

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
 REGULAR BOARD MEETING
 Teleconference Meeting
 Wednesday, April 14, 2021
 6:00 PM



Dial-in Number Options:

1-312-626-6799; 1-646 876-9923;
 or 1-346-248-7799

Meeting ID: 443 799 086

Join by Computer:

<https://zoom.us/j/443799086>

Please wait to be admitted from the
 Zoom waiting room at 6:00 pm.

Agenda

	<u>Guide</u>
I. Call to Order	1 min
II. Roll Call	2 min
III. Consideration to Adopt the Agenda as Presented	2 min
IV. Consideration to Approve the Minutes of the 3-10-2021 Regular Meeting and Waive the Reading Thereof {Att. #1}	2 min
V. Audience Participation (5 minutes per participant)	
VI. Old Business	45 min
a. April Finance Report – FY2021 as of February 28 th {Att. #2}	
i. FY2020 Closeout Update	
ii. FY2018 Deficit Update	
b. Previous Year CEO Goals Review {Att. #3}	
c. CEO Evaluation Committee Update	
VII. New Business	45 min
a. Board Action - CMHPSM FY2021 Budget Amendment #2 {Att. #4}	
b. Board Action – Contracts Approval {Att. #5}	
c. Board Action - OPB Bylaws Review {Att. #6 and 6a}	
d. Board Action - Quality Lead SIS Assessor Tier Placement {Att. #7 and 7a}	
e. Board Action – Board Governance Manual, Bylaws and Policies Review {Att. #8}	
i. Board Governance Manual {8a}	
ii. CMHPSM Bylaws {8b}	
iii. CMHPSM CEO Authority – Employee Position, Control and Compensation (Revised 3/2020) {Att. 8c}	
iv. CMHPSM CEO General Scope of Authority (Revised 5/2020) {Att. 8d}	
v. Conflict of Interest Policy (Revised 12/2020) {Att. 8e}	
vi. Investing (Revised 5/2020) {Att. 8f}	
vii. Procurement (Revised 8/2020) {Att. 8g}	
f. Board Action – Financial Stability and Risk Reserve Management Board Governance Policy Revisions {Att. #9 and 9a}	

CMHPSM Mission Statement

Through effective partnerships, the CMHPSM shall ensure and support the provision of quality integrated care that focuses on improving the health and wellness of people living in our region.

- VIII. Reports to the CMHPSM Board 10 min
- a. Report from the SUD Oversight Policy Board (OPB) {Att. #10}
 - b. CEO Report to the Board {Att. #11}
- IX. Adjournment

CMHPSM Mission Statement

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**COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
REGULAR BOARD MEETING MINUTES**

March 10, 2021

***Meeting held electronically via Zoom**



Members Present: Judy Ackley (Ann Arbor, MI), Greg Adams (Adrian, MI), Susan Fortney (Petersburg, MI), Bob King (Ann Arbor, MI), Sandra Libstorff (Monroe, MI), Molly Welch Marahar (Ann Arbor, MI), Caroline Richardson (Ann Arbor, MI), Sharon Slaton (Brighton Township, MI)
(physical location)

Members Absent: Roxanne Garber, Charles Londo, Gary McIntosh, Katie Scott, Ralph Tillotson

Staff Present: Kathryn Szewczuk, Stephannie Weary, James Colaianne, CJ Witherow, Matt Berg, Nicole Adelman, Lisa Jennings, Connie Conklin, Dana Darrow

Others Present: Laurie Lutomski, Kathy Homan, Mary Serio

I. Call to Order
Meeting called to order at 6:05 p.m. by Board Chair S. Slaton.

II. Roll Call
J An electronic quorum of members present was confirmed.

III. Consideration to Adopt the Agenda as Presented

Motion by B. King, supported by S. Fortney, to approve the agenda

Motion carried

Voice vote, no nays

IV. Consideration to Approve the Minutes of the February 10, 2021 Regular Meeting and Waive the Reading Thereof

Motion by B. King, supported by J. Ackley, to approve the minutes of the February 10, 2021 regular meeting and waive the reading thereof

Motion carried

Voice vote, no nays

V. Audience Participation
None

VI. Old Business

a. March Finance Report – FY21 as of January 31st

J M. Berg presented.

J G. Adams requested a breakout of eligibles per county. M. Berg agreed to bring this information to the next Regional Board meeting.

b. Board Action – FY20 QAPIP Evaluation

CMHPSM Mission Statement

Through effective partnerships, the CMHPSM shall ensure and support the provision of quality integrated care that focuses on improving the health and wellness of people living in our region.

) CJ Witherow presented an executive summary.

Motion by B. King, supported by G. Adams, to approve the Annual Summary and Evaluation of the Quality Assessment and Performance Improvement Program (QAPIP) for FY20

Motion carried

Vote

Yes: Ackley, Adams, Fortney, King, Libstorff, Welch Marahar, Richardson, Slaton

No:

Absent: Garber, Londo, McIntosh, Scott, Tillotson

c. Board Action – Conflict of Interest Waiver Review

) J. Colaianne presented.

) 12 of the 13 board members have an arrangement that should be noted (serving as both a regional board member and a CMHSP board member).

) M. Welch Marahar has a separate form indicating her employment with the MDHHS department.

) M. Cochran is the OPB chair and is also the chair of the Monroe County SUD Coalition. He always abstains from any vote related to funding for the Coalition.

Motion by B. King, supported by M Welch Marahar, to approve a resolution acknowledging and/or waiving potential conflicts of interest as disclosed by CMHPSM Regional Board members, Oversight Policy Board members and CMHPSM employees that were required to attest to any such arrangements

Motion carried

Vote

Yes: Ackley, Adams, Fortney, King, Libstorff, Welch Marahar, Richardson, Slaton

No:

Absent: Garber, Londo, McIntosh, Scott, Tillotson

d. CEO Evaluation Committee Update

) S. Weary will send a reminder to those board members who haven't responded yet.

) J. Colaianne will meet with the committee later this month to review responses.

VII. New Business

a. Board Action – Contracts Approval

Motion by J. Ackley, supported by C. Richardson, to approve the CEO to execute the contracts/amendments as presented

Motion carried

Vote

Yes: Ackley, Adams, Fortney, King, Libstorff, Welch Marahar, Richardson, Slaton

No:

Absent: Garber, Londo, McIntosh, Scott, Tillotson

b. Board Action – Provider Premium Pay Regional Extension

) This action no longer needed because state has approved the \$2.25/hr provider premium pay.

Motion by S. Libstorff, supported by M. Welch Marahar, to ignore this proposal and move on to the next proposal

Motion carried

Vote

CMHPSM Mission Statement

Through effective partnerships, the CMHPSM shall ensure and support the provision of quality integrated care that focuses on improving the health and wellness of people living in our region.

Yes: Ackley, Adams, Fortney, King, Libstorff, Welch Marahar, Richardson, Slaton

No:

Absent: Garber, Londo, McIntosh, Scott, Tillotson

c. Board Action – Provider Premium Pay Pass Through

Motion by B. King, supported by J. Ackley, to approve the proposal to increase CMHSP funding allocations to include a \$2.25/hour premium pay plus employer expenses funding for premium pay eligible services delivered from March 1, 2021 through September 30, 2021 if legislation funding this provider premium pay pass through becomes law

Motion carried

Vote

Yes: Ackley, Adams, Fortney, King, Libstorff, Welch Marahar, Richardson, Slaton

No:

Absent: Garber, Londo, McIntosh, Scott, Tillotson

VIII. Reports to the CMHPSM Board

a. Report from the SUD Oversight Policy Board (OPB)

) No update, OPB didn't meet in February.

b. CEO Report to the Board

) The CMHPSM office is still in limited capacity status, estimated to last until April 30. May-July 50% capacity is estimated.

) Applications for the open SIS Assessor position are currently being accepted.

IX. Adjournment

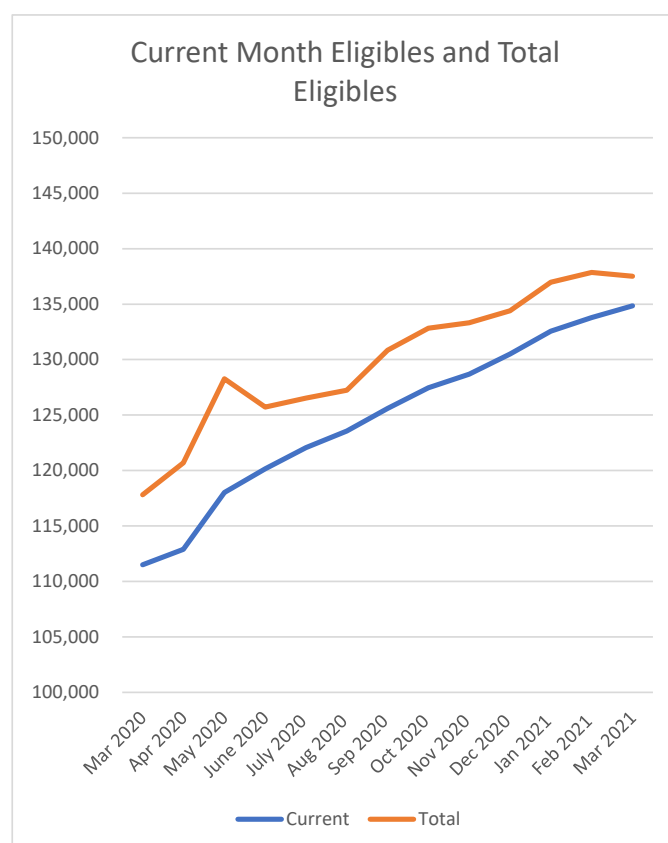
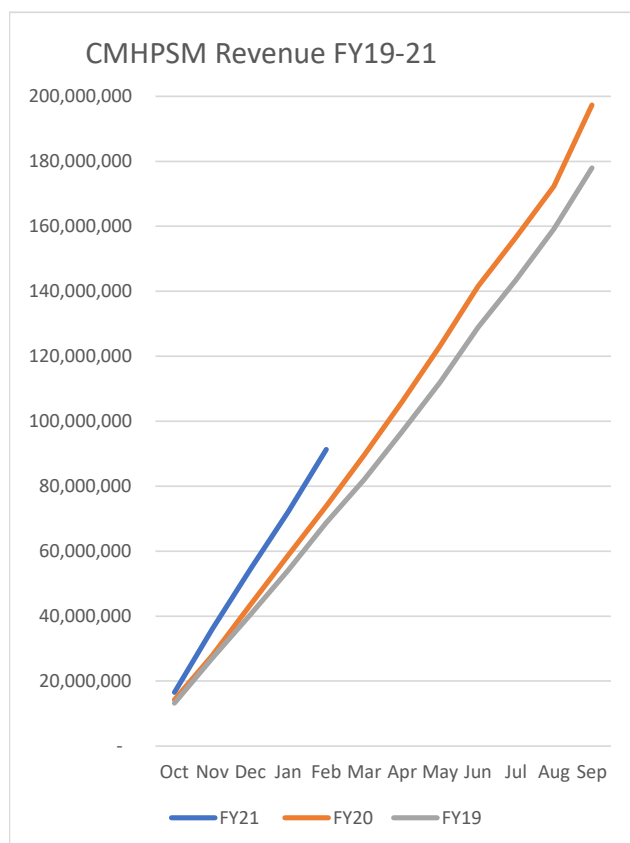
Motion by S. Fortney, supported by M. Welch Marahar, to adjourn the meeting

Motion carried

Meeting adjourned at 7:04 p.m.

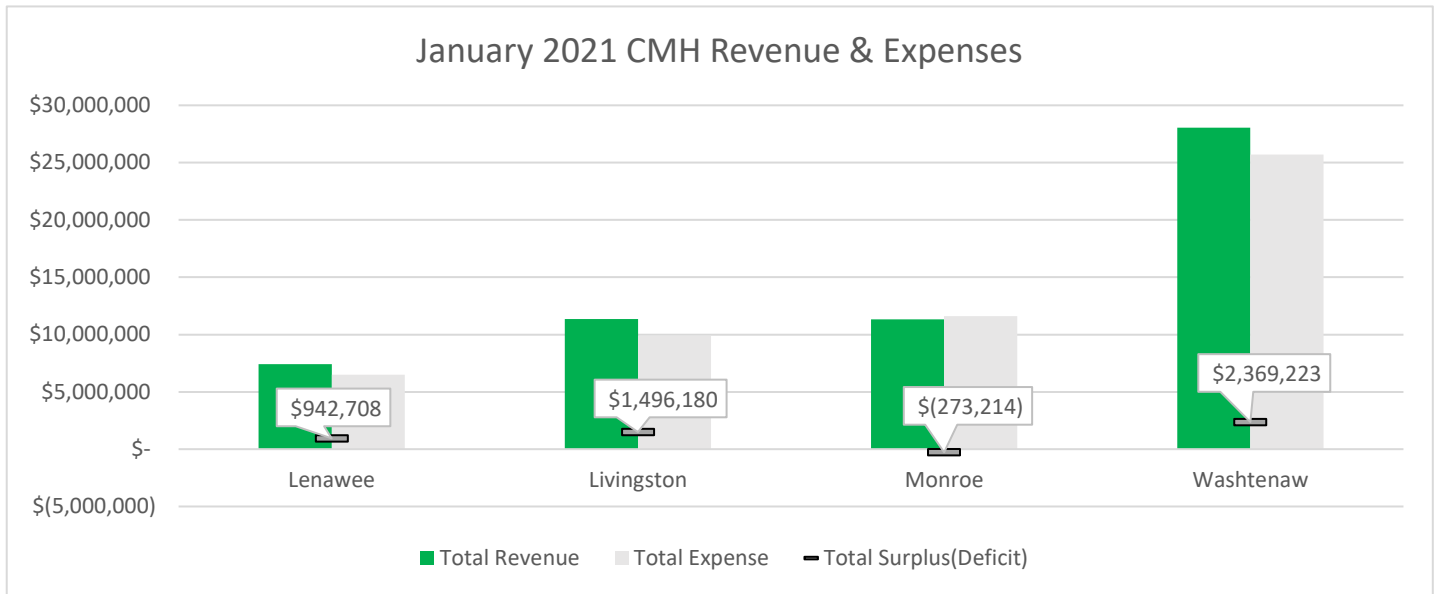
Judy Ackley, CMHPSM Board Secretary

Community Mental Health Partnership of Southeast Michigan
Financial Summary for February 28, 2021

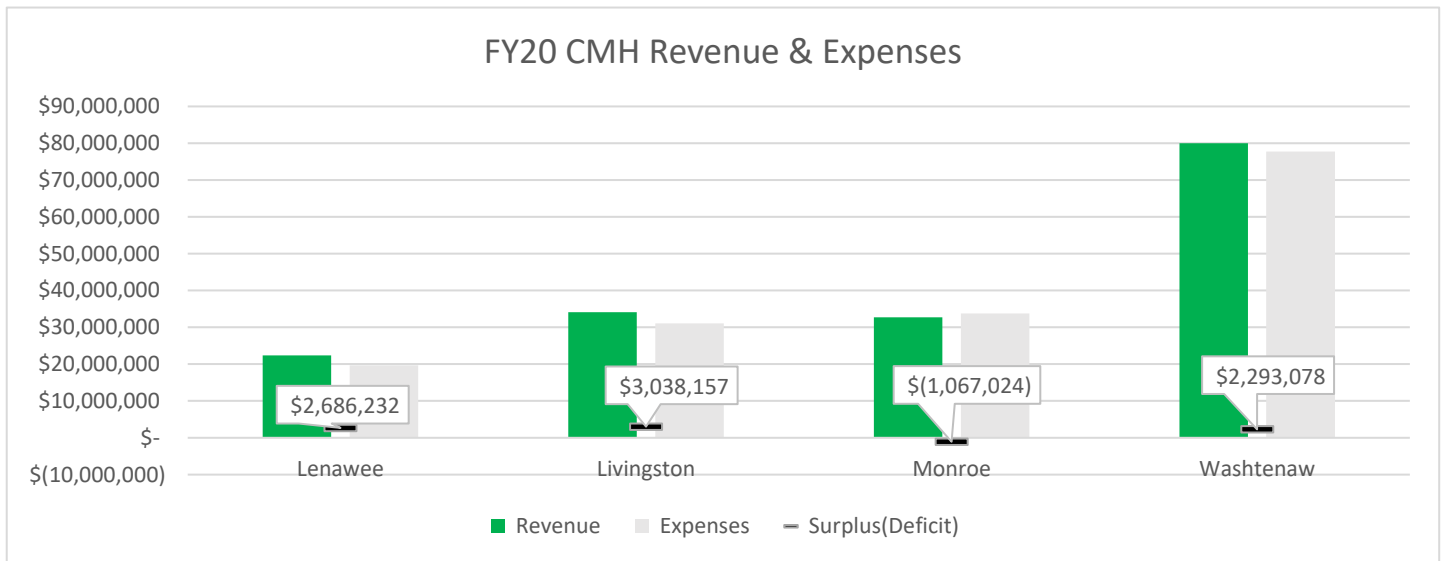


Operating Activities	Budget Revision 1	YTD Budget	YTD Actual	Actual O(U) Budget	Percent Variance	Projected Year-End	Projected O(U) Budget
MH Medicaid Revenue	184,778,844	77,799,680	82,660,602	4,860,922	6.2%	197,806,782	13,027,938
MH Medicaid Expenses	175,782,427	74,171,483	75,845,612	1,674,129	-2.3%	184,286,886	(8,504,459)
MH Medicaid Net	8,996,417	3,628,197	6,814,990	3,186,793		13,519,896	4,523,479
SUD/Grants Revenue	20,141,007	8,392,086	8,311,949	(80,137)	-1.0%	20,854,569	713,562
SUD/Grants Expenses	17,905,527	7,460,636	6,743,040	717,596	9.6%	18,083,702	(178,175)
SUD/Grants Net	2,235,480	931,450	1,568,909	637,459		2,770,867	535,387
PIHP							
PIHP Revenue	3,143,400	1,099,893	1,115,640	15,747	1.4%	3,156,410	(13,010)
PIHP Expenses	7,920,516	3,090,358	2,964,164	126,194	4.1%	10,265,795	(2,345,279)
PIHP Total	(4,777,116)	(1,990,465)	(1,848,524)	141,941		(7,109,385)	2,332,269
Total Revenue	208,063,251	87,291,659	92,088,191	4,796,532	5.5%	221,817,761	13,754,510
Total Expenses	201,608,470	84,722,477	85,552,816	830,339	1.0%	212,636,383	11,027,913
Total Net	6,454,781	2,569,182	6,535,375	3,966,193		9,181,378	2,726,597

Regional CMH Revenue and Expenses
Preliminary January 2021 and
Pre-settlement Fiscal Year 2020



Preliminary January 2021	Lenawee	Livingston	Monroe	Washtenaw	Region
Total Medicaid/HMP Revenue	7,429,643	11,359,971	11,318,902	28,061,768	58,170,284
Total Medicaid/HMP Expense	6,486,935	9,863,791	11,592,116	25,692,545	53,635,387
Total Medicaid/HMP Surplus(Deficit)	942,708	1,496,180	(273,214)	2,369,223	4,534,897



Pre-settlement FY20	Lenawee	Livingston	Monroe	Washtenaw	Region
Total Medicaid/HMP Revenue	22,354,190	34,091,318	32,696,135	80,045,640	169,187,282
Total Medicaid/HMP Expense	19,667,958	31,053,161	33,763,159	77,752,562	162,236,840
Total Medicaid/HMP Surplus(Deficit)	2,686,232	3,038,157	(1,067,024)	2,293,078	6,950,442

Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenue and Expenses Notes
Period Ending February 28, 2021

Summary Page

1. Three of the tables in previous versions of the summary have been replaced with two charts. One chart shows three years of monthly total revenue and the other shows the past year of DAB/TANF eligibles. We hope these changes make the summary page easier to read.
2. Operating cash was \$12,820,640 at the end of February 2021 compared to \$3,550,731 at the end of February 2020.
3. The operating summary at the bottom of the page shows significant variance from the approved budget. A budget revision request is included in the finance package.

Medicaid Mental Health

1. Medicaid, Healthy Michigan and DCW Premium pay are all significantly over budget due to increased eligibles and changes in how the state handles DCW Premium pay. These changes are addressed in the budget revision.
2. Waiver payments remain below budget due to a slight decrease in eligible consumers and some delay in receiving payments from MDHHS.
3. This month we have included an anticipated lapse back to the State of Michigan of (\$534,239) for overpayments of Direct Care Worker Premium Pay. This lapse is also included in the budget.
4. Initial HRA payments were lower than anticipated. We anticipate a second payment in April.
5. The PIHP is working with the CMHs to collect actual Medicaid/Healthy Michigan expenses. Due to the timing of Board Meetings, this report will generally be two months behind. Final details of the data collection process are under discussion. The report for January 2021 and Fiscal Year 2020 are on the previous page.

