

COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN  
REGULAR BOARD MEETING  
Teleconference Meeting  
Wednesday, December 9, 2020  
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 11-11-20 Regular Meeting and Waive the Reading Thereof {Att. #1}	2 min
V. Audience Participation (5 minutes per participant)	
VI. Old Business	15 min
a. December Finance Report – FY20 as of October 31 <sup>st</sup> {Att. #2}	
VII. New Business	45 min
a. Budget Revision #1 Board Action Request {Att. #3}	
b. Contracts Approval Board Action Request {Att. #4}	
c. Conflict of Interest Board Governance Policy Board Action Request {Att. #5}	
d. FY18 Deficit Update Board Information	
e. FY21 Risk Management Strategy Board Information {Att. #6}	
VIII. Reports to the CMHPSM Board	20 min
a. Report from the SUD Oversight Policy Board (OPB)	
b. CEO Report to the Board {Att. #7}	
c. Strategic Metric #10 & 11 Background {Att. #8}	
IX. Adjournment	

**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.*

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

**November 11, 2020**

**\*Meeting held electronically via Zoom**



**Members Present:** Greg Adams, Susan Fortney, Roxanne Garber, Bob King, Sandra Libstorff, Charles Londo, Molly Welch Marahar, Caroline Richardson, Sharon Slaton, Ralph Tillotson

**Members Absent:** Judy Ackley, Gary McIntosh, Katie Scott

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

**Others Present:** Laurie Lutomski

- I. Call to Order  
Meeting called to order at 6:01 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 S. Fortney, supported by G. Adams, to approve the agenda**

**Motion carried**

Voice vote, no nays

- IV. Consideration to Approve the Minutes of the September 9, 2020 Regular Meeting and Waive the Reading Thereof

**Motion by R. Garber, supported by B. King, to approve the minutes of the September 9, 2020 regular meeting and waive the reading thereof**

**Motion carried**

Voice vote, no nays

- V. Consideration to Approve the Minutes of the September 23, 2020 Special Meeting and Waive the Reading Thereof

**Motion by R. Tillotson, supported by R. Garber, to approve the minutes of the September 23, 2020 special meeting and waive the reading thereof**

**Motion carried**

Voice vote, no nays

- VI. Audience Participation  
None

- VII. Officer Elections

**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.*

**Motion by R. Garber, supported by B. King, to elect the current slate of officers for another term of office**

**Motion carried**

**Chair**

**S. Slaton**

**Vice-Chair**

**C. Richardson**

**Secretary**

**J. Ackley**

**Vote**

Yes: Adams, Fortney, Garber, King, Libstorff, Londo, Richardson, Slaton, Tillotson

No:

Absent: Ackley, Welch Marahar\*, McIntosh, Scott

\*not present for this vote

VIII. Old Business

- a. September Finance Report – FY20 as of September 30<sup>th</sup>

) M. Berg presented. Discussion followed.

IX. New Business

- a. Board Action Request {Att. #3}

Consideration to approve the pass through of MDHHS funding from the CMHPSM to cover the regional extension of \$2/hour plus employer expenses provider premium pay for services delivered October 1, 2020 through December 31, 2020

**Motion by B. King, supported by M. Welch Marahar, to approve the pass through of MDHHS funding from the CMHPSM to cover the regional extension of \$2/hour plus employer expenses provider premium pay for services delivered October 1, 2020 through December 31, 2020**

**Motion carried**

**Vote**

Yes: Adams, Fortney, Garber, King, Libstorff, Londo, Welch Marahar, Richardson, Slaton, Tillotson

No:

Absent: Ackley, McIntosh, Scott

- b. Board Action Request {Att. #4}

Consideration to approve the CEO to execute the presented contracts and/or amendments as presented

**Motion by R. Garber, supported by B. King, to approve the CEO to execute the presented contracts and/or amendments as presented**

**Motion carried**

**Vote**

Yes: Adams, Fortney, Garber, King, Libstorff, Londo, Welch Marahar, Richardson, Slaton, Tillotson

No:

Absent: Ackley, McIntosh, Scott

- c. Board Information

FY21-23 Strategic Plan Metrics

) J. Colaianne shared the metrics.

**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.***

- X. Reports to the CMHPSM Board
  - a. Report from the SUD Oversight Policy Board (OPB)
    - ) J. Colaianne provided an overview of the recent OPB meeting.
  - b. CEO Report to the Board
    - ) J. Colaianne provided updates from the CMHPSM, Region, and State.

XI. Adjournment

**Motion by B. King, supported by R. Garber, to adjourn the meeting**

**Motion carried**

Voice vote, no nays

Meeting adjourned at 6:49 p.m.

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Judy Ackley, CMHPSM Board Secretary

DRAFT

## Summary of Financial Package

Preliminary Balance Sheet		
Description	Oct 2019	Oct 2020
Operating Cash	3,102,591	4,977,066
Restricted Cash	6,992,496	6,992,496
Due from Others	18,383,984	13,367,793
Prepaid	87,908	83,470
Capital Assets	36,833	10,833
<b>Total Assets</b>	<b>28,603,812</b>	<b>25,431,658</b>
Payables & Accruals	1,296,913	731,860
Due to Others	32,893,212	29,035,643
Deferred Revenue	6,992,496	6,992,496
Fund Balance	(12,578,809)	(11,328,340)
<b>Total Liabilities &amp; Fund Balance</b>	<b>28,603,812</b>	<b>25,431,658</b>

FY20 to FY21 Comparison	FY20	FY21	Difference
Revenue at October 31	15,989,082	17,107,730	1,118,648
Annual Revenue Actual/Projected	186,109,423	208,063,251	21,953,828

