ADMINISTRATIVE & RETAINED CONTRACT MONITORING & OVERSIGHT. MOTION CARRIED UNANIMOUSLY.**

**14. Other Business**

There was no other business.

**15. Public Comment**

There was no public comment.

**16. Adjournment**

The MSHN Board of Directors Regular Business Meeting adjourned at 6:55 p.m.

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

Friday, June 20, 2025 - 9:00 a.m.

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

Members Absent: None

Others Present: Greg Brodeur, Board Member; Amanda Ittner, MSHN Deputy Director; Joseph Sedlock, MSHN Chief Executive Officer

1. **Call to order:** Vice-Chairperson O'Boyle called this meeting of the MSHN Board Executive Committee to order at 9:02 a.m.

2. **Adjustments to and Approval of Agenda:** Motion by K. Peasley, supported by D. McPeek-McFadden, to approve the agenda for this meeting as presented. Motion carried.

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

### 4. **Board Matters**

4.1 **Draft July 1, 2025 Governing Board Meeting Agenda:** The Executive Committee reviewed the July 1, 2025 Draft Board Meeting Agenda, noting the agenda is not final until approved by the board at the meeting. MSHN will add some changes to the Compliance Plan that are required by the MDHHS Office of the Inspector General. The Board Development Customer Services Presentation will not take place as planned due to the request of the presenters. Information will be included in the Deputy Director's Board Report. J. Sedlock will add an item at the end of the agenda for a closed session discussion of a matter related to his employment contract (see conflict of interest discussion below). No other changes were recommended.

4.2 **September Election of Officers – Form Nominating Committee:** Elections are to be held at the September 9, 2025 Board Meeting. Chairperson Woods will ask for volunteer members at the July board meeting to develop a slate of officers for FY 26.

4.3 **FY 26 Tentative Schedule of Board Meetings – November 2024 (Election Day):** The tentative FY 26 board meeting schedule was presented for review. The November 4, 2025 meeting falls on election day. In the past, many MSHN board members, especially those running for office, preferred not to hold a meeting on election day and other working board members prefer to be able to vote in the evening. If rescheduled, the following Monday (11/11/25) is Veteran's Day, with MSHN offices being closed on that date. Motion by D. McPeek-McFadden, supported by D. Griesing to recommend that the November board meeting be scheduled for November 18, 2025. Motion carried.

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

### 5. **Administration Matters**

5.1 **MSHN Financial Status Update:** J. Sedlock reported that MDHHS has authorized a statewide rate increase. MSHN has revised its calculations and now projects a current year revenue increase of about \$35M and a current year end surplus (assuming all variables remain constant) of about \$11.5M.

5.2 **MDHHS Competitive Procurement of PIHPs – Update:** J. Sedlock and A. Ittner reported that there have been no official communications from MDHHS related to the PIHP procurement announced earlier this year. Current PIHPs are not eligible to bid under currently published anticipated contract requirements. Acting with support of the board, MSHN has been exploring all available alternatives to participate in the bidding process. Many have been ruled out, and only one or two pathways seem viable. Those pathways, however, are very involved, complicated, and constitute distant/remote possibilities.

- MSHN-Developed Concept Paper: MSHN has developed a concept paper that describes the creation of a new, bid-eligible, regional entity. MSHN sees this path as the most viable path to retain entity public management of the behavioral health system. It is an idea. It details one way to do it, and there are improvements that can be made along the way. The concept paper was distributed to our CMHSP Participant Chief Executive Officers, to the Chief Executives of the other four PIHPs in the new Central Region, then to all PIHP CEOs and to the CMH Association of Michigan. The Concept Paper was included in the Executive Committee packet that was distributed to all board members.
- MSHN All-Staff Meeting: MSHN held an in-person all-staff meeting on June 12, 2025 in Mt. Pleasant. A. Ittner and J. Sedlock discussed in detail what is known, what is not known, and potential options to pursue to participate in the procurement process. They also addressed many questions of our employees relating to the procurement and related human resources matters.
- MSHN Revised Retention/Severance Plan: J. Sedlock reported that based on feedback from the Executive Committee and some regional CMHSP participants, he revised the original staff retention plan to remove compensation adjustments and retain severance-related provisions. This was distributed to and discussed with MSHN staff at the June 12, 2025 all staff meeting.
- Conflict of Interest: The regional operations council supported, along with a formal MSHN Board approved motion in March 2025 to support MSHN pursuing all available options to participate in the MDHHS procurement of PIHPs. MSHN has been identifying, ruling out, and ruling in options. Some of those options may be seen by others as in conflict with the CEO's responsibilities to act exclusively in the interests of MSHN and could be viewed to be an actual or appearance of conflict of interest on the part of the MSHN CEO. To avoid any possible misinterpretation or appearance of conflict of interest, J. Sedlock stated his intention to request that the board waive conflict of interest provisions of his employment contract and MSHN Policy so that the pursuit of options to promote continued public management of the behavioral health system, especially including options for MSHN to participate in the procurement process and/or to continue as a regional entity, can continue with full board knowledge and support. The Executive Committee acknowledges the potential for the appearance of conflict of interest and supports his request for closed session board discussion and potential action.

5.3 Conflict Free Access and Planning Update (Brief): A. Ittner briefed the Executive Committee that at the last PIHP/MDHHS operations meeting, MDHHS indicated that the requirements of conflict free access and planning would be "coordinated with" the PIHP Procurement Process. MSHN takes this to mean that the MDHHS will not require the separation of planning functions from service delivery functions until a new PIHP contract is awarded, currently planned to be effective 10/01/26.

5.4 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: 08/15/2025, 9:00 a.m.

7. **Guest MSHN Board Member Comments**: G. Brodeur recommended considerations on asset allocations to CMHSPs in the event of dissolution of MSHN. Clarification that MSHN requirements on regional financial management do not include a requirement for balanced budgets, do include requirements for continued focus on cost containment strategies, and reiterates that MSHN will not consider or approve cost containment strategies that involve reducing beneficiary services and supports for financial reasons in the region.

8. **Adjourn**: Chairperson Woods adjourned this meeting of the MSHN Board Executive Committee at 10:09 a.m.

**Mid-State Health Network SUD Oversight Policy Advisory Board**

**Wednesday, February 19, 2025, 4:00 p.m.**

**CMH Association of Michigan (CMHAM)**

**507 S. Grand Ave  
Lansing, MI 48933**

**Meeting Minutes**

**1. Call to Order**

Vice-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. Mr. Kolk welcomed new members, Emily Rayburn appointed from Gratiot County, Todd Gambrell appointed from Midland County and Jacob Gross appointed from Clare County. New alternate members Nicole Fickes appointed from Clinton County, Tanya Pratt appointed from Ingham County and Jim Mott appointed from Eaton County were also welcomed.

**Board Member(s) Present:** Lori Burke (Shiawassee), Irene Cahill (Ingham), Bruce Caswell (Hillsdale), Todd Gambrell (Midland), Jacob Gross (Clare), Charlean Hemminger (Ionia), John Hunter (Tuscola), Bryan Kolk (Newaygo), John Kroneck (Montcalm), Karen Link (Huron), Jim Moreno (Isabella), Emily Rayburn (Gratiot), and Dwight Washington (Clinton)

**Board Member(s) Remote** Ed Woods (Jackson) – joined at 4:33 p.m.

**Board Member(s) Absent:** Lisa Ashley (Gladwin), Christina Harrington (Saginaw), Justin Peters (Bay), Jerrilynn Strong (Mecosta), Kim Thalison (Eaton), David Turner (Osceola), and Rachel Vallad (Arenac)

**Alternate Member(s) Present:** Nicole Fickes (Clinton), Jim Mott (Eaton), and Tanya Pratt (Ingham)

**Alternate Member(s) Remote** Margery Briggs (Ionia)

**Staff Members Present** Amanda Ittner (Deputy Director), Leslie Thomas (Chief Financial Officer), Dr. Trisha Thrush (Director of Substance Use Disorder Services and Operations); Sarah Andreotti (SUD Prevention Administrator), and Sherry Kletke (Executive Support Specialist)

**Staff Members Remote** Kate Flavin (SUD Treatment Administrator), Sherrie Donnelly (Treatment and Recovery Specialist), Beth LaFleche (Treatment Specialist), and Sarah Surna (Prevention Specialist)

**BOARD APPROVED JUNE 18, 2025**

**2. Roll Call**

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

**3. Approval of Agenda for February 19, 2025**

Board approval was requested for the Agenda of the February 19, 2025 Regular Business Meeting, as presented.

**MOTION BY JOHN HUNTER, SUPPORTED BY JIM MORENO, FOR APPROVAL OF THE FEBRUARY 19, 2025 REGULAR BUSINESS MEETING AGENDA, AS PRESENTED. MOTION CARRIED: 14-0.**

**4. Approval of Minutes from the October 16, 2024 Regular Business Meeting**

Board approval was requested for the draft meeting minutes of the October 16, 2024 Regular Business Meeting.

**MOTION BY BRUCE CASWELL, SUPPORTED BY IRENE CAHILL, FOR APPROVAL OF THE MINUTES OF THE OCTOBER 16, 2024, MEETING, AS PRESENTED. MOTION CARRIED: 14-0.**

**5. Public Comment**

There was no public comment

**6. Board Chair Report**

Mr. Bryan Kolk announced the start of the 2025 Organizational Meeting's Board Officer Elections.

- **Election of Chairperson:** Mr. Bryan Kolk called for nominations from the floor for the office of Chairperson.
  - **MOTION BY JOHN HUNTER, SUPPORTED BY JIM MORENO TO NOMINATE BRYAN KOLK FOR THE OFFICE OF CHAIRPERSON AND BEING ONLY ONE NOMINEE FOR CHAIRPERSON, TO CLOSE NOMINATIONS AND CAST A UNANIMOUS BALLOT FOR BRYAN KOLK AS CHAIRPERSON. MOTION CARRIED: 14-0.**
- **Election of Vice-Chairperson:**
  - **MOTION BY BRUCE CASWELL, SUPPORTED BY JOHN KRONECK TO NOMINATE IRENE CAHILL FOR THE OFFICE OF VICE-CHAIRPERSON AND BEING ONLY ONE NOMINEE FOR VICE-CHAIRPERSON, TO CLOSE NOMINATIONS AND CAST A UNANIMOUS BALLOT FOR IRENE CAHILL AS VICE-CHAIRPERSON. MOTION CARRIED: 14-0.**
- **Election of Secretary:**
  - **MOTION BY JOHN HUNTER, SUPPORTED BY JIM MORENO TO NOMINATE DWIGHT WASHINGTON FOR THE OFFICE OF SECRETARY AND BEING ONLY ONE NOMINEE FOR SECRETARY, TO CLOSE NOMINATIONS AND CAST A UNANIMOUS BALLOT FOR DWIGHT WASHINGTON AS SECRETARY. MOTION CARRIED: 14-0.**



## 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 By-Laws Review
- SUD Health Homes (SUDHH) Expansion
- SUD Recovery Housing Services Request for Proposal
- Annual Consumers Served Survey Results

### State of Michigan/Statewide Activities

- Treatment Policy – Off-Site Dosing Released

### Federal/National Activities

- Centers for Medicare and Medicaid Services (CMS)
- National Council for Mental Wellbeing – Model Building the SUD Workforce of the Future Act

## 8. 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 December 2024

## 9. 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 JIM MORENO, SUPPORTED BY IRENE CAHILL, FOR APPROVAL OF THE FY25 SUBSTANCE USE DISORDER (SUD) PA2 CONTRACT LISTING, AS PRESENTED. MOTION CARRIED: 14-0.**

## 10. SUD Operating Update

Dr. Trisha Thrush and Ms. Sarah Andreotti provided an overview of the written SUD Operations Report and the FY24 Q4 SUD County reports included in the board meeting packet, highlighting the below.

BOARD APPROVED JUNE 18, 2025

- Prevention activities related to:
  - Designated Youth Tobacco Use Representatives (DYTURs) timelines and expectations.
  - MPDS (Michigan Prevention Data System) tracking and review
- Opioid Settlement Funds engaging and planning
- Request for Proposal for Recovery Housing
- Planning for implementation of MDHHS Recovery Incentive Pilot for FY25
- Update on SUD withdrawal management and residential expansion
- SUD Health Home expansion
- Redhead Creative Consultancy media campaign focused on reducing SUD stigma

**11. Other Business**

There was no other business.

**12. Public Comment**

There was no public comment.

**13. Board Member Comment**

There were no further board member comments.

**14. Adjournment**

Chairperson Bryan Kolk adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 4:53 p.m.

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



**Mid-State Health Network SUD Oversight Policy Advisory Board**

**Wednesday, April 16, 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 4:07 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.

**Board Member(s) Present:** Lori Burke (Shiawassee), Irene Cahill (Ingham), Bruce Caswell (Hillsdale), Jacob Gross (Clare), John Hunter (Tuscola), Bryan Kolk (Newaygo), Jim Moreno (Isabella), Kim Thalison (Eaton), and Dwight Washington (Clinton)

**Board Member(s) Remote** Emily Rayburn (Gratiot), Ed Woods (Jackson) – joined at 4:32 p.m.

**Board Member(s) Absent:** Lisa Ashley (Gladwin), Todd Gambrell (Midland), Christina Harrington (Saginaw), Charlean Hemminger (Ionia), John Kroneck (Montcalm), Karen Link (Huron), Justin Peters (Bay), Jerrilynn Strong (Mecosta), David Turner (Osceola), and Rachel Vallad (Arenac)

**Alternate Member(s) Present:** Nicole Fickes (Clinton), Charlie Mahar (Montcalm), and Tanya Pratt (Ingham)

**Alternate Member(s) Remote** Susan Svetcos (Gladwin)-joined at 4:22 p.m.

**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 Surna (Prevention Specialist), and Sherry Kletke (Executive Support Specialist)

**Staff Members Remote** Kate Flavin (SUD Treatment Administrator), Sherrie Donnelly (Treatment and Recovery Specialist), and Joe Sedlock (Chief Executive Officer)

**BOARD APPROVED JUNE 18, 2025**

**2. Oversight Policy Board Member Ten Year Service Recognition**

Ms. Amanda Ittner presented Mr. Bruce Caswell and Ms. Kim Thalison each with a plaque in recognition of their 10 years of service on the board.

**3. Roll Call**

Mr. Dwight Washington provided the Roll Call for Board Attendance and informed the Board Chair, Bryan Kolk, that only 10 members were present in-person which does not meet the minimum requirements for a quorum, so no action was taken on action items noted below. Items requiring action will be added to the agenda for the next meeting on June 18, 2025.

**4. Approval of Agenda for April 16, 2025**

No quorum was present to take action to approve the Agenda of the April 16, 2025 Regular Business Meeting, as presented.

**5. Approval of Minutes from the February 19, 2025 Regular Business Meeting**

No quorum was present to take action to approve the draft meeting minutes of the February 19, 2025 Regular Business Meeting.

**6. Public Comment**

There was no public comment

**7. Board Chair Report**

Mr. Bryan Kolk reported a new member orientation was held prior to this meeting.

**8. 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 By-Laws Review
- Michigan Department of Health and Human Services (MDHHS) Press Release
- Health and Human Services (HHS) COVID-19 Grant Termination

**9. Substance Use Disorder Oversight Policy Board Bylaws**

No quorum was present to take action to approve the revisions presented to the Substance Use Disorder Oversight Policy Board Bylaws.

**10. Chief Financial Officer Report**

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

BOARD APPROVED JUNE 18, 2025

- 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 February 2025

**11. Substance Use Disorder PA2 Contract Listing**

No quorum was present to take action to approve the FY25 contract listing as provided in the board meeting packet.

**12. SUD Operating Update**

Dr. Dani Meier provided an overview of the written SUD Operations Report and the FY25 Q1 SUD County reports included in the board meeting packet, highlighting the below.

- Several Grant Funding Cuts
- MPDS (Michigan Prevention Data System) tracking and review
- Opioid Settlement Funds engaging and planning

**13. Other Business**

There was no other business.

**14. Public Comment**

There was no public comment.

**15. Board Member Comment**

There were no further board member comments.

**16. Adjournment**

Chairperson Bryan Kolk adjourned the MSHN SUD Oversight Policy Advisory Board Meeting at 4:42 p.m.

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

**MID-STATE HEALTH NETWORK**  
**BOARD POLICY COMMITTEE MEETING MINUTES**  
**TUESDAY, JUNE 3, 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 10:01 a.m.

**2. APPROVAL OF THE AGENDA**

**MOTION** by David Griesing, supported by Kurt Peasley, to approve the June 3, 2025, Board Policy Committee Meeting Agenda as presented. Motion Carried: 4-0.

**3. POLICIES UNDER DISCUSSION**

There were no policies under discussion.

**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 Human Resources chapter was reviewed by the Professional Employment Organization (CoStaff), Deputy Director and the Chief Executive Officer. The Provider Network Management policies were reviewed by the Compliance Administrator and presented to ensure compliance with external quality review requirements. The Person/Family Centered Plan of Service policy was reviewed by the Chief Behavioral Health Officer to support Michigan Department of Health and Human Services (MDHHS) Waiver required correction action plans.

**CHAPTER: HUMAN RESOURCES**

1. EMPLOYEE COMPENSATION
2. PERFORMANCE EVALUATION
3. PERSONNEL MANUAL
4. POSITION MANAGEMENT
5. PUBLIC HEALTH EMERGENCY NOTICE
6. REIMBURSEMENT POLICY FOR CREDENTIALS, LICENSURE AND MEMBERSHIPS
7. SEPARATION
8. SUCCESSION PLANNING

Board Policy Committee June 3, 2025: Minutes are Considered Draft until Board Approved

CHAPTER: PROVIDER NETWORK

1. CREDENTIALING/RE-CREDENTIALING
2. DISCLOSURE OF OWNERSHIP, CONTROL AND CRIMINAL CONVICTIONS

CHAPTER: SERVICE DELIVERY

1. PERSON/FAMILY CENTERED PLAN OF SERVICE

Policy Committee members requested Administration reconsider the Employee Compensation policy in relation to the Special Circumstances compensation section, clarifying oversight and transparency, and request the policy be brought back to Policy Committee for further review.

**MOTION** by Kurt Peasley, supported by David Griesing, to approve and recommend the policies under biennial review with removal of the Employee Compensation policy. Motion carried: 4-0.

**5. NEW BUSINESS**

There was no new business.

**6. ADJOURN**

Mr. John Johansen adjourned the Board Policy Committee Meeting at 10:31 a.m.