Medicaid & Grant – SUD

1. Healthy Michigan SUD payments remain well above budget.
2. Grant expenditures and revenue remain below budget. We anticipate higher revenue and expense for the rest of the year.
3. The PA2 Revenue remains below budget. We expect to get another update on anticipated FY21 revenue in May.
4. The SUD budget also includes a lapse back to the State for unused Direct Care Worker Premium pay.
5. Fee for Service expenditures are also below budget, but we anticipate this will pick up over the remainder of the year.

PIHP

1. Total PIHP revenue is close to budget.
2. Total PIHP expenses remain under budget.

Community Mental Health Partnership of Southeast Michigan
Budget Revision 2 Notes and Assumptions
For Fiscal Year 2021

Medicaid Mental Health

1. Assumes that eligibles will remain steady in the 3rd quarter and then drop 5% in the fourth quarter.
2. DCW Revenue includes the revenue for an increase from \$2.00/hr to \$2.25/hour. The revenue for seven months of payments, March through September, will come in six payments from April through September. We anticipate these payments to total about \$9M.
3. Based on a lapse back to the state of nearly 10% of the DCW revenue in FY20, a lapse back to the state of (\$1,389,022) is included in the budget.
4. Payments to the CMHs will continue at the current level with some adjustment in the mix to ensure that both Medicaid and Healthy Michigan expenses are covered equally.
5. The PIHP made the first payment to the CMHs in March of the increased DCW Premium Pay. That payment and the remaining six are included in the revised budget.

Medicaid and Grant SUD

1. Assumes that eligibles will remain steady in the 3rd quarter and then drop 5% in the fourth quarter.
2. The portion of Medicaid/Healthy Michigan dedicated to Direct Care Worker wages is split out from revenue and SUD also shows a lapse back to the state.
3. The budget assumes a small increase in utilization in the 3rd and 4th quarters.
4. The budget assumes some recovery in PA2 revenue in the 3rd and 4th quarter, but we will not receive information on this until May.
5. The budget assumes that most grants will spend the full allocation.

PIHP

1. The budget includes the 2% increase approved by the Board starting April 1, 2021. It also includes some re-allocation between SUD and PIHP with the net budget going down slightly due to open positions.
2. PIHP incentives were increased due to increased Medicaid/Healthy Michigan Revenue.
3. The ISF contribution was increased to \$7,500,000.

Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures
For the Period Ending February 2021

	Budget Revision 1	YTD Budget	YTD Actual	Actual O(U) Budget	Percent Variance	Projected Year-End	Projected O(U) Budget	Proposed Budget R2
MEDICAID								
Revenue								
Medicaid (b) & 1115i	100,227,725	41,761,552	44,504,061	2,742,509	-6.6%	104,894,463	4,666,739	104,894,463
Medicaid Waivers	47,522,594	19,801,081	17,919,766	(1,881,315)	9.5%	43,203,339	(4,319,255)	43,203,339
Healthy Michigan Revenue	11,338,209	4,724,254	6,903,542	2,179,289	-46.1%	16,494,475	5,156,266	16,494,475
Medicaid Autism	17,453,508	7,272,295	7,303,308	31,013	-0.4%	16,386,357	(1,067,151)	16,386,357
DCW Revenue	3,436,808	3,316,498	5,642,629	2,326,131	-70.1%	14,531,027	11,094,219	14,531,027
DCW Lapse			(534,239)			(1,389,022)		(1,389,022)
HRA MCAID Revenue	2,400,000	520,000	517,748	(2,252)	0.4%	2,070,992	(329,008)	2,070,992
HRA HMP Revenue	2,400,000	404,000	403,788	(212)	0.1%	1,615,152	(784,848)	1,615,152
Medicaid Revenue Total	184,778,844	77,799,680	82,660,602	4,860,923	-6.2%	197,806,782	13,027,939	197,806,782
Medicaid Expenditures								
IPA MCAID	1,435,656	598,190	376,287	221,903	37.1%	1,505,148	69,492	1,505,148
IPA HMP	363,771	151,571	41,392	110,179	72.7%	165,568	(198,203)	165,568
HRA MC	2,400,000	520,000	517,748	2,252	0.4%	2,070,992	329,008	2,070,992
HRA HMP	2,400,000	404,000	403,788	212	0.1%	1,615,152	784,848	1,615,152
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Lenawee CMH								
Medicaid (b) & 1115i	13,021,996	5,425,832	5,444,893	(19,062)	-0.4%	11,936,257	(1,085,739)	11,936,257
Medicaid Waivers	5,263,221	2,193,009	2,015,235	177,773	8.1%	4,860,945	(402,276)	4,860,945
Healthy Michigan Expense	1,736,392	723,497	723,497	(0)	0.0%	2,841,193	1,104,801	2,841,193
Autism Medicaid	1,308,863	545,360	545,360	0	0.0%	1,308,863	(0)	1,308,863
DCW Expense	471,057	424,780	701,961	(277,181)	-65.3%	1,709,105	1,238,048	1,709,105
Lenawee CMH Total	21,801,529	9,312,477	9,430,946	(118,469)	-1.3%	22,656,362	854,833	22,656,362
						-		-
Livingston CMH								
Medicaid (b) & 1115i	17,516,241	7,298,434	7,349,265	(50,831)	-0.7%	17,167,072	(349,169)	17,167,072
Medicaid Waivers	7,907,882	3,294,951	3,174,699	120,252	3.6%	7,627,522	(280,360)	7,627,522
Healthy Michigan Expense	2,341,762	975,734	975,734	(0)	0.0%	2,741,762	400,000	2,741,762
Autism Medicaid	4,957,208	2,065,503	2,065,503	(0)	0.0%	4,957,208	0	4,957,208
DCW Expense	541,442	542,554	918,495	(375,941)	-69.3%	2,242,870	1,701,428	2,242,870
Livingston CMH Total	33,264,534	14,177,176	14,483,696	(306,520)	-2.2%	34,736,434	1,471,899	34,736,434
						-		-
Monroe CMH								
Medicaid (b) & 1115i	19,562,477	8,151,032	8,184,390	(33,358)	-0.4%	19,595,835	33,358	19,595,835
Medicaid Waivers	7,930,401	3,304,334	3,253,223	51,110	1.5%	7,867,260	(63,141)	7,867,260
Healthy Michigan	2,622,026	1,092,511	1,092,511	0	0.0%	2,622,026	(0)	2,622,026
Autism Medicaid	2,570,743	1,071,143	1,071,143	(0)	0.0%	2,570,743	0	2,570,743
DCW Expense	745,182	687,178	1,149,888	(462,710)	-67.3%	2,802,471	2,057,289	2,802,471
Monroe CMH Total	33,430,829	14,306,198	14,751,155	(444,958)	-3.1%	35,458,335	2,027,506	35,458,335
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Washtenaw CMH								
Medicaid (b) & 1115i	42,789,402	17,828,918	17,838,448	(9,531)	-0.1%	42,678,933	(110,469)	42,678,933
Medicaid Waivers	25,803,740	10,751,558	10,665,296	86,262	0.8%	25,568,813	(234,927)	25,568,813
Healthy Michigan Expense	5,755,998	2,398,333	2,398,333	-	0.0%	5,875,998	120,000	5,875,998
Autism Medicaid	4,657,841	1,940,767	1,940,767	0	0.0%	4,657,841	(0)	4,657,841
DCW Expense	1,679,127	1,782,296	2,997,756	(1,215,460)	-68.2%	7,297,312	5,618,185	7,297,312
Washtenaw CMH Total	80,686,108	34,701,871	35,840,600	(1,138,728)	-3.3%	86,078,896	5,392,788	86,078,896
Medicaid Expenditures Total	175,782,427	74,171,483	75,845,612	(1,674,129)	-2.3%	184,286,886	8,504,459	184,286,886
Medicaid Total	8,996,416	3,628,197	6,814,990	3,186,794		13,519,896	4,523,480	13,519,896

Community Mental Health Partnership of Southeast Michigan
Preliminary Statement of Revenues and Expenditures
For the Period Ending February 2021

	Budget Revision 1	YTD Budget	YTD Actual	Actual O(U) Budget	Percent Variance	Projected Year-End	Projected O(U) Budget	Proposed Budget R2
SUD/Grants								
SUD/Grants REVENUE								
Healthy Michigan Plan SUD	6,576,809	2,740,337	3,580,275	839,938	30.7%	8,582,533	2,005,724	8,582,533
Medicaid SUD	3,114,807	1,297,836	1,311,544	13,708	1.1%	3,147,681	32,874	3,147,681
SUD DCW			158,763			408,958		408,958
SUD Lapse to State			(15,370)			(39,963)		(39,963)
PA2 - Tax Revenue (Est)	1,897,721	790,717	276,615	(514,102)	-65.0%	1,272,429	(625,292)	1,272,429
PA2 - Use of Reserve (Est)	2,297,687	957,370	581,515	(375,855)	-39.3%	1,228,947	474,430	1,228,947
Federal/State Grants	6,253,983	2,605,826	2,418,607	(187,219)	-7.2%	6,253,983	-	6,253,983
SUD/Grants REVENUE Total	20,141,007	8,392,086	8,311,949	(80,138)	-1.0%	20,854,569	713,562	20,854,569
			0					
			0					
SUD/Grants EXPENDITURES								
All SUD Administration								
Salaries & Fringes	1,219,036	507,932	389,163	(118,769)	-23.4%	1,041,015	(178,021)	1,041,015
Contracts	338,248	140,937	71,986	(68,951)	-48.9%	230,354	(107,894)	230,354
Board Expense	225	94		(94)		125	(100)	125
Other Expenses	130,169	54,237	32,090	(22,148)	-40.8%	89,851	(40,318)	89,851
Indirect Cost Recovery		-		0		0	-	0
All SUD Administration Total	1,687,678	703,199	493,238	(209,961)	-29.9%	1,361,344	(326,334)	1,361,344
Lenawee County SUD Serv	2,302,979	959,575	915,402	(44,173)	-4.6%	2,463,883	160,904	2,463,883
Livingston County SUD Serv	2,015,739	839,891	831,320	(8,571)	-1.0%	2,078,904	63,165	2,078,904
Monroe County SUD Service	2,429,023	1,012,093	1,127,532	115,439	11.4%	2,570,571	141,548	2,570,571
Washtenaw County SUD Ser	5,815,042	2,422,934	2,442,412	19,477	0.8%	5,933,306	118,264	5,933,306
Veteran Navigation	100,000	41,667	35,521	(6,145)	-14.7%	93,521	(6,479)	93,521
SOR NCE	1,289,473	537,280	314,733	(222,547)	-41.4%	1,289,473	-	1,289,473
SOR II	1,372,924	572,052	332,078	(239,974)	-41.9%	1,400,000	27,076	1,400,000
Gambling Prevention Grant	200,000	83,333	13,463	(69,870)	-83.8%	200,000	-	200,000
Tobacco	4,000	1,667	0	(1,667)		4,000	-	4,000
Women's Specialty Services	688,669	286,945	237,340	(49,605)	-17.3%	688,699	30	688,699
		-						
SUD/Grants Total Expenditur	17,905,527	7,460,636	6,743,040	717,596	9.6%	18,083,702	178,175	18,083,702
SUD/Grants Total	2,235,480	931,450	1,568,909	637,459		2,770,867	535,387	2,770,867
PIHP								
PIHP REVENUE								
Incentives (Est)	1,673,565	697,319	750,007	52,688	7.6%	1,772,921	99,356	1,772,921
Local Match	1,259,140	314,785	314,785	-	0.0%	1,259,140	-	1,259,140
Other Income	210,695	87,790	50,849	(36,941)	-42.1%	124,349	(86,346)	124,349
PIHP Revenue Total	3,143,400	1,099,893	1,115,640	15,747	1.4%	3,156,410	13,010	3,156,410
PIHP Expenses								
PIHP Admin								
Local Match	1,259,140	314,785	314,785	-	0.0%	1,259,140	-	1,259,140
Salaries & Fringes	937,508	390,628	392,689	2,061	0.5%	1,001,015	63,507	1,001,015
Contracts	424,845	177,019	107,721	(69,298)	-39.1%	344,706	(80,139)	344,706
Other Expenses	296,973	123,739	65,636	(58,103)	-47.0%	160,808	(136,165)	160,808
ISF Transfer/Repay	5,000,000	2,083,333	2,083,333	(0)	0.0%	7,500,000	2,500,000	7,500,000
PIHP Admin Total	7,918,466	3,089,504	2,964,164	(125,340)	-4.1%	10,265,669	2,347,203	10,265,670
							-	
Board Expense	2,050	854	-	(854)		2,050	-	125
							-	
PIHP Expenses Total	7,920,516	3,090,358	2,964,164	(126,195)	-4.1%	10,265,795	2,345,279	10,265,795
PIHP Total	(4,777,116)	(1,990,465)	(1,848,523)	141,942		(7,109,385)	(2,332,269)	(7,109,385)
							-	
Organization Total	6,454,780	2,569,182	6,535,376	3,966,194		9,181,378	2,726,598	9,181,378
Totals								
Revenue	208,063,251	87,291,659	92,088,192	4,796,532		221,817,761	13,754,510	221,817,761
Expenses	201,608,470	84,722,477	85,552,816	(1,082,727)		212,636,383	11,027,912	212,636,383
Net	6,454,780	2,569,182	6,535,376	5,879,260		9,181,378	2,726,598	9,181,378

CMHPSM CEO Suggested Leadership Development Goals Update

James Colaianne February 12, 2021

Strategic Plan Aligned Goals

1. Complete re-organization activities aligning PIHP staff persons into four departments. *(Aligns with CMHPSM Strategic Goal #10 and CEO Performance Review #12: Delegates authority to staff members appropriate to the position each holds.)*

Objectives(s):

- Assess the current workload, workplan templates and alignment of staff resources with departmental level and CMHPSM strategic goals.
- Complete the personnel re-organization activities by December 31, 2020.

CEO Update as of 2/12/2021:

The CMHPSM completed a transition of moving from five director led departments to four departments by downgrading the quality and compliance director position. We now have the CEO overseeing the Chief Operating Officer, Chief Finance Officer, Chief Information Officer and the SUD Director. Positions were strategically moved and assigned to departments solely based on job functions and alignment of position responsibilities. A revised organizational chart is available, and was provided within our annual budget package in September 2020.

There will be an ongoing assessment completed by the CMHPSM CEO and the leadership team on the performance levels and workloads of all CMHPSM staff. An analysis of workplans, MDHHS requirements and retained and delegated functions is continually being reviewed and revised. A free software tool has been utilized to document the key functions of each of the departments.

2. Resource and implement employee engagement committee suggestions where appropriate. *(Aligns with CMHPSM Strategic Goals #10 and #11 and CEO Performance Review #10 Encourages good staff moral and loyalty to the organization and #26 Facilitates cohesiveness and team building among those with whom he or she works.)*

Objective(s):

- Assess and bring forward employee engagement suggestions through the remainder of FY20 and in to FY21.

- Conduct an employee engagement survey 18 months after the first initial staff survey (February 2021).
- Assure leadership staff have adequate support and implement all CMHPSM policies and procedures with equity to all CMHPSM staff.

CEO Update as of 2/12/2021:

I moved forward with multiple employee suggestions that have derived from the employee engagement survey while balancing the resources and requirements of the CMHPSM.

Employee engagement committee suggestions were finalized in September 2020. All five suggestions have been focused on:

1. **Staff felt their salary is fair:** The CMHPSM CFO and CEO performed a compensation review, a review of cost of living and produced a suggested solution to the CMHPSM Board for review prior to the April 2021 goal deadline.
2. **Staff feel they understand how they contribute to the organizations mission and vision for the future:** The CMHPSM leadership staff implemented a new workplan template for calendar year 2021 that applies to all employees. There is now documented coordination for all CMHPSM staff persons that aligns the work they do with both their job functions and our organization's strategic goals.
3. **Staff feel they receive feedback on their performance and work:** The CMHPSM leadership team has begun to increase attention to this both through analysis of the aforementioned workplans and increased communication around impressive work completed by CMHPSM employees.
4. **Staff feel communication is open and honest:** The CMHPSM all staff meetings include round robin updates from all staff on a frequent basis. Staff survey feedback has been utilized to determine the appropriate frequency for these opportunities. All staff are able to communicate through Microsoft Teams on CEO updates and other communication channels. The CMHPSM conducted a second employee engagement survey with positive results that showed an increased average response in every question within the survey. This information was recently presented to the CMHPSM Board.
5. **Staff feel there is effective communication and cooperation across teams and workgroups:** The CMHPSM employee engagement committee has created bi-weekly opportunities on Tuesday mornings for staff to refresh and check in. The Teams platform has been utilized to hold mental health check-in meetings for staff persons. The engagement committee is continuing to work on plans for other social and team building activities that are possible during the pandemic.

3. Work with leadership and all staff to improve documentation of critical staff processes and procedures to improve training and information sharing across the organization. *(Aligns with CMHPSM Strategic Goal #6 and CEO Performance Review #12: Delegates authority to staff members appropriate to the position each holds and CEO*

Performance Review #14: Provides leadership in developing a recruiting and hiring process which results in employing highly qualified personnel.)

Objectives(s):

- Complete the documentation of key organizational practices and procedures by December 31, 2020.
- Implement departmental cross-training for key organizational functions by June 30, 2021.

CEO Update as of 2/12/2021:

A process template, approval and review process was put into place during calendar year 2020. Our intentions with this documentation process is to ensure both fidelity to organizational standards, policies while completing important CMHPSM work. Important processes and procedures for the following functions have been completed so far:

-) Employee Compensation Process
-) Employee Performance Review Process
-) Multiple Paychex processes
-) Organizational Policy review, Revision and Approval processes
-) Regional Provider Directory Publishing process.
-) Health Data Analyst Report Maintenance

More processes in the leadership review stage include:

-) Accounting Calendar
-) Competitive Procurement
-) Organizational Credentialing Process
-) Retroactive Fee-For-Service Rate Change Process
-) Provider Stabilization Process
-) Interest Bearing Accounts
-) Employee Off Boarding
-) Monthly Grant Reporting
-) Naloxone Distribution
-) Naloxone Ordering
-) Invoice Processing

With thorough documentation the CMHPSM can better ensure that key functions are more resilient to human resource changes from an organizational level.

CEO Leadership Planning and Development Goals

1. Participate in mentoring session with Connie Conklin around various leadership strategies, management expectations and delegation of work approaches. *(Aligns with CEO Performance Review #12: Delegates authority to staff members appropriate to the position each holds and #14: Provides leadership in developing a recruiting and hiring process which results in employing highly qualified personnel.)*

Objectives:

- Meet with Connie Conklin on a monthly basis to develop my skill set in a number of leadership areas including but not limited to: human resources, delegating

assignments, organizational risk, productivity assessments and management oversight.

CEO Update as of 2/12/2021:

Since July 2020, I have communicated with Connie Conklin on a more than monthly basis on a number of topics. Most of the discussions have centered around human resource situations revolving around CMHPSM staff positions, organizational development and my development as a CEO. These discussions have been extremely helpful, especially when our organization hasn't been through a specific situation or I haven't been through a similar situation in a leadership role. I appreciate the assistance and support provided from Connie Conklin and the other directors, especially through this last particularly challenging year dealing with the pandemic.

2. Effectively disseminate all appropriate PIHP level information to the internal staff, CMHSPs and external providers. (Aligns with CEO Performance Review# 1,3,4,5,8,9)

Objectives:

- Provide all appropriate information on a timely basis, to ensure that all stakeholders are informed as thoroughly and effectively as possible. Ensure CMHPSM communications follow standardized templates, timeliness standards and consistent channels.

CEO Update as of 2/12/2021:

I have consistently communicated the wealth of information that arrives at the CMHPSM from all relevant stakeholders. Our public behavioral health system has had to pivot to keep the individuals we serve, our CMHPSM employees, the employees of the CMHSPs, all of the regional provider staff healthy and safe during the pandemic. Many changes have come to the service delivery service, from how we authorize, deliver, fund and monitor services. We have been involved from everything from moving to telemedicine services to equipping staff delivering face to face services with much needed personal protection equipment. All of the changes over the past year have required the orderly receipt, interpretation and publicization of a vast array of communications.