Operating Activities	Original Budget	YTD Budget	YTD Actual	Actual O(U) Budget	Percent Variance	Projected Year-End	Projected O(U) Budget
MH Medicaid Revenue	176,342,036	14,695,170	15,337,200	642,030	4.4%	179,778,844	3,436,808
MH Medicaid Expenses	172,345,620	14,362,135	14,322,560	(39,575)	0.3%	175,782,428	(3,436,808)
MH Medicaid Net	3,996,416	333,035	1,014,640	681,605		3,996,416	-
SUD/Grants Revenue	20,705,026	1,725,419	1,110,590	(614,829)	-35.6%	20,141,007	(564,019)
SUD/Grants Expenses	21,932,686	1,827,724	1,043,943	783,781	42.9%	21,111,609	821,077
SUD/Grants Net	(1,227,660)	(102,305)	66,647	168,952		(970,602)	257,058
PIHP							
PIHP Revenue	8,025,991	668,833	659,940	(8,893)	-1.3%	8,143,400	(8,893)
PIHP Expenses	7,643,667	636,801	622,578	14,223	2.2%	7,900,016	(256,349)
PIHP Total	382,324	32,032	37,362	5,330		243,384	247,456
<b>Total Revenue</b>	<b>205,073,053</b>	<b>17,089,422</b>	<b>17,107,730</b>	<b>18,308</b>	<b>0.1%</b>	<b>208,063,251</b>	<b>2,990,198</b>
<b>Total Expenses</b>	<b>201,921,973</b>	<b>16,826,660</b>	<b>15,989,081</b>	<b>(837,579)</b>	<b>-5.0%</b>	<b>204,814,553</b>	<b>2,892,580</b>
<b>Total Net</b>	<b>3,151,080</b>	<b>262,762</b>	<b>1,118,649</b>	<b>855,887</b>		<b>3,248,698</b>	<b>97,618</b>

Schedule of non-HSW Eligibles Paid by Service Month and Month of Payment

Count	Service Month												Eligibles
Payment Month	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	in Payment
Dec 2019	109,979												109,979
Jan 2020	4,748	110,335											115,083
Feb 2020	1,926	4,489	110,800										117,215
Mar 2020	868	1,736	3,528	110,478									116,610
Apr 2020	691	1,130	1,987	4,448	111,702								119,958
May 2020	408	871	1,380	2,627	5,593	117,438							128,317
June 2020		206	475	653	1,105	2,923	120,165						125,527
July 2020			225	486	770	1,495	3,208	122,074					128,258
Aug 2020				179	382	463	735	1,933	123,559				127,251
Sep 2020					217	463	653	1,234	2,682	125,602			130,851
Oct 2020						353	592	759	1,268	2,414	127,449		132,835
Nov 2020							248	482	627	1,068	2,206	128,682	133,313
	118,620	118,767	118,395	118,871	119,769	123,135	125,601	126,482	128,136	129,084	129,655	128,682	
Eligible Per Service Month													

## **Community Mental Health Partnership of Southeast Michigan**

### **Preliminary Statement of Revenue and Expenses Notes**

**Period Ending October 30, 2020**

#### **DISCUSSION OF OCTOBER 2020 RESULTS –**

1. Significant changes in the capitated payments through an extension of the Direct Care Worker Premium Pay and a significant reduction in the amount of block grant awarded to the PIHP are shown in a proposed budget revision on the detailed budget that follows.
2. Healthy Michigan Plan Revenue for both Mental Health and SUD came in significantly higher than budget in October.
3. Eligibles came in again at the highest single month total in at least a year. Although this is good news, it is worth noting that the largest increase in number of eligible came in for the category of eligible that accounted for a lower percentage of total revenue.
4. Healthy Michigan and Medicaid SUD expenses were reduced to reflect a 6% increase over the FY 20 actual amounts.
5. The State of Michigan decided to extend the Direct Care Worker \$2 Hour Premium pay through December 2020 with CARES Act funding. The increase in revenue and expenses is shown in both the projected year end and the proposed budget revision.
6. More accurate numbers were available for FY21 PA2 revenue and FY21 Incentives. Adjustments to these numbers are show in both the Projected Year end and the proposed budget revision.
7. The State decided not to reduce the Local Match as previously planned. The Proposed budget and Projected Year-end reflect new numbers.
8. The State has divided the traditional Community Block Grant into three separate grants, Community Block Grant, SUD Admin and Women's Specialty Services. Combined with cuts in the Prevention Block Grant, the PIHP lost over \$2M in block grant funding. Small increases in the SOR and SOR II Grants did not make up for this difference. In an attempt to ease some of the drastic program cuts this funding loss would cause, admin is recommending backfilling these losses for at least one year with funds from the PA2 Reserve. These changes are also shown in the Projected year end and Proposed Revised Budget.

Community Mental Health Partnership of Southeast Michigan  
Preliminary Statement of Revenues and Expenditures  
For the Period Ending October 31, 2020