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

**REGIONAL OPERATIONS COUNCIL/CEO MEETING**

Key Decisions and Required Action

Date: 05/14/2025

**Members Present:** Chris Pinter; Maribeth Leonard; 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; Carol Mills

**MSHN Staff Present:** Joseph Sedlock; Amanda Ittner; For applicable sections – Leslie Thomas,

Agenda Item		Action Required			
CONSENT AGENDA	No items for discussion				
	Received and acknowledged	By Who	N/A	By When	N/A
REGIONAL SAVINGS ESTIMATES THROUGH MARCH 2025	L. Thomas reviewed the regional savings estimates through March 2025. Still projecting use of \$23m from ISF to cover expenditures HMP expecting to use \$22m to cover the deficit. Autism is \$7m over revenue. Positive \$4m improvement in the March savings estimate compared to December estimate.				
	Received and encourage continued monitoring and implementation of cost containment plans	By Who	N/A	By When	N/A
SERVICE USE ANALYSIS – FOLLOW-UP	L. Thomas reviewed the service use analysis, which now includes specialized residential separated out and the units per consumer calculation.				
	CMHSPs to use analysis in reviewing comparison and identifying target areas for additional follow up.	By Who	CMHSPs	By When	N/A
REGIONAL INTERNAL SERVICE FUND REPLENISHMENT DISCUSSION	J. Sedlock reviewed the preliminary draft for replenishment of the ISF. MSHN is at risk of not meeting the PIHP contract requirement of managing risk and following compliance with the risk corridor. If MSHN doesn't have an ISF it also puts the CMHs at risk as MSHN wouldn't be able to cost settle. MSHN proposed to MDHHS options to designate funding to an ISF based on the North Carolina model. MDHHS couldn't respond due to ongoing litigation of the ISF. Reinsurance was also researched and no reinsurance issuer would take this risk. MSHN exhaustively searched for company that would fund it in the US, Europe, and UK. Along with very high return on investment requirements and unavailable/unwilling insurers, this has been ruled out as an option for financing the ISF. MSHN Board will most likely not fund contracts that are over the anticipated revenue with no ISF. Concerns: <ul style="list-style-type: none"><li>MSHN may need to also reduce its costs along with other in-region cost containment plans.</li><li>Having funds directed to ISF/savings while cutting personnel and potentially services</li></ul>				

Agenda Item	Action Required				
	<ul style="list-style-type: none"> <li>Using PBIP local when GF is already tight or overspent – and it would take 10 years to replenish from this source alone.</li> <li>Service reductions may be the only way to achieve savings to fund the ISF. J. Sedlock stated that MSHN will not – can not under federal regulations and state contract requirements – approve any plan to reduce services to beneficiaries.</li> </ul> <p>MSHN is hopeful that a June rate adjustment may cover the projected current year deficit, but there remains the issue of replenishing what was used to cover results of operations in the prior fiscal year (FY 24)</p>				
	Agenda topic to be included in the future meetings in order to have an implementable strategy at the start of FY26.	By Who	J. Sedlock	By When	7.1.25
<b>AUTISM POLICY RECOMMENDATIONS</b>	<p>T. Lewicki reviewed the Autism Policy Recommendations included in the packet. Additional concerns noted:</p> <ul style="list-style-type: none"> <li>2-3 years old receiving more than 6 hours a day</li> <li>plans of service are highly dominated by 1:1 ABA service delivery and that other combinations of service should be considered, such as Social Skills Group (97158)</li> </ul>				
	Operations Council supported the recommendations and will update Ops council on the progress.	By Who	T. Lewicki	By When	9.1.25
<b>COUNTY OF FINANCIAL RESPONSIBILITY (COFR) POLICY RECOMMENDATIONS</b>	S. Pletcher reviewed the COFR discussion, background and Policy recommendations.				
	Operations Council decision to place this on hold given the uncertainties at the state and federal levels and will be brought back in the future	By Who	S. Pletcher	By When	5.31.25
<b>MENTAL HEALTH FRAMEWORK UPDATE</b>	<p>Reviewed the status slides provided in the packet that MDHHS discussed at the PIHP Operations Meeting. Expected to begin Mental Health Framework in FY27 with the new awardees from the procurement. MDHHS confirmed the following during the meeting:</p> <ul style="list-style-type: none"> <li>No move towards enrollment model; MHFs purpose to clarify MHP coverage for MH services</li> <li>Still reviewing what services will fall under “intensive MH” services covered by MHPs. Mentioned: Inpatient Psych. TCM, Pre-admission Screening</li> <li>PIHPs retain emergency services and services under waivers</li> <li>Still reviewing how CCBHCs will work in this model</li> </ul> <p>Ops Council discussed the ER boarding and communication from the Hospital Association. PIHP/MSHN performance with inpatient prescreening is outstanding and the issue is with placement, not timely screening. Association preparing a rebuttal. The inpatient study conducted in 2017 by MSHN was shared with the group.</p>				

Agenda Item		Action Required			
	Update and discussion provided and MSHN will continue to keep Ops apprised of any further updates.	By Who	J. Sedlock	By When	9.1.25
<b>PIHP PROCUREMENT UPDATE (IF ANY)</b>	PIHPs haven't heard anything from MDHHS. Some rumors that information related to qualified bidders will come out at the end of May. Bid specifications will come out later.				
	Informational Only	By Who	N/A	By When	N/A
<b>CONFLICT FREE ACCESS AND PLANNING UPDATE (IF ANY)</b>	No update on this either. It is possible that CFAP will be considered for FY27 contract with awardees. The National Council gave feedback to CMS to remove CFAP requirements.				
	Informational Only	By Who	N/A	By When	N/A
<b>AUTISM RATE CONFIRMATION</b>	L Thomas discussed the MDHHS request for confirmation of the ABA rate implementation. Discussion with the Finance Council, indicated everyone confirmed contracts and rate adjustment retroactive to November 1, except for Centria as they refuse to sign due to the DCW rate not being added to the ABA rate of \$66. Referrals have also been on pause by BABH due to no contract. L. Thomas will follow up with MDHHS request indicating the above note.				
	Discussion and support to respond as noted.	By Who	L. Thomas	By When	5.25.25
<b>Medicaid Reductions</b>	Discussed the MDHHS Medicaid Funding Stakeholder meeting Local conversations and impact Hospital impact HCBS Waiver impact				
	Discussion Only Add CCBHC direct payment model and risk for next month review.	By Who	J. Sedlock	By When	6.1.25



**REGIONAL OPERATIONS COUNCIL/CEO MEETING**

Key Decisions and Required Action

Date: 06/16/2025

**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, Cassie Watson

**Members Absent:** David Lowe, Jeff Labun

**MSHN Staff Present:** Joseph Sedlock; Amanda Ittner; Leslie Thomas and Kim Zimmerman for applicable areas.

Agenda Item		Action Required			
CONSENT AGENDA	No items removed for discussion				
	Acknowledged and receipt	By Who	N/A	By When	N/A
CCBHC DIRECT PAYMENTS BY MDHHS- IMPACT ON OPERATING AGREEMENT; OPERATONS	<p>L. Thomas reviewed the Operating Agreement in light of the CCBHC direct payment model which MDHHS intends to implement on October 1, 2025. MDHHS will pull revenue from MSHN to pay CCBHCs directly. No proposed changes to the Operating Agreement.</p> <p>No transparency yet on how the funds will be pulled from capitation payment. Leslie requested information on how this will occur and also requested budget information be shared with PIHP. There is also a concern about mid-year rate adjustments that could reduce the capitation. Answers to these questions are necessary to prevent subsidizing CCBHC payments by non-CCBHC CMHSP Participants and the MSHN region.</p> <p>FY26 Revenue estimates will be difficult/impossible to determine without another rate setting certification/meeting with MDHHS. FY25 doesn't include the new adjustment, and our region doesn't have the impact of the CCBHC capitation amount.</p>				
	MSHN will keep CMHSPs/CCBHCs informed if/when we know more.	By Who	N/A	By When	N/A
REGIONAL FINANCING: <ul style="list-style-type: none"><li>RATE INCREASE</li><li>FY 21 MSHN/MDHHS COST SETTLEMENT</li><li>INTERNAL SERVICE FUND REPLENISHMENT DISCUSSION (FOLLOW-UO FROM MAY 2025)</li></ul>	<ul style="list-style-type: none"><li>Rate Increase: Based on the information received in the certification and enrollees, anticipating about \$41m. However, we are cautious as the last rate setting, we calculated an amount that was \$35m more than actual revenue received, which was significantly less. If this comes through at \$41m, we will have a surplus and Leslie recommends using that as savings (opposed to ISF). This decision will be discussed in September.</li><li>MDHHS has issued its FY21 settlement of \$17m due to the State from MSHN. As previously discussed we would bring this back to Ops Council, to discuss further the return. A response is required by the June 19<sup>th</sup>. Recommendation to send a letter saying the settlement for ISF amount is under litigation and MSHN would request a hold on the settlement until the litigation is finalized.</li><li>ISF replenishment discussion, Joe recommends we put this discussion on hold due to procurement and that FY25 expectation of a surplus. Will add this back to the agenda after a determination as to bidder status and/or awardee notice.</li></ul>				

Agenda Item	Action Required				
	MSHN will follow up as indicated above and keep the CMHs informed.	By Who	J. Sedlock	By When	7.15.25
FY 25 COMPLIANCE PLAN – V.2 (REVISIONS)	Kim Zimmerman reviewed the revisions to the Compliance Plan as required by the OIG.				
	Ops Council reviewed and approved the changes presented and will proceed with MSHN Board approval in July.	By Who	K. Zimmerman	By When	7.1.25
FY 25 PRIVACY NOTICE - REVISED	Kim reviewed the revisions to the Privacy Notice as required by the OIG.				
	Ops Council reviewed and approved the changes. More information on the rule will be distributed to the regional Compliance Officer	By Who	K. Zimmerman	By When	7.1.25
PARITY SURVEY	The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) requires group health plans and health insurance issuers to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical/surgical benefits.				
	MDHHS is conducting a new parity assessment to update the results of the previous 2017 parity assessment.				
	The following survey explores these various limits through these activities categories: <ul style="list-style-type: none"><li>• Service Authorization</li><li>• Progressive Therapy/Step Therapy</li><li>• Provider Network, Credentialing and Contracting</li><li>• Medication Prescribing and Monitoring</li><li>• Financial Requirements</li><li>• Disclosure Requirements</li></ul>				
	MSHN staff are working with CLC members to complete the survey. CMHSP-specific folder contains a blank 2025 Parity Survey Tool and a copy of the CMHSP's 2017 submission to assist with submission.				
	The completed survey tool and all supporting policy/procedure documents due by COB 6.27.2025.				
	MSHN will share any findings once received from MDHHS	By Who	A.Ittner	By When	10.1.2025
CARE COORDINATION FOR CHILDREN/YOUTH IN FOSTER CARE	MSHN was recently made aware that at least one CMHSP in the region has been experiencing an uptick in requests for information from Medicaid Health Plan (MHP) care managers regarding children/youth in foster care				

Agenda Item	Action Required				
	<p>in the CMHSP's catchment area. Unfortunately, there has been misinformation communicated from MHP care managers to CMHSP staff about care coordination requirements for this population which has resulted in confusion. We would like to take this opportunity to offer the following guidance and clarification in the event other CMHSPs receive similar requests from MHP care managers.</p> <ul style="list-style-type: none"> <li>MHPs have contractual requirements to perform outreach and care coordination with all treatment providers for children and youth in foster care, including behavioral health providers. Please continue to engage in routine care coordination as you typically do according to your agency's policies/procedures.</li> <li>PIHPs and MHPs have contractual requirements to open joint care plans for a subset of children and youth in foster care who have additional risk factors. These children/youth are identified through a risk stratification tool in CareConnect 360 and care plans are developed during monthly care coordination meetings between the MHP and PIHP. MSHN's Complex Care Coordinator, Carly Wormmeester (copied), communicates with CMHSP points of contact each month about these specific cases. MSHN staff maintain care plan documentation in CareConnect 360 based on the information provided by CMHSP staff. CMHSPs are not required to have written formal care plans with MHPs for children/youth in foster care (or any other populations). This function is not currently delegated to CMHSPs - please direct any requests pertaining to joint care plans back to MSHN.</li> </ul>				
	Contact Skye if your CMHSP receives requests for information from MHPs that are outside the scope of routine care coordination so that we may follow up as needed.	By Who	CMHSPs	By When	As needed
2025/06/05 PIHP OPERATIONS MEETING BRIEFING	<p><b>Conflict Free Access &amp; Planning Update:</b> Will be updating the timeline with the PIHP procurement process. No change from what has been included in the waivers. Also working with CMS on what they can provide to the system prior to procurement announcement.</p> <p><b>Actuarial Update:</b> ESTA &amp; Minimum Wage was not part of the rate change and that will continue to be evaluated. MDHHS need for policy clarification from legislature of the DCW add on for after the September. A supplemental request was conducted a week ago Friday to the legislature. Depending on outcome (and how quickly) another rate change and implementation time frame will be shared.</p> <p><b>Network Adequacy Update:</b> MSHN received preliminary results today and is reviewing for accuracy. Additional report towards the end of the summary with more insights into the data which will be used to amend FY26 reporting requirements. FY26 request (quest?) analytics is be used for ratios and time/distance and will engage PIHPs to provide input.</p>				

Agenda Item	Action Required				
	<p><b>Interoperability and Prior Authorization Rule Update:</b> CMS Interoperability and Prior Authorization Final Rule (CMS-0057-F)   CMS</p> <p>Effective 10.1.2026 for PIHPs (FY27), including 3 points:</p> <ul style="list-style-type: none"> <li>• standard auth with 7 days (decrease from 14), expedited within 72hs</li> <li>• provide a specific reason for denied prior authorization decisions, regardless of the method used to send the prior authorization request. Such decisions may be communicated via portal, fax, email, mail, or phone.</li> <li>• requiring impacted payers to publicly report certain prior authorization metrics annually by posting them on their website.</li> </ul> <p>Assessing the impact of final rule; updating contracts, policies, developing service authorization policies, what requires prior authorization etc. plus an FAQ. Reviewing the quarterly report to help streamline and reduce reporting. MDHHS would like to involve current PIHPs to obtain feedback.</p>				
	Will send out information related to the Certificate of insurance request that came from an MDHHS contractor	By Who	J. Sedlock	By When	7.1.2025
<p><b>PIHP PROCUREMENT DISCUSSION CONTINUATION/UPDATES (IF ANY)</b></p> <ul style="list-style-type: none"> <li>• <b>MSHN OPERATIONS, PROJECT REVIEWS</b></li> </ul>	<p>Joe sent out the concept paper to the PIHPs and Association. Meeting today with the PIHPs to discuss. MSHN leadership is reviewing operations and projects in light of the procurement. MSHN leaders will work with councils, committees, workgroups to determine FY26 meeting schedule and workloads. MSHN considering nearly 300 items, including reduce site visits to CAP review only, reduce conference/trainings to licensed professionals for CEU's, etc. MSHN will still need HSAG and MDHHS Waiver requests for support.</p>				
	Please send any recommended considerations to J. Sedlock; MSHN will keep the Operations Council informed.	By Who		By When	
<b>CENTRIA</b>	<p>Tammy indicated Centria didn't want to sign the contract for the ABA rate increase. The Finance council discussed that Centria wanted the DCW on top of the \$66/hr. LifeWays indicated Centria signed. Saginaw reported not in the network anymore. Gratiot's contract is not signed as well and believes they stopped submitting claims.</p>				
	Discussion Only	By Who	N/A	By When	N/A

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Human Resources</b>		
<b>Title:</b>	<b>Performance Evaluation Policy</b>		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 1	<b>Review Cycle:</b> Biennial  <b>Author:</b> Deputy Director	<b>Adopted Date:</b> 01.05.2016  <b>Review Date:</b> 7.11.2023	<b>Related Policies:</b> MSHN Personnel Manual

### **Purpose**

The Mid-State Health Network (MSHN) Performance Evaluation Policy exists to periodically record essential information concerning the performance level, strengths/weaknesses, and annual goals of an employee in relation to career development, including potential for advancement and suitability for other jobs and training.

The policy also serves to assist management in making thorough, objective and factual appraisals of the performance of employees under his/her supervision; to assist management in achieving maximum utilization of all human resources; and to motivate each employee to seek ways to improve performance where needed, and to enhance overall employee relations.

### **Policy**

It is the policy of MSHN to utilize a performance evaluation system to maximize employee's overall job performance and professional development.

### **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**

MSHN: Mid-State Health Network

### **Other Related Materials**

MSHN Employee Self& Employer Evaluation - Template  
~~MSHN Employer Evaluation - Template~~

### **References/Legal Authority**

N/A

### **Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
10.2015	New Policy	Amanda Horgan
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
<u>03.2025</u>	<u>Biennial Review</u>	<u>Deputy Director</u>

# Personnel Manual

The distribution and use of this handbook should not be considered as altering the employment-at-will relationship between Mid-State Health Network and its employees.

Mid-State Health Network, 530 W. Ionia, Suite F, Lansing, MI 48933  
517.253.7525

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~~**Introduction:** This MSHN personnel manual is predicated on the agency's operating philosophy as outlined in its Operating Agreement:~~

~~"The Entity is dedicated to ensuring that equality in voice and governance exists, and that the benefit to the citizens meets Medicaid standards while being provided in ways that reflect the needs and resources of the communities in which each CMHSP Participant operates. The Entity will foster each CMHSP Participants' integration activities and locally driven work. The organization and operation of the Entity is based on a shared operating structure, using a committee-based system that creates many venues, allowing voices from across the region to be heard. It establishes certain checks and balances to ensure that governance remains balanced and equal, and that the operation of the Entity is for service to the CMHSP Participants in achieving high levels of regulatory compliance, quality of service, and fiscal integrity. In these ways, the Entity exists to serve in the best interest of and to the benefit of all CMHSP Participants and their consumers."~~

~~MSHN is also responsible for integrating the service needs of the region's citizens in relation to substance abuse prevention and treatment and administering public policy and systems to manage and coordinate these services. Accordingly, MSHN endeavors to include these perspectives in its operations and governance.~~

~~And, in accordance with the Entity's stated vision:~~

~~"To continually improve community well being/wellness through the provision of premiere behavioral health care and leadership in the coordination of a network of community partnerships essential to address the multiple needs for quality of life and the reduction of per capita costs, with priority focused on the most vulnerable citizens."~~

**Purpose:** The Mid-State Health Network (MSHN) Personnel Manual is designed to acquaint employees with policies and procedures which may affect their employment. The manual addresses topics pertaining to such things as employee benefits, working conditions, and other provisions of which employees should become aware. The manual outlines employee responsibilities and describes the programs developed by MSHN, which will benefit all employees.

This Personnel Manual and the policies within it along with other human resources policies and procedures, apply to employees of MSHN exclusively and are not meant for employees from any other company, firm, or entity. ~~Similarly, any other manual developed for another client or division of MSHN will not be understood or interpreted to apply to employees of MSHN.~~ The manual is not intended to cover Board members, independent contractors or compensated individuals appointed to standing councils or committees regardless of the compensation status or method.