Regional Board Action Request – FY21 Budget Amendment #2

Board Meeting Date: April 14, 2021

Action Requested: Approve the proposed FY2021 Budget Amendment #2 with allocations as presented.

Background: The FY2021 budget is representative of a balanced budget and is in adherence with Michigan Department of Health and Human Services (MDHHS) contractual requirements.

Connection to PIHP/MDHHS Contract, Regional Strategic Plan or Shared Governance Model:

PIHP/MDHHS Contract Section 8.0 Contract Financing

CMHPSM Regional Agreements

CMHPSM Financial Stability & Risk Reserve Management Governance Policy

Recommend: Approval



Regional Board Action Request – Contracts

Board Meeting Date: April 14, 2021

Action(s) Requested: Approval for the CEO to execute the contracts/amendments listed below.

Organization - Background	Term	Funding Level	Funding Source	Agreement Type
All contracted Monroe and Washtenaw fee-for-service SUD providers will have their rates referenced in the table below increased to the new temporary rates to cover the COVID -19 premium pay pass through to their staff persons.	3/1/2021 – 9/30/2021	See below	Medicaid, Healthy Michigan	Amendments

HCPCS Code	FY2021 Regular Rate	FY2021 \$2.00 Premium Pay (10/1/2020-2/28/2021)	FY2021 \$2.25 Premium Pay (3/1/2021-9/30/2021)
H0010	\$190.00	\$211.00	\$214.00
H0012	\$190.00	\$211.00	\$214.00
H0014	\$190.00	\$211.00	\$214.00
H0018	\$133.00	\$148.00	\$150.00
H0019	\$133.00	\$147.75	\$150.00

CMHPSM Staff Recommendation: Approval



Regional Board Action Request – Oversight Policy Board Bylaws Review

Board Meeting Date: April 14, 2021

Action Requested: Review of the CMHPSM Oversight Policy Board Bylaws revisions.

Background: The Oversight Policy Board, CMHPSM staff and CMHPSM attorneys have proposed the following changes to the CMHPSM Oversight Policy Board bylaws. The Oversight Policy Board reviewed these changes at their March 2021 meeting.

Connection to PIHP/MDHHS Contract, Regional Strategic Plan or Shared Governance Model:

The CMHPSM Regional Board of Directors provides oversight of the CMHPSM Oversight Policy Board and SUD services through review and approval of the bylaws.

Recommend: Approval

BY-LAWS

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
(CMHPSM) REGION 6
SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD
BY-LAWS

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
(CMHPSM)

ARTICLE I – Name

Pursuant to Section 287 (5) of Public Act 500 of 2012 states, “A department-designated community mental health entity [PIHP/Regional Entity] shall establish a substance use disorder oversight policy board for Lenawee, Livingston, Monroe and Washtenaw ~~c~~Counties. This BOARD shall be named the REGION 6 SUBSTANCE USE DISORDER OVERSIGHT POLICY BOARD hereafter ~~called~~ referenced as the OVERSIGHT POLICY BOARD (OPB).

ARTICLE II – Objectives of the OPB

To assist the CMHPSM Regional Board by:

- A. Providing an opportunity for individuals within the applicant’s service delivery area to comment upon the issuance of a substance use disorders services license.
- B. Assisting in the development of a comprehensive substance use disorders service delivery plan.
- C. Providing review and recommendations to the CMHPSM Regional Board of the progress and effectiveness of services delivered in accordance with the plan.
- D. Assuring that a mechanism exists for community input on substance use disorders needs and services throughout the region.
- E. Approving ~~at~~ of any local funds for treatment or prevention of substance use disorders within department designated community mental health entity CMHPSM budgets, containing local funds for treatment or prevention of substance use disorders.
- F. Advising ~~ee~~ and making recommendations ~~tions~~ regarding department designated community mental health entities CMHPSM budgets for substance use disorder treatment or prevention using other nonlocal funding sources.
- D.G. Advising ~~ee~~ and making recommendations regarding CMHPSM contracts with substance use disorder treatment or prevention providers.

~~E.H.~~ Providing such other assistance to the CMHPSM as necessary.

ARTICLE III – Membership of the OPB

A. The OPB shall be made up of a maximum of SIXTEEN (16) ~~members~~representatives, four (4) appointed from each member ~~C~~county.

1. Two (2) representatives from ~~Lenawee each C~~County; ~~shall be~~ appointed ~~by their respective by the Lenawee County Board of Commissioners, two~~ (2) ~~representatives from Livingston County, appointed by the Livingston County Board of Commissioners, two (2) representatives from Monroe County, appointed by the Monroe County Board of Commissioners and~~ two (2) ~~representatives from Washtenaw County, appointed by the Washtenaw County Board of Commissioners.~~

~~1.2.~~ ~~The remaining~~ ~~Two (2)~~ ~~representatives~~members from each county ~~shall will~~ be appointed by the CMHPSM Regional Board with recommendations from each respective Community Mental Health Board.

3. Each county must have at least one member representing the recovery community, or a person with lived experience.

~~2.4.~~ ~~Employees of agencies contracted to the CMHPSM shall not be members of the OPB.~~

~~3.5.~~ ~~Appointed members / C~~Community representatives ~~shall~~ reside within the county represented.

~~B. Vacancies during Term of Office:~~

~~1. All vacancies shall be filled by the respective appointing bodies.~~

~~2. All vacancies shall be filled only until expiration of the term.~~

B. —Length of Full Term:

1. ~~Oversight Policy Board member terms~~All representatives shall last for ~~three years when serving a full term terms, starting October 1, of the year appointed.~~

2. Full Initial ~~terms~~ shall be staggered to ensure that no more than one-third of OPB members turn over each year.

~~3. Appointments shall be effective upon approval of the respective appointing body.~~

~~3.4.~~ All reappointments to full terms shall be made by the respective appointing body shall last for three years.

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C. Vacancies during Term of Office:

1. All vacancies shall be filled by the respective appointing bodies.
2. All vacancies shall be filled only until expiration of the term.

~~C.D.~~ Attendance:

1. Meeting attendance may be face to face or through electronic participation via phone or video conference ~~when available~~ as provided in Article IV(F).
2. Conference call participation must be arranged prior to the meeting.
3. An OPB member may be removed for lack of attendance. It is expected that members miss no more than three meetings per year in a twelve--month period, and no more than three consecutive meetings.
- ~~2-4.~~ In the absence of a written resignation, three (3) consecutive absences from regularly scheduled meetings or four (4) absences within a twelve (12) month period would require a removal review by the OPB.

~~D.E.~~ —Removal and Resignation:

1. A member must resign in writing to the appointing body and to the CMHPSM Board.
- ~~2. An OPB member may be removed for lack of attendance. Removal reviews related to attendance, conduct or any other matters would be initiated and facilitated by the Chairperson and would be conducted at an OPB meeting. In the absence of a written resignation, three (3) consecutive absences from regularly scheduled meetings or three (3) absences within a twelve (12) month period would require a review by the OPB. The review may result in a recommendation for appointment of a new member by the respective appointing board.~~
3. A vote of three-fourths (3/4) of the OPB in attendance at the meeting during the removal review is required for recommendation of removal to the respective appointing board of that member and reappointment.
- ~~2-4.~~ After an OPB member is removed, an appointment of a new member ~~may~~ shall be made by the respective appointing board.

ARTICLE IV – Meetings

- A. Regular meetings shall be scheduled at least six times per year, and meet at minimum~~least~~ once each quarter every year. All meetings will be held at CMHPSM offices unless otherwise notified in compliance with the Open Meetings Act, with each county being the site for at least one meeting during the calendar year.
- B. Written and/or electronic notification and agenda shall be made at least one week in advance of all regularly scheduled meetings.
- C. Special meetings may be called by the Chairperson or Acting Chairperson of the OPB or by four (4) members of the OPB.
- D. OPB members must receive prior notification, in writing and/or electronically, of special meetings, pursuant to the Open Meetings Act.
- E. When the OPB has full membership, a quorum is achieved when Eight (8) active members are present at a meeting, of the OPB shall constitute a quorum, with representation from each county, with at minimum one (1) representative from each county.

E.1. In the case of a less than full membership, 50% of the active members present at a meeting, with plus one (1) with representative~~on from from~~ each county will constitute a quorum.

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Pursuant to Public Act 228 of 2020, the OPB may hold wholly or partially electronic meetings by telephonic or video conferencing while in compliance with the requirements stated within the Open Meetings Act as follows: Electronic, and Telephone votes will only be counted if there is a quorum present at the meeting.

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1. Before January 1, 2021 and retroactive to March 18, 2020 for any circumstances including but not limited to accommodation of absent members of the public body due to military duty; a medical condition; or a statewide or local state of emergency or state of disaster declared by the governor, a local official, or a local governing body that would put the personal health and/or safety of the public body or members of the public at risk if held in person.

2. On or after January 1, 2021 through December 31, 2021 for reasons limited to accommodation of absent members of the public body due to military duty; a medical condition; or a statewide or local state of emergency or state of disaster declared by the governor, a local official, or a local governing body that would put the personal health and/or safety of the public body or members of the public at risk if held in person. However, electronic meetings due to a local state of emergency or state of disaster may only be held if a member resides in the affected area or the public body at large holds its meetings in the affected area.

2. 3. After December 31, 2021 only when a member is absent due to military duty.

- ~~F. Consider allowing for a Board vote without a meeting.~~
~~G. OPB members shall be entitled to one vote each. If a member abstains, a reason shall be stated to be reflected in the meeting minutes. No member shall abstain from voting unless he or she has received the unanimous permission of the Board members in attendance.~~

~~F.~~

~~H.G.~~ Motions shall be passed by a majority vote of those present in person AND via Electronic methods/Telephone when allowable per the Open Meetings Act.

~~H.H.~~ All regular and special meetings are open to the public, pursuant to the Open Meetings Act. Minutes will be made available.

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~~Article~~ **ARTICLE V - Conflict Of Interest Policy. - And Compliance with Laws**

~~A.~~ The OBP shall ~~adopt and~~ adhere to ~~thea~~ CMHPSM conflict of interest policy which shall require, among other things, the disclosure to the ~~Board Chairperson~~ full board any actual or ~~possible-potential~~ conflicts of interest by any board members. ~~This includes any OPB members who are current employees of licensed providers.~~ All board members will annually disclose any conflicts of interest while serving on the board per the CMHPSM policy.

~~B.~~ Employees of ~~contracted~~ agencies contracted to the CMHPSM ~~should~~ all not be members of the OPB.

~~A.C.~~ OPB members shall fully comply with all applicable laws, regulations and rules applicable to its operation.

ARTICLE VI – Officers

A. The Chairperson, Vice-Chairperson, and Secretary shall be elected by the OPB. Elections shall be held annually in October. ~~—The CMHPSM CFO will act as Treasurer for the OPB if needed.~~

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B. Duties and Responsibilities:

1. The Chairperson shall:
 - a. Call meetings.
 - b. Preside over meetings.
 - c. Appoint special committees as deemed necessary.
 - d. Serve ex-officio on all committees with the right to vote.
 - e. Make appointments as necessary.
 - f. Ensure compliance to the by-laws
2. The Vice-Chairperson shall, in the absence of the Chairperson, assume the duties of the Chairperson.
3. The Secretary shall:

- a) Assure that minutes are kept and distributed
- b) Keep attendance of members at meetings.
- c) ~~Assume the responsibilities and duties of the Chairperson in the absences of the Chairperson and Vice-Chairperson~~
- ~~4. The Officers shall serve one year terms, and may be renewed for a maximum of three consecutive years.~~

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Each officer shall be from a different county.

- 1. Only one individual appointed by each county may serve as an officer. The OPB officers shall serve one-year terms or serve until such time as their successors are duly elected. Officers shall not serve more than 3 consecutive terms. To ensure that the Chairpersonship rotates, upon the completion of a third term serving as Chairperson, a new Chairperson shall be an individual affiliated with another county.
- 2. ~~6. 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.~~

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ARTICLE VII – Amendments

- A. The By-laws changes may be proposed by a majority vote of the total membership of the OPB with a quorum present which includes at least one (1) member from each county, provided that such notice of proposed amendments is made available in writing and/or electronically to members at least two weeks in advance.
- B. Amendments shall not become effective until they have been reviewed and approved by the governing board of the Community Mental Health Partnership of Southeast Michigan.
- C. Notification of By-law Amendments-amendments shall be sent to the appointing Board of Commissioners in each partner county.

ARTICLE VIII – COMMITTEES

- A. Ad Hoc Committees may be formed by the OPB at any time and shall act only on the direction of the OPB. Alternative language: The Board may establish and define the responsibilities of such committees from time to time as it shall deem appropriate to fulfill the purposes set forth in Article II. The Chairperson shall, in consultation with the Board, select the membership of any committee formed.
- B. Committee membership may include individuals other than OPB Members, but each Committee must have a least one OPB member appointed to it.

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~~B.C.~~ When a committee meeting meets the standards of an “open meeting” as prescribed within Michigan’s Open Meetings Act, all Open Meetings Act requirements must be followed. language

ARTICLE IX – FINANCIAL POLICIES

A. The Substance Use Services Director shall be authorized, along with approval from the CEO, to approve expenditures of PA2 funds and execute contracts for amounts up to \$2,000 prior to OPB approval.

ARTICLE IX

A. For all items not otherwise covered in the By-Laws, Roberts Rules of Order shall apply.

REVISED AND RE-ADOPTED BY THE CMHPSM BOARD ON: TBD
ORIGINALLY ADOPTED BY THE CMHPSM ON: September 14, 2016

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Regional Board Action Request – Reclassification of CMHPSM Position

Board Meeting Date: April 14, 2021

Action Requested: Approve the re-classification of one CMHPSM Supports Intensity Scale (SIS) Assessor position (Tier 1) to a Quality Lead SIS Assessor (Tier 2a).

Background: The CMHPSM currently has three (3) SIS Assessor positions which require oversight and monitoring of SIS Assessors by a SIS Quality Lead, per the SIS implementation and fidelity requirements. A SIS Quality Lead requires additional training, competence, and maintenance of an excellent or higher status at the Interviewer Reliability Qualifications Review (IRQR) level, recognized American Association of Intellectual Developmental Disabilities (AAIDD).

The CMHPSM Leadership team has created a Quality Lead SIS Assessor job description and reviewed the position's responsibilities utilizing the CMHPSM Classification and Compensation Position Point Factor Assessment. The position will continue to conduct SIS assessments while also providing quality lead functions for the region. The classification assessment concluded that the position should sit on Tier 2a which has a pay range of \$50,648 - \$72,072. One of the three SIS assessor positions which currently sits on Tier 1 would be upgraded to Tier 2a. Tier 1 positions currently have a salary range of \$37,752-\$53,040.

Connection to PIHP/MDHHS Contract, Regional Strategic Plan or Shared Governance Model:

MDHHS contractually requires use of the SIS Assessment by PIHPs for all individuals age 16 years old and above, who have an IDD/CI diagnosis, and the SIS be administered by an independent assessor free of conflict. The CMHPSM CEO Authority policy requires Board approval for re-classification of positions to a higher pay tier.

Recommend: Approval



Community Mental Health Partnership of Southeast Michigan Job Description

Job Title: Quality Lead - Supports Intensity Scale (SIS)

Supervision Received: PIHP Waiver Coordinator

Tier: 2a

Salary Range: \$50,648 - \$72,072

FLSA Exempt Status: Exempt

Position Status: Full time

Last Review/Approval: 03/01/21

Job Summary

This professional level position is responsible to ensure that all Supports Intensity Scale (SIS) assessors meet AAIDD quality and reliability standards and allow the completion of assessments within the required timeframes. Must have the competence and value base to comprehend and implement a progressive supports-oriented assessment process. A critical function of this position includes the ability to lead and practice the transition from a skill focus while conducting assessments to a need and supports orientation.

Quality Lead Criteria:

-) Maintain passed status as an Interviewer Reliability Qualifications Review (IRQR) at the Qualified: Excellent or higher level, conducted by an American Association of intellectual and Developmental Disabilities (AAIDD) recognized trainer.
-) Experience conducting assessments for a range of individuals with varying needs and circumstances.
-) Provide regular quality assurance and drift reviews of SIS assessors for skill development and maintenance.

Essential Duties and Responsibilities

-) Provide interpretation and analysis of SIS assessments to ensure integrity of SIS assessor data.
-) Collaborate and represent the PIHP with Macomb-Oakland Regional Center (MORC) /AAIDD (American Association of intellectual and Developmental Disabilities) on all assessor and quality lead calls, and drift reviews.
-) Ensure SIS assessments for the region are completed per state requirements and timeframes.
-) Maintain Excellent or Advanced level with MORC/state criteria.
-) Complete all Quality Lead documentation including IRQR, Periodic Drift Reviews (PDR), Attestation forms, Quarterly Reports to MORC and Google AAIDD assessor status spreadsheet assessor certifications.
-) Complete quarterly regional reporting and quarterly Periodic Drift Reviews (PDR), Interviewer Reliability Qualifications Reviews, and Quality Assurance reviews of SIS assessors.
-) Maintain compliance with all state and federal rules, regulations, laws, and standards associated with the Health Insurance Portability and Accountability Act (HIPAA).
-) Complete analysis of SIS-related performance factors including analysis of score reliability/validity of assessments, thresholds for acceptable scoring shifts, best practices, and any needs for practice changes in implementation of SIS assessment requirements. Serve as an expert resource for PIHP region and a liaison between state level and regional assessors.

-) Oversee SIS assessors including the following functions: hiring process, training, receiving and maintaining certification, skill building, drift reviews and performance reviews including maintaining quality and required quantity of SIS assessments, coaching and training assessors who have fallen below the standard qualified status remediation, and corrective action.
-) Monitor compliance with SIS assessor performance including completion compliance, decline reporting and analysis.
-) Develop and provide a regional training program for incorporating SIS assessments into person centered planning process and monitoring of outcomes.
-) Provide analysis and reporting mechanisms for the incorporation of the SIS assessment/outcomes in the regional parity program and data review.
-) Development and implement a plan of action to assure compliance with SIS assessments for adults (age 16 and up) and SIS assessments for children ages 3-16 in accordance with state requirements and timeframe.
-) Provide continuous performance improvement in creating efficiencies and improving quality of the SIS assessment process, including written guidance, processes, and reporting mechanisms.

Other Duties and Responsibilities

- Special related projects, as assigned
- Other duties as requested, directed or assigned

Education and Experience Requirements

- Equivalent to a Bachelor's degree in Human Services related field (4 years of equivalent work experience may suffice for Bachelor's degree)
- Two years minimum as a qualified SIS assessor with a rating of excellence or higher
- At least two years of experience with individuals that have developmental or intellectual disabilities.
- Experience and comfort with use of a computer application

Competencies Required

-) Excellent communication, audience management, and group facilitation skills
-) Excellent written and verbal communication skills
-) Ability to work independently with limited guidance
-) Ability to work effectively with people of various backgrounds.
-) Ability to practice and teach a strength-based, inclusion focused perspective of individuals served in the behavioral health system of care.
-) Possess an optimistic, collaborative approach to problem-solving.
-) Interpret policy and procedures to accurately and effectively meet state and federal requirements related to SIS assessment functions.
-) Analytical skills to address barriers or challenges in successfully implementing the SIS assessment process.
-) Practical knowledge of adult learning strategies
-) Ability to organize, manage time, prioritize and plan work activities and projects to meet deadlines
-) Ability to make timely decisions using sound and accurate judgment within specified constraints.
-) Ability to express ideas effectively, adapt communication modes based on audience, and effectively use audio/visual equipment. Effective skills.

Physical Demands and Work Environment

The physical demands and work environment described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Duties require sufficient mobility to work in various settings and use standard office equipment including a computer, vision to read printed materials and a computer screen and hearing and speech sufficient to communicate in person or over the telephone.

Special Position Requirements

This position requires possession of a valid Michigan driver's license or method of transportation to travel within the CMHPSM region and to meetings outside of the region when requested.

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Duties, responsibilities, and activities may change at any time with or without notice.

This document does not create an employment contract, implied or otherwise, other than an "at will" relationship.

This job description has been approved by:

Chief Executive Officer _____

Date: _____

Position authorized by CMHPSM Regional Board

Date: _____

Employee signature below constitutes employee's understanding of the requirements, essential functions, and duties of the position.