	Proposed Budget-R1	Original Budget	YTD Budget	YTD Actual	Actual O(U) Budget	Percent Variance	Projected Year-End	Projected O(U) Budget
<b>MEDICAID</b>								
<b>Revenue</b>								
Medicaid (b) & 1115i	100,227,725	100,227,725	8,352,310	8,588,595	(236,284)	2.8%	100,227,725	-
Medicaid Waivers	47,522,594	47,522,594	3,960,216	3,942,924	17,292	-0.4%	47,522,594	-
Healthy Michigan Revenue	11,338,209	11,338,209	944,851	1,319,781	(374,931)	39.7%	11,338,209	-
Medicaid Autism	17,453,508	17,453,508	1,454,459	1,502,566	(48,107)	-3.3%	17,453,508	-
CARES Act DCW	3,436,808		-		-		3,436,808	3,436,808
HRA MCAID Revenue	2,400,000	2,400,000	200,000	200,000	-	0.0%	2,400,000	-
HRA HMP Revenue	2,400,000	2,400,000	200,000	200,000	-	0.0%	2,400,000	-
PIHP Allocation	(5,000,000)	(5,000,000)	(416,667)	(416,667)	0	0.0%	(5,000,000)	-
<b>Medicaid Revenue Total</b>	<b>179,778,844</b>	<b>176,342,036</b>	<b>14,695,170</b>	<b>15,337,200</b>	<b>(642,030)</b>	<b>4.4%</b>	<b>179,778,844</b>	<b>3,436,808</b>
<b>Medicaid Expenditures</b>								
IPA MCAID	1,435,656	1,435,656	119,638	119,368	(270)	-0.2%	1,435,656	-
IPA HMP	363,771	363,771	30,314	30,314	(0)	0.0%	363,771	-
HRA MC	2,400,000	2,400,000	200,000	200,000	-	0.0%	2,400,000	-
HRA HMP	2,400,000	2,400,000	200,000	200,000	-	0.0%	2,400,000	-
<b>Lenawee CMH</b>								
Medicaid (b) & 1115i	13,021,996	13,021,996	1,085,166	1,085,166	0	0.0%	13,021,996	-
Medicaid Waivers	5,263,221	5,263,221	438,602	418,381	(20,220)	-4.6%	5,263,221	-
Healthy Michigan Expense	1,736,392	1,736,392	144,699	144,699	0	0.0%	1,736,392	-
Autism Medicaid	1,308,863	1,308,863	109,072	109,072	(0)	0.0%	1,308,863	-
CARES Act DCW	471,057		-		-		471,057	471,057
<b>Lenawee CMH Total</b>	<b>21,801,529</b>	<b>21,330,472</b>	<b>1,777,539</b>	<b>1,757,319</b>	<b>(20,220)</b>	<b>-1.1%</b>	<b>21,801,529</b>	<b>471,057</b>
<b>Livingston CMH</b>								
Medicaid (b) & 1115i	17,516,241	17,516,241	1,459,687	1,459,687	-	0.0%	17,516,241	-
Medicaid Waivers	7,907,882	7,907,882	658,990	633,492	(25,498)	-3.9%	7,907,882	-
Healthy Michigan Expense	2,341,762	2,341,762	195,147	195,147	0	0.0%	2,341,762	-
Autism Medicaid	4,957,208	4,957,208	413,101	413,101	(0)	0.0%	4,957,208	-
CARES Act DCW	541,442		-		-		541,442	541,442
<b>Livingston CMH Total</b>	<b>33,264,535</b>	<b>32,723,093</b>	<b>2,726,924</b>	<b>2,701,427</b>	<b>(25,498)</b>	<b>-0.9%</b>	<b>33,264,535</b>	<b>541,442</b>
<b>Monroe CMH</b>								
Medicaid (b) & 1115i	19,562,477	19,562,477	1,630,206	1,630,206	(0)	0.0%	19,562,477	-
Medicaid Waivers	7,930,401	7,930,401	660,867	666,093	5,226	0.8%	7,930,401	-
Healthy Michigan	2,622,026	2,622,026	218,502	218,502	(0)	0.0%	2,622,026	-
Autism Medicaid	2,570,743	2,570,743	214,229	214,229	0	0.0%	2,570,743	-
CARES Act DCW	745,182		-		-		745,182	745,182
<b>Monroe CMH Total</b>	<b>33,430,829</b>	<b>32,685,647</b>	<b>2,723,804</b>	<b>2,729,030</b>	<b>5,226</b>	<b>0.2%</b>	<b>33,430,829</b>	<b>745,182</b>
<b>Washtenaw CMH</b>								
Medicaid (b) & 1115i	42,789,402	42,789,402	3,565,784	3,565,783	(0)	0.0%	42,789,402	-
Medicaid Waivers	25,803,740	25,803,740	2,150,312	2,151,499	1,188	0.1%	25,803,740	-
Healthy Michigan Expense	5,755,998	5,755,998	479,667	479,667	-	0.0%	5,755,998	-
Autism Medicaid	4,657,841	4,657,841	388,153	388,153	(0)	0.0%	4,657,841	-
CARES Act DCW	1,679,127		-		-		1,679,127	1,679,127
<b>Washtenaw CMH Total</b>	<b>80,686,108</b>	<b>79,006,981</b>	<b>6,583,915</b>	<b>6,585,103</b>	<b>1,187</b>	<b>0.0%</b>	<b>80,686,108</b>	<b>-</b>
<b>Medicaid Expenditures Total</b>	<b>175,782,428</b>	<b>172,345,620</b>	<b>14,362,135</b>	<b>14,322,560</b>	<b>(39,575)</b>	<b>-0.3%</b>	<b>175,782,428</b>	<b>3,436,808</b>
<b>Medicaid Total</b>	<b>3,996,416</b>	<b>3,996,416</b>	<b>333,035</b>	<b>1,014,640</b>	<b>681,605</b>		<b>3,996,416</b>	<b>0</b>



Community Mental Health Partnership of Southeast Michigan  
Preliminary Statement of Revenues and Expenditures  
For the Period Ending October 31, 2020