This handbook is not meant to encompass every situation, it is every employee's responsibility to understand and follow the items in the manual, to ask questions to management if they do not understand any part of this handbook and to exercise sound judgement when applying the principals of this handbook to various workplace situations. No Personnel Manual can predict or anticipate every circumstance for which a policy has been developed. As MSHN continues to evolve, the need may arise to change or alter the policies described herein. The interpretation and operation of the policies or benefits noted herein are within the sole discretion of MSHN. Therefore, MSHN reserves the right to revise, supplement, or rescind any policies, benefits, or portions of the manual it deems appropriate. A change of any kind is in the sole discretion of MSHN, and every effort will be made to notify employees of such changes as they may occur. This manual should not be construed as creating a contract between MSHN and any of the applicable employees.

It is each employee's responsibility to be aware of any change. In no case and under no circumstances will future changes or practices affect the status of at-will employees of MSHN.

In order to encourage an efficient and professional work environment which serves our stakeholders' needs, MSHN follows the policies and procedures outlined herein and other policies and procedures posted on the MSHN website.



## Employee Arrangement

MSHN uses a Professional Employer Organization (PEO) to support human resource functions. The PEO administers new employee records compliance, benefits procurement and administration, and provides payroll administration. The PEO supports compliance with state and federal labor relations and wage and hour laws. While contact with the Deputy Director and/or the Chief Executive Officer for any employment or personnel matter is encouraged, the PEO may serve as an additional point of contact for employees seeking assistance as outlined in the manual; and for policy development and administration including but not limited to Legal Assurances, Non-Discrimination, Accommodation, Confidentiality, Recipient Rights, Corporate Compliance, Reporting Illegal and Unethical Activity, Anti-Harassment/Bullying (Sexual Harassment, Other Harassment, Non-Retaliation), Social Security Number Privacy Act, Hatch Act, Whistleblower's Protection Act, and Immigration Law Compliance.

The Professional Employer Organization (PEO) used by MSHN is: CoStaff National Services, **1-800-4-COSTAF**

## Standard Employment Practices

**At-Will Employee:** At-Will Employment means that the employee or MSHN may decide to terminate an individual's employment at any time, with or without reason, and with or without notice. Since all MSHN employment relationships are at-will, no contract or promise of continued employment, either verbal or implied, is created now or at any time during employment. As such, no employment contract is or can be created unless or until MSHN and the employee expressly agree to an alternative to an at-will status and formalize such terms by a written agreement authorized by the MSHN Board and signed by the MSHN Chief Executive Officer. Nothing in this manual will be interpreted, applied, or enforced to interfere with, restrain, or coerce employees in the exercise of their rights under Section 7 of the National Labor Relations Act.

**Equal Employment Practices:** MSHN is committed to providing equal employment opportunities to all individuals without regard to height, weight, race (including traits historically associated with race, which include but are not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, sex (including pregnancy, childbirth, termination of a pregnancy, or a related medical condition), gender identity or expression, sexual orientation (including transgender status, gender identity or expression), ~~and pregnancy~~, genetic information (including testing and characteristics), national origin, ancestry, age, physical or mental disability, veteran status, uniformed servicemember status, marital status, or any other characteristic protected by law. MSHN follows Federal Equal Opportunity Laws, including the Americans with Disabilities Act, the Equal Pay Act, Title VII, and the Age Discrimination in Employment Act. MSHN's policy of equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, compensation, training, promotion, discipline, and termination.

MSHN does not discriminate against qualified applicants or employees who, with or without a reasonable accommodation, can perform the essential functions of the job. MSHN will make reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship. An employee with a disability for which a reasonable accommodation is needed should contact the Deputy Director (as the HR representative) to discuss possible solutions. If the employee is not able to resolve the matter with the Deputy Director, the employee should contact the CEO or the PEO. MSHN may require documentation to establish the need for an accommodation if an employee has a qualifying physical or mental disability that affects his or her job.

Employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of the Deputy Director (as the HR representative), the Chief Executive Officer, or the PEO. If the question or concern relates to alleged discrimination by ~~the Deputy Director (as the HR representative)~~ one of the above MSHN representatives, employees should report directly to the PEO. or if you feel uncomfortable discussing this with the Deputy Director, the concern should be taken to the CEO or the PEO. Employees can raise legitimate concerns, and

make good faith reports, without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination or retaliation for voicing a concern will be subject to disciplinary action, up to and including discharge.

Drug and Alcohol Rehabilitation Accommodation: Mid-State Health Network will reasonably accommodate employees who wish to voluntarily participate in an alcohol or drug rehabilitation program, provided that the accommodation will not impose an undue hardship on ~~the Agency~~MSHN.

A reasonable accommodation may include unpaid time off. If you have a serious health condition and are otherwise eligible, time off for alcohol and/or drug rehabilitation may also be covered by the Family and Medical Leave Act (FMLA). If so, ~~the Agency~~MSHN will request approval and medical certification as it would for a FMLA leave request. You may use accrued sick days, if any, for all or part of the time spent in entering or participating in a rehabilitation program.

~~The Agency~~MSHN may discharge or refuse to hire an individual because of their current use of alcohol and/or drugs, because they are unable to perform their duties, or because they cannot perform their duties in a manner that would not endanger their own or another's health and safety.

Requests to participate in a rehabilitation program will be kept confidential. Direct all requests to participate in a rehabilitation program to Deputy Director or Chief Executive Officer.

~~The Agency~~MSHN will not retaliate against employees who request or obtain an accommodation in accordance with this policy.

Religious Accommodation: Mid-State Health Network is dedicated to treating its employees equally and with respect and recognizes the diversity of their religious beliefs. All employees, unpaid interns, and volunteers may request an accommodation when their religious beliefs cause a deviation from the ~~Agency~~ dress or grooming code, or the individual's schedule, basic job duties, or other aspects of employment. ~~The Agency~~MSHN will consider the request, but reserves the right to offer its own accommodation to the extent permitted by law. Some, but not all, of the factors that ~~the Agency~~ will be considered are cost, the effect that an accommodation will have on current established policies, and the burden on operations — including other employees — when determining a reasonable accommodation. At no time will ~~the Agency~~MSHN question the validity of a person's belief.

If you require a religious accommodation, speak with your supervisor or Deputy Director.

Diversity, Equity, and Inclusion (DEI) Statement of Purpose: Mid-State Health Network is committed to finding intentional ways to achieve better equity in our organization and in our region, to diversify our workforce, stakeholders, and service participants, to grow in our understanding and inclusion of all residents of Region 5, and to eliminate bias, discrimination, and health disparities in the healthcare services we exist to support.

DEI Values Statement: Bias, discrimination, and exclusion take many forms, overt and implicit insidious towards certain populations in our region and in American society that have historically been marginalized. There have been – and continue to be – public policies, prevalent attitudes, and community practices that institutionally disenfranchise people on these bases from full and equitable benefit from participation in community life, including healthcare and in particular behavioral health services and supports that Mid-State Health Network exists to provide. Bias, discrimination, and exclusion take many forms, overt and insidious.

Mid-State Health Network is committed to finding intentional ways to diversify our workforce, stakeholders, and service participants, to grow in our understanding and inclusion of others, to eliminate bias and discrimination, and to achieve better equity in our organization, and in the specialty behavioral healthcare services we exist to provide.

Mid-State Health Network will pursue these goals through a focus on learning from historically and currently

disenfranchised communities, to intentionally change based on that learning, and to become intentionally better at improving diversity and inclusion, and through a critical examination of our policies and practices that may contribute to injustices, disparate access, and health disparities.

Our aim is to be more welcoming, inclusive, and equitable, through a comprehensive, inclusive, and diversity-engaging approach to resource access and allocation, and by systemically addressing the roots and consequences of social determinants of health – especially those that have been caused by public policies, prevalent attitudes, and/or community practices that marginalize, disregard, or discard the needs of entire populations or cultures in the communities we exist to serve.

Mid-State Health Network will lead by example. We will change the culture of discriminatory policies by understanding beneficiaries and changing our practices to eliminate health disparities. We know that a more equitable, more just, more inclusive, and more diverse effort will produce benefits for everyone.

What is required is equity, which means that people in this region are provided with the support they need – individually and as groups - to experience the benefit from public behavioral health supports and services that we exist to provide. Mid-State Health Network is committed to these principles and these actions.

If an employee encounters any incident, either personally or by observation, that goes against this policy it is their responsibility to immediately notify the Deputy Director or the Chief Executive Officer.

Sexual and Other Unlawful Harassment: MSHN will endeavor to maintain a work environment that nourishes respect for the dignity of each individual. This policy is adopted in furtherance of that commitment.

It is against the policies of MSHN for an employee to harass another person because of the person's age, height, weight, marital status, race (including traits historically associated with race, which include, but are not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, national origin, ancestry, religion, sex (including pregnancy, childbirth, termination of pregnancy, or a related medical condition), sexual orientation (including transgender status, gender identity or expression, physical or mental disability, genetic information (including testing and characteristics), veteran status, uniformed servicemember status, or any other status protected by federal, state, or local laws. ~~sex, race, color, religion, national origin, age, disability, sexual orientation, marital status, or other characteristic protected by law.~~ Actions, words, jokes, or comments based on such characteristics will not be tolerated. Consequently, it is against the policies of MSHN for an employee to sexually harass another person.

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment.
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual.
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or environment.

Unlawful harassment can include, but is not limited to, epithets, slurs, jokes, pranks, comments, offensive or sexual written or graphic materials, obscene gestures, unwanted advances, physical touching, or threatening, hostile or intimidating acts.

All complaints of harassment will be promptly, thoroughly, and confidentially investigated to the greatest extent possible and ~~where necessary,~~ appropriate corrective action will be taken. Any person found to have unlawfully harassed another employee will be subject to appropriate disciplinary action, up to and including discharge.

Any employee who believes that he or she is being unlawfully harassed should immediately follow the complaint procedure outlined in ~~the~~ [the Harassment/Discrimination Complaint Procedure in this handbook](#). ~~MSHN prohibits retaliation against an employee who, based on a reasonable belief, provides information about complaints, or assists in the investigation of any complaint of harassment or discrimination.~~

**Workplace Bullying:** ~~MSHN defines bullying as “inappropriate behavior, either direct or indirect, whether verbal, physical, or otherwise, conducted by one or more persons against another or others, at the place of work and/or during the course of employment that is experienced by the person targeted as harmful, malicious, intimidating, coercive, or threatening.” Such behavior violates MSHN’s policies.~~ MSHN is dedicated to providing a safe and non-threatening workplace for its employees, clients and contractors. Bullying is taken very seriously and will not be tolerated. Any act of bullying by or against an employee, customer, supplier, partner or visitor is strictly prohibited. This policy applies to all agency employees, whether on or off agency property. Bullying under this policy is defined as persistent, malicious, unwelcome, severe and pervasive mistreatment intended to intimidate and create risk to the health and safety of the employee, whether verbal, physical or otherwise, in the workplace and/or in the course of employment.

The purpose of this policy is to communicate to all employees, including supervisors, managers, and executives that MSHN will not in any instance tolerate bullying behavior. Employees found in violation of this policy will be disciplined, up to and including termination.

Bullying may be intentional or unintentional. Where an allegation of bullying is made, the intention of the alleged bully may be relevant, and may be given consideration when meting out discipline, as will the effect of the behavior upon the individual.

The following types of behavior are examples of bullying:

- Verbal Bullying: harassing, ridiculing or maligning a person or his/her family; persistent name calling which is hurtful, insulting or humiliating; using a person as a butt of jokes; abusive and offensive remarks.
- Physical Bullying: pushing; shoving; kicking; poking; tripping; assault, or threat of physical assault; damage to a person’s work area or property.
- Gesture Bullying: non-verbal threatening gestures, staring which can convey threatening messages.

Any employee who believes that he or she [has been or](#) is being bullied should immediately follow the Harassment/Discrimination Complaint Procedure, ~~as provided below~~ [outlined in this handbook](#).

**Harassment/Discrimination Complaint Procedure:** Any employee who, in good faith believes he or she has been subject to illegal discrimination or harassment prohibited by law [or under these policies](#), should immediately report that fact to the immediate supervisor, the Deputy Director, CEO or the PEO. If the alleged perpetrator is the CEO, the complaint should be filed with the PEO. If an employee observes or has knowledge of an incident of harassment involving other employees, they should immediately inform and file a written complaint in the same manner as noted above. If an employee has any questions regarding the reporting of such matters, they should contact the Deputy Director, CEO or the PEO. Upon notice, MSHN will promptly conduct an impartial investigation of any complaint or report of harassment [or discrimination](#). To the extent possible, MSHN’s investigation will be conducted in a manner ~~calculated~~ [designed](#) to protect the privacy of the individuals involved, and the confidentiality of the complainant. If the investigation reveals that harassment or discrimination has occurred, disciplinary action up to and including discharge will be taken. The nature of the discipline will depend upon the circumstances of each case. Upon completion of the investigation, the complainant will be notified of the conclusion of the investigation. Specific disciplinary actions, if applicable, will not be shared in order to protect the privacy of all individuals involved.

If a report of discrimination or harassment prohibited by law [or these policies](#) is made in good faith, MSHN will protect the reporting individual from retaliation or any other detrimental impact on his or her employment. Disciplinary action, up to and including discharge, will be taken ~~into~~ against anyone who attempts retaliation towards any individual involved

as a witness or complainant. Employees who become aware of complaints or investigations of harassment are expected to refrain from ~~unnecessary and unprofessional~~ any discussions with coworkers concerning the individuals involved; as such discussions may themselves be a form of retaliation.

**Immigration Law Compliance:** MSHN will only hire individuals who are authorized to work in the U.S under the Immigration Reform and Control Act of 1986. As a condition of employment, all new and ~~rehire past~~-employees must complete the US I-9 Employment Eligibility Verification form and present documentation establishing identity and employment eligibility complying with the I-9 rules and regulations.

**Introductory Period:** During the first ninety (90) days of employment, employees are in an “introductory period.” During this time, the CEO, through the Deputy Director and/or the direct supervisor, will continually review performance and compatibility with MSHN. Should an employee’s performance not meet the standards set forth as documented in MSHN’s policy and/or the employee’s job description, corrective action and supportive supervision shall be initiated, but if not corrected could lead to adverse employment action up to and including termination. Any significant absence will automatically extend an introductory period by the length of the absence. If MSHN determines that the designated introductory period does not allow sufficient time to thoroughly review the employee’s performance, the introductory period may be extended for a specified period. This introductory period shall not be deemed to in any way affect nor abrogate an employee’s status as an at-will employee.

**Standards of Conduct:** MSHN expects that all employees conduct themselves in a professional and ethical manner. An employee must not conduct business that is unethical in any way, nor should any employee influence other employees to act unethically. Furthermore, an employee must report any dishonest activities or damaging conduct to the Deputy Director, CEO or PEO. MSHN has developed a compliance plan that requires employees to abide by all applicable laws and regulations and to report all instances of suspected or actual violations.

**Reporting Suspected Fraud or Illegal Activity:** MSHN employees shall report any suspected or actual fraud, abuse or waste of any funds, including Medicaid funds, or other suspected illegal activity to the Compliance Officer.

In the event that an employee becomes aware of or believes that another employee’s behavior or actions are inappropriate, illegal, problematic, or in any way inhibit or affect the organization’s integrity or the employee’s performance or the MSHN’s work environment, the conduct or behavior should be reported to the Compliance Officer, Deputy Director, CEO or PEO.

All reasonable concerns shall be promptly, thoroughly, and confidentially investigated by MSHN and, where necessary, appropriate corrective action will be taken. Employees must not discuss such actions or behavior with others. Discussion about such matters may create an unacceptable work environment for which the involved employee will be held responsible and may be disciplined in accordance with MSHN’s disciplinary policy.

All employees are required to read and abide by MSHN policies, procedures and the Corporate Compliance Plan. These documents provide the framework for MSHN employees to comply with applicable laws, regulations and program requirements.

**Personnel File:** MSHN keeps personnel files for its employees. Medical records and credentialing records are kept separately from personnel records. Employees may view the contents of their personnel file by making a written request to the Deputy Director, CEO or PEO. No employee may alter or remove any document in his or her personnel file. If an employee believes any records or information in their general personnel file to be inaccurate, they may submit a written request to have the record corrected or, if denied, an employee response may be included in the personnel record in compliance with the *Bullard-Plawecki Employee Right to Know Act, MCL 423.501, et seq.*

### General Policies and Procedures

**Background Checks and Disclosing Certain Criminal Information:** All employees, interns and volunteers shall fully disclose upon hire in the application and any event after hire to their supervisor, any criminal felony or work-related misdemeanor convictions. Any employees that work directly with minors or who will have access to minor’s records



that are convicted of a felony or misdemeanor, including expressly any law relating to drugs or other controlled substances, or are charged with a felony, or are placed on the Child Protective Service (CPS) Central Registry as a perpetrator, shall notify in writing their supervisor immediately, and in all cases, no later than five (5) days after such conviction, charge, or placement on the CPS Central Registry. An employee must disclose to the Employer any conviction resulting from such pending charges as described in this Section. However, as required by Federal regulation, employees working with minors must disclose any arrests or charges related to child sexual abuse, child abuse, or child neglect and the disposition of such arrest or charges and may also be required to certify that no case of child abuse or neglect has been substantiated against them. In every case, employees in positions that work directly with minors or who will have access to minor's records, shall undergo the background checks including drug testing, and, if they have not resided or lived in Michigan for each of the previous ten (10) years, they must also sign a waiver attesting to the fact that they have not been convicted of a felony or been identified as a perpetrator. The Employer may, at its cost, conduct a criminal history search periodically on all employees when required to ensure compliance with grants, licensing requirements, and performance standards.

**Employment Applications:** MSHN relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if that person has been hired, termination of employment.

**Credentialing and Re-credentialing:** In accordance with MSHN policy and the MDHHS BHHDA-Credentialing and Re-credentialing Process, health care professionals, as indicated in the Credentialing and Re-credentialing Process, who make clinical decisions impacting a consumer's care, must be credentialed upon hire and recredentialed at least every two-three years. At minimum, this includes Utilization Management (UM) Administrators, UM Specialists, Access Administrators, Access Specialists, SUD Care Navigator, Director of Utilization and Care Management~~Chief Population Health Officer~~, Chief Clinical Officer, Chief Behavioral Health Officer, Director of Substance Use Disorder (SUD) Operations, nurses, and Medical Director(s). MSHN may recognize and accept the credentialing activities conducted by another entity; however, must maintain copies of the credentialing decision and primary source verifications in its credentialing records. MSHN position descriptions will identify staff which are required to be credentialed and recredentialed. Employment is contingent upon credentialing and recredentialed.

**Minimum Qualifications:** Some positions may require specific credential(s) as identified in the job description (e.g., QIDP, QMHP, MCBAP Certification, or professional license) but are not required to go through the credentialing or recredentialed process. Employment is contingent upon verification of required credential(s) and ongoing maintenance of required credential(s). MSHN may identify the need for one or more of its existing employees to obtain credentials and/or be credentialed. Where MSHN changes the credentialing requirements of a position or requires an existing employee to obtain a new credential required by MSHN, MSHN and the employee will develop a professional development plan to obtain the required credentialing within an agreed upon timeframe. Compensation for the newly required credential is in accordance with the *Reimbursement Policy for Credentials, Licensure and Memberships Policy*.