Employee _____

Date: _____



Regional Board Action Request – Review of Board Governance Policy Manual,
CMHPSM Bylaws & Board Governance Policies

Board Meeting Date: April 14, 2021

Action Requested: Review and renewal:

) Board Governance Policy Manual {Att. 8a}

) CMHPSM Bylaws {Att. 8b}

And the following

) CMHPSM CEO Authority – Employee Position, Control and Compensation (Revised 3/2020) {Att. 8c}

) CMHPSM CEO General Scope of Authority (Revised 5/2020) {Att. 8d}

) Conflict of Interest Policy (Revised 12/2020) {Att. 8e}

) Investing (Revised 5/2020) {Att. 8f}

) Procurement (Revised 8/2020) {Att. 8g}

Background: The Board Policy Governance Manual, Bylaws of the CMHPSM, and Board Governance Policies shall be reviewed in April of every year according to the Board Policy Governance Manual. CMHPSM staff have no recommended revisions to the Board Governance Policy Manual, CMHPSM Bylaws or the policies identified above.

Connection to PIHP/MDHHS Contract, Regional Strategic Plan or Shared Governance Model:

The CMHPSM Regional Board of Directors provides oversight of CMHPSM implementation of the PIHP/MDHHS Contract through the CMHPSM Governance Policy Manual, the CMHPSM Bylaws and Board Governance policies.

Recommend: Approval



Community Mental Health Partnership of Southeast Michigan

Board Governance Policy Manual

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SECTION 1: MISSION, VISION AND VALUES

1.0 MISSION, VISION AND VALUES

Mission: Through effective partnerships, the CMHPSM ensures and supports the provision of high-quality integrated care that is cost effective and focuses on improving the health, wellness, and quality of life for people living in our region.

Vision: The CMHPSM will address the challenges confronting people living in our region by influencing public policy and participating in initiatives that reduce stigma and disparities in health care delivery while promoting recovery and wellness.

Values:

- Strength Based and Recovery Focused
- Trustworthiness and Transparency
- Accountable and Responsible
- Shared Governance
- Innovative and Data Driven Decision Making
- Learning Organization

1.1 BYLAWS AND POLICY REVIEW AND AMENDMENT

The Board will review the regional mission, vision, and values statements for relevance to current needs and interest of the four county partners at least every two years. The Board will ensure stakeholder involvement in the review of the mission, vision and values.

SECTION 2: CEO RESPONSIBILITIES

2.0 EXECUTIVE RESPONSIBILITIES

The CEO shall ensure that all practices, activities, decisions, and/or organizational circumstances shall be lawful, prudent and in compliance with commonly accepted business and professional ethics. The CEO will recommend either new or revised Board Governance policies to address areas of non-compliance.

2.1 TREATMENT OF CONSUMERS

With respect to interactions with and services provided to consumers or those applying to be consumers, the CEO shall ensure the CMHPSM has an established process that is followed to monitor conditions and procedures employed across the four county region so that services and supports are provided in a manner that is dignified, respectful, appropriate, not unnecessarily intrusive, and promotes safety. Services and supports shall be delivered in accordance with the CMHPSM Mission and Vision statements.

2.2 TREATMENT OF STAFFPERSONS

The CEO shall promote working conditions for the staff that are fair, dignified, respectful, organized, and clear.

Further, by way of example, but not limited to the following:

1. Operate with written personnel rules which: (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as discrimination, harassment, nepotism and/or preferential treatment for personal reasons.
2. Produce and continually update the CMHPSM employee handbook which establishes the general expectations and principles of employment, operational policies, employee benefit and leave provisions and general standards of conduct for employees.
3. Have a process to administer exit interviews and staff satisfaction surveys.
4. Ensure each employee of the CMHPSM shall have due process in the event of an adverse disciplinary action.
5. Within fiscal constraints, provide necessary resources to staff for the performance of their job duties.
6. Have a process to ensure job descriptions, work plans and assigned outcomes for staff persons are continually assessed.
7. Staff shall have work performance appraisals at minimum annually.

2.3 COMPENSATION AND BENEFITS

The CEO shall administer board approved competitive compensation and benefits for CMHPSM employees.

2.4 FINANCIAL BOARD GOVERNANCE POLICIES

The CEO and CFO shall ensure the financial policies and practices of the CMHPSM meet state and federal requirements and are compliant with Generally Accepted Accounting Practices (GAAP).

Financial Board Governance Policies which shall be approved by the Board include:

- A. Procurement
- B. Investing
- C. CEO General Scope of Authority
- D. CEO Authority for Position Control and Compensation
- E. Financial Stability and Risk Reserve Management

1. The CEO and CFO shall review the financial policies annually and make recommendations to the Board for revisions, amendments when needed. All approved CMHPSM Board Governance Policies can be found on the CMHPSM website: www.cmhpsm.org/governance-policies

2.5 EMERGENCY CEO SUCCESSION

To protect the CMHPSM from sudden loss of CEO Services, the CEO shall have no fewer than two

other executives familiar with Board and CEO issues and processes.

2.6 COMMUNICATION AND SUPPORT TO THE BOARD

The CEO shall keep the CMHPSM Board informed and supported in its work.

Further, by way of example, but not limited to the following:

1. Submit monitoring data required to the Board in a timely, accurate, and understandable fashion, directly addressing provisions of Board Policies being monitored.
2. Keep the Board informed of relevant trends, anticipated adverse media coverage, threatened or pending lawsuits and material external and internal changes, particularly changes in the assumptions upon which any Board Policy has previously been established.
3. Advise the Board if, in the CEO'S opinion, the Board is not in compliance with its own policies on Governance Process and Board – CEO Linkage, through the Board Chair.
 - a) If there is a breakdown in the relationship between the Board Chair and the CEO, the CEO shall inform the full CMHPSM Board of Directors of the breakdown.
 - b) In the event the CMHPSM Board is unable to resolve the issues, the leadership of the CMHSPs that appoint the CMHSP members to the CMHPSM Board shall meet to address the issues and develop recommendations for the CMHPSM Board to act upon.
4. Marshal for the Board information from as many staff and external perspectives, on issues and options as needed for fully informed Board choices.
5. Provide a mechanism for official Board communications.
6. The CEO shall provide a compliance report to the Board at least annually and any time there are any serious violations at either the CMHPSM or the CMHSPs. This report shall include a review of the implementation of operational policies to ensure that areas of noncompliance are identified and addressed before the noncompliance results in sanctions from regulatory bodies.
7. Report in a timely manner an actual or anticipated noncompliance with any Board Policy.

2.7 REGIONAL RESOURCES

The CEO shall be informed and take advantage of collaboration, partnerships and innovative relationships with agencies and organizations, including state, regional and county specific resources. The CEO shall also stay abreast of current affairs as they apply to this industry through conferences and seminars.

SECTION 3: GOVERNANCE PROCESS

3.0 GOVERNING STYLE

The Board will govern with an emphasis on (a) outward vision, (b) diversity in viewpoints, (c) strategic leadership, (d) clear distinction of Board and CEO roles, (e) collective rather than individual decisions and, (f) proactivity.

The Board must ensure that all divergent views are considered in making decisions, yet must resolve into a single organizational position. Once a decision is made the Board must speak in one voice publicly.

Accordingly:

1. The Board will establish written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.
2. The Board will enforce discipline whenever needed. Discipline will apply to matters such as attendance, preparation for meetings, violation of policies, and disrespect for roles.
3. Continual Board development will include orientation of new Board Members and periodic Board discussion of process improvement.
4. The Board will listen respectfully to citizen comments and assure that an internal process is in place to follow up on the concerns expressed.

3.1 BOARD RESPONSIBILITIES/DUTIES

The Board will ensure appropriate organizational and CEO performance and promote a link between the regional community and the CMHPSM.

Further, by way of example, but not limited to the following:

1. Meetings
 - (a) Attend Board meetings
 - (b) If unable to attend Board meetings provide advance notice to the CEO and Board Chair
 - (c) Be prepared and on time
 - (d) Listen with an open mind
 - (e) Participate in discussion and encourage dialogue
 - (f) Make decisions in the best interest of the PIHP region
 - (g) Speak with one voice after a decision has been made
2. Board Member Personal Development
 - (a) Complete Board orientation and training
 - (b) Commit to ongoing development of Board Member skills
3. Operational Policies
 - (a) Follow all relevant CMHPMS operational policies applicable to Board Members

3.2 BOARD MEMBER ETHICS

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board Members.

Further, by way of example, but not limited to the following:

1. Operate with the best interest of the PIHP region in mind.
2. Recuse from any issues where a potential conflict of interest exists.
3. Board Members will not use their board position to obtain employment in the organization for themselves, family members, or close associates. Should a Board Member apply for employment, he or she must first resign from the Board.
4. Board Members shall not attempt to exercise individual authority over the organization.
5. The Board will not evaluate, either formally or informally, any staff other than the CEO.
6. Board Members will respect confidentiality.

3.3 BOARD CHAIR'S ROLE

The Board Chair assures the integrity of the Board's process and, represents the Board to outside parties. The Board Chair has no authority to make decisions about policies created by the Board nor authority to individually supervise or direct the CEO.

3.4 POLICY REVIEW AND AMENDMENT

1. The Board Policy Governance Manual, Bylaws of the CMHPSM, and Board Governance Policies shall be reviewed in April of every year.
2. Board Governance Policies may be suspended, rescinded, or amended by 3/4 of the serving membership and will be superseded by any change in federal or state law.

3.5 COST OF GOVERNANCE

The Board will invest in its governance capacity.

Accordingly:

1. Board members shall be compensated at the rate of the appointing CMHSP per meeting for attendance at all Board meetings, assigned committee meetings, workshops, required training, and other Board approved functions. Board members are entitled to one meeting allowance per day.
2. Travel expenses shall be reimbursed by the appointing CMHSP

3. The Board shall be informed of its budget and expenses.

SECTION 4: BOARD-CEO LINKAGE

4.0 GOVERNANCE-MANAGEMENT CONNECTION

The Board shall appoint a CEO of the Community Mental Health Partnership of Southeast Michigan who meets the standards of training and experience established by the Michigan Department of Health and Human Services (MDHHS). The Board shall establish general policy guidelines within which the CEO shall execute the duties and responsibilities of a Pre-Paid Inpatient Health Plan as required by state and federal laws, rules, regulations, and the Medicaid Specialty Supports and Services contract with the MDHHS.

4.1 CEO'S RESPONSIBILITIES

The CEO of the CMHPSM shall function as the chief executive and administrative officer of the CMHPSM/PIHP and shall execute and administer the program in accordance with the approved annual plan and operating budget, the general policy guidelines established by the CMHPSM Board, the applicable governmental procedures and policies, and the provisions of the Mental Health Code. The CEO has the authority and responsibility for supervising all employees. The terms and conditions of the CEO's employment, including tenure of service, shall be as mutually agreed to by the Board and the CEO and shall be specified in a written contract.

4.2 MONITORING CEO PERFORMANCE

There will be systematic and objective monitoring of the CEO's job performance and achievement of organizational goals as agreed upon.

MOST RECENT BOARD REVIEW / APPROVAL DATE: May 13, 2020

Revision History

- *Revision made 8-8-2018 include updates to Mission, Vision, and Values statements; review dates of Financial policies cited in 2.4.1; and inclusion of attachments of the financial policies cited in 2.4.1*
- *Revisions made in 2020 include table of contents formatting, updates and clarifications throughout the document. A tracked changes version identifying edits will be retained for reference.*

AMENDED BYLAWS
COMMUNITY MENTAL HEALTH PARTNERSHIP
OF SOUTHEAST MICHIGAN

ARTICLE I
CREATION AND NAME

SECTION A. CREATION. Pursuant to Section 330.1204b of Act 258 of the Public Acts of 1974 as amended (Mental Health Code), the Community Mental Health Authorities of Lenawee, Livingston, and Monroe Counties and the Community Mental Health Agency of Washtenaw County (the Partners) hereby establish a regional entity to function as the Prepaid Inpatient Health Plan (PIHP) for the same four county region (designated as Region 6 by the Michigan Department of Health and Human Services (“MDHHS”).

SECTION B. NAME. The name of the regional entity shall be the Community Mental Health Partnership of Southeast Michigan (the “CMHPSM”).

SECTION C. FORM OF ENTITY. The CMHPSM is a public governmental entity separate from the counties, authorities, or organizations that establish it.

ARTICLE II
PURPOSE

SECTION A. PURPOSE. The purpose of the CMHPSM is to: carry out the provisions of the Michigan Mental Health Code as they relate to serving as the PIHP of Region Six (6) as defined in 42 CFR 438.2 (“PIHP”); manage on a shared risk basis with the State of Michigan the Medicaid Specialty Support and Services Concurrent 1915(b)/(c) Waiver Programs (“Concurrent 1915 (b/c) Medicaid”), any 1915 (i) Waivers granted to the State of Michigan by the Centers for Medicare and Medicaid Services (CMS), any 1115 Demonstration Waivers granted to the State of Michigan by the Centers for Medicare and Medicaid Services, and under approval of SAMHSA and the State of Michigan, that the CMHPSM will operate substance use disorder (SUD) prevention and treatment programming funded under the SUD Community Grant; and ensure access to and the provision of a comprehensive array of Medicaid funded specialty behavioral health services for Medicaid recipients who are adults with a serious mental illness, children and youth with a serious emotional disturbance, individuals with an intellectual/developmental disability, and individuals with a substance use disorder who reside in Lenawee, Livingston, Monroe, or Washtenaw Counties in Michigan. The CMHPSM’s specific functions include, but are not limited to:

1. Receiving and distributing Medicaid payments from the MDHHS or CMHPSM Medicaid savings related to services provided by the CMHPSM or the Partners as well as Block Grant funding according to the terms of the Block Grant awards.

2. Acting as the regional entity for substance use disorder (“SUD”) treatment

programs administered by the Partners and otherwise provided within the designated service areas of the CMHPSM.

ARTICLE III CMHPSM POWERS

SECTION A. GENERAL POWERS. Except as otherwise provided in these Bylaws including without limitation Article IV, Section D, the CMHPSM possesses all the powers provided in MCL § 330.1204b(2), including but not limited to:

1. The power, privilege, or authority that the Partners share in common and may exercise separately under the Mental Health Code, as specified in these Bylaws;
2. The power to contract with the State to serve as the PIHP for the designated service areas of the Partners;
3. The power to accept funds, grants, gifts, or services from the federal government or a federal agency, from the state or a state department, agency, instrumentality, or from a political subdivision, or any other governmental unit, whether or not that governmental unit participates in the CMHPSM, and from a private or civic source;
4. The power to enter into a contract with a Partner for any service to be performed for, by, or from the Partner;
5. The power to create a risk pool and take other action as necessary to reduce the risk that the Partners would otherwise bear individually;
6. The power to calculate, assess, and collect from the Partners payments or withholds attributable to their designated share of the CMHPSM's costs and expenses; and
7. The power to contract with State, federal, local and/or commercial entities.

SECTION B: CMHPSM ACTIONS. The manner by which the CMHPSM's purposes will be accomplished and powers will be exercised shall be through the actions of the Partners as provided in Article IV and through the actions of the Board as set forth in these Bylaws or as delegated by the Board to officers, committees or other agents.

SECTION C. COMPLIANCE WITH LAWS. The CMHPSM and its Partners, Board, officers and staff shall fully comply with all applicable laws, regulations and rules, including without limitation 1976 P.A. 267 (the "Open Meetings Act") and 1976 P.A. 422 (the "Freedom of Information Act"). The CMHPSM shall develop compliance policies and procedures. In the event that any noncompliance is found, immediate corrective action, as defined in the Operating Agreement, shall be taken by the appropriate source to ensure compliance.

ARTICLE IV THE PARTNERS

SECTION A: PARTNERS. The Partners shall be those Community Mental Health Service Programs (CMHSP's) that have adopted these Bylaws.

SECTION B. STATUS. The Partners forming the CMHPSM remain separate legal governmental entities and retain all the power, rights, and authority afforded community mental health services programs organized and operated as county mental health authorities or agencies under the Mental Health Code.

SECTION C. PARTNER VOTE. The Partners of the CMHPSM will each have one (1) vote on those matters reserved to the Partners in Section D. The Partner's vote shall be conveyed in the form of a duly adopted written resolution of the governing body of each of the Partners.

SECTION D: PARTNER RESERVED POWERS. Each Partner shall possess the powers and rights retained and reserved to the Partners under these Bylaws and the Operating Agreement which shall include without limitation the power to approve the following:

1. All amendments, restatements or adoption of new bylaws;
2. The Operating Agreement, any amendment thereto and its termination;
3. Any proposal of the CMHPSM related to merger, consolidation, joint venture or formation of a new organization;
4. The termination of the CMHPSM and distribution of assets and liabilities, if any;
5. The issuance of debt which exceeds certain threshold amounts established for the CMHPSM by the Partners in the Operating Agreement;
6. Secured borrowings and unsecured borrowings in excess of amounts established in the Operating Agreement by the Partners; and
7. The sale, transfer or other disposition of substantially all of the assets of the CMHPSM.

SECTION E. PARTNER RETAINED POWERS. The Partners shall retain all powers, rights and authority afforded community mental health services programs, organized and operated as county mental health authorities, agencies or organizations under the Mental Health Code. Only the powers and authority specifically delegated to CMHPSM under these Bylaws and as further defined under an Operating Agreement, are transferred to CMHPSM. An Operating Agreement shall be approved by the CMHPSM Board and incorporated herein by reference.

SECTION F. WITHDRAWAL OF THE PARTNER. Any Partner may withdraw from the CMHPSM effective upon approval of MDHHS. A written notice of a minimum of 90 (ninety) days to the remaining Partners shall be provided. As of the effective date of the withdrawal from

the CMHPSM, the Partner will have no further rights or benefits in the CMHPSM. The withdrawal does not absolve the Partner from any other service, performance or any other contractual obligations related to separate agreements established between the Partner and the CMHPSM. In addition, all Partner claims to CMHPSM assets or risk pools shall be pro-rated upon withdrawal as negotiated with MDHHS. The members of the Board appointed by the withdrawing Partner terminate as well, and no replacements will be appointed or vacancy be deemed to have occurred.

SECTION G. REMOVAL OF THE PARTNER. A Partner shall be removed from the CMHPSM upon approval of MDHHS and under one of the following conditions: 1) Partner is dissolved under law by the authorizing body , 2) Partner is decertified as a community mental health services program by the State or 3) Partner is assigned to an alternative regional area as determined by the State and communicated in writing to the CMHPSM. In addition, all Partner claims to CMHPSM assets or risk pools shall be pro-rated upon removal as negotiated with MDHHS.

SECTION H. NEW PARTNERS. New partners of the CMHPSM may be added pending written support from the State for purposes of preserving the community mental health system. If addition of these new Partners to the CMHPSM is not required by the State, it is seen as within the sole discretion of the existing Partners. Thus, when not required by the State, the addition of new partners to the CMHPSM requires the approval of three-fourths (3/4) of the governing bodies of the existing Partners, conveyed via a duly adopted written resolution of these governing bodies. New partners added to the CMHPSM will be entitled to any membership or governance rights in the same manner as the existing Partners. Any new partners added under this section will forward any claims to existing Medicaid risk reserves to the CMHPSM on a pro-rated basis upon date of admission as negotiated with MDHHS.

SECTION I. DISPUTE RESOLUTION. Any dispute between Partners of the CMHPSM related to the interpretation or application of the Bylaws or Operating Agreement will be referred to the CMHPSM regional board for due consideration within thirty (30) days. The resolution of the Bylaws or Operating Agreement dispute will be final upon agreement by the governing boards of three-fourths (3/4) of the Partners, in the form of a duly adopted written resolution of those governing bodies. Any disputes related to any other CMHPSM matter will be resolved according to terms of the Operating Agreement.

SECTION J. EXERCISE OF RESERVED POWERS. Any action by the Partners will require the unanimous approval of the existing Partners conveyed in the form of a duly adopted written resolution from their respective governing bodies, to be binding upon the CMHPSM.

ARTICLE V BOARD OF DIRECTORS

SECTION A GENERAL POWERS. The business, property and affairs of CMHPSM shall be managed by the Board of Directors.

SECTION B. NUMBER/COMPOSITION/APPOINTMENT. The Board of Directors of the CMHPSM shall be a thirteen (13) member board. Each Partner will appoint three individuals

from their respective Board roster to the CMHPSM Board of Directors. At least one appointee from each Partner will be required to be a primary or secondary consumer as defined in the Mental Health Code. Appointments are to be coordinated by the Partners so that there are at least two (2) primary consumers on the CMHPSM Board. The final composition of the Board shall include four consumer representatives with at least two of those being individuals who have received or are currently receiving a mental health service. The CMHPSM Board shall appoint one individual nominated by the Substance Use Disorder Oversight Policy Board and who is in Recovery.