	Proposed Budget-R1	Original Budget	YTD Budget	YTD Actual	Actual O(U) Budget	Percent Variance	Projected Year-End	Projected O(U) Budget
<b>SUD/Grants</b>								
<b>SUD/Grants REVENUE</b>								
Healthy Michigan Plan SUD	6,576,809	6,576,809	548,067	677,431	129,364	23.6%	6,576,809	-
Medicaid SUD	3,114,807	3,114,807	259,567	269,754	10,187	3.9%	3,114,807	-
Community Block Grant	3,104,284	5,166,186	430,516	106,231	(324,285)	-75.3%	3,104,284	(2,061,902)
PA2 - Tax Revenue	1,897,721	1,847,000	153,917		(153,917)	-100.0%	1,897,721	50,721
PA2 - Use of Reserve	2,297,687	1,000,000	83,333		(83,333)	-100.0%	2,297,687	1,297,687
State Grants	3,149,699	3,000,224	250,019	57,174	(192,845)	-77.1%	3,149,699	149,475
<b>SUD/Grants REVENUE Total</b>	<b>20,141,007</b>	<b>20,705,026</b>	<b>1,725,419</b>	<b>1,110,590</b>	<b>(614,829)</b>	<b>-35.6%</b>	<b>20,141,007</b>	<b>(564,019)</b>
<b>SUD/Grants EXPENDITURES</b>								
<b>All SUD Administration</b>								
Salaries & Fringes	1,219,036	1,219,036	101,586	72,720	(28,866)	-28.4%	1,219,036	-
Contracts	338,248	338,248	28,187	23,678	(4,509)	-16.0%	338,248	-
Board Expense	225	225	19		(19)	-100.0%	225	-
Other Expenses	130,169	130,169	10,847	6,417	(4,431)	-40.8%	130,169	-
Indirect Cost Recovery			-		0		-	-
<b>All SUD Administration Total</b>	<b>1,687,678</b>	<b>1,687,678</b>	<b>140,640</b>	<b>102,816</b>	<b>(37,824)</b>	<b>-26.9%</b>	<b>1,687,678</b>	<b>0</b>
<b>Lenawee County SUD Services</b>	<b>2,302,979</b>	<b>3,142,032</b>	<b>261,836</b>	<b>136,579</b>	<b>(125,257)</b>	<b>-47.8%</b>	<b>2,302,979</b>	<b>(839,053)</b>
<b>Livingston County SUD Services</b>	<b>2,015,739</b>	<b>2,425,049</b>	<b>202,087</b>	<b>140,089</b>	<b>(61,998)</b>	<b>-30.7%</b>	<b>2,015,739</b>	<b>(409,310)</b>
<b>Monroe County SUD Services</b>	<b>2,429,023</b>	<b>3,311,724</b>	<b>275,977</b>	<b>196,413</b>	<b>(79,564)</b>	<b>-28.8%</b>	<b>2,429,023</b>	<b>(882,701)</b>
<b>Washtenaw County SUD Services</b>	<b>5,815,042</b>	<b>8,080,281</b>	<b>673,357</b>	<b>417,088</b>	<b>(256,269)</b>	<b>-38.1%</b>	<b>5,815,042</b>	<b>(2,265,239)</b>
<b>Veteran Navigation</b>	<b>100,000</b>	<b>100,000</b>	<b>8,333</b>	<b>6,091</b>	<b>(2,242)</b>	<b>-26.9%</b>	<b>100,000</b>	<b>-</b>
<b>SOR NCE</b>	<b>1,289,473</b>	<b>1,135,473</b>	<b>94,623</b>	<b>17,157</b>	<b>(77,465)</b>	<b>-81.9%</b>	<b>1,289,473</b>	<b>154,000</b>
<b>SOR II</b>	<b>1,372,924</b>	<b>1,373,449</b>	<b>114,454</b>	<b>18,704</b>	<b>(95,750)</b>	<b>-83.7%</b>	<b>1,372,924</b>	<b>(525)</b>
<b>Gambling Prevention Grant</b>	<b>200,000</b>	<b>200,000</b>	<b>16,667</b>	<b>294</b>	<b>(16,373)</b>	<b>-98.2%</b>	<b>200,000</b>	<b>-</b>
<b>Tobacco</b>	<b>4,000</b>	<b>4,000</b>	<b>333</b>		<b>(333)</b>	<b>-100.0%</b>	<b>4,000</b>	<b>-</b>
<b>Women's Specialty Services</b>	<b>688,669</b>	<b>473,000</b>	<b>39,417</b>	<b>8,713</b>	<b>(30,704)</b>	<b>-77.9%</b>	<b>688,669</b>	<b>215,669</b>
<b>SUD/Grants Total Expenditures</b>	<b>17,905,527</b>	<b>21,932,686</b>	<b>1,827,724</b>	<b>1,043,943</b>	<b>(783,780)</b>	<b>-42.9%</b>	<b>17,905,527</b>	<b>(4,027,159)</b>
<b>SUD/Grants Total</b>	<b>2,235,480</b>	<b>(1,227,660)</b>	<b>(102,305)</b>	<b>66,646</b>	<b>168,951</b>		<b>2,235,480</b>	<b>0</b>
<b>PIHP</b>								
<b>PIHP REVENUE</b>								
Performance Based Incentive	1,673,565	1,793,565	149,464	149,464	0	0.0%	1,673,565	(120,000)
Local Match	1,259,140	1,007,312	83,943	83,943	0	0.0%	1,259,140	251,828
Other Income	210,695	225,114	18,760	9,866	(8,894)	-47.4%	210,695	(14,419)
PIHP Allocation	5,000,000	5,000,000	416,667	416,667	0	0.0%	5,000,000	-
<b>PIHP Revenue Total</b>	<b>8,143,400</b>	<b>8,025,991</b>	<b>668,833</b>	<b>659,940</b>	<b>(8,893)</b>	<b>-1.3%</b>	<b>8,143,400</b>	<b>-</b>
<b>PIHP Expenses</b>								
<b>PIHP Admin</b>								
Local Match	1,259,140	1,007,312	83,943	83,943	0	0.0%	1,259,140	251,828
Salaries & Fringes	937,508	937,508	78,126	77,190	(936)	-1.2%	937,508	-
Contracts	424,845	424,845	35,404	27,999	(7,404)	-20.9%	424,845	-
Other Expenses	278,523	271,952	22,663	16,779	(5,883)	-26.0%	278,523	6,571
ISF Transfer/Repay	5,000,000	5,000,000	416,667	416,667	0	0.0%	5,000,000	-
<b>PIHP Admin Total</b>	<b>7,900,016</b>	<b>7,641,617</b>	<b>636,801</b>	<b>622,578</b>	<b>(14,223)</b>	<b>-2.2%</b>	<b>7,900,016</b>	<b>-</b>
Board Expense	20,500	2,050	171		(171)	-100.0%	20,500	18,450
<b>PIHP Expenses Total</b>	<b>7,920,516</b>	<b>7,643,667</b>	<b>636,972</b>	<b>622,578</b>	<b>(14,394)</b>	<b>-2.3%</b>	<b>7,920,516</b>	<b>-</b>
<b>PIHP Total</b>	<b>222,884</b>	<b>382,324</b>	<b>31,860</b>	<b>37,362</b>	<b>5,501</b>		<b>222,884</b>	<b>-</b>
<b>Organization Total</b>	<b>6,454,780</b>	<b>3,151,080</b>	<b>262,590</b>	<b>1,118,648</b>	<b>856,058</b>		<b>6,454,780</b>	<b>-</b>