**Orientation:** New employees will receive a copy of the Personnel Manual and will be given the time to read it and ask any clarifying questions of the Deputy Director, CEO or the hiring supervisor~~PEO~~. The signed copy of the "Acknowledgement & Receipt of Understanding" will be placed in the employee's personnel file. Employee orientation will also include review of MSHN policies and procedures and the new employees' job description.

**Reporting Changes:** Employees are responsible for promptly notifying the Deputy Director and the PEO of any change in their name, address, telephone number, marital status, citizenship, tax withholding allowances, emergency contact information, insurance beneficiary, or dependent insurance coverage. Accurate and correct information is vital for benefits, insurance records, and other MSHN files. MSHN, through its PEO, maintains an employee self-service portal for updating this type of information. MSHN encourages use of the employee self-service portal, ~~but this is not a~~

~~replacement for also notifying the Deputy Director.~~

Performance Reviews: The supervisors and employees are encouraged to discuss job performance, individual goals, and objectives on an informal, day-to-day basis. Additionally, MSHN endeavors to undertake employee performance reviews on a periodic basis set by MSHN. The reviews will focus on job-related strengths and weaknesses, ~~as well as overall fit with the MSHN goals and objectives and overall job performance related to each job function as defined in the job description~~. Goals and improvement plans may be mapped out each review period and progress will be measured at the next review. It is the expectation of MSHN that performance reviews include an interactive discussion between a supervisor and employee which provides the opportunity for the employee to read and understand the written performance review, ask questions, and seek clarification. In general, supervisors should not present performance reviews or other documents to any employee for a signature without discussing the contents and providing an opportunity for the employee to review. If an employee disagrees with the written performance review prepared by the supervisor, the employee may submit a written response of the reasons for the reluctance/refusal to sign the performance review or other disagreement with the content. The written response will be attached to the review and filed in the employee's personnel file.

Job Classifications: Employees are classified by two major categories: "Exempt" and "Non-exempt." This manual applies to both Exempt and Non-Exempt employees.

1. Non-exempt employees are eligible to receive overtime pay in accordance with state and federal wage and hour laws. These employees are required to submit a timely and accurate time record for each pay period, approved by the appropriate supervisor, for the purpose of tracking hours worked and calculating compensation. Compensated paid time off is not considered hours worked for purposes of calculating overtime pay.
2. Exempt employees are generally salaried and fall into one or more of the following classifications: executive, professional, certain computer, or administrative personnel. These employees are exempt from the applicable provisions of state and federal wage and hour laws and are not entitled to overtime or compensatory time.

Exempt Employees are required to be paid on a "salary basis". Being paid on a "salary basis" means an employee regularly receives a predetermined amount of compensation each pay period on a weekly, or less frequent, basis. The predetermined amount cannot be reduced because of variations in the quality or quantity of the employee's work. Subject to exceptions listed below, an exempt employee must receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked.

Deductions from pay are permissible when an exempt employee:

- Does not perform any work during a workweek;
- ~~Is absent from work for one or more full days for personal reasons other than sickness or disability; or for absences of one or more full days due to sickness or disability if the deduction is made in accordance with guidelines imposed under the Family Medical Leave Act, available paid time off balances, or other state or local mandatory leave programs, where applicable. Is absent from work for one or more full days for personal reasons other than sickness or disability; or for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;~~
- To offset amounts which employees receive as jury or witness fees or for military pay;
- For unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions of major significance, including but not limited to theft or violations of MSHN's harassment, drug and alcohol, safe workplace and workplace violence policies or such other work rule of major significance. This does not include merely performance issues such as absenteeism and tardiness;
- An employer is not required to pay the full salary in the initial or terminal week of employment; or

- For penalties imposed in good faith for infractions of safety rules of major significance; In these circumstances, either partial day or full day deductions may be made.

MSHN prohibits any improper deductions from the salaries of exempt employees. Employees who believe that an improper deduction has been made to their salary should immediately report this information to the [Deputy Director](#), CEO ~~and or~~ PEO. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction made.

**Job Descriptions:** MSHN employees shall be provided with a job description as part of new employee orientation. The job description shall outline qualifications, required skills, general responsibilities, and whether or not the individual is required to be credentialed and recertified. Job responsibilities will outline recovery-based, person-centered and culturally competent practices. Job qualifications will specify that lived experiences with behavioral health issues are desired. Job descriptions are examined and reissued annually as a part of the performance review process but subject to change and are not meant to be an exhaustive list of all duties.

**Expense Reimbursement:** MSHN will reimburse employees for reasonable ~~pre-approved business expenses. Reasonable expenses while traveling on agency business include travel fares, accommodations, meals, tips, telephone and fax charges, and purchases on behalf of the agency. Travel and expense reimbursement practices are outlined in MSHN Board approved policies and must be requested in accordance with approved procedures.~~ work-related travel expenses according to the MSHN Finance, "Travel" Policy.

**Personal Property:** MSHN does not assume responsibility for any personal property located on its premises or, if the employee is assigned to remote status, their official station. Employees are to use their own discretion when choosing to bring personal property into the office and do so at their own risk. Additionally, employees may not bring or display in the office any property that may be viewed as inappropriate or offensive to others.

**General Safety and Health Policies:** Safety of MSHN employees and visitors, in our office, is of the utmost importance. The safety of MSHN employees assigned to remote status is also a priority, even though the official station is not under the control of MSHN. Each employee is expected to work diligently to maintain safe and healthful working conditions, and to adhere to all practices and procedures designed to prevent injuries and illness while working, regardless of work location. By working together and staying aware of our surroundings, we can achieve a safe and healthy environment. Each employee is responsible for being aware of best safety practices, thinking defensively, anticipating unsafe situations, and reporting unsafe conditions immediately. MSHN is only responsible for the safety of its facilities and will not address or reimburse employees for safety improvements or remediations at official stations/remote locations other than MSHN property.

In addition, employees should observe the following precautions:

- Notify the CEO and/or Deputy Director of any emergency situation. If employees are injured or become sick at work, no matter how slightly, they must inform their supervisor immediately. Failure to notify MSHN in a timely manner can lead to possible worker compensation disqualification.
- Employees should promptly notify the Deputy Director, before the beginning of the workday, of any medication they are taking that may cause drowsiness or other side effects that could lead to injury to the employee or their coworkers.
- Employees should use, adjust, and repair machines and equipment only if trained and qualified.
- Employees should get help when lifting or pushing heavy objects.
- If an employee is not sure of the safe procedure, they should ask appropriate staff for support or directions.
- Employees should know the locations, contents, and use of first aid and firefighting equipment.
- Employees should use personal protective equipment in accordance with the job being performed.
- Employees should report the need for repair or replacement of work materials or facilities as soon as discovered.



- Employees should avoid clutter that might cause accidents; materials and equipment should be stored safely and neatly.

MSHN reserves the right to request that an employee leave [the MSHN](#) premises if, in the employer's judgment, an injury or illness poses a direct threat to the health and safety of the employee or others in the workplace. Employees concerned about being infected with a serious disease by a coworker or other person should report such concern to the Deputy Director.

**OSHA Compliance:** Due to the potentially hazardous nature of any workplace, all MSHN employees are responsible for familiarity and compliance with Occupational Safety and Health Administration (OSHA), United States Environmental Protection Agency (EPA), and state regulations regarding infection control, job safety, and health protection. MSHN provides training and materials explaining the applicable standards and guidelines for all employees during the initial orientation and periodically, if applicable, when regulations are revised or added. All employees are required to participate, and a record will be maintained of all those in attendance. Missed meetings and training exercises must be made up within a reasonable time to avoid disciplinary action.

**Workers Compensation:** MSHN provides comprehensive workers' compensation insurance at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. MSHN requires that all employees report job-related accidents or injuries to a supervisor immediately, whether the accident occurred on or off company premises. Failure to report an injury, regardless of how minor, could result in difficulty with the employee's claim. Once the injury is reported, the employee will be asked to complete an incident report and may be asked to go to the designated occupational health clinic. Once this occurs, MSHN will begin the accident investigation. After the accident investigation is complete, and MSHN accepts the employee's claim under workers' compensation, MSHN will pay reasonable medical and other expenses related to the employee's work injury. Neither MSHN nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participating in any off-duty recreational, social, or athletic activity sponsored by MSHN.

**Benefits Continuation:** The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) applies to employers with 20 or more employees in the preceding year. COBRA gives eligible employees and their qualified beneficiaries the opportunity to continue health insurance coverage under MSHN's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

If eligible under COBRA, the employee or beneficiary pays the full cost of coverage at MSHN's group rates plus an administration fee. MSHN provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under MSHN's health insurance plan. The notice contains important information about the employee's rights and obligations.

**Monitoring & Searches:** All agency and personal property at the [MSHN office\(s\) work site](#) is subject to monitoring and review at all times. This includes, but is not limited to, desks, computers, phones, other containers and email files. Reasons for searches and reviews include, but are not limited to, personal abuse of agency property, theft or substance abuse investigation, and improper disclosure of confidential information. This includes the right to search assigned computers or files, even if protected by a password or other method of security. Any employee who attempts to obtain or alter a password for the purpose of accessing restricted files will be subject to disciplinary action, up to and including termination.

**Office Security:** Shortly after an employee's start date, he/she may be given a key and security code to gain access to the office. The last employee to leave the office is responsible for making certain that all doors are locked, secured and alarm system enabled.

**Confidential Information:** MSHN requires that employees do not disclose information held to be confidential by MSHN under the Health Insurance Portability and Accountability Act (HIPAA), the Michigan Mental Health Code, or other state/federal regulations. Social Security numbers should be collected only where required by federal and state law or as otherwise permitted by federal and state law for legitimate reasons consistent with this Privacy Policy.

MSHN is committed to protecting the privacy of the persons served through its provider network and shall strictly govern the disclosure of any information to anyone other than those authorized. Any employee who engages in unauthorized disclosure of confidential or protected information is subject to disciplinary action which may result in termination.

Documents containing Social Security numbers are to be stored in locked, secure areas. Social Security numbers will not be publicly displayed and will not be released to anyone outside the company, except as required by law. No more than four sequential digits of a Social Security number may be included on a document mailed outside of the agency. Any document containing a Social Security number is to be shredded when discarded utilizing the MSHN provided shred bins.

To ensure that all protected information remains confidential, employees are required to comply with all confidentiality policies and procedures in effect, specifically to include the HIPAA Privacy regulations outlined in the MSHN Corporate Compliance Plan.

**Conflict of Interest and Outside Employment:** MSHN requires that employees not compromise the agency, its stakeholders, partners, or suppliers for personal gain or compromise its integrity or reputation. Examples of conflict of interest include, but are not limited to, accepting gifts worth more than \$25, requesting or granting business favors, or conducting business for personal gain. Employees are required to disclose all conflicts of interest to the CEO (or to the Chairperson of the Board if involving the CEO). Failure to do so may result in disciplinary action, up to and including termination.

While outside or supplemental employment is discouraged, employees may engage in outside or supplemental employment in accordance with the following limitations. In no case shall outside or supplemental employment conflict with or impair the employee's responsibilities to MSHN.

Any employee desiring to participate in outside or supplemental employment must obtain permission of the MSHN CEO in writing prior to engaging in outside or supplemental employment. All employees engaged in outside or supplemental employment shall:

- Not use MSHN facilities as a source of referral for private customers or clients;
- Not be engaged in during an employee's regularly scheduled working hours;
- Not use the name of the MSHN or any County agency as a reference or credential in advertising or soliciting customers or clients;
- Not use MSHN supplies, facilities, staff or equipment in conjunction with any outside or supplemental employment or private practice (including any equipment or supplies provided for use by the employee in the employee's home office);
- Maintain a clear separation of outside or supplemental employment from activities performed for the MSHN;
- Not cause any incompatibility, conflict of interest, or any possible appearance of conflict of interest, or any impairment of the independent and impartial performance of employee's duties.

**Pay Periods:** All employees are normally paid on a bi-weekly basis (usually twenty-six pay periods annually). Electronic deposits will not be released prior to the set pay schedule for any reason, nor will they be released to anyone other than the employee. MSHN may require employees to use direct deposit or a payroll debit card in compliance with the Michigan Wage and Fringe Benefit Act. If payment of wages by direct deposit or payroll debit card is required by MSHN, MSHN provides through electronic onboarding the option for each employee to select debit card or direct deposit (and for the employee to provide account information for the direct deposit). An employee's failure to return their selection form within 30 days with the requisite account information shall result in payment by debit card.

~~It is our policy to comply with FLSA salary basis. All deductions from an employee's wages shall be in accordance with applicable law and, when required, with the employee's consent. MSHN can make additional payroll deductions for authorized activities with an employee's written consent.~~

**Paycheck Corrections:** Employees are asked to review their payroll remittance carefully for errors. If an employee finds a mistake, they should report it to the Chief Financial Officer (CFO) or PEO so that necessary steps may be taken to correct the error. Errors in payroll will be corrected and paid in the next scheduled paycheck after notice is received or otherwise in compliance with the Michigan Wage and Fringe Benefit Act.

**Time Sheet Policy:** Accurate recording of time worked is the responsibility of every employee. Federal and state laws require the employer to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is the time actually spent on the job performing assigned duties.

- ~~Hourly Non-Exempt (hourly)~~ employees shall accurately report the hours worked each week. The CEO (or designated supervisor) approves exceptions to normal hours (Monday through Friday 8:00 a.m. – 5:00 p.m.).
- ~~Exempt (\$salaried)~~ employees are considered as 80 hours paid per pay period and only required to complete a request for any paid time off (PTO)
- Each employee is required to request PTO (1) one week in advance through the employee self-service portal.
- Excessive use of unplanned leave or lateness in arriving at work not protected under the Michigan Earned Sick Time Act are reasons for concern and may result in disciplinary~~corrective~~ action.

Time reports are provided in an electronic format. Unless authorized, no employee may record the time of any other employee, or request that another employee record their time. Falsification of time worked, altering or tampering with time records is prohibited. Violators will be subject to disciplinary action, up to and including termination.

**Work Week and Hours of Work:** The standard work week is from Sunday 12:00 a.m. until Saturday 11:59 p.m. Normal office-work hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. Individual work schedules will vary depending on the operating needs of the agency. Adjustments to normal work hours require approval by the supervisor.

**Overtime:** Non-exempt employees are to be paid time and one-half (1.5 times rate) for work time that exceeds 40 hours during a scheduled workweek. Employees asked to work overtime are expected to do so. Overtime must be approved in advance by the employee's supervisor. Exempt employees are not eligible for overtime pay. Paid time off, for example holidays or vacations, is not considered work time for purposes of determining overtime pay.

~~**Rest Periods:** Employees are allowed to have up to two 15-minute rest periods each day. Authorized rest periods cannot be used to shorten your workday or be accumulated for any other purposes.~~

**Break Time for Nursing Mothers:** In compliance with federal law which requires the provision of unpaid, reasonable break time for a non-exempt employee to express breast milk, MSHN subscribes to the following policy:

*All employees shall be provided a place to breastfeed or express their milk. The CEO or PEO can confer with the employee to designate a suitable, private location, other than a bathroom, which is located in close proximity to the employee's work area for such breaks. An employee may use her private office area for milk expression if she prefers. Employees shall be provided flexible breaks to accommodate breastfeeding or milk expression for the first year of the child's life. A non-exempt breastfeeding employee shall be provided a flexible schedule for breastfeeding or pumping to provide breast milk for her child. The time would not exceed normal time allowed for lunch and breaks. For time above and beyond normal lunch and breaks, PTO time must be used, or the employee can make up the time at the discretion of the supervisor. A refrigerator will be made available for safe storage of expressed breast milk. Employees may use their own cooler packs to store expressed breast milk or may store milk in a designated refrigerator/freezer. Employees should provide their own containers. Those using the refrigerator are responsible for keeping it clean.*

Accommodations for Pregnancy, Childbirth and Related Medical Conditions: MSHN provides reasonable accommodations to employees experiencing limitations related to pregnancy, childbirth, or related medical conditions. We are committed to complying with the federal Pregnant Workers Fairness Act (PWFA) and any applicable state or local laws offering additional protections.

Examples of reasonable accommodations include:

- Additional break time for restroom use, meals, hydration, and rest.
- Seating options allowing for sitting or standing as needed
- Schedule changes, part-time work, and paid and unpaid leave.
- Flexible work hours to accommodate medical appointments and physical needs.
- Closer parking spots to the workplace entrance
- Job restructuring
- Temporarily suspending one or more essential functions of the job.
- Acquiring or modifying equipment, devices or policies.

Nepotism: It is the policy of MSHN to prohibit the hiring of relatives in situations where a relative would be under the direct or general supervision of an other relative ~~elected official, department head, supervisor or team leader~~, or to employ relatives where the status of employment of that person might be influenced by an other relative ~~elected official, department head, supervisor or team leader~~.

By adhering to the above policy which prohibits relatives from working in positions where they might have influence over each other's status, or the hiring of those relatives, a potentially discriminatory situation is avoided altogether. MSHN realizes that there may be existing relationships among employees which are contrary to this policy. It is the purpose of this policy statement to avoid creating any new situations where relatives are employed in spheres of influence relationships, and not to affect the employment of any relationships that currently exist.

- Relative - Parent, foster parent, spouse, child, sibling, grandparent, grandchild, aunt, uncle, cousin, in-law or step relative, or any person with whom the employee has a close personal relationship.
- Personal relationship - Relationship between individuals who have or have had a continuing relationship of a romantic or intimate nature.
- Spheres of influence - Scope in which an employee exerts direct or indirect control over another.
- Economic relationship - Fiduciary relationship in which one employee benefits by receiving financial remuneration such as landlord/tenant relationships or business partnerships.
- Fraternization - Relationship of an intimate or romantic nature between a supervisor and his/her subordinates or conduct that creates the appearance of impression that such a relationship exists.
- If a supervisory-subordinate relationship occurs as a result of a marriage between two employees working in the same program area, then MSHN will attempt to transfer one of the individuals, but it is not required to do so. If a transfer does not occur, one of the employees will be required to resign within sixty (60) days of the marriage.

Political Activity: Every employee has the right to freely express his or her views as a citizen and to cast a vote as he or she may wish. Coercion for political purposes is strictly prohibited. Employees of federally aided programs are, however, prohibited from participation in partisan political activity under the Federal Hatch Political Activities Act while at work or conducting business on behalf of MSHN.

No employee shall engage in any partisan political activity or campaigning for a non-partisan elective office during scheduled working hours or while on duty or while off duty wearing a uniform or other identifying insignia of MSHN or employment. Solicitation of signatures or contributions or nominating petitions is prohibited during working hours. No

employee shall be required to engage in a campaign for the election of any candidate. MSHN Board and employees are not permitted to use agency funds or resources to contribute to political campaigns or activities of any political party.