SECTION C. PARTNER BOARD. CMHPSM Board members may also serve on their respective boards.

SECTION D. VOTE. Each individual appointed to the Board shall have one vote.

SECTION E. TERM. Appointments to the CMHPSM Board shall be for a three year term.

1. Terms of appointments shall be staggered to ensure that no more than one-third of the Board Members are subject to re-appointment in any given year.

SECTION F. REMOVAL. A CMHPSM Board member may be removed for either neglect of official duty or misconduct in office after being given a written statement of reasons and an opportunity to be heard thereon. A vote of three-fourths (3/4) of the CMHPSM Board is required for removal of a CMHPSM Board member. The Partner that appointed the Board member may also remove that member at their discretion. Non-attendance of either three (3) consecutive meetings of the CMHPSM Board or three (3) meetings within a twelve (12) month period will initiate a CMHPSM Board review and may result in removal from the CMHPSM Board.

SECTION G: RESIGNATION. The CMHPSM Board member may resign at any time by providing notification to the appointing Partner. The resignation will be effective upon receipt of the notice by the Partner or at a later time as designated in the notice.

SECTION H. BOARD VACANCIES. A vacancy on the CMHPSM Board may occur through death, removal or resignation of the Board member. A vacancy shall be filled for an unexpired term by the Partner in the same manner as the original appointment.

SECTION I. CONFLICT OF INTEREST POLICY. The Board of Directors shall adopt and adhere to a conflict of interest policy which shall require, among other things, the disclosure to the Board Chairperson and any committee chairperson any actual or possible conflicts of interest. All Board members will annually disclose any conflicts of interest while serving on the Board. Any amendment to the Conflict of Interest Policy shall be approved by three quarters (3/4) vote of the members of the CMHPSM Board.

SECTION J. GOVERNANCE STYLE. The Board will govern with an emphasis on outward vision, diversity in viewpoints, strategic leadership, clear distinction of Board and Chief Executive Officer roles, collective rather than individual decisions, and proactivity.

1. The Board will establish written policies reflecting the Board's values and perspectives.

2. The Board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.

SECTION K. SHARED GOVERNANCE. The CMHPSM, the CMHPSM regional board and Partners will implement a shared governance decision-making model that:

1. Establishes and communicates specific goals based on over-arching priorities and the strategic plan; and

2. Creates and supports an organizational culture conducive to mutual trust and unified collegial action.

3. Fosters a continuous process improvement environment.

SECTION L. REGIONAL OPERATIONS COMMITTEE. The CEO will utilize a Regional Operations Committee (ROC) to oversee CMHPSM regional activities as determined by the Board and in conjunction with the CMHPSM staff, prepare material and recommendations for the Board. The function, duties and responsibilities of the ROC are described in the CMHPSM Operating Agreement. The ROC shall be comprised of the Chief Executive Officer of the CMHPSM and the Executive Directors of the Partners that created the CMHPSM.

SECTION M. STIPENDS. Each Partner will pay stipends to individuals appointed to Board by the Partner, as determined by that particular Partner.

SECTION N. BOARD POLICIES. The Board shall develop governance policies from time to time and each member of the Board shall be responsible for complying with said policies.

ARTICLE VI BOARD OFFICERS

SECTION A. OFFICERS. The officers of this Board shall be Chairperson, Vice Chairperson, and Secretary.

1. Only one individual from each Partner may serve as an officer. The CMHPSM officers shall have one-year Terms, or until such time as their successors are duly elected. Officers shall not serve more than 3 consecutive terms. To ensure that the Chairpersonship rotates, upon the completion of a third term serving as Chairperson, a new Chairperson shall be an individual affiliated with another Partner.

SECTION B. ELECTION. The officers shall be elected by a majority vote of the Board at its October Meeting. Nominations for such positions shall be received from the Nominations Committee and the floor. The officers shall take office upon election.

SECTION C. REMOVAL. An officer may be removed by a two-thirds (2/3) vote of the serving Board.

SECTION D. THE BOARD CHAIRPERSON SHALL:

1. Preside at all meetings of the Board
2. Appoint members to all committees and the chairperson thereof with Board confirmation
3. Designate representatives to organizations
4. Be responsible for the preparation and distribution of an agenda prior to the Board Meeting in consultation with the Chief Executive Officer.
5. Sign such documents as are approved by the Board.
6. Perform such other necessary and reasonable responsibilities as pertain to the office of the Board Chairperson.

SECTION E. THE VICE-CHAIRPERSON SHALL:

1. Assume the responsibilities and duties of the Chairperson in his/her absence.
2. Perform such other necessary and reasonable responsibilities as pertain to the office of Vice-Chairperson.

SECTION F. THE SECRETARY SHALL:

1. Sign the official minutes after approval by the Board.
2. Assume the responsibilities and duties of the Chairperson in the absences of the Chairperson and Vice-Chairperson.
3. Perform such other necessary and reasonable responsibilities as pertain to the office of Secretary.

**ARTICLE VII
BOARD MEETINGS**

SECTION A. REGULAR MEETINGS. The Board shall meet a minimum of six (6) times per year at a time and place specified by the Board in compliance with the Open Meetings Act, 1976 PA 267; MCL 15.261 et seq.

SECTION B. SPECIAL MEETINGS. Special meetings may be called at the discretion of the Board Chairperson or upon written request to the Board Secretary by one third of the Board, and shall be conducted in compliance with the Open Meetings Act, 1976 PA 267; MCL 15.261 et seq. All Board members shall be notified of special meetings at least 36 hours in advance by personal delivery, e-mail, fax or telephone, and provided with the agenda.

SECTION C. QUORUM. A quorum shall consist of seven (7) members when all thirteen (13) members of the CMHPSM Board are appointed and serving. A majority of the members shall constitute a quorum when there are less than thirteen (13) total members appointed and serving. Every Board member shall vote on all matters, unless excused by the Board Chairperson. The Chairperson shall vote on all matters, unless excused by the Board. A majority of the Board members present shall be required to approve all items except the following, which shall require a two-thirds vote of the full Board.

- a. The hiring and firing of the Chief Executive Officer;
- b. Proposing amendments to these Bylaws

SECTION D. RULES OF ORDER. Robert's Rules of Order, the most recent edition, shall govern the Board where applicable.

SECTION E. PUBLIC. The public may comment upon recognition by the Chairperson in line with the Open Meetings Act.

ARTICLE VIII BOARD COMMITTEES

SECTION A. NOMINATIONS COMMITTEE. Members of the Nominations Committee will be selected by the Board during the month prior to the Board's election of officers.

SECTION B. OTHER. Other committees may be established as determined by the Board.

ARTICLE IX CMHPSM ADVISORY BOARDS/COUNCILS

SECTION A. THE CMHPSM BOARDS/COUNCILS. The CMHPSM shall have Boards/Councils that are designed to provide advice and consultation to the CMHPSM Board of the Directors, the ROC, the staff of the CMHPSM, and the Partners on a variety of significant issues related to the provision of services to people with mental illness, substance use disorders, intellectual/developmental disabilities, and children and youth with serious emotional disturbances. Membership on the Boards/Councils is determined by relevant state and federal laws, payer contracts, and the Bylaws of each council. Each council shall appoint its own Chairperson.

1. Substance Use Disorders Oversight Policy Board.
 - a. If the CMHPSM is a Department-Designated Community Mental Health Entity, as defined in Section 100a(22) of 2012 P.A. 500, CMHPSM shall create a Substance Use Disorder Oversight Policy Board ("SUD Board") pursuant to MCL

330.1287 of the Mental Health Code, 1974 P.A. 258-2A, through a contract with each of the counties served by the CMHPSM (the “Establishing Agreement”).

b. Composition. The SUD Board shall consist of at least one (1) member appointed by the county board of commissioners for each county served by the CMHPSM and other members called for in the Establishing Agreement.

c. Functions and Responsibilities. The SUD Board shall perform the functions and responsibilities assigned to it in the Establishing Agreement with the counties, which shall include at a minimum:

i. Approval of any CMHPSM budget containing local funds for treatment or prevention of substance use disorders;

ii. Advise and make recommendations regarding CMHPSM budgets for substance use disorder treatment or prevention using other nonlocal funding sources;

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

iv. Any other terms agreed to by the parties to the Establishing Agreement, consistent with authorizing legislation.

ARTICLE X STAFF

SECTION A. CHIEF EXECUTIVE OFFICER. The Board of Directors of the CMHPSM shall appoint and the CMHPSM shall employ a Chief Executive Officer who shall be responsible for the day-to-day operation of the CMHPSM in accordance with the requirements and policies established by the State of Michigan and the Board.

SECTION B. FISCAL OFFICER. The CMHPSM shall employ a fiscal officer who shall report to the Chief Executive Officer and shall receive, deposit, invest, and disburse the CMHPSM’s funds in the manner authorized by the Board, and shall have charge and custody over CMHPSM funds and securities, maintain accurate records of CMHPSM receipts and disbursements, deposit all moneys and securities received by the CMHPSM at such depositories in the CMHPSM’s name that may be designated by the Board and perform all duties incident to the office and as assigned by the Chief Executive Officer. The financial officer has the responsibilities set forth in MCL 330.1204b and will be responsible for receiving, depositing, investing and disbursing the CMHPSM’S funds in the manner authorized by these Bylaws and board of directors in accordance with the CMHPSM’S Operating Agreement.

SECTION C. OTHERS. Functions required by statute or contract(s) with funding sources may be carried out directly by the CMHPSM, by specific staff of one or more of the Partners

entities as agreed upon by all Partners, or as a delegated function as specified in contracts between the CMHPSM and the Partners.

ARTICLE XI MANAGEMENT AND ACCOUNTABILITY FOR ASSETS AND LIABILITIES, AND CONTRACTING

SECTION A. REVENUES. The CMHPSM revenues shall be equitably allocated among the Partners in the following manner:

1. Federal Medicaid funds for the provision of Specialty Services shall be allocated on an actuarially sound basis at funding levels necessitated by the Partner to deliver all medically necessary services to covered individuals; and
2. Federal Block Grant funds shall be allocated according to the contract(s) connected with the Block Grants; and
3. Each CMHSP Partner shall retain and manage local funds, loans, grants, bequests, that are not required for or related to the provision of Medicaid services or to meet local match requirements for Federal Block Grants.

SECTION B. CAPITAL AND OPERATING COSTS. The method for allocating and financing the CMHPSM's capital and operating costs, payment to reserve funds, and payments of principal and interest on obligations shall be in proportion to Article XI., Section A.(1-3) above.

SECTION C. OTHER ASSETS. The CMHPSM Board shall direct the method for allocating any other assets, whenever possible, in accordance with Article XI., Section A. (1-3) above.

SECTION D. SURPLUS FUNDS. After the completion of the CMHPSM's purpose as specified in these Bylaws, any surplus funds shall be budgeted to the CMHSP Partners as directed by the CMHPSM Board per Article XI., Section A. (1-3) above.

SECTION E. CONTRACTS. The CMHPSM Board shall delineate the parameters in governance policies which the Chief Executive Officer of the CMHPSM may enter into contracts on behalf of the CMHPSM with third parties, including contracts involving the acquisition, ownership, custody, operations, maintenance, lease or sale of real personal property and the deposit, division or distribution of property acquired by the execution of a contract.

SECTION F. COSTS AND EXPENSES. The CMHPSM Board will regularly calculate, assess, vote on, and collect from the Partners each Partner's designated share of the CMHPSM's cost and expenses prior to making distributions of funds to the Partners, to avoid a Partner's nonpayment of its designated share of the CMHPSM's expenses and infringe upon the rights of other Partners.

SECTION G. SPECIAL FUND ACCOUNT. The CMHPSM shall not be entitled to a Partner's special fund account under 226a unless that Partner specifically contracts with the

CMHPSM for such activity or upon the revocation of the Partner's community mental health services programs certification with the State of Michigan under MCL § 330.1232a.

SECTION H. STRICT ACCOUNTABILITY OF ALL FUNDS. There shall be an Annual Audit of all the CMHPSM's receipts and disbursements. The audit results shall be shared with the CMHPSM Board of Directors, the Partners, and other key stakeholders both as required and requested. Financial reports shall be given to the CMHPSM Board members and the Partners at a frequency to be determined by the CMHPSM Board.

SECTION I. REGIONAL FINANCING. The CMHPSM and the Partners shall establish governance policy related to financial matters within the Region, to be set forth in greater detail in the Regional Operating Agreement.

ARTICLE XII IMMUNITY/LIABILITY/INSURANCE

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

SECTION B. LIABILITY. Except as required by law, these Bylaws, or any agreement between the Partners or the Partners and the CMHPSM, the Partners shall not be responsible for the acts, omissions, debts or other obligations and responsibilities of the CMHPSM or any other Partner or the Board members, employees, agents and representatives of the CMHPSM or the other Partners, whether acting separately or jointly under these Bylaws or pursuant to any such agreements. The Partners shall only be bound and obligated as expressly agreed to by each Partner and no Partner may otherwise obligate any other Partner.

1. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the CMHPSM shall be the sole and nontransferable responsibility of the CMHPSM, and not the responsibility of the Partner, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the CMHPSM, its Board members, officers, employees or representatives; provided that nothing herein shall be construed as a waiver of any governmental or other immunity that has been provided to the CMHPSM or its Board members, officers, employees or representatives, by statute or court decisions.

2. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the Partner shall be the sole and nontransferable responsibility of the Partner and not the responsibility of the CMHPSM, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act by the Partner, its Board members, officers, directors, employees and authorized representatives; provided that nothing herein shall be construed as a waiver of any governmental or other immunity that has been

provided to the Partner or its Board members, officers, employees or representatives, by statute or court decisions.

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

4. In the event that liability to third parties, loss or damage arises as a result of activities conducted jointly under these Bylaws or any agreement between the Partners or the Partners and the CMHPSM, such liability, loss or damages shall be borne by each party in relation to each party's responsibilities under the joint activities, provided that nothing herein shall be construed as a waiver of any governmental or other immunity granted to any of said parties as provided by applicable statutes and/or court decisions.

5. Under these Bylaws, it is the intent that each of the Partners and the CMHPSM shall separately bear and shall be separately responsible for only those financial obligations related to their respective duties and responsibilities.

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

ARTICLE XIII REPORT

SECTION A. ANNUAL REPORT. The CMHPSM shall provide an annual report of its activities to each Partner and other stakeholders as required or requested.

SECTION B. OTHER REPORTS. Other reports may be required by the Board from time to time and shall be prepared and presented as required by the Board.

ARTICLE XIV NON-DISCRIMINATION

SECTION A. NON-DISCRIMINATION. The CMHPSM shall not discriminate against any individual in hiring or promotion, election or appointment to office or directorship, on the basis of race, creed, color, religion, national origin, sex, sexual orientation, age, height, weight, marital status or disability

**ARTICLE XV
FISCAL YEAR**

The fiscal year of the CMHPSM shall end on September 30.

**ARTICLE XVI
FILING BYLAWS**

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

**ARTICLE XVII
TERMINATION**

SECTION A. TERMINATION. The Partners may terminate the CMHPSM by a unanimous vote of the Partners, after distributing any assets, risk reserves or any other surplus funds to the Partners as provided in Article IX of these Bylaws. Any remaining assets not so disposed of shall be disposed of as determined by the Partners or by a court of competent jurisdiction to a governmental CMHPSM as said court shall determine to be organized and operated for purposes similar to those of the CMHPSM.

**ARTICLE XVIII
AMENDMENTS/MICHIGAN LAWS**

SECTION A. AMENDMENTS. Any action by the Partners to amend or repeal these Bylaws, or adopt new Bylaws will require the unanimous vote of the existing Partners in the form of duly adopted written resolutions from their respective governing bodies, to be binding upon the CMHPSM. Notice setting forth the terms of the proposed amendment or repeal shall be given in accordance with any notice requirement for a meeting of the CMHPSM Board of Directors. No amendment to these Bylaws shall be effective until filed as provided in Article XVI.

SECTION B. CONFLICTS WITH MICHIGAN LAWS. Conflicts between Michigan statute and these Bylaws shall be governed by Michigan statute.

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Community Mental Health Partnership of Southeast Michigan		<i>Policy:</i> <i>CMHPSM CEO Authority – Employee Position Control and Compensation</i>	
CMHPSM Board Governance			
Original Board Approval 8-13-14	Date of Board Approval 3-11-20	Date of Implementation 3-11-20	

I. PURPOSE

This policy shall govern the authority of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) Chief Executive Officer, to assure that the PIHP maintains the appropriate number and classification of staffing to carry out the Regional Board's purpose, goals and contractual requirements.

II. REVISION HISTORY

Revision Date	Modification	Implementation Date
8-13-14	Original Board Approval	8-13-14
12-10-14	Standards Letter D. Amended to provide flexibility in negotiating	12-10-14
3-11-20	Revisions to CEO title, Board Review	3-11-20

III. POLICY

It is the policy of the CMHPSM that the Chief Executive Officer has the necessary decision-making authority to determine, hire and support the human resources necessary to manage the operations of the PIHP and the Regional Board.

IV. DEFINITIONS

Community Mental Health Partnership of Southeast Michigan (CMHPSM): The Regional Entity that serves as the PIHP for Lenawee, Livingston, Monroe and Washtenaw counties for mental health, intellectual/developmental disabilities, and substance use disorder services.

Operating Agreement: The Agreement by and between the CMHPSM Partner CMHSP Boards to set forth the terms and conditions of the operation of the CMHPSM in accordance with the CMHPSM Bylaws and Shared Governance documents.

V. STANDARDS

- A. The Chief Executive Officer is responsible for commitments of resources and the organization and control of these resources.
- B. The Chief Executive Officer is responsible for the development and maintenance of employee pay schedules, benefit packages and retirement options.
- C. The Chief Executive Officer is responsible for establishing and determining Human Resource policies, job descriptions, employee classifications, the number of required full time equivalent positions and an employee evaluation and performance pay system in alignment with the approved budget.
- D. The Chief Executive Officer is authorized to negotiate a starting salary that considers approved pay range and total compensation budgeted for the respective positions when the

experience and salary of the candidate and market conditions warrant such compensation. Recommendations outside of these parameters will be brought to the Board for approval.

- E. The Chief Executive Officer shall be authorized to hire, supervise and terminate employees consistent with Board approved PIHP operational policies and enter into agreements related to the leasing of PIHP personnel from a CMHPSM Partner or another entity.
- F. The Chief Executive Officer shall be authorized to sign certain contracts covering employee medical/dental, life, and long-term disability insurance, deferred compensation, and trust agreement benefits that are in accordance with previous Board action, and shall file the originals as required.
- G. The Chief Executive Officer shall be authorized to change the job title and description of a position to one of the same or lower classifications when filling a vacancy if he/she believes there is justification.
- H. The Chief Executive Officer shall be authorized to approve the hire of temporary employees when the hiring of temporary personnel would be more cost effective than contractual services.
- I. Proposed changes to the salary schedule, number of employees and classifications that have a budgetary impact will be brought to the Board for approval during the annual budget process.
- J. The Employee Handbook, outlining personnel policies and compensation, will be reviewed and approved annually by the Regional Board.

Community Mental Health Partnership of Southeast Michigan		Policy: <i>Chief Executive Officer General Scope of Authority</i>	
CMHPSM Board Governance			
Original Board Approval 8/13/2014	Date of Board Approval 5/13/2020	Date of Implementation 5/13/2020	

I. PURPOSE

This policy shall govern the authority of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) Chief Executive Officer, as the chief administrative officer of the CMHPSM, to implement approved policies and to provide leadership and management in PIHP/Regional Entity operations to carry out the CMHPSM Board's over-all purpose and goals.

II. REVISION HISTORY

Revision Date	Modification	Implementation Date
8/13/2014	Original Policy Board Approval	8/14/2014
4/1/2020	Revisions to CEO Title, Board Review	5/13/2020

III. POLICY

It is the policy of the CMHPSM that the Chief Executive Officer has the necessary decision-making authority for decisions relating to how CMHPSM purposes and policies are operationalized and how organizational goals are attained; for decisions involving intermediate and short-range commitment and control of resources; and for PIHP/Regional Entity operations in collaboration with the Regional Operations Committee and the CMHPSM Operating Agreement.

IV. DEFINITIONS

Community Mental Health Partnership of Southeast Michigan (CMHPSM): The Regional Entity that serves as the PIHP for Lenawee, Livingston, Monroe and Washtenaw counties for mental health, intellectual/developmental disabilities, and substance use disorder services.