## Regional Board Action Request – Budget Revision #1

Board Meeting Date: December 9, 2020

Action Requested: Approve the Budget Revision as attached.

Background: The CMHPSM has received additional information which necessitates a budget revision for FY2021. The continuation of provider premium pay for October 1 – December 31, 2020 and significant statewide decreases to the SUD Community Block Grant funding are the most significant changes.

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

Our contract, regional strategic plan and shared governance model require a balanced budget to be utilized in conjunction with our Financial Stability and Risk Management Board governance policy.

Recommend: Approval



Regional Board Action Request – Contracts

Board Meeting Date: December 9, 2020

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

Organization - Background	Term	Funding Level	Funding Source	Agreement Type
<b>Therapeutics</b> – New funding for jail-based medication assisted treatment (MAT) for opioid use disorder services, in collaboration with Washtenaw County Jail.	12/1/20 – 9/30/20	Amount not to exceed: \$114,000.00	State Opioid Response (SOR) II	Contract

CMHPSM Staff Recommendation: Approval



## Regional Board Action Request – Board Governance Policy

Board Meeting Date: December 9, 2020

Action Requested: Approve the attached Regional Board Conflict of Interest Governance Policy.

Background: The CMHPSM has had a CMHPSM Operational Conflict of Interest policy, this policy should be a Board of Governance Policy approved by the Board and applying to Board of Directors, OPB members and applicable staff persons. The Operational Policy will be rescinded and has been attached for reference.

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

PIHP/MDHHS Contract Requirement related to federal requirements.

Recommend: Approval

<b>Community Mental Health Partnership of Southeast Michigan</b>		<b><i>Policy:</i></b> <b><i>Conflict of Interest</i></b>
CMHPSM Board Governance		Department: Compliance Author: Victor Absil, Compliance Officer
Original Board Approval Date 12/09/20	Date of Board Approval 12/09/20	Date of Implementation 12/09/20

## 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
12/02/20	N/A	This Board Governance policy replaces a CMHPSM Operational Policy last approved on 9/13/2017.

## 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 OS 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)
- 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.

### **Affirmation of Conflict of Interest Policy**

By my signature below, I agree that I:

Have received a copy of the CMHPSM's Conflict of Interest Policy;

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

Understand that I am a Covered Person under the 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.

### **Disclosure of Financial Interests**

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.

#### **Disclosure #1**

Name and Contact Information for Individual with Financial Interest:

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

Description of Financial Interest:

#### **Disclosure #2**

Name and Contact Information for Individual with Financial Interest:

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

Description of Financial Interest:

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Disclosure #3

Name and Contact Information for Individual with Financial Interest:

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Individual's Relationship to You: ☐ Self

☐ Other, specify: \_\_\_\_\_

Description of Financial Interest:

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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)

<b>Community Mental Health Partnership of Southeast Michigan</b>		<b><i>Policy: Conflict of Interest</i></b>	
PIHP Operations			
	Date of Approval 9/13/17	Date of Implementation 9/13/17	

**I. PURPOSE**

This policy is to provide an effective oversight process to protect the interests of Community Mental Health Partnership of Southeast Michigan (CMHPSM) and its partnering Community Mental Health Services Programs (CMHSP) when considering a transaction, arrangement, proceeding or other matter that might benefit the private interest of an individual or another entity. This policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interests in governmental entities or charitable, tax exempt, nonprofit organizations.

**II. REVISION HISTORY**

Revision Date	Modification	Implementation Date

**III. POLICY**

As required by Title 2 of the Code of Federal Regulations (CFR) section 200.112, CMHPSM has established the following policy governing disclosure of actual and potential conflicts of interest by applicants for, and recipients of, federal financial awards from CMHPSM. This policy is intended to prevent personal and organizational conflict of interests in the award and administration of CMHPSM funds. It shall be the policy of CMHPSM to provide a means to identify and report to CMHPSM's Board of Directors and Oversight Policy Board any direct or indirect financial interest and any actual or potential conflict of interest.

**IV. APPLICATION**

All staff.

**V. 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.



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.