### Employee Conduct

**Attendance & Punctuality:** Punctuality and regular attendance are important to the smooth operation of MSHN. If an employee is consistently late or excessively absent, MSHN's ability to perform work is affected and an unfair burden is placed on co-workers. Therefore, unless absences are permitted or excused under the agency's [holiday, vacation, sick, Paid Time Off](#) or other policies, employees are responsible for being at work and arriving on time.

If an employee is going to be absent or late, it is mandatory and the employee's responsibility to call, e-mail, or text a message their supervisor as soon as possible, preferably in advance of lateness and no later than one hour after the start of the workday. If an employee is absent for several days, they must notify their supervisor each day (unless medical documentation is provided that defines the period of absence). An employee who is absent for reasons other than those permitted or excused by MSHN's [holiday, vacation, or leave Paid Time Off or other](#) policies, or who fails to provide notice as required, will be subject to appropriate disciplinary action, up to and including termination.

**Telecommuting (Remote Work):** With advanced planning and prior approval MSHN employees may be permitted to telecommute. Telecommuting [or remote work](#) arrangements must not disrupt the daily activities of a group or workflow. The supervisor must approve all employee telecommuting arrangements. Telecommuting (or remote worksite authorization) is a privilege and not a right. Employees approved for telecommuting (or remote work) must sign a "Remote Work Agreement" and abide by its terms and conditions. Permission to telecommute may be withdrawn, [at any time, with or without reasons, for individual employees, groups of employees or all employees -in-at](#) the sole discretion of the CEO. [For employees assigned to telecommuting/remote work arrangements, it is never appropriate to hold or work related meetings on an in-person basis in/at the employees official station \(usually their home\).](#)

**Smoke Free Environment:** For the health and comfort of MSHN employees and visitors, smoking is not permitted anywhere inside of the building. Smoking by employees is only allowed during authorized breaks and must be done outside the building in designated smoking areas.

**Drugs and Alcohol:** It is the policy of MSHN to maintain its offices as a drug-free work environment that is both safe for our employees and visitors, as well as conducive to efficient and productive work standards. This policy prohibits the unauthorized possession, by employees or others, of alcohol, marijuana, and illegal substances on MSHN's property, regardless of whether the persons are on duty. Employees are also prohibited from having detectable levels or identifiable trace quantities of alcohol, marijuana, and illegal substances during working time. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

MSHN may drug test under the following circumstances:

- As part of the New Hire Process,
- Reasonable Suspicion,
- Any employee, post workplace property damage accident [if there is a reasonable possibility that employee drug or alcohol use contributed to the accident](#), and/or
- Any employee, post workplace accident resulting in injury or illness if the employee's supervisor and/or Human Resources determine there is a reasonable possibility that employee drug or alcohol use caused or could have contributed to the reported accident.

Employees who test positive, refuse or fail to test, or admit to current substance abuse will [first be offered accommodations for treatment described in the "Drug and Alcohol Rehabilitation Accommodations" section of this manual. If an employee opts not to pursue these accommodations, they shall](#) be subject to discipline, up to and including termination. Adulterated specimens may be treated as a positive test result [and are a strong indication of employee](#)



dishonesty, which by itself could be cause for disciplinary action. All drug testing will be treated confidentially and used solely for the purpose of making employment decisions.

**Violence and Weapons:** MSHN is committed to providing a safe workplace for the public and its employees, clients, and contractors. MSHN takes violence and threats of violence extremely seriously. Any act or threat of violence by or against any employee, customer, supplier, partner, or visitor is strictly prohibited. This policy applies to all agency employees, whether on or off agency property. Any use or possession of weapons by an employee, whether illegal or not, is prohibited on agency property, or while on agency business. This includes knives, guns, martial arts weapons, or any other object that is used as a weapon. Any employee caught possessing a weapon will be disciplined, up to and including termination. This does not apply to an employee's home location when working remotely.

If an employee encounters an individual who is threatening immediate harm to an employee or visitor on premise, employee should contact an emergency agency (such as 9-1-1) immediately. Employees should not engage in either physical or verbal confrontation with a potentially violent individual. Any person who exhibits any unsafe behaviors will be removed from MSHN premises as quickly as safety permits and shall remain off MSHN premises pending the outcome of an investigation.

All employees, temporary employees and any other personnel are responsible for notifying MSHN of any acts or threats which they have witnessed, received, or have been told that another person has witnessed or received. Any individual, who reasonably believes that a situation with any employee or any other party may become violent, should immediately leave the area. Any violations of this policy should be immediately reported in writing to the CEO. Employees will cooperate in all investigations, and a failure to cooperate may result in disciplinary action, up to and including discharge. If the investigation substantiates that a violation has occurred, MSHN will take immediate corrective action, up to and including discharge.

In order to provide a safe workplace and protect our employees from threats to their safety, MSHN must know if a court has ordered an individual to stay away from MSHN locations. Therefore, this policy also requires all individuals who obtain a protective or restraining order which lists MSHN locations as being protected areas, to provide the CEO and Deputy Director a copy of any protective or restraining order. MSHN may take actions or establish protocols to support its employees' safety. This information will be kept reasonably confidential to the extent possible.

**Dress Code:** A professional and clean appearance plays a vital role in how we are perceived by our clients, visitors, and each other. Employees are expected, in both in-person and in virtual meetings, ~~-to appear and dress tastefully and professionally at all times.~~ Employees who show up ~~for to in-person work-related meetings or functions or who attend virtual meetings work~~ dressed inappropriately are subject to progressive discipline, and/or may be sent home to change and not paid for the time it takes until their return. Questions about appropriate attire should be directed to the employee's immediate supervisor. If a certain manner of dress, personal appearance or hygiene is necessary because of religious beliefs, medical condition or an otherwise legally protected reason, the employee must notify their immediate supervisor of the reason, in writing, before reporting to work. ~~MSHN may require said employee to provide appropriate proof of this belief, condition or otherwise protected reason.~~

**Computer, Internet, Telephones, and Electronic Mail:** MSHN provides a variety of electronic tools to employees for use in operating the agency. Agency-provided technology should be used only for business-related matters during working time, and personal usage should be minimized at all times. Where an employee receives a stipend for the provision of a cell phone, it is understood that the phone is owned by the employee and will be used for personal business.

Employees should not have an expectation of privacy in their use of company computers, telephones (including cellphones issued by the company) or other tools. All communications on these devices, including email and other internet activity, are subject to monitoring or inspection by the company at any time, without advance notice. Employees are encouraged to use these tools only for business-related communications. MSHN reserves the right to monitor customer calls to ensure employees abide by company guidelines and provide appropriate levels of service. Email, telephones and other devices may not be used in any manner that violates company policies, including especially

our policies regarding equal opportunity and harassment.

All electronic and telephone communication systems and all communications and information transmitted by, received from, or stored in these systems are the property of MSHN and, as such, are intended for job-related purposes. Employees are not permitted to use a code, access a file, or retrieve any stored communication unless authorized to do so, or unless they have received prior clearance from an authorized company representative. All pass codes are the property of MSHN and may be used to access electronic and telephone communications at any time.

**Social Media:** Social media includes all forms of public, web-based communications and expression that brings people together by making it easier to publish content to many individuals. The Social Media policy applies if employees are authorized to represent MSHN on social media platforms or if an employee makes references to MSHN, its affiliates or officers when using social media in a personal capacity. In order to post on external social media sites for work purposes, employees must have prior written approval from the CEO.

While free time is generally not subject to any restriction by MSHN, we urge all employees not to post information regarding MSHN, their jobs, or other employees which could lead to morale issues in the workplace or detrimentally affect MSHN's business. When posting, employees should:

- Protect trade secrets, intellectual property, and confidential information related to MSHN.
- Not post consumer identifiable information, this includes pictures, video, etc
- Refrain from posting statements that are maliciously false or defamatory or would constitute unlawful harassment or discrimination.
- Not make express or implied threats of violence.
- Avoid linking personal accounts to MSHN websites.
- Respect copyright, trademark, and third-party rights.
- Not use MSHN email accounts to register on social media platforms for personal use.

~~Employees should keep in mind that posting information regarding work can be detrimental to the work environment. At all times employees should be civil to others and their opinions, by not posting personal or work related information. Employees are personally responsible for the content published on blogs, wikis, or any other form of social media. Employees must always be mindful that once something is published online it is difficult to erase. Employees should also consider that if MSHN receives a complaint about information posted on social media sites, MSHN may need to investigate that complaint to ensure no violation of the harassment policy or other Company policy has occurred. In the event there is such a complaint, employees will be expected to cooperate in any investigation of that complaint, including providing access to the posts at issue.~~

Employees who identify themselves as an employee of MSHN or discuss matters related to our business on social media, must remember that although it may be a personal website or blog and a medium of personal expression, some readers may nonetheless view the employee as a de facto spokesperson for MSHN. Employees must make it clear that the views expressed are theirs alone and that they do not necessarily reflect the views of MSHN. To help reduce the potential for confusion, employees should put a disclaimer in a prominent location on the page or blog. For example, "The view expressed on this web site/blog are mine alone and do not necessarily reflect the views of my employer."

Without prior written approval from the CEO, no employee shall use any words, logos, or other marks that would infringe upon the trademark, service mark, certification mark, or other intellectual property rights of MSHN or its business partners. All rules that apply to employee activities, including the protection of proprietary and confidential information, apply to all blogs and online activities. This policy does not limit employee rights to discuss wages, hours, or other terms and conditions of employment. All employees have the right to engage in or refrain from such activities.

## Leave Policies

**General Policies:** MSHN provides eligible employees with leave for a variety of reasons. The following summarizes MSHN's leave policies in a way that MSHN hopes will be generally helpful.

As with all policies, MSHN reserves the right to revise or rescind these policies ~~at~~in its sole discretion, subject to legal requirements. This statement of leave policies is not intended to create a contract between MSHN and its employees.

To apply for leave (other than PTO), or to inquire into what leave may be available, an employee should speak with the Deputy Director, or the PEO ~~administrator~~. An employee applying for leave will be asked to state why he/she wants the leave, when he/she wants the leave to begin, and when he/she wants the leave to end. The Deputy Director will inform the employee what type and duration of leave, if any, has been approved and will also tell the employee which requirements, such as certification of a health condition, the employee must fulfill.

All leaves are granted for a specific period of time. An employee who foresees being unable or unwilling to return to work at the end of the leave period should apply for any other leave for which the employee is eligible, including an extension of the current leave. MSHN reserves the right to terminate the employment of an employee who does not return to work at the end of the approved leave period.

**Family and Medical Leave of Absence:** The Family and Medical Leave Act ("FMLA") allows eligible employees of a covered employer to take an unpaid leave of absence under certain circumstances for up to a total of 12 work weeks in a specific 12-month period. Eligible employees of a covered employer will be granted an FMLA leave of absence for the following reasons:

1. For the birth of a child, and to care for the newborn child;
2. For placement with the employee of a child for adoption or foster care;
3. To care for the employee's spouse, child, or parent with a serious health condition; and
4. Because of a serious health condition that makes the employee unable to perform the functions of the employee's job.

An eligible employee is defined as follows:

1. Has been employed by MSHN for at least 12 months, and
2. Has been employed at least 1,250 hours during the 12 months immediately preceding the commencement of leave, and
3. Is employed at a worksite where 50 or more employees are employed by the employer within 75 miles of that worksite.

An employee who meets all eligibility requirements will be granted an unpaid leave of absence for up to twelve (12) weeks. Employees who have accrued vacation leave, personal leave, or family leave time may be required to take that leave as part of the FMLA leave.

Spouses who are eligible for FMLA and are both employed by MSHN are permitted to take only a combined total of 12 weeks of leave during any 12-month period if the leave is taken for the birth of a child, the placement of a child for adoption or foster care, or to care for a sick parent.

For purposes of calculating the 12-month period for determining 12 work weeks of leave during any 12-month period, a 12-month period will be measured backward from the date an FMLA leave is requested to begin, absent a conflict with state law.

All FMLA leaves of absence require the prior approval of MSHN. Employees seeking leave under FMLA must provide thirty (30) days' notice to the Deputy Director or the PEO where the leave is foreseeable. Where the leave is not foreseeable, notice must be given as soon as practicable. Failure to provide the required notice may result in the denial of an employee's request for a leave of absence.

Where FMLA leave is taken to care for a sick family member or for an employee's own serious health condition, leave



may be taken intermittently or on a reduced leave schedule when medically necessary. An employee who requests intermittent leave or leave on a reduced leave schedule that is foreseeable based on planned medical treatment may be temporarily transferred to an alternative position of employment which better accommodates recurring periods of absence, provided that position of employment has equivalent pay and benefits.

In general, an employee seeking a leave of absence for a serious health condition must submit certification from a health care provider to substantiate that the leave is due to a serious health condition of the eligible employee or the son, daughter, spouse, or parent of the employee, as appropriate. The certification must state the date on which the serious health condition began, the probable duration of the condition, and must describe the nature of the condition. If the leave is due to the serious illness of an immediate family member, certification must provide an estimated amount of time the employee is needed to care for the immediate family member. If the leave is due to the serious illness of the employee, certification must provide a statement that the employee is unable to perform his or her functions of employment. If the leave is for planned medical treatment, certification must provide the dates on which the treatment is expected to be given and the duration of the treatment.

MSHN reserves the right to seek a second medical opinion from a healthcare provider of their choice to verify the need for the leave of absence. If the first and second medical opinions differ, MSHN may require that a third opinion be obtained from a third health care provider that is jointly selected by the employee and MSHN. The third medical opinion will be final and binding on both parties. A return-to-work medical certification is required for all employees returning from a medical leave of absence.

Employees who are on an approved FMLA leave will continue to participate in the group health insurance plan and the Company will continue to pay its portion of the premiums for the employee's health insurance during this period. Accordingly, employees are advised to plan for the retention of health coverage by arranging to pay the employee portion of the premium contributions during the FMLA leave.

In the event that an employee is not able to return to work after the completion of an approved FMLA leave, MSHN may recover from the employee the cost of any payments made to maintain the employee's health coverage. MSHN's obligation to continue to pay its portion of the premiums for an employee's health insurance will cease at the completion of an approved FMLA leave.

Any eligible employee who returns from an approved leave under FMLA will be restored to his or her former position or to an equivalent position with equivalent benefits, pay, and other equivalent terms and condition of employment. However, any employee who fails to return after the employee's FMLA leave entitlement has expired may not be guaranteed a position of employment or the continuation of his or her health insurance. Highly compensated employees may be denied restoration to their former position if the denial is necessary to prevent substantial and grievous economic injury to the operations of your assigned company. The employee will be notified by MSHN of the intent to deny restoration on such basis at the time your assigned company determines that such injury would occur.

FMLA does not supersede any provision of any State or local law that provides greater family or medical leave rights than the rights established by Federal FMLA.

**Military Family Leave:** On January 28, 2008, the National Defense Authorization Act (NDAA) was signed into law. The NDAA amended the FMLA to provide eligible employees working for covered employees two important new leave rights related to military service. The New military family leave entitlements for eligible specified family members:

**Qualifying Exigency Leave:** Permits eligible employees with a spouse, son, daughter, or parent on covered active duty in the Armed Forces, or notification of an impending call or order to active-duty status, in support of a contingency operation may use their 12-week unpaid leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

**Covered Servicemember Leave:** Permits eligible employees to take up to 26 weeks of unpaid leave during a single 12-month period to care for a family member (spouse, son, daughter, parent, or next of kin) who is a covered servicemember. A covered servicemember is a current member of the Armed Forces (including the National Guard or Reserves) who has a serious injury or illness incurred in the line of active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on temporary disability retirement list. The leave was expanded to include veterans who are undergoing medical treatment, recuperation or therapy for serious injury or illness that occurred any time during the five years preceding the date of treatment.

**Paid Time-Off (PTO):** Regular full-time employees are eligible for PTO. The purpose of PTO is to cover any need for time off, whether it is for a vacation, personal time, sickness, or to take care of family members. If an employee misses work for any reason, they are expected to use PTO unless they are using approved and earned compensatory or flex time. If an employee is on unpaid approved Medical, or Personal Leave of Absence, PTO will not be accrued for the duration of the leave. This policy is written to comply with the Michigan Earned Sick Time Act (ESTA), which became effective on February 21, 2025.

Employees are expected to submit a PTO request through their self-service portal at least one (1) week in advance where the leave is planned or foreseeable. Negative PTO accruals are not allowed.

Accrued PTO not used before the time of an employee's resignation will be paid out 100% if the employee resigns with a 30-day notice and 50% with a 14-day notice. Employees who resign with less than the required notice, or who are terminated for cause, will not receive a payout of their accrued PTO. If an employee is rehired in a two(2) month window and did not receive payout of unused PTO balance, their existing balance prior to separation will be made available.

Regular full-time employees become eligible for PTO upon hire at a rate commensurate with experience and tenure in the Community Mental Health System and as agreed upon in their terms of and conditions for employment.

Regular full-time employees become eligible as follows:

Employment Period	Number of Days Per Pay Period	Accrual per Hour Worked
0-1 Years of Employment	7.69 hours for every eighty (80) hours paid	.0962
2-3 Years of Employment	9.23 hours for every eighty (80) hours paid	.1154
4-6 Years of Employment	9.85 hours for every eighty (80) hours paid	.1232
7-9 Years of Employment	10.46 hours for every eighty (80) hours paid	.1308
10 + years of employment	10.77 hours for every eighty (80) hours paid	.1346

**Accumulation and Carry-Over of PTO:** An employee shall not be limited on accumulation of PTO. MSHN recognizes the annual allotment of 72 hours sick time as required in the Earned Sick Time Act as included in the accrual noted above, during the fiscal year (October 1 – September 30), but an employee shall not be allowed to carry more than two hundred forty (240) hours from one fiscal year to the next. An exception to this limit shall be if an employee requests scheduled paid time off and that request is denied, an employee shall then be allowed to carry over the number of hours requested and denied in addition to the 240 hours. Other allowable exceptions may only be approved by the Chief Executive Officer. Annually an employee may be eligible to convert accrued PTO hours accumulated to wages. PTO payouts will occur annually in September. To be eligible for conversion, an employee must have met the following criteria:

- Minimum of eighty (80) hours PTO balance after conversion
- Must have utilized eighty (80) hours of PTO within the previous 12 months and at least forty (40) hours of consecutive PTO. Agency paid holidays occurring between the 40 hours PTO requirement does not count towards the consecutive PTO hours used.