Operating Agreement: The Agreement by and between the CMHPSM Partner CMHSP Boards to set forth the terms and conditions of the operation of the CMHPSM in accordance with the CMHPSM Bylaws and Shared Governance documents.

V. STANDARDS

- A. The Chief Executive Officer shall be authorized to approve expenditures and execute contracts for amounts up to \$25,000.
- B. The Chief Executive Officer shall be authorized to sign all contracts above \$25,000 that have been duly approved by the CMHPSM Board and are in conformity with the annual budget.
- C. The Chief Executive Officer shall be authorized to sign and execute all revenue and grant award contracts.
- D. The Chief Executive Officer shall be authorized to sign renewals and/or extensions of leases which have been duly approved by the CMHPSM Board.
- E. The Chief Executive Officer shall be authorized to open, close, and maintain control records of bank accounts with prior approval of the CMHPSM Board.

- F. The Chief Executive Officer shall be authorized to delay the issuance of checks in order to benefit the cash flow and investment levels of the organization.
- G. The Chief Executive Officer shall be the signor of all CMHPSM bank accounts with additional signors to be the Chief Financial Officer and a designee of the Chief Executive Officer.
- H. The Chief Executive Officer shall be the signor of all checks issued by the CMHPSM with additional signors to be the Chief Financial Officer and a designee of the Chief Executive Officer.
- I. The Chief Executive Officer shall be authorized to represent the CMHPSM in negotiating the Medicaid Specialty Supports and Services contracts with the Michigan Department of Health and Human Services (MDHHS) and the CMHSP Partners.
- J. The Chief Executive Officer shall be authorized to communicate with approved legal counsel on PIHP/Regional Entity matters.
- K. The Chief Executive Officer shall be authorized to hire, supervise, and terminate employees consistent with CMHPSM Board approved Board Governance policies and enter into agreements related to the leasing of CMHPSM personnel from a CMHSP Partner or another entity.

Community Mental Health Partnership of Southeast Michigan		<i>Policy:</i> <i>Conflict of Interest</i>	
CMHPSM Board Governance		Department: Compliance Author: Victor Absil, Compliance Officer	
Original Board Approval Date 12/09/2020	Date of Board Approval 12/09/2020	Date of Implementation 1/1/2021	

I. POLICY

It shall be the policy of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) to require any Covered Person to identify and disclose to CMHPSM's Board of Directors (the Board), any financial or personal Conflict of Interest. Covered Persons should avoid even the appearance of a perceived conflict of interest while fulfilling their required duties to ensure public trust in all CMHPSM processes, remain in compliance with federal and state laws and CMHPSM policy.

II. PURPOSE

The purpose of this Conflict of Interest Policy is to protect the CMHPSM's interest when it contemplates entering a transaction or arrangement that might benefit the private interest of a Covered Person. To achieve this objective, this Policy defines Conflict of Interest, identifies individuals covered by this Policy, provides a means for those individuals to disclose information, and outlines procedures for managing conflicts of interest. This policy is intended to supplement, not replace, any applicable state and federal laws governing Conflict of Interest applicable to the CMHPSM.

III. REVISION HISTORY

DATE	REV. NO.	MODIFICATION
12/09/20	N/A	This Board Governance policy replaces a CMHPSM Operational Policy last approved on 9/13/2017, that operation policy was rescinded 12/22/2020.

IV. DEFINITIONS

Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Conflict of interest. A conflict of interest refers to a situation where a Covered Person has a real or seeming incompatibility between one's financial or personal private interests and the interest of the CMHPSM. This type of situation arises when a Covered person; the Covered Person's Family member; or the organization that the Covered Person serves as an officer, director,

trustee, or employee, has a financial or personal interest in the entity in which the Covered Person participates or proposes to participate in a transaction, arrangement, proceeding or other matter.

Covered Person. A “Covered Person” refers to all persons covered by this policy and includes:

- Members of the CMHPSM’s Board (Directors)
- Members of the CMHPSM’s Oversight Policy Board
- Officers of CMHPSM
- Individuals to whom the board has delegated authority
- Employees, agents, or contractors of CMHPSM who have responsibilities or influence over CMHPSM similar to that of officers, directors, or trustees; or who have or share the authority to control \$100 or more of CMHPSM’s expenditures, operating budget, or compensation for employees.

Family Member means a spouse, parent, children (natural or adopted), sibling (whole or half-blood), father-in-law, mother-in-law, grandchildren, great-grandchildren, and spouses of siblings, children, grandchildren, great grandchildren, and all step family members, wherever they reside, and any person(s) sharing the same living quarters in an intimate, personal relationship that could affect business decisions of the Covered Person in a manner that conflicts with this Policy.

Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- A. An ownership or investment interest in, or serves in a governance or management capacity for, any entity with which CMHPSM has a transaction or arrangement;
- B. A compensation arrangement with CMHPSM or with any entity or individual with which CMHPSM is negotiating a transaction or arrangement; or
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CMHPSM is negotiating a transaction or arrangement.
- D. A financial interest is not necessarily a conflict of interest. Under Section VI of this Policy, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Interested Person. Any Covered Person, who has a direct or indirect Financial Interest, as defined below, is an interested person.

Public Officer. Public officer means a person who is elected or appointed to a position in the CMHPSM, a CMHSP, or some other public entity.

V. DUTIES OF COVERED PERSONS

Duty of Care. Covered Persons’ shall act in a reasonable and informed manner and perform their duties for CMHPSM in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.

Duty of Loyalty. Covered Persons’ owe a duty of loyalty to act in the best interest of CMHPSM and those who CMHPSM serves. No Covered Person may personally take advantage of a

business opportunity that is offered to CMHPSM unless the Board determines not to pursue that opportunity, after full disclosure and a disinterested and informed evaluation.

Conflicts of Interest. All Covered Persons shall comply with this Policy when engaging in a transaction or arrangement that involves a Conflict of Interest. All Covered Persons shall:

- Disclose to the Board Chairperson, or any committee chairperson with Board delegated powers, the existence of a Financial Interest in connection with any actual or possible Conflict of Interest.
- Unless a Conflict of Interest Waiver has been granted by the Board, recuse themselves from voting, and being present for deliberations and voting, on any transaction or arrangement involving CMHPSM in which they have a Financial Interest. The Interested Person may respond to Board inquiries necessary for its deliberations and/or decisions.
- Comply with any restrictions or conditions stated in any Conflict of Interest Waiver or within the Board's bylaws.

Duty to Disclose. In connection with any actual or possible Conflict of Interest, Interested Persons must disclose the existence of the Financial Interest. They must be given the opportunity to disclose all material facts and answer questions from the Board—and from members of committees with governing board delegated powers—who are considering the proposed transaction or arrangement.

VI. PROCEDURES

Determining a Conflict of Interest. After disclosure of the Financial Interest and all material facts, and after discussion with the Interested Person, the disinterested members of the Board or committee discuss and vote to determine whether a Conflict of Interest exists. The Interested Person must not participate in the discussion, or vote on, whether a Conflict of Interest exists.

Appointment of Disinterested Person. If appropriate, the chairperson of the governing board or committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction.

Alternatives. After exercising due diligence, the CMHPSM Board or committee shall determine whether the CMHPSM can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

Board Vote. If a more advantageous transaction or arrangement is not reasonably possible, under circumstances that would not produce a conflict of interest, the CMHPSM Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the CMHPSM's best interest, for its own benefit, and whether it is fair and reasonable. An Interested Person may make a presentation at the CMHPSM board or committee meeting. The Interested Person, however, must not participate in the discussion, or the vote on, the transaction or arrangement involving the conflict of interest.

VII. VIOLATIONS OF THE CONFLICT OF INTEREST POLICY

Notice to Interested Person. If the CMHPSM Board or committee has reasonable cause to believe a Covered Person has failed to disclose actual or possible Conflicts of Interest, it shall inform that person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

Taking Appropriate Action. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

VIII. WAIVERS

Procedure for Waiving a Conflict of Interest. If, after exercising reasonable efforts, the board determines that it is not able to obtain a more advantageous transaction or arrangement not involving the Interested Person, then the Board may grant a Conflict of Interest waiver. A Conflict of Interest waiver may be granted only if the Board determines that the Financial Interest is not so substantial as to be deemed likely to affect the integrity of the Interested Person's services (*see* 18 USC §208(b)(1)). A Conflict of Interest waiver further requires a majority vote by the Board to waive the Conflict of Interest and proceed with the proposed transaction or arrangement. A Conflict of Interest Waiver shall be in writing and signed by the chairperson of the Board on CMHPSM's Conflict of Interest Waiver Form (Exhibit B). All Conflict of Interest Waivers shall be issued prior to the Interested Person's participation in any transaction or arrangement with CMHPSM.

Content of a Waiver of Conflict of Interest (*See* 5 CFR 2640.301). If the Board votes to waive the Conflict of Interest and proceed with the proposed transaction or arrangement, the Waiver may still restrict the Interested Person's participation in the matter to the extent deemed necessary by the Board. The Conflict of Interest Waiver may cover all matters the Interested Person may undertake as part of his/her official duties with CMHPSM, without specifically enumerating those duties. The information contained in the waiver, however, should provide a clear understanding of the nature and identity of the Financial Interest, the matters to which the waiver will apply, and the Interested Person's role in such matters.

Factors for Consideration when Granting a Waiver (*See* 5 CFR 2640.301). In determining whether a Financial Interest is substantial enough to be likely to affect the integrity of the Interest Person's services to CMHPSM, the Board may consider, as applicable:

- i. The type of Financial Interest (e.g. stocks, bonds, real estate, cash payment, job offer or enhancement of a family member's employment);
- ii. The identity of the person whose Financial Interest is involved, and if the interest does not belong directly to the Interested Person, the Interested Person's relationship to that person;
- iii. The dollar value of the Financial Interest, if known and quantifiable (e.g. amount of cash payment, salary of job to be gained or lost, change in value of securities);

- iv. The value of the financial instrument or holding from which the disqualifying Financial Interest arises and its value in relationship to the individual's assets;
- v. The nature and importance of the Interested Person's role in the matter including the level of discretion which the Interested Person may exercise in the matter;
- vi. The sensitivity of the matter
- vii. The need for the Interested Person's services (e.g. consider alternatives); and
- viii. Adjustments which may be made in the Interested Person's duties that would eliminate the likelihood that the integrity of the Interested Person's services would be questioned by a reasonable person.

Waivers Supported by Michigan Law (*See* 1968 PA 317, MCL 15.321 to 15.330; 1978 PA 566 MCL 15.183(8))

- A Community Mental Health Services Program (CMHSP) Board member or employee may be a party to a contract with a CMHSP if the contract is between the CMHSP and the CMHPSM.
- A CMHSP Public Officer or public employee may also be a Public Officer or employee of the CMHPSM, even if the CMHPSM has a contract with the CMHSP.
- The CMHPSM Board may approve a contract with a CMHSP, even if a CMHSP Board member is also an employee or independent contractor of the CMHPSM.

IX. RECORDS OF PROCEEDINGS

The minutes of the CMHPSM board and committees with board delegated powers shall contain:

Names of Covered Persons. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the CMHPSM's Board or committee's decision as to whether a conflict of interest in fact existed.

Names of persons present. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Waiver of conflict of interest. If the Board grants a waiver of a Conflict of Interest, the waiver shall be in writing and shall be signed by the Chairperson of the Board. The writing shall describe the financial Interest, the transaction or arrangement to which the Financial Interest applies, the Interested Person's role in the transaction or arrangement, and any restriction on the Interested Person's participation in the proceeding, transaction or matter.

X. COMPENSATION COMMITTEES

Precluded from voting. A voting member of the CMHPSM Board or of any committee whose authority includes compensation matters, and who receives compensation, directly or indirectly,

from the CMHPSM for services is precluded from voting on matters pertaining to that member's compensation.

Providing information. No voting member of the CMHPSM Board or any committee whose authority includes compensation matters and who receives compensation, directly or indirectly, from the CMHPSM, either individually or collectively, is prohibited from providing information to the Board or any committee regarding compensation.

XI. ANNUAL FINANCIAL INTEREST DISCLOSURE STATEMENT

Annually, on a date to be determined by the Board, each Covered Person shall sign and date a statement which affirms that the signor:

- Has received a copy of this Conflict of Interest Policy;
- Has read and understands the Policy;
- Has agreed to comply with the Policy;
- Has disclosed on the CMHPSM Financial Interest Disclosure Statement (Exhibit A) all Financial Interests which the signor may currently have; and
- Will complete a new, updated, Financial Interest Disclosure Statement if the information changes and/or a new Financial Interest arises.

XII. REFERENCES/LEGAL AUTHORITIES

Federal:

- INTERNAL REVENUE SERVICE, *Instructions for Form 1023 (01/2020), Appendix A: Sample Conflict of Interest Policy*, last accessed October 2020 at <https://www.irs.gov/instructions/i1023>.
- SSA Section 1902(a)(4)(C) and (D)
- 41 USC Chapter 21 (formerly 41 USC 423 –ch. 27 of the Office of Federal Procurement Policy Act—restrictions on obtaining and disclosing certain information)
- 18 USC §208 (Federal Conflict of interest statute)
- 5 CFR §2540.201 (Waivers issued pursuant to 18 USC 208)
- 5 CFR Part 2640 (Interpretation, Exemptions and Waiver Guidance concerning 18 USC 208)
- 42 USC 1396a (Federal Medicaid statute- State plans for medical assistance)
- 42 CFR §438.58 (Conflict of Interest Safeguards)
- 45 CFR Part 74 (Administrative requirements for awards to non profit organizations and local governments)
- 45 CFR Part 92 (Federal procurement regulations)
- 42 CFR 455 Subpart B - Board disclosure of interest statement
- 42 CFR 1001.1001(a)(1) (Reporting to state)

Michigan:

- 1978 PA 566; MCL 15.181 to 15.185 (Incompatible public offices)
- Mental Health Code Act 258 of 1974, MCL 330.1222 (Board composition)

- 1968 PA 318, MCL 15.301 to 15.310 (Conflict of Interest in contracts between state officers and political subdivisions)
- 1968 PA 317, MCL 15.321 to 15.330 (contracts of public servants with public entities)
- 1973 Act 196 MCL 15.341 to 15.348 (code of ethics for public officers and employees)
- Michigan Medicaid State Plan
- 1972 PA 284, MCL 450.1541a (duties of care and loyalty)

EXHIBIT A
**COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN
(CMHPSM)**

FINANCIAL INTEREST DISCLOSURE STATEMENT

Definitions

Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Covered Person. A “Covered Person” refers to all persons covered by this policy and includes:

- Members of the CMHPSM’s Board (Directors)
- Members of the CMHPSM’s Oversight Policy Board
- Officers of CMHPSM
- Individuals to whom the board delegated authority
- Employees, agents, or contractors of CMHPSM who have responsibilities or influence over CMHPSM similar to that of officers, directors, or trustees; or who have or share the authority to control \$100 or more of CMHPSM’s expenditures, operating budget, or compensation for employees.

Conflict of interest. A conflict of interest refers to a situation where a Covered Person has a real or seeming incompatibility between one’s financial or personal private interests and the interest of the CMHPSM. This type of situation arises when a Covered person; the Covered Person’s Family member; or the organization that the Covered Person serves as an officer, director, trustee, or employee, has a financial or personal interest in the entity in which the Covered Person participates or proposes to participate in a transaction, arrangement, proceeding or other matter.

Family Member means a spouse, parent, children (natural or adopted), sibling (whole or half-blood), father-in-law, mother-in-law, grandchildren, great-grandchildren, and spouses of siblings, children, grandchildren, great grandchildren, and all step family members, wherever they reside, and any person(s) sharing the same living quarters in an intimate, personal relationship that could affect business decisions of the Covered Person in a manner that conflicts with this Policy.

Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- A. An ownership or investment interest in, or serves in a governance or management capacity for, any entity with which CMHPSM has a transaction or arrangement;
- B. A compensation arrangement with CMHPSM or with any entity or individual with which CMHPSM is negotiating a transaction or arrangement; or
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CMHPSM is negotiating a transaction or arrangement;
- D. A financial interest is not necessarily a conflict of interest. Under Article III, section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

By my signature below, I agree that I:

Have read and understand the CMHPSM's Conflict of Interest Policy;

Agree to comply with the CMHPSM's Conflict of Interest Policy;

Have disclosed below all Financial Interests which I may have; and

Will update the information I have provided on this Statement in the event that the information changes and/or a new Financial Interest arises.

By my signature below, I certify that I or one of my Family Members has the Financial Interest(s) described below. (Please attach additional pages, if necessary.) I understand that the CMHPSM's Board may request further information about the Financial Interests described below, and that I agree to cooperate with providing such information. If I have not disclosed any information below, it is because I am not aware that I or any of my Family Members has a Financial Interest.

Name and Contact Information for Individual with Financial Interest:

[illegible]

Description of Financial Interest:

Name and Contact Information for Individual with Financial Interest:

Individual's Relationship to You: ☐ Self
 ☐ Other, specify: _____

Description of Financial Interest:

Disclosure #3

Name and Contact Information for Individual with Financial Interest:

Individual's Relationship to You: ☐ Self
 ☐ Other, specify: _____

Description of Financial Interest:

I certify that the above information is accurate and complete to the best of my knowledge,
information and belief.

Signature

Date

Typed or Printed Name

Title/Position with Entity

Please return this form, signed and dated, to the Entity's Chief Executive Officer.

EXHIBIT B

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN CONFLICT OF INTEREST WAIVER

Review of the Disclosed Financial Interest

In accordance with the requirements of the Community Mental Health Partnership of Southeast Michigan's (the "Entity") Conflict of Interest Policy, the Entity Board has undertaken appropriate due diligence review and deliberation regarding the Financial Interest disclosed by [Interested Person] on the Financial Interest Disclosure Statement (the "Statement") attached as Exhibit A.

Board Resolution Granting Conflict of Interest Waiver

At the conclusion of such due diligence review and deliberation, at its meeting on [Date], the Board passed the resolution attached as Exhibit B in which it determined that it is not, with reasonable efforts, able to obtain a more advantageous arrangement from a person other than [Interested Person] and the Financial Interest disclosed on the Statement is not so substantial as to be likely to affect the integrity of services which the Entity may expect from [Interested Person] and granted this Conflict of Interest Waiver under the terms described below.

Conflict of Interest Waiver Terms and Conditions

Name of Interested Person:

Description of Financial Interest:

Description of the Transaction, Arrangement, Proceeding or Matter to which the Financial Interest Applies:

Interested Person's Role in the Transaction, Arrangement, Proceeding or Matter:

Scope of Waiver and Restrictions, if any:

This Conflict of Interest Waiver shall cover all matters [Interested Person] may undertake as part of his/her official duties with the Entity concerning any matters arising between the Entity and the [the organization in which the Interested Person has an interest].

Chairperson of the Board

Date: _____

(Print Name)

Community Mental Health Partnership of Southeast Michigan		<i>Policy:</i>
		<i>Investing</i>
CMHPSM Board Governance		
Original Board Approval 5/15/2014	Date of Board Approval 5/13/2020	Date of Implementation 5/13/2020

I. PURPOSE

It is the policy of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the CMHPSM and comply with all State Statutes governing the investment of public funds.

II. REVISION HISTORY

Revision Date	Modification	Implementation Date
5/14/2014	Original Board Approval	5/15/2014
5/13/2020	Revisions to CEO title, annual Board review	5/13/2020

III. SCOPE

This investment policy applies to all financial assets of the CMHPSM. These assets are accounted for in the various funds of the CMHPSM and may include General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, Internal Service Funds and any new fund established by the CMHPSM.

IV. OBJECTIVES

The primary objectives, in priority order, of the CMHPSM's investment activities shall be:

Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification – The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment – The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY TO MAKE INVESTMENTS

Authority to manage the investment program is derived from the Michigan Mental Health Code, Act 258 of the Public Acts of 1974 as amended Chapter 2 section 330.1205

(4) (g). Management responsibility for the investment program is hereby delegated to the Chief Executive Officer or their designee, who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreement and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Executive Officer or their designee. The Chief Executive Officer or their designee shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities or subordinate officials.

VI. LIST OF AUTHORIZED INVESTMENTS

The CMHPSM is limited to investments authorized by Public Act 20 of 1943, as amended with the exception of mutual funds having a fluctuating per share value.

VII. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the CMHPSM shall be on a cash (or delivery vs. payment) basis. Securities may be held by a third-party custodian designated by the Chief Executive Officer or their designee and evidenced by safekeeping receipts as determined by the Chief Executive Officer or their designee. Quarterly reports on the investments will be reviewed with the CMHPSM Board.