## **VI. STANDARDS**

In accordance with 2 C.F.R. §200.18(c)(1), CMHPSM shall maintain the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts:

- A. 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 conflict of interest exists 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 contract.
- B. The officers, employees, and agents of CMHPSM or the CMHSPs may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

## **VII. EXHIBITS**

None

## **VIII. REFERENCES**

- ) 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

**FY2021 RISK MANAGEMENT STRATEGY  
COMMUNITY MENTAL HEALTH PARTNERSHIP OF SOUTHEAST MICHIGAN**

**1. FY2020 Year End Information (Consistent with the FY2020 Interim Financial Reports which were submitted to MDHHS):**

Expected balance of the Medicaid ISF:	\$ 500,000
Pay down prior year Medicaid Cost Settlements:	(\$ 4,952,482)
Projected Medicaid savings:	\$ 0
Expected balance of the Healthy Michigan ISF:	\$ 500,000
Pay down prior year Healthy Michigan Cost Settlements:	(\$ 687,110)
Projected Healthy Michigan savings:	\$ 0
<b>Expected CMHPSM Fund Balance:</b>	<b>\$ 1,000,000</b>

**2. A report of FY2021 projected Medicaid and Healthy Michigan capitation pre-payments and waiver expenditures for Medicaid beneficiaries for each CMHSP and the PIHP in total:**

<b><u>Budgeted/Projected Medicaid Revenue</u></b>	
FY2021 Capitation Revenue Including HSW and Autism	\$152,237,311
FY2020 Medicaid Savings	\$ 0
Total Medicaid Funding Available for FY2021	\$152,237,311
<b><u>Budgeted/Projected Medicaid Expenditures</u></b>	
Lenawee CMHA	\$ 18,678,135
CMH of Livingston	\$ 28,079,067
Monroe County CMHA	\$ 28,667,007
Washtenaw County Community Mental Health	\$ 69,922,435
SUD Medicaid	\$ 2,572,636
Total Payments for Medicaid Services	\$147,919,280
<b>Total CMHPSM Medicaid Revenue</b>	<b>\$152,237,311</b>
<b><u>Budgeted/Projected Healthy Michigan Revenue</u></b>	
FY2021 Capitation Revenue	\$ 18,014,434
FY2020 Medicaid Savings	\$ 0
Total Medicaid Funding Available for FY2021	\$ 18,014,434
<b><u>Budgeted/Projected Healthy Michigan Expenditures</u></b>	
Lenawee CMHA	\$ 1,739,957
CMH of Livingston	\$ 2,346,571
Monroe County CMHA	\$ 2,627,410
Washtenaw County Community Mental Health	\$ 5,767,820
SUD HMP	\$ 4,693,454
Total Payments for HMP Services	\$ 17,175,212
<b>Total CMHPSM Healthy Michigan Revenue</b>	<b>\$ 18,014,434</b>

The CMHPSM has budgeted to use only available current year Medicaid funding during FY2021.

- The CMHPSM is currently projecting that Medicaid revenue, including Autism and HSW funding will exceed Medicaid expenditures for FY2021.
- Any surplus Medicaid funds that may remain at the end of FY2021 are expected to be below the level that would require the lapsing of funds back to MDHHS. The CMHPSM is projected to have a Medicaid surplus in FY2021. Any surplus would be used to fund the CMHPSM ISF based on the amount of Medicaid revenue received during FY2021, enrollment changes and the potential risk in FY2021 and beyond as determined by an actuarial analysis. Surplus funds remaining after the consideration of adjustments to the ISF would be applied to Medicaid savings up to 7.5% of the FY2021 capitation revenue. The use of surplus funding for both ISF contributions and/or Medicaid Savings carry-forward would be in accordance with the PIHP contract.

The CMHPSM has budgeted to use all available and anticipated current year Healthy Michigan Plan funding during FY2021.

- The CMHPSM has budgeted to use only available current year Healthy Michigan Plan revenue, this funding is projected to exceed Healthy Michigan expenditures for FY2021.
- Any surplus Healthy Michigan funds that may remain at the end of FY2021 are expected to be below the level that would require the lapsing of funds back to MDHHS. The CMHPSM is currently projected to have some Healthy Michigan surplus in FY2021. Any surplus would, if necessary, be used to increase the CMHPSM ISF based on the amount of Healthy Michigan revenue received during FY2021, enrollment changes and the potential risk in FY2021 and beyond as determined by an actuarial analysis. Surplus funds remaining after the consideration of adjustments to the ISF would be applied to Healthy Michigan savings up to 7.5% of the FY2021 capitation revenue. The use of surplus funding for both ISF contributions and/or Healthy Michigan Savings carry-forward would be in accordance with the PIHP contract.

The CMHSPs within the CMHPSM region have undertaken internal cost containment strategies wherever possible during the past four fiscal years. The CMHPSM investment within the provider network through service rate increases has increased expenditures on medically necessary mental health services. Contracted service providers have struggled to maintain staffing levels as required by the needs of our served population and these rate increases were/are intended to allow providers to stay in business and staff our service sites. The COVID-19 pandemic has worsened the staffing concerns within our region, we greatly appreciate the efforts of MDHHS in relation to staff recruitment and retention through the provider premium pay passed through during the Q3/Q4 in FY2020 and the Q1 of FY2021. The CMHPSM will continue to assess both revenue and expenses on an ongoing basis throughout FY2021 to continue the positive gains made in FY2020.

### **3. Report on PIHP/CMHSP Risk Management Relationships**

The Community Mental Health Partnership of Southeast Michigan (CMHPSM) has a three-pronged strategy: an actuarially sound allocation of funding to each of the four counties included in this partnership; an electronic claims verification system with regular monitoring; and the maintenance of sufficient Internal Service Fund levels when possible.

## **ALLOCATION OF MENTAL HEALTH FUNDING**

Historically, the CMHPSM had been issuing Medicaid payments to the Community Mental Health Service Programs (CMHSPs) within the region based on prior years' costs. During FY2012, the CMHPSM contracted with Milliman, a Wisconsin based actuarial consultant knowledgeable about CMHSP operations, to analyze our client and cost data to provide a funding allocation model that uses risk weights developed from a regression model built from demographic, diagnosis, service experience, and the associated service funding, and cost data. The model was re-based by Milliman under a contract with the CMHPSM during FY2014. The re-basing by Milliman utilized updated service encounter experience data from the region to further refine risk weights associated with the funding allocation model.