**Holidays:** MSHN observes the following holidays:

- New Year's Day - January
- Martin Luther King Day - January
- Presidents' Day - February
- Memorial Day - May
- Juneteenth - June
- Independence Day, July 4th
- Labor Day - September
- Veterans' Day – November
- Thanksgiving Thursday & Friday - November
- Christmas Eve Day - December
- Christmas Day- December
- New Year's Eve Day - December

MSHN employees have the option to swap up to two MSHN recognized holidays for two personal holidays of their choice. Optional holiday selections will be required in advance, in December each year for the following year. [If an employee elects to swap agency recognized holiday\(s\) for personal holiday\(s\), the employee must work on the agency recognized holiday.](#)

For MSHN employees to be eligible for holiday pay, they must be on the active payroll and actually work the last scheduled workday before the holiday, as well as the scheduled workday after the holiday, unless the employee has been approved for use of PTO. ~~If an employee does not work the scheduled day before or after the holiday (call in sick) they will not be paid for the holiday and will not be permitted to use the PTO for the holiday unless they had prior PTO approval.~~ Paid time off for holidays will not be counted as hours worked for the purpose of determining overtime.

Holiday pay for part-time employees shall accrue based upon and be paid according to the actual percentage of the part-time employees budgeted and scheduled weekly hours based upon a 40-hour work week of the employee at the time of the accrual.

**Leave Without Pay:** Available PTO must be utilized prior to requesting leave without pay. Requests for personal leave without pay for a period not to exceed one hundred eighty (180) days in a calendar year are considered individually and granted at the discretion of MSHN CEO. The reason for the request, the employee's length of service, the employee's work record and the demands of the individual's job are examples of the type of factors typically considered in evaluating a request for personal leave of absence. A request for personal leave of absence will be granted only if the employee is not eligible for any other type of leave.

**Jury Duty:** Employees summoned for jury duty will be allowed the necessary time off from work to perform this civic responsibility. MSHN will pay the employee their regular salary; and the employee is expected to remit any jury duty compensation received to MSHN within two weeks of receipt of funds. Employees will be expected to report to work during all regular hours if their presence is not required in a jury room or court. MSHN may require the employee to supply documentation from the court affirming the employee's jury duty service.

**Military Leave:** A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Employees may supplement their leave, with available Paid Time off (PTO) or may take the leave unpaid. Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions, and limitations of the applicable plans for which the employee is otherwise eligible. Leaves for military service and reinstatement after performing military service will be provided in accordance with the requirements of law.

### **Employment Protections for Civil Air Patrol Members**

[If you are a member of the Civil Air Patrol, Mid-State Health Network will not discriminate against, discipline, or discharge you because of your membership or because you are absent from work due to your response to an emergency declared by the governor, or by the President of the United States.](#)

[If you are a member of the Civil Air Patrol, you must notify the Agency of your membership upon hiring or within 30 days of the date you join, whichever is later.](#)

To be entitled to the protections provided by this policy, you must provide the Agency with as much notice as possible of the dates you will be absent from work due to the emergency. You must also provide the Agency with verification from the Civil Air Patrol of the emergency need for your service. Time missed from work while responding to the emergency will be treated as unpaid time off.

### **Crime Victim Leave:**

Mid-State Health Network will provide eligible employees time off from work to respond to a subpoena or request by the prosecuting attorney for the purposes of giving testimony.

### **Eligibility**

To be eligible for time off under this policy, you must be a victim of crime or a victim representative. A victim is an individual who has suffered direct or threatened physical, financial, or emotional harm as a result of the commission of a crime. A victim representative is an individual who is:

- A guardian or custodian of a child of a deceased victim if the child is less than 18 years of age.
- A parent, guardian, or custodian of a victim of assault if the victim is less than 18 years old.
- A person who has been designated to act in place of a victim of assault while the victim is physically or emotionally disabled.

### **Compensation**

Time off granted under this policy will be unpaid; however, exempt employees may be compensated as required by applicable law.

### **Notice**

Upon receiving a subpoena, provide your supervisor with reasonable advance notice of the need for leave. If advance notice is not practicable, provide appropriate documentation within a reasonable time after the absence.

### **Retaliation**

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

**Bereavement Leave:** Employees are eligible for paid bereavement leave. When a death occurs in an employee's immediate family (Defined as: spouse, domestic partner, child, mother, father, sister, brother, grandparent, grandchild, and in-laws of the same level), an employee may take up to three (3) days off with pay, to attend the funeral or make funeral arrangements. In unusual circumstances, additional time off may be granted, with or without pay, at the discretion of the MSHN CEO. Any additional time needed will be taken out of PTO or taken without pay. Employees must receive approval from the CEO and may be asked to provide documentation of the event.

**Inclement Weather:** MSHN will operate during regularly scheduled business hours unless otherwise determined by the CEO. During inclement weather conditions or other such circumstances where travel is not advised, employees are asked to follow the established inclement weather closure policy and to use their own judgment in determining the safety of reporting to work and the subsequent travel from work. Unless the agency is closed, employees who choose not to report to work during inclement weather or other related conditions will be required to use PTO time.

### **Disciplinary Policies**

**Workplace Rules:** The following work rules are designed to promote the mutual relationship and are subject to every day common sense. No single set of rules can cover every aspect of conduct on the job. The company retains the right to take disciplinary action for any conduct that does not meet expected standards of appropriate behavior in the workplace, and to assess the level of discipline based on the circumstances of each case. In situations outside specific rules, the company will follow its general policies. Nothing in these rules alters our policy of employment at will. The following are examples of inappropriate behavior that may lead to disciplinary action:

- [Harassment, discrimination, bullying, or any suspected or actual violation of the policies in this manual, including any form of retaliation against a good faith complainant.](#)
- Failure to work as assigned during scheduled times, this includes tardiness and absenteeism, as well as failure to timely return from scheduled breaks.
- Gambling on premises
- Smoking, drinking, or eating in unauthorized areas
- Disrespect to managers, or rudeness or unprofessional behavior toward a coworker, customer, or other member of the public
- Failing to work cooperatively with management/supervision or coworkers
- Reporting for work, or at work, in an unfit or unsafe condition to perform work
- Using abusive, obscene, or improper language on office premises
- Sleeping on the job
- Improper disclosure or failure to safeguard business secrets or other similar confidential information
- Failure or inability to meet minimum standards of responsibility, skill, and other work requirements
- Failure to follow instructions
- Disregard office policies and procedures
- Abusing or improperly using company property
- Any other violation of rules set out in the Personnel Manual or any other policy, procedure, rule, or guideline

Following are examples of conduct which will be cause for immediate discharge upon the first offense:

- Possession of firearms or other weapons on office premises
- Unauthorized possession, use or distribution of drugs or controlled substances
- Theft or attempted theft
- Gross neglect of duties
- Insubordination or refusal to follow instructions
- [Dishonesty, including](#) Falsification of records

The **typical disciplinary policy process** is as follows: [MSHN may begin the disciplinary process at any point in the following list depending on the nature of the infraction and other considerations. This progressive disciplinary scale is not intended to limit or restrict MSHN's ability to act or take disciplinary actions, or to limit actions only to those listed here. Disciplinary actions are in the sole discretion of the CEO.](#)

First Violation: Verbal warning and notation in personnel file

Second Violation: Written warning, included in personnel file

Third Violation: Unpaid suspension & final written warning, included in personnel file

Forth Violation: Subjected to termination of employment

**Problem Resolution:** MSHN seeks to deal openly and directly with its employees and believes that communication between employees and management is critical to solving problems. Co-workers that may have a problem with one another should attempt to resolve the problem themselves. If a resolution cannot be agreed upon, employees should approach their direct supervisor(s) for assistance with obtaining resolution. In the event an employee is not comfortable approaching their direct supervisor for assistance with problem resolution, or the concern involves the supervisor, employees have the following alternative options for addressing human resource issues:

- Employees are encouraged to approach the Deputy Director for assistance with human resource issues and problem resolution.
- Employees may also directly contact a human resource specialist at the Professional Employer Organization (PEO): Costaff Human Services, **1-800-4-COSTAF**

In the event a resolution is not reached by any of the above methods employees should approach the CEO, who will

work with the employee(s) to determine a resolution. In these instances, the decision of the CEO is final. Employees that have an issue involving the CEO should address the concern directly with the CEO or with the Human Resources Representative at the PEO.

**Discipline:** MSHN's policy is to attempt to deal constructively with employee performance problems and errors. The disciplinary process will be determined by the MSHN CEO in light of the facts and circumstances of each case. Discipline shall typically be progressive in nature, at the discretion of the CEO and based on the severity of the performance concern. Depending upon the facts and circumstances, the discipline applied may include, among other things, oral or written warnings, probation, suspension without pay, or immediate discharge. Each situation will be considered through a variety of factors including, but not limited to, the seriousness of the situation, the employee's past conduct and length of service, and the nature of the employee's previous performance or incidents involving the employee. Nothing contained in this manual, including this section, the Corrective Action section and the Separation Policies, negates the at-will employment relationship.

**Corrective Action:** Corrective action is taken in response to a rule infraction or violation of agency policies and will continue until the violation or infraction is corrected. Corrective action may include any of the following: verbal warning, written warning, written suspension or discharge. MSHN may establish other/additional sanctions or terms for performance correction or improvement. MSHN considers some violations as grounds for immediate dismissal, including, but not limited to: violation of discrimination/harassment policy; insubordinate behavior, theft, destruction of agency property, breach of confidentiality agreement, untruthfulness about personal background or threats of violence, abuse or violation of the remote work agreement, among others. Employees charged with some infraction and subject to corrective action may appeal that corrective action. An appeal must be submitted in writing to the CEO. If, after reviewing the corrective action, CEO, in consultation with the PEO, determines that the procedures were followed accordingly, the corrective action will stand. If it is determined that MSHN procedures were not followed, the action may be altered or reversed. The decision of the CEO is final.

### Separation Policies

**Resignation:** Resignation is a voluntary act initiated by the employee to terminate their employment with MSHN. Although advanced notice is not required, MSHN requests a written notice of at least 30 days from all employees.

**Job Abandonment:** If an employee is absent for more than three (3) consecutive days, without notifying the supervisor, the employee may be considered to have voluntarily abandoned employment with MSHN. If termination is determined the effective date will be the last day the employee reported for work. If an employee abandons a job, he or she is not entitled to accrued PTO days, unless required by law.

**Termination:** MSHN requires that employees return all documents, files, computer equipment, uniforms, agency tools, business credit cards, keys, and other agency owned property on or before the last day of work. ~~When all agency-owned property has been collected, the employee will receive his or her final paycheck and any accrued PTO pay, if applicable.~~ Employees leaving the agency will have the option of having an exit interview with the Deputy Director or CEO.

### Manual Amendments and Revisions

The Chief Executive Officer reserves the right to and retains, solely and exclusively, all rights to manage and operate its affairs, to modify, amend or terminate any portion of the benefits or compensation provided with or without notice. The statutory rights, duties and obligations of the Board shall not in any way be abridged by the terms of this manual. The fact that these policies may have been drafted or applied differently in the past does not affect their current or future enforcement. The contents of this manual may be added to, expanded, reduced or otherwise modified; any such modification in this manual shall be at the discretion of the Board of Directors. Verbal changes shall have no force or effect. Changes will be effective on the date of Board authorization and will supersede the original policies, benefits and compensation.



**Acknowledgement of Receipt & Understanding**

I hereby certify that I have read and fully understand the contents of this Personnel Manual. I also acknowledge that I have been given the opportunity to discuss any policies contained in this manual with an agency official. I agree to abide by the policies set forth in this manual and understand that compliance with MSHN's rules and regulations is necessary for continued employment. My signature below certifies my knowledge, acceptance, and adherence to the agency's policies, rules, and regulations.

I have entered into my employment with MSHN voluntarily and acknowledge there is no specific length of employment. Accordingly, either I or MSHN can terminate the employment relationship at will, with or without cause, at any time. I agree that any action, claim or suit against MSHN, its parent company or subsidiaries, arising out of my employment or the termination of my employment, including but not limited to claims arising under State or Federal civil rights statutes, must be brought within 180 days of the event giving rise to the claims or they will forever be barred. I waive any limitation periods to the contrary. I understand that MSHN is an Equal Opportunity Employer and an employer at will. I acknowledge that this manual is neither a contract of employment nor a legal document. I have received the manual, and I understand that it is my responsibility to read and comply with the policies contained in this manual and any revisions made to it. I understand that this receipt will become a permanent part of my personnel record.

I acknowledge that MSHN reserves the right to modify or amend its policies at any time, without prior notice. These policies do not create any promises or contractual obligations between MSHN and its employees.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Deputy Director Signature

\_\_\_\_\_  
Date



## POLICIES AND PROCEDURE MANUAL

<b>Chapter</b>	<b>Human Resources</b>		
<b>Title:</b>	<b>Position Management</b>		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 2	<b>Review Cycle:</b> Biennial  <b>Author:</b> Deputy Director	<b>Adopted Date:</b> 03.07.2017  <b>Review Date:</b> 07.11.2023	<b>Related Policies:</b> Delegation to the CEO and Executive Limitations Employee Compensation Personnel Manual

### Purpose

This policy is established to clarify the authority and delegation of personnel procurement and management to the Mid-State Health Network (MSHN) Chief Executive Officer (CEO) by the MSHN Board of Directors. The following policy provides authoritative guidance to the CEO for ensuring sustained organizational effectiveness relating to the number, type, and qualifications of personnel and position management.

### Policy

- A. It is the policy of MSHN that the CEO operate the organization under an approved administrative operating budget that is sufficient to ensure compliance with the Michigan Department of Health and Human Services (MDHHS) contract and the roles/responsibilities of the organization.
- B. Accountabilities:
1. The Board of Directors is responsible for adopting an operating budget, including personnel resources and benefits. Budgets proposed by administration include the anticipated number and types of personnel, along with aggregate compensation details;
  2. The CEO, operating within the parameters of the Board of Directors approved MSHN operating budget, will create, alter, and maintain staff positions, compensation, and an organizational structure sufficient to carry out the obligations and responsibilities, and to conduct the day-to-day operations, of MSHN in accordance with its Mission, Vision, and Values ~~and contracts with purchasers of MSHN services~~;
  3. The CEO may create, alter or otherwise arrange or procure staff positions provided the total board approved operating budget for MSHN operations is not exceeded. In the event the MSHN operating budget is reasonably expected to be exceeded, the CEO must receive approval of the Board of Directors in order to proceed; and
  4. Compensation of direct employed positions will be determined in compliance with the MSHN Employee Compensation Policy and Procedure.

### Applies to:

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

### Definitions:

CEO: Chief Executive Officer

MDHHS: Michigan Department of Health & Human Services

MSHN: Mid-State Health Network

**Other Related Materials:**

Human Resources: Employee Compensation Procedure

**References/Legal Authority:**

N/A

**Change Log:**

<u>Date of Change</u>	<u>Description of Change</u>	<u>Responsible Party</u>
02.2017	New Policy	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
<a href="#">03.2025</a>	<a href="#">Biennial Review</a>	<a href="#">Deputy Director</a>

## POLICIES AND PROCEDURE MANUAL

<b>Chapter</b>	<b>Human Resources</b>		
<b>Title:</b>	<b>Public Health Emergency Preparedness and Response Plan for MSHN Internal Operations</b>		
<b>Policy:</b> <input checked="" type="checkbox"/>	<b>Review Cycle:</b> Biennial	<b>Adopted Date:</b> 7.07.2020	<b>Related Policies:</b>
<b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 2	<b>Author:</b> Chief Executive Officer	<b>Review Date:</b> 07.11.2023	

### Purpose

The purposes of this policy are to provide for the protection of the members of the Mid-State Health Network (MSHN) workforce from infection or exposure to contagious viruses or other contagious health conditions, to mandate certain measures by MSHN and its workforce members and guests, and to provide for the common good of Mid-State Health Network during a local, state or federally -declared public health emergency.

### Policy

It is the policy of Mid-State Health Network to maintain and publish a public health emergency-specific “Preparedness and Response Plan” in accordance with the MSHN Continuity of Operations Plan the emergency-specific plan shall address MSHN-internal operational status, workplace conditions, building entry/exit requirements, requirements for the use of personal protection equipment and social distancing, cleaning, use of common, multi-occupancy and single occupancy spaces in MSHN-controlled sites, visitor/guest, meeting and travel restrictions, hygiene requirements, illness reporting, employee training and any other aspect of operations or employee behavior considered essential to protect and promote the employee wellness of the MSHN workforce during a declared state(s) of emergency.

The “Preparedness and Response Plan” shall be maintained by the Chief Executive Officer and shall be updated from time-to-time as circumstances and published guidance from official authoritative public health sources warrant.

All MSHN employees are required to follow the “Preparedness and Response Plan,” including but not limited to pertinent requirements to use personal protective equipment, cleaning/sanitation, hand and respiratory hygiene during working hours, and any other requirements based on official public health authorities. Employees refusing to or consistently failing to do so may be subject to exclusion from MSHN premises, disciplinary action, or both.

The Chief Executive Officer shall have broad discretion to implement the “Preparedness and Response Plan” and to enforce the requirements therein contained and is responsible for determining whether to restrict or relax elements of the plan, related policies included in the plan, to restrict or relax business-related activities (including travel, remote work, and all other aspects of maintaining a safe and healthy environment for employees), or for taking other actions to promote public health, workforce and guest health and safety. The Chief Executive Officer is expected to consult with the Deputy Director, Chief Medical Officer and other members of leadership, as well as employees, whenever possible in the decision-making process related to elements contained in the plan.

### 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**

MSHN: Mid-State Health Network

### **Other Related Materials**

MSHN Continuity of Operations Plan



MSHN

CoOP\_10.2024\_FINAL



MSHN

CoOP\_8.2020.pdf

### **References/Legal Authority**

Executive Order 20-91 (Governor Whitmer)

### **Change Log:**

<u>Date of Change</u>	<u>Description of Change</u>	<u>Responsible Party</u>
05.22.2020	New Policy	Chief Executive Officer
02.2021	Biennial Review	Deputy Director
02.2023	Biennial Review	Deputy Director
<a href="#">03.2025</a>	<a href="#">Biennial Review</a>	<a href="#">Deputy Director</a>

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Human Resources</b>		
<b>Title:</b>	<b>Reimbursement Policy for Credentials, Licensure and Memberships Policy</b>		
<b>Policy:</b> <input checked="" type="checkbox"/>	<b>Review Cycle:</b> Biennial	<b>Adopted Date:</b> 01.05.2016	<b>Related Policies:</b>
<b>Procedure:</b> <input type="checkbox"/>	<b>Author:</b> Deputy Director	<b>Review Date:</b> 07.11.2023	MSHN Personnel Manual
<b>Page:</b> 1 of 2			

### Purpose

Mid-State Health Network (MSHN) recognizes the importance of recruiting and retaining well-qualified professionals with the requisite credentials and licenses and the continuing need for re-certifications to support the mission. Memberships to associations can provide discounted trainings and certified educational credits to obtain the requisite credentials and licenses. The purpose of this policy is to identify MSHN's policy regarding reimbursement for credentials, licensure and memberships.