VIII. PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

IX. DEFINITIONS

Community Mental Health Partnership of Southeast Michigan (CMHPSM): The Regional Entity that serves as the PIHP for Lenawee, Livingston, Monroe and Washtenaw counties for mental health, intellectual/developmental disabilities, and substance use disorder services.

Generally Accepted Accounting Principles: Accounting principles that are the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

X. EXHIBITS

1. Acknowledgement of Receipt of Investment Policy and Agreement to Comply Form

XI. REFERENCES

1. Michigan Mental Health Code, Act 258 of the Public Acts of 1974 as amended Chapter 2 section 330.1205 (4) (g)
2. Public Act 20 of 1943, as amended

EXHIBIT 1

ACKNOWLEDGEMENT OF RECEIPT OF THE COMMUNITY MENTAL HEALTH
PARTNERSHIP OF SOUTHEAST MICHIGAN (CMHPSM) INVESTMENT POLICY AND
AGREEMENT TO COMPLY FORM

I, _____, do hereby acknowledge receipt of the CMHPSM's
Investment Policy.

I further agree to comply with the requirements of Public Act 20 of 1943, as amended, and the
Investment Policy of the CMHPSM. Any investment not conforming with the statute or the policy
will be disclosed promptly to the CMHPSM Chief Executive Officer and its Board.

[Signature]

Type or Print Name and Title

Date

Community Mental Health Partnership of Southeast Michigan		<i>Policy:</i> <i>Procurement of Goods and Services</i>	
CMHPSM Board Governance			
Original Board Approval 5/14/2014	Date of Approval 8/12/2020	Date of Implementation 8/12/2020	

I. PURPOSE

To establish a policy and standards that the CMHPSM will abide by based upon current federal, state, and all other applicable regulations when purchasing goods and/or services.

II. REVISION HISTORY

Revision Date	Modification	Implementation Date
9/13/2017	Updated to reflect 42 CFR.	9/13/2017
5/13/2020	Updated to reflect CEO title change, and Board review	5/13/2020
8/12/2020	Updated to reflect current 2 CFR 200.318-326	8/12/2020

III. POLICY

It is the policy of the CMHPSM that all procurement of goods and services will follow all federal and state regulations, the standards outlined in this policy and/or any other related CMHPSM operational policies. The CMHPSM will utilize procurement processes that are fair and competitive, allowing the organization to conduct business in the most efficient, cost-effective manner as good stewards of public funding.

IV. DEFINITIONS

Community Mental Health Services Program (CMHSP) – An agency formed under Act 258 of the Public Acts of 1974 as amended (the Mental Health Code) responsible for the delivery of mental health services.

FAR – Federal Acquisition Regulations Volume I & II

Micro-Purchase Threshold – procurement of goods or services in which the aggregate amount does not exceed the micro-purchase threshold of \$3,000.00. FAR Subpart 2.1

P.O. – Purchase Order, purchase orders are used for purchases and contracts over \$3,000.00.

RFP – Request for Proposals

RFI – Request for Information

RFQ – Request for Quotes

Specialty Service Contract – CMHPSM contract with direct service providers of mental health or substance use disorder services, other than CMHPSM-CMHSP agreements.

V. STANDARDS

A. CMHPSM Procurement Thresholds

1. All CMHPSM staff will follow the appropriate approval process and meet all requirements identified for each amount and type of purchase or contract. CMHPSM procurement thresholds are found in Exhibit A.
 - a. No procurement thresholds will be manipulated through multiple purchase orders, separate contracts or any other method to artificially stay beneath the cost limit of the threshold.
 - b. Procurement thresholds for purchases of goods, supplies or materials relates to single purchases from a single vendor at one point in time.
 - c. Procurement thresholds for purchases of services with a contract relate to the term of the contract (if the term is less than one year), or relate to the current fiscal year.
 - d. All purchases of goods and services over \$3,000.00 require a purchase order.
 - e. Equipment or asset purchases over \$5,000.00 per unit or item will be depreciated according to GAAP.

B. Credit Card Utilization

1. Credit card purchases can be used only within the micro purchase threshold and must follow the CMHPSM Issuance and Use of Credit Cards Policy. The use of credit cards for low-cost or quantity purchases, especially in the case of infrequently used vendors, is the preferred purchase method to reduce administrative costs in the Finance Department.

C. Code of Ethics

1. All CMHPSM employees will conduct CMHPSM business operations in an ethical manner which meets the standards of all applicable laws, regulations and CMHPSM policies and procedures.
2. Gifts from vendors and contractors- The CMHPSM Board members, CMHPSM Chief Executive Officer and any CMHPSM employees involved in the procurement or contract development processes are not able to accept gifts of any value from potential or current contractors or vendors.

D. Procedures and Forms

1. CMHPSM Staff will utilize the most recent versions of any procurement, contract request, credit card pre-approval or any other relevant forms. All forms developed for procurement within the CMHPSM shall meet the standards and regulations referenced in this policy.

E. Informal Procurement

1. CMHPSM staff procuring goods or services within the Micro-Purchase Threshold are not required to utilize, but can use an informal procurement process such as: obtaining multiple verbal bids, utilizing a preferred vendor with reduced government pricing, etc. CMHPSM staff are to be good stewards of public funds, and to provide the best value to the CMHPSM organization as a whole.

F. Formal Competitive Procurement

1. Procurement of goods and services that exceed the Micro-Purchase Threshold must utilize formal procurement procedures, unless a bid waiver is approved by the Chief Executive Officer. Formal procurement procedures include the following:
 - a. *Procurement of Goods, Administrative & Professional Services, Leases or Other Non-Specialty Service Contracts* – CMHPSM will utilize appropriate approvals, procurement processes and regulations related to non-specialty services. RFPs, RFQs and RFIs may be used as outlined in the standards of this policy.
 - b. *Procurement of Specialty Service Contracts* – All MDHHS rules and regulations outlined in the MDHHS-CMHPSM agreements will be followed by the CMHPSM when contracting for any specialty service contracts. Specialty service contracts are used for all clinical service provision agreements, including Mental Health and Substance Use Disorder services, excluding CMHPSM to CMHSP agreements. Procurement of specialty service contracts must utilize one of the following procurement methods in conjunction with an RFP, RFQ or RFI, unless a bid waiver is approved by the Chief Executive Officer.
 - i. Selective Contracting – CMHPSM may purchase services from a limited number of providers who agree to fulfill contractual obligations for an agreed upon price. The managing entity identifies the specific services to be provided, seeks proposals price bids, and awards contracts to the best bidders. Contracts are let only with a sufficient number of providers to assure adequate access to services. The prospect of increased volume induces providers to bid lower prices.
 - ii. Procurement to Obtain Best Prices Without Selective Contracting – Under an "any willing and qualified provider" process, bids can be solicited and used to set prices for a service, and then contracts or provider agreements can be offered to any qualified provider that is willing to fulfill the contract and meet the bid price.
 - c. *RFP/RFQ/RFI* – Requests for Proposals, Quotes or Information are used to fairly procure goods and services in certain situations
 - i. Requests for Information – RFIs are used primarily for pilot programs, system development or a service that is unfamiliar to the CMHPSM. Respondents are asked to propose information, asked to identify a problem and provide a solution or propose a unique solution to an issue. A RFI is often used in conjunction with a RFQ.

- ii. Requests for Quotes – RFQs are usually used when the CMHPSM has identified a specific need for a good or service and is requesting a total project cost, service rate or cost structure. RFQs can be used or are often used after an RFI is issued to complete the procurement process.
- iii. Requests for Proposals – RFPs are used when more information than solely service cost is requested from respondents. RFPs often require respondents to write a proposal which answers narrative questions, provides cost or rate information and describes vendor experience or expertise in particular fields or projects.
- iv. Regulations – RFPs, RFQs and RFIs will follow all applicable Federal Acquisition Regulations, specifically FAR Subpart 15. The CMHPSM will follow all FAR regulations related to solicitation, competition, evaluation, award documentation and retention of competitive procurement.
 - 1) *Electronic Notification* – CMHPSM staff will utilize the most cost-effective, efficient means for notification and solicitation of competitive procurement. In most cases electronic bid notification systems will be used.
 - 2) *Retention* – CMHPSM will follow state of Michigan guidelines related to the retention of RFP materials, specifically General Retention Schedule #20: Community Mental Health Services Programs.

G. Bid Waiver or Non-competitive Procurement

1. A non-competitive process may be used in the following situations:
 - a. The service is available only from a single source.
 - b. There is a public exigency or emergency that will not permit a delay for a competitive bid.
 - c. After solicitation of a number of sources, competition is determined inadequate.
 - d. The services involved are professional (clinical) services of limited quantity or duration.
 - e. The services involved are professional (administrative) services which do not constitute comprehensive management services or significant automated data processing services.
 - f. The services are unique and/or the selection of the service provider has been delegated to the consumer under a self-determination program.
 - g. The services are existing residential services where continuity of care arrangements is of paramount concern.
 - h. With other public entities in accordance with the Intergovernmental Contract Act 35 of 1951.

H. Best Value and Quality Determinations

1. CMHPSM can utilize measures such as: best value, service or material quality, organizational references, past organizational performance and/or CMHPSM staff experience, rather than relying solely on the lowest cost bidder in any procurement determinations.

I. Federal Funding Eligibility (Debarment, State Eligibility)

1. Whether a competitive procurement or noncompetitive solicitation process is used, the managing entity must ensure that organizations or individuals selected and offered contracts have not been previously sanctioned by the Medicaid program resulting in prohibition of their participation in the program. Individuals and organizations contracting with the CMHPSM must be verified to be eligible for federal participation prior to purchasing goods or services by meeting the following standards: Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or PIHP; Have not—within a three-year period preceding this agreement—been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; Violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated above; Have not—within a three-year period preceding an agreement—had one or more public transactions (federal, state or local) terminated for cause or default.

J. Federal & State Requirements

1. CMHPSM will ensure full compliance with all of the applicable: Federal CFR regulations, including 2 CFR 200.318-326 as appended, OMB Circulars and any other federal, state or local laws or regulations. The CMHPSM will also ensure compliance with its current Medicaid Agreement with the State of Michigan and the Michigan Medicaid Manual. Federal Acquisition Regulations, CFR regulations and OMB circulars will guide any procurement issues not specifically addressed in the standards of this policy.

K. Affirmative Steps

1. CMHPSM must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor area surplus firms are used when possible. The affirmative steps must include those set forth at 2 C.F.R. § 200.321(b). See Chapter V, ¶ 6.

L. Maintaining Records

1. The Uniform Rules require CMHPSM to maintain records sufficient to detail the history of a procurement. These records include, but are not limited to, the following: rationale for method of procurement, selection of contract type, contractor selection or rejection, and the basis for contract price. 2 C.F.R. § 200.318(i)

VI. EXHIBITS

A. CMHPSM Procurement Thresholds, Approvals and Requirements Table:

		Procurement Type		
		Purchase of Goods	Administrative, Professional Service Contract, Lease	Specialty Service Contracts (Direct Mental Health or Substance Use Disorder Service)
Procurement Threshold	Micro Purchase \$3,000.00 and under.	Approver: Chief Executive Officer or Chief Executive Officer Designee Requirement: No formal quotes required.	Approver: Chief Executive Officer Requirement: No formal quotes required.	Approver: All specialty service contracts require CMHPSM Board approval. Requirement: RFP/RFQ/RFI or bid waiver signed by Chief Executive Officer.
	Chief Executive Officer \$3,000.01-\$25,000.00	Approver: Chief Executive Officer Requirement: 1. Written quotes required or bid waiver signed by Chief Executive Officer. 2. Purchase Order Required	Approver: Chief Executive Officer Requirement: 1. Written quotes required or bid waiver signed by Chief Executive Officer. 2. Purchase Order Required	
	CMHPSM Board \$25,000.01 and over.	Approver: CMHPSM Board Approval Requirement: 1. RFP/RFQ/RFI or bid waiver signed by Chief Executive Officer. 2. Purchase Order Required	Approver: CMHPSM Board Approval Requirement: 1. RFP/RFQ/RFI or bid waiver signed by Chief Executive Officer. 2. Purchase Order Required	

VII. REFERENCES

- Federal Acquisition Regulation – Volume I: Parts 1 to 51 (Subparts 2.1 and 15); Volume II: Parts 52, 53
- 41 U.S.C. 57(a) and (b) Anti-Kickback Act of 1986
- 45 CFR Part 92: Title 45 – Public Welfare, Subtitle A – Department of Health and Human Services, Part 92 – Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 92.36 Procurement
- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- MCL Act 317 of 1968 – Contracts of Public Servants with Public Entities (15.321 - 15.3300) [Updated 12/19/2008]
- Intergovernmental Contract Act 35 of 1951
- Current MDHHS Contract Attachment: Procurement Technical Requirement

§ 200.318 General procurement standards.

(a) The [non-Federal entity](#) must use its own documented procurement procedures which reflect applicable [State](#), local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

(b) Non-Federal entities must maintain oversight to ensure that [contractors](#) perform in accordance with the terms, conditions, and specifications of their [contracts](#) or purchase orders.

(c)

(1) The [non-Federal entity](#) must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of [contracts](#). No employee, officer, or agent may participate in the selection, award, or administration of a [contract](#) supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a [contract](#). The officers, employees, and agents of the [non-Federal entity](#) may neither solicit nor accept gratuities, favors, or anything of monetary value from [contractors](#) or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the [non-Federal entity](#).

(2) If the [non-Federal entity](#) has a parent, affiliate, or subsidiary organization that is not a [state](#), [local government](#), or [Indian tribe](#), the [non-Federal entity](#) must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the [non-Federal entity](#) is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The [non-Federal entity](#)'s procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the [non-Federal entity](#) is encouraged to enter into [state](#) and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The [non-Federal entity](#) is encouraged to use Federal excess and surplus [property](#) in lieu of purchasing new [equipment](#) and [property](#) whenever such use is feasible and reduces project costs.

(g) The [non-Federal entity](#) is encouraged to use value engineering clauses in [contracts](#) for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each [contract](#) item or task to ensure that its essential function is provided at the overall lower cost.

(h) The [non-Federal entity](#) must award [contracts](#) only to responsible [contractors](#) possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as [contractor](#) integrity, compliance with public [policy](#), record of past performance, and financial and technical resources. See also [§ 200.213](#) Suspension and debarment.

(i) The [non-Federal entity](#) must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of [contract](#) type, [contractor](#) selection or rejection, and the basis for the [contract](#) price.

(1) The [non-Federal entity](#) may use a time and materials type [contract](#) only after a determination that no other [contract](#) is suitable and if the [contract](#) includes a ceiling price that the [contractor](#) exceeds at its own risk. Time and materials type [contract](#) means a [contract](#) whose cost to a [non-Federal entity](#) is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended [contract](#) price, a time-and-materials [contract](#) provides no positive profit incentive to the [contractor](#) for cost control or labor efficiency. Therefore, each [contract](#) must set a ceiling price that the [contractor](#) exceeds at its own risk. Further, the [non-Federal entity](#) awarding such a [contract](#) must assert a high degree of oversight in order to obtain reasonable assurance that the [contractor](#) is using efficient methods and effective cost controls.

(k) The [non-Federal entity](#) alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the [non-Federal entity](#) of any contractual responsibilities under its contracts. The [Federal awarding agency](#) will not substitute its judgment for that of the [non-Federal entity](#) unless the matter is primarily a Federal concern. Violations of law will be referred to the local, [state](#), or Federal authority having proper jurisdiction.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014; 80 FR 43309, July 22, 2015]

§ 200.319 Competition.

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective [contractor](#) performance and eliminate unfair competitive advantage, [contractors](#) that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

(1) Placing unreasonable requirements on firms in order for them to qualify to do business;

(2) Requiring unnecessary experience and excessive bonding;

(3) Noncompetitive pricing practices between firms or between affiliated companies;

(4) Noncompetitive [contracts](#) to consultants that are on retainer [contracts](#);

(5) Organizational conflicts of interest;

(6) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and

(7) Any arbitrary action in the procurement process.

(b) The [non-Federal entity](#) must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed [state](#), local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts [state](#) licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the [contract](#).

(c) The [non-Federal entity](#) must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the

performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The [non-Federal entity](#) must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the [non-Federal entity](#) must not preclude potential bidders from qualifying during the solicitation period.

[78 FR 78608, Dec. 26, 2013, as amended at [79 FR 75885](#), Dec. 19, 2014]

§ 200.320 Methods of procurement to be followed.

The [non-Federal entity](#) must use one of the following methods of procurement.

(a) Procurement by [micro-purchases](#). Procurement by [micro-purchase](#) is the acquisition of [supplies](#) or services, the aggregate dollar amount of which does not exceed the [micro-purchase](#) threshold ([§ 200.67](#) Micro-purchase). To the extent practicable, the [non-Federal entity](#) must distribute [micro-purchases](#) equitably among qualified suppliers. [Micro-purchases](#) may be awarded without soliciting competitive quotations if the [non-Federal entity](#) considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, [supplies](#), or other [property](#) that do not cost more than the [Simplified Acquisition Threshold](#). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price [contract](#) (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in [paragraph \(c\)\(1\)](#) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price [contract](#) and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
- (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- (iv) A firm fixed price [contract](#) award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type [contract](#) is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- (2) Proposals must be solicited from an adequate number of qualified sources;
- (3) The [non-Federal entity](#) must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- (4) [Contracts](#) must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- (5) The [non-Federal entity](#) may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) [Reserved]

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The [Federal awarding agency](#) or [pass-through entity](#) expressly authorizes noncompetitive proposals in response to a written request from the [non-Federal entity](#); or
- (4) After solicitation of a number of sources, competition is determined inadequate.

[[78 FR 78608](#), Dec. 26, 2013, as amended at [79 FR 75885](#), Dec. 19, 2014; [80 FR 54409](#), Sept. 10, 2015]

§ 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(a) The [non-Federal entity](#) must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime [contractor](#), if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

§ 200.322 Procurement of recovered materials.

A [non-Federal entity](#) that is a [state](#) agency or agency of a political subdivision of a [state](#) and its [contractors](#) must comply with section 6002 of the [Solid Waste Disposal Act](#), as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of

the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[[78 FR 78608](#), Dec. 26, 2013, as amended at [79 FR 75885](#), Dec. 19, 2014]

§ 200.323 [Contract](#) cost and price.

(a) The [non-Federal entity](#) must perform a cost or price analysis in connection with every procurement action in excess of the [Simplified Acquisition Threshold](#) including [contract](#) modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the [non-Federal entity](#) must make independent estimates before receiving bids or proposals.

(b) The [non-Federal entity](#) must negotiate profit as a separate element of the price for each [contract](#) in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the [contractor](#), the [contractor's](#) investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for [contracts](#) under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the [non-Federal entity](#) under Subpart E - Cost Principles of this part. The [non-Federal entity](#) may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§ 200.324 [Federal awarding agency](#) or [pass-through entity](#) review.

(a) The [non-Federal entity](#) must make available, upon request of the [Federal awarding agency](#) or [pass-through entity](#), technical specifications on proposed procurements where the [Federal awarding agency](#) or [pass-through entity](#) believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the [non-Federal entity](#) desires to have the review accomplished after a solicitation has been developed, the [Federal awarding agency](#) or [pass-through entity](#) may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The [non-Federal entity](#) must make available upon request, for the [Federal awarding agency](#) or [pass-through entity](#) pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) The [non-Federal entity's](#) procurement procedures or operation fails to comply with the procurement standards in this part;

(2) The procurement is expected to exceed the [Simplified Acquisition Threshold](#) and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the [Simplified Acquisition Threshold](#), specifies a “brand name” product;

(4) The proposed [contract](#) is more than the [Simplified Acquisition Threshold](#) and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(5) A proposed [contract](#) modification changes the scope of a [contract](#) or increases the [contract](#) amount by more than the [Simplified Acquisition Threshold](#).

(c) The [non-Federal entity](#) is exempt from the pre-procurement review in [paragraph \(b\)](#) of this section if the [Federal awarding agency](#) or [pass-through entity](#) determines that its procurement systems comply with the standards of this part.

(1) The [non-Federal entity](#) may request that its procurement system be reviewed by the [Federal awarding agency](#) or [pass-through entity](#) to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party [contracts](#) are awarded on a regular basis;

(2) The [non-Federal entity](#) may self-certify its procurement system. Such self-certification must not limit the [Federal awarding agency](#)'s right to survey the system. Under a self-certification procedure, the [Federal awarding agency](#) may rely on written assurances from the [non-Federal entity](#) that it is complying with these standards. The [non-Federal entity](#) must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§ 200.325 Bonding requirements.