For the past eight fiscal years, the monthly risk report has looked at actual service provision by each CMHSP and calculated actuarially based payments for each of those consumers. These risk reports have been used to guide the allocation of Medicaid revenue based on needs of specific recipients within each county using a risk score assignment approach. The methodology essentially scores each recipient based on their demographic and diagnostic characteristics and model will issue payments to the CMHSPs based on those served rather than a capitation based on Medicaid eligible individuals.

The risk-based model is utilized in conjunction with historical expense allocations and projected expenses developed at each CMHSP to ensure all medically necessary service costs are covered for required eligible individuals at each of the CMHSPs. This funding model has been key to allocating revenue within the CMHPSM region in a fair and equitable manner between the CMHSPs. Our region has continued to utilize current encounter data to set service budget allocations, while updating the model with a separate autism allocation based upon service utilization.

## **ELECTRONIC CLAIMS VERIFICATION & MONITORING**

The electronic record is a comprehensive system that includes the Individual Plan of Service (IPOS), authorization of services in accordance with the IPOS, Staff Activity Logs for directly provided services, and Claims verification for those services provided by contracted agencies. When a HIPAA-compliant claim is submitted, the system verifies that the service was authorized, checks the insurance coverage (i.e., if the consumer is a Medicaid enrollee, is enrolled in the Healthy Michigan, Child Waiver, or is a General Fund consumer) and identifies the CPT code and Business Unit (cost reporting unit) where the cost is to be recorded. If the service does not meet a number of verification processes (i.e. was not authorized, is above the approved fee schedule, is outside the authorized amount, scope or duration, etc.) the system issues a denial for payment. An individual consumer's Medicaid eligibility is updated weekly from the State's database. If Medicaid was approved retroactively, another file indicates which fund was initially charged so that it is then credited and the appropriate Medicaid fund is debited. This file is run monthly so that our financial system is updated with the most recent eligibility information and financial reports can accurately reflect the costs. For directly-provided services, a report is run that indicates the services by funding source so that staff costs, fixed costs, and administrative costs can be allocated to the appropriate funding source. This extensive data allows for the creation of numerous reports to assist in the analysis of utilization, consumers served, penetration rates, changes in eligibility, and changes in the demographic and/or diagnostic mix of consumers served.

## **ASSURANCE OF FINANCIAL RISK PROTECTION-INTERNAL SERVICE FUNDS**

The CMHPSM had established a Medicaid Internal Services Fund (ISF) for purposes of risk protection. As of FY2020 year end the CMHPSM will begin Medicaid Internal Services Funds for the first time since FY2018, however the region's financial stability and risk reserve management board governance policy will continue to be utilized for FY2021 risk protection. In accordance with the MDHHS/PIHP contract, the ISF may be funded up to 7.5% of Medicaid revenues for the close of FY2020. The Medicaid ISF is a separate interest-bearing account and is not co-mingled with any other funding. Any surplus ISF funding remaining after the close out of FY2020, will be maintained in the ISF account.

In summary, the CMHPSM region will attempt to manage FY2021 expenses much like FY2020, by budgeting within the projected revenue to be received during FY2021, as we will have minimal internal service available. The CMHPSM and its partner CMHSPs have made every attempt to manage expenditures within available revenue and during FY2020 and our region currently projects a surplus of \$6.5 million within the FY2020 interim FSR. It continues to be the intent of the region to work with MDHHS to obtain enough funding to provide all medically necessary services for those Medicaid entitled beneficiaries and to rebuild the ISF. The CMHPSM projects that the FY2021 rates and CMHPSM assigned entity specific factors more closely aligns revenue with our service expenditures in comparison to the previous iteration of rates and geographic factors from FY2017 through FY2020. The FY2020 rate changes and partial implementation of the new entity factors increased our region's revenue projection over FY2018 and 2019 levels. The fuller implementation of the geographic factors within the FY2021 rates, makes those rates more favorable than FY2020 and much more favorable than FY2017-19 rate sets.

The CMHPSM region has budgeted a minimal contribution to the Medicaid Internal Services Fund for FY2021 to begin re-building the ISF based upon revenue projections for FY2021. It is expected that this process will take several years and is reliant on FY2021 revenue meeting current projections.



# **CEO Report**

## **Community Mental Health Partnership of Southeast Michigan**

**Submitted to the CMHPSM Board of Directors**  
**December 2, 2020 for the December 9, 2020 Meeting**

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#### *CMHPSM Update*

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- J November CMHPSM all staff meetings were held remotely on November 9, 2020 and then November 23, 2020. The CMHPSM leadership team is continuing to meet on a weekly basis while we are working remotely. Our December all-staff meeting is scheduled for December 14, 2020, our December 28, 2020 meeting has been cancelled due to the Holidays.
- J Staff have begun to create and submit processes and procedures documentation for the critical and important functions that keep our organization running and the region in compliance with various requirements. All processes and procedures are submitted by staff to the leadership team for review, that review includes an assessment of where the work impacts other departments. After approval from the leadership team, the processes are published on our shared drive and discussed at our all staff meetings.
- J CMHPSM reorganization work has restarted with leadership staff reviewing the strategic plan, work plan templates, key functions retained by the CMHPSM and those functions delegated to the CMHSPs.
- J The employee engagement committee has begun a staff channel on our Teams platform. Staff are able to engage with each other in water cooler type discussions remotely.
- J Staff are also participating in something new this year, we have adopted two families for the holidays. Staff have volunteered their personal time and funds to make the holidays brighter for a family in Lenawee and another family in Monroe. Donations for gifts have been collected and they will be delivered in early December.
- J The organization received our annual gift basket of Godiva chocolate boxes which we typically put out for staff to snack on during December. This year we decided to donate two of those boxes to our adopted families and raffled off the five remaining boxes to staff that entered into the raffle.