### Policy

It is the responsibility of licensed or otherwise credentialed employees to maintain their individual credentials that are required for employment. MSHN will reimburse employees for professional credentials, licenses, associated professional fees and memberships and continuing education credits if the license or credential is listed in the job description or if required by MSHN. Licenses or credentials that are not required by MSHN but that have the potential to lead to better individual or organizational performance will be considered by MSHN, but it is not an employee benefit or entitlement. Consequently, such expenditures shall be reviewed and, if approved, will be disbursed in the form of a reimbursement to eligible employees in accordance with policies and procedures.

Reimbursement is not available for college, technical, or other formal education typically associated with earning a "college degree." MSHN will not reimburse employees for education credentials or licenses so that the employee meets the minimum requirements of the job as detailed in the approved job description.

The professional credential must be issued by an appropriate ~~f~~Federal, state or local authority, or industry recognized professional credentialing body.

Reimbursement for payment of these expenses must be determined to be in the interest of the MSHN. MSHN may reimburse an employee for expenses associated with obtaining or maintaining professional credentials and/membership fees that MSHN determines are beneficial to carrying out the functions of the employee's position. MSHN will discuss appropriate licensures during the job description and performance evaluation review process. Expenses associated with obtaining or maintaining professional credentials that are solely for the benefit of an employee may not be reimbursed.

Reimbursement is subject to availability of funding for this purpose and approval of each individual request. Department leaders are responsible for ensuring appropriate allocation of resources through the annual budgeting process.

Reimbursement request must identify the types of credentials, professional accreditations, professional licenses, certifications, examinations, and/or associated expenses, including those for continuing professional education, authorized for reimbursement.

Employees must request and receive authorization of expenses to obtain professional credentials in advance of an expense being incurred by an employee. Under such circumstances, an employee may be

reimbursed for an incurred expense only following successful completion of a professional credential requirement.

MSHN may identify the need for one or more of its existing employees to be credentialed. Where MSHN changes the credentialing requirements of a position or requires an existing employee to obtain a new credential required by MSHN, MSHN will pay the initial costs of the employee to obtain the newly required credential.

#### **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**

**MSHN:** Mid-State Health Network

**Certification Program:** A program that involves a process in which individuals attain and demonstrate the level of knowledge and skill required to perform in the profession, occupation, or roles.

**Licensure:** A process by which a governmental authority grants permission to an individual practitioner or organization to operate or to engage in an occupation or profession.

**Professional Accreditation:** A formal process by which a recognized body, usually a non-governmental institution, assesses and recognizes that an organization meets applicable, pre-determined standards.

**Professional credentials:** Documents that attest to the truth of stated facts. For the purpose of this Instruction, professional credentials include professional accreditation, State-imposed and professional licenses, and professional certifications and registrations.

#### **Other Related Materials**

N/A

#### **References/Legal Authority**

N/A

#### **Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
10.2015	New Policy	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
03.2023	Biennial Review	Deputy Director
03.2025	Biennial Review	Deputy Director

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Human Resources</b>		
<b>Title:</b>	<b><u>Separation Policy</u>Exit Interview at Separation</b>		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 2	<b>Review Cycle:</b> Biennial  <b>Author:</b> Deputy Director	<b>Adopted Date:</b> 07.05.2016  <b>Review Date:</b> 07.11.2023	<b>Related Policies:</b> Personnel Manual

### Purpose

The intent of this policy is to ensure that an exiting employee is informed of his/her rights and benefits and that accurate records regarding termination of employment are collected and maintained.

### Policy

It is the policy of Mid-State Health Network (**MSHN**) to ensure that any employee whose employment is being terminated, whether voluntarily or involuntarily, receives an exit interview. The exit interview shall be conducted by the Deputy Director. If the employee reports directly to the Deputy Director, then the Chief Executive Officer shall conduct the exit interview.

The objectives of the exit interview are as follows:

- To determine and discuss the employee's reason for resignation, if applicable;
- To discover and discuss any grievances that the employee may have regarding the department or position held in an effort to institute corrective action(s), if any; which may be deemed necessary
- To discover and discuss any misunderstandings the employee may have had about his/her job or with his/her supervisor(s) in an effort to institute corrective action(s), if any, which may be deemed necessary;
- To discover and discuss suggestions the employee may have regarding areas of improvement for MSHN operations;
- To maintain good will and teamwork amongst current and future employees;
- To review administrative details with the employee such as benefit continuation rights ~~and conversion~~and conversion privileges, if any, final pay, re-employment policy, and employment compensation; and
- To arrange for the return of any company property which may be in the possession of the leaving employee and has not already been returned to the department supervisor.



**Applies to**

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

**Definitions**

MSHN: Mid-State Health Network

**Other Related Materials**

Exit Interview Procedure  
Involuntary Termination Procedure  
Exit Interview Form  
Termination Checklist

**References/Legal Authority**

N/A

**Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
04.2016	New Policy	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
<a href="#">03.2025</a>	<a href="#">Biennial Review</a>	<a href="#">Deputy Director</a>

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Human Resources</b>		
<b>Title:</b>	<b>Succession Planning Policy</b>		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 3	<b>Review Cycle:</b> Biennial <b>Author:</b> Chief Executive Officer	<b>Adopted Date:</b> 05.05.15 <b>Review Date:</b> 07.11.2023	<b>Related Policies:</b>

### Purpose

Organizations that plan well for the future anticipate and plan for changes in key leadership staff. Mid-State Health Network (MSHN) seeks to be prepared for future changes in key staff positions by requiring development of a Succession Plan.

### Policy

Recognizing that the Chief Executive Officer (CEO) is the only employee of the Board of Directors, and that all other leadership and staff positions are employed by the CEO, it is the policy of the MSHN Board to periodically assess the temporary/emergency and permanent chief executive officer leadership needs of the organization to help ensure the selection of a qualified and capable leader (temporary or permanent) who can carry out the organization's mission, vision, values, goals, and objectives, and who has the necessary skills for the organization. The Chief Executive Officer (CEO) shall not put the organization at risk by failing to appropriately plan and prepare for extended periods of scheduled or unexpected absence. In addition, the Chief Executive Officer shall ensure that each person appointed to a chief-level and director-level role has a written succession or successor development plan that the CEO endorses and approves.

The Board requires that the CEO maintain a written plan for temporary/emergency and permanent succession of the CEO.

The written plan shall be submitted to the Board Executive Committee annually at the time of the current CEO's annual performance review. The CEO succession plan will be available to Board of Directors members upon request. annually at the time of the current CEO's annual performance review, which is normally conducted in a closed executive session of the board.

The CEO Written Succession Plan shall include relevant information and at a minimum address the following provisions:

- Name, current position, and qualifications, of internal or external successor.
  - If a successor is identified by name, a summary of development (cross training) activities that have taken place and identification of areas for further development in the coming period.
  - If an individual is not identified, a narrative of the steps taken (and/or to be taken) to identify and develop a successor.
- Specific steps that the Executive Committee of the Board of Directors would need to consider and/or take to implement a temporary/acting/interim or other short-duration appointment.
- Current position description, along with any recommendations for updates.
- Recommendations relating to level of compensation, benefits, or other remuneration considerations.
- Key priorities that the board should consider and/or focus on in the event of the absence or departure of the current CEO.

### Interim/Acting CEO Appointment:

In the event of a planned short-term or long-term absence of the current CEO, the Board of Directors may appoint an Interim/Acting Chief Executive Officer. While not obliged to implement the current CEO's succession plan, the Board of Directors shall give appropriate consideration and weight to the most current written succession plan.

### Replacement of the Current CEO:

If the Board is preparing for permanent replacement of the current CEO because they have resigned, passed away, are incapacitated and unlikely to be able to carry out the functions of the position, or is not planning to return from a short- or long-term absence to the position, the Chairperson shall call the board to meet and consider the following and any other factors it deems appropriate.

- Consideration of the current CEO's written succession plan and the appointment of an Interim/Acting CEO (or other available decisions)
- Consideration of strategies to appoint a permanent replacement, including development of a plan for recruitment (if needed) and selection, and appointment.

If at any time the Board of Directors appoints an Interim/Acting Chief Executive Officer, and the current CEO is able to communicate, they shall inform MSHN staff and key stakeholders, including providing appropriate notice to the Michigan Department of Health and Human Services, other funders, the provider network, key constituents and community stakeholders. In the event the current CEO is unable to perform this function, the board appointed interim/acting CEO shall provide these notices.

### Applies to

- ☐ All MSHN Staff
- ☒ Selected MSHN Staff, as follows: CEO, DD, CFO, CIO, CBHO, CQCO and CCO
- ☒ MSHN Board of Directors
- ☐ MSHN's CMHSP Participants: ☐ Policy Only ☐ Policy and Procedure
- ☐ Other: Sub-contract Providers

### Definitions

CEO: Chief Executive Officer

~~DD: Deputy Director~~

CBHO: Chief Behavioral Health Officer

CCO: Chief Clinical Officer

CFO: Chief Financial Officer

CIO: Chief Information Officer

~~CBHO: Chief Behavioral Health Officer~~

CQCO: Chief Quality and Compliance Officer

~~CCO: Chief Clinical Officer~~

DD: Deputy Director

Long Term: In the context of this policy, long term is an absence that is expected to be more than six months in duration and up to one year, but where the current CEO is expected to return to their duties.

MSHN: Mid-State Health Network

PIHP: Pre-paid Inpatient Health Plan

Short Term: In the context of this policy, short-term is an absence that is expected to be six months or less in duration, and where the current CEO is expected to return to their duties.

Succession Planning: Identification and development of potential successors for key positions in an organization, through a systematic evaluation process and training. Unlike replacement planning (which grades an individual solely on the basis of his or her past performance) succession planning is largely predictive in judging an individual for a position he or she might never have been in.

**Other Related Materials**

Succession Planning Procedure

**References/Legal Authority**

MDHHS-PIHP Contract

**Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
05.15.2015	New Policy	Chief Executive Officer
05.03.2016	Annual Review	Chief Executive Officer
06.12.2017	Annual Review	Deputy Director
05.17.2018	Annual Review	Deputy Director
05.01.2019	Annual Review	Deputy Director
02.2021	Biennial Review	Deputy Director
02.2023	Biennial Review	Chief Executive Officer
<u>03.2025</u>	<u>Biennial Review</u>	<u>Deputy Director</u>

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	Provider Network Management		
<b>Title:</b>	Provider Network Credentialing/Recredentialing		
<b>Policy:</b> <input checked="" type="checkbox"/>	<b>Review Cycle:</b> Biennial	<b>Adopted Date:</b> 04.07.2015	<b>Related Policies:</b> Provider Network Management Service Provider Reciprocity Personnel Manual
<b>Procedure:</b> <input type="checkbox"/>	<b>Author:</b> Provider Network Mgmt. Committee, Chief Executive Officer	<b>Review Date:</b> 03.05.2024	
<b>Page:</b> 1 of 4			

### Purpose

In accordance with statutory and funding requirements, Mid-State Health Network (MSHN) is responsible to assure that providers (practitioners and organizations) within the region are appropriately qualified and competent to provide covered and authorized services. All ~~professionals who provide clinical services~~individual licensed providers and all organizational providers—within the MSHN network must be properly credentialed and recredentialed.

### Policy

MSHN seeks to ensure the competency and qualifications of the service delivery network in the provision of specialty services and supports covered services and programs. To achieve that goal, it is the policy of MSHN that specific credentialing and recredentialing activities shall occur and be documented to ensure that staff, regional network providers, and their subcontractors are operating within assigned roles and scope of authority in service delivery or business functions. MSHN shall adopt procedures that assure credentialing and recredentialing practices require providers and sub-contractors obtain and maintain proper credentials for their job position and responsibilities as required by statute, policies, and/or job description qualifications.

The policy, and related procedures, applies to Community Mental Health Service Participants (CMHSPs) and their network of providers and Substance Use Disorder Service Providers (SUDSPs) contracted directly with MSHN.

### Independent Individual Practitioners

All credentialing/re-credentialing practices shall be conducted in accordance with the Michigan Department of Health and Human Services (MDHHS) Credentialing and Recredentialing Process and MSHN ~~Credentialing Independent Practitioners procedure~~policy and procedures, and at a minimum, require:

- Initial credentialing upon hire or contracting,
- Re-credentialing at least every ~~two~~three years, and
- A process for ongoing monitoring and primary source verification of expired licenses, certifications, and other credentials.

Credentialing and recredentialing processes shall not discriminate against: (a) a health care professional solely on the basis of license, registration, or certification; or (b) a health care professional who serves high-risk populations or who specializes in the treatment of conditions that require costly treatment.

Credentialing and recredentialing processes must ensure that network providers residing and providing services in bordering states meet all applicable licensing and certification requirements within their state.

### Organizational Providers

For organizational providers included in its network, and in accordance with the *Credentialing Organizational Providers procedure*, MSHN and CMHSPs must:

- validate, and re-validate at least every ~~two~~three years, that the organizational provider is licensed or certified as necessary to operate in the State of ~~Michigan, and~~Michigan and has not been excluded from Medicaid or Medicare participation.
- ensure that the contract with any organizational provider requires the organizational provider to credential and re-credential their directly employed and subcontract direct service providers in accordance with the

MSHN credentialing/re-credentialing policies and procedures (which must conform to MDHHS's credentialing process).

### **Monitoring and Oversight of Credentialing and Recredentialing Activities**

MSHN provider network credentialing and recredentialing process is delegated to the CMHSP Participants and Substance Use Disorder Service Providers (SUDSP) under contract with MSHN. Delegation includes compliance with the credentialing and recredentialing policies and procedures, conducting specific credentialing and recredentialing activities for applicable health care providers, and establishing and maintaining credentialing records.

All CMHSPs and SUDSPs under contract with MSHN providing Medicaid, Healthy Michigan, and Substance Use Disorder Community Grant Services shall have policies and procedures for credentialing and recredentialing that are updated as needed ~~(not less than biennially)~~, to meet MDHHS credentialing guidelines, MSHN policy, and any other pertinent regulatory requirements. Written credentialing policies and procedures must reflect the scope, criteria, timeliness, and process for credentialing and recredentialing organizational providers and individual practitioners. The policy must be approved by the governing body, and:

- A. Identify the administrative staff member and/or entity (e.g., credentialing committee) responsible for oversight and implementation of the process and delineate their role;
- B. Describe any use of participating providers or practitioners in making credentialing decisions;
- C. Describe the methodology to be used by Prepaid Inpatient Health Plan (PIHP) staff members or designees to provide documentation that each credentialing or re-credentialing file was complete and reviewed prior to presentation to the credentialing committee for evaluation;
- D. Describe how the findings of the Quality Assessment Performance Improvement Program (QAPIP) are incorporated into the re-credentialing process.

~~E. Background checks;~~

~~F. Suspension and revocation~~

~~G. Monitoring of credentialing/recredentialing practices including the practices of organizational providers.~~

MSHN is responsible for the oversight of any delegated credentialing or recredentialing decisions within its service delivery network and shall review these practices in accordance with the MSHN delegated functions monitoring and oversight policy, procedure, and protocols. Compliance shall be assessed based on MSHN policies and standards in effect at the time of the credentialing or recredentialing decision. Credentialing and recredentialing records are subject to MSHN, state, and ~~f~~ederal audit.

MSHN retains the right to approve, ~~suspend, or terminate an individual practitioner or organizational provider from participation in the provision of Medicaid or MSHN funded services. the credentialing decisions of a CMHSP or SUDSP or require discontinuation of service by organization providers and/or independent practitioners without the proper credentialing status.~~ Improper or insufficient credentialing practices by CMHSP or SUDSP may be cause for contractual sanction(s) by MSHN, requiring a corrective action plan, and could be cause for contract suspension or termination. In accordance with the Medicaid Event Verification Policy and Procedure, MSHN may recoup funds for any fee-for-service provider for any claims/encounters that are found to be invalid as a result of improper credentialing.

Administration of credentialing/recredentialing activities and oversight is the responsibility of the MSHN Deputy Director, under the direction of the Provider Credentialing Committee (PCC). The PCC charter details the membership and roles/responsibilities for credentialing activities.

### **Deemed Status**

Organizational Providers or ~~Independent individual p~~Practitioners may deliver healthcare services to more than one agency. MSHN, CMHSPs, or SUDSPs may recognize and accept credentialing activities conducted by any other agency in lieu of completing their own credentialing activities. In those instances where MSHN, CMHSPs, or SUDSPs choose to accept the credentialing decision of another agency, they must maintain copies of ~~the credentialing documents including Primary Source Verification (PSV) and the credentialing decision in their administrative records. the credentialing agency decisions.~~

MSHN and CMHSPs must utilize the MDHHS Universal Credentialing system as required by MDHHS

when credentialing individuals and organizations.

### **Notification Requirements and Appeal of Adverse Credentialing Decision:**

Organizational Providers and ~~Independent-Individual~~ Practitioners shall be notified, in writing, of all credentialing decisions, including credentialing status, effective date, and recredentialing due date. An organizational provider or ~~independent-individual~~ practitioner that is denied credentialing or recredentialing shall be informed of the reasons for the adverse credentialing decision in writing, within 30 days of the decision, and shall have an appeal process that is available when credentialing or recredentialing is denied, suspended or terminated for any reason other than lack of need. The appeal process must be included as part of an adverse credentialing notification letter.

In instances of a conflict of interest, subcontracted providers responsible for credentialing and recredentialing ~~Independent Practitioners~~ may utilize the MSHN provider appeal process to ensure a neutral and fair appeal process is available.

If the reason for denial, suspension, or termination is egregious (serious threat to health safety of consumers or staff, represents a substantiated criminal activity, etc.) action shall be taken immediately. In the event of immediate suspension or termination MSHN, CMHSPs, and SUDSPs shall address coordination of care so as to prevent disruption of services.

### **Record Retention**

All credentialing and recredentialing documentation must be retained for each credentialed provider and include:

- Initial credentialing and all subsequent recredentialing applications;
- Information gained through primary source verification; and
- Any other pertinent information used in determining whether or not the provider met credentialing and recredentialing standards

Records shall be retained in accordance with MSHN Record Retention Policy.

### **Reporting Requirements**

~~CMHSP Participants and SUDSPs~~ MSHN and its provider network are responsible to report suspected fraud, abuse, and licensing violations to the MSHN Chief Compliance and Quality Officer as soon as it is suspected. If a matter expected to lead to suspension or revocation, is known to be related to fraud, abuse, and/or a licensing violation, reporting shall be conducted in coordination with the MSHN Chief Compliance & Quality Officer and any regulatory/investigative agency involved. MSHN and the responsible CMHSP or SUDSP shall coordinate immediate verbal (phone) reporting to the Office of the Inspector General (OIG), Licensing and Regulatory Affairs (LARA) and the Division of Program Development, Consultation and Contracts, Behavioral & Physical Health and Aging Services Administration in MDHHS accordingly. Verbal notice shall be followed by written notice of the matter including any relevant supporting documentation. Information shall be submitted via e-mail in an encrypted format and by regular mail if requested. Once a matter has been turned over to the OIG further investigation should be suspended unless approval is granted by the OIG.