For construction or facility improvement [contracts](#) or sub [contracts](#) exceeding the [Simplified Acquisition Threshold](#), the [Federal awarding agency](#) or [pass-through entity](#) may accept the bonding [policy](#) and requirements of the [non-Federal entity](#) provided that the [Federal awarding agency](#) or [pass-through entity](#) has made a determination that the [Federal interest](#) is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the [contractor](#) for 100 percent of the [contract](#) price. A "performance bond" is one executed in connection with a [contract](#) to secure fulfillment of all the [contractor's obligations](#) under such [contract](#).

(c) A payment bond on the part of the [contractor](#) for 100 percent of the [contract](#) price. A "payment bond" is one executed in connection with a [contract](#) to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the [contract](#).

§ 200.326 [Contract](#) provisions.

The [non-Federal entity's contracts](#) must contain the applicable provisions described in Appendix II to Part 200 - [Contract](#) Provisions for [non-Federal Entity Contracts](#) Under Federal Awards.



Regional Board Action Request – Financial Stability and
Risk Reserve Management Policy

Board Meeting Date: April 14, 2021

Action Requested: Review CMHPSM staff recommended revisions to the Financial Stability and Risk Reserve Management board governance policy.

Background: The CMHPSM Board Governance policies are to be reviewed annually every April. Staff recommended revisions to the Financial Stability and Risk Reserve Management Board Governance policy include numerous updates as indicated in Attachment #9a.

Connection to PIHP/MDHHS Contract, Regional Strategic Plan or Shared Governance Model: The CMHPSM Regional Board of Directors provides oversight of CMHPSM implementation of the PIHP/MDHHS Contract through the CMHPSM Governance Policy Manual and Board Governance policies.

Recommend: Approval

Community Mental Health Partnership of Southeast Michigan		Policy: <i>Financial Stability & Risk Reserve Management</i>
CMHPSM Board Governance		
Original Board Approval 8/9/2017	Date of Board Approval 5/13/2020	Date of Implementation 5/13/2020

I. PURPOSE

It is the policy of the Community Mental Health Partnership of Southeast Michigan (CMHPSM) to manage funding from the State of Michigan consistent with State Contracts, 2 CFR 200 Uniform Guidance, and prudent financial practices.

II. REVISION HISTORY

Revision Date	Modification	Implementation Date
8/9/2017	Original Board Approval	8/9/2017
5/13/2020	Reviewed	5/13/2020
4/14/2021	Reviewed	

III. SCOPE

The Financial Stability & Risk Reserve Management policy applies to all Community Mental Health Service Programs (CMHSPs) and Substance Use Disorder (SUD) Core Providers ~~who~~ affiliated with the CMHPSM.

IV. OBJECTIVES

The primary objectives of the Financial Stability & Risk Reserve Management policy are to protect the financial stability of the Region, ~~to ensure~~ sufficient funding is available to deliver medically necessary services ~~are provided~~ to Consumers who are served ~~by the CMHSPs affiliated with~~ in the CMHPSM and to ensure compliance with State contracts.

V. STANDARDS

The CMHSPs shall have a sufficient capacity of staff and/or contracted ~~service~~ providers to ensure that medically necessary services can be furnished to Consumers promptly and without compromise to quality of care at a reasonable cost. Utilizing a person-centered individual plan of service, the CMHSPs shall provide, or authorize the provision of, services in the amount, for the duration, and with a scope that is appropriate to reasonably achieve the medical necessity associated with each authorized purpose of the service for the Consumer.

As it pertains to this Policy, the CMHPSM Chief Financial Officer will be responsible ~~to~~ for maintaining effective communications with the Finance Officers of the CMHSPs and SUD Core Providers in order to obtain up-to-date financial information as noted below. The CMHPSM CFO will communicate this information and advise the CMHPSM Chief

Executive Officer on its impact on the financial status of the Regional Entity. The CMHPSM CEO will ensure that the appropriate level of financial status details are made available to the CMHPSM Regional Board of Directors in a timely manner.

In order to achieve the objectives of this Policy, the following standards and practices will be followed:

A. BUDGET PROCESS

-)] CMHSP budgets will be developed using revenue projections proposed by the CMHPSM and ~~approved-reviewed~~ by the Regional Finance Committee and Regional Operating Operations Committee.
-)] CMHPSM Regional Board approval of the CMHPSM budget is required prior to funding being made available to the CMHSPs.
-)] Budgeted expenditures at the CMHSPs will not exceed the revenue projections as denoted in the most current CMHPSM Regional Board approved budget.
-)] Budget amendments will be presented to the CMHPSM Regional Board as recommended by the Regional Finance Committee and the Regional Operations Committee.
-)] If significant changes such as new service provision modalities, administrative operations, labor agreements, etc. are anticipated in an upcoming budget year, detailed projected financial information ~~will should~~ be provided in advance to the CMHPSM prior to inclusion in an upcoming budget.
-)] The CMHPSM ~~shall must~~ develop an internal PIHP administrative budget sufficient to maintain compliance with the PIHP Medicaid Managed Specialty Supports and Services Contract with the Michigan Department of Health and Human Services.
-)] The budgets of the CMHSPs shall include budgeted expenses related to delegated functions that have been assigned from the CMHPSM to that partner CMHSP.
-)] The total CMHPSM budget, including the PIHP administration budget, must be in balanced with the revenues ~~being that are~~ projected to be received from the Michigan Department of Health and Human Services (MDHHS).

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B. REPORTING

-)] The CMHPSM and CMHSPs must produce accurate reports of their fiscal year-to-date (FYTD) actual expenditures versus their annual budget in a traditional Revenue and Expense format, as well as a FYTD Fund Source Report on a monthly basis, fund sources shall be delineated by: Medicaid, Healthy Michigan Plan, C-Waiver programs and Autism funding. The CMHSPs will provide this and other requested financial data to the CMHPSM according to an established and agreed upon schedule as approved by ROC. The CMHPSM CFO is responsible for communicating the agreed upon schedule to the CMHSPs and collecting and summarizing regional finance reports.
-)] CMHSP and PIHP expenditure information will be reviewed with the CMHPSM Board at its monthly Board meeting in order to keep the Board apprised of the financial condition of the Region. The CMHPSM shall present CMHSP financial data on a regular basis and to inform the Board ~~whenof~~ CMHSP financial issues arise that could present a risk to the overall fiscal health of the Region.

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C. SIGNIFICANT VARIANCES TO BUDGET

) It is important that resources be distributed in an equitable manner throughout the region to ensure services are available to all individuals that are eligible. If the monthly CMHSP FYTD financial reports indicate that significant underspending or overspending is occurring at a CMHSP, then that CMHSP will be required to present to the Board an explanation on that variance. A significant amount of underspending or overspending shall be defined as a 5% or greater variance from the most recent Board approved budget revenue. Similarly, the CMHPSM will present an explanation to the CMHPSM Board when significant underspending or overspending is occurring within the PIHP internal administrative budget. A corrective action may be required by the CMHPSM Board when significant underspending or overspending occurs within the Region.

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Commented [JC1]: Suggest further discussion around this section.

) If a corrective action plan is required and the goals are not met, then the PIHP may conduct an operational review of the CMHSP.

- o An operational review may include examinations of the contracts, costs, level of Consumer service provision and other items as deemed necessary to understand the overspending or underspending situation.
- o An initial consultative review lead by the CMHPSM will be conducted by individuals from the CMHPSM, as well as all CMHSPs, who are recognized as subject matter experts in the areas that will be reviewed.
- o If the initial consultative review assessment indicates that the issues are structural and not able to be resolved within the current year, then external consultants may be brought in to provide assistance with the development of a corrective action plan that will resolve the budget issue.
- o Recommendations to address a shortfall at one of the CMHSPs may include the redistribution of available funds within the region, as long as the use of such funding does not adversely impact the delivery of services within the Region.
- o Recommendations may also include the use of available Internal Service Fund (ISF) in the present year, if there are significant revenue changes by the State, new high-cost Consumers enrolled by a CMHSP, increased utilization or changes to the State's requirement on how services are to be provided to Consumers.
- o If the consultative review assessments determine that a significant budget variance is derived from a local CMHSP's financial management factors, that CMHSP would be required to submit a budget for the following fiscal year that would not require the ongoing use of ISF revenue.

e) The PIHP may conduct an operational review of a CMHPSM outside of a corrective action plan on an emerging financial concern when directed to do so by the CMHPSM Board of Directors.

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) Corrective Action Plans may include the consideration of alternative sourcing options for service provision or other financial actions which would not disrupt the provision of services.

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D. UTILIZATION OF INTERNAL SERVICE FUND BALANCE

— An ISF may be established for the purpose of securing funds necessary to meet expected risk corridor financing.

- J The ISF should be the option of last resort to address present fiscal year budget overruns.
- J Generally, use of the ISF should only be requested if there are significant revenue changes by the State, new high-cost Consumers enrolled by a CMHSP, increased utilization or changes to the State's requirement on how services are to be provided to Consumers.

Commented [JC2]: Suggest discussion around ISF utilization.
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VI. DEFINITIONS

Balanced Budget: A budget in which expenses are equal or less than the estimated or projected revenue.

Community Mental Health Partnership of Southeast Michigan (CMHPSM): The Regional Entity that ~~presently~~ serves as the Prepaid Inpatient Health Plan for Lenawee, Livingston, Monroe and Washtenaw counties for mental health, intellectual/developmental disabilities, and substance use disorder services.

Community Mental Health Service Program (CMHSP): Separate legal entities that the CMHPSM contracts with for the provision of Medicaid services to residents of the Counties served by the CMHPSM.

Generally Accepted Accounting Principles: Accounting principles that are the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

Internal Service Fund (ISF): The Internal Service Fund (ISF) is one method for securing funds as part of the overall strategy for covering risk exposure under the MDHHS/PIHP Medicaid Managed Specialty Supports and Services Contract. The ISF should be kept at a minimum to assure that the overall level of PIHP funds are directed toward consumer services.

2 CFR 200 - Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

Field Code Changed

Regional Operating Committee (ROC): Committee comprised of the Executive Directors of the CMHSPs and the ~~Managing Director~~CEO of the CMHPSM.

VII. REFERENCES

1. Agreement Between Michigan Department of ~~Community Health and Human Services~~ And PIHP: CMH PARTNERSHIP OF SOUTHEAST MI for The Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program(s), the Healthy Michigan Program, and ~~Substance Use Disorder Community Grant Programs~~
2. 2 CFR 200 - Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

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Field Code Changed

Attachment #9a - April 2021

3. Agreement Between CMHPSM And the Lenawee, Livingston, Monroe, and Washtenaw County CMHSPs For the Provision of Medicaid Services to Residents of Their Respective Counties

**Lenawee-Livingston-Monroe-Washtenaw
Oversight Policy Board Minutes
March 25, 2021
Meeting held electronically via Zoom software**

Members Present: Mark Cochran (Monroe, MI), Kim Comerzan (Monroe, MI), Ricky Jefferson (Ypsilanti Township, MI), Susan Longsworth (Genoa Township, MI), Molly Welch Marahar (Ann Arbor, MI), Dianne McCormick (Howell, MI), Frank Nagle (Lenawee County, MI), Dave Oblak (Ann Arbor, MI), Dave O'Dell (Monroe, MI), Monique Uzelac (Ann Arbor, MI), Tom Waldecker (Ann Arbor, MI)
(physical location)

Members Absent: Amy Fullerton, John Lapham, Carol Reader, Ralph Tillotson

Guests:

Staff Present: Stephannie Weary, James Colaianne, Nicole Adelman, Matt Berg, CJ Witherow, Jane Goerge, Alyssa Tumolo, Rebecca DuBois, Michaela Buckhannon, Jackie Bradley (Lenawee)

Board Chair M. Cochran called the meeting to order at 9:34 a.m.

1. Introductions
2. Approval of the Agenda
Motion by T. Waldecker, supported by D. O'Dell, to approve the agenda
Motion carried
Voice vote, no nays
3. Approval of the January 28, 2021 Oversight Policy Board minutes
Motion by T. Waldecker, supported by F. Nagle, to approve the January 28, 2021 OPB minutes
Motion carried
Voice vote, no nay
4. Audience Participation
J None
5. Old Business
 - a. Finance Report
J M. Berg presented.
 - b. FY21 PA2/Block Grant/SOR Update (Discussion) – 15 minutes
J A COVID-specific block grant is on the way. The State has solicited feedback from the regions on ideas for using the funds. The grant will be for approximately \$52 million. The grant language states funds will go to “public entities” and “1 state entity.” It’s not guaranteed that PIHPs will be included, but the State is advocating for that.
J Another pot of supplemental funding is supposedly on the horizon and is supposed to go through 2025. The timing and amount of the grant are unknown right now.
 - c. Bylaws Update
J N. Adelman presented the proposed changes.
J Staff is working on getting more clarification around virtual meetings/Open Meetings Act going forward.

Attachment #10 – April 2021

Motion by K. Comerzan, supported by M Welch Marahar, to recommend the revised to the Regional Board for approval

Motion carried

Vote

Yes: Cochran, Comerzan, Jefferson, Longworth, Welch Marahar, Nagle, Oblak, O'Dell, Uzelac, Waldecker

No:

Absent: Fullerton, Lapham, McCormick*, Reader, Tillotson

*not presented in the meeting for this vote

d. Open Meetings Act

-) Staff has reached out to the attorneys to determine regarding in-person vs. virtual meetings going forward and should know more before the April OPB meeting.
-) M. Cochran noted his preference to maintain virtual meetings for now, if allowed, as a safety measure.
-) M. Welch Marahar expressed a preference to continue meeting virtually post-pandemic as well, as virtual meetings would allow for better participation, especially based on the membership span across 4 counties.
-) M. Uzelac advised that closed captioning and live transcript options are needed for virtual meetings to ensure accessibility.
-) J. Colaianne has submitted relevant questions to the organization's attorneys for clarification.

6. New Business

a. Strategic Initiatives Report

-) M. Buckhannon presented.

7. Report from Regional Board

-) J. Colaianne provided a summary of the most recent regional board meeting.

8. SUD Director Updates

a. Gambling Disorders Media Campaign RFQ

-) Received 9 responses that were submitted from different media companies.
-) MILO Detroit was chosen after going through procurement process.

b. Stacked Deck Training and Mini Grants

-) Stacked Deck is the only EBP gambling curriculum. The region will be holding a training. Mini grants are also available to implement the curriculum.

c. Back to Office Plans

-) The CMHPSM office is currently closed except for essential functions. Leadership will reassess at the beginning of May to determine to either start bringing staff back into the office or extend current phase.

9. Adjournment

Motion by M. Welch Marahar, supported by D. McCormick, to adjourn the meeting

Motion carried

Voice vote, no nays

-) Meeting adjourned at 10:33 a.m.

Next meeting: April 22, 2021

Location TBD



CEO Report

Community Mental Health Partnership of Southeast Michigan

Submitted to the CMHPSM Board of Directors
April 7, 2021 for the April 14, 2021 Meeting

CMHPSM Update

- Our CMHPSM all staff meetings were held on February 8 and March 8. The leadership team surveyed all staff on preferred meeting frequency and began meeting on a monthly basis in February. The CMHPSM leadership team is continuing to meet on a weekly basis while we are working remotely.
- CMHPSM staff have begun a review of our CMHPSM website and will begin an effort on standardizing formatting and design across our web presence.

COVID-19 Update

- The CMHPSM office continues to be closed to the public and have had limited essential staff visiting the office to take care of work that can only be done while on site. Our leadership team continues to review guidance from the State, we have returned to the limited capacity orange phase of our re-opening plan. The most recent version of the re-opening plan is continually shared with staff as it is updated.
- Planning around a safe return to the office has begun to determine the best plan for when individuals can return to the office. We will continue to monitor the functionality and productivity levels of staff working from home during the pandemic.

Re-Opening Plan Phases as of March 5, 2021

Phase:	Essential Only Capacity	Limited Capacity	Reduced Capacity	Full Capacity
Office:	Office Closed	Limited Office Attendance and Office Closed to Public	50% Capacity – 75% Capacity and Office Closed to Public	100% Capacity – Office Open to Public
Projected Date Range for Phase:	11/18/2020 – 1/17/2021 (Projected)	1/18/2021 (Projected) – 6/4/2021 (Projected)	6/7/2021 (Projected) – 8/31/2021 (Projected)	9/1/2021 (Projected)
Current Phase:		X		

CMHPSM Staffing Update

- The CMHPSM now has no open positions:
 - A Supports Intensity Scale Assessor will begin work with us on May 3, 2021.
- Anyone interested in obtaining additional information about open CMHPSM positions should visit our website: <https://www.cmhpsm.org/interested-in-employment>

Regional Update

- The CMHPSM continues to update our general COVID-19 resources and information web presence: <https://www.cmhpsm.org/covid19>
- We have also established a webpage for provider information related to service delivery changes during this pandemic: <https://www.cmhpsm.org/covid19provider>
- Individuals receiving Behavioral Health and/or Substance Use Disorder services can access targeted information at the following webpage: <https://www.cmhpsm.org/covid19consumers>
- The CMHPSM established a webpage and email address for individuals, organizations, or suppliers to contact us in relation to personal protection equipment donations or supply availability. CMHPSM regional needs are published here <https://www.cmhpsm.org/donations> and those interested can contact us through email at: donation@cmhpsm.org or at our direct number: 734-344-6079.
- The Regional Operations Committee continues to meet on at least a weekly basis. The remote meetings are allowing our region to share best practices while obtaining a regional picture of our COVID-19 pandemic response.

Statewide Update

- The CMHPSM submitted our regional provider network stabilization status update on March 31, 2021. We will continue to work with the regional CMHSPs to maintain provider network stability. Reports will continue to be submitted to MDHHS on the last day of each month through at minimum our fiscal year 2021 (September 30, 2021). Our region continues to meet regionally and advocate with all stakeholders on the necessity of provider stability to the health and safety of our individuals.
- The PIHP has been represented at weekly meetings with BHDDA related to COVID-19 pandemic responses that began in mid-March 2020. These meetings have been helpful in ascertaining the MDHHS response to COVID-19 and to

provide our region's input to BHDDA. The meetings have at times slowed in frequency but overall communication with the BHDDA has remained consistent and effective.

- We are scheduled to meet with MDHHS on this topic in a statewide format and are continuing to move forward with potential technological fixes where possible with our electronic health record vendor.
- PIHP CEO meetings are continuing on a monthly basis through a remote meeting.
- The most recent PIHP CEO / MDHHS operations meeting occurred on April 1, 2021 with BHDDA staff, our next meeting is scheduled for May 6, 2021. Included in the meetings are updates on the various emergency waivers and MDHHS COVID funding that impact our service delivery systems, funding, and requirements. I provide a summary of those meetings to our regional directors at our Regional Operations Committee meetings each month.

Future Business

- Our first semi-annual update on the CMHPSM strategic plan metrics has been rescheduled to the May CMHPSM Board meeting. Staff will be presenting information on the applicable FY2021 strategic plan goals and updates on all pertinent strategic plan metrics.
- Representatives from our financial audit firm Roslund Prestage will be delivering their audit reports on our regional audits related to FY2020 at our May CMHPSM Board meeting.
- The Washtenaw County Board of Commissioners has passed a local state of emergency resolution for Washtenaw through December 31, 2021. This resolution allows both our SUD Oversight Policy Board and CMHSPM Regional Board of Directors to meet remotely through December 31, 2021.

While we are awaiting potential legislative updates related to the Michigan Open Meetings Act, our offices do not have the necessary square footage to comply with current social distancing and capacity per square foot requirements for a fully in person Board of Directors meeting. The Michigan Open Meetings Act was last amended on December 28, 2020 to include the following:

- c. *Electronic Public Meetings: Public bodies may hold wholly or partly electronic meetings by telephonic or video conferencing in the following circumstances:*
 - i. *Before March 31, 2021 and retroactive to March 18, 2020 for any circumstance, including, but not limited to, the above circumstances requiring accommodation of absent members of a public body.*

- ii. *On or after March 31, 2021 through December 31, 2021 for only the above circumstances requiring accommodation of absent members of a public body. However, electronic meetings due to a local state of emergency or state of disaster may only be held if a member resides in the affected area or the public body at-large holds its meetings in the affected area.*
- iii. *After December 31, 2021 only when a member is absent due to military duty.*

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'James Colaianne', with a stylized flourish at the end.

James Colaianne, MPA