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#### *COVID-19 Update*

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- J 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 and We have returned to the essential only capacity red phase of our re-opening plan, after having advanced to the orange phase. The most recent version re-opening plan is continually shared with staff as it is updated.
- J 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 November 16, 2020

Phase:	<b>Essential Only Capacity</b>	<b>Limited Capacity</b>	<b>Reduced Capacity</b>	<b>Full Capacity</b>
Phase:	<b>Office Closed</b>	<b>Limited Office Attendance and Office Closed to Public</b>	<b>50% Capacity – 75% Capacity and Office Closed to Public</b>	<b>100% Capacity – Office Open to Public</b>
Projected Date Range for Phase:	Revised: 11/18/2020 – 12/11/2020 (Projected)	Revised: 12/14/2020 (Projected) – 1/3/2021 (Projected)	1/4/2021 – 1/31/2021 (Projected)	2/1/2021 (Projected)
Current Phase:	<b>X</b>			

- ) Due to COVID-19 we will not be holding a holiday gathering for staff this year.
- ) The region received a PPE shipment on Wednesday December 2, 2020 from MDHHS which included a number of additional supplies. The CMHPSM thanks Livingston CMH for accepting the deliveries on behalf of the region. The partner CMHSPs are able to access these supplies through Livingston. The CMHPSM continues to monitor our internal emergency supply for SUD providers.

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#### *CMHPSM Staffing Update*

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- ) The CMHPSM has two open positions:
  - o The Substance Use Services Program Coordinator position has been filled.
  - o A Supports Intensity Scale Assessor position is not being actively recruited for at this time.
- ) Anyone interested in obtaining additional information about open CMHPSM positions should visit our website: <https://www.cmhpsm.org/interested-in-employment>

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#### *Regional Update*

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- ) 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>



- J Individuals receiving Behavioral Health and/or Substance Use Disorder services Consumers can access targeted information at the following webpage: <https://www.cmhpsm.org/covid19consumers>
- J 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](mailto:donation@cmhpsm.org) or at our direct number: 734-344-6079.
- J The Regional Operations Committee continues to meet on at least weekly basis. The remote meetings are allowing our region to share best practices while obtaining a regional picture of our COVID-19 pandemic response.

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*Statewide Update*

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- J The CMHPSM has submitted our regional provider network stabilization status update on November 30, 2020. 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).
- J The PIHP has been represented at weekly meetings with BHDDA related to COVID-19 pandemic responses that began in mid-March. 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 slowed in frequency but overall communication with the BHDDA has remained consistent and effective.
- J PIHP CEO meetings are continuing on a monthly basis remotely.
- J Our region is continuing to advocate that MDHHS continue the premium pay through the second quarter of FY2021. Initial discussions have begun at the Regional Operations Committee related to a regional strategy for provider premium continuation.
- J The PIHP CEO / MDHHS operations meeting occurred on November 5, 2020 with BHDDA staff, our December meeting is scheduled for December 10, 2020. 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.

Respectfully Submitted,



James Colaianne, MPA



# STRATEGIC METRICS REVIEW #10 & #11

12/9/2020

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## ■ Strategic Plan Goal #10

- Assess CMHPSM internal human resources and related activities in conjunction with current and future potential PIHP functions.

## ■ Strategic Plan Goal #11

- Implement employee engagement committee recommendations related to CMHPSM employee morale.



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- Contract expansion from beginning of FY2014 to current has added requirements, responsibilities and functions
    - All new FTEs at the CMHPSM have been grant-funded non administrative positions
  - Re-organization Activities
    - Assessment of delegated versus retained functions
      - Analysis of work best situated centrally versus regionally
      - Work with Regional Operations Committee to assess capability for new or enhanced functions
    - Workplans requirements for all employees
      - Concerted effort to review workplans as an organization
    - Re-determine internal capacity for all current requirements, responsibilities and functions



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## ■ Employee Engagement Survey

- Employee Engagement Survey created and ready for distribution, survey period open from December 14, 2020 – January 8, 2021.
- First employee engagement survey occurred June 2019, with 18 out of 23 employees responding.
- Recommendation from human resources vendor to issue survey every 18 months. Detailed results will be delivered to the full CMHPSM Board, with baseline data from the initial survey provided as well.
- Average scores for all questions will be discussed within the organization as well with leadership, all-staff and the employee engagement committee.

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## ■ Employee Engagement Committee

- Members: Michelle Sucharski (Lead), Jason Newberry, Jessica Sahutoglu, Alyssa Tumolo, Stephannie Weary and Lynda Wood.
- Focused on results from Initial 2019 Employee Engagement Survey
- Employee Engagement Action Plan
- Teams Recharge Channel
- Team Building Activities
- All staff meetings with all staff check-ins.

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## ■ CEO Updates / Information Sharing

- Frequent All-Staff Meetings
- Consistent Leadership Meetings
  - Increased frequency of both All-Staff and Leadership Meetings during COVID-19 office closure
- Use of Teams as CEO Update Platform
- Employee Handbook Revisions
  - Annual Board Review

## GOAL #10 & #11 FY21 METRICS

- Conduct Salary Study by March/April 2021
- Provide Total Employee Compensation Reports every January starting with January 2021
- Re-survey for employee engagement every 18 months, results by February 2021
- Develop process for employee development requests
- Continue CEO Communication Updates
- Update Employee Handbook based upon feedback





## STRATEGIC PLAN METRICS REPORTING DEADLINES

- 3/31/2021 - April 2021 Board Meeting
- 9/30/2021 - October 2021 Board Meeting
- 3/31/2022 - April 2022 Board Meeting
- 9/30/2022 - October 2022 Board Meeting
- 3/31/2023 - April 2023 Board Meeting
- 9/30/2023 - October 2023 Board Meeting