The Chief Compliance & Quality Officer shall maintain records of all credentialing activities reported to MDHHS or the OIG in accordance with MSHN compliance monitoring policies and procedures.

### **Applies to:**

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

### **Definitions:**

**CFR:** Code of Federal Regulations

**Credentialing:** the administrative process for reviewing, verifying, and evaluating the qualifications and credentials to ensure individuals and organizations meet the necessary criteria to provide healthcare services.

**Credentialing Committee:** A group of individuals, selected by an organization, to review the professional backgrounds and qualifications of applicants to make the determination if individual meets the criteria to



provide healthcare services.

**CMHSP:** Community Mental Health Services Program

**Independent Individual Practitioner:** ~~the administrative process for reviewing, verifying, and evaluating the qualifications and credentials to ensure individuals meet the necessary criteria to provide healthcare services. An individual who is engaged in the delivery of healthcare services and is legally authorized to do so by the State in which they deliver the services.~~

**LARA:** Michigan Department of Licensing and Regulatory Affairs

**MDHHS:** Michigan Department of Health & Human Services

**MSHN:** Mid-State Health Network: ~~Prepaid Inpatient Health Plan under contract with the MDHHS to provide managed behavioral health services to eligible individuals.~~

**OIG:** Office of Inspector General

**Organizational Providers:** ~~includes an agency or facility which has a contract with a CMHSP or MSHN to provide some portion of specialty support services which MSHN has agreed to perform within its contract with MDHHS. Organizational providers are required to credential and re-credential their directly employed and subcontract direct service providers in accordance with the MSHN's credentialing/re-credentialing policies and procedures (which must conform to MDHHS's credentialing process). An entity that directly employs and/or contracts with individuals to provide health care services. Examples of organizational providers include, but are not limited to, community mental health services programs (CMHSPs); hospitals; nursing homes; homes for the aged; psychiatric hospitals, units, and partial hospitalization programs; substance abuse programs; and home health agencies.~~

**PCC:** Provider Credentialing Committee

**PIHP:** ~~a Prepaid Inpatient Health Plan under contract with MDHHS to provide managed behavioral health services to eligible individuals.~~

**Primary Source Verification (PSV):** ~~SV: Primary Source Verification The process by which an organization/entity corroborates the accuracy and validity of an organizational provider's reported credentials and qualifications with the original source or allowable alternative source/designated equivalent source.~~

**QAPIP:** Quality Assessment Performance Improvement Program

**Re-credentialing:** the ongoing administrative process for updating, reviewing, verifying, and evaluating the qualifications and credentials to ensure individuals and organizations meet the necessary criteria to provide healthcare services.

**SUDSP:** Substance Use Disorder Service Provider (Treatment, Prevention, and Recovery)

### **References/Legal Authority:**

MSHN Personnel Manual: Credentialing and Recredentialing

MDHHS Medicaid Managed Specialty Supports and Services Contract

MDHHS Credentialing & Re-credentialing Processes

MDHHS SUD Credentialing and Staff Qualification Requirements

MDHHS Medicaid Provider Manual

Public Act 282 of 202

42 Code of Federal Regulations (CFR) CFR 438.214

42 CFR 438.12

### **Attachments:**

#### **Change Log:**

Date of Change	Description of Change	Responsible Party
03.2015	New policy	PNMC
07.2015	Address compliance requirements with MDHHS Contract attachment– P7.1.1 in accordance with MSHN's	Director of Provider Network Mgmt.
09.2016	Annual Review; Registered Dietitian added to list of professionals requiring credentialing	Director of Provider Network Mgmt.
09.2018	Annual Review	Director of Provider Network Mgmt.

08.2017	Annual Review; update responsible staff title	Director of Provider Network Mgmt.
09.2019	Annual Review – revisions, moved ‘A Word About Professional Licensure’ to LIP Procedure	Director of Provider Network Management Systems
11.2021	Biennial Review – Changed titles as necessary; Removed attachment references to MDHHS contract	Contract Specialist
01.2023	Revised and updated language in accordance with MDHHS Credentialing and Recredentialing Processes revision 03/24/23.	Compliance Administrator/Deputy Director
12.2023	Biennial Review	Contract Specialist
<u>1.2025</u>	<u>Revised language to align with updates to MDHHS FY25 contract and MDHHS Credentialing and Recredentialing Processes revision 11.18.24</u>	<u>Compliance Administrator</u>

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	Provider Network Management		
<b>Title:</b>	Disclosure of Ownership, Control, and Criminal Convictions		
<b>Policy:</b> <input checked="" type="checkbox"/> <b>Procedure:</b> <input type="checkbox"/> <b>Page:</b> 1 of 2	<b>Review Cycle:</b> Biennial  <b>Author:</b> Chief Financial Officer	<b>Adopted Date:</b> 01.05.2016  <b>Review Date:</b> 03.05.2024	<b>Related Policies:</b> Provider Network Management Provider Credentialing and Re-Credentialing Quality Monitoring and Oversight

### **Purpose**

Federal regulations require Prepaid Inpatient Health Plans (PIHPs) to disclose information about individuals with ownership or control interests in the PIHP. These regulations also require the PIHP to identify and report any additional ownership or control interests for those individuals in other entities, as well as identify when any of the individuals with ownership or control interests have spousal, parent-child, or sibling relationships with each other.

### **Policy**

Mid-State Health Network (MSHN) and Community Mental Health Service Providers (CMHSP) shall comply with the federal regulations to obtain, maintain, disclose, and furnish required information about ownership and control interests, business transactions, and criminal convictions as specified in 42 Code of Federal Regulations (CFR) §455 Subpart B. In addition, MSHN shall ensure that any and all contracts, agreements, purchase orders, or leases to obtain spaces, supplies, equipment, or services provided under the Medicaid agreement require compliance with 42 CFR §455.104-106.

~~MSHN shall develop procedures to address the following:~~

- ~~• disclosure statement requirements;~~
- ~~• when disclosures are obtained;~~
- ~~• monitoring provider networks;~~
- ~~• reporting with regard to criminal offense;~~
- ~~• delegation and oversight~~

MSHN/CMHSPs/Substance Use Disorder Service Providers (SUDSPs) may not knowingly have a relationship, as further defined in this procedure, with the following:

- An individual or entity that is debarred, suspended, or otherwise excluded from participating in procurement activities under the Federal Acquisition Regulation (FAR) or participating in non-procurement activities under regulations issued under Executive Order No. 12549 or under guidelines implementing Executive Order 12549.
- An individual or entity who is an affiliate, as defined in the FAR at 48 CFR 2.101, of a person described in the bullet point above.

In order to comply with 42 Code of Federal Regulations (CFR) 438.610, Mid-State Health Network (MSHN) and its Community Mental Health Service Participants (CMHSPs) and Substance Use Disorder Service Providers (SUDSPs) may not have any of the following relationships with an individual who is excluded from participating in Federal health care programs as defined by the Social Security Act:

- Director, officer, or partner of MSHN/CMHSP/SUDSP
- A subcontractor and/or network provider of MSHN/CMHSP/SUDSP, as governed by 42 CFR 438.230.
- Excluded individuals cannot have a beneficial ownership of five percent or more of the MSHN/CMHSP/SUDSP equity; and
- Excluded individuals cannot have an employment, consulting, or other arrangement with MSHN/CMHSP/SUDSP for the provision of items or services that are significant and material to MSHNs obligations under its contract with the State.

### **Disclosure Statement**

MSHN/CMHSPs and SUDSPs must require written disclosure from any director, officer, partner, managing employee, person with beneficial ownership of more than 5% of equity, network provider, subcontractor, or person with employment, consulting or any other contractual agreement of person(s) described above.

### **Time of Disclosure**

MSHN/CMHSP/SUDSP are required to obtain disclosure statements from its providers and contractors at any of the following times:

- At time of initial contracting/enrollment, prior to execution of contract.
- During re-credentialing or re-contracting;
- Within 35 days of any change in ownership of a disclosing entity.

### **Monitoring Provider Networks**

At the time of provider enrollment or re-enrollment in the MSHN/CMHSP/SUDSP provider network, MSHN/CMHSP/SUDSP must search the Office of Inspector General's (OIG) exclusions database to ensure that the provider entity, and any individuals with ownership or control interests in the provider entity (direct or indirect ownership of five percent or more or a managing employee), have not been excluded from participating in federal health care programs. Because these search activities must include determining whether any individuals with ownership or control interests in the provider entity appear on the OIG's exclusions database, MSHN/CMHSP/SUDSP must mandate provider entity disclosure of ownership and control information at the time of provider enrollment, reenrollment, or whenever a change in provider entity ownership or control takes place.

### **Reporting Criminal Convictions**

CMHSP/SUDSPs must notify MSHN immediately of any criminal offense disclosures. MSHN designee must notify the Michigan Department of Health and Human Services (MDHHS) -Behavioral and Physical Health and Aging Services Administration (BPHASA) any disclosures are made by providers with regard to criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act. Additionally, CMHSPs must notify the MSHN Chief Quality and Compliance Officer. Those offenses include convictions of program-related crimes, patient abuse, healthcare fraud, and controlled substances.

- The ownership or control by a person that has been convicted of a criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act have been made by any internal or external employee, contractor or applicant.
- Any staff member, director, or manager of MSHN, individual with beneficial ownership of five percent or more, or an individual with an employment, consulting, or other arrangement with MSHN has been convicted of a criminal offense described under sections 1128(a) and 1128(b)(1)(2), or (3) of the Social Security Act, or that have had civil money penalties or assessments imposed under section 1128A of the Act

### **Notifying MDHHS of Administrative Actions that Could Lead to Formal Exclusion**

MSHN must promptly notify the MDHHS-BPHASA and MDHHS-OIG if it has taken any administrative action that limits a provider's participation in the Medicaid program, including any provider entity conduct that results in suspension or termination from its provider network.

If MDHHS learns that a contractor has prohibited relationship as described above and provided by FAR, Executive Order No. 12549, or under section 1128 or 1128A of the Act, MDHHS may continue an existing agreement with the contractor unless the Centers for Medicare and Medicaid Services (CMS)

directs otherwise. MDHHS may not renew or otherwise extend the duration of the existing agreement with the contractor unless CMS provides to MDHHS and to Congress a written statement describing compelling reasons that exist for renewing or extending the agreement despite prohibited affiliations.

### **Delegation and Oversight**

Through the Delegated Managed Care Review process outlined in the MSHN Quality Monitoring and Oversight Policy, MSHN ensures that its contractors and sub-contractors have processes for obtaining attestation of criminal convictions and full disclosures identified in 42 CFR Part 455 Subpart B and that policies and procedures for subcontracting, employment, and credentialing include requirements to report to the PIHP any criminal convictions described under 1128 (a) and 1128 (b)(1)(2), or (3) of the Act or that have had civil monetary penalties or assessments imposed under section 1128 A of the Act.

### **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**

BPHASA: Behavioral and Physical Health and Aging Services Administration

CFR: Code of Federal Regulations

CMHSP: Community Mental Health Services Program

CMS: Centers for Medicare and Medicaid Services

FAR: Federal Acquisition Regulation

MDHHS: Michigan Department of Health and Human Services

MSHN: Mid-State Health Network

OIG: Office of Inspector General

PIHP: Prepaid Inpatient Health Plan

SUDSP: Substance Use Disorder Service Provider

### **References/Legal Authority**

42CFR §455 Subpart B

42CFR §455.104-106

The Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s)

Social Security Act, Sections 1128(a) and 1128(b)(1)(2), or (3)

### **Attachments**



MSHN Ownership  
and Disclosure Form

### **Change Log**

<u>Date of Change</u>	<u>Description of Change</u>	<u>Responsible Party</u>
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07.2015	New policy	Director of Provider Network Management Svcs
11.2017	Annual Review, No Revisions	Director of Provider Network Management Svcs
10. 2018	Annual Review, No Revisions	Director of Provider Network Management Svcs
09.2019	Annual Review, No Revisions	Director of Provider Network Management
11.2021	Biennial Review – No Changes	Contract Specialist
12.2023	Biennial Review	Contract Specialist
<u>4.2025</u>	<u>Revised</u>	<u>Compliance Administrator</u>

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Service Delivery System</b>		
<b>Title:</b>	<b>Person/Family Centered Plan of Service</b>		
<b>Policy:</b> <input checked="" type="checkbox"/>  <b>Procedure:</b> <input type="checkbox"/>  <b>Page:</b> 1 of 3	<b>Review Cycle:</b> Biennial  <b>Author:</b> Clinical Leadership Committee/Chief Clinical Officer	<b>Adopted Date:</b> 01.05.2016  <b>Review Date:</b> 06.2024	<b>Related Policies:</b> Service Philosophy

DO NOT WRITE IN SHADED AREA ABOVE

### **Purpose**

To ensure that Mid-State Health Network (MSHN) and its [Community Mental Health Service Program \(CMHSP\)](#) Participants have a consistent service philosophy across its network of care related to Person/Family Centered Planning ([PCP](#)). MSHN promotes a Person/Family Centered approach to the development of the individual plan of service and the delivery of supports and services in accordance with established state and federal regulations (reference Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program attachment P4.4.1.1).

### **Policy**

The policy is intended to outline the required elements of Person/Family Centered Planning as required by MSHN and informed by the Medicaid Provider Manual, Section 2:

- A. A preliminary plan of service is developed within seven (7) days of the commencement of services that will include a treatment plan, a support plan, or both.
- B. Consumers are given information as needed on the array of mental health services, community resources and available providers.
- C. Ensure that for each Person/Family Centered Plan, a pre-planning meeting is completed that includes addressing the information below. Documentation should reflect that the process took place in a timely manner (Items below are not required for those who receive short term outpatient therapy only, medication only, or those who are incarcerated)
  1. Who to invite;
  2. Where and when to have the meeting;
  3. What will be discussed, and not discussed, at the meeting;
  4. Any accommodations the consumer may need to meaningfully participate;
  5. Who will facilitate the meeting;
  6. Who will record what is discussed at the meeting; and
  7. The pre-planning meeting is to be completed with sufficient time to take all necessary/ preferred actions

#### **D. The person-centered planning process must:**

- 1. Occur in a timely manner and at times and locations of the individual's choosing.**



2. Provide information and support to the individual to ensure maximum direction from the individual and to enable informed choice.
3. Provide an informed choice of supports and identify who provide them.
4. Include a mechanism to request updates in the plan.
5. Document alternative(s) considered but not chosen.
6. Include strategies for resolving disputes and identifying conflicts of interest.
7. Be free from conflict of interest, meaning those persons who have an interest in or are employed by a provider of home and community-based services (HCBS) for the individual must not be involved in case management or development of the person centered service plan, except when the state demonstrates that the entity is the only willing and qualified entity available to complete these functions and also provide HCBS.
8. Completed in written format and signed by the individual and their representative, as applicable, and providers responsible for the implementation of the plan.

D.E. Provide information/education on what an Independent or External Facilitator is and how to request the use of one. Not required for consumers receiving short term outpatient therapy or medication only. Consumers must have a choice of at least two facilitators.

E.F. Each plan is individualized to meet the consumer's medically necessary identified needs and includes:

1. A description and documentation of the consumer's individually identified goals, preferences, strengths, abilities, and natural supports.
2. Outcomes identified by the consumer and the steps to achieve the outcomes.
3. Risk factors and measures in place to minimize them, including backup plans and strategies.
4. Services and supports needed to achieve the outcomes (including community resources and other publicly funded programs such as Home Help).
5. Amount, scope and duration of medically necessary services and supports authorized by and obtained through the CMHSP.
6. Estimated/prospective cost of services and supports authorized by the community mental health system.
7. Roles and responsibilities of the consumer, the CMHSP staff, allies, and providers in implementing the plan.
8. The plan should be written in plain language that is easily understood by the individual and others supporting him/her. The language in the service plan must also be understandable by individuals with disabilities and those with limited English proficiency, in accordance with federal law.
9. The plan should be finalized and include informed consent of the individual and his/her representative (if applicable).
10. Signatures on the plan should include the consumer, his/her representative (if applicable) and the providers responsible for the implementation of the plan (at a minimum, this includes the person or entity responsible for coordinating the individual's services and supports).
11. In accordance with 42 [Code of Federal Regulations \(CFR\)](#) 438.208(b)(2)(i), coordination of services between settings of care, which includes appropriate

discharge planning for short and long-term hospitalizations.

12. Any effort to restrict the certain rights and freedoms listed in the HCBS Final Rule must be justified by a specific and individualized assessed health or safety need and must be addressed through the PCP process and documented in the Individual Plan of Service (IPOS). Any modifications of the HCB settings requirements are based upon a specific health and safety need and justified in the person-centered service plan:

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

F.G. The plan of service shall be kept current and modified when needed (reflecting changes in the intensity of the consumer's needs, changes in the consumer's condition as determined through the PCP process or changes in the consumer's preferences for support). A review of the plan can be requested at any time by the consumer or his/her guardian. A formal review of the plan with the consumer and his/her guardian or authorized representative shall occur at least every 12 months or more frequently if the consumer requests it or there is a change in service needs. Reviews should work from the existing plan of service to amend or update it as circumstances, needs, preferences or goals change or to develop a completely new plan if so desired by the consumer.

G.H. The consumer is provided a copy of the plan within 15 business days of the conclusion of the PCP process.

H.I. There is a process to identify and train staff at all levels on the philosophy of PCP. Staff who are directly involved in the implementation of the PCP are provided with additional training, including direct care level staff being trained in consumer specific plans of service.

### **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**

CFR: Code of Federal Regulations

CMHSP: Community Mental Health Service Program

Consumer/Customer: Refers to 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.

HCBS: Home and Community Based Services

IPOS: Individual Plan of Service

Independent Facilitator: An individual chosen by the consumer to serve as the consumer's guide throughout the PCP process, assisting with pre-planning activities and co-leads any PCP meeting(s) with the consumer.

MDHHS: Michigan Department of Health and Human Services

MSHN: Mid-State Health Network

PCP: Person-Centered Planning

## **References/Legal Authority**

- Michigan Department of Health and Human Services Medicaid Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program FY15, including the "Person Centered Planning Policy and Practice Guideline".
- Michigan Medicaid Provider Manual, Home and Community Based Services Chapter
- Mental Health Code, Section 330.1700(g).
- 42 CFR 438.208(b)(2)(i) Coordination and Continuity of Care

## **Change Log:**

<b>Date of Change</b>	<b>Description of Change</b>	<b>Responsible Party</b>
10.2015	New policy	Chief Clinical Officer
02.2017	Annual Review	Chief Clinical Officer
02.2018	Annual Review	Chief Clinical Officer
01.2019	Annual Review	Chief Behavioral Health Officer
07.2020	Annual Review	Chief Behavioral Health Officer
09.2022	Biennial Review	Chief Behavioral Health Officer
06.2024	Biennial Review	Chief Behavioral Health Officer